



FIRST STATE | BANK

# ANNUAL REPORT



# 2024

111 South Main St., Middlebury, IN



## Hometown Values since 1910



First State Bank is a locally owned and independent community bank providing consumer, agricultural, business and commercial financial services since 1910. Our mission is to provide the highest quality products and services to you, our valued customers.

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# Helping you...

## Shareholders & Friends,

People often ask me, "What does a bank president do?" My answer is nearly always, "A banker makes dreams come true!" We embrace the realization of dreams around here. B First Bankers do this by helping you. Helping you, our customer, purchase homes, build businesses and farms, save for the future, and protect their assets. Helping you, our shareholders, by providing a safe and sound investment that enhances shareholder value via consistent dividends and book value appreciation. Helping you, fellow B First Bankers, build a career to be proud of, provide a safe, stable workplace that empowers you to help others, and offers a suite of career-enhancing benefits.

The directors and executive managers of Crystal Valley Financial Corporation, and our operating entity, First State Bank, are pleased to present these financial results for 2024. The past year was one of steady asset growth, increased net income, and enhanced earnings per share. Our core earning asset, our loan portfolio, continued to perform well while growing by 4.6%. Our newest full-service branch location in South Bend and our very mature Goshen market led the way regarding new money loan growth with \$28 million and \$30 million, respectively, in commercial loan originations. The success of our Shipshewana loan production office, more than \$12 million in loan originations since its establishment, led us to acquire an attractive parcel of land in that

community. We are taking preliminary steps regarding a full-service branch and hope to break ground there in the coming months. Despite loan growth in all markets, credit quality remains strong. Past due payments remained at record lows throughout 2024.

Customers trusted us to help them steward their financial resources as deposits grew by \$20 million during the year. Due to the competition for deposits, a dynamic interest rate environment, and this growth, interest expense increased by nearly \$5 million when compared to 2023.

Despite the economic uncertainty of 2024, your company delivered just over \$11 million to the bottom-line, increasing earnings per share to \$8.59, or by 13.5% relative to the same period last year. Correspondingly, book value per share grew to \$63.14, or nearly 11%.

Thank you for your investment and interest in Crystal Valley Financial Corporation! Feel free to reach out to discuss your investment or our generous stock repurchase program.

Upward & Onward,



D. Joe Caffee, President & CEO

# Helping you...

## Senior Management, Officers, & Board of Directors

### 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
Jessica E. Hamood	Vice President
Darla K. Kauffman	Vice President
Kirsten T. King	Vice President
Jon E. Miller	Vice President
Sue Ann Von Blon	Vice President
Samuel E. Weirich III	Vice President
Julie W. Whitehead	Vice President
Tessa A. Trigg	Assistant Vice President
Jaclyn D. Heath	Banking Officer, Controller
Debbie L. Gordon	Banking Officer
Emilee A. Hendron	Banking Officer
Amanda L. Kindig	Banking Officer
Rebecca L. Yoder	Banking Officer

### 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

### 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

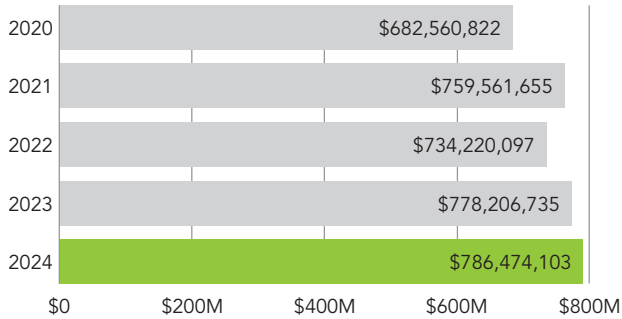
Dana D. Trowbridge	Senior Vice President
Elizabeth L. Groulx	Vice President

### Board of Directors

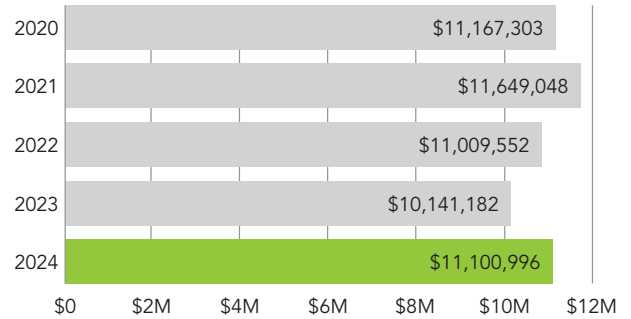
Joe A. Smucker	Chairman of the Board, Retired President, Parkland Plastics Inc.
D. Joe Caffee	President and CEO, First State Bank and CVFC
Sam H. Hoover III	Exec. Vice President, First State Bank and CVFC
Derald L. Bontrager	Retired President, Jayco, Inc.
Carl D. Eash	Retired Business Owner and Real Estate Investor
Cynthia S. Gillard	Partner, Warrick & Boyn LLP
Kip B. Ellis	President, Powersports, Technology and Housing, Patrick Industries, Inc.
Anne F. Hayes	President, Hayes Towers
Cameron D. Boyer	Vice President, Brinkley RV

# Helping you...

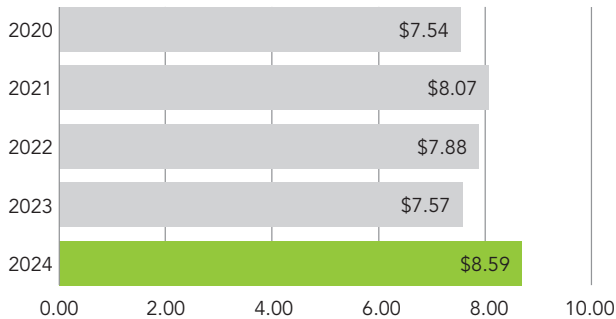
## Financial Highlights 2024



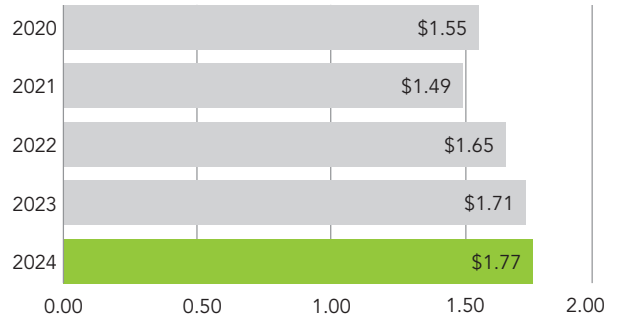
TOTAL ASSETS



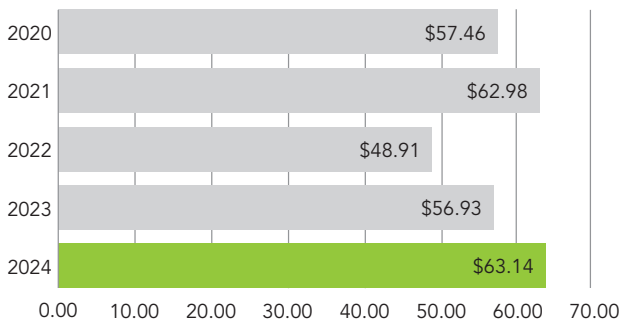
NET INCOME



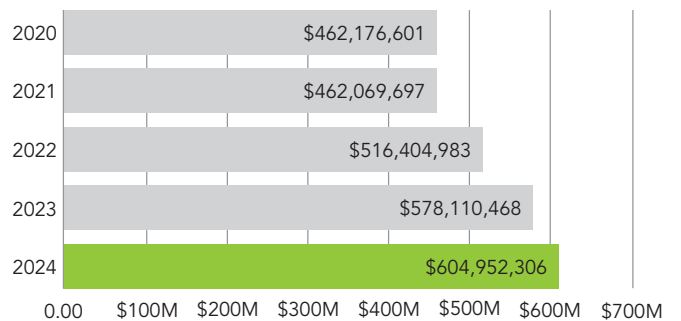
BASIC EARNINGS PER SHARE



DIVIDENDS PER SHARE



BOOK VALUE PER SHARE



TOTAL NET LOANS

# Helping you...

## Crystal Valley Financial Corporation Consolidated Balance of Income December 31, 2024

### Assets

Cash and Cash Equivalents	\$11,584,058
Investment Securities	130,620,361
Federal Home Loan Bank Stock	3,530,500
Loans, net of allowance for loan losses	604,952,306
Premises and equipment	5,113,985
Accrued interest receivable	3,027,352
CSV - Insurance	14,094,212
Other Assets	13,551,329
Total Assets	<u>\$786,474,103</u>

### Liabilities

Demand Deposits	\$367,886,760
Savings Deposits	117,296,548
Time Deposits	136,816,328
Total Deposits	621,999,636
Repurchase Agreements	4,300,115
Federal Home Loan Bank advances	62,016,481
Other Borrowings	8,477,000
Other Liabilities	8,903,927
Total Liabilities	<u>705,697,159</u>

### Stockholders' Equity

Common stock	2,048,000
Surplus	2,179,382
Retained Earnings	122,028,080
Net unrealized gain (loss) on securities	-20,948,560
Less treasury stock, at cost	-24,529,958
Total stockholders' equity	<u>80,776,944</u>
Total Liabilities and stockholders' equity	<u>\$786,474,103</u>
Book value per share of common stock (Based on 1,279,328 shares outstanding)	\$63.14

## Crystal Valley Financial Corporation Consolidated Statement of Income Year Ended December 31, 2024

### Interest Income

Loans, including fees	\$38,721,233
Investment Securities	3,664,137
Other interest and dividend income	491,278
Total Interest Income	<u>42,876,648</u>

### Interest Expense

Deposits	10,312,760
Federal Home Loan Bank advances	2,841,401
Other borrowings/Repos	1,062,966
Total Interest Expense	<u>14,217,127</u>

Net Interest Income	28,659,521
Provision for loan losses	-33,031
Net Interest Income after Provision for loan losses	<u>28,692,552</u>

### Other Income

Service charges on deposit accounts	525,538
Other service charges, commissions, fees	1,618,684
Trust income	1,274,050
Net gains on sales of securities	-2,446,416
Net gains (loss) on sales of loans	172,978
Net gain (loss) on other real estate	0
Other income	3,159,327
Total Other Income	<u>4,304,161</u>

### Other Expenses

Salaries and employee benefits	11,018,008
Occupancy	1,239,568
Equipment and processing	2,675,558
FDIC Assessment	358,006
Other expenses	4,515,771
Total Other Expenses	<u>19,806,911</u>

Income Before Income Taxes	13,189,802
Provision for Income Taxes	2,088,806

Net Income	<u>\$11,100,996</u>
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Earnings per share	\$8.59
Average shares outstanding	1,291,983

# Helping you...

## Grow your Business



A strong financial partner is key to unlocking your business's full potential. At First State Bank, our team of experienced banking professionals—right here in your community—is dedicated to not only meeting your needs but exceeding your expectations.

We bring expertise in every aspect of business banking, combining cutting-edge financial solutions with a personalized touch. Whether you're launching a small startup, managing a thriving multi-million dollar enterprise, or leading a non-profit, we offer the services and technology to support your success. More than just a bank, we take the time to understand you and your business—because your goals are our priority.

Some great options for your business could include one of the following accounts.

### **B Elite**

This premium account suits businesses with high transactions and treasury needs, offering unlimited free transactions and specialized cash management. The \$75 1monthly fee is waived with a \$100,000 daily balance. Perks include free

Remote Deposit, Positive Pay, ACH debit block, and Cash Management services.

### **B Smart**

Ideal for businesses needing flexibility, this account includes 500 free monthly transactions, with a small fee for extras. The \$15 monthly fee is waived with a \$9,000 daily balance. Special pricing applies to Cash Management and ACH debit block services.

### **B Simple**

Perfect for small businesses, this no-frills account includes 200 free monthly transactions with no service fee, making it a budget-friendly choice for startups.

### **B Kind**

Designed for non-profits, this account offers unlimited free transactions and no monthly fee, ensuring low-cost banking for community-focused groups.

All accounts come with essential banking perks such as online and mobile banking, bill pay, electronic statements, and FDIC insurance up to \$250,000. Additional benefits like a no-annual-fee credit card (if qualified) and cashback on debit card purchases add further value. See [BFirst.Bank](http://BFirst.Bank) for additional details.



# Helping you...

## Harvest More



Morehouse Grain Farms

A few of our lenders took time to visit local farmers during harvest, delivering lunch as they worked. This gave us a wonderful opportunity to connect, gain deeper insight into their operations, and show our support during one of their busiest seasons. We appreciate the sacrifices our local farmers make to support our communities.



Jessup Farms



Morehouse Grain Farms



Warner Farms

# Helping you...

## Administration Office



On a hot and humid August day, leaders from First State Bank, Nuway Construction, and the Town of Middlebury gathered at a decades old parking lot in downtown Middlebury to break ground on a new Administration office. The future home of several behind-the-scenes departments, the 7,500 sq. ft. building aims to be completed by early spring 2025. The new administration building located at 107 S. Scott Street will feature spacious offices, conference rooms, a dedicated customer call center, and will allow for future growth of the bank.



# Helping you...

## Celebrate Community



One of the most anticipated events at First State Bank is our annual customer appreciation day. We take a break from the usual banking routine to express our gratitude to the customers who are the heart of our success. Every office serves up root beer and orange floats—an old-time favorite—as a way to say “thank you” and show how much we value their loyalty.

This day strengthens the bond between our employees and the communities we serve, creating a warm and welcoming atmosphere. It’s more than just handing out treats; it’s about fostering connections and showing our appreciation for the trust and support we receive. Customer appreciation day is a reminder of why we do what we do—to serve and care for our customers.

At First State Bank, we know our success is built on relationships, and this event helps us celebrate and nurture those connections.

# Helping you...

## Build Communities



For a sixth year, the annual B Cause Day continues to inspire and challenge our dedicated B First Bankers. Each Columbus Day, we transform our holiday into a day of service, uniting our entire team in giving back to the communities we serve. This year, just like those before it, saw our bankers rolling up their sleeves—building, painting, cleaning, and creating—while supporting 10 incredible local nonprofit organizations. Through these hands-on projects, we reaffirm our commitment to making a meaningful difference, one act of service at a time.

Our time was spent at CCS Soup of Success, Cultivate Culinary, Elkhart County 4-H Fairgrounds, Food Bank of Northern Indiana, Loveway, MCC The Depot, Middlebury Food Pantry, Non-Profit Support, Stable Grounds, and The Cove.



# Helping you...



# Helping you...

## Educate for the Future



We had the opportunity to once again engage with students in Elkhart and LaGrange Counties by participating in two career fairs - the LaGrange Chamber Field of Dreams Expo and the Horizon Education Alliance Career Quest. Through hands-on experiences, we had fun interacting with 7th-12th grade students, sharing insights into the daily responsibilities of bankers and how we support our customers and communities.



# Helping you...

## Community Highlights



B100 Book Club



Elkhart County 4-H Fair Kids Day



Middlebury Shred-A-Thon



The Cove Coat Drive



Pulse FM Polar Express

## Locations

### **Middlebury**

111 S Main St.  
Middlebury, IN 46540

### **Goshen**

201 N Main St.  
Goshen, IN 46526

### **Greencroft**

1820 Greencroft Blvd.  
Goshen, IN 46526

### **Riverwalk**

200 NIBCO Pkwy.  
Elkhart, IN 46516

### **Cobblestone**

1515 Cobblestone Blvd.  
Elkhart, IN 46514

### **South Bend**

1015 South Bend Ave.  
South Bend, IN 46617

### **Loan Production Office**

1800 W US 20  
Shipshewana, IN 46565

