



MIDDLEBURY OFFICERS

D. Joe Caffee	President & CEO
Sam H. Hoover III	Exec. Vice President
Michael D. Weaver	Exec. Vice President & CLO
Jared E. Sponseller	Senior Vice President & CFO
Dean R. Miller	Senior Vice President
Randall D. Miller	Senior Vice President
Lance T. Weirich	Senior Vice President
Darla K. Kauffman	Vice President
Jon E. Miller	Vice President
James L. Neff	Vice President
Eric J. Romzek	Vice President
Sue Ann Von Blon	Vice President
Samuel E. Weirich III	Vice President
Julie W. Whitehead	Vice President
Jessica E. Hamood	Assistant Vice President
Kirsten T. King	Assistant Vice President
Debbie L. Gordon	Banking Officer
Tessa A. Trigg	Banking Officer
Rebecca L. Yoder	Banking Officer

BOARD OF DIRECTORS

R. Gordon Lord	Chairman of the Board, Attorney, Yoder, Ainlay, Ulmer & Buckingham
D. Joe Caffee	President and CEO, First State Bank and CVFC
James G. Hiatt	Retired President & CEO, First State Bank and CVFC
Sam H. Hoover III	Exec. Vice President & COO, First State Bank and CVFC
Derald L. Bontrager	Retired President, Jayco, Inc.
Carl D. Eash	Retired Business Owner and Real Estate Investor
John W. Gardner	Trustee, Bethel University
Cynthia S. Gillard	Partner, Warrick & Boyn LLP
Joe A. Smucker	Retired President, Parkland Plastics Inc.
Kip B. Ellis	Exec. Vice President & COO, Patrick Industries, Inc.
Anne F. Hayes	President, Hayes Towers

GOSHEN OFFICERS

Brent L. Carrick	Senior Vice President
Louis W. Gerber	Vice President & CCO
Duane R. Miller	Vice President
Jeff D. Showalter	Vice President
Lynda L. Hershberger	Assistant Vice President
Peggy A. Guyas	Mortgage Officer

ELKHART OFFICERS

Sheila L. Gordy	Senior Vice President
Patrece D. Yates	Senior Vice President & Trust Officer
Duane S. Klein	Vice President
Shannon G. Klein	Vice President & Trust Officer
Nicholas B. Corpe	Assistant Vice President
Lori A. Faltynski	Assistant Vice President

SOUTH BEND OFFICERS

Dana D. Trowbridge	Senior Vice President
Elizabeth L. Groulx	Vice President
Janice L. Sisti	Banking Officer

CRYSTAL VALLEY FINANCIAL CORPORATION

The directors and management of Crystal Valley Financial Corporation (CYVF) are grateful to report another year of stable financial performance for the corporation and its subsidiary, First State Bank, for year ended December 31, 2022. Net income for 2022 reached \$11,009,552 or \$7.88 per share, versus net income in 2021 of \$11,649,048, or \$8.07 per share. When you consider the 2021 year-end, one time sale of First State Insurance and \$1.6 million in PPP loan fees realized in the same year, 2022 core earnings outpaced 2021 income by more than \$2 million. Year-end consolidated assets totaled just over \$730 million.

Expanded core earnings were driven by an improving margin coupled with strong loan growth of nearly 12% during the year. Forecasted economic headwinds and a rising rate environment keep us alert to changes in our loan portfolio. We are carefully monitoring several loan quality metrics. To date, credit quality remains outstanding. Past due and problem loan categories remain at historically low levels. Like many financial institutions we are closely monitoring our liquidity as the rush of government subsidies from prior years are spent down. We remain within all regulatory guidelines regarding liquidity and plan for continued loan growth in 2023.

The Board of Directors has approved a first quarter cash dividend of \$0.42 per share for shareholders with a record date of February 2, 2023 and a payable date of February 16, 2023. This represents an increase of 5.0% compared to the dividend paid in the first quarter of 2022.

Recently we announced plans to establish a Loan Production Office in Lagrange County, Indiana. We have secured an attractive location in Shipshewana and will be leveraging experienced, existing staff there. We look forward to growing our business and consumer mortgage loan lines of business in that market.

Please contact me directly if you wish to learn more about our generous share repurchase program or to discuss your investment. Thank you for your continued interest in First State Bank and Crystal Valley Financial.

Upward & Onward,

D. Joe Caffee, President & CEO



Statement of Condition



December 31, 2022

CRYSTAL VALLEY FINANCIAL CORPORATION

and its Principal Subsidiary

FIRST STATE | BANK

Statement of Condition
December 31, 2022 and 2021
Unaudited

	2022	2021
Assets		
Cash and Due from Banks	\$12,909,920	\$9,663,013
Interest Bearing Balance with Banks	2,178,188	34,261,817
Federal Funds Sold	0	1,200,890
Investment Securities	166,528,455	224,091,857
Federal Home Loan Bank Stock	2,702,900	2,745,700
Loans Gross	523,183,540	468,650,814
Less: Allowance for Loan Losses	-6,712,232	-6,476,658
Deferred Loan Fees	-66,325	-104,459
Net Loans	516,404,983	462,069,697
Premises and Equipment	5,283,075	5,736,833
Accrued Interest Receivable	2,807,986	2,547,293
CSV - Life Insurance	12,541,295	12,201,545
Other Assets	12,863,295	5,043,010
Total Assets	\$734,220,097	\$759,561,655
Liabilities and Shareholders Equity		
Liabilities		
Non-Interest Bearing Demand	\$170,907,541	\$155,321,059
Interest Bearing Demand	199,176,785	205,529,126
Savings	163,917,161	159,123,728
Time Under \$100,000	25,500,729	29,076,885
Time \$100,000 and over	64,401,832	64,760,465
Total Deposits	623,904,048	613,811,263
Loans Payable	25,881,717	40,690,598
Repurchase Agreements	6,114,355	5,555,216
Federal Funds Purchased	1,994,000	0
Accrued Interest Payable	272,563	166,001
Other Liabilities	9,283,709	9,250,975
Total Liabilities	\$667,450,392	\$669,474,053
Shareholders Equity		
Common Stock	\$2,048,000	\$2,048,000
Surplus	2,179,382	2,179,382
Retained Earnings	105,744,434	97,044,868
Treasury Stock	-19,343,911	-15,248,551
Net Unrealized Gain (Loss) on Securities	-23,858,200	4,063,903
Total Shareholder Equity	\$66,769,705	\$90,087,602
Total Liabilities and Shareholder Equity	\$734,220,097	\$759,561,655
Book Value Per Share	\$48.91*	\$62.98**

* 2022 - Based on 1,365,023 shares outstanding
** 2021 - Based on 1,430,309 shares outstanding

Statement of Income
Year Ended December 31, 2022 and 2021
Unaudited

	2022	2021
Interest Income		
Interest and Fees on Loans	\$24,782,691	\$23,376,443
Interest on B.A.'s & Deposits with Banks	112,701	63,128
Interest on Investment Securities	4,721,338	3,884,153
Other Interest & Dividend Income	9,780	353
Total Interest Income	\$29,626,510	\$27,324,077
Interest Expense		
Interest on Deposits	\$2,100,882	\$1,823,073
Interest on FF Purchased/Repos	62,718	7,726
Interest on Other Borrowed Funds	624,380	621,879
Total Interest Expense	\$2,787,980	\$2,452,678
Net Interest Income	\$26,838,530	\$24,871,399
Provision for Loan Losses	210,000	220,000
Net Interest Income After Provision for Loan Losses	\$26,628,530	\$24,651,399
Other Income		
Service Charges on Deposit Accounts	\$449,395	\$322,975
Other Service Charges, Commissions, Fees	1,814,554	2,409,876
Trust Income	1,237,013	1,228,689
Gain (Loss) on Sales of Securities	217,112	626,081
Gain (Loss) on Sales of Loans	911,344	2,382,967
Gain (Loss) on Other Real Estate	0	-138,999
Other Income	364,545	1,268,761
Total Other Income	\$4,993,963	\$8,100,350
Other Expenses		
Salaries and Employee Benefits	\$10,464,837	\$11,074,566
Occupancy Expense	1,181,950	1,352,310
Equipment and Processing	2,350,288	2,174,321
Postage & Supplies	294,875	307,987
Legal & Accounting	309,242	311,763
Advertising & Public Relations	807,847	758,702
FDIC Assessment	208,850	183,556
Other Expenses	3,166,240	2,956,084
Total Other Expenses	\$18,784,129	\$19,119,289
Income Before Taxes	\$12,838,364	\$13,632,460
Provision for Income Taxes	1,828,812	1,983,412
Net Income	\$11,009,552	\$11,649,048
Earnings Per Common Share	\$7.88*	\$8.07**

* 2022 - Based on 1,396,538 average shares outstanding
** 2021 - Based on 1,443,087 average shares outstanding