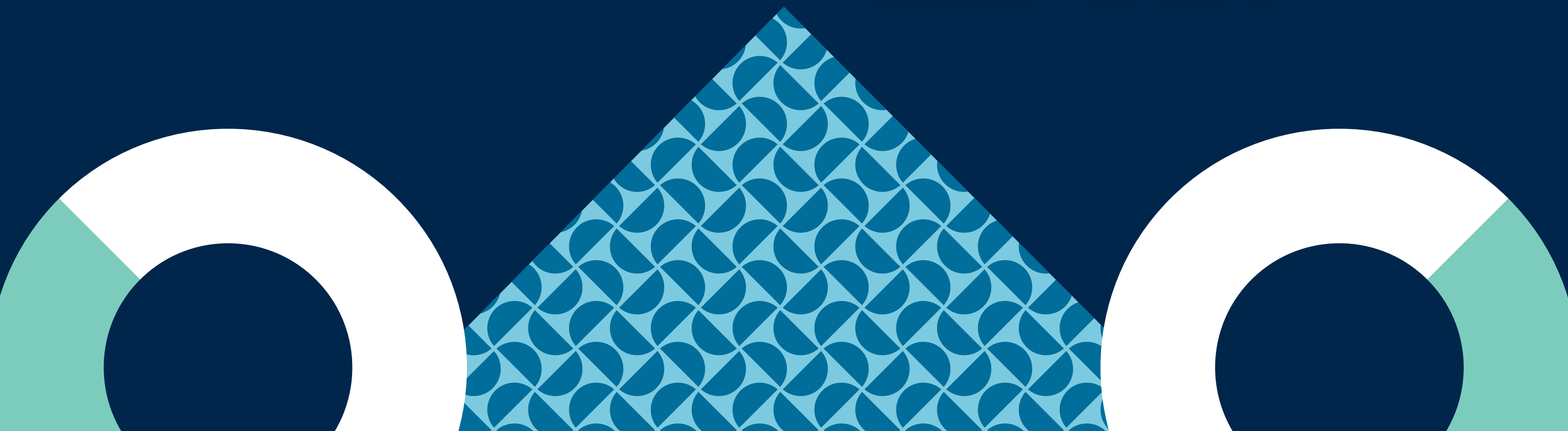


2022

**FORTERA
ANNUAL
REPORT**





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CHAIRMAN & CEO'S REPORT

It is our pleasure to present to you Fortera's Annual Report for the year 2022. While the nation's economic environment posed challenges for many, we are proud to have maintained healthy growth and strong performance while improving the financial well-being of our members, employees and community.

This year marks a significant milestone in the credit union's history as we welcomed Jennifer Ventimiglia into the role of President and CEO, following the retirement of former President and CEO Tom Kane. With Jennifer's twenty-five years of experience in the financial services industry and her transformative eight-year tenure with Fortera, we experienced a smooth leadership transition that has positioned us well for Fortera's future success. Her passionate dedication to advancing our mission-minded purpose and strong business acumen leads Fortera with a dynamic and innovative pursuit of excellence.

In 2022, we also successfully completed the merger between Fortera and Life Credit Union. Our exciting partnership welcomed over 3,000 new members to the Fortera family. The unique opportunity enabled Life Credit Union to maintain its brand identity and continue its trusted relationships with members while enhancing operational and competitive strengths.

Successfully delivering the Fortera experience begins with a clear organizational focus shared by all team members who understand, embrace and live out our mission. As we look to the horizon, the Fortera Leadership Team and Board of Directors conducted robust strategic planning in 2022 to refine our mission, vision and core values and define objectives and metrics to achieve sustainable long-term growth. This collective framework guides the strategy by which our Credit Union will:

- Do right by those we serve. Through knowledge shared, problems solved, personalized member experiences, employee engagement and community investment, we will empower each other to take actions that create life-changing impact.
- Better the well-being of our members, team members and communities by equipping them to overcome financial challenges, achieve their dreams, and thrive.
- Harness the power of our connectedness and cooperative ownership so that when one succeeds, we are all strengthened Together.

As the environment around us rapidly changes, we must continuously offer compelling value and innovate with relevant products, services and delivery channels to remain competitive in the evolving financial industry. Key to our success is also delivering consistency in the Fortera experience so that members and team members know what to expect from their relationship with us and that we stand for values important to them. Over the last sixty-eight years, our consistent focus remains on helping families achieve their financial goals and serving in their best interest.

Fortera continues to be ranked as one of the strongest Credit Unions in the country. Our success is due to the support of our members, as well as that of our team members committed to excellence and integrity. We thank you for your relationship and will continue working diligently to earn your trust, loyalty and satisfaction.

Sincerely,



Rick Hackwell, Board Chairman



Jennifer Ventimiglia, President and CEO

CEO SPOTLIGHT

This year, Fortera Credit Union welcomed Jennifer Ventimiglia as its new President and Chief Executive Officer. Prior to her current role, Jennifer served as Chief Operating Officer and Executive Vice President of Fortera. Under her leadership, the Credit Union has grown from \$470 million to \$896 million in assets and from 49,000 to over 79,000 members worldwide.

Fortera's solid growth is driven by her passion for the credit union's cooperative model to always serve the best interest of our members and team members.

Jennifer began her twenty-five year financial services career in banking before moving to the credit union arena, believing strongly in its purpose-driven mission.

As a dedicated advocate for helping people to overcome financial obstacles, own a home and achieve their goals, her vision drives Fortera's focus on bettering the lives of those we serve. She champions a diverse workplace where employees are empowered and valued. Her dynamic, candid leadership reflects real-life challenges and triumphs, inspiring Fortera to be a meaningful partner in our member and team member journeys.

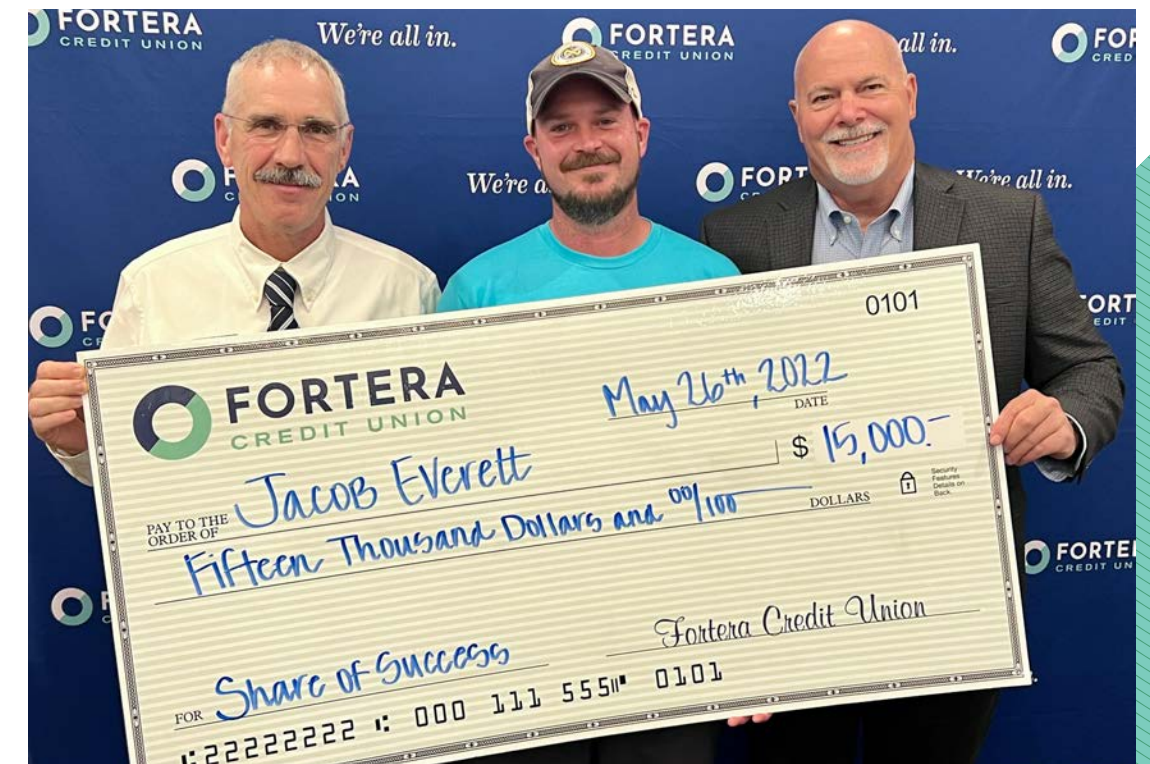


A SHARE OF SUCCESS

2022 Member Giveback

When you join Fortera Credit Union, your membership share strengthens Fortera's mission to better the lives of our members, team members and communities. Because of our members' support, Fortera has grown stronger than ever. We believe that success should be shared with the members who create it.

To say thank you in 2022, Fortera gave away cash prizes totaling \$25,000 in our Member Giveback sweepstakes. Five qualifying members won \$2,000 each, and one qualifying member was awarded \$15,000.





Rick Hackwell
Chairman

BOARD OF DIRECTORS

Rick Hackwell, *Chairman*

Linda Griffy, *Vice Chair*

David Jones, *Secretary*

Nellynn Henson, *Treasurer*

Owen Schroeder, *Director*

Richard Glass, *Director*

Leida Perez, *Director*

Jordan Harmon, *Director*

Bubba McIntosh, *Director*

Michael Raleigh, *Advisory Council Member*

Gwen Richardson, *Advisory Council Member*



Mark Boone
Chairman

SUPERVISORY COMMITTEE

Mark Boone, *Chairman*

Richard Glass

Sandra Stevenson

Larry Carter

EXECUTIVE MANAGEMENT TEAM

Jennifer Ventimiglia, *President and Chief Executive Officer*

Angela Andrews, *Chief Operating Officer*

Kim Gamez, *Chief Financial Officer*

GINNA HOLLEMAN, *Chief Experience Officer*

Corey Watts, *Chief Information Officer*

Tim Wheeler, *Chief Lending Officer*

Susan Peyret, *Senior Vice President of Financial Planning & Analysis*

Terry Franklin, *Vice President of Real Estate Lending*

Dan Friend, *Vice President of Risk and Compliance*

Patty Hemmingsen, *Vice President of Lending Production*

Sharon Ward-Hermes, *Vice President of Human Resources*

Cliff Sweet, *Vice President of Retail Operations*

Steve Von Mann, *Vice President of Real Estate Origination*

Ryan Windham, *Vice President of Marketing*

FORTERA CREDIT UNION SUPERVISORY COMMITTEE 2022 ANNUAL REPORT

Fellow Fortera Members:

I am Mark Boone, Chairman 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 strong internal controls designed to protect and promote the Credit Union's member relationships. Because we are volunteers possessing varying levels of experience and knowledge relative to financial and accounting practices, we rely on two principal methods to fulfill our 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 during 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 am pleased to report that none of the reviews conducted during 2022 revealed any significant 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 2023, Nearman, Maynard, and Vallez, CPA's, 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, 2022, as there were no substantial or material findings communicated to the Supervisory Committee, Management, or Board of Directors.

Periodically, examiners from the National Credit Union Administration (NCUA), the federal agency responsible for credit union oversight, conduct a required regulatory review to confirm Fortera does not pose any extraordinary risk to the federal fund insuring member deposits. Due to the outstanding results achieved in 2021, the Credit Union remains on an extended schedule, meaning the next examination will occur sometime subsequent to this year's Annual Membership Meeting. This provides further evidence and assurance that our Board of Directors and Executive Management continue to protect member accounts.

In closing, thank you to my fellow Supervisory Committee members, Mr. Larry Carter, Mr. Richard Glass, and Ms. Sandra Stevenson, for their continued service. We, the Committee, applaud the effort and commitment demonstrated by our Board of Directors, Executive Management, and outstanding staff. We are most appreciative of their combined efforts to provide dependable, quality service to our members. Finally, to our members, with so many choices in the marketplace, we value your patronage and offer assurance that Fortera will be here, steadfast and strong to serve your financial needs, now and in the future.

Respectfully,

Mark E. Boone
Chairman, Supervisory Committee
Fortera Credit Union

FINANCIAL PERFORMANCE

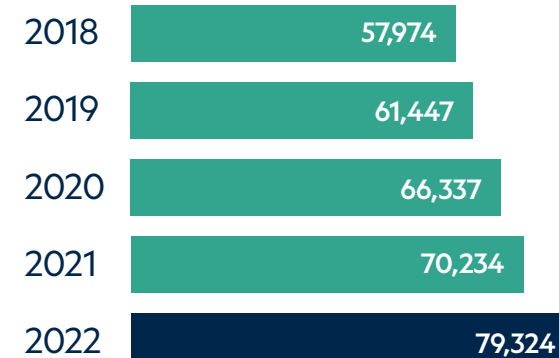
Ensuring Safety & Security

Fortera remains financially strong and securely positioned to serve our members. Well capitalized with a Net Worth Ratio of 11.11%, the strategic use of Fortera's capital strengthens our annual performance and long-term viability. This sound performance allows Fortera to invest in our Credit Union with initiatives through any economic condition.

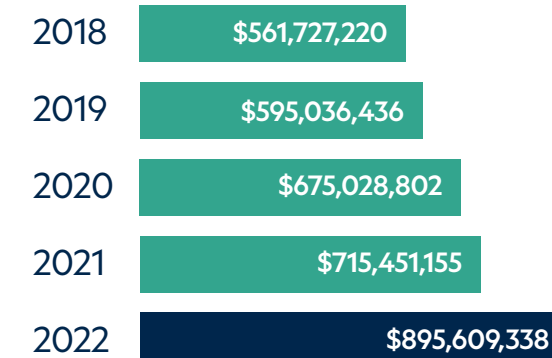
The completion of our merger with Life Credit Union increased our total assets by \$40M and contributed to a new total asset high of \$896M. Unprecedented growth in consumer lending resulted in a 40% Net Loan growth from \$515M in 2021 to \$707M in 2022.

As the Federal Reserve rapidly increased interest rates throughout the year, Fortera provided additional value to our members by increasing share and certificate rates. These higher rates of return reflect Fortera's commitment to always serving in our member's best interest and helping them achieve their financial goals.

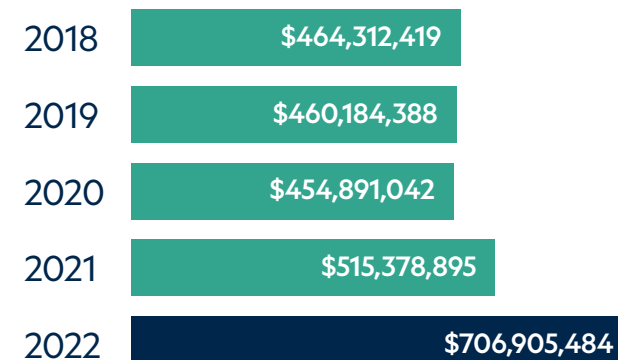
Total Primary Members



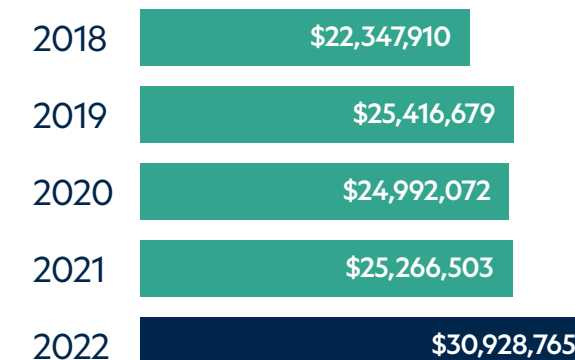
Total Assets



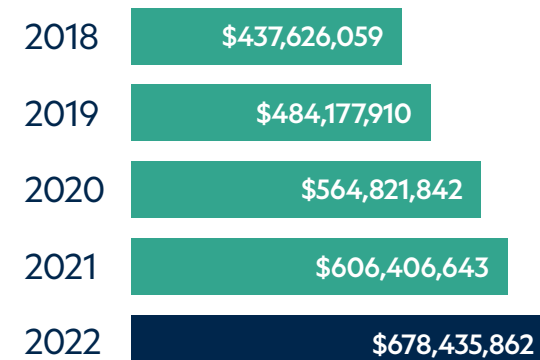
Total Net Loans



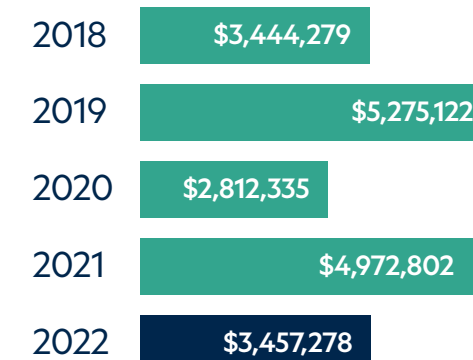
Total Interest Income



Total Gross Deposits



Net Income



LIFE CREDIT UNION POWERED BY FORTERA

Welcome to the Family

As Life Credit Union looked to the future, it sought a partnership that aligned seamlessly with its mission and culture while offering members and employees the resources and stability of a premier financial institution. Joining with Fortera allowed the Middle Tennessee-based credit union to keep its name, continue its sixty-four year legacy and provide increased value to its members. Our relationship sprouted from shared values and lives out our “Do Better Together” philosophy.

Now branded as Life Credit Union Powered by Fortera, members have access to an expanded, comprehensive suite of financial products and services. Fortera and Life’s full-service branches, ATMs and digital network provide increased convenience, making it easier for members to manage their finances.

Life Credit Union Powered by Fortera relocated across the street and welcomed members to a brand new branch home. Life’s new branch is located in the Midtown Medical Plaza at 2004 Hayes Street, Suite 120, Nashville, Tennessee.



IMPOWER

Impact + Empower

There is an “I” in this team. Fortera’s primary purpose is clear: we empower each other, our members and our communities to create life-changing impact. Our “We **IMPOWER** Here” mantra represents Fortera’s purpose-driven culture and the personal initiative we each take to provide the best member experience while achieving personal and professional goals. In doing so, we will empower our members with the tools and knowledge needed to succeed in their own financial journeys.

Furthering Fortera’s commitment to support the learning and development of our team, we invested in the construction of a new learning center in 2022. Space in our corporate headquarters was renovated to create two innovative training rooms, a café, and a vibrant office suite for team members to learn, connect and recharge. These [fun]ctional, inspiring and engaging environments are designed to energize learning while refreshing our team with inviting hospitality.

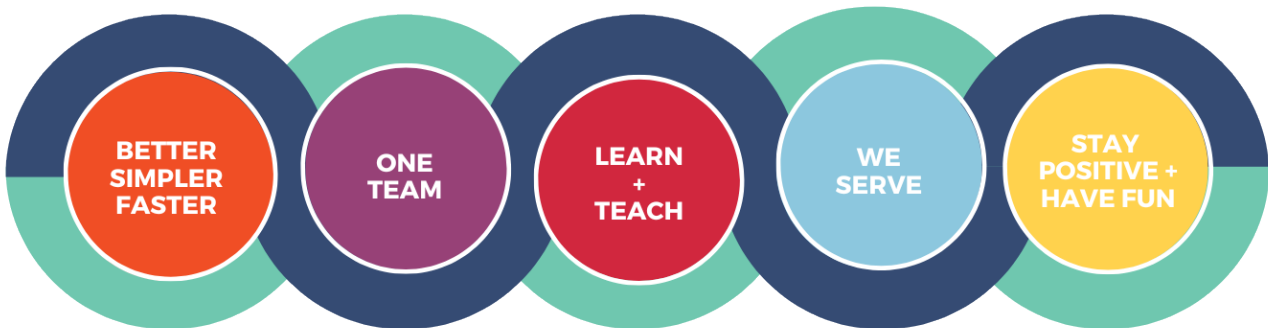
Where Fortera stands out and our team members fit in, the spaces reflect the Credit Union’s commitment to fostering a culture of inclusion and individual development where employees feel valued and appreciated. Sharing education, information and recognition for their contributions, we strive to promote employee engagement while earning their satisfaction and loyalty.



CORE VALUES

The Promises We Make

Fortera Credit Union is different. That 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 tenants 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. 2022’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 + personalized interactions. | Stand for a greater purpose + show our commitment to care. Be a hero in members' lives + causes important to them. | Delight members with uplifting experiences each and every time they connect with us. Celebrate their milestones + successes. |

Do. Better. Together.

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 all our members, team members, and communities.
- SUCCEED TOGETHER** through our connectedness and cooperative ownership.

COMMUNITY IMPACT

From Banking to Bettering

Fortera also makes meaningful investments that give back to our communities and support important educational initiatives. In 2022, the Fortera Foundation funded \$50,000 in scholarships to ten single-parent college students at Austin Peay State University and provided holiday gifts to scholarship recipient families.

Enabling students to graduate with a life-changing degree not only improves the quality of life for their family but also inspires educational aspirations for their children. By providing financial and other supportive resources that help single-parent students overcome barriers to success, the Foundation's ultimate aim is to break the cycle of generational poverty.

Additionally, Fortera consistently supports academic programs in partnership with our local school systems and annually awards ten \$2,000 scholarships to high school seniors furthering their college pursuits.

Your Credit Union contributed over \$250,000 in financial support to numerous local organizations and academic institutions. Fortera and team members also gave nearly \$41,000 to support United Way partner agencies during its 2022 campaign and was presented the "People Helping People" Award by United Way of the Pennyrile. In addition to their financial contributions, team members give whole-heartedly of their time and talents as dedicated volunteers throughout our communities and receive 40 hours of paid volunteer time annually for personal service endeavors.



Meet Patience, A Special Volunteer

In 2022, Fortera also welcomed a very special member of our service team, Patience. Chief Ambassador of our Stay "Paws"itive and Have Fun core value, she also has a very important job as a future service dog in training. Patience's handler, Megan McWilliams, is a Fortera team member and a volunteer puppy raiser for Canine Companions.

This national non-profit organization provides expertly trained service dogs at no cost to enhance the independence of children, adults and veterans with disabilities. Fortera passionately advocates to improve the well-being of lives and is proud to support Megan and Patience in their mission. Patience joined the Fortera team at eight weeks of age and comes to work with Megan each day to learn socialization and obedience skills.

In addition to her future service work, she serves as an ambassador for disability awareness and inclusion at Fortera. Her presence in the office also enhances the wellness of Fortera team members by lowering stress and bringing joyful companionship to her co-workers.



Being the recipient of this scholarship means that someone, somewhere decided to get behind me, support me and say, *"Hey, I believe in you."*

WHITNEY BARNES

Fortera Foundation Scholarship Recipient