

2023

Annual Report



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CHAIRMAN & CEO'S REPORT

Dear Members,

We are pleased to present to you Fortera Credit Union's Annual Report for the year 2023. As we reflect on the past year, it is with great pride that we share the advancements made in serving your financial needs and fostering the strength of our community.

Guided by a commitment to our members' financial well-being and the core values upon which we serve, your Credit Union achieved strong growth in 2023 despite a challenging economic environment. As we maintain sound stewardship of your Credit Union's fiscal performance, we believe that your success is our success and measure our true performance by the goals we help you achieve.

Throughout the year, we continued to innovate and provide intuitive tools that empower you to manage your finances with ease. Our digital offerings enhance the accessibility of financial services while ensuring the highest standards of security and privacy. In the fourth quarter, we introduced CreditUp, an accessible digital credit counseling toolkit that offers existing and potential members a personalized path to build their credit score and obtain loan approval.

Providing convenient access also includes ensuring our branch footprint delivers quality products and services right where you need them. To best serve members in Hopkinsville, Kentucky, we reopened the Griffin Bell branch in June of 2023 with a refreshed lobby interior.

Fortera's dedication to financial education is paramount to our mission. Through workshops and personalized consultations, we empowered our members, team members and community with the knowledge and resources needed to make informed financial decisions, build wealth and thrive. This year, Fortera was proud to expand our partnership with Austin Peay State University Athletics to conduct



budgeting workshops for student-athletes. We also forged a partnership with Clarksville Academy to offer financial literacy education in high school classrooms and support student educational achievement.

At the heart of the Fortera experience is our dedicated team. As our most cherished asset, Fortera places a high priority on the satisfaction and well-being of our employees. We strive to provide an outstanding employee experience and were honored to receive the Great Place To Work® Certification in 2023. This certification reflects our employees' perception of Fortera's culture and an independently conducted analysis by the global authority on workplace culture. When surveyed, 90% of Fortera employees rated Fortera as a Great Place to Work, compared to 57% of employees at the average U.S. company. Also, as a measure of overall job satisfaction, our employee NPS scores and retention rate soared in 2023.

Passionately advocating to improve lives, Fortera extends our service to local organizations and initiatives that drive positive social change. Through philanthropic contributions, volunteerism and partnerships with community stakeholders, our "We Serve" core value is a hallmark of Fortera's culture. In December of 2023, Clarksville experienced a devastating tornado. Standing united with our community to rebuild and heal, Fortera initiated a tornado relief fund, donated supplies and volunteered to support the needs of community members and our own Fortera family members.

As we look ahead to the future, we remain steadfast in our commitment to serving our valued members with integrity, empathy and expertise. We are confident that by staying true to our core values and embracing innovation, we will continue to thrive and make a lasting impact on the communities we serve. On behalf of the entire team at Fortera Credit Union,

we extend our tremendous gratitude for your continued trust and support. We are honored to be your financial partner and look forward to helping you achieve your goals and dreams in the years to come.

Sincerely,

Rick Hackwell

Jennifer Ventimiglia

FORTERA CREDIT UNION SUPERVISORY COMMITTEE 2023 ANNUAL REPORT

Fellow Fortera Members:

I am Mark Boone, Chair of Fortera's Supervisory Committee. The Committee consists of member volunteers whose duty is to routinely review operations for compliance with government regulation, Board of Directors' policy, and management-established procedure, as well as the application of sound accounting principles and internal controls designed to protect and serve the membership. Because we are volunteers possessing varying degrees of experience and knowledge related to financial and accounting practices, we rely on two primary methods to fulfill this obligation.

First, we employ and supervise an internal audit staff whose job is to conduct ongoing reviews and report to the Board of Directors and Management, through the Committee, the results of audits conducted throughout the year. The Committee routinely meets with the Internal Auditor to discuss his department's findings and related recommendations as documented in the monthly Board of Directors' report. I can report that none of the reviews conducted during 2023 reported any material issues or substantial control weaknesses.

As an added measure, the Committee engages a Certified Public Accounting firm to conduct an independent, annual external audit of the Credit Union's financial statements and accompanying accounting practices. In March 2024, Nearman, Maynard, and Vallez, CPAs, completed an engagement utilizing generally accepted auditing standards. It was their stated and documented opinion that Fortera's financial statements fairly represent the results of operations for the year ending December 31, 2023, as there were no substantial or material findings communicated to the Supervisory Committee, Management, or Board of

Directors. This means members can be assured that the excellent financial results achieved during 2023 were indeed earned and fairly reported.

Last summer, examiners from the National Credit Union Administration (NCUA), the federal agency responsible for credit union oversight, conducted their periodic compulsory regulatory examination. The Supervisory Committee is pleased to report it yielded no derogatory findings to suggest that Fortera Credit Union poses any extraordinary risk to the National Credit Union Share Insurance Fund (or NCUSIF, the fund insuring member deposits). This further confirms that the Board of Directors and Management continue to diligently fulfill their obligation in providing a safe, stable environment committed to protecting our members' financial well-being.

In conclusion, I want to thank fellow Committee members, Mr. Larry Carter, Mr. Bubba McIntosh, and Ms. Sandra Stevenson, for their service this past year. We, the Committee, recognize the commitment of our Board of Directors, Executive Management, and exceptional staff and are most appreciative of their combined effort to providing dependable, quality service. Finally, to our members, with so many alternatives available, we are sincerely grateful for your faith and loyalty; we continue to offer assurance that Fortera remains devoted to serving your financial needs, in the present and beyond.

Respectfully,

Mark E. Boone
Chair, Supervisory Committee
Fortera Credit Union

CELEBRATING EXCELLENCE



Great Place To Work®

Our team members have spoken. **Fortera is a Great Place To Work®!** Receiving this certification in 2023 reflects Fortera's commitment to providing our employees with an outstanding workplace environment. Great Place To Work® is the global authority on workplace culture, employee experience, and the leadership behaviors proven to deliver market-leading revenue, employee retention and increased innovation.



Awards and Recognitions

We were honored to once again be recognized as one of the best financial institutions by the communities we serve. These awards are not just a recognition of our accomplishments but also a celebration of the relationships and connections that we have built with you, our members.

In 2023, Fortera was named **Best Credit Union** at the **2023 Best of Clarksville** and received **Gold in Customer Service and Place to Work 100+ categories** and **Silver** in the **Credit Union and Home Mortgage categories** at the **2023 Clarksville's Best**. Our **Madison Street branch** was also recognized as the **Best Credit Union in Montgomery County** in the **Main Street Awards**.

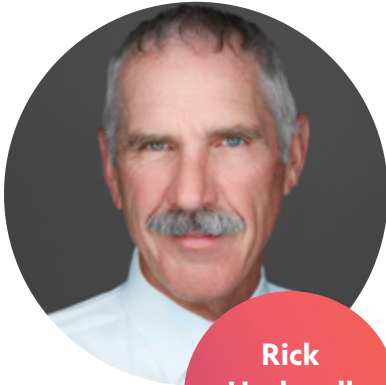


Google Reviews

As a reflection of a company's credibility and trustworthiness, consumers increasingly rely on Google reviews to inform their purchasing decisions. A high Google Review score acts as social proof, assuring potential customers of a business's reliability and quality. In 2023, Fortera branches received over 600 Google Reviews with an average score of 4.8 out of 5 stars! We thank each member who took the time to share your experience with us and others.



BOARD OF DIRECTORS



Rick Hackwell
Chairman

Linda Medina-Griffy
Vice Chair

Nellynn Henson
Treasurer

David Jones
Secretary

Richard Glass
Director

Owen Schroeder
Director

Bubba McIntosh
Director

Jordan Harmon
Director

Michael Raleigh
Director

Gwen Richardson
Advisory Council Member

EXECUTIVE MANAGEMENT TEAM



Jennifer Ventimiglia
President & CEO

Angela Andrews
Chief Operating Officer

Nathan Brown
Chief Financial Officer

GINNA HOLLEMAN
Chief Experience Officer

Corey Watts
Chief Information Officer

Tim Wheeler
Chief Lending Officer

Cliff Sweet
Senior Vice President of
Retail Operations

Terry Franklin
Vice President of
Real Estate Lending

Dan Friend
Vice President of Risk
Management

Patty Hemmingsen
Vice President of
Learning & Development

Steve Von Mann
Vice President of Real
Estate Origination

Sharon Ward-Hermes
Vice President of
Human Resources

Ryan Windham
Vice President of Marketing

Angie Worden
Vice President of Accounting

SUPERVISORY COMMITTEE



Mark Boone
Chairman

Sandra Stevenson

Larry Carter

Bubba McIntosh

LEADERSHIP

FINANCIAL PERFORMANCE

Ensuring Safety & Security

Fortera remains in a robust financial position, ensuring dedicated service to our members. With a Net Worth Ratio of 11.37%, our capital strength bolsters both strong annual performance and long-term sustainability. Achieving a net income of \$4.1M marks a notable 20% rise from the previous year, underpinning our ability to invest in the Credit Union and support member needs through diverse economic conditions.

Amidst the Federal Reserve’s interest rate hikes in 2023, we returned this income to our members in the form of quality, affordable financial solutions while also giving back to our community. Fortera led the market with top-tier dividend rates on money markets and certificates and while other lenders in our market pulled back, Fortera continued to provide mortgage, credit card and auto loans to meet the needs of our members.



Total Primary Members



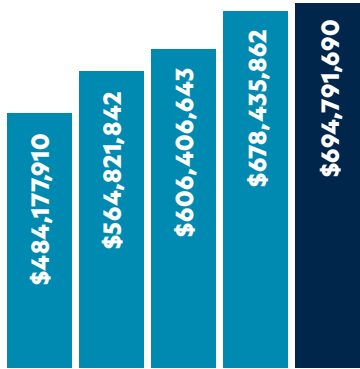
Total Assets



Total Net Loans



Total Interest Income



Total Gross Deposits



Net Income

11.37%
Net Worth Ratio

SAFEGUARDING YOUR FINANCES

In an age dominated by digital transactions and online interactions, the threat of fraud looms larger than ever before. From phishing scams to identity theft, fraudsters continuously devise new ways to exploit vulnerabilities and deceive individuals and organizations alike. As we navigate this digital landscape together, Fortera placed significant focus in 2023 on arming ourselves with knowledge and proactive measures to safeguard our members' finances and personal information.



SHRED DAY

Fortera's annual free community Shred Day is a great way to dispose of documents containing personal information that could be used to steal your identity, such as receipts, statements, and pre-approved offers. Watch for details to come about the 2024 Shred Day event.

Fraud Prevention Education

You can find educational articles on our social media channels, on our website and in our quarterly newsletter. Follow us on Facebook, Instagram, Twitter, LinkedIn or TikTok to keep track of the latest tips and tricks to recognize scams like phishing emails, impersonating phone calls, and imposter websites. We also recently launched a new Security & Fraud Prevention page (<https://forteracu.com/security-fraud>) on our website. Here you will find all of our fraud prevention articles, red flag alerts, information on the latest scams, and important phone numbers to know.

Essential Fraud Prevention Measures

In 2023, Fortera implemented new measures to quickly verify suspicious activity on your accounts. Should we identify a questionable transaction on your account, we will first attempt to contact you about the activity via text message (from 919-37), then an automated voice call, and finally, by email to determine if a transaction was authorized. There will be a block placed on your card to protect you from further fraud until we hear back from you. If you do not recognize the transaction(s), you will receive a message asking you to call 888-918-7313 for further assistance. If you reply that you recognize the transaction(s), your card will remain available for use.



CORE VALUES

The Promises We Make

Fortera Credit Union is different. The difference is boldly reflected in the core values that embody our diverse team and the collective sum of all who join us. As our brand DNA, Fortera’s core values define our cultural identity and are the tenets of who we are as an organization. They guide our actions and share our story through each interaction. Our Core Values are the promises we make to our members, team members and communities. 2023’s strategic planning validated Fortera’s existing core values and refreshed the clarifying definitions to best reflect how they enact our renewed purpose.



TEAM MEMBER	Have the courage to change. Be curious and ask questions. Be innovative and proactive. Think big and take action.	Be adaptable. Be inclusive. Give respect and empathy. Empower each other & work together for the common good.	Master products, services & systems; share knowledge. Seek different perspectives & opportunities to grow & learn.	Make an impact by giving time, talent & resources to better the lives of each other, our members and communities.	Demonstrate positivity, enthusiasm & passion for what we do. Have fun & celebrate when we get it done.
	Earn members’ trust by always acting in their best interest. Continuously improve the ease, speed & satisfaction of each interaction.	Own every opportunity to help a member and find the “yes.” Deliver a consistent, seamless experience together.	Educate members with tools to achieve their financial goals. Provide expert recommendations & personalize interactions.	Stand for a greater purpose & show our commitment to care. Be a hero in members’ lives, & support causes important to them.	Delight members with uplifting experiences each and every time they connect with us. Celebrate their milestones & successes.

MISSION

We passionately advocate to better the lives of those we serve.

VISION

We envision a future in which everyone can overcome financial challenges, achieve their dreams, and thrive.

WE WILL...

DO right by those we serve.
BETTER the well-being of our members, team members and communities. Succeed **TOGETHER**.

Do.
Better.
Together.

COMMUNITY IMPACT

Making a Difference

Fortera’s mission to create life-changing impact extends far and wide through our communities. Significant financial contributions invested, as well as the remarkable volunteer efforts undertaken by our employees, demonstrate the Credit Union’s commitment to social responsibility and desire to make a meaningful difference in the lives we reach. These initiatives foster employee engagement, strengthen community connections, and cultivate a culture of corporate citizenship within our organization.

Charitable Giving: We believe in the power of tangible support to drive positive change in the world around us. In 2023, Fortera contributed over \$245,000 to valuable nonprofit organizations and local secondary and post-secondary educational institutions.

Empowering Education: Education is the cornerstone of progress and prosperity. With this in mind, the Fortera Foundation awarded over \$80,000 in scholarships in 2023 to students pursuing their college education. Ten of those scholarships were awarded to graduating high school seniors, and twelve were awarded to single-parent students at Austin Peay State University and Murray State University. In addition to scholarships, Fortera also conducted financial literacy and budgeting workshops for students at Clarksville Academy and student-athletes at APSU.

Community Outreach: Fortera embraces our responsibility to foster strong and resilient communities. In addition to financial contributions, our team members actively engage in community initiatives and volunteer their time to support the life-changing work of local nonprofits, such as Big Brothers Big Sisters. In 2023, our team participated in over 65 community events and helped Clarksville community members rebuild hope following a tornado’s destruction.



Employee Volunteerism: We actively encourage and support team member involvement in volunteer opportunities. Deepening this commitment, Fortera offers all full-time employees 40 hours and part-time employees 25 hours annually for paid Volunteer Time Off to serve the charitable cause or organization of their choice. In 2023, 60 team members served over 550 hours of volunteer hours to a diverse range of charitable organizations.

As we celebrate the collective efforts of our team, we are inspired by the profound impact made together. Each volunteer hour served, each life bettered, and each community uplifted reaffirms our belief in the transformative power of compassion and collaboration. As we look ahead, let us continue to

stand united in our commitment to creating positive change and leaving a lasting legacy of generosity and kindness. Together, we can Do. Better. Together.







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