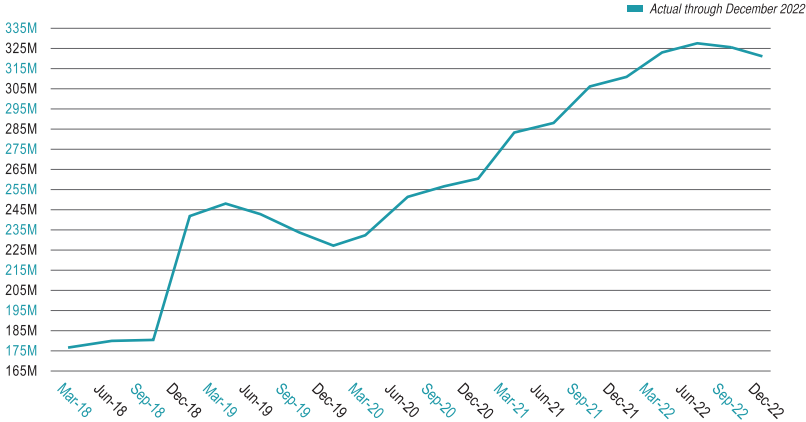


STATEMENT OF FINANCIAL CONDITION

Description	2021	2022
ASSETS:		
INVESTMENTS:		
AVAILABLE-FOR-SALE	\$ 1,811,419	\$ 1,422,500
OTHER	76,039,914	20,464,334
LOANS RECEIVABLE	241,465,943	316,144,708
LESS ALLOWANCE FOR LOAN LOSSES	(786,349)	(818,321)
PROPERTY AND EQUIPMENT, NET	12,950,084	12,546,859
NCUSIF DEPOSIT	2,759,974	3,061,985
REPOSSESSED ASSETS	99,763	212,814
OTHER ASSETS	11,994,388	14,527,554
TOTAL ASSETS	\$ 346,335,136	\$ 367,562,433
LIABILITIES:		
MEMBERS' SHARE AND SAVINGS ACCOUNTS	\$ 311,282,121	\$ 320,371,790
ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES	6,105,843	11,784,851
TOTAL LIABILITIES	\$ 317,387,964	\$ 332,156,641
MEMBERS' EQUITY	\$ 25,912,956	\$ 28,857,137
NET INCOME	3,034,216	6,548,655
TOTAL MEMBERS' EQUITY	\$ 28,947,172	\$ 35,405,792
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 346,335,136	\$ 367,562,433

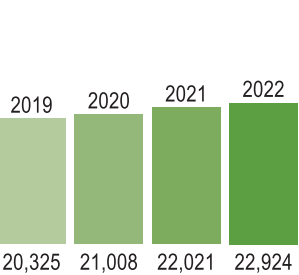
TOTAL SHARES



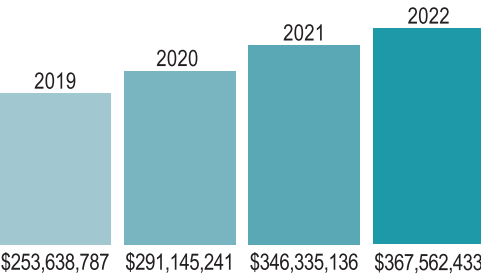
STATEMENT OF INCOME

Description	2021	2022
INCOME:		
INTEREST INCOME ON LOANS	\$ 11,162,489	\$ 14,150,468
INTEREST INCOME ON INVESTMENTS	251,891	455,919
TOTAL INTEREST INCOME	\$ 11,414,380	\$ 14,606,387
INTEREST EXPENSE	871,956	978,972
NET INTEREST INCOME	\$ 10,542,424	\$ 13,627,415
PROVISION FOR LOAN LOSS	95,000	315,000
INTEREST INCOME AFTER PROVISION	\$ 10,447,424	\$ 13,312,415
NON-INTEREST INCOME	\$ 6,169,329	\$ 7,934,730
GAIN/(LOSS) ON ASSETS	342,575	(45,249)
INCOME BEFORE OPERATING EXPENSES	\$ 16,959,328	\$ 21,201,896
EXPENSES:		
SALARIES & EMPLOYEE BENEFITS	\$ 7,060,226	\$ 7,803,453
VOLUNTEER & EMPLOYEE RELATIONS	111,488	186,514
OFFICE OCCUPANCY	843,319	788,607
OFFICE OPERATIONS	2,734,513	3,005,720
MARKETING & MEMBER RELATIONS	533,347	416,530
LOAN SERVICING	838,197	964,779
PROFESSIONAL & OUTSIDE SERVICES	\$ 1,804,021	\$ 1,487,638
TOTAL EXPENSES	\$ 13,925,111	\$ 14,653,241
NET INCOME	\$ 3,034,217	\$ 6,548,655

MEMBER GROWTH



TOTAL ASSETS



2022 Chairman and CEO Report



Summary

Innovations Financial Credit Union has experienced another successful year of managed growth and stability. Our financials have continued strengthening, providing a foundation for future growth and expansion. Member deposits grew 2.92%, loans grew 30.93%, and Innovations' overall financial size grew 6.13%.

Over the last several years, Innovations has been in a transitional development phase from a medium-sized credit union into a large credit union. To proactively support this transition, we have continued to focus on enhancing our member service culture, team member training, and development, creating a culture of compliance, streamlining processes to increase efficiency, and being an employer of choice.

Team Member Development

Innovations is on a mission to provide member service that exceeds expectations. In 2022 we intensified team member development with an emphasis on a culture of collaboration and empowerment. All Innovations team members are being formally coached and attending member service and product knowledge training. To further assist members with their financial needs, we have 17 team members who are Certified Credit Union Financial Counselors (CCUFC). Our emphasis on team member development builds confidence and promotes long-term growth opportunities, increasing the service level given to members. Accordingly, we maintained an excellent member service rating of 4.8 out of 5 stars throughout the year!

Process Improvement

Concentrating on process improvement and creating efficiencies was another strategic initiative in 2022. To achieve this objective, we hired a Quality Improvement and Analysis Director to review and re-negotiate existing contracts, resulting in more favorable terms and cost savings for the credit union. As a result, we have seen an increase in our Efficiency Ratio from NCUA, which consistently improved quarter over quarter in 2022. Innovations frequently reviews processes in each department to identify and eliminate waste and create efficiencies, which increases our productivity in delivering products and services to our members.

Ignite Rewards Checking

Our Ignite Rewards checking account continues to be a popular account with members. In 2022, we paid our Ignite account holders over \$305,000 in cash

rewards. It pays to have an Ignite Rewards checking account, so if you are not earning rewards, ask a team member for details!

Mortgage Lending

Innovations saw an increase in mortgage lending despite the increased mortgage rates nationwide in 2022. Innovations was awarded a Community Development Financial Institution (CDFI) Treasury Grant for an Affordable Housing Program. Through this program, Innovations implemented an escrow option for members who wanted their property taxes and insurance premiums included in their mortgage loans. Innovations also partnered with Bay County's ReHouse Bay Down Payment Assistance Program to assist qualified members in purchasing their first homes.

State Charter Conversion

After 70 years of being a federally chartered credit union, Innovations successfully converted to a state-chartered credit union. On September 1, 2022, we changed our name to Innovations Financial Credit Union, and the field of membership expanded beyond Bay County to Holmes, Washington, Jackson, Calhoun, Gulf, and Walton Counties. We hired a Market Leader for the Northern Panhandle Region to integrate into the surrounding counties. We are redesigning our website to improve desktop and mobile performance, accessibility, and user convenience, and we will offer new online account openings in 2023. This approach will allow us to invest in the surrounding communities and be good community partners. The credit union will take a systematic and data-driven approach toward future expansion. We will lean on our management team's diverse and robust industry experience to execute the expansion plan.

Future Goals

In 2023 we will continue to focus on building for the future while keeping costs in line, utilizing technology to improve efficiencies, and investing in team members. We will continue offering our best lending solutions through consumer loans, member business lending, and mortgages. Lending will remain conservative and closely monitored. Regulatory compliance will remain a priority, focusing on expense management, controlled growth, continuous team member development, and exceptional member service. As we continue to grow, we can leverage the economies of scale and continue to invest in the future. Finally, the credit union will remain committed to fiscally conservative and managed growth.



David A. Southall
President/CEO



Rob Fernandez
Chairman/Board of Directors

Board of Directors

Craig Ellis
Vice Chairman

Kristopher McLane
Treasurer

Kenneth L. White
Secretary

Anita Broughton
Director

Nancy Luther
Director

Josh Scribner
Director

Audit Committee

Blaine Cook
Chairman

Don Gedeon
Member

Gerald Steinbaum
Member

Locations and Hours

Thomas Drive

910 Thomas Drive
Panama City Beach, Florida 32408
Hours: Monday - Friday
Lobby: Open 9 a.m. - 5 p.m.
Drive-up: Open 8 a.m. - 5 p.m.

Harrison Avenue

1038 Harrison Avenue
Panama City, Florida 32401
Hours: Monday - Friday
Lobby: Open 9 a.m. - 5 p.m.
Drive-up: Open 8 a.m. - 5 p.m.

Callaway

123 North Tyndall Parkway
Panama City, Florida 32404
Hours: Monday - Friday
Lobby: Open 9 a.m. - 5 p.m.
Drive-up: Open 8 a.m. - 5 p.m.

23rd Street

512 West 23rd Street
Panama City, Florida 32405
Hours: Monday - Friday
Lobby: Open 9 a.m. - 5 p.m.
Drive-up: Open 8 a.m. - 5 p.m.

Lynn Haven

2250 South Highway 77
Lynn Haven, Florida 32444
Hours: Monday - Friday
Lobby: Open 9 a.m. - 5 p.m.
Drive-up: Open 8 a.m. - 5 p.m.

Back Beach

17900 Panama City Beach Parkway
Panama City Beach, Florida 32413
Hours: Monday - Friday
Lobby: Open 8 a.m. - 5 p.m.



850.233.4400 • InnovationsFCU.org



Federally Insured by NCUA | Equal Opportunity Lender
We Do Business In Accordance With The Federal Fair Housing Law
and The Equal Credit Opportunity Act