

# Message From the President

I am very pleased to report continued strong operations for the third quarter of 2021. During the quarter we welcomed 107 new shareholders through our private placement of First Berlin Bancorp stock. The stock offering resulted in 111,262 newly issued shares and raised \$10,013,580 of new capital. This additional capital will allow Fortifi Bank to continue our proud tradition of Growin' Wisconsin in partnership with additional families and businesses.



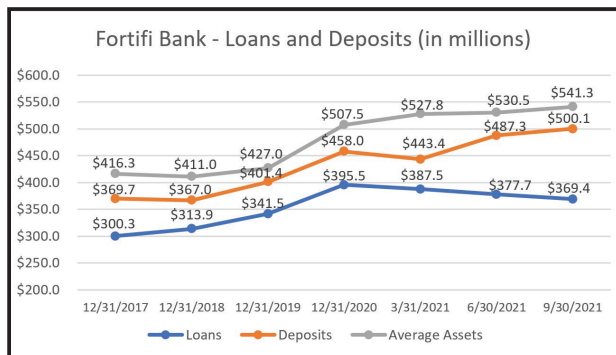
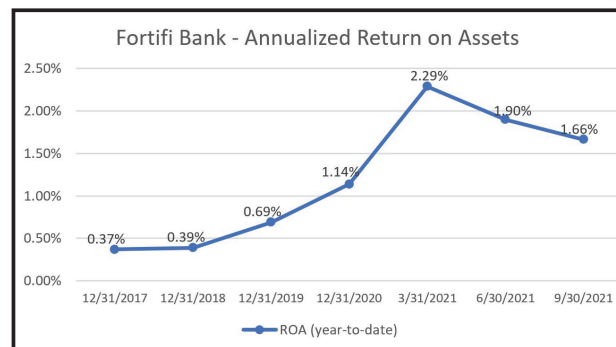
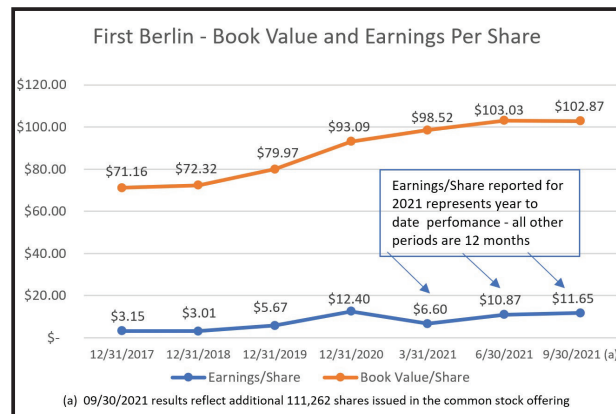
**Greg Lundberg**  
President | CEO

For the nine months ending September 30, Fortifi Bank posted net income after tax of \$6,739,000 vs. \$4,239,000 for the same period in 2020. Annualized Return on Equity was 16.68%, up from 12.41% for the first nine months of 2020. The total book value per share of common stock increased to \$103/share vs. \$91/share at 9/30/20. Note that the book value per share reflects the minor dilutive effect of the 111,262 shares issued to our new shareholders during the third quarter.

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. In spite of economic pressures, the Bank was able to increase net interest margin year over year to 3.91% vs. 3.85% a year ago. Although mortgage activity and Paycheck Protection Program fee income has declined over the year, the Bank is still operating at a high level with year to date return on assets of 1.66% vs. 1.11% through nine months of 2020.

Our total loans were \$369,353,000 at the end of the quarter. This represents a decrease of roughly \$8,000,000 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 maintain a strong Reserve for Loan Losses to reflect the uncertainty of the economy. At 9/30 the reserve stood at \$4,752,000 or 1.29% of total loans.

It is my honor and privilege to serve as your Bank President and CEO. I am extremely proud of the team at Fortifi and look forward to watching them grow. On behalf of our Board of Directors and employees, thank you.



(dollars in thousands)

Income Statement Items:	YTD ENDING 9/30/21	YTD ENDING 9/30/20
Interest Income	\$15,834	\$16,340
Interest Expense	\$870	\$2,527
Non-Interest Income	\$5,758	\$5,129
Net Income After Taxes	\$6,739	\$4,239
Net Interest Margin (1)	3.91%	3.85%
Return on Equity (annualized)	16.68%	12.41%
Return on Assets (annualized)	1.66%	1.11%
Efficiency Ratio	54.17%	61.53%
Capital Ratios:	YTD ENDING 9/30/21	YTD ENDING 9/30/20
Tier-One Capital Ratio	11.84%	8.46%
Risk Based Capital	15.00%	12.10%
RLL/Total Loans	1.29%	1.17%

(dollars in thousands)

Balance Sheet Items:	AS OF 9/30/21	AS OF 9/30/20
Total Deposits	\$500,089	\$457,662
Total Loans	\$369,353	\$385,924
Reserve for Loan Losses (RLL)	\$4,752	\$4,527
Total Assets	\$581,140	\$529,893
Total Equity Capital	\$64,512	\$48,047
Shares:	AS OF 9/30/21	AS OF 9/30/20
Number of Shares Outstanding	554,512	443,250
Earnings per Share	\$12	\$9
Book Value	\$103	\$91

(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.



## Professional Guidance. Personalized Service.

What does wealth mean to you? We understand every answer is unique, so that's where we start. Your dreams. Your goals. Your legacy. Then, we build a financial plan that is truly centered around your needs.

[FortifiBank.com/wealth](https://FortifiBank.com/wealth)

### PRIVATE BANKING

With a focus on ease, convenience, and understanding, your private banker is an extension of your inner circle. This concierge service provides you a single point of contact for all of your financial needs, working closely with your team of advisors - both internal and external.

Every situation is unique. Select products and services will be curated to meet your needs and manage areas of risk.

- Checking, Savings, and CDs
- Mortgage and Personal Loans
- Credit Cards
- Goal Setting/Strategic Planning
- Advisory Relationship

### FINANCIAL PLANNING

You have dreams for the future. You also have pressing needs today. Reaching financial security takes careful planning and professional guidance.

Together, we will identify your full range of financial needs and build a plan to reach your individual goals.

### INSURANCE & RISK MANAGEMENT

Insurance products can not only protect what matters most to you, but may even build your assets. This helps provide financial security for your family and a sense of relief for you.

Our Certified Financial Planner can educate you regarding various types of insurance products and if needed, can connect you with professionals that can implement these solutions.

### INVESTMENTS\*

Partnering with Sugar Maple Asset Management, LLC, our team of professionals will work with you to develop a portfolio to suit your needs for today and for tomorrow.

We can help you dissect the thousands of stocks, bonds, mutual funds, and exchange-traded-funds (ETFs) that are available.

\*Investment products are not FDIC insured.

### AMERICAN BANKING ASSOCIATION - BRAND SLAM AWARD

American Bankers Association (ABA) Brand Slam celebrates the best in bank marketing. Our website was recently awarded with "Best Website Redesign" due to its improved user experience, easy access to information, and simplicity.

"Clients find the site's simplicity a benefit—easier to get to their favorite pages. Our team is also referring clients and prospects to resources found within the site much more often." - Loni Meiborg *SVP Organizational Development*



### MONTELLO BRANCH CELEBRATES 20TH ANNIVERSARY



Our Montello branch opened its doors in 2001, and twenty years later, it's still growing! We celebrated our 20th anniversary with a community cookout. Here's to the next 20 years of Growin' Montello.

Pictured left to right: Lisa Borzick, Teller; Tracy Wallis Personal Banker; Lori Barthel, Teller; Alyssa Beahm, Universal Banker; Emily Roidt-Stevenson, Mortgage Lending Specialist; Abbie Vaiaicca, Branch Manager

### BRAUN JOINS BOARD OF DIRECTORS

Jeff Braun joined the Fortifi board of directors in September 2021. Braun is the President + CEO of American Prosthetic Components, a supplier of American-made parts for the prosthetic industry based in Green Bay.

"Jeff is well-versed in our state's commercial landscape, having worked with hundreds of area businesses and being an entrepreneur himself," said Fortifi Bank President and CEO Greg Lundberg. "He is a strong addition to our board of directors, helping shape the bank's future and Grow Wisconsin."



**Jeff Braun**  
President + CEO  
American Prosthetic  
Components



**Megan Heinzkill, CFP®, CDFA®**  
Director of Financial Planning  
*Certified Financial Planner®  
Certified Divorce Financial Analyst®*



**Gina Evans, CWS®**  
SVP Private Banking  
*Certified Wealth Strategist®*

## Your Wealth Management Team

Creating a plan to help our clients accomplish their financial goals is the focus of our Wealth Management team. We can help you plan for retirement, kids' education, or any of the life-altering events and transitions such as inheritance, divorce, career changes, etc. Helping our clients think more strategically about their important financial decisions is our primary objective.

### 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.

**Jeff Braun**  
President + CEO | American Prosthetic  
Components

**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



**Fortifi Bank**  
Growin' Wisconsin

