



# ANNUAL REPORT 2025



*This is my bank!*

# *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.

### **LOCATIONS**

#### **Middlebury**

111 S Main St., Middlebury, IN 46540

#### **Administrative Office**

107 N Scott 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

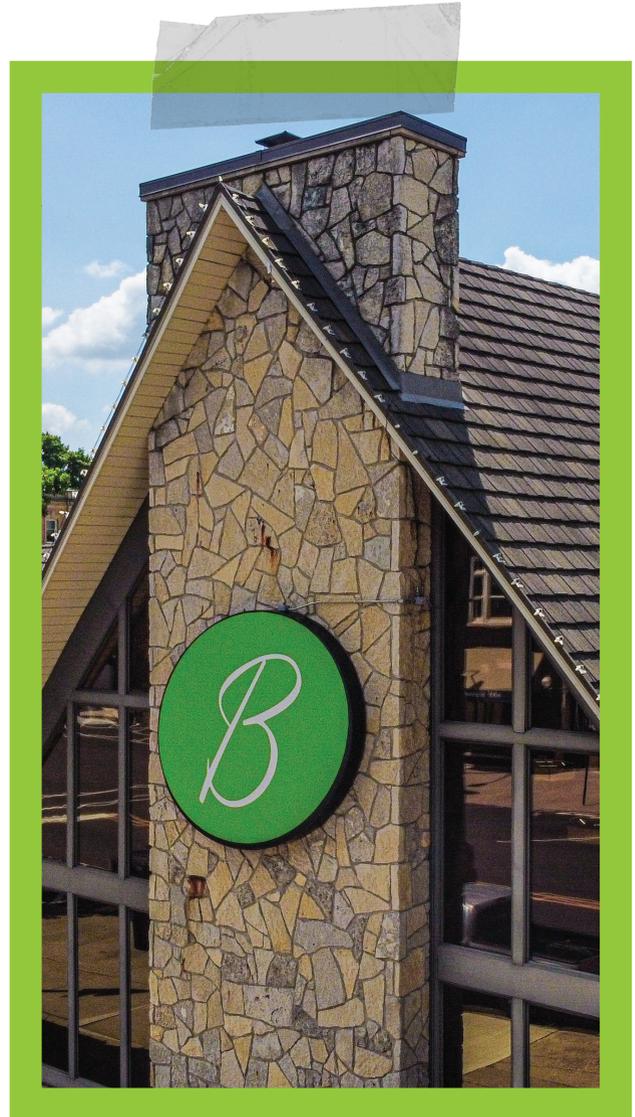
#### **Loan Production Office**

8100 W US 20, Suite C, Shipshewana, IN 46565

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# Shareholders & Friends,

Every year, we take pride in reflecting on the progress of your bank, our bank. But this year, the phrase “This is my bank!” resonates more deeply than ever. It captures the ownership our customers feel, the pride our employees bring to their work, and the trust you place in us as stewards of a vital community institution.

In 2025, that shared sense of ownership translated into another year of steady, disciplined growth. Total assets increased by 3.24%, and gross loans expanded by just under 5%, reflecting both the resilience of our local economy and the confidence our customers continue to place in us. Revenue reached a historic high, topping \$50 million for the first time. Net income was impacted by an isolated credit relationship that deteriorated more rapidly than anticipated, requiring a specific reserve within our loan-loss provision. Even so, First State Bank delivered the fifth-strongest net income performance in our 115-year history, underscoring the strength and efficiency of our core operations.

## **A Bank Built on Belonging**

When customers say, “This is my bank,” they’re not talking about a transaction, they’re talking about a relationship. They’re talking about walking into a branch and being greeted by Thomas, Julie, Lynda, or another B First Banker. They’re talking about bankers who understand their business, their family, and their goals. They’re talking about a bank that invests in local neighborhoods, sponsors local events, and shows up when it matters.

That sense of belonging is not an accident. It’s the result of intentional choices:

- To remain customer focused
- To prioritize the relationship
- To grow the communities in which we work and live
- To empower B First Bankers to make decisions that help Main Street, not Wall Street

## **Growing With Purpose**

Our loan growth this year reflects the strength of the communities we serve. From small business expansions to first-time home buyers, we saw increased demand across our markets. We continued to support local entrepreneurs, farmers, and families with competitive products and responsive service.

Asset growth remained steady, supported by a stable deposit base and a balanced approach to liquidity and capital management. In a year marked by economic uncertainty and shifting interest-rate dynamics, our disciplined strategy allowed us to navigate challenges while positioning the bank for long-term success.

## **Investing in the Future**

We also continued to invest in the tools and technologies that make banking easier and more secure for our customers. Enhancements to our digital banking platform, expanded fraud-prevention capabilities, and improved customer experiences all reflect our commitment to meeting customers where they are, whether that’s in a branch, on a laptop, or on a phone.

At the same time, we strengthened our internal infrastructure, ensuring we remain well-prepared for regulatory changes, cybersecurity demands, and the evolving expectations of today’s consumers.

## **A Team That Makes Us Proud**

Our B First Bankers are the heart of this bank. Their dedication, professionalism, and genuine care for our customers are the reason people feel proud to say, “This is my bank.” In 2025, we continued to invest in training, leadership development, and workplace culture to ensure our team remains strong, engaged, and ready for the future.

## **Looking Ahead**

As we move into 2026, we remain focused on sustainable growth, operational excellence, and deepening the relationships that define us. We will continue to be a bank that listens, a bank that invests locally, and a bank that earns the trust of every customer we serve.

Thank you for your continued confidence and support. Together, we are building something special, an institution that reflects the values, aspirations, and spirit of the communities we call home.

**This is my bank. This is our bank. And the future is bright.**

Upward & Onward,  
D. Joe Caffee, President & CEO

*This is my bank!*

# Senior Management, Officers, & Board of Directors

## MIDDLEBURY OFFICERS

D. Joe Caffee	President & CEO
Jared E. Sponseller	Senior Vice President & CFO
Eddie E. Tabor III	Senior Vice President & COO
Lance T. Weirich	Senior Vice President & CLO
James L. Neff	Senior Vice President
Eric J. Romzek	Senior Vice President
Samuel E. Weirich III	Senior Vice President, Risk Officer
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
Julie W. Whitehead	Vice President
Jaclyn D. Heath	Assistant Vice President, Controller
Tessa A. Trigg	Assistant Vice President
Timothy D. DeLuca	Banking Officer
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
Savannah R. Lehman	Compliance 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

## BOARD OF DIRECTORS

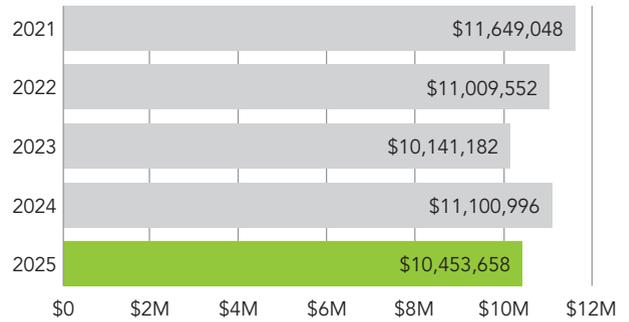
Joe A. Smucker	Chairman of the Board, Retired President, Parkland Plastics Inc.
D. Joe Caffee	President and CEO, First State Bank and CVFC
Sam H. Hoover III	Retired Executive Vice President, First State Bank and CVFC
Derald L. Bontrager	Retired President, Jayco, Inc.
Carl D. Eash	Retired Business Owner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

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# Financial Highlights 2025



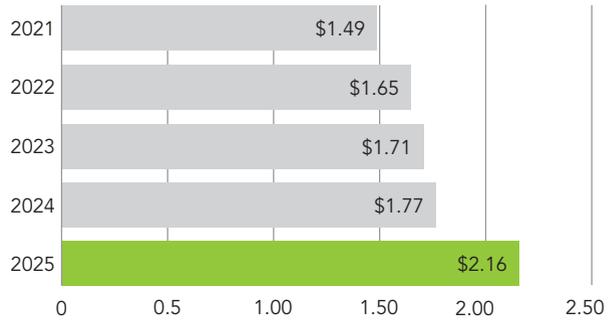
TOTAL ASSETS



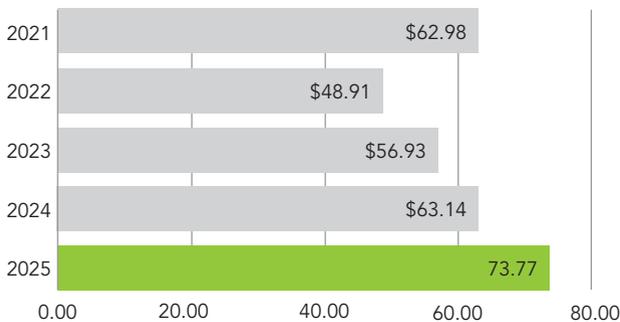
NET INCOME



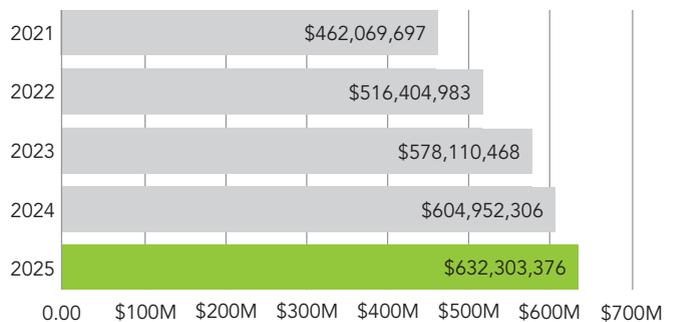
BASIC EARNINGS PER SHARE



DIVIDENDS PER SHARE



BOOK VALUE PER SHARE



TOTAL NET LOANS

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**Crystal Valley Financial Corporation**  
**Consolidated Balance Sheet**  
**December 31, 2025**

**Assets**

Cash and Cash Equivalents	\$10,138,239
Investment Securities	127,937,547
Federal Home Loan Bank Stock	3,530,500
Loans, net of allowance for loan losses	632,303,376
Premises and equipment	8,875,477
Accrued interest receivable	3,173,282
CSV - Insurance	14,558,745
Other Assets	11,460,929
<b>Total Assets</b>	<b>\$811,978,095</b>

**Liabilities**

Demand Deposits	\$394,386,239
Savings Deposits	120,028,846
Time Deposits	139,123,024
<b>Total Deposits</b>	<b>653,538,109</b>
Repurchase Agreements	4,764,167
Federal Home Loan Bank Advances	45,964,984
Other Borrowings	4,781,000
Other Liabilities	9,878,852
<b>Total Liabilities</b>	<b>718,927,112</b>

**Stockholders' Equity**

Common stock	2,048,000
Surplus	2,179,382
Retained Earnings	129,732,386
Net unrealized gain (loss) on securities	-15,165,427
Less treasury stock, at cost	-25,743,358
<b>Total stockholders' equity</b>	<b>93,050,983</b>

<b>Total Liabilities and stockholders' equity</b>	<b>\$811,978,095</b>
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Book value per share of common stock (Based on 1,261,307 shares outstanding)	\$73.77
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**Crystal Valley Financial Corporation**  
**Consolidated Statement of Income**  
**Year Ended December 31, 2025**

**Interest Income**

Loans, including fees	\$42,100,164
Investment Securities	3,454,420
Other interest and dividend income	499,840
<b>Total Interest Income</b>	<b>46,054,424</b>

**Interest Expense**

Deposits	11,094,945
Federal Home Loan Bank Advances	2,328,502
Other borrowings/Repos	251,310
<b>Total Interest Expense</b>	<b>13,674,757</b>

Net Interest Income	32,379,667
Provision for loan losses	3,037,424

<b>Net Interest Income after Provision for loan losses</b>	<b>29,342,243</b>
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**Other Income**

Service charges on deposit accounts	570,252
Other service charges, commissions, fees	1,634,845
Trust income	1,450,302
Net gains on sales of securities	-352,506
Net gains (loss) on sales of loans	339,807
Net gain (loss) on other real estate	0
Other income	485,078

<b>Total Other Income</b>	<b>4,127,778</b>
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**Other Expenses**

Salaries and employee benefits	11,570,752
Occupancy	1,338,531
Equipment and processing	3,053,322
FDIC Assessment	364,844
Other expenses	4,720,581

<b>Total Other Expenses</b>	<b>21,048,030</b>
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Income Before Income Taxes	12,421,991
Provision for Income Taxes	1,968,333

<b>Net Income</b>	<b>\$10,453,658</b>
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Earnings per share	\$8.22
Average shares outstanding	1,272,332

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# *B* empowered Focused On Local Enterprise

This past year marked a period of steady progress for the businesses we serve and for First State Bank as their financial partner. Local companies confronted rising costs, shifting customer expectations, and a rapidly changing digital environment. Throughout these challenges, our focus remained clear: to provide the kind of dependable, forward looking support that strengthens both individual businesses and the broader community.

Our business banking team continued to work side by side with clients, helping them navigate decisions that impact daily operations as well as long term sustainability. Whether supporting established companies modernizing their systems or new ventures taking their first steps, we emphasized clarity, responsiveness, and practical solutions grounded in local insight.

As part of that commitment, we offered a range of business accounts designed to meet the evolving needs of organizations at every stage:

## **B Elite**

Developed for companies with significant transaction demands, this account offers unlimited activity and advanced treasury features that help streamline financial workflows.

## **B Smart**

For growing businesses, B Smart provides room for increasing activity while giving clients flexibility in how they manage monthly transaction volume.

## **B Simple**

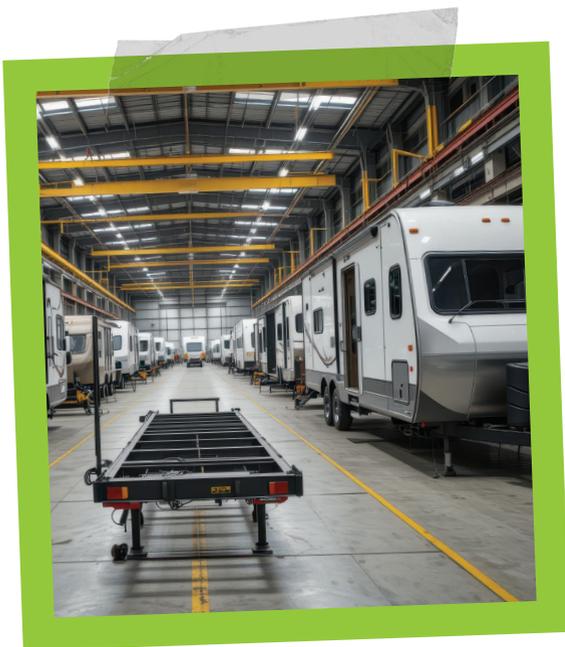
Focused on straightforward banking needs, B Simple supports smaller operations and startups with essential tools and predictable structure.

## **B Kind**

Specifically built for nonprofit organizations, this account offers no fee, unlimited transactions to support mission focused work in the community.

Across all accounts, we continue to provide digital services that enable businesses to operate with greater efficiency and convenience, including online and mobile banking, bill pay, and secure electronic statements.

Looking ahead, First State Bank will continue investing in technology and services that improve the banking experience while keeping relationships at the heart of our approach. The strength and resilience of the businesses we serve remain central to our mission, and we are committed to supporting their progress in the year ahead.



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# *B* invested

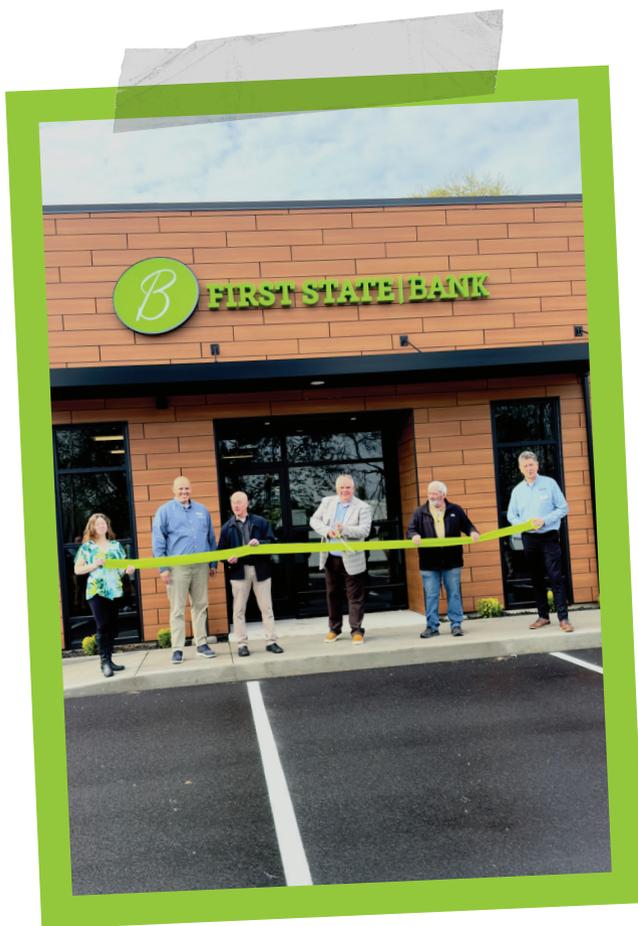
## Committed To The Growth Of Our Bank And Community

On May 1, 2025, we celebrated the ribbon cutting of our new Administrative Office located at 107 N Scott Street, Middlebury, IN. A strategic investment in the future of First State Bank.

This facility brings together our Executive Team, Accounting, Risk Management, Compliance, Human Resources, Marketing, and Call Center,

strengthening collaboration and supporting efficient, well-governed operations. By centralizing these critical functions, we enhance communication, reinforce risk oversight, and improve our ability to support both our frontline teams and the customers they serve.

This investment reflects our disciplined approach to growth, ensuring the infrastructure is in place to support scalability, regulatory excellence, and long-term shareholder value while maintaining the relationship-focused service that defines our bank.



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# *B connected*

## Celebrating The Relationships That Make Us Stronger

Customer Appreciation Day is one of the most anticipated traditions at First State Bank. It's a day dedicated entirely to the people we serve. A chance to slow down, share a root beer or orange float, and say "thank you" face to face.

Across all our locations, laughter replaces the usual banking routine as employees and customers gather together. These moments remind us that banking is about more than transactions, it's about trust, familiarity, and community.

At First State Bank relationships come first and appreciation is more than words.



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# *B* engaged

## Building A Brighter Future Through Connections

This year, we continued our commitment to engaging students across Elkhart and LaGrange Counties by participating in the LaGrange Chamber Field of Dreams Expo and the Horizon Education Alliance Career Quest.

Through hands-on activities and real conversations, our team connected with 7th–12th grade students, offering a closer look at the world of community banking. We shared what it means to serve customers, support local businesses, and make an impact close to home.

We don't just support our communities today, but help prepare them for tomorrow. We're invested in education, opportunity, and the future workforce of the communities we proudly serve.



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# *B* united

## Bringing Our Team Together To Giveback

B Cause Day remains one of the most meaningful traditions at First State Bank. For the seventh year, our team dedicated Columbus Day to hands-on service, working side by side in support of ten local nonprofit organizations.

Our bankers embraced projects that strengthened facilities, supported programs, and helped extend each organization's reach within the community. Every project, large or small, represented our shared belief that strong communities are built through action.

We were proud to serve alongside organizations including CCS Soup of Success, Cultivate Culinary, Elkhart County 4-H Fairgrounds, Junior Achievement, Ronald McDonald House, MCC The Depot, Middlebury Food Pantry, Non-Profit Support, Stable Grounds, and The Cove.

B Cause Day is more than a tradition. It's a reflection of our values in action.



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# *B* impactful

Making A Difference Beyond The Office



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Elkhart County 4-H  
Fair Trick or Treat



The Cove Coat Drive



Pulse FM Polar Express

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**Bfirst.bank | 574.825.2166**