



2018 ANNUAL REPORT

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OUR VISION

Bank lowa is a growing, high-performing and efficient community bank. Our bank family consists of employees, clients, the communities we serve and shareholders. We have an unwavering commitment to be the:

- Employer of choice where our employees feel connected, valued and have opportunities to grow personally and professionally
- Bank of choice for our customers through the delivery of excellence in customer service and financial products
- Financial services leader and strong center of influence in our communities
- Investment of choice for our shareholders

MESSAGE TO SHAREHOLDERS

BANK IOWA UPDATE JIM PLAGGE, PRESIDENT/CEO

On behalf of our entire team and the Bank Iowa and Bank Iowa Corporation Boards of Directors, I'm pleased to provide this summary of our 2018 financial performance and highlights of the year.

2018 FINANCIAL PERFORMANCE

Consolidated net income was a record \$12.5 million in 2018, a 5% increase from \$11.9 million in 2017. Improved net interest income and non-interest income were the primary drivers of profitability growth. Our focus in the years ahead will be on efficient growth to further improve profitability.

Total assets were down slightly to \$1.278 billion. Loans reached an all-time high of \$912 million at year-end but growth was more difficult in 2018 compared to 2017, as loans grew by 3% compared to 11% in 2017.

Total deposits were up slightly to \$1.111 billion at year-end. Tier 1 Capital increased to \$117 million on December 31, 2018, compared to \$109 million last year. The bank and holding company continue to be well-capitalized under regulatory capital guidelines.

Non-performing loans increased (from what?) to \$5.7 million at year-end after a six-year decline. The higher level of non-performing loans is a direct reflection of the difficult agricultural economy of the last five years. Despite the increase, our level of non-performing loans remains below our peer group average for the fourth consecutive year.

2018 HIGHLIGHTS

The bank's pace of positive change continued to be brisk in 2018.

Core Conversion Stabilized

In last year's Annual Report, we discussed our core system conversion, which occurred in May 2017. The core system is the software program upon which all client data and the bank's general ledger reside. I'm pleased to report that we became stabilized on the new core system in 2018 despite the normal challenges that come with all core conversions. We've also made progress in the implementation of the many ancillary systems that "bolt onto" the core, such as the enterprise content management/imaging system, reporting software and remote deposit capture. Much more work remains in 2019 to further build out these systems and to add new capabilities, such as electronic signature, a client relationship management platform and additional treasury management capabilities.

Training and Onboarding Programs Launched

Our HR department implemented an onboarding program in 2018 to more rapidly acclimate new team members to our culture, history and organizational structure. We also kicked off a training program for new tellers and cleint service representatives to ensure best practices and uniform processes are followed bank-wide. Late in the year, we kicked off a leader training program, which in 2019 will progress to a more robust coaching and real-time feedback culture. The goal for each of these programs is to enhance the engagement of every team member and improve the knowledge, skills and leadership capabilities' of our leaders. We expect this will result in even better service to our clients, greater opportunities for our team members and stronger influence in our communities.

New Branding Rolled Out Across Channels

Our branding was completely updated in 2018 in all mediums, including print, radio, social media and internal communications. A new website will be rolled out in early 2019 that will tell the Bank Iowa story, build the strength of our brand all the while using modern techniques to generate leads resulting in new business opportunities.

Infosec Protections Shored Up

Cybersecurity is more than a buzzword for Bank Iowa. In fact, it's top of mind every day. We made excellent progress in 2018 in our cybersecurity procedures, infrastructure and software patching protocols. "Cyber Roadshows" in every region helped increase team member awareness. We also implemented an IT Service Desk to provide better response time for computer and cybersecurity issues.

Lending Strengths Evolved

Centralization of residential mortgage underwriting and processing, which had been in the works for a couple years, was completed in 2018. This has helped provide uniformity in underwriting, as well as adherence to the many mortgage-related compliance regulations. The centralization has also allowed our mortgage loan officers to focus on originating new loans rather than processing loan documents. Despite the challenges in the ag economy, we remain bullish on agriculture and continue to seek new business opportunities in both the ag and commercial sectors. To bolster our efforts, we created and filled the new position of Business Development Officer. This individual works with Bank Iowa lenders around the state to cultivate new relationships and opportunities. As a result of this and other improvements, new business calls increased by over 30% in 2018, and our lenders are becoming much more comfortable in their selling endeavors.

To further meet the needs of our clients and prospects, we implemented an interest rate swap program in 2018. Swaps give borrowers the comfort of a fixed interest rate, while allowing the bank to manage interest rate risk with a variable rate.

Community Give-Back Expanded

Bank lowa continues to be very active in our communities, schools and area service organizations. Our team members logged over 9,900 community service hours in 2018 (compared with 9,000 in 2017). That's the equivalent of nearly five full-time team members. Every volunteer hour donated by Bank lowa enhances the quality of life in the communities we serve and provides personal satisfaction to our teams.

"Thank you for your interest in and support of Bank Iowa's long-term success – a success that ultimately adds to the health and vitality of the communities we call home." Donations and Community Outreach expenditures were over \$400,000 in 2018. Our largest recipients were:

County Fair Livestock Auctions and Sponsorships	\$16,535
Eventide Senior Living Community - Denison	\$12,500
Schleswig Youth Athletic Fields	\$10,000
Kiddie Cat Day Care - Humboldt	\$10,000
Humboldt County Agricultural Society	\$10,000
Pella Christian School FFA	\$10,000
New Hampton Mercy Medical Center	\$10,000
New Hampton School FFA Alumni - Voc-Ag Facility	\$10,000
Bank Iowa Traveling Challenge Cup - School Activity Funds	\$8,000
Montgomery County Development Corp - Shenandoah	\$7,500
Clarinda Carnegie Art Museum	\$5,000
Clarinda Foundation - Playground Improvements	\$5,000
Humboldt Recreation Center	\$5,000
Greater Des Moines Partnership	\$5,000
TRIBE Recreational Trail in New Hamptmwon	\$5,000
United Way Employee Match	\$4,236
Iowa High School Sports Network	\$4,200
Pella Tulip Time Float	\$3,500
Clarinda Economic Development Corp	\$3,000
West Des Moines Chamber of Commerce Breakfast B4 Business	\$2,750
Nodaway Valley Historical Museum - Clarinda	\$2,500
IKM-Manning School District Foundation	\$2,500
Shenandoah Food Pantry	\$2,500
Oskaloosa YMCA	\$2,000
Pella Dog Park	\$2,000
Make-A-Wish	\$1,575
Clarinda A's	\$1,500
Humboldt - Humboldt County Fair	\$1,500
United Way - Des Moines	\$1,500
Iowa College Foundation	\$1,500
Norwalk High School Dance Marathon	\$1,500
Fine Arts & Cultural Events (FACE) of Mahaska County - Oskaloosa	\$1,200
May Mentoring Program - Shenandoah	\$1,200

We also awarded twenty \$500 Spirit of Chandy Scholarships to graduating high school seniors, and nine \$500 Robert and Karen Duncan Bank Iowa Scholarships to graduating seniors who are children of our team members.

Our six rural regions each hosted Ag Management Client Appreciation events during the year, and the Des Moines region hosted several Center of Influence events with local law firms and CPA offices.

New Branches Emerged

We received full branch authority in Pella in late 2017 and operated in a temporary facility in 2018. Pella is a growing and progressive community of over 10,000, known for its Dutch ancestry and successful businesses and industries. It is located mid-way between our offices in Oskaloosa and Newton and is about 40 miles east of Des Moines. It fits well within our existing footprint and is our first new market entry in ten years. We broke ground around mid-year and will move in to our new facility in early 2019.

Last year, I reported architectural plans for a new facility in Clarinda were being finalized. Our goal was to incorporate historic preservation, maintain the look and feel of Clarida's downtown square. We were ultimately unable to secure the historic tax credits to make that project feasible. However, the construction of a new bank facility on the downtown square is in keeping with the historic asthetic appreciated by residents and community leaders. Construction will begin in v 2019. As originally planned, we will donate our current facility to the city of Clarinda for their use as city administrative offices upon completion of the new facility.

Strategic Planning Kicked Off

We embarked on strategic planning in 2018 with a focus on both 2019 areas of focus and longer term objectives. The four areas of concentration in 2019 are:

- Talent
- Profitability
- Growth
- Technology

Each area of focus has a detailed plan outlining broad objectives, specific goals and actions steps. Throughout 2019, we will work on the development of a longer term strategic plan

Bank Governance Reimagined

We are updating our bank board governance and leadership structure in early 2019. For the past seven years, our bank board of directors has been comprised of two shareholders, executive leadership and seven regional presidents. This structure was created when we consolidated our seven bank charters into one charter in 2011. While this resulted in a board with intimate knowledge of the bank's inner-workings, it was not in adherence with sound governance principles. Those principles call for a significant majority of the board to be independent of management.

We will, therefore, elect a new board in early 2019 comprised of two shareholders, the bank CEO, and five outside directors who possess complementary and diverse skill sets, backgrounds and experiences. I believe this will enhance our ability to achieve longterm success, while at the same time protect the interests of our shareholders.

In conjunction with the new board structure, we will form a Senior Leadership Team comprised of executive management, the regional presidents and department leaders. This team will be responsible for overseeing day-to-day management of the bank, as well as developing and implementing our strategic plan.

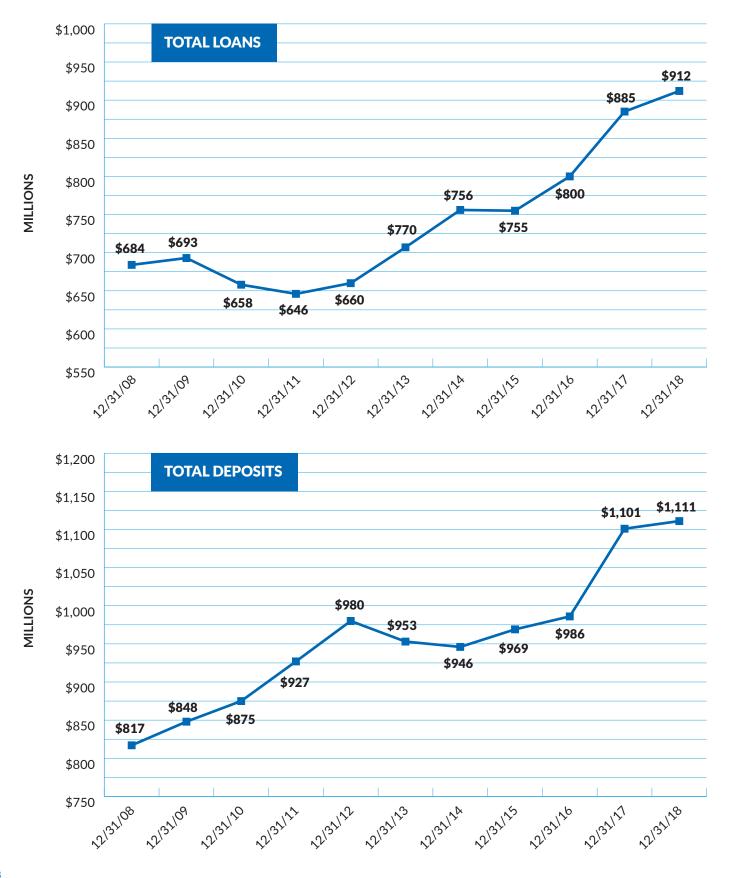
Thank you for your interest in and support of Bank lowa's long-term success – a success that ultimately adds to the health and vitality of the communities we call home. I'm honored to lead this great organization and am especially grateful to work with our talented teams and for our dedicated shareholders.

Sincerely, Jim Plagge CEO

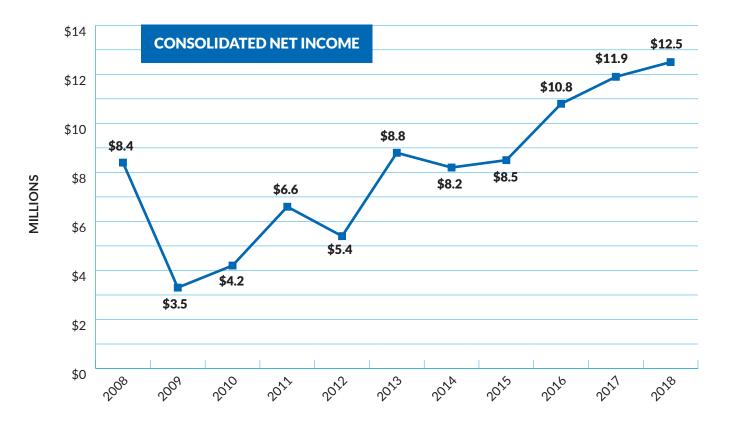


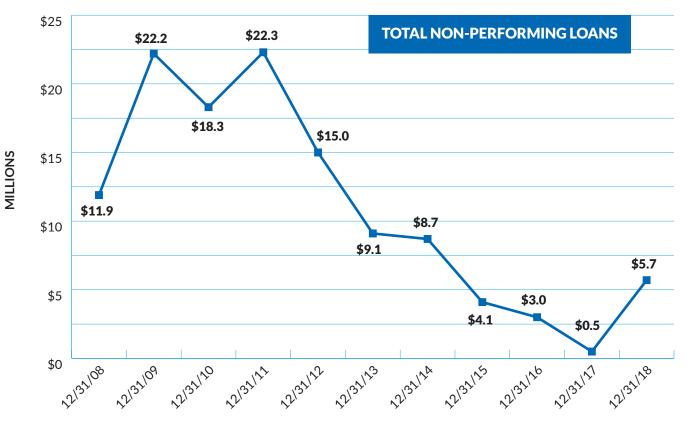


2018 BANK IOWA PERFORMANCE



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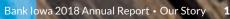
OUR STORY

Ours isn't your typical bank story. In fact, when Bank Iowa founders Donald Duncan, J. Robert Duncan and Harry Barr first got together, it wasn't because they wanted to create a bank. They were starting an aviation company. And that's exactly what they did in Clarinda, Iowa, more than a half century ago.

It was from that entrepreneurial ambition and smart business leadership that one of Iowa's most successful banks would eventually flourish. That same spirit helps us understand the real needs of today's businesses, farmers, families and entrepreneurs all across Iowa.

From ambitious beginnings that date back to 1901 to becoming one of the largest-family owned community banks in lowa, one thing has never changed and never will. Our dedication to serving our clients, employees and the communities we call home is steadfast. Bank lowa Corporation continues to be owned by the Duncan and Barr families, and their community-centric values can be felt in every interaction we have with the people and places for which we exist.

Bank lowa has evolved into a growing, dynamic operation with combined assets of over \$1.3 billion, more than 250 employees and 25 locations serving 22 lowa communities. Each Bank lowa location offers the services of a large financial institution but operates as a community bank in which decisions are made locally.



BANK IOWA BY THE NUMBERS



We know that we are only as strong as the communities we serve. That's why our team members donate over 9,000 hours of their time every year to strengthen the communities where they work and live. Our hope is that our time, financial assistance, sponsorships and scholarships will continue to transform communities.

LOCAL DECISION-MAKING

We understand that the best banking service happens close to home. That's why we empower our people to make decisions locally. We focus on what makes our local communities better places for our neighbors through a decentralized process that allows us to be more responsive and accessible when you need us.



OFFICES IN 22 COMMUNITIES





10%

AGRICULTURE EXPERTISE

Our lending staff is knowledgeable in crop, livestock, machinery and farm real estate lending. Together, we'll help you explore options through a comprehensive plan that focuses on your long-term goals, enhances your profitability and help you sustain a healthy farming operation for years to come.

If you're looking for assistance in the improvement of your overall farm's performance, our lenders can help develop a snapshot of your financial position and key performance indicators. Together, we can analyze trends and identify ways to increase your overall operational efficiency.

If you're looking to plan your future, or plan for the next generation, talk to one of our loan of officers about the specific goals you have. We can help you understand what direction might be best for you and your family.



We don't know how many dreams have cometrue through our lending hands, but we understand that your business aspirations have a positive impact on the communities we serve. We encourage you to share your dreams with us.

1,000+ OUR STAFF'S COMBINED YEARS OF LENDING EXPERIENCE

We employ the most experienced lenders in the state who understand entrepreneurship and have deep relationships with our clients. Like our bank, our lending team is small but mighty, possessing more than 1,000 years of combined lending experience.

COMMUNITY MATTERS

IN 2018, BANK IOWA TEAM MEMBERS SPENT 9,928 OF THEIR TIME HELPING ORGANIZATIONS IN THEIR LOCAL COMMUNITIES. HERE ARE A FEW OF THEIR STORIES. TO VIEW ALL THREE OF THESE STORIES IN VIDEO FORM VISIT: HTTP://TINYURL.COM/COMMUNITY-MATTERS-PLAYLIST OR VISIT BANK IOWA'S YOUTUBE CHANNEL.



Watch video snippets of Mario teaching at the Latino Ministerial Association online at http://tinyurl.com/ y3rr47m7 or find the Bank Iowa Channel on YouTube.

MARIO FLORES, LOAN OFFICER, DENISON

Hailing from Mexico, Bank Iowa Loan Officer Mario Flores experienced first-hand the difficulties of navigating the U.S. immigration system. Despite the complexities, Mario achieved his dream of becoming an American citizen. Today, as a community banker in Denison, an Iowa city with a large and growing Latino population, Mario sees an opportunity to help others achieve the same dream.

Over the course of more than six years, Mario has devoted hundreds of hours to preparing and teaching a class on obtaining U.S. citizenship. There were two students in his first class in 2012. Today, it's not unusual for 15 to 20 seats to be filled by Denison community members aspiring to become American citizens.

"I realized years ago the challenge of becoming an American citizen. I always had in my mind how difficult it is for people, so I prepared the class," said Mario. "Being a banker, I talk to a lot of people. I feel the same excitement to help them to own their first home or establish credit. I feel that same excitement about the citizenship class."

PAULETTE MARSH LEAD TELLER, SHENANDOAH



Watch video snippets of Paulette supporting the Shenandoah Community Food Partry online at http://tinyurl.com/y5czwwww or find the Bank Iowa Channel on YouTube. Volunteering for what Paulette is proud to a call a "choice" food pantry has given at least one Bank Iowa employee a new perspective on need in Shenandoah. The Shenandoah Community Food Pantry gets its descriptor from the fact clients get to choose which meals they'd like to take home to their families. The goal is to make sure nobody in the area goes hungry. In 2017, the food pantry served more than 4,300 people.

Bank lowa has helped the pantry in a unique way for the past few years. The Shenandoah branch serves as a drop-off point for food and monetary donations. Every time one is received, the bank matches it.

"Unfortunately, in a community like ours, people don't often realize the big numbers who are going hungry," said Paulette. "I was naive to it, as well, until I got involved. It certainly makes us more thankful for what we've got in front of us."

AMY DONAHE MORTGAGE LOAN OFFICER, HUMBOLDT



Watch video snippets of Amy and her team at the 2018 Bank Iowa Pedal Pull online http://tinyurl.com/y5czwwzc or find the Bank Iowa Channel on YouTube. Hosting the Bank Iowa Pedal Pull, an annual tractor pull for kids at the Iowa State Fair, is just one of several community give-back activities Amy Donahe and her colleagues organize. The event brings together upwards of 70 children and their families each year, many of whom go on to other pedal pull competitions around the state. In Amy's view, it's a tangible way to communicate much the bank cares about the people who call the Humboldt area home.

Amy and her colleagues are also regular participants in pop-up volunteer activities, such as helping out at the mobile food pantry or coordinating back-toschool supply drives.

"We are so proud to be part of the growth of this community, whether it be through business relationships or volunteer projects," said Amy. "Events like the tractor pull show our community that we are invested in them. It's part of who we are."

BIRD'S EYEVEN

In 2018, Bank Iowa began highlighting the communities we serve through drone videos of each community. Given the unique perspective of these videos, we naturally called this video series the "Bird's Eye View." This campaign will continue into 2019. To view all of the videos please visit: http://tinyurl.com/birds-eye-view-playlist or visit Bank Iowa's YouTube Channel.

Clarinda, Iowa

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CLIENT SPOTLIGHT

DAVID GRIMM OWNER/OPERATOR CHICK-FIL-A UNIVERSITY AVENUE WEST DES MOINES, IA



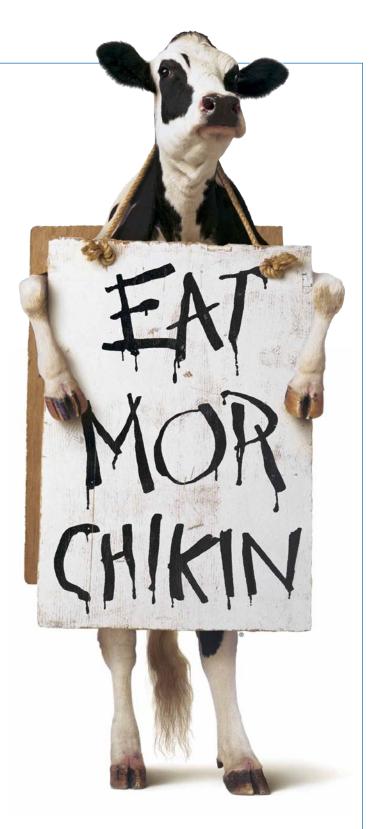
When Chick-fil-A corporate asked aspiring franchise David Grimm what he thought about the prospects of moving from Pennsylvania to Iowa, David and his wife were unsure. After all, they had no connections or family in the area. Ultimately, the decided to give it a go, or as David refers to it, "Go for gold."

When David and his family arrived, they had a short list of must-have relationships, and a community bank was near the top. After meeting Bank Iowa's Bill Fry at a West Des Moines chamber meeting, the Grimms chose to become customers of the bank. What's more, David and Bill became friends, having both recently been through a family uprooting to Des Moines.

"Bank Iowa has met every single one of our needs for business and personal banking," said Grimm. "To this day, I talk with Bill every time I walk into the branch."

View David's full story online at [URL].







J.R. PHILLIPS PREMIER RETIREMENT PLAN ADVISORS

During my experience being both a personal as well as business client at Bank Iowa, I have appreciated all of the Bank Iowa employees eagerness and willingness to help me and my family with all of our banking needs, and to always do so courteously and professionally. My commercial lender, Matt Wagner, has gone above and beyond in assisting me with my business banking needs. Matt's experience, knowledge and desire to help me grow and expand my business as a strategic partner has been invaluable. My family and I are proud to be Bank Iowa clients.



JEFF KELDERMAN KELDERMAN MANUFACTURING

For the past 10 years, I have banked with Bank Iowa both personally and professionally. While operating a business that has grown to over 50 employees, it is extremely important for us to have a relationship with a local bank that understands our operation, and is able to help us with our business expansion. The strong relationship that we have our commercial lender, Brian Hawk, lets me focus on the big picture, knowing that when equipment upgrades are needed, Bank Iowa is there to fulfill our needs. Running a business can be tough at times, but having a partner like Bank Iowa make things a lot less stressful.



"It is extremely important for us to have a relationship with a local bank that understands our operation..."

REGIONAL UPDATES

CLARINDA REGION GILBERT THOMAS, REGIONAL PRESIDENT

The Clarinda Region had another positive year with loan and retail business development teams increasing new business development calls that led to a nice positive percentage gowtin in loans year-over-year for the region.

We are still progressing on a new bank facility in Clarinda with construction to be begin in Sprin 2019. The new facility should provide some operating efficiency by combining the main bank and the drive-up facility into a single location. We expect the new facility to be a great, attractive addition to Clarinda on a very corner of the square. Our transition into a new building will also mean great thing for the City of Clarinda team, as they will find a more modern and roomy home in our former location.





SHENANDOAH REGION JOHN MCBRIDE, REGIONAL PRESIDENT

We had two long time team members retire, Doug Rieken, who was an ag / commercial lender in our Red Oak location, and Carol Franks, who was the branch manager of our Essex Location.

Doug's role was filled by Paul Fairchild, who came to us from Bank of the West. He brought a wealth of cattle knowledge, and contacts, which he will be able to mine for business development. Carol's role was filled by Amy Maher who came to us from Tri-Valley bank in Essex. She will bring a renewed energy to this location.

We were fortunate to experience \$6.5 million in loan growth, due to diligent efforts by the lending team, while we faced challenges and saw a slight decline in deposits due to a competitive rate environment. We are optimistic about solid loan and deposit growth in 2019.

The Shenandoah Team volunteered in the local community and set a regional record for number of hours served during 2018.





DENISON REGION SCOTT BRUS, REGIONAL PRESIDENT

The Denison Region achieved strong profitability again in 2018 and continued to demonstrate a strong history of good profitability at 8% over budget. While long growth was softer than we had hoped, our team members helped the region stay even with the board after exiting some tough credits

As our communities continue to become more diverse, the bank has adjusted well to this changing culture. Our team members have become almost as diverse as has our client base and our investment in Spanish speaking staff has really allowed the region to earn new clients with a growing demographic.

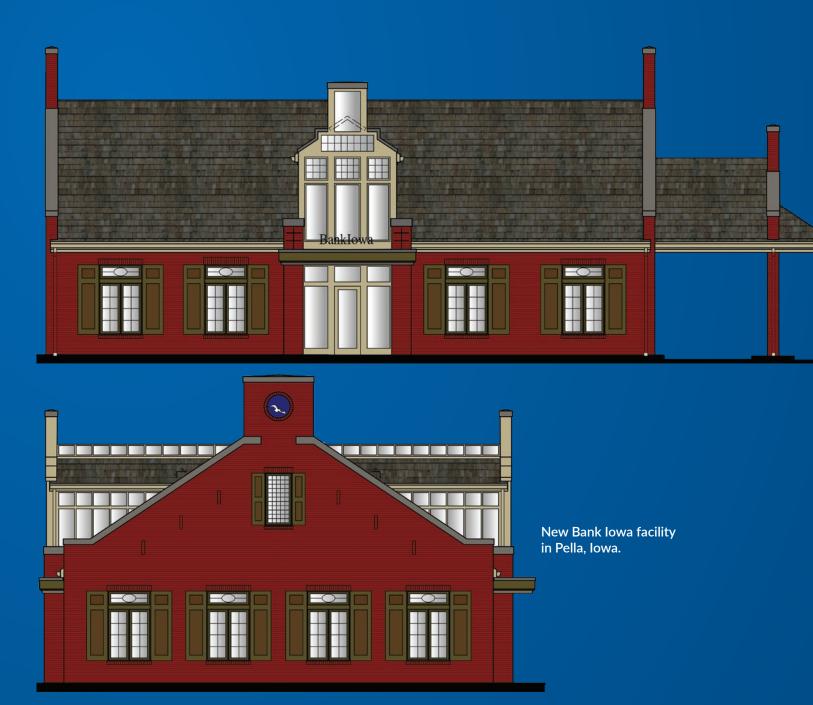
We are fortunate that Crawford County continues to grow with major investments in new or increased production capacity by Continental Carbonics, GCC Concrete, Smithfield Foods, Landus Cooperative and host of smaller companies, providing increased employment and a strong commitment to the community.

OSKALOOSA REGION JAMES FEUDNER, REGIONAL PRESIDENT

The Oskaloosa Region had a great 2018. The region increased loans by approximately \$9,000,000 (about 6% over 2017) and increased deposits by approximately \$13,000,000 (about 10% over 2017).

Our Pella office, which opened in late 2017 went full-service out of our temporary location. The Pella team members will move into a newly constructed building at the corner of Washington and Main on the square in Pella in the first quarter of 2019.





DES MOINES REGION JOHN RATHJEN, REGIONAL PRESIDENT

In 2018 the Des Moines Region made significant progress in growing market share for Bank Iowa. We closed the year with record Ioan and deposit balances and added many significant new relationships to our Ioan and deposit portfolios.

In the mortgage area we added several new mortgage loan originators and are well positioned for record mortgage loan production in 2019.

In our retail banking area, we set a record for new checking account clients and continued to build a strong retail staff to meet the needs of our clients.

Under the leadership of Mark Phillips in our treasury management area we made great progress by adding additional services such as check and ACH positive pay. These new services will be helpful as we compete for new business account clients going forward.

In the Des Moines Community, we made a special effort be involved and active. We had great success with our Community Reinvestment Act initiatives by establishing new relationships with several Neighborhood Associations in the Des Moines Assessment Area. We also challenged our team members to be active and involved in 2018 and they contributed record volunteer hours and the Des Moines Region team members had an 82% participation rate in our annual United Way Campaign which was up from the prior year.

Des Moines is a great community and we look forward to continued growth in 2019. We will continue to focus on overall productivity, great client service, and exceptional community involvement.



HUMBOLDT REGION DAVID BOSWELL, REGIONAL PRESIDENT

The Humboldt Region plays an active role in our community with our team members donating over 1100 hours to community service in 2018. The Bank lowa team support a wide range of community efforts making Humboldt and Gilmore City better places to live and conduct business.

Humboldt's commercial and industrial diversity has provided stability during the challenging times facing the agricultural community. While loan growth has been challenging, we have been able to maintain quality and clients. Profits in 2018 remained strong and we are positioned well for new growth opportunities in 2019 and the years to come.



LAWLER REGION RENEA HUINKER, REGIONAL PRESIDENT

2018 was a very active year for the Lawler Region. Our loan department concentrated on business development in the Ag and Commercial markets. Calling efforts increased by 132% from 2017 as we began working with Ron Saak, Bank lowa's Business Development Officer, and expanded our market area.

Region-wide, our team members participated in 300+ community events totaling 900+ service hours. Team members attended educational opportunities throughout the year on subjects related to their work duties. The deposit rate climate in Northeast Iowa continued to be aggressive. To service and maintain our client base, we needed to be very competitive in rates. During this past summer we celebrated the 20-year anniversary of being in the New Hampton market with a client appreciation event in addition to being participants in five community parades.

As we look towards 2019, we see another challenging ag environment. With increasing interest rates causing cash flows to be even tighter, we anticipate some issues in the ag sector. Despite this, our focus will be directed towards improving quality of the loan portfolio. In addition, we will strive to gain from our calling efforts, more opportunities in our expanded market area. On the deposit side, competition from area financial institutions competing for deposits will remain aggressive. Educational pursuits and community involvement will be encouraged and supported for our regional team members.







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BOARD OF DIRECTORS

MATT SELLS

Matt Sells is the President and Chief Executive Officer of Shenandoah Medical Center in Shenandoah, Iowa after serving as the organization's Chief Financial Officer for four years. Shenandoah



Medical Center is a large independent critical access hospital in Southwest Iowa with annual gross patient revenues exceeding \$80M. The organization possesses a long-term care center, two rural health clinics, partners with the City of Shenandoah to provide emergency medical services, and also maintains a separate foundation. Shenandoah Medical Center employs all of its 20+ physicians and mid-level providers.

Matt previously served as the Chief Financial Officer for Shenandoah Medical Center in Shenandoah, Iowa, where he was responsible for managing the facilities financial activities and leading the organization's compliance program. Significant accomplishments include establishing a 340B program with three local retail pharmacies, arranging the financing for a \$25M building addition and renovation project, and the implementation of a new electronic medical record system.

Matt previously served as the Chief Financial Officer for Brown County Hospital in Ainsworth, NE, where he spent two and a half years managing the organization's financial activities and overseeing the facility's compliance program. Significant accomplishments included the acquisition of a physician's practice and conversion to a rural health clinic, construction of an imaging addition, and the receipt of numerous private grants totaling nearly \$1.5 million.

Matt previously worked at KPMG LLP, where he attained his CPA license and spent four years working in the firm's audit practice.

DR. JANN FREED

Dr. Jann Freed is a Leadership Development and Change Management Consultant who is focused on helping organizations and individuals get from where they are to where they



want to be. Freed is dedicated to enhancing work environments through personal and organizational consulting and training. A passionate facilitator, Freed has 30 years of teaching and administrative experience at a Midwestern Liberal Arts college achieving Professor Emerita of Business Management and Endowed Chair in Leadership and Character Development.

Freed boasts a proven record of leadership throughout her academic career and within the community including involvement with the NEXUS Executive Women's Alliance, Planned Parenthood Board, Planning and Zoning Commission for the City of Des Moines, Women's Leadership Connection of United Way, Unity Point Hospice Volunteer and more. She's been an effective fundraiser for not-for-profit organizations over the years as well.

Freed achieved a Ph.D. in Higher Education Administration concentrating in Research and Evaluation from Iowa State University, an MBA Business Administration from Drake University and a BA Business Management from Central College.

MICHAEL R. BLASER

Michael R. Blaser is a member of BrownWinick and is a past member of the law firm's Management Committee. Mike currently serves as the co-chair of the firm's Agribusiness practice group and is a member of the firm's Strategic Planning Committee.



From 1995 to 2000, Mike served as general counsel to Iowa Select Farms, an Iowa pork production company that is currently the fourth largest independent hog producer in the United States. Before and since his work with Iowa Select, Mike has been actively involved in value-added agriculture, particularly in the livestock industry. Based on his experience, Mike advises agricultural clients in Iowa and other states as to federal, state and local environmental laws and regulations that affect their businesses.

Mike also has considerable experience dealing with corporate farming laws in Iowa and other upper Midwest states. He has registered as a lobbyist in Iowa when needed, representing clients on legislation of interest, including major Iowa livestock regulation laws enacted in 1995, 1998 and 2002 and the rules adopted to implement those laws.

A frequent speaker to industry and bar association groups on business and environmental issues, Mike has served on the Section Council of the Agricultural Law Committee of the Iowa Bar Association. He has also written legal issue columns for Feedstuffs magazine. Mike is a member of the National Pork Producer's Council Environmental Committee. He was appointed by Iowa Governor Tom Vilsack to the Nutrient Work Group for the Governor's 2003 Iowa Water Summit and by Mike Johanns, United States Secretary of Agriculture to the USDA Agricultural Air Quality Task Force for 2006-2008.

Mike has served on the Board of Directors and in other leadership roles with the Iowa Society of CPAs. He also serves on the Finance Council for St. Francis of Assisi Parish in West Des Moines, Iowa, is the former Chairperson of the Board of Adjustment for the City of West Des Moines, Iowa, and is still serving on the Board.

Mike received his B.B.A. in accounting in 1982 and his J.D., with distinction, from the University of Iowa and was admitted to the Iowa bar in 1985. He also passed the CPA examination in 1983.

JOHN HARTFORD

John Hartford is Bank Iowa's former Chief Lending Officer and Executive Vice President.

Hartford began his lending career in 1977 with the USDA-FSA office in Atlantic, IA. During the farm crisis of the 1980s, Hartford assumed responsibilities as a Farm Program Loan Specialist for the agency in Des Moines, IA.



In 1985, Hartford left the USDA to begin his banking career in Humboldt, IA as a senior lender for Humboldt Trust and Savings Bank, later becoming Bank Iowa. In 1996, Hartford was named President of Bank Iowa Humboldt; a position he held for over 16 years. In 2012, Hartford was named Chief Lending Officer/EVP for Bank Iowa Corporation and relocated to Des Moines, IA. Hartford held that position until his retirement in 2017.

Hartford remains active on the Bank Iowa Board of Directors, Senior Credit Committee, and as a part time credit consultant. His free time is divided between working on his rural acreage, assisting in mission work, traveling, and attending his seven grandchildren's events.





TODD SMITH MORTGAGE DIRECTOR

Being the new kid on the block, having started with Bank Iowa in August of 2018, I am extremely impressed with the incredible talent Bank Iowa has attracted and retained. The work environment is awesome and I am very excited for what the future holds at Bank Iowa.

In 2018, the Mortgage Department incurred some major hurdles to overcome in the 1st two quarters of the year and passed the test with flying colors, which is a tribute to the quality team members Bank Iowa possesses in all eight regions. Carol Ricker was hired as an Underwriter, Julie Sayaxang as a Processor and Andy Newman as a Mortgage Loan Originator.

The last two quarters of 2018 focused on creating efficiencies within our process flow, team member training on our Loan origination software and making sure all regions are on the same page to achieve the increased volume goals for 2019.

The mortgage team will continue to be experts in the industry, striving to make sure we have provided Bank Iowa clients with the best mortgage product for their stage of life. The bar has been set high for 2019 and with the talent we have in place, we should be able to make a solid run at our 2019 goals.

MARK PHILLIPS VICE PRESIDENT TREASURY MANAGEMENT

Since putting a stronger focus on Treasury Management opportunities for our clients, the department spent the first half of 2019 focused on finalizing our core conversion and the second half of the year dedicated to product stabilization that now allows the bank to start offering new products in 2019. These banking services range from remote deposit allowing clients to deposit their money and earn more on their funds more quickly to adding risk-based services check and ACH positive pay.

The bank is committed to looking forward and this has been demonstrated by our enhanced list of products offerings and being community leaders in our fields. For example writing financial articles in the DSM Wealth on financial topics that provide a variety of information for potential clients.



F IREAS JAGEM

BALANCE SHEET

	YE 12/31/18	YE 12/31/17
Cash & Due; CDs	28,525,622	77,588,738
Fed Funds Sold	544,000	1,800,564
Securities & TRUPS	289,026,394	288,737,388
Gross Loans	912,259,720	885,104,027
Total Reserve	(14,178,907)	(13,655,480)
Net Loans	898,080,813	871,448,547
Other RE Owned	48,292	33,292
Premises & Fixed Asset	19,144,831	17,545,337
Bank Owned Life Insurance	18,806,660	18,372,335
Other Assets	19,663,275	20,199,306
Goodwill	2,402,769	2,980,853
Deferred Tax Asset	563,932	439,510
Investment in Subsidiary	0	155,000
Total Assets	1,276,806,588	1,299,300,870
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DDA and NOW	442,658,987	464,820,589
Savings and Money Market	274,212,675	267,422,811
Time Deposits	319,281,105	294,357,609
Brokered CDs	53,806,490	53,884,648
CDARS & ICS Money Market	12,027,531	11,700,244
Total Deposits	1,101,986,788	1,092,185,901
Repurchase Agreements	9,025,216	8,661,410
Borrowings	40,000,915	73,033,342
Other Liabilities	14,548,039	13,852,478
Total Liabilities	1,165,560,958	1,187,733,131
Trust Preferred Securities	0	5,155,000
Tier 1 Capital	117,448,764	108,977,517
Unrealized Gain/(Loss)	(6,203,134)	(2,564,778)
Total Equity	111,245,630	106,412,739
Total Liabilities & Equity	1,276,806,588	1,299,300,870

INCOME STATEMENT

	YE 12/31/17	YE 12/31/16
Total Interest Income	50,973,723	45,443,557
Total Interest Expense	9,402,642	6,536,408
Net Interest Income	41,571,081	38,907,149
Service Charges	2,131,908	1,993,735
Loan Fee Income	1,366,970	1,182,752
Other Fees and Income	2,494,062	2,361,662
BOLI Cash Value Increase	435,415	460,052
Total Non-Interest Income	6,428,355	5,998,201
Salaries & Employee Benefits	22,166,366	20,191,614
Occupancy Expenses	2,627,113	2,565,604
Data Processing	3,469,039	3,440,103
Marketing & Advertising	1,439,900	945,354
Donations	183,631	157,376
Insurance Expenses	460,659	423,919
Professional Expenses	1,196,134	1,078,859
Other Operating Expenses	2,097,496	2,152,323
Goodwill Amortization	477,867	477,867
Core Deposit Amortization	122,249	369,163
Total Non-Interest Expense	34,240,454	31,802,182
Operating Income	13,758,982	13,103,168
Less: Reserve for Loan Losses	600,000	600,000
Income Before Taxes/Adjustments	13,158,982	12,503,168
OREO Loss/(Gain)	17,016	(9,983)
Securities Loss/(Gain)	(57,274)	(43,995)
Other Asset Loss/(Gain)	(14,600)	(14,655)
Deferred Tax Adjustment	(4,115)	(16,461)
State Taxes	702,341	666,800
Net Taxes/Adjustments	643,368	581,706
Net Income	12,515,614	11,921,462

LEADERSHIP



David Boswell Regional President



Scott Brus Regional President



Rich Davitt Chief Credit Officer



Karla Crocker Controller



James Feudner Regional President



Josh Fleming Marketing Director



Bob Gagne Chief Lending Officer



Scott Hansen Internal Audit Director



Lisa Hayek Operations Director



Tanya Johnson Compliance Director



Renea Huinker Regional President



Ryan Huinker Credit Administration Director



John McBride Regional President



Jody Montgomery IT Director



Jim Plagge President/CEO



John Rathjen Regional President



Todd Smith Mortgage Manager



Jon Sarvis Chief Financial Officer, Chief Operating Officer



Gilbert Thomas Regional President



Kate Wolfe Chief Administration Officer, Chief Human Resources Officer

OUR LOCATIONS



