

MIDDLEBURY OFFICERS

| | |
|-----------------------|---------------------------------------|
| D. Joe Caffee | President & CEO |
| Sam H. Hoover III | Exec. Vice President & COO |
| 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 |
| Ron L. Yoder | Senior Vice President |
| Darla K. Kauffman | Vice President |
| Jon E. Miller | Vice President |
| Eric J. Romzek | Vice President |
| Sue Ann Von Blon | Vice President |
| Julie W. Whitehead | Vice President |
| Lance T. Weirich | Vice President |
| Samuel E. Weirich III | Vice President |
| James L. Neff | Assistant Vice President |
| Casey I. Zitkus | Assistant Vice President & Controller |
| Amyian M. Freeto | Banking Officer |
| Debbie L. Gordon | Banking Officer |
| Jessica E. Hamood | Banking Officer |
| Ian E. King | Banking Officer |
| Kirsten T. King | 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 | President, Jayco, Inc. (Retired) |
| 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 | President, Parkland Plastics Inc. |
| Kip B. Ellis | Exec. Vice President & COO, Patrick Industries, Inc. |
| Anne Hayes | President, Hayes Towers |

Goshen: Dennis J. Weldy Vice President & Agent
 Middlebury: Richard L. Holderread Office Manager & Agent

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 |

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 |
| Phyllis J. Arroyo | Assistant Vice President |

MISHAWAKA & SOUTH BEND OFFICERS

| | |
|---------------------|--------------------------|
| Dana D. Trowbridge | Senior Vice President |
| Elizabeth L. Groulx | Vice President |
| Mike L. Zappia | Vice President |
| Lori A. Faltynski | Assistant Vice President |
| Tiwanda L. Glover | Assistant Vice President |
| Jan Sisti | Banking Officer |

CRYSTAL VALLEY FINANCIAL CORPORATION


The directors and management team of Crystal Valley Financial Corporation (CYVF) and its' subsidiaries, First State Bank/First State Insurance are pleased to announce financial results for the third quarter and year to date. Consolidated year to date net income grew to just over \$8,200,000 an increase of 3.2% compared to the same period of 2020. Total assets for the corporation have grown to more than \$730 million as of September 30, 2021. During the 3rd quarter, we aggressively processed PPP round 2 forgiveness applications. In fact, only \$5 million of these loans remain on the balance sheet. Our commercial lending team expects them all to be forgiven by year end.

Net income remains strong with the realization of additional PPP loan fees. Consumer mortgage demand remains strong but is hampered by a limited supply of homes for sale. Deposit growth is driven by additional government stimulus coupled with increasing local wages spurred on by a short labor market.

The directors have approved a fourth quarter dividend in the amount of \$.39 per share for shareholders of record as of November 4, 2021 and payable on November 18, 2021. This dividend is an increase of 11% compared to the dividend paid for the same period of 2020. Year over year, earnings per share grew by just over 6.3% to \$5.72. There is still time to participate in our generous stock repurchase program that will be in effect until December 31, 2021. If you wish to discuss this option, please contact our CFO, Jared Sponseller or myself.

Credit quality remains outstanding. The robust local economy coupled with our commitment to maintaining consistent and logical underwriting has resulted in historically low past due and problem loan metrics.

We appreciate your investment in Crystal Valley Financial. Feel free to call if you would like to discuss our financial results or your investment.

Upward & Onward,



D. Joe Caffee, President & CEO



Statement of Condition



September 30, 2021

CRYSTAL VALLEY FINANCIAL CORPORATION

and its Principal Subsidiary

FIRST STATE BANK

Statement of Condition
September 30, 2021 and 2020
Unaudited

| | 2021 | 2020 |
|--|----------------------|----------------------|
| Assets | | |
| Cash and Due from Banks | \$10,890,756 | \$12,777,506 |
| Interest Bearing Balance with Banks | 47,797,961 | 23,379,246 |
| Federal Funds Sold | 892,371 | 84,613 |
| Investment Securities | 198,847,008 | 115,717,648 |
| Federal Home Loan Bank Stock | 2,745,700 | 2,613,800 |
| | | |
| Loans Gross | 456,614,726 | 503,197,856 |
| Less: Allowance for Loan Losses | -6,492,490 | -5,921,332 |
| Deferred Loan Fees | -282,926 | -1,721,900 |
| | <hr/> | <hr/> |
| Net Loans | 449,839,310 | 495,554,624 |
| | | |
| Premises and Equipment | 3,577,917 | 4,058,249 |
| Accrued Interest Receivable | 2,461,671 | 2,670,735 |
| CSV - Life Insurance | 12,121,598 | 10,795,136 |
| Other Assets | 5,146,008 | 4,364,486 |
| | <hr/> | <hr/> |
| Total Assets | <u>\$734,320,300</u> | <u>\$672,016,043</u> |
| | | |
| Liabilities and Shareholders Equity | | |
| Liabilities | | |
| Non-Interest Bearing Demand | \$157,879,304 | \$132,756,541 |
| Interest Bearing Demand | 192,405,052 | 150,768,109 |
| Savings | 146,312,167 | 119,581,402 |
| Time Under \$100,000 | 30,288,106 | 33,051,694 |
| Time \$100,000 and over | 66,210,581 | 72,024,317 |
| | <hr/> | <hr/> |
| Total Deposits | 593,095,210 | 508,182,063 |
| Loans Payable | 40,729,059 | 71,627,726 |
| Repurchase Agreements | 4,924,576 | 4,642,527 |
| Accrued Interest Payable | 171,244 | 246,368 |
| Other liabilities | 7,233,296 | 6,395,522 |
| | <hr/> | <hr/> |
| Total Liabilities | \$646,153,385 | \$591,094,206 |
| | | |
| Shareholders Equity | | |
| Common Stock | \$2,048,000 | \$2,048,000 |
| Surplus | 2,179,382 | 2,179,382 |
| Retained Earnings | 94,231,132 | 85,198,647 |
| Treasury Stock | -14,584,968 | -14,468,523 |
| Net Unrealized Gain (Loss) on Securities | 4,293,369 | 4,964,331 |
| | <hr/> | <hr/> |
| Total Shareholder Equity | \$88,166,915 | \$80,921,837 |
| | | |
| Total Liabilities and Shareholder Equity | <u>\$734,320,300</u> | <u>\$672,016,043</u> |
| | | |
| Book Value Per Share | \$61.22 | \$55.42 |

* 2021 - Based on 1,440,259 shares outstanding
** 2020 - Based on 1,460,155 shares outstanding

Statement of Income
Nine Months Ended September 30, 2021 and 2020
Unaudited

| | 2021 | 2020 |
|---|--------------|--------------|
| Interest Income | | |
| Interest and Fees on Loans | \$17,657,133 | \$19,335,662 |
| Interest on B.A.'s & Deposits with Banks | 48,876 | 60,664 |
| Interest on Investment Securities | 2,751,767 | 2,149,792 |
| Other Interest & Dividend Income | 223 | 878 |
| | <hr/> | <hr/> |
| Total Interest Income | \$20,457,999 | \$21,546,996 |
| | | |
| Interest Expense | | |
| Interest on Deposits | \$1,383,594 | \$2,104,315 |
| Interest on FF Purchased/Repos | 5,867 | 11,040 |
| Interest on Other Borrowed Funds | 492,858 | 572,098 |
| | <hr/> | <hr/> |
| Total Interest Expense | \$1,882,319 | \$2,687,453 |
| | | |
| Net Interest Income | | |
| Provision for Loan Losses | 220,000 | 970,000 |
| | <hr/> | <hr/> |
| Net Interest Income After Provision for Loan Losses | \$18,355,680 | \$17,889,543 |
| | | |
| Other Income | | |
| Service Charges on Deposit Accounts | \$234,564 | \$310,583 |
| Other Service Charges, Commissions, Fees | 1,587,743 | 1,312,375 |
| Trust Income | 915,736 | 822,459 |
| Gain (Loss) on Sales of Securities | 542,444 | 620,915 |
| Gain (Loss) on Sales of Loans | 1,839,127 | 1,779,630 |
| Gain (Loss) on Other Real Estate | -138,999 | -228,000 |
| Other Income | 281,487 | 120,850 |
| | <hr/> | <hr/> |
| Total Other Income | \$5,262,102 | \$4,738,812 |
| | | |
| Other Expenses | | |
| Salaries and Employee Benefits | \$8,222,683 | \$7,662,907 |
| Occupancy Expense | 917,137 | 853,822 |
| Equipment and Processing | 1,633,959 | 1,763,326 |
| Postage & Supplies | 228,399 | 254,751 |
| Legal & Accounting | 232,304 | 238,236 |
| Advertising & Public Relations | 482,429 | 343,523 |
| FDIC Assessment | 134,059 | 106,765 |
| Other Expenses | 2,102,274 | 1,873,333 |
| | <hr/> | <hr/> |
| Total Other Expenses | \$13,953,244 | \$13,096,663 |
| | | |
| Income Before Taxes | | |
| Provision for Income Taxes | 1,390,927 | 1,517,792 |
| | <hr/> | <hr/> |
| Net Income | \$8,273,611 | \$8,013,900 |
| | | |
| Earnings Per Common Share | | |
| | \$5.72 | \$5.38 |

* 2021 - Based on 1,445,395 average shares outstanding
** 2020 - Based on 1,488,942 average shares outstanding