



2024 ANNUAL REPORT

bank | **five**
nine®

Since **1859**





Resilience, Innovation, and Strategic Vision: *Leading with Purpose.*

Dear Shareholders,

It is with great pride and a strong sense of purpose that we present Bank Five Nine's 2024 Annual Report. This past year marked another chapter of significant achievements, robust growth, and impactful leadership, reinforcing our steadfast commitment to excellence and community stewardship. Amid a challenging and unpredictable economic landscape, Bank Five Nine demonstrated remarkable resilience, strategic foresight, and an unwavering commitment to our foundational mission: "Make Lives Better."

Under the exceptional guidance of our leadership team, led by President and CEO Tim Schneider, Bank Five Nine navigated complex market conditions with agility, decisiveness, and a strategic focus that delivered exceptional results. By setting ambitious goals and adhering to disciplined execution, we outperformed our initial earnings expectations, with total earnings for the year of \$16.3 million and capital totaling \$160 million and reinforcing our reputation as a trusted and formidable community bank.

Financial Leadership & Strategic Growth

Our performance in 2024 reflected a methodical approach to growth, balancing opportunity with prudent risk management. Total assets reached an impressive \$2.3 billion, representing a substantial increase of \$332 million driven by strategic loan growth of \$276 million and supported by a deposit expansion of \$330 million. Our deliberate reduction in reliance on brokered deposits and borrowings was a decisive strategic move that enhanced our financial stability and resilience in the face of industry-wide liquidity concerns. In response to external market disruptions, we proactively adjusted deposit rates, demonstrating our capability to adapt and safeguard both customer interests and shareholder value.

Despite a challenging lending environment marked by an inverted yield curve and persistent margin pressures, our proactive asset-liability management and rigorous pricing discipline resulted in consistent quarterly margin improvement for eight consecutive quarters. These strategic measures were instrumental in achieving our strong financial performance and strengthening our capital position, maintaining a leverage ratio of 9%.

Visionary Mortgage & SBA Lending

In the mortgage sector, we faced considerable headwinds stemming from limited housing inventory and elevated interest rates. However, our executive decision to strategically invest in talent during the downturn positioned Bank Five Nine to leverage anticipated market recoveries. Additionally, Bank Five Nine continues to attract and acquire top talent in the mortgage origination space to lead its mortgage lending offices. Our rigorous adherence to Fannie Mae and Freddie Mac standards underscores our commitment to maintaining impeccable asset quality while aggressively pursuing growth opportunities.

Our SBA lending division continued to excel, securing a top national ranking for SBA 504 loans and successfully re-establishing a strong presence in SBA 7(a) lending. Our selective approach ensured a portfolio of high-quality loans, reflecting our strategic imperative to balance growth with robust risk management. As competitors continue to exit the SBA lending space, Bank Five Nine has reinforced its leadership in this sector, further positioning the Bank as a trusted financial partner for small businesses. This initiative not only supported small businesses but also positioned Bank Five Nine as an industry leader in a critical segment of community banking.

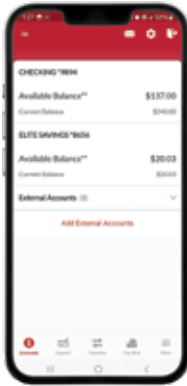
“

Our SBA lending division continued to excel, securing a top national ranking for SBA 504 loans...”



U.S. Small Business
Administration

Innovation & Technological Leadership



Recognizing the rapid digital transformation in banking, we launched a state-of-the-art online and mobile banking platform in May, 2024. This strategic investment underscores our commitment to innovation, enhancing customer experiences through advanced security, user-friendly design, and powerful financial tools. This technological leap significantly boosted customer engagement and operational efficiency, solidifying our competitive advantage in an increasingly digital market. The investment was a key driver in the increase of:

9,500 new accounts
[1,000 more than last year]

Strategic Customer Growth & Engagement

Our exceptional growth, marked by 9,500 new accounts, was achieved through a multifaceted approach that combined competitive pricing, digital marketing, and an unwavering commitment to outstanding customer service. Our strategic focus on relationship-driven banking fostered deeper customer engagement and loyalty, evidenced by our outstanding 4.9/5 average Google ratings across all locations. This strategic alignment of customer-centric values and innovative marketing positioned Bank Five Nine as the preferred banking provider in our communities.



Empowered Workforce & Culture

At Bank Five Nine, we firmly believe our people are our most valuable asset. In 2024, our organizational culture reached new heights, driven by impactful leadership and targeted employee development initiatives. Recognition as a Top Workplace for the 15th consecutive year and inclusion among American Banker’s Best Banks to Work For, further validated our strategic emphasis on employee engagement and professional growth. Our introduction of advanced leadership programs significantly strengthened our talent pipeline, ensuring the sustained leadership capability needed to drive future success. Additionally, internal workplace surveys reinforced our strong culture and commitment to employee satisfaction.

Purposeful Community Impact & Corporate Citizenship

Our commitment to reinvesting into communities we serve is deeply embedded in our organizational DNA. The nationally recognized “Tim’s Treat” campaign, which garnered the prestigious American Bankers Association’s Brand Slam Award for ‘PR/Community Engagement,’ exemplifies our innovative approach to community engagement. In 2024, we celebrated our 5th year as the sponsor of the Bank Five Nine Amphitheater, the largest free stage at the Wisconsin State Fair, which welcomed over one million visitors. Looking ahead to 2025, our elevated sponsorship of the Wisconsin State Fair’s Main Stage will continue to enhance our community visibility, generating significant brand exposure and reaffirming our strategic commitment to local economic vitality.



Our targeted philanthropic initiatives made tangible impacts, notably through Operation Finally Home and Blessings in a Backpack. In 2024 alone, 201 employees contributed 8,942 hours of service, supporting the construction of homes for veterans and providing critical nutrition to over 3,400 children. These outcomes reinforce our strategic intent to drive meaningful social impact and underscore our role as a responsible corporate citizen.





Proactive Risk Management & Asset Integrity

Our unwavering commitment to prudent risk management continued to safeguard our asset quality. Approximately 80% of our commercial loans carry SBA guarantees, demonstrating our strategic prioritization of risk mitigation. Our robust internal underwriting processes and proactive loan management maintained low non-accrual levels and favorable recoveries, solidifying our reputation for disciplined and strategic risk oversight. Additionally, Bank Five Nine maintains a highly selective approach to commercial lending, holding a limited percentage of its portfolio in non-owner-occupied commercial real estate (CRE) and avoiding exposure to office or strip centers. This disciplined strategy further reinforces our commitment to maintaining strong asset quality.

Vision for Strategic Growth: 2025 and Beyond

As we look toward 2025, our strategic vision remains clear and unwavering: “Stay the Course.” We will continue to pursue sustainable growth across core business areas without deviating from our proven business model. Key strategic objectives and further advancing our digital banking capabilities with AI-driven customer solutions. Our leadership team remains optimistic about the evolving financial landscape, managing interest rates and potential regulatory relief that will further enhance our competitive positioning.

We extend our sincere gratitude for your continued trust and support. Bank Five Nine stands confidently at the threshold of 2025, fortified by strong financial fundamentals, exceptional leadership, and a steadfast

commitment to strategic innovation and community impact. As we look ahead, we are excited to build on this foundation — remodeling our corporate branch to enhance service and efficiency, seizing new opportunities, overcoming challenges, and continuing to deliver meaningful value to our shareholders, customers, and communities.

Thank you for your unwavering partnership.



**Tim Schneider,
President and CEO**



**Nate Zastrow,
Executive Vice President
and CFO**

As we look toward 2025, our strategic vision remains clear and unwavering:

“Stay the Course”



Financial Highlights

(in thousands)

Assets

2024	\$2,303,614 ↑
2023	\$1,971,500
2022	\$1,676,734

On & Off Balance Sheet Loans

2024	\$3,585,465 ↑
2023	\$3,216,819
2022	\$2,914,866

Earnings

2024	\$16,335 ↑
2023	\$10,679
2022	\$16,742

Capital

2024	\$160,473 ↑
2023	\$144,860
2022	\$131,887

Deposits

2024	\$1,894,345 ↑
2023	\$1,563,740
2022	\$1,398,488



Thank you!

**for more than 30 years
of service, Maureen Stapleton**

To be a bank that is widely respected and emulated, the organization must have Board members who are pillars of their community. Individuals who are committed to the organization, but also to the growth and vitality of the communities they serve. Bank Five Nine has been blessed over the years to have several such individuals on our Board, but none represent these characteristics more than Maureen Stapleton.

Maureen established Stapleton Realty in 1981 and, since its inception, has served hundreds of homebuyers and sellers in the Lake Country area. She served as the President of the Oconomowoc Area Chamber of Commerce for two terms, and received their prestigious Citizen of the Year Award in 1985.

Maureen joined our Board in 1990 as the first female Director and has chosen to retire after more than 30 years of service. We are fortunate to have benefited from her expertise and leadership during that time, and she continues to be our greatest ambassador. To honor all she has accomplished, the street next to our corporate headquarters building has been renamed "Stapleton Way".

***Congratulations on your retirement,
Maureen!***

Consolidated Financial Highlights

Oconomowoc Bancshares, Inc.

(in thousands, except per share data) as of December 31

Balance Sheet

Assets	2022	2023	2024
Cash & Cash Equivalents	21,649	43,601	78,202
Investments	232,454	235,247	247,481
Loans, Net	1,329,248	1,588,627	1,864,976
Premises & Equipment	31,350	31,198	32,140
Servicing Assets	17,549	16,673	16,686
Other Real Estate	269	352	1,269
Other Assets	44,215	55,802	62,860
Total Assets	1,676,734	1,971,500	2,303,614

Liabilities & Capital	2022	2023	2024
Deposits	1,398,488	1,563,740	1,894,345
Borrowed Funds	111,500	226,300	207,000
Subordinated Debentures	26,242	26,308	26,373
Other Liabilities	8,617	10,292	15,423
Capital	131,887	144,860	160,473
Total Liabilities & Capital	1,676,734	1,971,500	2,303,614
Book Value Per Share	\$394	\$432	\$479

Income Statement	2022	2023	2024
Interest Income	67,090	92,541	126,389
Interest Expense	(9,384)	(39,712)	(66,201)
Net Interest Income	57,706	52,829	60,188
Provision for Loan Losses	—	—	—
Net Interest Income After Provision for Loan Losses	57,706	52,829	60,188
Non-interest Income	14,587	11,976	18,249
Non-interest Expense	(52,157)	(53,369)	(60,760)
Income Before Income Tax Expense	20,136	11,436	17,677
Income Tax Expense	(3,394)	(757)	(1,342)
Net Income	16,742	10,679	16,335
Earnings Per Share	\$49.96	\$31.87	\$48.75

Selected Other Bank Data:	2022	2023	2024
Return on Average Assets	1.1%	0.7%	0.8%
Return on Average Equity	11.4%	7.5%	10.3%
Net Interest Margin	3.9%	3.1%	3.0%
Non-performing Assets to Total Assets	0.2%	0.2%	0.8%
Allowance for Loan Losses as a Percent of Total Loans	0.7%	0.6%	0.5%
Leverage Ratio	10.5%	9.5%	8.7%
Risk Based Capital Ratio	13.0%	11.4%	10.9%



Dear Shareholders,

Our bank was founded in Oconomowoc in 1859 by five gentlemen who had a vision of helping their neighbors achieve their financial goals. At that time, the train had yet to come through town, and Abraham Lincoln hadn't been elected President. It was a time when our hometown was in its infancy, and our bank put down roots that would last generations.

I am proud to be a member of a family that has conducted business in Oconomowoc for over 100 years, and it is an honor for me to continue to serve as the Chairman of Bank Five Nine's Board of Directors. Yet I know the Snyder family is only one of many who have invested in this company. Many of today's shareholders have been introduced to this wonderful organization, and all we do for our communities, by parents or grandparents who saw the value of a thriving community bank. Our annual shareholder meeting sometimes feels more like a family reunion than it does a formal gathering.

That's the real beauty of this bank — it has been built by generations of families who believe in our mission to Make Lives Better. As this annual report demonstrates, we have been successful in living that mission with our employees, our customers, and our communities.

I want to ensure that generational investment continues and am asking you to introduce this bank to your family. Please consider beginning with a small gift of stock. Help grow and nurture their interest in our bank so that when you pass, they appreciate what we have done together and will continue as our partners.

Our five founders started this bank with \$25,000 in capital. I often wonder if they could have imagined that by 2024 their dream would grow to be an organization with \$2 billion in assets and \$180 million in capital. I hope we continue to do them service and make them proud. The responsibility to continue to grow a sound company, and provide a positive return to our shareholders, is at the forefront of every decision made by your Board of Directors.

Your investment in this bank is much appreciated. Together, we, our children, and our grandchildren, will continue to Make Lives Better in Oconomowoc and beyond.

Sincerely,

Robert W. Snyder
Chairman

Board of Directors

(Listed left to right, Back row first)

Peter G. Roehl
Roehl Corporation

James P. Siepmann
Siepmann Realty Corporation

Mark T. McCune
Bank Five Nine

Charles J. Folkman, Jr.
Vice Chairman
L.F. George, Inc.

Mark W. Mohr
Bank Five Nine (retired)

Larry Tomsyck
Ernst & Young LLC (retired)

Tim Schneider
President and CEO
Bank Five Nine

Pat Hammer
Rogers Behavioral Health System
(retired)

Robert W. Snyder
Board Chairman
Snyder and Ek, S.C.

Monica Stern
Village of Grafton

Craig S. Schiefelbein
Observation Tower LLC

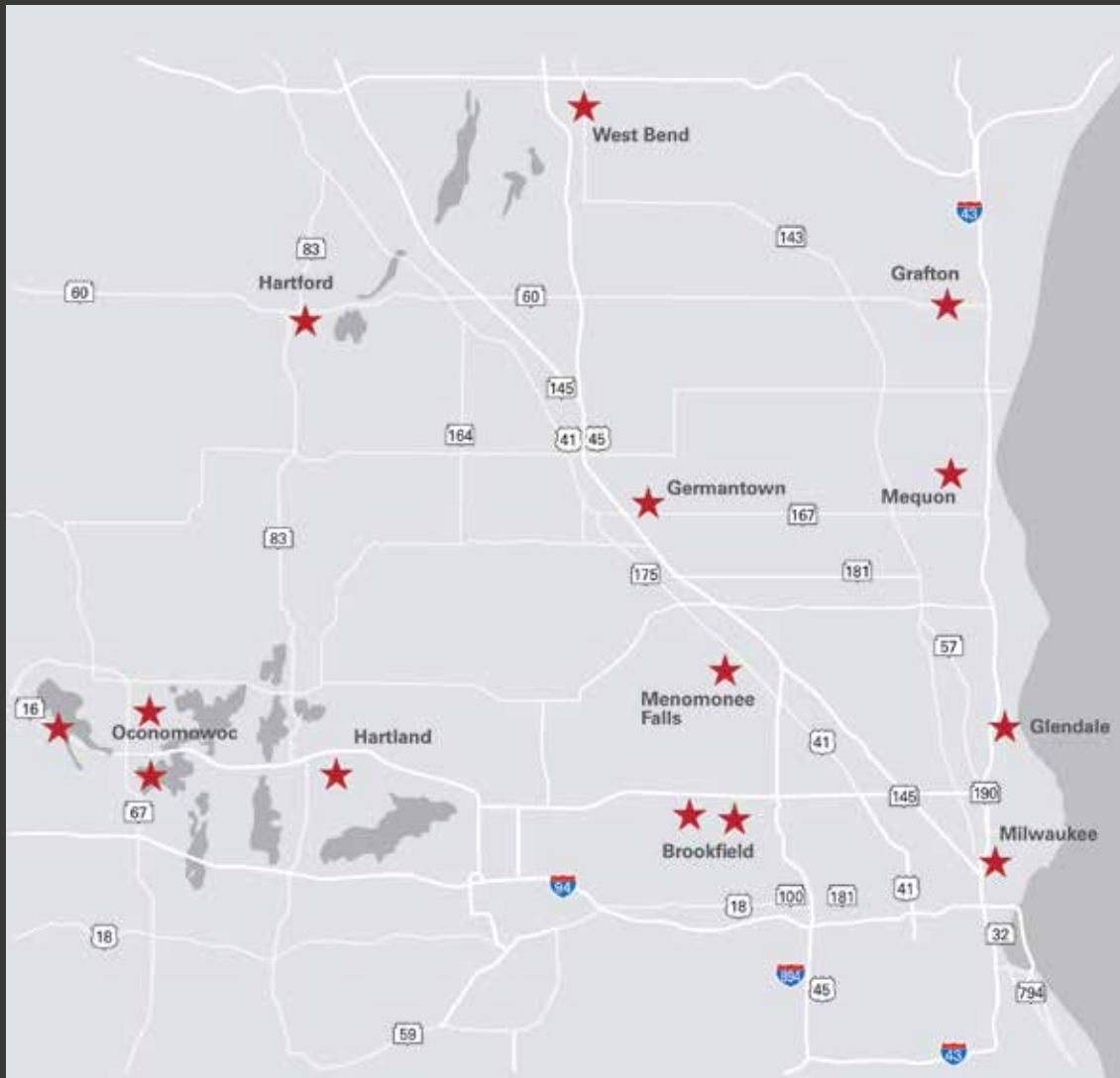
Executive Management

Tim Schneider
President,
Chief Executive Officer

Mark T. McCune
Executive Vice President,
Chief Lending Officer

Nate Zastrow
Executive Vice President,
Chief Financial Officer

BRANCH LOCATIONS



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