

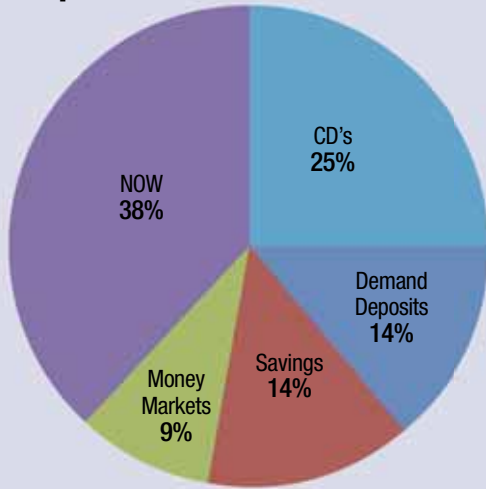


# 2018 Annual Report

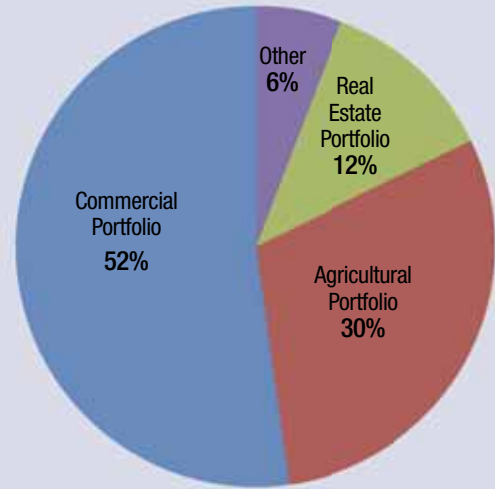




## Deposits



## Loans





# Highlights of Our Year

## TO OUR CLIENTS AND COMMUNITIES

Throughout 2018, we invested in our future by enhancing our product offerings, along with strengthening the financial relationships we have with our customers and the communities we serve. Our most significant accomplishment was the growth in our Agricultural loan portfolio. From Agriculture, Commercial and Real Estate loans, to deposit and cash management services, we offer our customers the best solutions to their financial needs. These solutions are provided by our team of dedicated and talented people.

We continue to be one of the largest banks in our area. More importantly, year after year, we are recognized as one of the safest banks in the country, by the national bank rating firm, Bauer Financial. Upholding our tradition of being a safe, sound and secure bank is at the core of everything we do.

A quick snapshot of our financial performance illustrates our strength. We ended 2018 with total assets of \$381,403,000 and our deposits were \$314,766,000. Our total loan portfolio climbed to \$204,335,000. Of that, \$25,470,000 was real estate loans and our commercial loans totaled \$106,309,000. The area with the greatest growth was in our Agriculture loans. They totaled \$61,868,000, which was a 4.32% increase over our 2017 portfolio.

AG LOANS  
INCREASED  
**4.3%**



**Alvin J. Goerd**

Chairman of the Board



**Robert P. Holleran**

Vice Chairman of the Board



**Steven E. Thacker**

Co-President



**Jennifer L. Boysen**

Co-President

# Solutions & Opportunities

## WITH INNOVATION COMES OPPORTUNITY

Again in 2018, we continued providing opportunities to the people and businesses in our area through our financial strength. To help us attract the younger customer, we introduced our Teen checking account, a helpful solution to get teenagers on the right track to managing their money well. We re-designed our website with eye catching area photography, fresh information and improved navigation. We also introduced an online mortgage loan application and approval service, making the home buying process quick and

streamlined. We expanded our convenient banking channels by launching Apple Pay, which was well received by our customers who strive to find the easiest way to pay for items.



### 24 HOUR ACCESS

Whether it's through our branches, our ATMs, our various online and mobile services, our customers know they can count on 24 hour access to their money. This year we updated many of our ATMs with our re-designed bank logo. Our bank signage was also updated at many of our locations to reflect our new branding image.



21

ATM Machines



### PLANNING AND PROTECTION

We also continued to provide unique solutions in wealth management, retirement and estate planning, giving our customers peace of mind when it comes to managing and protecting their assets.





# Our Communities



**\$106,309,000**  
IN  
COMMERCIAL  
LOANS

## ECONOMIC DEVELOPMENT

Since we opened our doors for business in 1865, we have been responsive to the economic needs of the area we serve. That includes supporting efforts for economic development leading to job creation, along with financing special projects which enhance the communities within our footprint.



## SUCCESSFUL SOLUTIONS

Assisting businesses both large and small is one of our ongoing priorities. We are committed to helping our commercial customers reach their goals and succeed. By providing individualized financial solutions, we can help business owners manage their challenges and maximize their opportunities. We know that when our business customers succeed, we succeed and our communities grow and prosper.

DOLLARS COLLECTED FOR UNITED WAY

**\$22,539**

## COMMUNITY DRIVEN

With nine full service banking locations, we do business where our customers need us. We also believe in giving back and getting involved in all of our communities. In 2018, we provided more than \$93,000 in contributions to hundreds of organizations in our area. Additionally, our team provided hundreds of volunteer hours.





# Our People



## OUR PEOPLE

At Clinton National Bank, our most valuable asset is our people. Our team of knowledgeable bankers is experienced, dedicated and they understand the importance of providing the best financial options to our customers.

**100**

TOTAL EMPLOYEES



## SUPPORT FOR OUR PEOPLE

We give our employees opportunities to grow both professionally and personally. Many serve on bank committees, helping to move the bank forward with their ideas and suggestions. We strongly encourage our employees to give back to the area by participating in community activities and serving on boards. Many give tirelessly of their time and talents to civic and community groups. Because of their involvement, this area is a better place to live and work.

## EXPERIENCE AND DEDICATION

The longevity of our team is one of the hallmarks of our bank. We have high expectations of our people and they always deliver. At the end of December, several people, who brought decades of experience and knowledge to our organization, retired after long banking careers. Their many contributions will be greatly missed. We know that the success we've experienced year after year, is because of the loyalty, hard work, and dedication of our people. We appreciate their ongoing efforts to give their best to our customers and our communities.

**57** EMPLOYEES REGULARLY VOLUNTEER



COMMUNITY ACTIVITIES

**4,038**  
HOURS

# Our Leadership

## BOARD OF DIRECTORS

*Front row Left to Right:*

**ALVIN J. GOERDT**, CHAIRMAN OF THE BOARD

**JULIE BURKE SMITH**, PRESIDENT W.J. YOUNG & CO.

**ROBERT P. HOLLERAN**, VICE CHAIRMAN OF THE BOARD

*Back Row Left to Right:*

**STEVEN E. THACKER**, CO-PRESIDENT

**ROBERT P. CASSIDY**, PARKER CASSIDY SUPPLY CO.

**JEFFREY B. STOUTNER**, ATTORNEY

**THOMAS E. FULLERTON**, RETIRED CLINTON NATIONAL BANK EXECUTIVE VICE PRESIDENT

**JENNIFER L. BOYSEN**, CO-PRESIDENT

**JAMES E. STACHOUR**, RETIRED CLINTON NATIONAL BANK EXECUTIVE VICE PRESIDENT



## OFFICERS

**ALVIN J. GOERDT**

CHAIRMAN OF THE BOARD

**ROBERT P. HOLLERAN**

VICE CHAIRMAN OF THE BOARD

**STEVEN E. THACKER**

CO-PRESIDENT

**JENNIFER L. BOYSEN**

CO-PRESIDENT

**MARK W. MILDER**

SVP & SENIOR LENDER NORTH MARKET

**JASON S. WHEAT**

SVP & SENIOR LENDER MAIN MARKET

**KATHLEEN A. KLAHN**

SVP & REAL ESTATE LOAN MANAGER

**CAROL A. PETERSON**

SVP & TRUST OFFICER

**DAVID J. HELSCHER**

SVP & TRUST OFFICER

**RICCI S. AQUILANI**

SVP OPERATIONS &  
COMPLIANCE OFFICER

**DEBORAH A. FARRELL**

VP & CAMANCHE OFFICE MANAGER

**JOEL E. KACZINSKI**

VP & ANDOVER OFFICE MANAGER

**RITCH J. SKRIVSETH**

VICE PRESIDENT

**TED W. SHEMWELL**

VP & TRUST OFFICER

**KATHY J. HAND**

VP & LOAN OPERATIONS MANAGER

**CHRISTINE C. SMITH**

VP & OPERATIONS OFFICER

**TONI J. MILNES**

VP & CASHIER

**TRACY L. REYNOLDS**

VP & CUSTOMER SERVICE MANAGER

**LYNN E. CHAMBELL**

ASSISTANT VICE PRESIDENT

**HELENEA M. GRAVES**

AVP & LINCOLNWAY OFFICE MANAGER

**LAREE D. MANGLER**

AVP MARKETING &  
BUSINESS DEVELOPMENT

**RICHARD W. KLAHN**

AVP & INSTALLMENT LOAN MANAGER

**SARA B. MISIEWICZ**

AVP & REAL ESTATE LENDER

**BERNARD J. HOLTkamp**

AVP & LOAN OFFICER

**KAREN J. MARSHALL**

HUMAN RESOURCES  
& TRAINING OFFICER

**LENNY L. WEIH**

BUSINESS DEVELOPMENT OFFICER

**KIMBERLY D. GREGORY**

HEAD TELLER & VAULT MANAGER

**KEVIN B. ROSS**

INFORMATION TECHNOLOGY OFFICER

**CATHIE A. JEBSEN**

DELMAR OFFICE MANAGER

**LISA K. SNYDER**

REAL ESTATE LOAN ADMINISTRATION  
OFFICER

**DIANNE L. PAPKE**

MILES OFFICE MANAGER

**TARA L. BELLICH**

TRUST OFFICER

**KRISTI D. MCCUNE**

TRUST OPERATIONS OFFICER

**GAIL L. CLEMENTS**

LOAN OFFICER & ASSISTANT  
CAMANCHE OFFICE MANAGER

**MINDY S. BURGGRAAF**

LOAN OFFICER & LYONS  
OFFICE MANAGER

**JARED M. VOSS**

LOAN OFFICER

**BONNIE K. YADDOF**

LOAN OFFICER & PRESTON  
OFFICE MANAGER

# Balance Sheet

Years Ended December 31, 2018 and 2017

	2018	2017
<b>Assets</b>		
Cash and due from banks	\$ 2,542,859	\$ 2,428,548
Interest-bearing deposits in financial institutions	9,744,361	11,774,799
Securities available for sale	151,172,729	163,534,907
Investment in Federal Home Loan Bank stock	471,100	480,200
Federal funds sold	2,000,000	0
Loans, net	202,272,443	201,020,256
Bank premises and equipment, net	4,763,960	4,978,637
Accrued interest receivable	2,148,713	2,086,812
Goodwill	3,495,410	3,495,410
Other assets	2,797,296	2,701,909
<b>Total assets</b>	<b>\$ 381,408,871</b>	<b>\$ 392,501,478</b>

## Liabilities and Stockholders' Equity

### Liabilities

#### Deposits:

Noninterest-bearing	\$ 45,424,824	\$ 43,555,924
Interest-bearing	269,341,590	281,635,888
<b>Total deposits</b>	<b>314,766,414</b>	<b>325,191,812</b>
Federal Home Loan Bank Advances -Federal Funds Purchased	0	0
Securities sold under agreement to repurchase	14,260,458	14,176,279
Accrued interest	274,695	210,504
Other liabilities	1,550,395	1,482,714
<b>Total liabilities</b>	<b>\$ 330,851,962</b>	<b>\$ 341,061,309</b>

### Stockholders' Equity:

Common stock, par value \$100 per share; authorized 10,000 shares; issued 9,630 shares	\$ 963,000	\$ 963,000
Surplus	963,000	963,000
Retained earnings	51,016,352	50,149,425
Accumulated other comprehensive loss	(2,385,443)	(635,256)
<b>Total liabilities and stockholders' equity</b>	<b>50,556,909</b>	<b>51,440,169</b>
	<b>\$ 381,408,871</b>	<b>\$ 392,501,478</b>



# Income Statement

Years Ended December 31, 2018 and 2017

	2018	2017
<b>Interest Income:</b>		
Interest and fees on loans	\$ 8,855,656	\$ 8,365,500
Interest on investment securities:		
U.S. Treasury Notes	1,242,497	1,269,705
U.S. government sponsored agencies	1,231,129	1,208,329
States and political subdivisions	954,917	1,273,631
Mortgage-backed securities and related instruments	190,578	238,284
Other	59,214	39,363
Interest on federal funds sold	49,120	57,702
Interest-bearing deposits at financial institutions	177,414	180,112
<b>Total interest income</b>	<b>12,760,525</b>	<b>12,632,626</b>
<b>Interest Expense:</b>		
Interest on deposits	1,577,852	1,332,496
Interest on other borrowings	28,778	122
<b>Total interest expense</b>	<b>1,606,630</b>	<b>1,332,618</b>
<b>Net interest income</b>	<b>11,153,895</b>	<b>11,300,008</b>
Provision for possible loan losses	60,000	0
<b>Net interest income after provision     for possible loan losses</b>	<b>11,093,895</b>	<b>11,300,008</b>
<b>Other Income:</b>		
Service charges and fees	1,242,205	1,286,393
Trust Department income	984,447	938,917
Other	0	2,097
<b>Total other income</b>	<b>2,226,652</b>	<b>2,227,407</b>
<b>Operating Expenses:</b>		
Salaries and employee benefits	7,542,494	7,226,482
Occupancy expenses	745,718	740,658
Equipment expenses	517,536	517,107
Advertising and promotion	193,219	191,433
Office supplies and postage	167,934	170,057
Data processing	783,919	855,077
Other	1,640,100	1,593,529
<b>Total Operating Expenses</b>	<b>11,590,920</b>	<b>11,294,343</b>
<b>Income before income taxes</b>	<b>1,729,627</b>	<b>2,233,072</b>
Income tax expense	77,700	100,500
<b>Net Income</b>	<b>\$ 1,651,927</b>	<b>\$ 2,132,572</b>

# Our Locations

## MAIN OFFICE

### Clinton

235 6th Avenue South  
Clinton, IA 52732  
(563) 243-1243



## BRANCH LOCATIONS

### Andover

4330 140th Street  
Andover, IA 52701  
(563) 682-7121

### Camanche

817 9th Avenue  
Camanche, IA 52730  
(563) 259-8371

### Clinton-Lincolnway

2350 Lincolnway  
Clinton, IA 52732  
(563) 244-4105

### Clinton-Lyons

1912 North 2nd Street  
Clinton, IA 52732  
(563) 244-4116

### Delmar

301 Western Avenue  
Delmar, IA 52037  
(563) 674-4338

### Miles

329 Ferry Road  
Miles, IA 52064  
(563) 682-7777

### Preston

1 West White Street  
Preston, IA 52069  
(563) 689-5291

### Sabula

404 Sycamore Street  
Sabula, IA 52070  
(563) 687-2551





16,134  
ACCOUNTS USE  
PC BANKING



4,014  
E-STATEMENT  
CUSTOMERS



