



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
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
Casey I. Zitkus	Assistant Vice President & Controller
Jessica E. Hamood	Assistant Vice President
Kirsten T. King	Assistant Vice President
Debbie L. Gordon	Banking Officer
Ian E. 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	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

On behalf of the directors and management team of Crystal Valley Financial Corporation (CVF) and its primary subsidiary, First State Bank, it is a pleasure to announce stable financial results for the third quarter and year to date. Net income exceeded \$8,300,000 an increase of 0.4% compared to the same period of 2021. This is not insignificant considering the impact of one-time Payroll Protection Program fees realized during the 3rd quarter of 2021. Total assets for the corporation are more than \$735 million as of September 30, 2022.

Historically sharp increases in loan interest rates, intended to curb inflation, have increased bank margins, driving net income gains. However, the uptick in interest rates have wreaked havoc in the bond market causing many banks, including First State Bank, to further write down the value of these investments.

The directors have approved a fourth quarter dividend in the amount of \$.42 per share for shareholders of record as of November 3, 2022 and payable on November 17, 2022. This dividend is an increase of 7.7% compared to the dividend paid for the same period of 2021. Year over year, earnings per share grew by 3.5% to \$5.92. There is still time to participate in our generous stock repurchase program that will be in effect. If you wish to discuss this option, please contact our CFO, Jared Sponseller or myself.

Despite the global and national economic challenges, credit quality remains outstanding locally. All credit metrics are historically good. Our commercial lending team is bringing many high-quality loan opportunities for consideration. Even in the face of rising interest rates, pricing competition for the best deals remains fierce. Regardless, we have not lowered First State Bank credit underwriting standards to earn business.

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, 2022

CRYSTAL VALLEY FINANCIAL CORPORATION

and its Principal Subsidiary

FIRST STATE | BANK

Statement of Condition
September 30, 2022 and 2021
Unaudited

	2022	2021
Assets		
Cash and Due from Banks	\$11,540,054	\$10,890,756
Interest Bearing Balance with Banks	4,965,068	47,797,961
Federal Funds Sold	435,070	892,371
Investment Securities	169,661,258	198,847,008
Federal Home Loan Bank Stock	2,702,900	2,745,700
Loans Gross	516,468,297	456,614,726
Less: Allowance for Loan Losses	-6,609,967	-6,492,490
Deferred Loan Fees	-68,130	-282,926
Net Loans	509,790,200	449,839,310
Premises and Equipment	5,434,081	3,577,917
Accrued Interest Receivable	2,654,925	2,461,671
CSV - Life Insurance	12,455,202	12,121,598
Other Assets	16,007,634	5,146,008
Total Assets	\$735,646,392	\$734,320,300
Liabilities and Shareholders Equity		
Liabilities		
Non-Interest Bearing Demand	\$172,905,410	\$157,879,304
Interest Bearing Demand	209,284,316	192,405,052
Savings	167,916,151	146,312,167
Time Under \$100,000	25,230,776	30,288,106
Time \$100,000 and over	59,849,885	66,210,581
Total Deposits	635,186,538	593,095,210
Loans Payable	25,923,089	40,729,059
Repurchase Agreements	5,763,295	4,924,576
Accrued Interest Payable	183,584	171,244
Other Liabilities	8,490,086	7,233,296
Total Liabilities	\$675,546,592	\$646,153,385
Shareholders Equity		
Common Stock	\$2,048,000	\$2,048,000
Surplus	2,179,382	2,179,382
Retained Earnings	103,619,419	94,231,132
Treasury Stock	-18,423,958	-14,584,968
Net Unrealized Gain (Loss) on Securities	-29,323,043	4,293,369
Total Shareholder Equity	\$60,099,800	\$88,166,915
Total Liabilities and Shareholder Equity	\$735,646,392	\$734,320,300
Book Value Per Share	\$43.52*	\$61.22**

* 2022 - Based on 1,380,959 shares outstanding
** 2021 - Based on 1,440,259 shares outstanding

Statement of Income
Nine Months Ended September 30, 2022 and 2021
Unaudited

	2022	2021
Interest Income		
Interest and Fees on Loans	\$17,646,894	\$17,657,133
Interest on B.A.'s & Deposits with Banks	70,437	48,876
Interest on Investment Securities	3,621,061	2,751,767
Other Interest & Dividend Income	5,227	223
Total Interest Income	\$21,343,619	\$20,457,999
Interest Expense		
Interest on Deposits	\$1,361,465	\$1,383,594
Interest on FF Purchased/Repos	16,836	5,867
Interest on Other Borrowed Funds	332,525	492,858
Total Interest Expense	\$1,710,826	\$1,882,319
Net Interest Income	\$19,632,793	\$18,575,680
Provision for Loan Losses	150,000	220,000
Net Interest Income After Provision for Loan Losses	\$19,482,793	\$18,355,680
Other Income		
Service Charges on Deposit Accounts	\$331,485	\$234,564
Other Service Charges, Commissions, Fees	1,328,900	1,587,743
Trust Income	968,735	915,736
Gain (Loss) on Sales of Securities	209,287	542,444
Gain (Loss) on Sales of Loans	786,041	1,839,127
Gain (Loss) on Other Real Estate	0	-138,999
Other Income	265,438	281,487
Total Other Income	\$3,889,886	\$5,262,102
Other Expenses		
Salaries and Employee Benefits	\$7,710,991	\$8,222,683
Occupancy Expense	890,337	917,137
Equipment and Processing	1,741,009	1,633,959
Postage & Supplies	221,035	228,399
Legal & Accounting	225,651	232,304
Advertising & Public Relations	555,921	482,429
FDIC Assessment	156,774	134,059
Other Expenses	2,280,544	2,102,274
Total Other Expenses	\$13,782,262	\$13,953,244
Income Before Taxes	\$9,590,417	\$9,664,538
Provision for Income Taxes	1,285,043	1,390,927
Net Income	\$8,305,374	\$8,273,611
Earnings Per Common Share	\$5.92*	\$5.72**

* 2022 - Based on 1,403,622 average shares outstanding
** 2021 - Based on 1,445,395 average shares outstanding