

BENTON FINANCIAL CORPORATION

**COMMUNITY OWNED.
COMMUNITY GROWN.
COMMUNITY FOCUSED.**

**2022
ANNUAL
REPORT**

NOTE FROM YOUR PRESIDENT

March 15, 2023

Dear Fellow Shareholders:

2022 was an inspiring and eventful year. As we turned the page, we bid farewell to some long-time devoted staff members of Fowler State Bank. We also welcomed many new employees. These new employees joined our steadfast and highly capable professionals. This exciting evolution involved approximately 20% of total staff. This significant staff change created headlines, announcements, events, and change, but most of all opportunities. Though this year of progress was challenging for all employees, we are excited and pleased to report a successful and profitable year.

Earnings per share increased to \$4.07 per share, a 14% increase, on net income of \$2,526,677. Return on Average Assets increased to 1.19% and Return on Average Equity increased to 9.30%. As for the balance sheet, the only material change was the increase in total deposits of 9%. While we consider these results to be good, our commitment to stronger performance remains. We have devoted and caring employees and directors committed to work and serve our communities. We also enjoy loyal and supportive customers, for which we are thankful.

In 2022 we experienced the Federal Reserve raising interest rates 4.25% from March thru December, action not seen since a period from June 2003 thru June 2006. We've seen another 0.25% rate increase in 2023 with possibly another by the time you are reading this. This does not seem to convey economic stability, but we remain optimistic for our communities.

We continue to migrate toward a more efficient way to serve and communicate with all of you. It seems the reliability of physically mailing correspondence continues to decline and for that reason we are moving toward electronic delivery of correspondence. I assure you we will not sell your contact information and we will not bombard you with unimportant communications. If you find differently, please do not hesitate to contact me directly at (800) 439-3951.

Finally, thank you for your continued support. We value the shareholder relationship and are always available to communicate with you.

Best wishes for the remainder of 2023.

God Bless,



Steven K Brunton
President & CEO

FINANCIAL HIGHLIGHTS

	2022	2021	2020
PER SHARE			
Basic earnings	\$4.07	\$3.56	\$3.72
Cash dividends	0.86	0.86	0.84
Book value	35.70	44.76	42.13
PERFORMANCE RATIOS			
Return on average equity capital	9.30%	8.63%	9.80%
Return on average assets	1.19%	1.07%	1.31%
EARNINGS			
Net interest income	\$8,332,067	\$6,924,216	\$7,094,686
Provision for loan losses	0	(150,000)	0
Net income	2,526,677	2,246,308	2,407,305
Cash dividends	529,792	537,598	541,817
BALANCE SHEET AVERAGES			
Total assets	\$212,990,581	\$210,780,518	\$183,557,291
Loans (net)	91,083,004	91,412,151	89,051,658
Noninterest bearing balances	8,915,574	8,503,563	8,545,194
Interest bearing balances	173,328,289	158,649,795	131,375,665
Total deposits	182,243,863	167,153,358	139,920,859
Equity capital (net of unrealized gains/losses)	27,170,700	26,026,720	24,558,301
OTHER			
Weighted average shares outstanding	621,475	630,706	646,485

FIVE YEAR RECORD

Year	Net Income		Dividend		Capital	
	Amount	Earnings Per Share(1)	Amount	Per Share	Amount	Per Share(2)
2022	\$ 2,526,677	\$ 4.07	\$ 529,792	\$ 0.86	\$21,928,471	\$35.70
2021	\$ 2,246,308	\$ 3.56	\$ 537,598	\$ 0.86	\$27,828,840	\$44.76
2020	\$ 2,407,305	\$ 3.72	\$ 541,817	\$ 0.84	\$27,198,964	\$42.13
2019	\$ 2,381,312	\$ 3.61	\$ 544,333	\$ 0.84	\$25,096,144	\$39.00
2018	\$ 2,289,514	\$ 3.34	\$ 533,415	\$ 0.80	\$22,755,995	\$34.41

(1) Based on average shares outstanding

(2) Based on year-end outstanding shares

BENTON FINANCIAL CORPORATION

DIRECTORS AND OFFICERS

Steven K. Brunton - President & CEO
Michael E. Fischbach - Vice Chairman
John S. Freeland - Chairman
Kassey L. Budreau - Secretary

Rick J. Mickle
Steven T. Pettet
Suzanne M. Souligne
John C. Wright

BANK OFFICERS AND STAFF

EXECUTIVE

Steven K. Brunton - President & CEO
Rick J. Mickle - Executive Vice President
Kassey L. Budreau - Senior Vice President

LOAN

Diane L. Ross - VP & Mortgage Loan Coordinator
Court A. Rooze - Senior Ag Lender
Felicity A Miller, Ag Loan Officer
Kevin K. Lange - Loan Officer
Christopher C. Williams - VP & Branch Manager
Curt A. Puetz - VP & Branch Manager
Michelle E. Huff - Asst. VP - Loan Operations

OPERATIONS

Kim M. Datzman - VP & Chief Technology Officer
Lori A. Francis - VP & Compliance Officer
Laura S. Lee - Deposit Operations Officer
Pamela S. Benner - Assistant Auditor
Mackenzie L. Sondgeroth, Financial Operations Officer
Shanna M Shepherd - CSR Supervisor

Loan Operations

Charlotte D. Burton
Rebekah A. Jafvert
Gayle S. Lee
Amber M. Lowery
Katherine E. Jordan

TRUST

Anne M. Molter - VP & Senior Trust Officer
Ronald R. "Russ" Odle - Trust Officer
Lisa M Kimberlin

Deposit Operations

Kelly L. Terrell
Brittany S. Forston
Paige M. Stacy
Leah P. Hammer

RETAIL

Mary Lou Hardebeck - Assistant Cashier
Martha L. Salla - Assistant Cashier
Linda K. Ringle - Branch Manager

RETAIL

Chrystal A. Green
Karen A. Gillen
Stahr M. Niccum
Trudy L. Derflinger
Emily R. Dluzak
Amy N. Jessie

RETAIL

Part Time
Sheila F. Donahue
F. Ellen Peterson
Sharon F Strickland
Ruth A. Slavens
Cynthia L. Eberhardt

PLEASE NOTE:

The financial statements in this Annual Report are not a replacement for the Audited Financial Statements of the Company. The Audited Financial Statements contain much more detail. Audited Financial Statements are available upon request from the Company; simply call (800) 439-3951 or visit the Bank's website at www.fowlerstatebank.com

If you have questions about the Audited Financials, please feel free to contact Steven K. Brunton, President & CEO or Rick J. Mickle, Executive Vice President at (765) 884 -1200 or (800) 439-3951.

BALANCE SHEET SUMMARY

December 31, 2022 and 2021

Assets

	2022	2021
Cash and equivalents	\$ 4,219,707	\$ 2,512,843
Investments	100,583,590	94,269,220
Loans, net of allowance for loan losses of \$1,681,299 and \$1,755,666	93,689,881	87,751,251
Federal Home Loan Bank stock	755,200	810,000
Federal funds sold	77,000	16,650,000
Premises and equipment	499,233	543,085
Interest receivable	1,974,409	1,672,789
Other assets	3,065,962	953,222
Total assets	<u>\$ 204,864,982</u>	<u>\$ 203,073,350</u>

Liabilities and Stockholders' Equity

Noninterest bearing deposits	\$ 7,979,273	\$ 9,424,249
Interest bearing deposits	170,357,548	156,030,899
Total deposits	178,336,821	165,455,148
Borrowings	4,355,000	11,000,000
Interest payable	25,389	28,459
Other liabilities	219,301	849,963
Total liabilities	<u>182,936,511</u>	<u>177,333,570</u>
Preferred stock, no par value	0	0
Common stock, no par value	1,565,774	1,584,326
Capital surplus	2,230,454	2,210,692
Retained earnings	24,232,983	22,544,193
Accumulated other comprehensive income	(6,100,740)	1,489,629
Total stockholders' equity	<u>21,928,471</u>	<u>27,828,840</u>
Total liabilities and stockholders' equity	<u>\$ 204,864,982</u>	<u>\$ 205,162,410</u>

These statements are unaudited.

INCOME STATEMENT SUMMARY

December 31, 2022 and 2021

	2022	2021
Interest Income		
Cash and equivalents	\$ 8,786	\$ 11,899
Loans receivable	5,321,280	5,110,200
Investment securities	3,002,001	2,366,435
Total interest income	8,332,067	7,488,534
Interest Expense		
Deposits	899,432	299,772
Borrowings	152,289	264,546
Total interest expense	1,051,721	564,318
Net Interest Income	7,280,346	6,924,216
Provision for loan loss	-	(150,000)
Net Interest Income After Provision for Loss	7,280,346	7,074,216
Other Income		
Service charges	487,797	431,424
Gains (losses) on securities	(231,127)	(7,775)
Other income	530,856	415,176
Total other income	787,526	838,825
Other Expenses		
Salaries and employee benefits	2,955,216	3,246,635
Premises, equipment and operating	1,089,303	1,086,956
Other expenses	1,098,221	975,347
Total other expenses	5,142,740	5,308,938
Income Before Income Tax	2,925,132	2,604,103
Income tax expense	398,455	357,795
Net Income	\$ 2,526,677	\$ 2,246,308

These statements are unaudited.

STATEMENT OF EQUITY SUMMARY

December 31, 2022 and 2021

	Common Stock			Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Total
	Shares Outstanding	Amount					
Balance January 1, 2021	645,501	\$ 1,642,982		\$ 2,238,611	\$ 21,657,779	\$ 1,659,592	\$ 27,198,964
Net income					2,246,308		2,246,308
Other comprehensive income					(537,598)	(169,963)	(169,963)
Cash dividends (\$0.86 per share)					(822,296)		(537,598)
Issuance of Stock	1,613	4,068		58,838			62,906
Purchase of Stock	(25,420)	(62,724)		(86,757)	\$ 22,544,193		(971,777)
Balance December 31, 2021	624,694	\$ 1,584,326		\$ 2,210,692		\$ 1,489,629	\$ 27,828,840
Net income					2,526,677		2,526,677
Other comprehensive income					(529,792)	(7,590,369)	(7,590,369)
Cash dividends (\$0.86 per share)					(308,095)		(529,792)
Issuance of Stock	1,320	3,163		50,062			53,225
Purchase of Stock	(8,805)	(21,715)		(30,300)			(360,110)
Balance December 31, 2022	614,209	\$ 1,565,774		\$ 2,230,454	\$ 24,232,983	\$ (6,100,740)	\$ 21,928,471

These statements are unaudited.

MEET OUR STAFF

EXECUTIVE

Steven K. Brunton
Kassey L. Budreau
Rick J. Mickle



TRUST

Ronald R. "Russ" Odle
Lisa M Kimberlin
Lori A. Francis
Anne M. Molter

Loan Officers

Rick J. Mickle
Steven K. Brunton
Felcity A. Miller
Kevin K. Lange
Diane L. Ross
Curt A. Puetz
Michelle E. Huff
Christopher C. Williams
Court A. Rooze



Investment

Ronald R. "Russ" Odle
Anne M. Molter
Court A. Rooze

MEET OUR STAFF



Wire

Kelly L. Terrell
Pam S. Benner
Brittany S. Forston
Shanna M. Shepherd

Customer Service Representative

Paige M. Stacy
Emily R. Dluzak
Shanna M. Shepherd
Stahr M. Niccum
Mackenzie L. Sondgeroth



Loan Operations

Rebekah A. Jafvert
Charlotte D. Burton
Amber M. Lowery
Gayle S. Lee
Katherine E Jordan

Deposit Operations

Kelly L. Terrell
Laura S. Lee
Paige M. Stacy
Brittany S. Forston
Leah P. Hammer (not pictured)



MEET OUR STAFF

Grant

Linda K. Ringle
Amy N. Jessie
Martha L. Salla



Main

Chrystal A. Green
Charlotte D. Burton
Rebekah A. Jafvert
Mary Lou Hardeback
Linda K. Ringle
Gayle S. Lee
Amber M. Lowery



Kentland

Emily R. Dluzak
Curt A. Puetz
Trudy L. Derflinger



Williamsport

Christopher C. Williams
Stahr M Niccum
Katherine E. Jordan
Karen A. Gillen



MEET OUR STAFF



COMMUNITY DONATIONS

Benton Central Varsity Cheerleaders
Special Olympics State
Tee It Up For TM
Fowler 4th of July - Town of Fowler
Purdue Ag Alumni Golf Outing
Benton County Chamber of Commerce
Benton Community Co-op
Farm to Fork Benton County
Newton County Fair
South Newton School
Valley Oaks Health - Warren County



Frontier Falcon 43
Benton Central School
Benton County Country Club
Illiana Shakedown Assoc.
LUM Good Samaritan Program
Prairie Crossing
Seeger High School
Warren Central
Williamsport School
Benton Co. Republican Golf Classic

Tee off on ALZ
Tri-Kappa Bingo
Aubrey's Angels
Benton County Emergency Amb. Ser.
Benton Co. 4-H
Benton Co. Library
Benton Co. Pony League Baseball
Benton Co. Voiture 755
Benton Eels Swim Team
Earl Park Fall Festival



COMMUNITY DONATIONS



Kentland Baseball Asso.
Otterbein 5K Elementary
Oxford Community
South Newton Drama Department
South Newton Golf Outing
South Newton FBLs of America
Warren County Summer Park Program
Williamsport Volunteer Firefighters
Williamsport Public Library

Earl Park Festival
Oxford Libaray
Oak Grove Vol. Fire Golf Hole Sponsor
Sacred Heart Golf Outing
Williamsport-Attica Area Senior Center
Earl Park Summer Reading
Knights of Columbus Hole Sponsorship
Sacred Heart-Family Fun Run/Walk
South Newton ESY - Summer Program
Warren County Fair AD



Fowler Christmas Stroll
Fowler Fright Night
Goodland Park Board
Fowler Rotary
Young Life Golf Marathon
Dee & Gene Deno Golf Benefit
Otterbein Recreation Ass.
Sacred Heart
Williamsport Library/Summer Ready

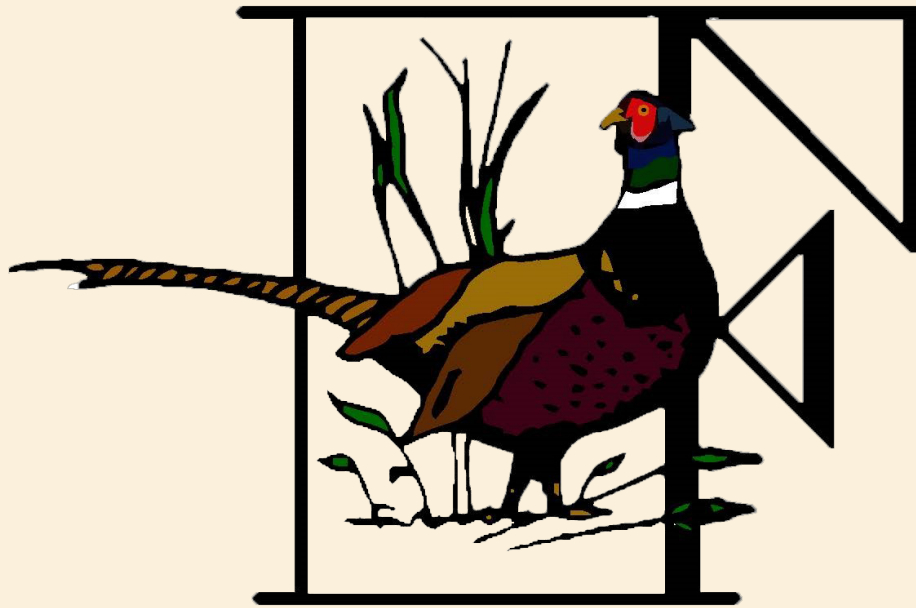
**300 East 5th Street
PO Box 511
Fowler, IN 47944
765-884-1200**

**510 State Road 28
PO Box 157
Williamsport, IN 47993
765-762-5504**

**406 South
Grant Avenue
Fowler, IN 47944
765-884-3241**

**607 East Lincoln
PO Box 27
Kentland, IN 47951
219-474-5444**

Fowler State Bank



www.fowlerstatebank.com