

2023

ANNUAL REPORT



Bank Iowa®

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the road to \$2Billion+ in total assets



Welcome to the 2023 Bank Iowa Annual Report. It was another tremendous year for Bank Iowa, with strong growth and changes for our organization that allowed us to reach \$2 billion in total assets for the first time in our history. I'll start by commending our Bank Iowa team members for embracing these changes as we continue to hit important milestones across all five areas of our 2025 Focus Pillars: Performance, Growth, Talent, Innovation, and Brand Experience.

PRI Initiative

In 2023, we embarked on a journey with a consulting firm, Profit Resources Incorporated (PRI), to improve efficiencies in our processes and procedures, review non-interest expenses for savings opportunities, and enhance non-interest income. All of these areas will help the bank be more effective with our resources, and ultimately, improve profitability. PRI consultants engaged with team members from all departments and regions to gather information about how we operate. This data led to a multitude of recommendations that our senior leadership team was able to analyze and begin reviewing for implementation in 2024 and 2025.

PRI made numerous recommendations for improvements to workflows and reports, automating and simplifying various processes, right-sizing staffing levels to account for changes in how clients access our services, and expansion of our loan and deposit products.

Organizational Redesign

Another recommendation from PRI included a redesign of our leadership organizational structure and our seven-region structure. Our leadership organizational structure had changed very little with the growth of the bank, was imbalanced in the number of direct reports to senior leaders, and wasn't strongly positioned for succession planning. The seven-region structure was a by-product of the consolidation of our seven bank charters in 2011 and wasn't conducive to consistency in processes and culture. The recommendations from PRI served as a great starting point for our redesign plans. These changes made to our organizational structure are outlined in more detail on page 14.

Leadership Updates

Jessica Ferin joined the Bank Iowa team as operations director in the fall of 2023. Shortly after that, Amber Weger came on board as VP of treasury management. Learn more about both on pages 12-13.

Bank Facility Updates

Plans are underway to construct a new bank facility in Johnston to replace our leased facility in a strip center. We believe a new facility will better position us for growth in this northern suburb of Des Moines. We also continue to look for opportunities to open a bank office in new communities. Our newest office in Pella, established in 2019, has exceeded projections and we seek to replicate this success. Finally, we will regretfully be closing our limited-services office in Charter Oak in western Iowa, as the office cannot be consistently staffed and operated profitably.

I extend a heartfelt thank you to our shareholders, team members, and clients for your dedication to Bank Iowa and the confidence you've placed in our purpose: Empower People. Inspire Success. Foster Growth.

Total Assets



Financial results were encouraging in 2023 – with a record milestone of \$2 billion in assets achieved mid-year and concluding the year at \$2.072 billion. Our annual growth rate the past five years has exceeded 10 percent.

Total Loans



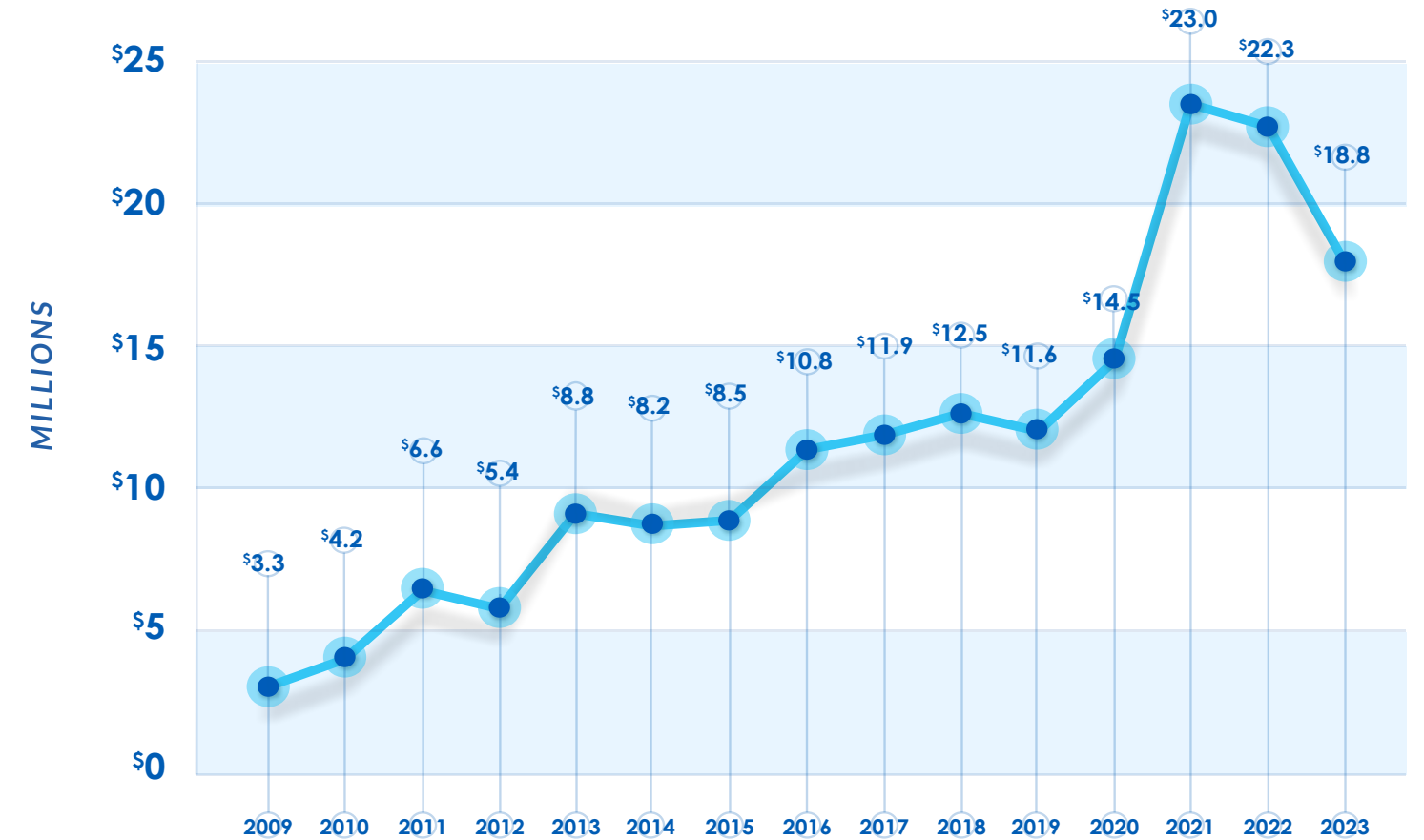
Loan growth in 2023 continued to be strong at 12 percent, a product of a robust business development culture and favorable economic conditions. Loans surpassed \$1.5 billion for the first time during the year. Loan quality remains strong, with problem loans at their lowest level in over a decade despite doubling the size of our loan portfolio during this time.

Total Deposits



Deposits are difficult to source after a COVID-era surge. But despite a tight marketplace, we experienced deposit growth of 8 percent to \$1.7 billion. We continue to balance the need to attract new deposits to fund loan growth vs. maintaining a reasonable cost of funds.

Consolidated Net Income



Consolidated net income declined from \$22.3 million in 2022 to \$18.8 million. The decline is partly a result of executing an \$800,000 bond trade loss that will better position us for future profitability and a \$0 reserve for loan losses in 2022, but is mainly a result of tighter net interest margins. These tighter margins are being experienced across the entire industry, and we've weathered the storm better than most of our peers.

2023 Balance Sheet

	2023	2022
Cash & Due; CDs	37,532,108	34,741,254
Fed Funds Sold	1,586,232	164,000
Securities, TRUPS & Sub Debt	438,673,565	449,569,581
Gross Loans	1,529,950,647	1,365,454,544
Total Reserve	(21,409,666)	(19,464,074)
Net Loans	1,508,540,981	1,345,990,470
Other Real Estate Owned	0	0
Premises & Fixed Asset	25,058,761	24,729,501
Bank Owned Life Insurance	21,062,049	20,601,795
Other Assets	35,321,871	36,489,290
Goodwill	1,540,875	2,292,407
Deferred Tax Asset	2,169,725	2,743,425
Other Investments	568,976	174,755
Total Assets	2,072,055,143	1,917,496,478
DDA and NOW	665,136,413	744,614,441
Savings and Money Market	584,820,925	520,629,830
Time Deposits	417,603,497	303,738,808
Brokered CDs	30,801,000	7,683,792
CDARS & ICS Money Market	14,140,485	3,965,050
Repurchase Agreements	10,411,282	11,837,383
Total Deposits	1,722,913,602	1,592,469,304
Borrowings	175,000,000	184,000,000
Other Liabilities	39,288,926	29,345,713
Total Liabilities	1,937,202,528	1,805,815,017
Tier 1 Capital	171,573,169	161,251,458
Unrealized Gain/(Loss)	(36,720,554)	(49,569,997)
Total Equity	134,852,615	111,681,461
Total Liabilities & Equity	2,072,055,143	1,917,496,478

2023 Income Statement

	2023	2022
Total Interest Income	92,390,751	66,545,130
Total Interest Expense	35,198,770	7,613,317
Net Interest Income	57,191,981	58,931,813
Service Charges	2,616,009	2,560,883
Loan Fee Income	1,473,002	1,845,105
Other Fees & Income	4,258,764	3,897,189
BOLI Cash Value Increase	460,349	437,800
Total Non-Interest Income	8,808,124	8,740,977
Salaries & Employee Benefits	29,156,388	28,425,024
Occupancy Expenses	3,847,076	3,804,103
Data Processing	5,074,156	4,491,741
Marketing & Advertising	1,271,818	1,016,582
Donations & Community Outreach	180,000	319,489
Insurance Expenses	2,177,677	728,612
Professional Expenses	457,582	1,455,610
Other Operating Expenses	2,072,154	2,316,047
Goodwill & Core Deposit Amort	773,564	759,594
Total Non-Interest Expense	45,010,415	43,316,802
Operating Income	20,989,690	24,355,988
Less: Reserve for Loan Losses	600,000	0
Income Before Taxes/Adjustmts	20,389,690	24,355,988
OREO Loss/(Gain)	0	0
Securities Loss/(Gain)	705,912	(76,885)
Other Asset Loss/(Gain)	(137,295)	193,371
Deferred Tax Adjustment	0	693,600
State Taxes	1,039,036	1,279,100
Net Taxes/Adjustments	1,607,653	2,089,186
Net Income	18,782,036	22,266,802

New Faces

Meet some of the newest additions to the Bank Iowa team



Jim Gocke

NEW TEAM MEMBER
General Counsel

Jim joined the bank in July of 2023 as Bank Iowa’s first in-house general counsel. Having advised the bank as an external resource for several years, Jim brings institutional knowledge of the bank, including our risk tolerance and culture, to the position. He is also well-versed in contract, real estate, agriculture, general business law, as well as the current and emerging requirements of financial institution compliance.



Amber Weger

NEW TEAM MEMBER
VP, Treasury Management

Amber joined Bank Iowa in October of 2023 as vice president of treasury management. Amber comes to Bank Iowa from another community-based financial institution, and has been working in commercial banking since 2011 after several years in retail banking.



Ragan Pullen

NEW TEAM MEMBER
Project Manager

Ragan joined Bank Iowa in September of 2023 as Bank Iowa’s first project manager. The position was created to support several of Bank Iowa’s strategic initiatives by leading bank-wide projects that will help fuel growth, innovation, and profitability. Ragan has already developed a consistent project management process for all bank-wide projects. He will manage the scope, budget, resources, and timelines for all projects.



Jessica Ferin

NEW TEAM MEMBER
Operations Director

Jessica joined Bank Iowa in October of 2023 as operations director. Jessica brings nearly 20 years of banking experience to the role, including her most recent role as vice president of payments and digital operations with QCR Holdings.

Embracing Change: Reorganization

New positions and roles within Bank Iowa emerged from the PRI recommendations and an internal review of our organizational structure.

To better align and balance the reporting structure and position the bank for succession planning in key positions, it was critical we take steps in situating the bank for continued growth and success.



Jill Shedek

NEW POSITION

HR Director

Jill has been with Bank Iowa for over six years and was promoted to human resources director in December of 2023. During her tenure, she has contributed to our high employee engagement rates, instituted strengths-based leadership training, and transformed our internship program into a highly competitive, dynamic opportunity for aspiring bankers.



Ryan Huinker

NEW POSITION

Chief Financial Officer

Ryan has been with Bank Iowa for over eight years and was promoted to chief financial officer in December of 2023. Most recently, Ryan served as the bank's vice president – director of credit administration and operations before transitioning to his role overseeing the finance department.



Jon Sarvis

NEW POSITION

Chief Banking Officer

Jon has been with Bank Iowa for six years and was promoted in December of 2023 to chief banking officer. Jon has over 20 years of financial industry experience, most recently as the bank's chief financial officer.

With the introduction of the chief banking officer role, the following positions will directly report to Jon:

- Director of Ag/Commercial Lending
- North Iowa Regional President
- Southeast Iowa Regional President
- Southwest Iowa Regional President
- Central Iowa Regional President
- Treasury Management Director



Kate Wolfe

NEW POSITION

Chief Operating Officer

Kate has been with Bank Iowa for eight years and was promoted to chief operating officer in December of 2023. Kate has primarily served in HR-focused roles during her nearly 20 years of experience, before recently transitioning to her new role.

As chief operating officer, the following positions will report to Kate:

- Human Resources Director
- Marketing Director
- Retail Director
- Mortgage Director
- Operations Director
- Project Manager



Rich Davitt

NEW POSITION

Chief Credit Officer

Chief credit officer, Rich Davitt, now oversees compliance, credit analysts, consumer/CC underwriting, and collections.

Angie Frerk of Humboldt and Chad Leighty of Denison now hold community bank president positions.



Angie Frerk

NEW POSITION

Community Bank President



Chad Leighty

NEW POSITION

Community Bank President

Other key changes include:

- Consolidating our Denison, Humboldt, and Lawler Regions into the North Iowa Region.
- Consolidating our Clarinda and Shenandoah Regions into the Southwest Iowa Region.
- Renaming our Des Moines Region and Oskaloosa Region to the Central Iowa Region and Southeast Iowa Region, respectively.



Smooth Operators

Bank Iowa's operations team keeps things running smoothly behind the scenes. Operations houses several functional areas like our eBanking team, deposit operations, system administration, IRA administration, and operations processes. In 2023, Jessica Ferin joined the operations team as VP, operations director, tasked with leading the department of 17 team members. Those team members completed the following milestones in 2023:

- Debit card processor migration
- Card dispute processing to DRC
- Process standardization
- Account to account transfers
- Automated eStatement enrollment process
- New IRA account opening resource
- Ticketing system for maintenance
- Integration of new products & technology with existing customer-facing digital platforms

Plagge Selected to Iowa Bankers Association's Board of Directors

In September, the Iowa Bankers Association (IBA), announced their elected officers and directors to serve on their 2024-25 board of directors. Bank Iowa President and CEO Jim Plagge was selected as one of fourteen positions on the board, and will serve as IBA Board Chair in 2024-25. The board is responsible for providing strategic direction and ensuring the activities contribute to the mission of the IBA. The officers were nominated by members of IBA across Iowa.



Board members are all CEOs or decision-makers for their bank. They attend bi-monthly meetings of the IBA as part of their role. Board members first serve a two-year term on the Advocacy & Policy Committee, followed by a two-year term on the IBA board as a regional chair. Board members also appear in promotional interviews for the association.

BANK IOWA Senior Leadership



Jim Plagge
President & CEO



Dustin Caldwell
IT Director



Scott Hansen
Internal Audit Director



Ryan Huinker
Chief Financial Officer



Brian Carolan
Regional President



Karla Crocker
Controller



Tanya Johnson
Compliance and Risk Director



Chad Leighty
Community Bank President



Rich Davitt
Chief Credit Officer



Jessica Ferin
Operations Director



Trisha Menke
Retail Banking Director



John Rathjen
Regional President



James Feudner
Regional President



Josh Fleming
Marketing Director



Jon Sarvis
Chief Banking Officer



Todd Smith
Mortgage Director



Angie Frerk
Community Bank President



Bob Gagne
Chief Lending Officer



Gilbert Thomas
Regional President



Kate Wolfe
Chief Operating Officer

BANK IOWA Board of Directors



Paige Duncan
Board Chair



J.B. Barr
Board Vice-Chair



Jim Plagge
President & CEO



Michael Blaser
Attorney
BrownWinick Law Firm
Agribusiness Practice Group



Jann Freed
*Leadership Development and
Change Management Consultant*



John Hartford
*Retired Bank Iowa
Chief Lending Officer*



Chris Minor
President and CEO
SmartStory Technologies



Matthew Sells
President and CEO
Shenandoah Medical Center



Craig Hill
Retired CEO / Farmer

BANK IOWA CORPORATION Board of Directors



Robert Duncan
Chairman Emeritus
Duncan Aviation & Bank Iowa Co-Founder



Paige Duncan
Board Chair



J.B. Barr
Board Vice-Chair



Jim Plagge
President & CEO
Bank Iowa Corporation



John Hartford
Retired Bank Iowa CLO



Michael Wilson
Retired President & CEO
Federal Home Loan
Bank of Des Moines



Dale Heider
Engineer/ Farmer

Be People-Centered



Bank Iowa's values awards were established to recognize team members for their significant contributions to the bank and to celebrate those who best exemplify the four Bank Iowa core values: Be People-Centered, Bring Your Best, Enable Great Things, Think Big.

Dan Comer

The winner of this year's Be People-Centered values award is Dan Comer, vice president relationship manager III in Clarinda. Those who have the privilege to work closely with Dan have described him as "the glue" that holds their team together. He has been recognized as an excellent listener who is a champion for success and celebrating others. There are times Dan will channel his "former teacher" and provide guidance to others on how they can achieve their goals. Dan invests in others, spending as much time as needed to help develop new team members, saying "always a learning experience." Dan's demonstrated commitment to his team and strong leadership skills are why he was awarded the Be People-Centered values award.

Victoria Swauger

The winner of this year's Bring Your Best values award is Victoria Swauger, deposit operations specialist III at Bank Iowa Corporation. If there's one thing Victoria particularly excels at, it's anticipating needs, and not just in the present moment. She has the ability to see the bigger picture and think about how any change is going to affect everyone involved from start to finish, including her coworkers and Bank Iowa customers. Victoria was instrumental in the rollout of Bank Iowa's online account opening platform and ensured a positive experience for front line staff, as well as those behind the scenes. In every project, Victoria adds value with her wealth of knowledge that she's always willing to share. If she doesn't know the answer, she will help find it. Because of her commitment to working hard every day with integrity, Victoria was awarded the Bring Your Best values award.

Bring Your Best



Enable Great Things



Amanda Welsch

The winner of this year's Enable Great Things values award is Amanda Welsch, personal banker in Clarinda. She's known for finding ways to go above and beyond, whether it's going out of her way to provide extra training to team members in need, finding additional support for customers who are struggling, or just extending her availability to any customer who has questions or concerns. Amanda has demonstrated to the team the importance of accountability. She owns and recognizes any opportunity to improve while also continuously taking the chance to learn new things. She offers constructive criticism, advice, and always gives appreciation and recognition. Because of her compassion and dedication to her team and Bank Iowa's customers, Amanda was awarded the Enable Great Things values award.

Tanya Johnson

The winner of this year's Think Big values award is Tanya Johnson, compliance and risk director at Bank Iowa Corporation. If there are roadblocks, Tanya will find a way to push past them. When changes or improvements need to be made to a process, she listens and adjusts procedures accordingly. She always ensures team members have access to the publications and resources to stay on top of regulations in the ever-changing banking environment. Tanya's team has described her as someone who finds ways to say "yes" while working within the strict regulatory environment. Tanya is a leader in the compliance industry, and because of her expertise on BSA, compliance, and risk, she's been a resource to others in the banking realm, as well. Her diligence to finding opportunity within regulations and continuing to promote positive change for Bank Iowa are reasons this well-deserved Think Big values award was dedicated to Tanya.

Think Big



Social at the Cidery

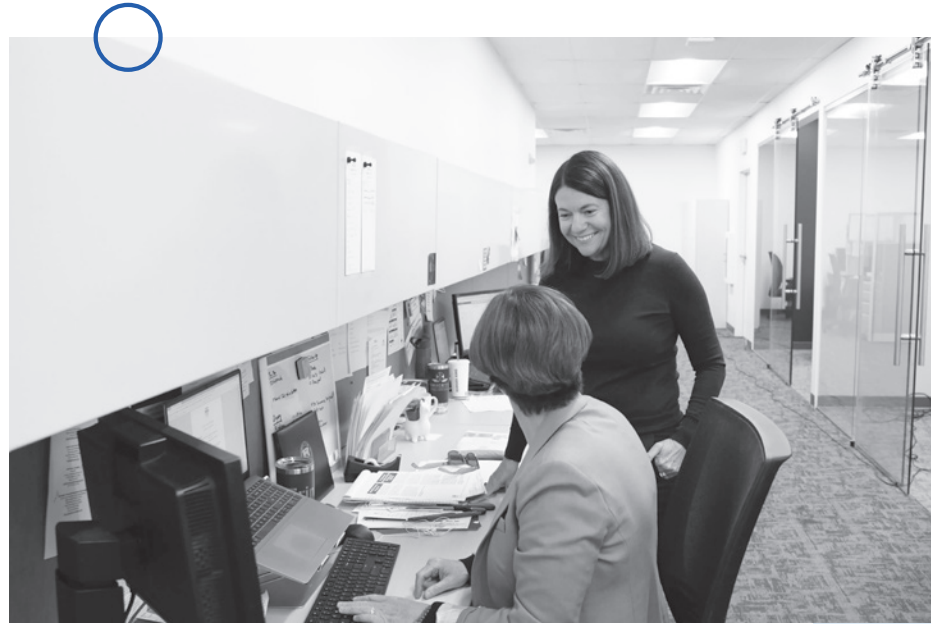


On a warm Saturday in September, all Bank Iowa team members were invited to meet at Winterset Cidery for complimentary food, cider, and activities. Social at the Cidery offered team members an additional way to connect with each other outside of work – and there were big reasons to celebrate in 2023. Bank Iowa reached the milestone of \$2 billion in assets mid-year, a landmark of growth the bank had set sights on reaching in 2025.

Families arrived from all over the state, greeted by music from the Red Dirt Renegades and freshly grilled food from the Madison County Cattlemen. To the north of the cidery, the orchard was open for children to run and families to pick apples. Together, Bank Iowa families connected over drinks, food, and music while celebrating the great accomplishment of Bank Iowa achieving \$2 billion in assets.



Bank Iowa Invests in the Iowa Center



The Iowa Center's president & CEO, Megan Milligan, standing, and director of advancement, Erin Strawn, seated.

The Iowa Center for Economic Development (ICED) is an economic development organization that delivers three lines of direct service to empower entrepreneurs to launch and grow their small businesses: business coaching, credit and lending, and tax services.

Last year, Bank Iowa provided the ICED a \$100,000 loan at one percent, which they used to support their credit and lending service line. With those dollars, ICED was able to support three Iowa businesses with CDFI loans, one of which will open in 2024.

The organizations supported by the ICED are those that typically won't qualify for a traditional bank loan. In addition to helping these business owners lead successful businesses, create jobs, and enhance community growth, Bank Iowa receives CRA (Community Reinvestment Act) credit.

Jaunchorrey Tortilleria, who makes tortillas and chips sold to in-area restaurants to serve, was one of the businesses who received a loan for a new oven.

[Scan here to learn more about the ICED by watching this video.](#)



Loan recipient, Billie Asmus, is the owner of Repaint Studios and creator of the Repaint Tray – the first reusable, eco-friendly paint tray liner and lid.

LOANED TO THE
IOWA CENTER
100K

3 INVESTED IN
LOCAL BUSINESSES

100%
PAYBACK RATE
OF CDFI LOANS

Regional Rundown

North Iowa Region

Lawler | New Hampton | Waucoma | Fredericksburg
Denison | Manilla | Schleswig | Humboldt | Gilmore City

LED BY
Brian Carolan | **64** TEAM MEMBERS | **10** OFFICES

LOANS **\$346MM** DEPOSITS **\$597MM** TOTAL **\$943MM**

Southwest Iowa Region

Shenandoah | Clarinda | Red Oak | Villisca | Essex

LED BY
Gilbert Thomas | **51** TEAM MEMBERS | **6** OFFICES

LOANS **\$258MM** DEPOSITS **\$447MM** TOTAL **\$705MM**

Central Iowa Region

West Des Moines | Altoona | Johnston

LED BY
John Rathjen | **36** TEAM MEMBERS | **3** OFFICES

LOANS **\$591MM** DEPOSITS **\$288MM** TOTAL **\$879MM**

Southeast Iowa Region

Oskaloosa | Pella | Newton | Fremont | Colfax

LED BY
James Feudner | **45** TEAM MEMBERS | **5** OFFICES

LOANS **\$263MM** DEPOSITS **\$327MM** TOTAL **\$590MM**

The Road to 2Billion+ in total assets

1976

Donald Duncan, Robert Duncan, and Harry Barr purchase Citizens State Bank in their hometown of Clarinda

1980

Farmers Savings Bank in Fremont is purchased

**\$275
MILLION**
in assets

1994

West Des Moines branch opened and Bank Iowa Corporation moved into the new facility

2006

**\$1
BILLION**
in assets

2011

First State Bank of Colfax is acquired

**2019****1978**

Main office moved to 101 N 15th St. Clarinda

1989

Acquired Nodaway Valley National Bank of Villisca and purchased Humboldt Trust & Savings Bank

1995

Opened branch in Altoona, First National Bank of Essex is purchased

2005

**\$500
MILLION**
in assets

2012

Jim Plagge hired as President & CEO

2023

**\$2
BILLION**
in assets

**Think
Big**
Enable
Great
Things

**Be People-
Centered**
**Bring
Your
Best**

