

**COMMUNITY FIRST  
FINANCIAL CORPORATION**

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**TWO THOUSAND TWENTY-**

***FIVE***

**ANNUAL REPORT**

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# Robb Blume

PRESIDENT & CEO

A review of the past year shows that our Highly Un-Bank-Like approach to banking led to considerable growth, investment, and successes, seasoned with some current and emerging challenges and opportunities.

In 2025, we proudly marked our 10th year serving Hamilton County. Over the past decade, our presence has grown to \$130 million in local deposits, and we were honored to be named Best Bank in Suburban Indy by The Current.

In Howard County, we continued to grow our deposit market share, increasing from 30% in June of 2024 to over 33% in 2025. We continued to invest in our own future and that of Kokomo with the purchase of our new Administration Building, formerly known as The Hobson. This new facility will allow for our continued growth, and it provides us with a unique space for employee training and engagement with our community. We were also honored to be named by Kokomo Tribune readers as the Best Bank in Kokomo. We are proud to have received that honor for 19 years in a row.

Growth comes with its own set of challenges, so to preserve our culture and remain true to our roots, we try to relate everything we do to one or more of our core strategic pillars—Financial Performance, Stakeholder Satisfaction, Employee Opportunity, and Community Improvement.

## Financial Performance

By continuing to focus on delivering exceptional customer experiences, your bank was able to extend its impressive track record of asset and income growth. During 2025, bank-only assets increased by \$85 million (10.7%), while net income grew by \$496,000 (6.1%). On a consolidated basis, since 2019, assets have increased by over \$601 million, averaging 19.26% growth per year. Consolidated net income has increased from \$2.6 million in 2019 to over \$11.4 million in 2025, an impressive average annual growth rate of 29.7%.

1st Signature Lending continued to be a significant contributor to our bottom line, increasing their pre-tax profitability by 23%, to \$8.76 million, of which 62% accrues to the bank.

2025 also saw us undertake an extensive consulting engagement, examining our processes, procedures, and products throughout the bank. Monica Gremelspacher will address this topic in further detail in her CFO letter. As a result of this engagement, we identified extensive opportunities to improve efficiency, fine-tune products, and generate additional revenues, which should all lead to significant profit improvement above and beyond our current peer-leading levels. Implementation of the recommendations from that engagement is ongoing and should take approximately 24 months to

complete.

## Stakeholder Satisfaction

Because of the strong financial performance of your bank, shareholders have seen dividends increase by 23% since 2019, and holding company book value per share has increased from \$23.78 in 2019 to \$44.73 at 12/31/25 (pending final audit approval). Management and the board continue to look for ways to ensure shareholder liquidity to further increase the tradability of shares.

## Employee Opportunity

Because we adamantly believe that our people are the key to both present and future success, we continue to work diligently to provide growth and development opportunities through both internal and external sources. 2025 saw us begin the formation of CFBU, an in-house training and development program that will provide a myriad of learning and development opportunities. This transformational undertaking will expand training beyond the technical aspects of our day-to-day jobs to include management training, leadership development, and personal growth opportunities—helping prepare our people for future leadership and management roles as they arise. 2025 saw our total number of employees increase from 139 to 154, with new positions added including a focus on

data analytics, digital strategy and products, and use of AI and robotic process automation.

## Community Improvement

As in years past, we have continued to give generously of our time, talents, and treasures to those communities that have given so much to us. In addition to significant financial commitments to a multitude of organizations, including Bridges Outreach, Kokomo Rescue Mission, and Kokomo Urban Outreach, our people gave 3,018 hours to local causes throughout 2025. Our team members also continue to serve in leadership roles on numerous local boards, including the Carver Community Center, Kokomo CEO Program, Community Foundation of Howard, Carroll & Clinton Counties, Greater Kokomo Economic Development Alliance, Bridges Outreach, United Way of Howard and Tipton Counties, Student Impact of Westfield, and the Boys & Girls Club of Noblesville—among many others.

## Our Challenges

Like any growing organization, we have challenges which we must overcome to continue to prosper. In past years, legislative and regulatory actions have been on this list. 2025 did provide some regulatory relief, particularly with the raising of the FDICIA thresholds. However, there is great uncertainty around the future of stablecoin and tokenized deposits

and how they might impact banking industry deposit levels. While we expect our banking associations and trade groups to assist with education and strategy to support community banks, your bank will proactively explore strategies, opportunities, and risks related to stablecoin and tokenized deposits.

Economic volatility continues at the national, regional, and local levels. We have endured past economic swings and prepared for future movement by remaining true to our loan underwriting standards, managing our balance sheet to minimize interest rate risk.

Technological advancements continue to dramatically alter the banking landscape at an ever-increasing pace. To continue to thrive, we will need to assess where to invest in technology, including people with new and different skill sets. We will need to do this while maintaining our People First customer service mentality (which we also refer to as our Highly Un-Bank-Like culture).

The battle for talent is real. Because we know our success depends on our ability to attract, develop, and retain great people, we will continue, through initiatives such as CFBU, to invest in our next generation employees and leaders.

## Our Opportunities

We are focused on improving

our operational efficiencies. By implementing the findings from our operational consultation and utilizing AI and other technologies, we will allow our people to concentrate more on what matters most—building relationships and serving our customers.

We will utilize our data in more and better ways to understand our customers, customize our offerings, and develop impactful marketing strategies.

The markets we operate in are some of the strongest in the state. By continuing to refine our customer experience and expanding our branch network, we will continue to gain market share in all our communities.

I can't say it enough—continuing to attract, develop, and retain great people is how we will continue to outperform our peers.

## Our Commitment

Your bank is committed to being a genuine force for good in our communities. As we approach \$1 billion in assets, we will continue to approach banking in a Highly Un-Bank-Like manner—without losing sight of who we are or the pillars that guide us.



# Monica Gremelspacher

CHIEF FINANCIAL OFFICER

The financial headlines in the year 2025 were surprisingly not that different from the previous year. Talks of interest rates, controlling inflation, and job markets dominated our headlines. Both years saw three cuts from the Federal Open Market Committee, all in the last quarter of the year. In 2025, we saw the Fed Funds rate decrease by 0.75% over the ending 2024 rate. Another theme that ran consistent with 2024 was that consumers are still showing an increased level of rate consciousness when shopping for rates for their deposits. Although the interbank rates are coming down as directed by the FOMC, many banks are paying relatively high rates to hold on to deposit share in their market.

Interest rates have drawn significant attention in recent years because they directly affect banks' core earnings. A bank's primary revenue comes from its net interest margin, the difference between the rate earned on loans and investments and the rate paid on deposits. In 2025, the bank achieved a net interest margin of 4.28%, exceeding the average of our peers of 3.57% and generating an additional 0.71% in earnings on each dollar of earning assets. We also outpaced our own 2024 margin of 4.18%. As profitability is driven by both margin and asset size, growth in the balance sheet further strengthened performance. As Robb mentioned, total assets increased \$85 million, or

10.7%, over 2024, driven largely by a \$66.5 million (9.8%) increase in loans, the bank's most profitable earning asset. As a result, return on assets was 1.04%, which outpaced our peers who reported an average return on assets of 1.03%.

Another notable and consistent theme in recent years has been the pace of our growth. Since 2017, we have achieved double-digit annual asset growth, a trajectory that reflects both opportunity and the operational pressures that accompany that kind of growth. Recognizing the importance and challenges of scaling responsibly, the bank undertook an important initiative this year to ensure our growth remains strategic and sustainable. We engaged Profit Resources, Inc. (PRI), a consulting firm with more than 30 years of experience helping banks strengthen performance.

PRI conducted an in-depth review by listening, observing, and analyzing every department of the bank from end to end. Drawing on their extensive industry expertise and their work with community banks nationwide, they delivered 449 recommendations to enhance our operations. These recommendations not only reinforce the foundation needed to support continued growth but also carry an estimated financial benefit of \$2.5 million through both improved revenue opportunities

and operating efficiencies. While implementing these changes will require some additional staffing and software investments, we anticipate a net positive impact of approximately \$2 million annually once the improvements are fully in place. The scope of working through all the recommendations can seem daunting, but we have already begun prioritizing and working through the recommendations. I expect to report to you next year that these efforts have strengthened our performance even further and enabled us to exceed peer return on asset levels by an even wider margin than in 2025.

All of this positions the bank to report another year of record earnings in 2025, with net income totaling \$8.6 million which is an increase of nearly \$500,000, or just over 6%, compared to 2024. Consistent with prior years, the consolidated financial statements for 1st Signature Lending, the bank, and the holding company are still in the process of being finalized at the time of this letter. Accordingly, my comments reflect the bank's standalone results. That said, based on current performance indicators and preliminary figures, we fully expect to report record earnings at the holding company level once the consolidated statements are complete.



# Jonathon Malin

CHIEF COMMERCIAL BANKING OFFICER

At Community First Bank, we've always believed success is measured a little differently for us than the larger institutions. It's not solely defined on a balance sheet or at the closing of a transaction. Instead, it's reflected in the businesses that grow here and in the impact they make when they achieve their goals.

Over the past year, three longtime commercial customers reached the milestone of negotiating the sale of their business. For some, it meant passing the torch to new ownership, allowing them to focus on other ventures. For others, it meant stepping into a well-earned retirement, confident that the business they built would continue serving the community. Each moment looked a little different, but the outcome was the same: local businesses positioned to carry forward and communities strengthened because of it. We celebrated with them, and this vision is what defines our Highly Un-Bank-Like approach to commercial banking.

I believe our role is to be proactive, not reactive—to check in during seasons of growth or times of uncertainty. Over the life of a business, goals evolve, challenges surface, and opportunities emerge. Through it all, we remain present. We're not simply providing products; we're walking alongside our customers as a steady partner in their financial lives.

I'm reminded of one relationship in particular that reinforces why community banking is so crucial. Years ago, a client came to us seeking their first real estate loan that larger institutions declined. We took the time to understand the vision behind the request and chose to move forward. Today, fifteen years later, that customer has grown into a major developer in Indiana and remains a valued partner. They often call me and ask if there is anything they can do to help the bank because we took a chance on them when no other financial institution would. That kind of long-term relationship doesn't happen by accident—it's built over time, through trust and utilizing the opportunity community banks have to think outside of the box.

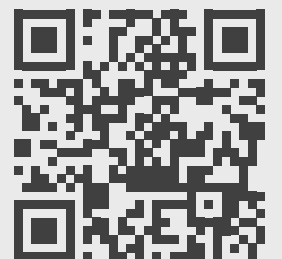
Our relational focus delivered measurable results for the bank in 2025. Despite a competitive environment, our Commercial Lending team achieved loan

growth of more than 10% by strengthening client relationships. Treasury Management deepened partnerships as well, generating \$14.3 million in average annual new balances and more than \$22,000 in new annualized fee revenue. In an era of rising fraud risk, we prioritized customer education and expanded the proactive adoption of Positive Pay services, helping businesses safeguard what they've worked diligently to build. Those results matter. But what also matters greatly is the confidence our customers place in us and the role we play in supporting their next chapter.

Their goals become our goals. Their milestones become our milestones. And their success—the businesses they build, the people they impact, the legacies they create—is how we define our own. At Community First Bank, success remains invested in the communities we serve.

See what  
**Highly Un-Bank-Like**  
means to us.

[CFBindiana.com/OurStory](https://CFBindiana.com/OurStory)



# EXECUTIVE TEAM Q&A

How did your area contribute to strengthening the bank and enhancing value for customers this year?

## Mark Malin, Chief Leadership & People Development Officer

In 2025, we expanded our commitment to employee growth by launching two new multifaceted development pathways: Self Leadership and Team Leadership. We've also been hard at work planning for a 2026 launch of Community First Bank University (CFBU). CFBU will provide a comprehensive learning environment focused on leadership, customer service, technical skills, and overall wellbeing. We believe that when a leader grows, everyone benefits, and we are committed to helping every employee reach their full potential.



## Bob Hickman, Chief Banking & Credit Officer

Given our focus on relationship banking and providing premier customer service, the creation of a private banking department was the perfect complement to our other business lines. In less than a year our team launched a full suite of new products especially tailored to our high income and net worth clients. By partnering with our existing deposit and lending teams, the department has been responsible for attracting numerous new clients, as well as broadening the relationship with many existing customers. We are excited with the success we have already experienced and look forward to continued growth in 2026.



## Carlonda Davis, Chief Strategies Officer

Over the past year, we have made significant strides in strengthening our project management discipline while accelerating our digital transformation efforts. We have strengthened the Project Management Office by adopting more structured planning approaches, clearer ownership, and improved cross-functional collaboration leading to more consistent and transparent delivery of initiatives. With the addition of Digital Strategy and Products leadership, our team has also evolved from primarily executing projects to helping shape the bank's overall digital direction. This shift has enhanced our focus on user experience, process automation, analytics, and scalable technology.



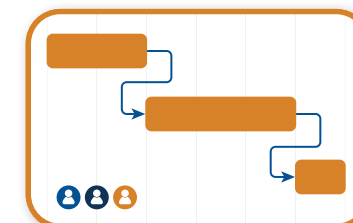
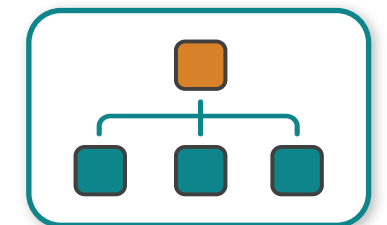
## Janelle Campbell, Chief Consumer Banking Officer

We focused on building the right support system to strengthen our operational foundation and position us for future branch growth. Across Mortgage and Retail, we added dedicated Sales and Operations Managers to drive production, reinforce operational excellence, and elevate the customer experience. Marketing also advanced its capabilities to accelerate high-impact work—driving qualified leads, strengthening our social media presence, and creating more engaging in-person and digital customer touchpoints. We also added a Consumer Lending Manager to bring heightened strategic focus and unlock loan growth.



## Bea Wiles, Chief Operating Officer

In 2025, the Operations team, working closely with partners across the bank, rolled out debit cards with the latest contactless technology. Tap-to-pay functionality, stronger security features, and a refreshed design make everyday transactions faster, safer, and more enjoyable for our customers. We also launched a customer service chat experience within digital banking and on our website, giving customers quick, easy access to support in this new way.



# CELEBRATING SERVICE THROUGH OUR INAUGURAL EMPLOYEE VOLUNTEER AWARDS

Service has always been central to who we are as a true community bank. In 2025, we strengthened that commitment by launching our first-ever Employee Volunteer Awards, a new tradition designed to celebrate employees who bring our Community Improvement strategic pillar to life in meaningful ways.

These inaugural awards celebrate the spirit of service that defines our team and set the foundation for recognizing even more community champions in the years ahead.



Kim LaFollette (Left)

## BILL HINGST SERVANT LEADERSHIP AWARD

### Kim LaFollette

Our inaugural Servant Leadership Award, named in remembrance of founding board chairman Bill Hingst, honored Kim LaFollette, whose impact across our community is both wide-reaching and deeply felt. Over the past year, Kim dedicated her time to six organizations and served on four community boards: Kokomo CEO, Turning Point, the IUK School of Business, and the Kokomo Area Career Center. Her peers describe her as “remarkable” with an “unparalleled dedication to volunteerism,” and others note that her “servant heart is well-known throughout Howard County.” Kim’s leadership is hands-on and mission-driven, and her steady presence at community events made her a natural choice for this distinguished honor.



Mikki Richter (Left)

## TEAM SPIRIT AWARD

### Mikki Richter

The Team Spirit Award recognized someone who lifts the energy of every volunteer effort, and Mikki Richter does exactly that. Ranking #3 in total volunteer hours amongst bank peers with 65 hours served, Mikki supported nine organizations and countless events throughout the year without losing momentum. She is known for stepping in whenever help is needed, even volunteering during scheduled PTO. One colleague shared, “We couldn’t have set up and torn down without her – or her husband and daughter.” Her reliability, positivity, and “For People” mindset made Mikki an exceptional ambassador for our volunteer efforts.

# STRATEGIC COMMUNITY INITIATIVES



## Bridges Outreach Mini Golf Course

CFB contributed \$30,000 to Bridges Outreach to help launch an 18-hole mini golf course at Cutler Park, scheduled to open in 2026. Designed as a student-run business, the course will provide first-time job opportunities for local youth. Bridges has already employed more than 100 students through its programs, and this initiative will further expand opportunities for teens to build confidence, skills, and financial stability.



## Kokomo Rescue Mission (KRM) Back to School Assistance Program

CFB donated \$15,000 to support the KRM’s annual Back to School Assistance Program, helping 416 students from 186 income-qualified families across Howard County start the school year with confidence. Students entering kindergarten through 12th grade received essential items including name-brand athletic shoes, socks, and underwear, making a meaningful difference for families preparing for the school year.



## Ivy Tech Day

CFB partnered with Ivy Tech Community College’s Kokomo, Hamilton County, and Indianapolis campuses to support student success during Ivy Tech Day 2025. As the matching gift sponsor, CFB committed \$2,000 per branch totaling \$16,000 when each campus met its challenge goal, helping expand educational opportunities and support students in reaching their goals.



## Community Multiplier - Member Match Program

Through participation in this Federal Home Loan Bank of Indianapolis program, CFB helped generate \$220,000 in funding to support affordable housing and community development across Hamilton, Howard, and Marion Counties. CFB’s \$20,000 contribution was matched with \$200,000 in grant funding from FHLBank Indianapolis, benefiting eight nonprofit partners working to address housing insecurity and other related critical community needs.

# AWARDS & COMMUNITY IMPACT

WE ❤️ OUR COMMUNITY!

## BANK AWARDS

**Commitment to Community (C2C) Award** - presented by the Indiana Bankers Association

**Economic Impact Award** - presented by the Greater Kokomo Economic Development Alliance

**Indiana Small Business Lender of the Year** - presented by the Indiana Statewide Certified Development Corporation

**Best Bank in Suburban Indy** - presented by The Current

**Community Volunteer Award of Distinction** - presented by the Westfield Chamber

**Partner with a Purpose Award** - presented by Prevail

**Best Bank in Kokomo** - presented by the Kokomo Tribune

**Best Mortgage/Home Loan Provider in Kokomo** - presented by the Kokomo Tribune

**Best Financial Institution in Kokomo** - presented by the Kokomo Tribune

**Best Place to Work in Kokomo** - presented by the Kokomo Tribune

## EMPLOYEE AWARDS

**Kim LaFollette**  
IUK Alumni Hall of Fame

**Slater Young & Megan Karnafel**  
Leadership Kokomo Graduates

**Carlonda Davis**  
10 Most Influential Women Leaders to Follow in 2025 - Insights Success

**\$16,778** Employee-donated funds

**\$269,266** Bank-donated funds

**\$949,000**

In funds secured for homeowner grant assistance

**\$220,000**

In funds secured for affordable housing initiatives

**400**

Veterans served

**3,018**

Community hours

**6**

Classrooms impacted by local teacher grants

**95**

Neighbors equipped with financial literacy education



## EXECUTIVE TEAM

**Robb Blume**

*President & CEO*

**Bob Hickman**

*EVP, Chief Banking & Credit Officer*

**Janelle Campbell**

*SVP, Chief Consumer Banking Officer*

**Carlonda Davis**

*SVP, Chief Strategies Officer*

**Monica Gremelspacher**

*SVP, Chief Financial Officer*

**Jonathon Malin**

*SVP, Chief Commercial Banking Officer*

**Mark Malin**

*SVP, Chief Leadership & People Development Officer*

**Bea Wiles**

*SVP, Chief Operating Officer*

## BOARD OF DIRECTORS

Jack Hingst, Chairman

Dr. Stacy Atkinson

Robb Blume

Rex Gingerich

Dr. J. Michael Harshman

Bob Hickman

Mark McCann

David McFtridge

Ron Metz

Matthew Murphy III

Monica Peck

Pete Smith

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## LOCATIONS

**Kokomo**

201 W. Sycamore St.

2101 S. Dixon Rd.

1308 E. Hoffer St.

100 N. Washington St., Suite A  
(Investment Office)

106 N. Washington St.  
(Administration 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