

To Our Valued Shareholders,

Attached with this letter, you will find the December 31, 2022, Financial Statements.

The year ended December 31, 2021, was an extraordinary year with record earnings for our bank. In 2022, we worked hard to match those results in an incredibly difficult interest rate and banking environment. On a consolidated basis, the bank reported a net income of \$4.9 Million; while this was slightly less than the record we set in 2021, it was the second highest net income since the inception of the bank. Despite the changing rates and uncertainty in the market, our bank saw another year of strong growth with an increase in loans of \$106 Million or 24.5%. Total Assets grew by \$81 Million, which was 14.5%. We look forward to continuing to grow and provide an increasing return on your investment in Community First Bank of Indiana.

If you are looking to buy or sell bank stock, please go to our Community First Investor Relations page at [CFBindiana.com/InvestorRelations](https://cfbindiana.com/InvestorRelations). This page holds information about BanList, the website we use to facilitate stock transactions. There are instructions on how to create an account and sign up for alerts regarding our stock. You can also find our valuation and recent trades listed on this page.

As always, please reach out to us with any questions you may have.

Sincerely,



Monica Gremelspacher
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Community First Bank of Indiana
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Balance Sheets

December 31, 2022 and December 31, 2021

	<u>12/31/2022</u>	<u>12/31/2021</u>
Assets		
Cash and due from banks	\$ 6,851,409	\$ 42,017,668
Restricted Cash	2,149,874	800,000
Interest Bearing Checking Accounts	45,443,510	41,857,500
Federal funds sold	872,582	-
Cash and cash equivalents	<u>55,317,375</u>	<u>84,675,168</u>
Available-for-sale securities	6,005,644	1,869,375
Loans held for sale	61,987,493	50,845,404
Loans, net of allowance for loan losses of \$7,029,453 and \$6,267,637	469,617,617	375,286,608
Premises and fixed assets	14,195,190	14,522,302
Goodwill	13,467,535	14,317,535
Foreclosed assets held for sale	639,086	867,095
Federal Home Loan Bank stock	2,008,600	1,563,700
Interest receivable and other assets	16,755,407	14,588,770
Total assets	<u>\$ 639,993,947</u>	<u>\$ 558,535,957</u>
Liabilities		
Deposits:		
Demand	\$ 108,977,225	\$ 93,118,365
Savings, NOW and money market	307,740,666	266,989,629
Time	100,036,218	102,975,229
Total deposits	<u>516,754,109</u>	<u>463,083,223</u>
Short-term borrowings	-	-
Federal Home Loan Bank Advances	10,000,000	10,000,000
Other Long Term Borrowings	23,174,241	10,653,664
Warehouse Lines of Credit	22,755,441	6,659,798
Interest payable and other liabilities	13,103,039	16,594,353
Total liabilities	<u>585,786,830</u>	<u>506,991,038</u>
Stockholders' Equity		
Common stock, \$1 par value; authorized 10,000,000 shares; 1,635,134 shares issued and outstanding	1,635,134	1,635,134
Additional paid-in capital	19,428,724	19,428,724
Accumulated earnings	27,832,499	23,967,557
Accumulated other comprehensive income/loss	(131,879)	20,891
Total parent company stockholders' equity	<u>48,764,478</u>	<u>45,052,306</u>
Noncontrolling interest	<u>5,442,639</u>	<u>6,492,613</u>
Total stockholders' equity	<u>54,207,117</u>	<u>51,544,919</u>
Total liabilities and stockholders' equity	<u>\$ 639,993,947</u>	<u>\$ 558,535,957</u>
Book Value Per Share	\$ 29.82	\$ 27.55

Statements of Income

December 31, 2022 and December 31, 2021

	<u>12/31/2022</u>	<u>12/31/2021</u>
Interest Income		
Loans	\$ 32,056,082	\$ 25,475,091
Securities	946,389	87,519
Federal funds sold	45,772	6,391
Total interest income	<u>33,048,243</u>	<u>25,569,001</u>
Interest Expense		
Deposits	3,668,326	2,439,165
Other borrowings	1,905,544	1,016,155
Total interest expense	<u>5,573,870</u>	<u>3,455,320</u>
Net Interest Income	27,474,373	22,113,681
Provision for Loan Losses	789,000	775,000
Net Interest Income After Provision for Loan Losses	26,685,373	21,338,681
Noninterest Income		
Service charges on deposit accounts	515,594	418,408
Fees on loans sold	4,573,906	10,950,928
Interchange and debit card income	1,142,653	981,648
Other	3,013,425	1,095,636
Total noninterest income	<u>9,245,578</u>	<u>13,446,620</u>
Noninterest Expense		
Salaries and employee benefits	18,961,314	17,728,907
Net occupancy expense	1,403,960	1,249,754
Equipment expense	1,139,721	999,092
Data processing fees	2,135,012	2,161,520
Professional fees	754,079	449,990
FDIC Assessment	660,500	420,750
Other	5,447,470	4,222,609
Total noninterest expense	<u>30,502,056</u>	<u>27,232,622</u>
Net Income (Loss) Before Taxes	\$ 5,428,895	\$ 7,552,679
Income Taxes	1,644,739	1,853,496
Net Income	<u>\$ 3,784,156</u>	<u>\$ 5,699,183</u>
Less Income/Loss Attributable to Non-Controlling Interest	\$ (1,159,974)	\$ 679,420
Net Income (Loss) Attributable to CFFC	<u>\$ 4,944,130</u>	<u>\$ 5,019,763</u>
Net Income Per Share	\$ 3.02	\$ 3.07