

MIDDLEBURY OFFICERS

D. Joe Caffee	President & CEO
Sam H. Hoover III	Exec. Vice President
Lance T. Weirich	Senior Vice President & CLO
Jared E. Sponseller	Senior Vice President & CFO
James L. Neff	Senior Vice President
Eric J. Romzek	Senior Vice President
Darla K. Kauffman	Vice President
Jon E. Miller	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
Tessa A. Trigg	Assistant Vice President
Debbie L. Gordon	Banking Officer
Amanda L. Kindig	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
Sam H. Hoover III	Exec. Vice President, 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
Cameron D. Boyer	Vice President, Brinkley RV

GOSHEN OFFICERS

Duane R. Miller	Senior Vice President
Louis W. Gerber	Vice President & CCO
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-Bruggeman	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
Nicholas R. Matthews	Vice President
Matthew N. Kaiser	Assistant Vice President

**CRYSTAL VALLEY
FINANCIAL CORPORATION**

The directors and management team of Crystal Valley Financial Corporation are pleased to report a consistent start to the calendar year 2024. Consolidated net income of more than \$2.6 million marks the second strongest opening quarter in our company's history, second only to the opening quarter of 2023 by \$33,000.

Our finance team executed a well-planned balance sheet restructuring in January, which, along with thoughtful loan growth facilitated net interest income growth of 4.65% compared to the most recent quarter. For many years, CVF owned class B shares of Mastercard and Visa stock at a balance sheet valuation of zero. As market opportunities arose, we liquidated those shares during the quarter and offset most of the \$2.5 million gain by selling a corresponding amount of bond investments that we have been carrying at a net unrealized loss. The sale of these low-interest bonds generated more than \$28 million in proceeds to be reinvested at higher returning securities and fund projected loan growth.

It is impossible to discuss the corporation's financial performance without recognizing two directors who have reached the mandatory director retirement age. John Gardner has served our organization since 2010. His analytical mind and thoughtful approach to governance have served us well. Gordon Lord has been associated with First State Bank for 51 years, serving on the board since 1990 and as chairman for much of that time. With grace and dignity, he led the organization through the great recession, formation of the holding company, and through a CEO search and transition. Assets of the institution have increased eight-fold since Gordon joined the board. Thank you to these men for their service.

The Board of Directors has approved a second quarter dividend in the amount of \$.44 per share for shareholders of record as of May 3, 2024, and payable on May 17, 2024. This increase represents a 2.3% increase compared to the dividend paid at the end of 2023's first quarter. As of March 31, 2024, earnings per share were \$2.04, up 3.5% from the same quarter of 2023.

Upward & Onward,



D. Joe Caffee, President & CEO


Statement of Condition

March 31, 2024
**CRYSTAL VALLEY
FINANCIAL CORPORATION**

and its Principal Subsidiary

FIRST STATE | BANK

Statement of Condition
March 31, 2024 and 2023
Unaudited

	2024	2023
Assets		
Cash and Due from Banks	\$5,714,137	\$12,951,447
Interest Bearing Balance with Banks	8,017,598	2,393,307
Federal Funds Sold	664,217	62,021
Investment Securities	136,532,931	162,731,099
Federal Home Loan Bank Stock	3,530,500	2,908,700
Loans Gross	590,433,187	534,414,659
Less: Allowance for Loan Losses	-7,416,867	-7,375,976
Deferred Loan Fees	-43,685	-63,835
Net Loans	<u>582,972,635</u>	<u>526,974,848</u>
Premises and Equipment	5,288,839	5,188,316
Accrued Interest Receivable	2,909,043	2,616,822
CSV - Life Insurance	12,565,360	12,327,275
Other Assets	13,623,417	15,369,860
Total Assets	<u><u>\$771,818,677</u></u>	<u><u>\$743,523,695</u></u>
Liabilities and Shareholders Equity		
Liabilities		
Non-Interest Bearing Demand	\$129,361,122	\$155,932,549
Interest Bearing Demand	232,027,614	200,917,629
Savings	129,138,465	153,689,748
Time Under \$100,000	34,284,462	29,359,747
Time \$100,000 and over	88,976,079	71,680,021
Total Deposits	613,787,742	611,579,694
Loans Payable	70,064,354	46,108,858
Repurchase Agreements	3,660,401	5,611,176
Allowance for Credit Losses on Off Balance Sheet Credit Exposure	152,551	0
Accrued Interest Payable	934,154	366,304
Other Liabilities	7,203,104	9,042,943
Total Liabilities	<u>695,802,306</u>	<u>672,708,975</u>
Shareholders Equity		
Common Stock	\$2,048,000	\$2,048,000
Surplus	2,179,382	2,179,382
Retained Earnings	115,307,693	107,383,046
Treasury Stock	-23,503,211	-19,397,515
Net Unrealized Gain (Loss) on Securities	-20,015,493	-21,398,193
Total Shareholder Equity	<u>\$76,016,371</u>	<u>\$70,814,720</u>
Total Liabilities and Shareholder Equity	<u><u>\$771,818,677</u></u>	<u><u>\$743,523,695</u></u>
Book Value Per Share		
* 2024 - Based on 1,295,604 shares outstanding	58.67*	51.91**
** 2023 - Based on 1,364,122 shares outstanding		

Statement of Income
Three Months Ended March 31, 2024 and 2023
Unaudited

	2024	2023
Interest Income		
Interest and Fees on Loans	\$9,253,629	\$7,413,851
Interest on B.A.'s & Deposits with Banks	19,791	41,810
Interest on Investment Securities	920,397	975,014
Other Interest & Dividend Income	82,495	39,909
Total Interest Income	<u>\$10,276,312</u>	<u>\$8,470,584</u>
Interest Expense		
Interest on Deposits	\$2,370,811	\$910,917
Interest on FF Purchased/Repos	83,339	42,173
Interest on Other Borrowed Funds	909,454	424,437
Total Interest Expense	<u>\$3,363,604</u>	<u>\$1,377,527</u>
Net Interest Income		
Provision for Loan Losses	-123,000	192,000
Net Interest Income After Provision for Loan Losses	<u>\$7,035,708</u>	<u>\$6,901,057</u>
Other Income		
Service Charges on Deposit Accounts	\$137,927	\$100,821
Other Service Charges, Commissions, Fees	371,442	383,963
Trust Income	295,332	271,657
Gain (Loss) on Sales of Securities	-2,446,399	34,462
Gain (Loss) on Sales of Loans	65,083	-59,031
Other Income	2,642,301	124,840
Total Other Income	<u>\$1,065,686</u>	<u>\$856,712</u>
Other Expenses		
Salaries and Employee Benefits	\$2,811,311	\$2,541,865
Occupancy Expense	314,067	278,957
Equipment and Processing	648,223	630,604
Postage & Supplies	66,231	88,217
Legal & Accounting	78,750	76,975
Advertising & Public Relations	247,240	222,494
FDIC Assessment	89,538	51,595
Other Expenses	669,710	723,037
Total Other Expenses	<u>\$4,925,070</u>	<u>\$4,613,744</u>
Income Before Taxes		
Provision for Income Taxes	521,046	455,876
Net Income	<u><u>\$2,655,278</u></u>	<u><u>\$2,688,149</u></u>
Earnings Per Common Share		
	\$2.04*	1.97**

* 2024 - Based on 1,301,152 average shares outstanding
** 2023 - Based on 1,364,341 average shares outstanding