

# 20

Years

Community **FIRST**  
Financial Corporation

***Tied to our Communities***





## Leadership & Locations



### Board of Directors

Bill Hingst, Chairman  
 Dr. Stacy Atkinson  
 Robb Blume  
 Rex Gingerich  
 Dr. J. Michael Harshman  
 Bob Hickman  
 Jack Hingst  
 Mark McCann  
 David McFatrige  
 Ron Metz  
 Matthew Murphy III  
 Monica Peck  
 Pete Smith

### Management Team

Robb Blume  
*President & CEO*  
 Bob Hickman  
*EVP, Chief Banking & Credit Officer*  
 Janelle Campbell  
*SVP, Director of Consumer Banking*  
 Monica Gremelspacher  
*SVP, Chief Financial Officer*  
 Scott Hammersley  
*SVP, Commercial Loan Group Manager*  
 Kim LaFollette  
*SVP, Director of Sales & Customer Experience*  
 Jonathon Malin  
*SVP, Director of Commercial Banking*  
 Bea Wiles  
*SVP, Chief Operating Officer*  
 Carlonda Davis  
*VP, Chief Administrative Officer/DE&I*  
 Mark Malin  
*VP, Chief Leadership & People Development Officer*

### Locations

Kokomo  
 201 W. Sycamore St.  
 2101 S. Dixon Rd.  
 1308 E. Hoffer St.  
 100 N. Washington St., Suite A  
*(Investment Office)*  
 Noblesville  
 17661 Village Center Dr.  
 Westfield  
 707 E. State Rd. 32  
 381 S. Junction Crossing  
 Indianapolis  
 9333 N. Meridian St., Suite 125  
 Fishers  
 9998 Crosspoint Blvd., Suite 100

## Awards & Milestones

### Awards

BANKPAC 200% Club, Indiana Bankers Association  
 Best Bank in Kokomo for the 17th consecutive year, Kokomo Tribune's Readers' Choice Awards  
 Best Place to Work, Kokomo Tribune's Readers' Choice Awards  
 Commitment to Community Award Finalist, Indiana Bankers Association  
 Five Star Member, Indiana Bankers Association  
 Large Business of the Year Award, Westfield Chamber of Commerce  
 Large Business of the Year Award, Greater Kokomo Economic Development Alliance  
 Tammy Burton named Best Teller, Kokomo Tribune's Readers' Choice Awards



Large Business of the Year Award  
 Westfield Chamber of Commerce



Large Business of the Year Award  
 Greater Kokomo Economic Development Alliance

### Milestones

Celebrated 20 Year Anniversary  
 Reached \$700 Million in Assets  
 Loan Production Office Moved to Fishers  
 Opened Investment Group Office Downtown Kokomo  
 Reached \$1 Million in Donations



Loan Production Office in Fishers



Community First Investment Group  
 Ribbon Cutting Celebration



# Marking a Million Dollars of Impact

CFB reached an exciting milestone of donating over \$1 million to local nonprofits and community partners since the bank's inception on February 3, 2003. To mark this milestone, bank employees were all invited to share their input and vote for nonprofits to receive a celebratory donation. During a spree of check presentations, each of the bank's 8 branches presented \$1,000 to their selected organization (\$8,000 in total was given).



*Brooke's Place  
chosen by the Meridian North Team*



*Coordinated Assistance Ministries (CAM)  
chosen by the Hoffer Team*



*Family Service Association of Howard County (FSA)  
chosen by the Main Office Team*



*Humane Society for Hamilton County  
chosen by the Pebble Village Team*



*Kokomo Humane Society  
chosen by the Dixon Team*



*Meals on Wheels of Hamilton County  
chosen by the Oak Ridge Team*



*Shepherd's Center of Hamilton County  
chosen by the One Concourse Team*



*Westfield Youth Assistance Program  
chosen by the Junction Crossing Team*



**Robb Blume,  
President & CEO**

## Letter from the President

Looking back on the past 20+ years of our bank's history, I am both proud of and amazed by many things – that our bank has grown from one location to eight, that we have surpassed the \$500 million dollar asset size and are well on our way to being a billion dollar bank, that we have employed over 425 people in the past 20 years (not including employees of our subsidiary, First Signature Lending, LLC), and that we have been able to donate over \$1 million back into our communities. But what amazes me most and what makes me proudest is that we have done all these things while still maintaining and building upon our original culture and philosophy. In an early conversation, before the bank was even chartered, I remember talking with Mike Stegall, our founding CEO &

consolidated basis (unaudited). After-tax, consolidated net income increased by over 45%. The earnings growth was positively impacted by increased interest on loans, increased fees on loans sold at both the bank and First Signature Lending, and increased fee income from depository accounts and electronic banking transactions. Loan quality remained very high and your bank compared very well to peers in nearly all measurements.

As we look to 2024 and beyond, we will continue to build upon the four pillars of our strategic plan: Financial Performance, Stakeholder Satisfaction, Employee Opportunity and Community Improvement. We have undertaken two key initiatives for 2024. First, we are



*Dunk a Banker Event at Strawberry Festival, Downtown Kokomo*



*20th Anniversary Celebration, Dixon Branch*

focusing on **developing and documenting scalable and sustainable operating systems in every area of the bank.** As we continue on our march to be a billion dollar bank, it is critical that we strive to implement best practices in all that we do. We are in the process of reviewing, evaluating and documenting all of our processes and procedures. This initiative will be key to continuing to grow in an efficient and profitable manner. Our second key initiative is to refocus on **delivering a world-class customer experience.** As the banking industry continues to consolidate, our primary differentiator is our people and the service they deliver. And while we already do a great job of servicing our customers, we want to step up our service even more. To do this, we will be defining what world-class service means and will work to provide our people with the training and tools to deliver that experience to our customers.

President, about "hiring the A-Team" and supporting the community. We believed doing those two simple things would make us successful. Well, the A-Team has grown and our number of communities served has increased but those two fundamentals remain the same.

The banking environment of the past two years has made having talented and determined employees an imperative. With volatile interest rates, increased funding costs, bank failures developing almost overnight and a regulatory and political environment that presents new challenges on a consistent basis, the past two years have been the most challenging since 2008. In 2023, despite these challenges, your bank delivered record earnings and grew total assets by over 14%, on a

Banking remains a people business and our financial performance over the years speaks loudly to the quality of the people we have been able to attract and retain. As we continue on our quest to remain independent and provide a satisfactory return to shareholders, our people will continue to be the key. We will continue to strive to hire the best people in our markets and to provide them with the tools and growth opportunities to allow them to thrive.



As we look back on 20+ years of serving our communities, we want to thank our shareholders, customers, communities and employees for all the support we have received since we started our mortgage company back in 2002. We are looking forward to what the next 20 years will bring!



Monica Gremelspacher, Chief Financial Officer

## Financial Performance

Last year as I was writing the end of year letter, most of the emphasis was based on the historic nature of the interest rate markets with rates increasing 4.25% over the course of 2022. While 2023 was a lot more stable, rates did increase another 1.0% from February to July. We, as a bank, still had to be nimble and adjust to changes and market pressures based on our competitors. Just like the previous year, banks continued to compete with one another for decreasing deposits and consumers benefited. Although the Federal Reserve has not yet started decreasing interest rates, as the year ended, the market was beginning to price some anticipated decreases into rate offerings.

Consistent with the most recent years, at the time I am writing this letter, the final consolidated financial statements which include First Signature Lending and the bank holding company are not yet finalized, and my comments are based on the bank's standalone performance. Once again, I am happy to report that the bank generated record profits with a net income of \$7.39 million. This was an increase of \$1.7 million over 2022.

The increase in our earnings was primarily driven by our Net Interest Margin (NIM). Net Interest Margin is one of the primary drivers of any bank's earnings. It is calculated by taking the difference between the total interest income earned on the bank's interest-earning assets, such as loans and investments, and the total

interest expense paid for deposits and borrowings. For the period from 2010 to 2020 the bank's NIM exceeded 4% every year, but it dipped below that mark given the market pressures from COVID and rising interest rates in 2021 and 2022. While it is true that we saw an increase in both interest income and interest expense for 2023, we were able to hold the rise in interest expense to less than the increase we realized on our interest income. As such, our net interest income saw an increase of almost \$5 million which translated to an increase in our NIM from 3.99% in 2022 to 4.15% in 2023. While it has not returned to our bank's historic high, it is well above the peer average of 3.22% for the year.

As NIM drives our profitability, it would make sense that growth in our earning assets is important for growth in our profits. The bank saw total assets grow from \$610 million in 2022 to \$713 million in 2023. This was largely driven by growth in our loan portfolio, which Bob addresses in his letter. The increase in loans, our most profitable earning asset, allowed us to increase our return on assets, ROA, to 1.09% from 0.99% in the prior year. We were also able to outpace our peers, who posted an ROA of 0.8% for the year.

2023 was a year of great growth and profitability for the bank. We look forward to continuing the trend of strong growth so that we continue to provide an excellent return for one of our most valuable assets, our shareholders.



Bob Hickman, Chief Banking & Credit Officer

## Anniversary Celebrations

In 2023, Community First Bank of Indiana celebrated a very important anniversary, twenty years in business. As we recognize this milestone, it is hard not to think and reflect on these last two decades. A lot can happen in twenty years, but sometimes as you look back it feels like it has all passed by in a moment.

Personally, I have moved my office five times since that first day. I have changed my computer password 179 times. I have gone through countless sweater vests (they really are coming back in style). I have closed approximately 3,000 loans, consumed about 26,000 cups of coffee, and watched three sons who were all too young to drive grow up and start families of their own. My brown hair has turned into a combination of gray and absent.

There were 16 employees the day we opened the doors on February 3rd, 2003. We were all assigned employee numbers at the start; I was assigned number 7. A couple of weeks ago, we onboarded one of our latest hires, a loan operations clerk. Her employee number is 426.

It's hard to believe that over the last twenty years, we have had hundreds of different people who have contributed to the success of this venture we call Community First Bank. Of this number, 131 remain as active employees today. Even though we pride ourselves on having one of the lowest turnover rates in the industry, it is inevitable that people will come and go. Many have retired after years of service, including eight of the original sixteen. Today, three of us who were here that first day remain. Others have left to pursue their own dreams. Some have even gone away for a while and then come back again, which tells you a lot about the culture that has been built here.



20th Anniversary Ribbon Cutting Event, Downtown Kokomo

We opened the doors that cold February day with about \$12 million dollars in capital, a line of people waiting to open their accounts, and three commercial loans underwritten and waiting to be booked. By the end of that first month, we had loaned out \$1.35 million and had gathered deposits totaling \$872,000. By the end of that first year, loans totaled an incredible \$31.6 million, and deposits totaled over \$34.7 million.

Looking back, it's hard to believe that we made all this happen with a staff of 16 people. The loan demand was so great that I ran out of room on my desk and started making a ring of files around the edge of my office on

the floor. Eventually every square foot of wall space in my small office had a file sitting in front of it, and for every loan that I approved and closed another appeared to take its place. It was a crazy and exciting time.

The growth that we experienced that first year set the tone for the bank's philosophy; we were going to make every quality (emphasis on quality) loan that we could. We were going to put our money to work in the community knowing that the success of our customers would be the key to our own future. This strategy of safe, profitable growth served us well then, and continues to serve us well today. In 2023, total loans grew from \$515,015,000 to \$590,158,000, a growth rate of 14.6%. At a time when many banks are desperately looking for loans, this continued success is a testament to the entire lending team, including the commercial, mortgage and consumer lending groups as well as the underwriters and administrative staff.

Of course, loan growth would not be a recipe for success without loan quality. While no one can predict all the micro and macroeconomic factors that can lead to the success or failure of a business loan, our bank devotes considerable resources to the approval and underwriting process, and it has paid off in consistently outstanding loan quality performance metrics. In 2023, Community First had net charge-offs of only \$119,000. Past due loans at year end remained at less than one-half of one percent of loan balances, and other quality metrics such as the Texas Ratio continued to compare favorably to our peers.

In addition to loan quality, the key to profitable growth is the ability to fund that growth through affordable deposits. CFB has an outstanding level of core deposits from a satisfied and loyal customer base and makes judicious use of strategic wholesale funding when needed. In 2023, the total deposit base grew from \$519 million to over \$610 million. Again, this level of success could only be attained through tremendous efforts from our retail and treasury management staff, working side by side with our loan teams.

As we enter our third decade as a bank, I can't help but wonder what the future will hold. Having lived through the great recession in our first decade and a global pandemic in the second, I don't think anything can be ruled out. Regardless, I am confident that our team will rise to whatever challenge we may face and will continue to build on the dream of the founding shareholders, employees, and directors. What was true 20 years ago still holds true today: This is your community. This is your bank.



# We partner with you to build a better future.

## Getting Home with a Boost *Kendra Carson accomplishes the dream – Homeownership*

With the help of Community First Bank's access to the Federal Home Loan Bank of Indianapolis (FHLBI) First-Time Home Buyer grants, Kendra Carson realized her goal of homeownership.

Bridges Outreach Inc, a local nonprofit in Kokomo created a pathway for their families to have an affordable road to homeownership. This idea was sparked by their President, Travis Taflinger, and their board members. The plan was simple - acquire a home, rehabilitate it from top to bottom, then sell it to a family in their serving base at 80% of the appraised value. This program launched in



early 2022 and has helped many individuals and families since its inception.

It was August of 2022 when Carson was advised by Taflinger to reach out to CFB Mortgage Officer, Slater Young to get pre-qualified for a home loan. Carson had heard about the program from Bridges' Facebook post sharing about the new housing initiative available to any families who participated in their programs. After meeting with Carson, Young had successfully pre-qualified her for a home, but since the Bridges Outreach Homes program was in its infancy, there was not a large inventory of homes available that would suit the family of three.

It was in April of 2023 when Bridges would acquire the property that would become the Carson's home. After receiving the facelift and appropriate renovations needed to make the home suitable for a first-time home buyer, Carson was in the midst of underwriting

for her mortgage when CFB was made aware from FHLBI that they would be running a pilot grant in September of 2023 called 'HomeBoost Minority Down Payment Assistance Program.' This was a gamechanger for Carson. She was initially going to utilize their other grant, Homeownership Opportunities Program (HOP), which would allow her to be granted \$10,000 toward her home purchase. With the use of HomeBoost, Carson was able to apply \$15,000 toward her first home purchase, which greatly reduced her out of pocket cost toward the acquiring of her home and allowed a large rainy-day nest to be set aside for any unexpected future repairs.

"It feels so good to now have something that I own and that my kids will hopefully benefit from down the road. This (homeownership) is something that I've always wanted to do and have worked for," said Carson. "Without the grant, I would have had to put more money down

and it would have led to a hardship in my finances. I just cannot say enough good things about how Bridges, the bank, Slater, and how the grant made this homeownership dream a reality."

Carson and her two children have now reaped the benefits of homeownership which has stopped the fear of rents rising and given her the keys to controlling her future and allowing the place they call home to be uniquely theirs.

## COMO Aesthetics Gives the Aesthetic Industry a Facelift *Expertise and a meticulous business plan set the foundation for COMO's success*

CFB's Small Business Administration (SBA) Department went the extra mile to help Brooke and Christian Stuetzle launch COMO Aesthetics in July of 2023. The Stuetzle's decided to make their dreams a reality by launching their own med spa and, as a first step, interviewed many banks to find the right partner for them. After meeting with CFB, they knew they didn't need to look any further. While starting a new business can have its complications, CFB's team educated the Stuetzle's from the get-go by sharing an in-depth overview of what it looks like to create a thorough business plan and the dos and don'ts that go along with it. Their firm foundation of what to include in a business plan was rock solid, so the husband-and-wife duo was able to move forward and leverage their individual strengths to bring COMO Aesthetics to life.

Brooke used her experience and knowledge gained in her decade of working in the aesthetics industry to hone the identity of what COMO would become, and Christian used his business acumen gained from a successful career to help set their company up for success. After graduating from G Skin & Beauty Institute in Chicago in 2012, Brooke worked in the plastic surgery capital of the United States – Scottsdale, Arizona. The Scottsdale market is listed in the top four cities in the United States with 13 plastic surgeons per 100,000 people. While there, she learned the ins and outs of the business and understood how her education-oriented approach to serving her clients would set her apart from her peers.

As Brooke's understanding of the products she was assisting her clients with grew, so did her career. She stepped into a consulting role for multiple brands where she was able to get a behind-the-scenes look at the business side of the aesthetics world. In her experience performing services with clients and consulting with industry leaders in her field, Brooke developed relationships and benefited from mentors who have still been valuable to her success.

When the rubber hit the road to bring COMO Aesthetics to life, the Stuetzle's received first-class service from CFB that stands outside the box of other banks. To help COMO establish their med spa location, SBA Program Director Jeff Magginnis and his team provided a 'letter of interest' for the business's loan prior to SBA final approval. This then led to another one-of-a-kind service from CFB when they sat alongside the Stuetzle's and their contractor in a preconstruction meeting. This allowed CFB to proactively share their guidance and expertise on advising when the best timeline would be to close on their loan and ensure all parties were on the same page.

"We can't say enough good things about Jeff and the Community First team," said Brooke Stuetzle. "You can tell just by how he communicated with us that he is very passionate about his job and he always put our emotions at ease. I feel like their whole team's quick responses and step-by-step guidance throughout the whole process made the loan seem easier than I would have expected."

After opening the med spa, the Stuetzle's have been impressed with how accurate their business plan financial projections have performed. The level of accuracy that Christian was able to obtain even impressed Magginnis. Now, after entering their first full calendar year of business, COMO Aesthetics looks forward to celebrating their one-year anniversary thanks to the help of CFB.





# Community Impact

## Bank Contributions

- \$121,000 in bank-given funds to nonprofits
- 106 nonprofits were supported by monetary contributions
- 70 local events sponsored by CFB
- 8 hours of paid Community Time Out given to each employee so they can volunteer during work hours

## Employee Contributions

- \$17,000 in employee-given funds
- 200+ veterans served through meal donations or yard work on Veterans Day
- 900 total hours of volunteer time

## Major Contributions

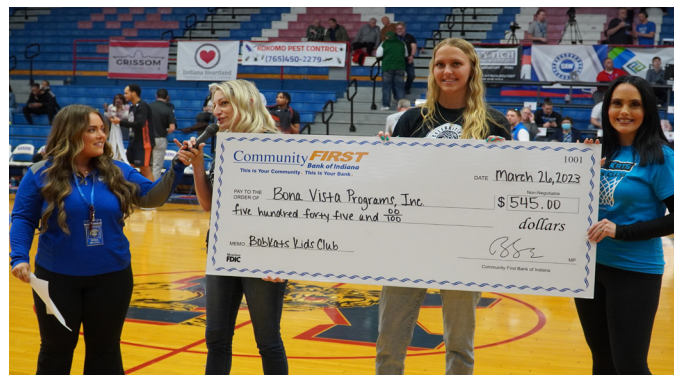


Since 1947, the Carver Community Center has been a staple for youth and adults in the Kokomo community. The organization needed support in 2023 to evaluate programs and create strategies for long-term viability. CFB donated \$20,000 to this cause.



The Westfield Library was embarking on construction of a new building to allow growth and the ability to continue to meet the community's burgeoning needs. CFB committed \$25,000 to support this initiative.

## A special thanks to those who have been with us since the start



"Bob Hickman and staff have exceeded expectations when new opportunities arise. We expected to receive top notch service and they have delivered during our 20 year relationship." Bona Vista Programs, Inc. Customer since 2003



"Community First Bank employees demonstrate commitment to improving the communities they serve every day, through their actions both on and off the job." Family Service Association of Howard County Customer since 2003

