

# FIRST FEDERAL SAVINGS BANK

## BOARD OF DIRECTORS

Stephen E. Zahn	Chairman of the Board
J. David Carnes	Medical Doctor, Parkview Physicians Group
William A. Zimmer	President, W. A. Zimmer Company
Michael S. Zahn	President and Chief Executive Officer
Kyle D. Koob	President, Advanced Machine & Tool Corporation
Randy J. Sizemore	Senior Vice President and Chief Financial Officer

## NORTHEAST INDIANA BANCORP INC. EXECUTIVE OFFICERS

Michael S. Zahn	President and Chief Executive Officer
Dee Ann Hammel	Senior Vice President, Secretary and Chief Operations Officer
Randy J. Sizemore	Senior Vice President, Treasurer and Chief Financial Officer

## FIRST FEDERAL SAVINGS BANK OFFICERS

Michael S. Zahn	President and Chief Executive Officer
Dee Ann Hammel	Senior Vice President and Chief Operations Officer
Randy J. Sizemore	Senior Vice President and Chief Financial Officer
Thomas N. Mills	Senior Vice President Commercial Loans
Rise K. Buzzard	Vice President Deposits
Cindy A. Zay	Vice President Mortgage Operations
Cindy L. Krumanaker	Vice President Information Systems
Joe A. Cavacini	Vice President Commercial Loans
Lisa L. Hockemeyer	Assistant Vice President Indirect Lending
Ian H. Hope	Assistant Vice President Commercial Portfolio Manager
Kimberly L. Fischer	Assistant Vice President Mortgage Underwriting
Carla M. Williams	Assistant Vice President Mortgage Lending
Kary S. Monroe	Assistant Vice President Innovative Financial Services
Lindi K. Walker	Assistant Vice President Commercial Processing
Eric M. Todd	Assistant Vice President Commercial Credit

## Audited Financial Statements and Investor Information

A copy of the Company's audited financial statements is available without charge in PDF format at [www.firstfedindiana.bank](http://www.firstfedindiana.bank) or by writing:

Randy J. Sizemore  
Senior Vice President/Chief Financial Officer  
Northeast Indiana Bancorp, Inc.  
100 Frontage Road  
Huntington, Indiana 46750

## Stock Transfer Agent

Inquiries regarding stock transfer, registration, lost certificates or changes in name and address should be directed to the stock transfer agent and registrar by writing:

Computershare  
211 Quality Circle, Suite 210  
College Station, TX 77845

## CORPORATE OFFICE

Northeast Indiana Bancorp, Inc.  
648 North Jefferson Street  
Huntington, IN 46750  
(260) 356-3311

## BRANCH LOCATIONS

**HUNTINGTON NORTH**  
100 Frontage Road  
Huntington, IN 46750  
(260) 358-4680

**HUNTINGTON DOWNTOWN**  
648 North Jefferson Street  
Huntington, IN 46750  
(260) 356-3311

**HUNTINGTON SOUTH**  
1240 South Jefferson Street  
Huntington, IN 46750  
(260) 356-5633

**WARSAW**  
402 East Center Street  
Warsaw, IN 46580  
(574) 269-3331

**FORT WAYNE SOUTHWEST**  
5317 South Bend Drive  
Fort Wayne, IN 46804  
(260) 436-2100

**FORT WAYNE NORTHEAST**  
10316 Maysville Road  
Fort Wayne, IN 46835  
(260) 245-0543

**INNOVATIVE FINANCIAL SERVICES**  
100 Frontage Road  
Huntington, IN 46750  
(260) 358-1414

**SPECIAL COUNSEL**  
Barnes & Thornburg LLP  
11 South Meridian Street  
Indianapolis, IN 46204

**INDEPENDENT AUDITOR**  
BKD LLP  
201 North Illinois Street  
Indianapolis, IN 46244

[WWW.FIRSTFEDINDIANA.BANK](http://WWW.FIRSTFEDINDIANA.BANK)

# 2015 ANNUAL REPORT



# PRESIDENT'S MESSAGE TO OUR SHAREHOLDERS

# SELECTED CONSOLIDATED FINANCIAL INFORMATION

Dear Fellow Shareholders:

Community banking is alive and well. As President and Chief Executive Officer of Northeast Indiana Bancorp and its wholly-owned subsidiary, First Federal Savings Bank, I'm proud and honored to be a community banker. Our dedication to the community banking model allowed us to achieve exceptional financial results in 2015. With our core values of Quality Service, Professionalism, Relationships, and Independence as our drivers, I'm confident the future of your corporation remains bright.

For the second year in row, the Company produced record earnings. In fact, 2015's earnings exceeded last year's record by 22%. Our diverse revenue streams, diligent balance sheet management, and focused overhead controls are keys to our success. We've been able to maintain our margin through a difficult rate environment without sacrificing asset quality.

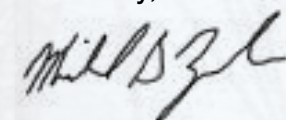
We continue to grow organically at a steady pace. In 2015, our loans grew by 8% and our capital increased by 6%. Our current infrastructure of 6 banking centers and over 70 banking professionals, gives us the necessary footprint and resources to continue to grow in Northeast Indiana. Management will always continue to explore new opportunities for growth and expansion.

As owners of the Company, we were able to reward you, not only with the 21st consecutive year of an increased dividend, but also the first ever additional special cash dividend that was paid in 2015. Total dividends paid to our shareholders in 2015 exceeded \$1.5 million. Over the last 4 years, our book value has increased 28%.

None of these achievements would be possible without the incredible team I get to work with each and every day. Not only does our staff provide exceptional customer service, they also understand our role as a community leader. We are gladly able to provide our communities with our time, talent and treasure with the intent of making a difference. We are blessed to have the opportunity to serve.

Community banking is alive and well.

Sincerely,



Michael S. Zahn  
Northeast Indiana Bancorp, Inc.  
President & CEO



	<u>December 31</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
(dollars in thousands, excluding earnings per share data)					
<b>Selected Financial Condition Data:</b>					
Total assets.....	\$284,130	\$276,149	\$268,558	\$271,205	\$261,524
Securities.....	74,899	82,202	94,897	78,590	55,601
Loans receivable, net.....	182,239	168,729	150,791	154,746	176,893
Deposits.....	209,535	213,162	208,882	211,586	189,836
Total borrowings.....	39,346	29,912	28,755	28,902	42,955
Shareholders' equity.....	32,338	30,412	27,810	27,939	26,145
<b>Selected Operations Data:</b>					
Total interest income.....	\$10,876	\$10,625	\$9,821	\$11,191	\$12,135
Total interest expense.....	1,319	1,239	1,354	2,126	3,133
Net interest income.....	9,557	9,386	8,467	9,065	9,002
Provision for loan losses.....	-	625	1,250	1,450	2,175
Net interest income after provision for loan losses.....	9,557	8,761	7,217	7,615	6,827
Total noninterest income.....	3,464	3,137	2,952	2,968	2,618
Total noninterest expense.....	7,793	7,591	6,954	6,847	6,881
Income before income taxes.....	5,228	4,307	3,215	3,736	2,564
Income tax expense.....	1,399	1,179	738	880	528
Net income.....	<u>\$3,829</u>	<u>\$3,128</u>	<u>\$2,477</u>	<u>\$2,856</u>	<u>\$2,036</u>
Basic earnings per common share.....	\$3.20	\$2.59	\$2.01	\$2.31	\$1.65
Diluted earnings per common share.....	3.19	2.59	2.01	2.31	1.65
<b>Selected Financial Ratios and Other Data:</b>					
<b>Performance Ratios:</b>					
Return on assets (ratio of net income to average total assets).....	1.37%	1.15%	0.92%	1.06%	0.79%
Return on equity (ratio of net income to average total shareholders' equity).....	11.91	10.71	8.85	10.38	8.13
Interest rate spread information:					
Average during period.....	3.66	3.58	3.28	3.50	3.59
End of period.....	3.54	3.86	3.67	3.45	3.74
Net interest margin (1).....	3.65	3.66	3.36	3.61	3.73
Efficiency Ratio.....	59.85	60.61	60.90	56.90	59.21
Ratio of operating expense to average total assets.....	2.79	2.78	2.55	2.54	2.66
Ratio of average interest-earning assets to average interest-bearing liabilities.....	117.72	116.69	114.88	113.13	110.98
<b>Quality Ratios:</b>					
Nonperforming assets to total assets at end of period.....	1.58	2.31	2.74	3.88	3.85
Allowance for loan losses to nonperforming loans (2).....	72.91	54.36	49.06	43.65	46.76
Allowance for loan losses to total loans.....	1.75	2.02	2.23	2.49	2.30
<b>Capital Ratios:</b>					
Total shareholders' equity to total assets at end of period	11.38	11.01	10.36	10.30	9.99
Average total shareholders' equity to average total assets	11.52	10.69	10.38	10.19	9.67
<b>Other Data:</b>					
Dividends declared per share (3).....	\$1.31	\$0.785	\$0.765	\$0.730	\$0.705
Book Value.....	\$26.95	\$25.35	\$22.65	\$22.53	\$21.09
Dividend payout ratio.....	41.05%	30.43%	38.22%	32.17%	43.61%
Number of full-service offices.....	6	6	6	6	5

(1) Net interest income divided by average interest-earning assets.

(2) Nonperforming loans includes Troubled Debt Restructurings (TDR's).

(3) The Company declared/paid a "Special" cash dividend of \$0.50/share in 2015.