

THE DIFFERENCE IS

CONFIDENCE.



Bankers Trust[®]

2022 ANNUAL REPORT

THE DIFFERENCE IS

CONFIDENCE.

Confidence is built on accomplishments—specifically how well we serve customers, support businesses, and improve the lives of others in our communities. Throughout challenging markets, international conflicts, and inflation, we are grateful that families and businesses turned to us, and together we navigated 2022 with confidence. As you read this report, you will see this shared commitment contributed to improved financial health for those we served and resulted in Bankers Trust's best financial year yet.

Like many companies, internally we track results by month and share externally annually in reports such as this. However, it is the multi-year commitment to four strategic priorities that kept us focused on where to invest our time and resources for the kind of growth that is sustainable. Those strategic priorities are **Customer Experience, Smart Growth, Optimization** and **Premier Workplace**. As a result, we made strides in implementing a new digital loan origination system, adding products and services, and continuing to simplify our onboarding process for new customers. Much of the work we've done in these four areas over the past several years helped put Bankers Trust in a position to grow in 2022 and beyond.

Bankers Trust held total assets steady at \$6.1 billion. Net income increased to \$65.4 million, a new record, and combined assets rose by \$87.8 million. Bankers Trust was nationally recognized as the Best Bank in Iowa, and the Best Bank and Best Commercial Lender in Central Iowa by readers of the *Des Moines Business Record*. Loan production in both our Commercial and Consumer divisions was incredibly strong, and our continued focus on quality helped us maintain very low risk and high customer retention. We celebrated 20 years of business in Cedar Rapids, as well as significant growth planned in Phoenix and Omaha.



“ This year’s success doesn’t happen by accident. The confidence of our team members, customers, and the communities we serve, along with a steady strategic focus, made all the difference during yet another economically challenging year. For this we are grateful and promise to continue to live up to the trust and confidence invested in us every day. ”

Don Coffin
CEO and President

TOTAL ASSETS

\$6.1

BILLION

NET INCOME

\$65.4

MILLION
A NEW RECORD

COMBINED ASSETS ROSE BY

\$87.8

MILLION



It's one thing for a bank to say it's committed to making a difference. Bankers Trust actually does it by encouraging employees to give back in the areas they're most passionate about. For me, that's impacting children's lives through sports, and it's why I cofounded the Des Moines Venom Youth Football Club. The skills and values children learn through football - like dedication, strength, camaraderie and good character - are essential in the classroom, and the workplace too. It's rewarding to help our next generation of leaders succeed, and I'm proud to work for a company that empowers me to get involved in this way.

Wayne Middleton
VP and Manager, Project Management

2022 COMMUNITY INVESTMENT HIGHLIGHTS

\$1 MILLION 
DONATED TO 200+ NONPROFIT PARTNERS

\$600,000 
RAISED FOR UNITED WAY

12,000 
TOTAL VOLUNTEER HOURS


EMPLOYEES SERVE ON
160+
NONPROFIT BOARDS
OR COMMITTEES


\$80 MILLION 
IN COMMUNITY DEVELOPMENT
AND LENDING INVESTMENTS


RECEIVED
“OUTSTANDING”
CRA RATING

CREATED HOMEBUYER
EDUCATION PROGRAM WITH
HOME, INC.
TAILORED FOR MINORITY
AND LOW-TO-MODERATE
INCOME FAMILIES




552 LBS
OF PRODUCE DONATED FROM THE
BANKERS TRUST GIVING GARDEN


30,000
MEALS PACKAGED
BY EMPLOYEES FOR
MEALS FROM THE
HEARTLAND

COMMERCIAL BANKING

TOTAL LOAN PRODUCTION

\$2

BILLION

NET LOAN GROWTH

\$652

MILLION

CORPORATE CARD SPEND

20%

INCREASE

It was a record year for the Commercial Banking team. After two relatively quiet years, businesses were ready to grow, and Bankers Trust was there with the expertise, stability, and confidence to support them. As a result, total loan production reached a record \$2 billion in 2022, and commercial loan balances surpassed \$4 billion for the first time in the bank's 105-year history. Net commercial loan growth reached \$652 million.

Clients continued to value and benefit from the relationship-based approach that puts service at the forefront of every decision. A new loan origination system was added in 2022 to streamline back-end processes and provide better customer experience. This conversion required a significant time investment, totaling more than 3,000 hours. This enabled the team to create efficiencies, optimize resources, and maintain their competitive advantage of speed to market.

Treasury Management rolled out Integrated Payables, a sophisticated digital and virtual payment product that helps customers create efficiencies and straight-through processing. This product enables clients to create a customizable solution that is cutting edge and competitive with much larger companies. In addition, this team increased corporate card volume by 20% year-over-year and increased revenue 10% in 2022.

The Treasury Management department has a culture of innovation and client service. Their efforts are supported by Customer Advisory Boards, whose valuable feedback is used to enhance services, prioritize new products, and create a stronger customer experience.

CONSUMER BANKING

Bankers Trust approached 2022 fully prepared to provide products, services and expertise for customers in response to shifting needs. Commitment to outstanding service remained a top priority and a differentiator. This is proven by feedback from customers, who continued to rate their experiences with Bankers Trust well above bank industry averages.

The team strengthened Retail benefits to reward loyalty, helped customers lock in rates on home equity lines of credit (HELOCs) before markets increased, and provided insights through a new digital tool to help track and understand spending. About 40,000 customers entrust the Consumer team with more than 65,000 accounts.

Private Banking continued to grow in all markets, as community members recommended the team's expertise, strong customer relationships, and

unique concierge banking services to their friends and family. The team added 217 new households in 2022—a testament to the solutions and value they provide.

BTC Financial Services offers investment services and manages more than \$150 million in client assets. The team again had a record year in 2022, which was a result of their solid partnerships across the bank that led to qualified referrals.

Despite the mortgage industry hitting a 22-year low, Bankers Trust increased its in-house mortgage portfolio by \$90 million, and 75% of loans closed were portfolio products. This reaffirms the value customers find in having their loans serviced locally. The team supported mortgage lending needs of first-time, low-to-moderate income, and minority homebuyers through its Community Lending Program and partnerships with local affordable housing nonprofits.

TOTAL CONSUMER DEPOSITS

\$1.9
BILLION

CONSUMER LENDING BALANCES

29%
INCREASE

NET PROMOTER SCORE

66

BANKING INDUSTRY AVERAGE IS 34

WEALTH MANAGEMENT

In 2022, customers turned to the trusted expertise of Bankers Trust Wealth Management to navigate the most challenging markets since 2008. Wealth Management invested in its teams and leadership, which provided capacity for service, support and sales. This enabled advisors to spend more time providing advice and solutions for clients through the ever-changing economic environment. Their focus on service reinforced the confidence customers have in the Wealth Management team and led to increases in the average size and sophistication of new business.

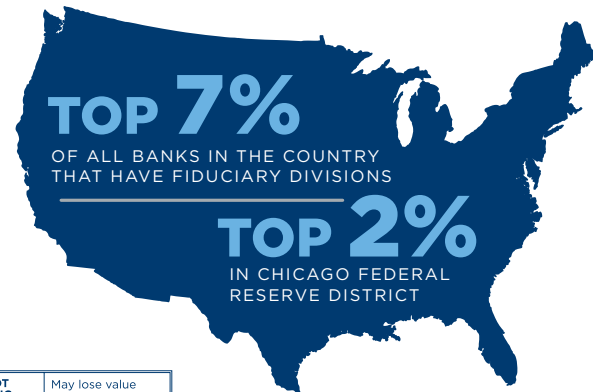
Despite the significant impact of falling stock and bond markets, the team had a strong sales year, adding \$358 million in new assets. Assets under administration (AUA) closed the year at \$19.7 billion.

This team's focus on ongoing optimization, risk management, service excellence, and smart growth helped Wealth Management end the year with solid financial results for each business line, including Private Client Services, Retirement Plan Services, Institutional Custody, and BTC Trust Company of South Dakota. They leveraged new technology, and their local, relationship-based approach proved to be a successful differentiator in the wake of market disruption. The team enters 2023 in a position of stability, with momentum in each market.

ASSETS UNDER ADMINISTRATION

\$19.7

BILLION



NOT FDIC- INSURED	May lose value No bank guarantee
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BTC CAPITAL MANAGEMENT

An SEC Registered Investment Advisory Affiliate of Bankers Trust

As BTC Capital Management approaches its 20th year in business, clients continued to find value in the firm's strength, stability, and risk-based approach for their investment management and advisory needs. Despite a turbulent market, BTC Capital Management experienced strong sales growth and 98% client retention, both results of the trust and confidence clients place in them. Robust internal partnerships led to significant new business from referrals in 2022. The firm holds \$3.6 billion in assets under management for institutions, bank partners, and individuals served by Bankers Trust's Wealth Management team.

When markets presented challenges, the BTC Capital Management team focused on the areas they could control—helping clients manage their portfolios and mitigating risk through responsiveness and timely insights. This included one-on-one consultations, as well as providing expertise and commentary through several online publications. Also adding to clients' confidence is the team's belief that when it comes to investment management and advisory services, it's not about products but rather a focus on the process of active listening, strategic planning, and delivering unparalleled service.

ASSETS UNDER MANAGEMENT

\$3.6
BILLION

CLIENT RETENTION

98%



CAPITAL
MANAGEMENT™

NOT FDIC- INSURED	May lose value No bank guarantee
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PREMIER WORKPLACE

We believe our team members are key to the bank's success. With our impressive **98% participation in our biennial employee engagement survey**, team members showed consistently strong, top-quartile engagement scores in each of the survey's three categories: manager effectiveness, engagement, and whether employees have the resources they need to be successful.

This feedback led us to review and update our total benefits package, further evolve our workplace flexibility model, invest in leadership and talent development, and advance our employee value proposition. In 2022, the bank's commitment to our team members and being a Premier Workplace helped Bankers Trust retain and attract top talent.

Bankers Trust engages team members through internal committees that lift up employee interests, values, or demographics. The following page highlights a few ways our employee committees helped build upon our Premier Workplace in 2022.



CULTURE AND ENGAGEMENT



NEXT GEN

Our young professionals group collected 900+ personal hygiene items in its bankwide drive to support public school students.



DIVERSITY, EQUITY & INCLUSION

A DEI-sponsored Intercultural Development Inventory assessment helped the committee create a three-year plan to advance inclusion.



EMPOWHER

The group's signature event, *Embracing Authenticity*, featured four dynamic women who inspired nearly 100 employees and customers in attendance.



WELLNESS

The committee hosted our second annual Wellness Week in August, featuring a broad variety of 15 wellness events.



GO GREEN

Seventy-one employees received 275 trees to plant or foster as part of the committee's new Tiny Tree program.



EMPLOYEE EVENTS

We planned 10 events to help employees connect with each other, and more than 90% of employees participated.

STATEMENTS OF CONDITION

	DECEMBER 31, 2022	DECEMBER 31, 2021
ASSETS		
Cash and cash equivalents	\$ 158,334,785	930,181,499
Securities available-for-sale	901,027,215	952,634,539
Loans	4,744,346,017	3,963,475,392
Allowance for loan losses	(69,456,495)	(59,170,791)
NET LOANS	4,674,889,522	3,904,304,601
Premises and equipment, net	46,436,734	37,591,077
Accrued interest receivable	23,084,813	13,318,579
Other assets	284,638,355	162,569,256
TOTAL ASSETS	\$ 6,088,411,424	6,000,599,551
LIABILITIES AND STOCKHOLDER'S EQUITY		
Deposits	\$ 4,778,123,998	5,017,228,895
Short-term borrowings	642,868,983	345,949,728
Accrued expenses and other liabilities	168,507,175	77,236,574
TOTAL LIABILITIES	5,589,500,156	5,440,415,197
TOTAL STOCKHOLDER'S EQUITY	498,911,268	560,184,354
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$ 6,088,411,424	6,000,599,551

Represents combined financials for Bankers Trust Company and BTC Capital Management.

STATEMENTS OF OPERATIONS

	YEAR ENDED DECEMBER 31, 2022	YEAR ENDED DECEMBER 31, 2021
Interest income	\$ 205,443,598	159,601,894
Interest expense	35,079,656	18,807,743
NET INTEREST INCOME	170,363,942	140,794,151
Provision for losses on loans	9,600,000	6,400,000
NET INTEREST INCOME AFTER PROVISION FOR LOSSES ON LOANS	160,763,942	134,394,151
NON-INTEREST INCOME:		
Service charges on deposit accounts	8,131,323	7,507,308
Wealth Management fees	20,198,987	20,535,226
Card fees	4,375,246	4,499,918
Other operating income	12,828,764	12,950,653
TOTAL NON-INTEREST INCOME	45,534,320	45,493,105
NON-INTEREST EXPENSE:		
Salaries and benefits	71,318,568	66,438,307
Occupancy expense	13,584,854	12,977,526
Professional and processing services	15,057,501	14,983,974
FDIC insurance expense	1,725,000	2,000,000
Other operating expense	19,891,855	18,701,024
TOTAL NON-INTEREST EXPENSE	121,577,778	115,100,831
Income before income tax expense	84,720,484	64,786,425
Income tax expense	19,341,038	12,861,854
NET INCOME	\$ 65,379,446	51,924,571

Represents combined financials for Bankers Trust Company and BTC Capital Management.



Bankers Trust[®]

Member FDIC



BankersTrust.com

1-800-362-1688

Headquartered in Des Moines, Iowa, Bankers Trust is the state's largest privately held community bank. In addition to the 12 branches serving Central Iowa, we have branches in Cedar Rapids, IA, and Phoenix, AZ, and an office in Omaha, NE. BTC Trust Company of South Dakota, a wholly-owned subsidiary of Bankers Trust, is based in Sioux Falls, SD.