



THE DIFFERENCE IS

STABILITY.



Bankers Trust[®]

Member FDIC

2023 ANNUAL REPORT

THE DIFFERENCE IS

STABILITY.

As important as what did happen in 2023 is what didn't. Despite higher interest rates, inflation and bank failures, **Bankers Trust remained a haven of stability for the families, businesses and communities we serve.** Service, resilience and confidence have been our differentiators for 106 years, primarily due to our remarkable workforce, those who came before us, and our family ownership, which enables long-term focus without the pressures of short-term shareholder returns.

Similar to other banks, our reputation is based largely on our strength and stability as demonstrated through financial performance, operational resilience, strategic focus and social responsibility. However, **the Bankers Trust Difference also includes who we strive to serve** — from those with lower incomes who aspire to own a home and experience stability, to the affluent who aspire to grow their wealth and transfer it to their loved ones and community — and responding quickly with relevant products and services.

Phoenix is Bankers Trust's fastest-growing market, generating significant revenue and producing nearly \$1.5 billion in loans. We are excited to expand our footprint in 2024 with a **new office in the Cavasson development focused on Private Banking and Wealth Management, set to open mid-year.** We're also committed to continuing to give back as one of the top corporate philanthropists in Phoenix.

For the second year in a row (and only the fourth time in our history), **Bankers Trust recorded earnings above \$60 million. Total assets increased to \$6.6 billion,** primarily due to our nearly \$375 million in loan growth in 2023. Whatever the future holds, and whatever the market throws our way, we promise to provide the kind of stability you can depend on.

TOTAL ASSETS GREW TO

\$6.6
BILLION

NET INCOME

\$63.9
MILLION

COMBINED ASSETS ROSE BY

\$495
MILLION

“Stability not only enables our clients to feel more confident about their financial futures; it also enables us to grow and give back to our community. We are grateful for the many businesses and families who turn to our dedicated team and enable us to invest in both expansion plans and philanthropy.”

Patrick Joyce
Arizona Market
President



THE DIFFERENCE IS

COMMUNITY.

As a community bank, Bankers Trust serves the banking, lending and wealth management needs of individuals and businesses of all sizes. In addition to supporting our customers, we are committed to helping make our communities stronger. To do that, we donate \$1 million to charitable organizations each year, and our team members rolled up their sleeves to volunteer more than 13,000 hours in 2023. We're proud to play an active role in helping our communities grow and thrive.

It's part of the Bankers Trust Difference.

Steve Rodriguez

Assistant Manager - Phoenix Retail



2023 COMMUNITY INVESTMENTS

\$1 MILLION 
DONATED TO NEARLY 200 NONPROFITS

\$635,000+ 
RAISED FOR LOCAL UNITED WAYS


13,000+ 
TOTAL EMPLOYEE VOLUNTEER HOURS

90+ 
EMPLOYEES SERVE ON
190+
NONPROFIT BOARDS
OR COMMITTEES



**5-YEAR
COMMITMENT**

\$84 MILLION 
IN COMMUNITY DEVELOPMENT
AND LENDING INVESTMENTS

 **30,000+**
MEALS PACKAGED
FOR MEALS FROM
THE HEARTLAND

TO OFFERING HOMEBUYER
EDUCATION CLASSES
TAILORED TO BLACK,
INDIGENOUS, PEOPLE OF
COLOR (BIPOC) AND LOW-
AND MODERATE-INCOME
INDIVIDUALS IN ALL MARKETS

COMMERCIAL

The Commercial Division supported customers through industry chaos and a challenging interest rate environment in 2023. During a time when many banks put the brakes on lending, our steady and stable approach contributed to another strong year in loan production, with \$281 million in net loan growth and total loan production of \$1.34 billion. The team continued advancing projects that enhance our processes and procedures, allowing us to better scale as the bank grows and continue investing in our customer experience throughout all stages of the loan process.

A combination of Bankers Trust's long-term approach, stability and team members' expertise provided confidence for customers following the banking crisis in March. The Treasury Management team quickly promoted our Insured Cash Sweep product to customers wanting additional FDIC protections. As a result of Treasury's continued client-centric focus, the team brought on 169 new customers in 2023, despite industry turmoil.

Technology and innovation remain key priorities, with continued emphasis on helping commercial accounting teams become more efficient and sophisticated through a suite of banking tools. Treasury customers increased their corporate card spending by 43% in 2023 on the heels of a successful rollout of the Integrated Payables product and virtual cards. Clients continue to benefit as the team works to stay ahead of trends and provide new, innovative products to manage and support their growth.

\$281
MILLION

NET LOAN GROWTH

169

NEW TREASURY CLIENTS

43%

INCREASE IN CORPORATE CARD
SPEND BY TREASURY CUSTOMERS

CONSUMER

Bankers Trust's reputation for exceptional service and unshakable stability created a safe financial harbor for its 41,000+ Consumer customers during another year of relatively high interest rates, inflation and uncertainty.

The Retail and Private Banking teams' focus on long-term customer relationships helped hold consumer deposits steady at \$1.9 billion, which is higher than pre-pandemic levels. We also welcomed many new customers to the Bankers Trust family, which now has 68,500 deposit accounts, a 5% increase during the past year. This increase is due in part to the bank's unique Benefits Banking Loyalty Program that offers the best rates and waived fees to customers who have full relationships with the bank.

Consumer Lending and in-house mortgage volumes increased to \$577 million, which is the highest level ever at Bankers Trust, and an important part of having an overall diversified lending portfolio. While every loan is important, we are especially proud of the significant increase in our number of loans to low- and moderate-income individuals and first-time homebuyers.

Our Consumer team continues providing a level of service that is not only appreciated by customers, but defies the industry's trend around customer satisfaction with their banking relationship. Bankers Trust's Net Promoter Score (NPS) — which measures enthusiasm for recommending a company to friends and family members — increased to 71, which is more than double the banking industry average of 30.

71

NET PROMOTER SCORE

BANKING INDUSTRY AVERAGE IS 30

\$1.9 BILLION

TOTAL CONSUMER DEPOSITS

29%

INCREASE IN CONSUMER
LENDING BALANCES

WEALTH MANAGEMENT

High interest rates, a turbulent fixed income market and ongoing talk of possible recession turned customers to the stability and trusted expertise of Bankers Trust's Wealth Management teams. The division continued its long-term focus on enhancing the customer experience by better defining service standards across our client base and ensuring both sales and support teams will manage future growth with the high standards we are known for. This commitment to supporting customers' wealth goals contributed to increased opportunities across our business lines, in addition to strong internal referrals and client retention.

All teams under the Wealth Management umbrella — Private Client Services, Retirement Plan Services, Institutional Custody and BTC Trust Company of South Dakota — met their sales goals and delivered strong growth in 2023. The teams added \$200 million in new assets, and assets under administration (AUA) ended the year at \$20.4 billion.

Our consistent approach continues to prove successful and earned special recognition. For the first time ever, Bankers Trust is now ranked fifth in wealth management fiduciary/custody asset size in the Midwest, according to Chicago Federal Reserve District rankings.

NOT FDIC- INSURED	May lose value Are not deposits
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\$20.4
BILLION

**IN ASSETS UNDER
ADMINISTRATION**

5TH
LARGEST

**IN CHICAGO FEDERAL
RESERVE DISTRICT**

TOP 10%

**OF ALL BANKS IN THE COUNTRY
THAT HAVE FIDUCIARY DIVISIONS**

BTC CAPITAL MANAGEMENT

An SEC Registered Investment
Adviser Affiliate of Bankers Trust

BTC Capital Management celebrated its 20th anniversary in 2023. This milestone marked yet another year of surpassing goals by putting clients first and successfully managing continual ups and downs in the markets. The firm's strength, stability and risk-based approach for investment management and advisory needs gave clients confidence through this year's turbulent market. As a result, BTC Capital Management exceeded its sales goals and now holds \$3.8 billion in assets under management for institutions, bank partners and individuals served by Bankers Trust's Wealth Management team.

Equity markets provided a strong year for customers, while fixed income markets took investors on a wilder ride. All in all, the BTC Capital Management team worked seamlessly with our Wealth Management partners to both support the bank's goals and serve customers' needs throughout the changing investment environment. And, once again, the team's continued focus on a risk-aware, long-term approach rooted in fundamentals — along with providing the highest-quality client service — resulted in 98% customer retention.

NOT FDIC- INSURED	May lose value Are not deposits
----------------------------------	------------------------------------

\$3.8
BILLION

ASSETS UNDER MANAGEMENT

98%

CLIENT RETENTION

20
YEARS

BTC CAPITAL
MANAGEMENT™

PREMIER WORKPLACE

Individually and collectively, our team members bring Bankers Trust's **Core Values of Community, Customers, Employees, Inclusion and Shareholders** to life every day through the way we approach service, innovation and decision making.

Our team members are key to the bank's reputation, stability and success. That's why we continued investing in our **Premier Workplace** strategic priority, which reinforces a culture where team members are encouraged to speak up and share ideas for how we can improve the employee experience.

Acting on feedback from our last employee engagement survey, we rolled out initiatives to help us more transparently share information regarding total rewards with team members and support cross-functional growth and development. Both updates are foundational for retaining employees and creating succession plans for top talent across the organization. Through our Bankers Trust **Leadership Academy** for emerging leaders and the bank's **Ready Leader** program for mid-level leaders, we ensure team members pursuing professional development opportunities have the tools and resources they need to succeed.

Patrick Durkin

Private Banking Officer



CULTURE AND ENGAGEMENT

Our internal committees also stepped up to support employee interests, values and community involvement in innovative ways. Here are a few examples:



DIVERSITY, EQUITY AND INCLUSION

Conducted 30+ educational and impactful “culture jolts,” engaging all departments in meaningful discussions around recognizing and celebrating differences.



EMPLOYEE EVENTS

Reached 95% of team members through 11 different events, several of which included team members’ families.



EMPOWER

Hosted annual signature event focused on the importance of allyship and advocacy in the workplace for 100+ employees.



GO GREEN

Revamped the Giving Garden to improve the nutritional variety of foods donated to local food pantries, bringing total donations to 1,200+ pounds. Also distributed 350+ reusable dish sets to employees.



NEXT GEN

Collected 1,800 personal hygiene items in bankwide drive to support public school students in need.



WELLNESS

Offered 14 events focused on various aspects of holistic health and well-being for team members.

STATEMENTS OF CONDITION

	DECEMBER 31, 2023	DECEMBER 31, 2022
ASSETS		
Cash and cash equivalents	\$ 197,970,554	158,334,785
Securities available-for-sale	984,744,403	901,027,215
Loans	5,120,119,434	4,744,346,017
Allowance for credit losses	(71,973,095)	(69,456,495)
NET LOANS	5,048,146,339	4,674,889,522
Premises and equipment, net	50,666,709	46,436,734
Accrued interest receivable	27,315,674	23,084,813
Other assets	274,167,936	284,638,355
TOTAL ASSETS	\$ 6,583,011,615	6,088,411,424
LIABILITIES AND STOCKHOLDER'S EQUITY		
Deposits	\$ 5,040,830,911	4,778,123,998
Short-term borrowings	795,015,880	642,868,983
Accrued expenses and other liabilities	173,137,846	168,507,175
TOTAL LIABILITIES	6,008,984,637	5,589,500,156
TOTAL STOCKHOLDER'S EQUITY	574,026,978	498,911,268
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$ 6,583,011,615	6,088,411,424

STATEMENTS OF OPERATIONS

	YEAR ENDED DECEMBER 31, 2023	YEAR ENDED DECEMBER 31, 2022
Interest income	\$ 310,171,364	205,443,598
Interest expense	146,248,767	35,079,656
NET INTEREST INCOME	163,922,597	170,363,942
Provision for credit losses	5,500,000	9,600,000
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	158,422,597	160,763,942
NON-INTEREST INCOME:		
Service charges on deposit accounts	7,688,244	8,131,323
Wealth Management fees	20,777,390	20,198,987
Card fees	4,220,641	4,375,246
Other operating income	14,065,146	12,828,764
TOTAL NON-INTEREST INCOME	46,751,421	45,534,320
NON-INTEREST EXPENSE:		
Salaries and benefits	77,365,003	71,318,568
Occupancy expense	14,492,025	13,584,854
Professional and processing services	14,372,982	15,057,501
FDIC insurance expense	3,285,000	1,725,000
Other operating expense	17,075,080	19,891,855
TOTAL NON-INTEREST EXPENSE	126,590,090	121,577,778
Income before income tax expense	78,583,928	84,720,484
Income tax expense	14,669,823	19,341,038
NET INCOME	\$ 63,914,105	65,379,446

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. BTC Capital Management is an SEC-Registered Investment Adviser affiliate of Bankers Trust, based in Des Moines, Iowa.