

CEO Report

Second Quarter 2017

Growth and pipeline continue to be strong

NOTE: Given the timing of this year's annual meeting and issuance of our annual report, we did not provide a Q1 newsletter. In this issue we will discuss our first half of the year.

In both the 1st and 2nd quarter, your company saw solid loan growth of approximately \$45 million. This growth came from both lines of primary business for ICBK; agricultural and commercial. Our pipeline of new lending business on both the ag and commercial sides continues to be strong.

Agriculture is a commodity-driven business and by its nature will be cyclical. Our bank has always been a strong supporter of ag lending; in particular, dairy lending. You may have noticed that the ag industry has received some negative press over the past year. We have been through four lower milk price cycles in our history and have weathered these downturns with very little in losses. In fact, milk prices have already started improving in the form of actual milk income received for the first half of the year, and the futures market for milk is also stronger than it was last year.

Our philosophy is to continue to seek solid management on the operations we commit to banking, which is the difference in any business withstanding down cycles. There are solidly managed

farms who have been profitable, even through the previous few years of lower milk prices, that we are prospecting to become clients.

We will continue to be a market leader in banking services to the ag sector as some of our competitors get cold feet. One quotation we like to state comes from David Kohl, an agricultural professor emeritus at Virginia Tech, who has been quoted often in the past few years: "(Be) **conservative** during good times and **courageous** during bad times, so you can be **consistent** all of the time;" ... otherwise known as the three Cs of ag credit.

On the commercial banking side, our team includes strong, experienced bankers, including additions in various markets who are generating new opportunities and adding to a strong pipeline of business. We feel we are well positioned on the commercial side for opportunistic growth as well.

As all of you have heard, the Federal Reserve has been moving interest rates up over the past year or so. This has given us opportunity to pursue additional core deposits in our existing markets and in the

(continued on back)



IN THE NEWS at Investors Community Bank



Tim McTigue has joined Investors Community Bank as Senior Vice President - Ag Banking. Tim brings more than 25 years of banking experience to Investors, including seven years in ag banking. He has held positions as regional vice president for an agriculture financial services company and as first vice president at another bank in Indiana. He holds a bachelor's degree from Indiana University.



Glen Stiteley was named Executive Vice President – Chief Financial Officer (CFO) for Investors Community Bank and Treasurer and Chief Financial Officer of County Bancorp, Inc. He previously served as CFO for First Community Financial Partners, Inc. in Joliet, Illinois. Glen holds a BBA in accounting from Eastern Michigan University and earned a CPA designation from the State of Illinois.



Our Green Bay banking center has moved! Investors Community Bank in Green Bay has moved to 960 Hansen Rd. It's a new location; but the same great team to serve the community's banking needs. Pictured are business banking team members (left to right): Jeff Duffrin, Vice President - Business Banking Officer; Laurie Olson, Vice President - Senior Business Banking Officer; Brad Witbro, Asst. Vice President - Banking Services Manager; and Bryan Orth, Cash Management Specialist.

Financial Highlights

Selected Income Statement Data ⁽¹⁾ :	For The Three Months Ended		For The Six Months Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	(Dollars in thousands, except per share data)			
Net interest income	\$9,557	\$8,304	\$18,755	\$15,241
Provision for loan losses	<u>1,524</u>	<u>470</u>	<u>2,285</u>	<u>1,282</u>
Net interest income after provision for loan losses	8,033	7,834	16,470	13,959
Non-interest income	1,856	2,758	3,572	4,695
Non-interest expense	6,641	7,453	12,536	12,044
Income tax expense	<u>1,190</u>	<u>1,194</u>	<u>2,816</u>	<u>2,489</u>
Net income	<u>\$2,058</u>	<u>\$1,945</u>	<u>\$4,690</u>	<u>\$4,121</u>
Return on average assets	0.65%	0.75%	0.75%	0.85%
Return on average shareholders' equity	6.04%	6.53%	6.94%	7.23%
Return on average common shareholders' equity ⁽²⁾	6.15%	6.72%	7.13%	7.76%
Efficiency ratio ⁽²⁾	57.74%	68.18%	57.60%	60.44%
Per Common Share Data:				
Basic	\$0.30	\$0.31	\$0.68	\$0.67
Diluted	\$0.29	\$0.30	\$0.68	\$0.65
Dividends declared	\$0.06	\$0.05	\$0.12	\$0.10
Selected Balance Sheet Data⁽¹⁾:				
	June 30, 2017	March 31, 2017	Dec. 31, 2016	June 30, 2016
	(Dollars in thousands, except per share data)			
Total assets	\$1,286,634	\$1,251,414	\$1,242,670	\$1,160,589
Total loans	1,075,668	1,049,009	1,030,486	960,310
Allowance for loan losses	13,503	13,428	12,645	10,791
Deposits	993,663	981,317	977,518	892,535
Shareholders' equity	136,254	134,074	131,288	125,789
Common equity	128,254	126,074	123,288	117,789
Stock Price Information:				
High: Year-to-date	\$35.89	\$35.89	\$26.97	\$22.80
Low: Year-to-date	\$22.73	\$24.70	\$18.25	\$18.25
Market price per common share	\$24.00	\$29.06	\$26.97	\$20.62
Common shares outstanding	6,641,159	6,615,232	6,586,335	6,501,031

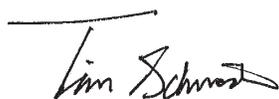
(1) Source: SEC filings.

(2) This is a non-GAAP financial measure.

Growth and pipeline continue to be strong (continued)

new markets we entered in 2016 – Appleton and Green Bay. We have always priced our deposit products at or near the top of the market, and we are working on spreading the word about this in these markets. Plus, with our move to a new location in Green Bay, we feel we are better able to serve our clients needs and attract more core deposits to fund our loan growth. Watch for these specials and please consider opening an account with us.

To summarize, we have continued to see solid loan growth, solid core earnings as an institution and are seeking core deposits to fund that growth. Thank you for your support as shareholders of ICBK!



Tim Schneider, President

Investor materials available

Annual and quarterly shareholder reports, regulatory filings, press releases and articles about the corporation that have appeared in various publications are generally available in the "Investor Relations" section of our website (InvestorsCommunityBank.com) or may be obtained from Timothy J. Schneider by calling (920) 686-5604 or via e-mail at ttschneider@investorscommunitybank.com.

 County Bancorp
Inc.

 INVESTORS
INSURANCE SERVICES, LLC

 INVESTORS
COMMUNITY BANK
Member FDIC