

# Message From the President

I am very pleased to report continued strong operations for the fourth quarter of 2021 and record performance for the year ended December 31, 2021.

2021 presented some unique obstacles for community banks, and I am extremely proud of the outstanding financial condition of your bank.

For the year, Fortifi Bank posted net income after tax of \$8,619,000 vs. \$5,768,000 for fiscal year 2020. Annualized Return on Equity was 15.17%, up from 12.47% last year. The total book value per share of common stock increased to \$104/share vs. \$93/share at 12/31/20. 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.

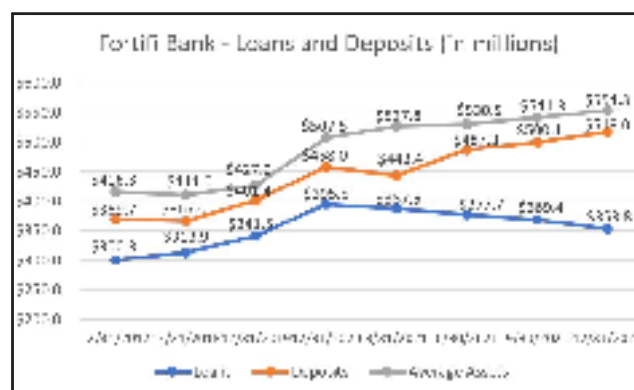
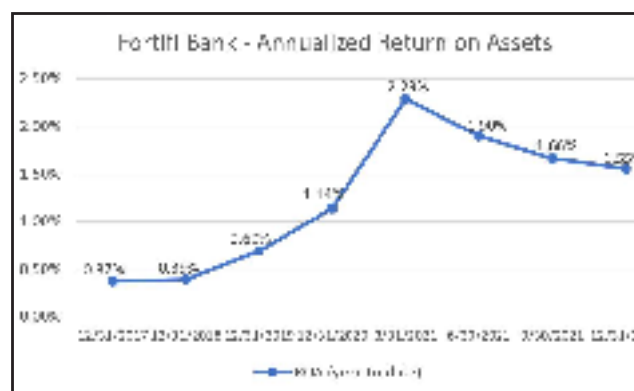
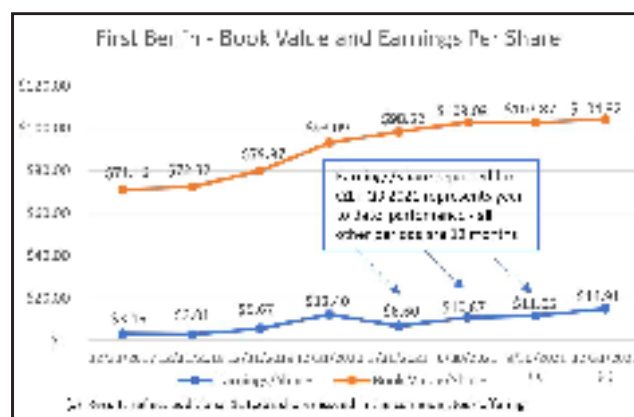
The continued favorable operating performance was due to several factors. We are maintaining our focus on efficient operation which has resulted in a significant improvement in non-interest expense. In spite of economic pressures, the Bank was able to maintain net interest margin year over year. Although mortgage activity and Paycheck Protection Program fee income has declined over the year, the Bank is still operating at a high level with return on assets of 1.55% vs. 1.14% in 2020.

Our total loans were \$353,768,000 at year end, down from \$395,485,000. The reduction is primarily due to the successful repayment of Paycheck Protection Program loans. The quality of our loan portfolio remains acceptable, however we continue to maintain a strong Reserve for Loan Losses to reflect the uncertainty of the economy. At 12/31 the reserve stood at \$4,760,000, or 1.35% of total loans. Total Equity Capital increased more than \$16 million due to the capital raise as well as strong performance.

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.



**Greg Lundberg**  
President | CEO



(dollars in thousands)

Income Statement Items:	YTD ENDING 12/31/21	YTD ENDING 12/31/20
Interest Income	\$21,092	\$21,416
Interest Expense	\$1,103	\$2,965
Non-Interest Income	\$7,089	\$6,051
Net Income After Taxes	\$8,619	\$5,768
Net Interest Margin (1)	3.82%	3.86%
Return on Equity (annualized)	15.17%	12.47%
Return on Assets (annualized)	1.55%	1.14%
Efficiency Ratio	55.50%	62.55%
Capital Ratios:	YTD ENDING 12/31/21	YTD ENDING 12/31/20
Tier-One Capital Ratio	10.99%	9.41%
Risk Based Capital	16.16%	12.20%
RLL/Total Loans	1.35%	1.25%

(dollars in thousands)

Balance Sheet Items:	AS OF 12/31/21	AS OF 12/31/20
Total Deposits	\$517,969	\$457,985
Total Loans	\$353,768	\$395,485
Reserve for Loan Losses (RLL)	\$4,760	\$4,938
Total Assets	\$600,834	\$525,258
Total Equity Capital	\$65,129	\$49,078
Shares:	AS OF 12/31/21	AS OF 12/31/20
Number of Shares Outstanding	554,512	448,250
Earnings per Share	\$15	\$12
Book Value	\$104	\$93

(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.

## CELEBRATING FORTIFI BANK COMMUNITY COMMITMENT ALL-STARS

What does it mean to be a community banker? Fortifi team members know it starts with a commitment to bettering the communities we serve. Not just through our work, but on the ground at local events, food pantries, churches, nonprofit board meetings, and so much more. In 2021, our employees logged over 4,000 hours volunteering, impacting over 150 organizations. Take a look at five rockstars and some of the organizations they supported.



**Michael Vaughan**  
Market President

Omro Athletic Foundation  
Oshkosh Community Fdn.  
Winneconne Community Fdn.



**Jennifer Moen**  
Branch Manager

Berlin Holiday Parade  
Future Omro  
Poy Sippi Public Library



**Kayla Young**  
Retail Lending Support Specialist

Feeding America  
Poy Sippi Fire Department  
Waushara Food Pantry



**Kristen Hermanson**  
AVP Branch Manager

Berlin Rotary Club  
Green Lake Area Chamber  
Green Lake Town Square



**Nikole Vergin**  
Mortgage Lending Specialist

Omro 4th of July  
Oshkosh Rotary Club  
Oshkosh Women's Connection

## FORTIFI BANK GIVES BACK TO LOCAL TROOPS + VETERANS

Throughout October, Fortifi Bank team members collected over 1,000 pounds of supplies for area veterans and active duty servicemembers.

Fortifi Futures, our employee professional development group, partnered with Wisconsin Blue Star Mothers Chapter 1 to make this happen.

Items were collected for holiday deployment boxes, thank you cards were written, and homemade blankets were tied.

We are proud of our team and community that joined this effort to make a difference for local military members – past and present.



Pictured left to right: Blue Star Mothers Volunteers (2); Tina Markowski, Risk Specialist; Brianna Borkenhagen, Credit Coordinator; Katie Thiem, Office Assistant



Pictured left to right: Kelly Mirr, Portfolio Manager; Al Benish, Loan Operations Specialist; Alex Hinz, Retail Loan Closing & Funding Specialist

## WAUNAKEE BRANCH HOSTS COMMUNITY FALL FESTIVAL



Monticello Square Fall Festival featured free food and family activities including pumpkin decorating, children's games, an inflatable obstacle course, and a vendor market.

Great work, Waunakee team!

Pictured left to right: Iliana Hoerth, Volunteer; Megan Guttenberg, Teller Intern; Melissa Wheeler, Commercial Loan Coordinator; Kale Unangst, Business Banker

## REMEMBERING ROGER FIELD

It is with deep sadness we share that Roger M. Field, First Berlin Bancorp Board Member for more than 40 years, passed away on Friday, December 3, 2021.

Roger joined the board of directors in 1978 and has been a positive and influential part of the bank's success. He was well known in the Berlin community as a pharmacist and owner of Field Pharmacy for over 50 years.

Our hearts are with his family, especially his daughter and granddaughter, Fortifi team members Jennifer Grota and Erica Grota.



**Roger Field**  
1941 - 2021

Former Pharmacist,  
Business Owner, +  
Board Member

## SHAREHOLDER NEWSLETTERS TRANSITION TO DIGITAL

Starting with the Q1 2022 shareholder newsletter, you will receive your copy digitally via your email inbox. We believe sending the newsletter via email instead of print will allow us to communicate more effectively and more timely.

If we do not have your email on file, please contact ClearTrust.

## CLEARTRUST TRANSFER AGENT SERVICES

The transition of First Berlin Bancorp, Inc. shareholder records to our new transfer agent, ClearTrust, LLC is complete. We are excited about the move to ClearTrust as our transfer agent. The robust services provided by ClearTrust will support our growth as we work toward increasing the visibility and marketability of First Berlin Bancorp, Inc. shares.

ClearTrust is available to assist you with inquiries on share ownership, transfers, address changes, and other activity in your shareholder account.

### Key Contact Information for ClearTrust, LLC:

16540 Pointe Village Dr. Suite 205  
Lutz, FL 33558

813.235.4490  
inbox@ClearTrustTransfer.com  
www.cleartrustonline.com



## Heidel House is Growin' Wisconsin

When the Heidel House Resort closed in 2019, it was a missing link in the Green Lake community. The future was uncertain for a rural area that relied on tourism traffic and spending to fuel its commerce.

In our latest Growin' Wisconsin video, we are proud to share the story of the Heidel House Hotel & Conference Center's revitalization. It shines a light on local history, important partnerships, and community pride.

Watch the video: [FortifiBank.com/heidel](https://FortifiBank.com/heidel)



## 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

**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