

Message From the President

I am very pleased to report that Fortifi Bank is having a very strong year.

For the six months ending June 30, Fortifi Bank posted net income after tax of \$5,003,000 vs. \$2,838,000 for the same period in 2020. Annualized Return on Equity was 19.63%, up from 9.29% for the first six months of 2020. The total book value per share of common stock increased to \$103/share vs. \$86/share at 6/30/20.



Greg Lundberg
President | CEO

The continued favorable operating performance was due to several factors. We are maintaining our focus on efficient operation which has resulted in a significant improvement in non-interest expense. Net Interest Margin improved to 4.11%, due in part to expected repayment of low rate SBA Paycheck Protection Program loans. The Bank continues to benefit from non-interest income opportunities including greater than anticipated residential mortgage lending and the Paycheck Protection Program lending activity.

Our total loans were \$377,689,000 at the end of the quarter. This represents a decrease of roughly \$10,000,000 from the previous quarter end and is the result of the repaid Paycheck Protection Program loans. The quality of our loan portfolio remains acceptable, however we continued to grow our Reserve for Loan Losses to reflect the uncertainty of the economy. At 6/30/21, the reserve stood at \$5,228,000 or 1.38% of total loans.

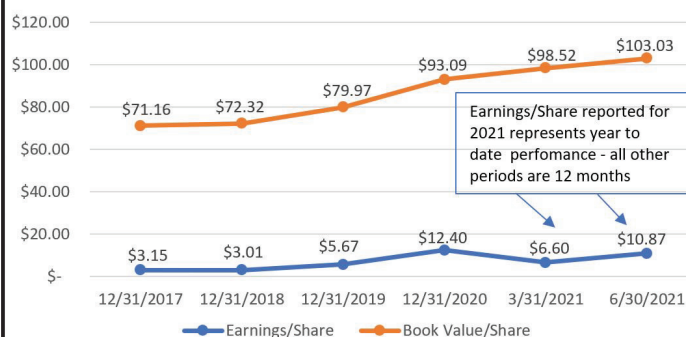
We successfully completed our offering of Common Stock, which will generate roughly \$10,000,000 of new capital for Fortifi Bank. The new shares will be issued at the end of July and the additional capital will be reflected in our third quarter results.

Your investment in First Berlin Bancorp represents an investment in a community Bank celebrating 145 years of commitment to Growin' Wisconsin. That growth represents opportunity for a significant number of families and businesses in our area. On behalf of our Board of Directors and employees, thank you.

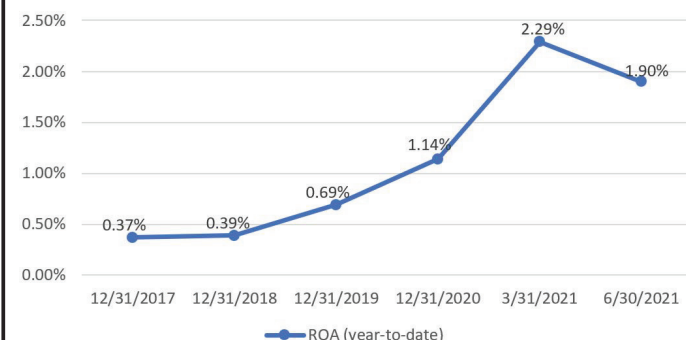
(dollars in thousands)

Income Statement Items:	YTD ENDING 6/30/21	YTD ENDING 6/30/20
Interest Income	\$10,808	\$10,587
Interest Expense	\$624	\$1,789
Non-Interest Income	\$4,549	\$3,125
Net Income After Taxes	\$5,003	\$2,838
Net Interest Margin (1)	4.11%	3.86%
Return on Equity (annualized)	19.63%	9.29%
Return on Assets (annualized)	1.90%	0.86%
Efficiency Ratio	51.21%	62.93%
Capital Ratios:	YTD ENDING 6/30/21	YTD ENDING 6/30/20
Tier-One Capital Ratio	9.86%	8.83%
Risk Based Capital	13.72%	11.75%
RLL/Total Loans	1.38%	1.17%

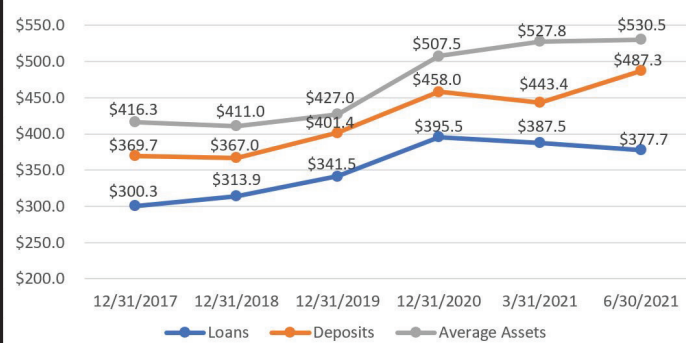
First Berlin - Book Value and Earnings Per Share



Fortifi Bank - Annualized Return on Assets



Fortifi Bank - Loans and Deposits (in millions)



(dollars in thousands)

Balance Sheet Items:	AS OF 6/30/21	AS OF 6/30/20
Total Deposits	\$487,265	\$467,818
Total Loans	\$377,689	\$388,472
Reserve for Loan Losses (RLL)	\$5,228	\$4,557
Total Assets	\$559,188	\$544,537
Total Equity Capital	\$53,310	\$45,970
Shares:	AS OF 6/30/21	AS OF 6/30/20
Number of Shares Outstanding	443,250	443,250
Earnings per Share	\$11	\$4
Book Value	\$103	\$86

(1) "Net Interest Margin" reflects interest income including select loan origination fees net of interest expenses, adjusted for tax-exempt loans and securities, as a percentage of average earning assets.



Together, we're Growin' Wisconsin – one person, one business, one relationship at a time.

BANKERS TAKE TO THE COMMUNITY TO SPREAD FINANCIAL LITERACY

April is Teach Children to Save month, a time our team ramps up their financial literacy efforts to reach youth throughout our state. Their presentations covered concepts such as spending wisely, saving for the future, and identifying needs versus wants.

This year, Tanya Michalski visited the Winneconne Public Library to talk about smart money habits through the book, *It's a Habit, Sammy Rabbit*.

COVID-19 UPDATE: LOBBIES ARE OPEN

At long last, our lobbies reopened with regular scheduled hours in mid-April. With health and safety a top priority, added measures remain in place to protect the wellbeing of our clients and employees.

Even with lobbies reopened, clients continue to use digital banking options more frequently. A change directly correlated to the COVID environment.



JENKINSON, OLIVER, + KOPLIN PROMOTED

In late June, Fortifi Bank announced the promotion of three individuals to new leadership positions. Each has been at Fortifi for five years or less. In that time, they've brought fresh perspective and made dramatic improvements to Fortifi's systems, processes, and relationship-driven culture. In these new roles, they will focus on higher level needs and team development.



Chris Jenkinson
Senior Vice President
Information Technology



Michelle Oliver
Senior Vice President
Retail Banking



Anna Koplin
Vice President
Retail Banking

THE FORTIFI WAY: RELATIONSHIP BANKING

At Fortifi Bank, relationships have always come first. Now, we're taking it to the next level with our relationship management initiative rolling out in third quarter.

All clients — both personal and business — will soon have their own relationship manager, who serves as a single point of contact to assist with all questions and needs that arise. Creating this one-on-one relationship gives our clients their own "go to" person that knows them and understand their needs — creating a tailored, personal, and more streamlined experience.

Everyone should know and trust their banker. Fortifi bankers are your neighbors and friends, here to help you succeed.

DECOMISSION OF FORTIFI INVESTMENTS

On May 1, Fortifi Bank discontinued its relationship with Cetera Investment Services, making Fortifi Investments no longer an entity.

This was a strategic business decision based on changes in the investment services industry that make it difficult to operate this line of business profitably. We proactively worked with investment clients to make a smooth and favorable transition.

Now, our wealth management team directly assists clients with financial planning and private banking, while working with partners to provide investment services.

✓ FortifiBank.com/wealth

BERLIN BRANCH OPENS AT 240 BROADWAY STREET



Same bank. Better location. The ribbon was cut and we welcomed the community for a grand opening cookout at our new location on Friday, June 4. Here's to the next 145 years of Growin' Berlin.

Representatives from the City of Berlin held the ribbon-cutting ceremony and presented a plaque commemorating Fortifi's impact on the community since 1876. Berlin Journal Newspapers photo

FORTIFI BANKERS GIVE BACK



Community cleanups are just the start. Every week, Fortifi Bank team members support local organizations and initiatives using their valuable time, talent, and treasure.

- ✓ 93 organizations supported YTD
- ✓ 1,418 collective volunteer hours YTD

Pictured left to right: **Greg Lundberg**, President + CEO; **Loni Meiborg**, Senior Vice President and Director of Organizational Development; **Mike Boettcher**, Chief Financial Officer; **Deb Nigbor**, Compliance Specialist; **Theresa Weckwerth**, Vice President of Enterprise Risk Management; **Tina Markowski**, Risk Support; **Elizabeth Groskreutz**, Risk Specialist; **Lynn Lang**, Vice President of Retail Loan Operations

EXEMPLIFYING COMMUNITY BANKING

With over 130 volunteer hours logged so far this year, Kristen Hermanson paves the way when it comes to community commitment.

Not only does she serve on numerous boards and committees, her irresistible enthusiasm rallies the help of team members across Fortifi locations. She regularly supports the Green Lake Area Chamber of Commerce, Green Lake Town Square, and Berlin Rotary.



Kristen Hermanson
Branch Manager | Green Lake

OUR MISSION

Remain an independent community bank that supports the growth of our shareholders, clients, and employees while Growin' Wisconsin — one person, one business, one relationship at a time.

OUR VISION

Fortifi Bank helps people, businesses, and communities better understand their opportunities in the financial world based on 145 years of experience.

We do this with a commitment to our core values, extraordinary client service, trusted financial solutions, and local decision making.

CORE VALUES

- Supporting Each Other
- Can-Do Attitude
- Seamless Service
- Building Relationships

FORTIFI BANK BOARD OF DIRECTORS

Bruce Bohn
President | Bohn Farms, Inc.

Eric Cerbins
Past President + CEO | Fortifi Bank

Roger Field
Retired Pharmacist | Field Pharmacy

Jason Kadow
CEO | KMA, Inc.

Russel L. Kuehn
President | First Berlin Bancorp

Greg Lundberg
President + CEO | Fortifi Bank

Mark Milbrandt
Plant Manager + Partner | Apollo Tool Inc.

Peter J. Prickett
Former CEO | First National Bank - Fox Valley

Pat Seaman
Retired Auto Dealer | Westside Garage



FEEDING AMERICA... STARTING IN WISCONSIN

Following a strategic planning retreat, our senior leadership team volunteered at Feeding America Eastern Wisconsin. They helped sort and stock 9,320 pounds of donated product equaling 7,766 meals!

According to Feeding America, without their assistance the organization would have had to spend over \$483 of donated funds and work 21 hours to complete the project. These donations can now be spent on purchasing more food for those in need.

Pictured left to right: **Loni Meiborg**, Senior Vice President and Director of Organizational Development; **Sandy Soda**, Senior Vice President - Human Resources; **Greg Lundberg**, President + CEO; **Michelle Oliver**, Senior Vice President - Retail Banking; **Gina Evans**, Senior Vice President - Director of Wealth Management; **Mike Boettcher**, Chief Financial Officer; **Chris Jenkinson**, Senior Vice President - Information Technology