

YOUR CREDIT UNION FOR WHAT'S NEXT

2023 ANNUAL REPORT



YOUR STARTING POINT FOR MORE

At Financial Center, we're your partner in creating a more vibrant life. More opportunities to go after what gets you excited. More far-fetched dreams turned into tangible plans.

And in 2023, we celebrated our 70th anniversary of doing just that – making banking better, faster, and easier for you, our members. Today, nearly 70,000 members trust us as their Credit Union for what's next, coming to our team for competitive products and coaching toward achieving their next milestone.

The past year was filled with transformation and excitement as we executed on our Strategic Plan and completed major projects that set us up for future growth. As we reflect on the past and prepare for the future, our key focuses include:

Inclusive Banking

Whether you're coming to us for your first account, advice on investments, or support paying down debt, we're here with education for everyone in every era of life.

Financial Wellness

We want to be a proactive part of your life and holistic wellness, helping you prevent issues before they arise. Our team's mission is centered around guiding you to a healthier, more vibrant life.

People & Products

We believe in the power of human connection, supported by products and services that truly meet your needs. Financial Center gives you advice, direction, and momentum to chase down what's next.

Now, let's explore how we navigated 2023 as a Credit Union!



CHAIR REPORT



On behalf of myself and the Board of Directors, I am filled with gratitude for all of the significant achievements Financial Center accomplished in 2023 and the vibrant culture of our workforce that has been built to serve you, our members!

Our 70th anniversary year was filled with transformation, innovative new services, and strengthened community ties, all aimed at supporting our community and our members.

In a year marked by persistent inflation, impacting everything from grocery bills to gas prices, we delivered advice and products that supported the everyday hurdles that made daily life more challenging. Despite significant economic stresses, including a record level of interest rate increases and the failure of two large regional banks, we were able to deliver exceptional experiences to our member-owners.

We launched Early Access, offering expedited access to your direct deposits and posting more than \$200 million over the year in deposits up to a week early. We raised deposit rates across Certificate, Money Market, and High Interest Checking accounts to record highs, while continuing our ongoing efforts to reduce fees – all with the goal of keeping more of your money in your pocket.

The activation of My Offers now provides you with a variety of personalized pre-approvals in real-time, giving you the opportunity to accept lending offers when you need them. We are optimistic in meeting all of your lending needs and strive to be your first choice for loan products.

Our commitment to the community is strong. Through our annual Charity Golf Outing, we raised over \$25,000, providing scholarships and making donations within our community giving pillars of feeding the hungry, supporting the military, and providing free financial wellness for all.

This anniversary year also included hosting 66 financial education workshops, issuing contactless debit cards for enhanced security, and expanding our international outreach with new community partners.

And, when it all comes together, our efforts were recognized with top awards by the Indiana Credit Union League in four categories, and we received first place in Adult Financial Literacy through the Credit Union National Association.

As we look ahead, the Board of Directors couldn't be more excited about the future of our Credit Union. Your trust is at the heart of everything we do.

Here's to continuing our journey together as we work to inspire healthier financial lives for every member – you included.

Sincerely,

A handwritten signature in black ink that reads "Larry D Marcum".

Larry Marcum
Board Chairman

PRESIDENT & CEO REPORT

I'm Cam Minges, and I am honored to serve as President & CEO of your Credit Union. I continue to be grateful for the trust our members, employees, and Board of Directors place in me to lead this incredible organization.

Since taking the helm in 2022, my drive for innovation has been the engine propelling our progress. Inspired by the vision of crafting seamless experiences—ones that are not just better, faster, and easier, but also poised to meet the demands of today's dynamic landscape—I dreamed of a Credit Union ready to thrive in our fast-paced world.

We've reached significant milestones over the past two years despite economic hurdles. Through dedication from our team and unwavering support from our Board of Directors, we've embraced transformation and capitalized on fresh opportunities. As noted by Larry Marcum, our Board Chairman, 2023 marked a pivotal year of advancement for our credit union.

Looking ahead here's what excites me about Financial Center in 2024 and beyond:

New Online and Mobile Banking

Paramount to ensuring we're meeting your digital needs, we are launching a new cutting-edge online and mobile platform later this year, providing you a more holistic picture of your finances, more customization to your online banking experience, and more financial education within the platform to help you make more informed decisions.

Branch Openings

We are pleased to be expanding our footprint with a new location in Hamilton County, at 146th and Hazel Dell Road, in late summer. And we have another planned opening early in 2025 in McCordsville—bringing a new branch experience and personalized financial guidance closer to where you live or work.

Mortgage Product Expansion

While Financial Center has always offered home financing options, we'll be expanding our product offerings to include more traditional home financing products, making homeownership dreams a reality with competitive rates and exceptional service.



PRESIDENT & CEO REPORT

CONTINUED

Loyalty Rewards

Ensuring you receive the best rates and incentives Financial Center can provide when you deepen your relationship with us is the goal of our new Loyalty Rewards program. Look for more details on these exclusive perks and incentives as you grow with us.

Technology Enhancements


Ensuring you can reach us when you need us most, we are upgrading our phone system for quicker assistance and introducing Interactive Teller Machines (ITMs) for convenient video banking services in our drive-ups.

At Financial Center, our values of **CARE, LISTEN, LEARN, SOLVE, and ACT** serve as the cornerstone of everything we do. Each day, these values guide our actions, decisions, and interactions with our members and community. They have guided the enhancements we're making to how we serve you in 2024 and will continue to do so in the future.

What Larry and I have outlined for you here in these pages is just the start. The vision that I had two short years ago is quickly transforming into something very real. Together, we've laid the groundwork for transforming our Credit Union, and now we're actively working toward what's next.

I appreciate your support on this journey and look forward to earning more of your relationship in the future.

Sincerely,



Cameron Minges
President & CEO

LEADERSHIP TEAMS

Leadership Team

Cameron Minges	President & CEO
Ryan Cook	Executive Vice President of Finance Operations
Jennifer Rue	Executive Vice President of Credit Union Operations
Dusty Simmons	Executive Vice President of Strategic Operations
Carl Britton	Senior Vice President of Internal Operations
Chris Sibila	Senior Vice President & Chief Information Officer
Frances Tooley	Senior Vice President of Employee Operations
Billy Wells	Senior Vice President of Member Operations

Board of Directors

Larry Marcum	Chair
Tom Spahr	1st Vice Chair
John Keneipp	2nd Vice Chair
Jim Benoit	Treasurer
Jason Pickett	Secretary
Bryan Fluke	
Claudia Fuentes	
Jeffrey George	
Jeanne Lugo	
Bill Stevens	

International Advisory Council

Martin Baier	International Center
Virna Diaz	Latino Health Organization
Remo Mezzetta	C. Garcia & Associates
Marcela Montero	Hispanic Business Council at Indy Chamber
Terry Morris-Downs	Church World Service
Jessica Parks	Managed Health Services
J. Kevin Ryan	Financial Center
Shane Laning	Ball State University
L. Maki Teramoto	Consulate of Mexico in Indianapolis
Maria Luisa Tishner	Community Leader in Indianapolis
Dulce Vega	Scouts of America
Soren Chamorro	La Plaza, Inc.

Supervisory Committee

Bobby Derrick	Chair
Jeff Williams	Vice Chair
Jimmy Jones	Secretary
Rupal Thanawala	
Brad Wing	

CONSOLIDATED BALANCE SHEET

(Dollar Amounts in Thousands)

December 31	2023	2022
Cash and Due From Banks	\$13,686	\$5,672
Interest-Bearing Demand Deposits	<u>49,460</u>	<u>34,328</u>
Cash and Cash Equivalents	63,146	40,000
Interest-Bearing Time Deposits	5,131	6,724
Available-For-Sale Securities	63,246	77,178
Loans, Net of Allowance For Credit Union Losses of \$13,023 and \$6,512	672,613	675,064
Premises and Equipment	10,025	11,228
Other Investments	8,678	8,482
Cash Surrender Value of Life Insurance	3,727	6,343
Interest Receivable	2,606	2,442
Goodwill	322	322
Other Intangibles	343	405
Other Assets	<u>12,050</u>	<u>11,728</u>
Total Assets	<u>\$841,887</u>	<u>\$839,916</u>
Liabilities and Members' Equity		
Members' Shares	\$728,226	\$728,372
Federal Home Loan Bank Advances	18,000	18,000
Other Liabilities	<u>7,258</u>	<u>8,902</u>
Total Liabilities	<u>\$753,484</u>	<u>\$755,274</u>
Members' Equity		
Regular Reserve - Substantially Restricted	\$46,691	\$41,700
Retained Earning	46,056	49,106
Accumulated Other Comprehensive Income (Loss)	<u>(4,344)</u>	<u>(6,164)</u>
Total Members' Equity	<u>88,403</u>	<u>84,642</u>
Total Liabilities and Members' Equity	<u>\$841,887</u>	<u>\$839,916</u>

This is an audited report. Copies of the complete report can be requested at 7101 E. 56th Street, Indianapolis, IN.

CONSOLIDATED INCOME STATEMENT

(Dollar Amounts in Thousands)

December 31	2023	2022
Interest Income		
Loans Receivable	\$36,685	\$29,796
Investment Securities	1,251	1,253
Other Interest Income	2,064	1,164
Total Interest Income	<u>\$40,000</u>	<u>\$32,213</u>
Interest Expense		
Share Accounts	\$9,053	\$3,637
Borrowing	423	418
Total Interest Expense	<u>\$9,476</u>	<u>\$4,055</u>
Net Interest Income	\$30,524	\$28,158
Credit Loss Expense - Loans	5,458	3,026
Credit Loss Expense (Income) - Off-Balance-Sheet Credit	(116)	-
Net Interest Income After Provision for Credit Losses	<u>\$25,182</u>	<u>\$25,132</u>
Other Income		
Fees and Other Charges	\$3,736	\$3,935
Insurance Commissions	169	208
Investment Services Income	283	245
Credit and Debit Card Interchange Income	3,589	3,575
Gain on Credit Union-Owned Life Insurance	122	170
Other Income	5,672	2,620
Total Other Income	<u>\$13,571</u>	<u>\$10,753</u>
Other Expenses		
Salaries and Employee Benefits	\$16,355	\$15,711
Occupancy	1,752	1,789
Office Operations	4,846	4,843
Advertising	837	875
Computer Services	2,896	2,597
Collection and Other Loan Expenses	897	549
Credit Card Processing	516	397
Professional Fees	667	470
Other Expenses	2,056	3,761
Total Other Expenses	<u>\$30,822</u>	<u>\$30,992</u>
Net Income	<u>\$7,931</u>	<u>\$4,893</u>

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