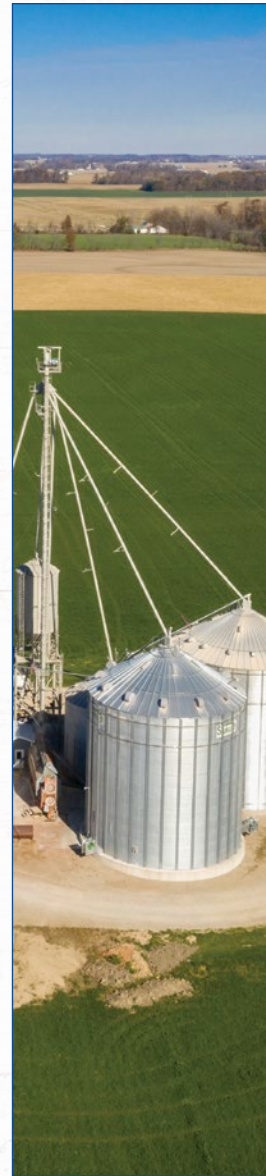
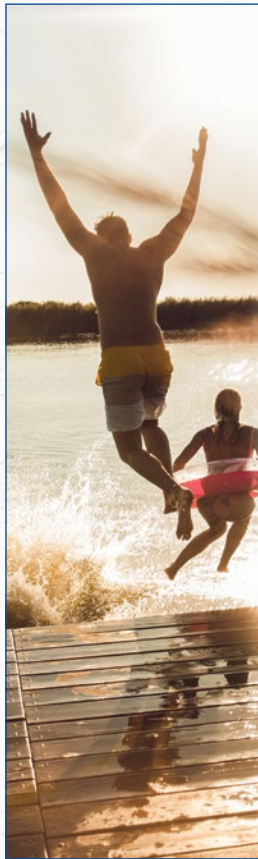
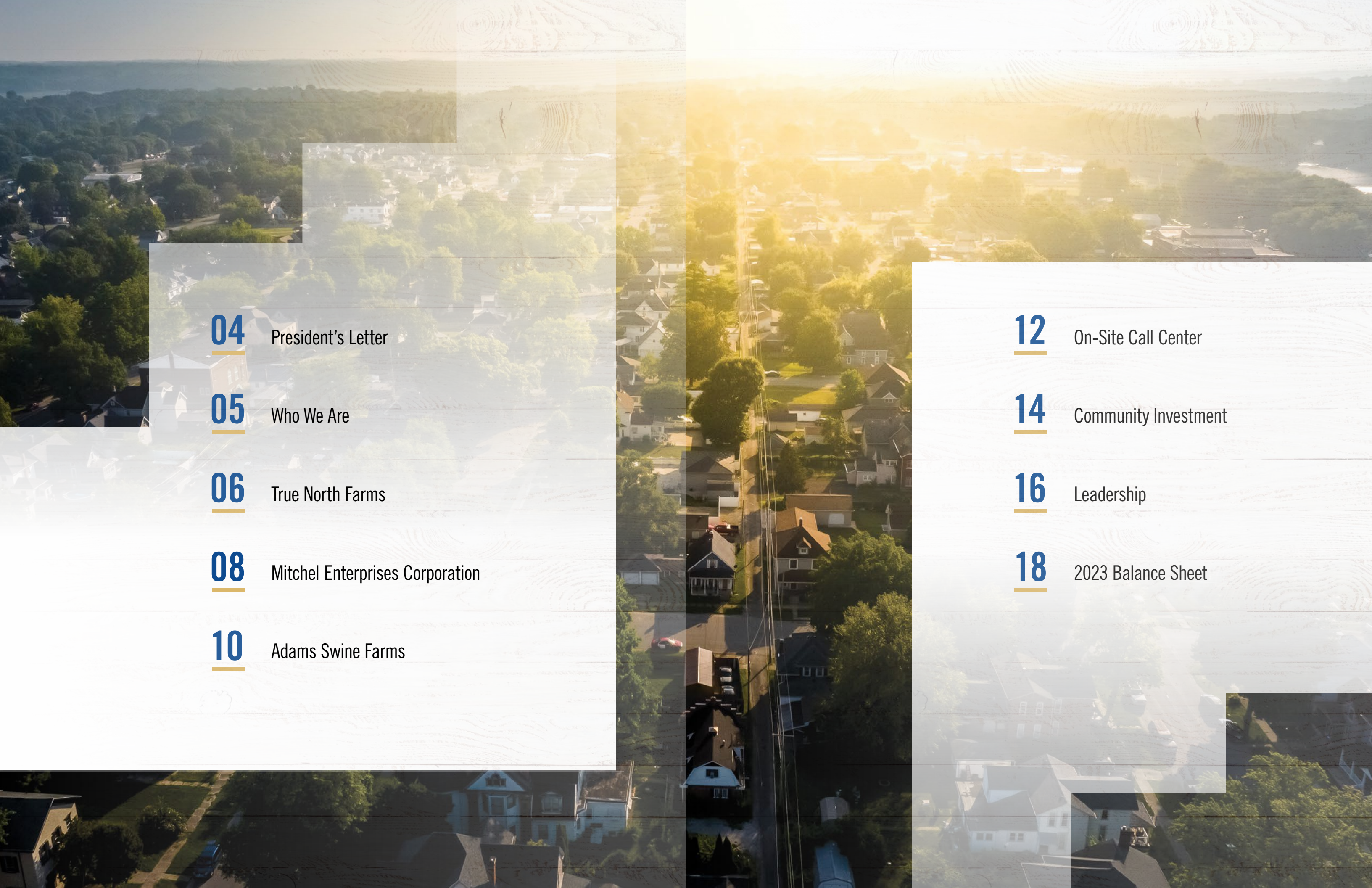


FBB First Bank
of Berne



We believe

2023 ANNUAL REPORT



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We believe in Turning Challenges into Advantages

2023 President's Letter

I am pleased to present our annual financial report, reflective of a year that navigated challenges in the banking industry. In the wake of a recent banking crisis and a demanding interest rate environment, First Bank of Berne has demonstrated resilience and adaptability.

The banking challenges of the past year underscored the importance of robust risk management, and I am pleased to announce that our bank emerged from this period with a solid foundation. Our conservative approach to asset management and prudent risk assessment allowed us to weather the storm and maintain stability in our operations. The challenging interest rate environment posed unique hurdles, requiring strategic adjustments. Despite fluctuations, our team worked diligently to optimize our portfolio and mitigate the impact on our bottom line. While the road ahead may continue to present interest rate uncertainties, we remain vigilant and agile in our response to market dynamics.

Navigating these economic headwinds, First Bank of Berne achieved a net income of \$13.56 million, a testament to the dedication of our team and the trust you, our shareholders and communities, have placed in us. We understand the

importance of safeguarding your local community bank, and our financial strategies are aligned to ensure stability and sustainable growth. While lower profits were influenced by external factors, our emphasis on rigorous risk management and effective operations remains unwavering.

We are actively exploring innovation, optimizing efficiency, and leveraging technology to enhance customer experiences. These initiatives lay the groundwork for sustainable growth, our commitment to adaptability, and long-term stability.

First Bank of Berne remains dedicated to transparency and communication. We believe in the strength of our community-focused approach and the resilience of our dedicated team. As economic conditions continue to evolve, our commitment to prudent financial management and community engagement will be pivotal in driving future success.

Sincerely,

Kent A. Liechty
President & CEO

We believe in the Value of People



PURPOSE

To help our customers improve their financial future.



MISSION

To make banking easy.



VISION

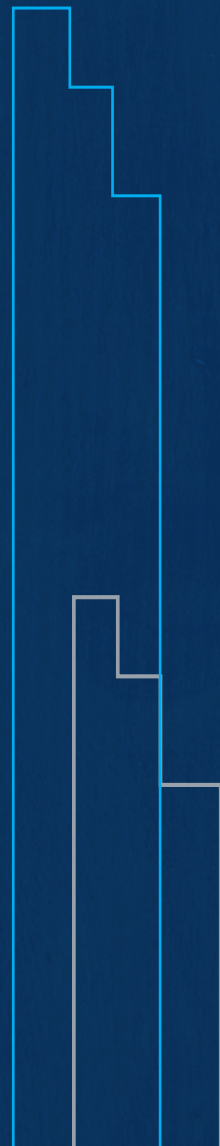
To be the trusted and recommended financial institution in our communities.



VALUES

Integrity, Knowledge, Empowerment, Community, Teamwork, Fun.

At First Bank of Berne, our principles guide our daily interactions, decisions, and actions. Everyone on our team is driven by a desire to not only help customers pursue a better financial future, but to make it incredibly easy for them to achieve their goals. We bring a wealth of experience, understanding and insights to customers, and they appreciate the integrity we are known for, as well as our commitment to the local communities we serve.



We believe

Good Listeners Make Great Lenders

TRUE NORTH FARMS



VIDEO CONTENT
Learn more about how
First Bank of Berne
makes a difference
for True North Farms.



Ernie Welch, owner of True North Farms, a grain farm with a 2,400-head hog operation, says it's important to choose a bank that knows agriculture well. "We wanted somebody that understood agriculture... people that would come see our facilities, that would work with us on a day-to-day basis, and that we could communicate with regularly, and have answers when we needed them. First Bank of Berne and Dan Buuck, our banker, have been amazing in doing that for us," said Ernie.

Ernie's wife and farming partner, Molly Welch, shares that they both appreciate First Bank of Berne's commitment to the community. "I am the leader of the Van Wert County 4H, and First Bank of Berne always supports the kids who show animals and participate in the auction," said Molly. Ernie added, "First Bank of Berne supports our local ball teams, the kids in 4H, and the FFA [Future Farmers of America]. That's important to us."



**TRUE NORTH
FARMS**



"If a bank is going to participate in the community, it's got to be a give and take relationship, and the folks at First Bank of Berne truly understand that. They are here to support our community and provide a service to it."

— **Ernie Welch**
True North Farms
Van Wert County, Ohio

"I keep our day-to-day operations running with the First Bank of Berne mobile app. It's very easy to use. It integrates with my phone, so it's quick and easy to log in, and it's easy to make account transfers. Overall it's just a great app."

— **Molly Welch**
True North Farms
Van Wert County, Ohio

We believe in Understanding the Business and Knowing the Person

MITCHEL ENTERPRISES CORPORATION



VIDEO CONTENT
See why
Mitchel Enterprises
sticks with
First Bank of Berne
year after year.



Luke Brite, the owner of Mitchel Enterprises Corporation, a company that supplies feed ingredients and manages ag product transportation, first discovered First Bank of Berne's commitment to the success of his business when he bought the company. "When I purchased Mitchel Enterprises, First Bank of Berne was there to help me with any financial needs, whether that be down payment money for the stock purchase, or capital needed to buy new trucks and trailers. First Bank of Berne was ready to help," said Luke.

Luke maintains his personal relationships with the bankers at First Bank of Berne are something he deeply appreciates. "We do a financial statement every year and I appreciate what First Bank of Berne brings to the table. They care about how I'm doing as an owner, how things in the business other than financials are going, what my future plans are, and what my future needs will be. To have that kind of relationship with First Bank of Berne means a lot," says Luke.



Mitchel Enterprises Corporation
"Playin' To Win"



"I see First Bank of Berne as a partner because they are local and here to help. They know you personally, and you know them personally. I just don't think you can get that anywhere else."

— **Luke Brite**
Mitchel Enterprises Corporation
Bluffton, Indiana

We believe in the Value of People

ADAMS SWINE FARMS



VIDEO CONTENT

Find out why Adams Swine Farms knows they can trust First Bank of Berne.



Brothers, Matt and Chris Adams, are the owners of Adams Swine Farms, a complex agribusiness operation that includes a hog farm, a grain farm, a trucking unit that hauls agricultural commodities, and a custom manure application service.

Chris values the expertise First Bank of Berne provides. “First Bank of Berne has been around a long time. They have a lot of experience with farmers, and they’ve been through the different highs and lows of farming. Having somebody there with that level of knowledge and history, who understands the trends and how things work is important to us and our business,” says Chris.

“We started this business almost 20 years ago, and throughout all these years First Bank of Berne has had local people [bankers] involved in helping us grow. They knew us and our families, and they believed in us because of the history we share,” says Matt. “We couldn’t do what we do without a great lending institution that understands our goals, and what better bank than our local First Bank of Berne,” Matt stated.



“From where we started to where we are now, First Bank of Berne has helped us grow.”

— **Chris Adams**
Adams Swine Farms
Berne, Indiana

“A bank lender is here to help you with financial needs, but they also need to be able to let you run your own business, and that is something that First Bank of Berne has let us to do.”

— **Matt Adams**
Adams Swine Farms
Berne, Indiana

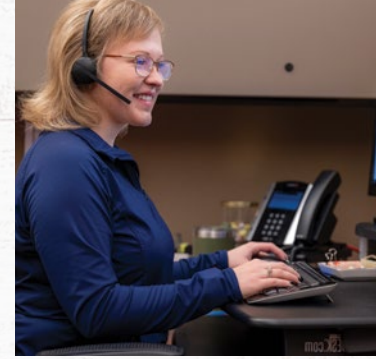
We believe When You Call, a Real Person Should Answer.

ON-SITE CALL CENTER

Choosing to have real people answer the phones in an era when bots and automated systems dominate the financial services industry is a distinctly different approach to caring for customer needs, but it's a choice they are thrilled we have made.

When a real person answers the phone, it demonstrates to customers that they are important to us, we value their time, and we are serious about making banking easy for them. Our Call Center team members are friendly, ready to listen, and able to answer questions and help resolve issues quickly. Plus, everyone loves being able to sidestep the time-wasting hassle of listening to endless menu options before talking to a person.

Our team members have been with First Bank of Berne in various rolls over the years. They are not just switchboard operators, but bankers who are armed with the knowledge and expertise to help solve customers' problems and offer real solutions. Our team members serve as invaluable support resources, ensuring that customers can engage with real bankers who truly understand their needs.



Stacey Smith
18-year employee



Joanie Agler
13-year employee



Maddie Miller
First-year employee



Laura Chaffins
7-year employee

Kalisha Roe (Not pictured)
3-year employee

“Our Call Center brings several benefits, including improved customer satisfaction, enhanced communication, efficient issue resolution, and valuable insights we receive through customer feedback.”

— **Kent Liechty**
President & CEO
First Bank of Berne

We believe in Investing in Our Community

FIRST BANK OF BERNE GIVES BACK

There is a true joy that comes from making a difference in the lives of the friends and neighbors of our communities, which is why everyone at First Bank of Berne relishes opportunities to give. We count it an honor and a privilege to both volunteer and contribute financially to the many charities, organizations, and initiatives that selflessly serve our communities, from youth sports leagues and area parks, to health and educational programs, and beyond.

First Bank of Berne is also proud to sponsor the annual Shop Local campaign, which promotes a healthy economy by encouraging community residents to buy the goods and services they need from area businesses. Joining with leaders and chambers of commerce members to ensure local businesses thrive is a mission we support wholeheartedly.

CHAMBERS OF COMMERCE
GROUPS
COUNTY FOUNDATIONS
SCHOOLS
COMMUNITY INVOLVEMENT/
FAMILY SERVICES/
FOOD BANKS

1,440
VOLUNTEER
HOURS

\$321K
DONATIONS



We believe

Serving Well is Essential to Leading Well



Executive Leadership

At First Bank of Berne, our leadership team and employees exemplify a wealth of industry experience and commitment to integrity, both of which are fundamental to our mission of serving the financial needs of our communities. We value the leadership team's expertise and dedication in guiding our mission, which enables us to effectively lead our customers towards financial success.



Board of Directors

L-R

Rick Gentis
Agribusiness Banking Manager

Jenilee Bransteter
Business Banking Manager

Sharon Neuenschwander
Human Resources Manager

Deon Shoaf
Chief Operations Manager

Kent Liechty
President, Chief Executive Officer

Kevin Gould
Chief Financial Officer

L-R

Daryl Martin
Retired Executive Director, Swiss Village

Lindsey R. Beer
Operations Manager, Best-One Tire

Matthew Subler
St. Henry Tile Company, Vice President

David Baumgartner
Chairman of the Board, Baumgartner Attorneys

Kent Liechty
President, Chief Executive Officer

Roger Muselman
Chairman, DRG, Inc.

Josh Oswald
O&R Precision Grinding

Lisa Girod
CPA, Honegger, Ringger & Co.

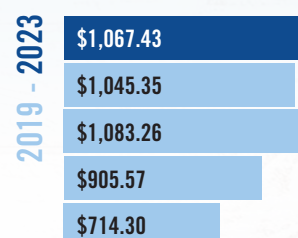
Todd Feichter
Feichter Family Livestock

CONSOLIDATED STATEMENT OF CONDITION (000s)

Close of Business December 31, 2023 & December 31, 2022

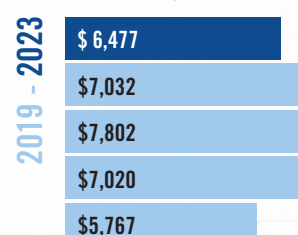
ASSETS

As of December 31, Dollars (In millions)



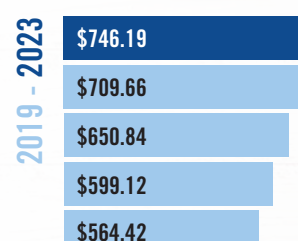
STOCK TRADE PRICE

As of December 31, Dollars (In millions)



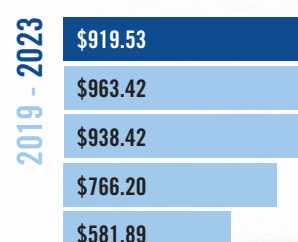
GROSS LOANS

As of December 31, Dollars (In millions)



DEPOSITS

As of December 31, Dollars (In millions)



ASSETS

	2023	2022
Cash and Cash Equivalents	\$21,880	\$21,661
Investment Securities	\$272,640	\$285,876
Loan (net of valuation reserve) (\$8,745 in 2022 & \$10,515 in 2023)	\$735,678	\$700,911
Premises & Equipment, net	\$9,426	\$9,945
Accrued Income	\$7,247	\$6,618
Cash Value of Life Insurance	\$16,310	\$15,822
Other Assets	\$4,246	\$4,521
TOTAL ASSETS	\$1,067,427	\$1,045,354

LIABILITIES AND STOCKHOLDERS' EQUITY

Non-Interest Bearing Deposits	\$349,784	\$373,143
Interest Bearing Deposits	\$569,744	\$590,199
TOTAL DEPOSITS	\$919,528	\$963,342
Other Liabilities	\$3,990	\$4,480
Federal Home Loan Bank Advances	\$45,000	\$25,000
Bank Term Funding Program	\$45,000	—
Other Short Term Borrowings	\$4,166	\$8,589
TOTAL LIABILITIES	\$1,017,684	\$1,001,411

STOCKHOLDERS' EQUITY

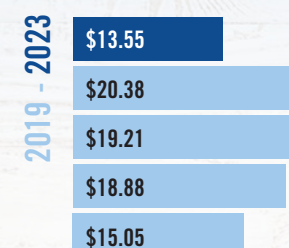
Capital Stock	\$1,600	\$1,600
Additional Paid-in Capital	\$11,430	\$11,110
Retained Earnings	\$119,748	\$117,689
Unearned ESOP Compensation	(\$2,370)	(\$2,554)
Treasury Stock	(\$35,297)	(\$32,452)
Unrealized Gain/Loss on Securities	(\$45,368)	(\$51,450)
TOTAL STOCKHOLDERS' EQUITY	\$49,743	\$43,943
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$1,067,427	\$1,045,354

CONSOLIDATED STATEMENT OF INCOME (000s)

Close of Business December 31, 2023 & December 31, 2022

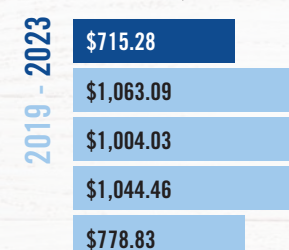
NET INCOME

As of December 31, Dollars (In millions)



EARNINGS PER SHARE

As of December 31, Dollars (In millions)



DISTRIBUTIONS PER SHARE

As of December 31, Dollars (In millions)



INCOME

	2023	2022
Interest Income	\$45,598	\$38,148
Interest Expense	(\$17,892)	(\$5,036)

NET INTEREST INCOME

Provision for Loan Losses	\$700	—
NET INTEREST INCOME	\$27,706	\$33,112

NON-INTEREST INCOME

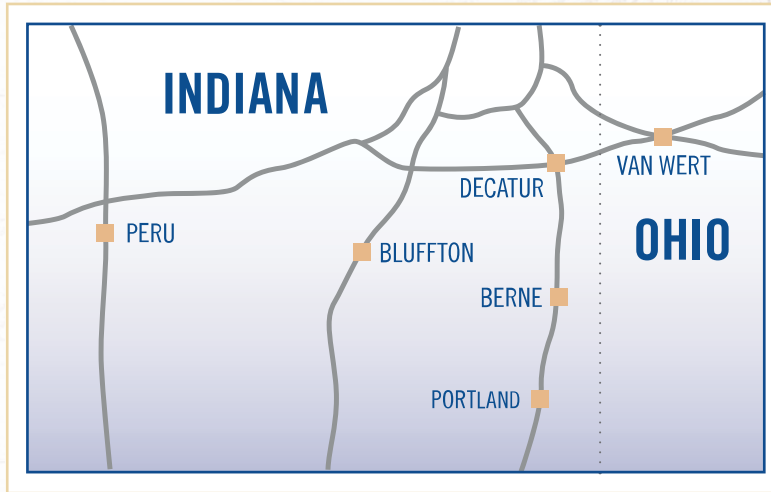
Service Charges on Deposit Accounts	\$1,894	\$1,867
Debit Card Income	\$2,412	\$2,293
Other Non-Interest Income	\$2,377	\$2,513
TOTAL NON-INTEREST INCOME	\$6,683	\$6,673

NON-INTEREST EXPENSE

Salaries and Employee Benefits	\$9,461	\$9,780
Occupancy and Equipment Expense	\$1,864	\$1,936
Other Non-Interest Expense	\$8,810	\$7,693
TOTAL NON-INTEREST EXPENSE	\$20,135	\$19,409

NET INCOME

NET INCOME	\$13,554	\$20,376
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Berne

1105 North U.S. Hwy 27
Berne, Indiana 46711
260-589-2670

Bluffton

404 N. Main Street
Bluffton, Indiana 46714
260-824-9982

Decatur

1111 S. 13th Street
Decatur, Indiana 46733
260-728-2727

Peru

915 W. Main St.
Peru, Indiana 46970
765-472-1991

Portland

185 Industrial Drive
Portland, Indiana 47371
280-726-2133

Van Wert

102 Christopher Crossing
Van Wert, Ohio 45891
419-232-2222



First Bank of Berne

FirstBankofBerne.com