

# 2015 ANNUAL REPORT



*Believing* IN THE VALUE OF PEOPLE.



*We believe*  
**IN TREATING YOUR MONEY  
WITH THE SAME RESPECT WE  
WOULD OUR OWN.**



During 2015, we experienced a solid growth year as we realized an 8% growth rate in asset size. This growth is attributed to several factors including moderate economic expansion in our communities, enhanced training and the bank's dedication to supporting the local markets. Our employees understand and are committed to contributing their time, talents and financial resources to our local communities. This is where true growth develops as we invest in the stability and viability of the place we call home.

We have continued to make investments to position our organization for future growth and success. During the past year, we have hired additional staff in our retail, compliance, IT, information security and marketing areas of the bank. We have also recently implemented an intensive training focus for all employees that will provide leadership, development and customer service training.

First Bank of Berne is optimistic about the future of community banking for both today and in the foreseeable future. I say this with increased confidence as we have been able to attract and retain the qualified employees needed to invest in the processes and procedures necessary to operate in a banking environment that has ever increasing compliance and regulatory requirements.

Our team looks forward to an exciting year in 2016 from a financial perspective as we are concentrating our efforts to improve our systems and efficiencies within our operations. We appreciate the success God has granted to our bank and the opportunity to serve our local communities. Feel free to contact us at any time to answer questions you may have regarding First Bank of Berne.

At First Bank of Berne, we have stayed true to our beliefs and values as a company for over 100 years. To do right by ourselves and our customers. To treat people the way we would want to be treated. And to be courteous and considerate to everyone, regardless of their account size. But above everything else, we believe banking should be easy and it's our responsibility to make it that way.



125 YEARS OF EXCELLENCE



Kent A. Liechy has provided his leadership, experience and expertise as President and CEO of First Bank of Berne since 2010.



(Left to Right): Roger Cline, Agribusiness Banker, Kokomo, Michelle Dahlinghaus, Agribusiness Banker/Crop Insurance Services, Portland, Dan Buuck, Agribusiness Banker/Crop Insurance Services, Decatur, Kent Liechty, President & Chief Executive Officer, Tim Tobias, Sr. Agribusiness Banker/Crop Insurance Services, Berne, Kody Kumfer, Agribusiness Banker, Bluffton, Rick Gentis, Chief Ag/Commercial Banking Officer, Rex Journey, Agribusiness Banker, Portland, Lori Liechty, Loan Assistant, Nathan Liechty, Agribusiness Banker, Berne



*We believe*  
**THAT KNOWLEDGE AND EXPERIENCE  
MAKE A WORLD OF DIFFERENCE.**

# AGRIBUSINESS

A local perspective helps keep us focused on the needs of growing businesses.

At First Bank of Berne, we have a long history of financing ag producer growth and the related expansion of operations. We have a wide array of products and services, specifically designed to help meet the growing needs of agricultural businesses.



Our Ag lenders are local financial experts with in depth knowledge and understanding of what it takes to be successful. Whether it is helping find the right loan to expand operations with new equipment and machinery or evaluating assets to help with livestock and facility expansion, we are prepared to help you with all of your financing needs.

Today's landscape can transform rapidly with new changing farm incomes and crop insurance programs, but we work to stay on top of these changes and anticipate how these changes affect our customers. That's one of the benefits of being local – we can react to market changes quickly and efficiently and help you with any and all of your financial needs.



**It's important to have a local perspective.** Our Agribusiness professionals are more than bankers – we are your friends and neighbors. That allows us to see things from your point of view to better understand your needs. Whether it's an equipment loan or crop insurance, we have the right banking solutions for you.

# BANKING ON BUSINESS

Supporting local business with practical, efficient and productive business products and services.

Our business banking professionals know what it takes for businesses to succeed. That's because they are local business professionals too, so they understand the challenges that businesses face every day.

Companies, big and small, require scalable solutions to help manage their finances and at First Bank of Berne we have the products and services businesses want and

need. From Business Checking to Cash Management, our accounts are designed with options and benefits tailored to businesses of all sizes.

Our business lending experts are on hand to help with loans, financing options and lines of credit to help with expansion, development and other business opportunities.



(Left to Right): Penny Parrish, Branch Manager/Loan Officer, Decatur, Jeff Altmiller, Branch Manager/Loan Officer, Kokomo, Becky Stepleton, Branch Manager, Van Wert, Kyle White, Retail Banking Manager, Jennifer Ash, Branch Manager/Mortgage Loan Officer, Peru, Terry Troxel, Branch Manager/Loan Officer, Bluffton, Tracy Huelskamp, Branch Manager/Consumer Lender, Portland



(Left to Right): Gary Reichert, Business Banker, Van Wert, Jenilee Bransteter, Business Banker, Berne, Sean LaFontaine, Cash Management Specialist, Tyler Phillips, Business Banker, Peru

Our business banking experts are on hand to help with setting up new accounts and explaining the lending options available. And each of our experts is tuned in to the needs of business, which allows them to use their knowledge and insight to recommend the right products and solutions such as:

- 1 Business checking accounts with a variety of benefits and conveniences based on your specific business requirements
- 2 Savings accounts with little to low monthly fees that are perfect for start-ups and even established businesses
- 3 Commercial lending solutions tailored to fit your needs for operations, expansion, inventory or equipment
- 4 Cash Management solutions to aid in the collection, handling and usage of cash for your business

# PERSONAL BANKING

Making banking easy by catering to your financial needs and your lifestyle.

Our personal banking experts take great pride in helping the people of our community with their day to day financial needs. We understand our roll as part of a growing community, and it is our responsibility to do what we can for every one of our customers, regardless of their account size.

Our personal checking and saving solutions give you the freedom and flexibility to manage your finances with an account that fits your lifestyle, and our personal loan options can help you with larger expenses and purchases. Our experts are able to assist you with all your needs or just answer any questions you may have. No matter what what type of personal financial solutions you are looking for, we are here to help.

All of our personal banking services help make banking simple and easy. From our basic checking and savings accounts to our personal lending options, you can rest easy knowing your personal finances are in good hands.





(Left to Right): Deon Shoaf, Chief Operations Officer, Kent Liechty, President & Chief Executive Officer, Sharon Neuenschwander, Human Resources Director, Rick Gentis, Chief Ag/Commercial Banking Officer

**Our Board of Directors is made up of area business leaders, with specific areas of expertise and experience. Together they provide the added direction and support we need to serve our communities to the best of our ability. Their collective wealth of knowledge helps us better understand and address issues we face as an institution and challenges our customers face as part of life and business.**

# LEADING BY EXAMPLE

Our Executive Leadership sets the tone for how we do business, and it makes a world of difference.

The people at First bank of Berne make the biggest difference. Our Executive Leadership team has over 100 combined years of banking and financial experience, and that knowledge and understanding set us apart.

We talk a lot about our core values and beliefs as a company, and we believe that starts at the top. We conduct ourselves and do business with these core beliefs

in mind, and our leadership team sets the tone and leads by their example.

We are committed to the growth and prosperity of the communities we serve, and the direction and guidance provided by our executive team helps ensure we keep that promise. And we believe it's important to keep our promises – today and in the future.



**David Baumgartner**  
Chairman of the Board  
Attorney



**Kent Liechty**  
President/Chief Executive Officer  
First Bank of Berne



**Daryl Martin**  
Retired Executive Director  
Swiss Village



**Paul D. Zuercher**  
Retired Business Executive  
and Consultant



**Lindsey R. Beer**  
Operations Manager  
Zurcher Best-One Tire



**Lisa Girod**  
CPA  
Honegger, Ringger & Co.



**Matthew Subler**  
Sales Manager  
Berne Ready Mix



**Roger Muselman**  
Chairman DRG, Inc.

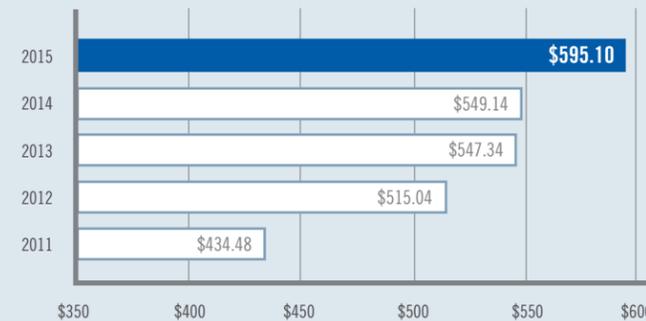
*We believe*  
**IN DOING WHAT'S RIGHT  
 EVEN WHEN NO  
 ONE IS WATCHING.**

## FINANCIALS AT A GLANCE



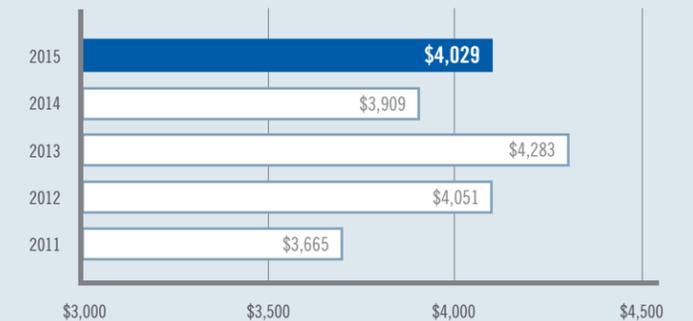
### Assets

As of December 31, Dollars (In millions)



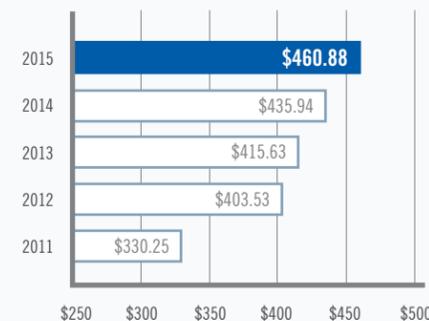
### Stock Trade Price

As of December 31, (In dollars)



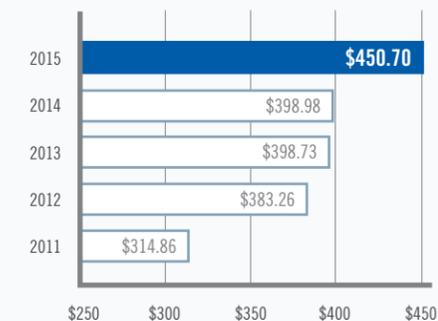
### Gross Loans

As of December 31, Dollars (In millions)



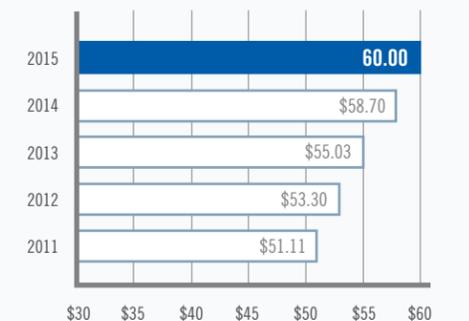
### Deposits

As of December 31, Dollars (In millions)



### Capital

As of December 31, Dollars (In millions)



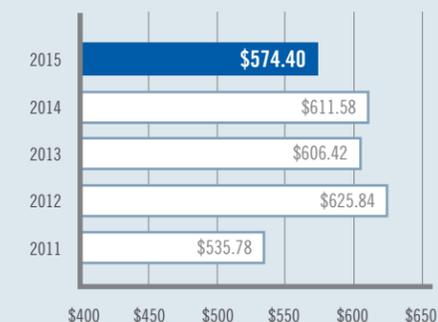
### Net Income

As of December 31, Dollars (In millions)



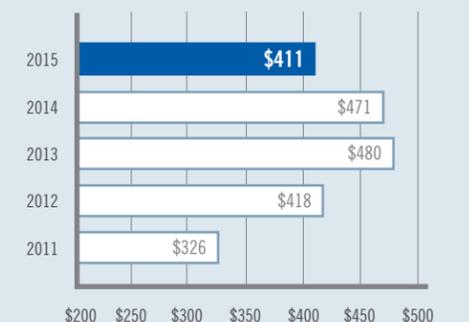
### Earnings Per Share

As of December 31, (In dollars)



### Distributions Per Share

As of December 31, (In dollars)



# INCOME STATEMENT

## Consolidated Statement of Income (000's) – Audited

Years Ended December 31, 2015 & December 31, 2014

INCOME	2015	2014
Interest Income	\$23,388	\$22,518
Interest Expense	\$1,164	\$1,244
<b>NET INTEREST INCOME</b>	<b>\$22,224</b>	<b>\$21,274</b>
Provision for Loan Losses	\$850	\$1,085
<b>NON-INTEREST INCOME</b>		
Service Charges on Deposit Accounts	\$2,010	\$2,025
Debit Card Income	\$1,134	\$1,012
Other Non-Interest Income	\$1,635	\$1,319
<b>TOTAL NON-INTEREST INCOME</b>	<b>\$4,779</b>	<b>\$4,356</b>
<b>NON-INTEREST EXPENSE</b>		
Salaries and employee benefits	\$8,066	\$6,400
Occupancy and equipment expense	\$1,911	\$1,705
Other Non-Interest Expense	\$5,169	\$4,590
<b>TOTAL NON-INTEREST EXPENSE</b>	<b>\$15,146</b>	<b>\$12,695</b>
<b>NET INCOME</b>	<b>\$11,007</b>	<b>\$11,850</b>

*We believe*  
COURTESY SHOULD NOT  
DEPEND ON HOW LARGE OR  
SMALL ONE'S ACCOUNT IS.



# BALANCE SHEET

## Consolidated Statement of Condition (000's) – Audited

Close of Business December 31, 2015 & December 31, 2014

ASSETS	2015	2014
Cash and cash equivalents	\$37,256	\$15,792
Investment Securities	\$76,450	\$74,449
Loan (net of valuation reserve) (\$5,925 in 2015 & \$5,623 in 2014)	\$454,955	\$430,316
Premises & Equipment, net	\$12,248	\$13,411
Accrued Income	\$2,998	\$2,697
Other Assets	\$11,193	\$12,473
<b>TOTAL ASSETS</b>	<b>\$595,100</b>	<b>\$549,138</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Non-Interest Bearing Deposits	\$63,579	\$58,023
Interest Bearing Deposits	\$387,122	\$340,954
<b>TOTAL DEPOSITS</b>	<b>\$450,701</b>	<b>\$398,977</b>
Other Liabilities	\$3,513	\$3,430
Federal Home Loan Bank Advances	\$37,110	\$37,810
Other Short Term Borrowings	\$43,771	\$50,220
<b>TOTAL LIABILITIES</b>	<b>\$535,095</b>	<b>\$490,437</b>
<b>STOCKHOLDERS' EQUITY</b>		
Capital Stock	\$1,600	\$1,600
Additional Paid-in Capital	\$7,698	\$7,478
Retained Earnings	\$82,731	\$79,603
Unearned ESOP Compensation	(\$298)	(\$595)
Treasury Stock	(\$31,761)	(\$29,979)
Unrealized Gain/Loss on Securities	\$35	\$594
<b>TOTAL LIABILITIES</b>	<b>\$60,005</b>	<b>\$58,701</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>\$595,100</b>	<b>\$549,138</b>

*We believe*  
WHEN SOMEONE CALLS, A REAL  
PERSON SHOULD ANSWER.



# AT FIRST BANK OF BERNE,

we have stayed true to our beliefs and values as a company for over 100 years. Things like treating people the way we would want to be treated, and being courteous and considerate to everyone, regardless of their account size. When you look beyond the rows of crops and farm buildings, we believe you will find an employee-owned bank that is truly interested in your success.

## OPERATIONS CENTER

**Joanie Agler**  
Call Center Supervisor

**Cory Aschliman**  
Senior Credit Analyst

**Steve Bailey**  
E-Banking Officer

**Vickie Barnard**  
Loan Assistant

**Tim Beck**  
Help Desk Technician

**Cletus Bulcher**  
Compliance Officer

**Angie Bultemeier**  
Mortgage Loan Processor

**Dianna Cook**  
Mortgage Loan Processor/Closer

**Susan Culy**  
Loan Servicing

**Elizabeth Fruechte**  
Loan Assistant

**Zachary Gagle**  
Security Specialist

**Allison Garwood**  
Lead Consumer Processing Coordinator

**Rick Gentis**  
Chief Ag/Commercial Banking Officer

**Phil Goodwin**  
Call Center Agent

**Rick Gorrell**  
Systems Administrator

**Kevin Gould**  
Chief Financial Officer

**Jennifer Habegger**  
Deposit Services

**Marsha Habegger**  
Loan Servicing

**Donna Klopffleisch**  
Retail Banking Specialist

**Beth Knuth**  
Mortgage Loan Processor

**Christa Koons**  
Deposit Services/  
EFT Processing Manager

**Nancy Kuhn**  
Loan Servicing

**Sean LaFontaine**  
Cash Management Specialist

**Dawn Lewis**  
Call Center Agent

**Kent Liechty**  
President  
Chief Executive Officer

**Camie McDaniel**  
Loan Post Closer

**Sherri Minnich**  
Human Resources

**Chad Montgomery**  
Marketing Director

**Sharon Neuenschwander**  
Human Resources Director

**Miriam Reinhard**  
Proof Operations

**Diane Rich**  
Loan Servicing Supervisor

**Catherine Richards**  
Deposit Systems Specialist

**Jim Rife**  
Credit Administration Officer

**Saretta Robbins**  
Deposit Operations

**Jody Saige**  
Chief Information Officer

**Pete Schmidt**  
Information Security Officer

**Becky Schwartz**  
Deposit Services

**Ryan Schwartz**  
Credit Administration Specialist

**Kim Scott**  
Business Ag Processor/Closer

**Christine Sheets**  
Call Center Agent

**Deon Shoaf**  
Chief Operations Officer

**Stephanie Simon**  
Call Center Agent

**Shad Springer**  
Network Administrator

**Gregg Sprunger**  
Purchasing/Facilities Manager

**Diana Stirratt**  
Loan Operations Manager

**Arlene Stump**  
Float Teller

**Dawn Sutton**  
Investment Assistant

**Julie Tucker**  
Loan Closer

**Tina Wass**  
Lead Business/  
Ag Processing Coordinator

**Landyn Waugh**  
Credit Analyst

**CeAnn Weaver**  
Marketing

**Kyle White**  
Retail Banking Manager

**Kathy Whitehurst**  
Deposit Services Specialist

**Janelle Yoder**  
Accountant

## BERNE BRANCH

**Kylie Baller**  
Teller

**Jenilee Bransteter**  
Branch Manager/Business Banker

**Brenda Butcher**  
Teller

**Dan Claghorn**  
Loan Officer

**Heidi Compton**  
Teller

**Lorie Garwood**  
Investment Advisor Representative

**Rod Lautzenheiser**  
Loan Officer

**Lori Liechty**  
Loan Assistant

**Nathan Liechty**  
Agribusiness Banker

**Jamie McDonald**  
Loan Officer

**Miranda Melick**  
Teller

**Marie Neuenschwander**  
Customer Service Representative

**Bethany Rigby**  
Customer Service Representative

**Brandy Rogers**  
Teller

**Stacey Smith**  
Teller

**Deb Stewart**  
Teller

**Jami Suman**  
Head Teller

**Tim Tobias**  
Agribusiness Banker/  
Crop Insurance Services

**Sue Wulliman**  
Teller

## BERNE DOWNTOWN

**Jamie Gaskill**  
Teller

**Darlene Paxson**  
Head Teller

## BLUFFTON

**Katie Brubaker**  
Head Teller

**Mona Craighead**  
Teller

**Jo Heavilin**  
Teller

**Tammy Koppelman**  
Teller

**Kody Kumfer**  
Agribusiness Banker

**Deb Milholland**  
Assistant Branch Manager

**Joni Reinhard**  
Customer Service Representative

**Terry Troxel**  
Branch Manager/Loan Officer

## DECATUR

**Wanda Bieberich**  
Teller

**Dan Buuck**  
Agribusiness Banker/  
Crop Insurance Services

**Payton Davis**  
Teller

**Sharon Elzey**  
Teller

**Kim Fosnaugh**  
Teller

**Jessica Jones**  
Teller

**Beverly Lichtensteiger**  
Teller

**Jason Moore**  
Mortgage Loan Originator

**Penny Parrish**  
Branch Manager/Loan Officer

**Shelly Simpson**  
Head Teller

**Mina Velasco**  
Assistant Branch Manager/  
Customer Service Representative

## KOKOMO

**Jeff Altmiller**  
Branch Manager/Loan Officer

**Cheryl Broyles**  
Assistant Branch Manager/  
Head Teller

**Roger Cline**  
Agribusiness Banker

**Cynthia Edwards**  
Teller

**Dana Scarberry**  
Customer Service Representative

## PERU

**Jennifer Ash**  
Branch Manager/  
Mortgage Loan Officer

**Stacy Hall**  
Assistant Branch Manager/  
Customer Service Representative

**Nancy Howard**  
Teller

**Paula Lisciotto**  
Teller

**Tyler Phillips**  
Business Banker

**Mary Rothermel**  
Teller

**Brianne Timmons**  
Teller

## PORTLAND

**Anita Alberson-Boice**  
Teller

**Michelle Brown**  
Assistant Branch Manager

**Michelle Dahlinghaus**  
Agribusiness Banker

**Karen Herron**  
Teller

**Tracy Huelskamp**  
Branch Manager/Consumer Lender

**Rex Journey**  
Agribusiness Banker

**Tanner McClain**  
Mortgage Loan Originator

**Dianna Miller**  
Teller

**Jan Rigby**  
Teller

**Deanna Walker**  
Customer Service Representative/  
Head Teller

## VAN WERT

**Jazmen Hindenlang**  
Teller

**Nicole Jones**  
Head Teller

**Gary Reichert**  
Business Banker

**Pam Schroyer**  
Assistant Branch Manager/  
Customer Service Representative

**Becky Stepleton**  
Branch Manager

**Sandy Waterman**  
Teller





# We believe IN THE VALUE OF PEOPLE.

We understand that it's people that make the difference. It's more than just words. It's what we believe. It's how we live our lives and conduct business everyday. We value the relationships we have with our customers and the trust they place in us every day.

To experience our banking for yourself, call 800.589.7848 or visit us at [FirstBankofBerne.com](http://FirstBankofBerne.com).

## BERNE

### Downtown

170 W. Main Street  
Berne, IN 46711  
260-589-2151

### Berne Branch

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

### Swiss Village

1350 W. Main Street  
Berne, IN 46711  
260-589-2401

## BLUFFTON

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

## DECATUR

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

## KOKOMO

1936 South Dixon Road  
Kokomo, IN, 46902  
765-459-4171

## PERU

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

## PORTLAND

185 Industrial Drive  
Portland, IN 47371  
260-726-2133

## VAN WERT

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

Member FDIC

