



2016 Annual Report

*A year of growth and opportunity.*



# Ongoing Growth *New* Opportunities

On December 10, 2017, we'll hit our ten-year anniversary. Mark the date.

In our brief history, this past year may have been our most significant and memorable. In 2016, we continued our steady organic growth, once again outpacing local market competitors - and we seized upon two strategic opportunities to expand service offerings and market share.

Thanks to the continued support of our loyal shareholders - and the untiring efforts of our incredibly dedicated employees - you might say we're hitting our stride as a genuine community bank.

Ask local businesses. Start-ups. Entrepreneurs. Dreamers. And Doers. They've come to know ACCESSbank. Without any solicitation, they've consistently voted us "Best Business Bank" - four years running now, in B2B Magazine.

We're confident we can build the same reputation for excellence across other product areas - personal banking and mortgage lending - and earn the trust and confidence of many new customers across the metro area.

2016 has set the stage for an incredible ten-year celebration.

# By The Numbers

We're in the business of banking and banking is a business of numbers. Here are a few key statistics for ACCESSbank.

## #12 Rank

Out of 75 banks in the Omaha MSA, ACCESSbank is ranked as the 12th largest bank by total deposits in the Omaha MSA.

## \$323 Million

As of December 31, 2016, ACCESSbank now has \$323 million in total assets.

## 134 Shareholders

We currently have 134 shareholders comprised of local business individuals with no individual owning more than 10%.

## 4 Locations

87th and Dodge, 140th & Center, 74th & Highway 370 and 180th & Burke (3 more expected with the Bank of Nebraska acquisition)

## 2007

ACCESSbank was formed by 3 local bank executives, including President & CEO Pat Corrigan, after realizing the need for a strong community bank in Omaha that went above and beyond for its customers and community.

## 20% Growth

ACCESSbank has averaged 20% annual growth over the past several years.

## 2,056 Households

We serve an estimated 2,056 households and businesses through our four locations.

## 67 Employees

ACCESSbank opened with just 12 employees. We're proud to now have a fantastic team of 67 employees.







# A Conversation *with the* President & CEO

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*"We'll be introducing some new client-centered initiatives, with a focus on our business clients in professional practice categories."*

*Patrick J. Corrigan*

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### **Q: What were the bank's major accomplishments in 2016?**

Our charge is to be a growth bank, and we continued our record of solid growth in 2016. We grew assets by 10.2% and our loan portfolio by 28% -- with loans that will keep our credit quality pristine.

We acquired US Merchant Payment Services (USMPS), a transaction that closed on July 1. I'm happy to report we've retained a high percentage of their existing clients and are getting good traction in cross selling merchant services to our own business clients. With merchant services, we'll be able to initiate new business relationships and expand our existing ones.

And, of course, identifying Bank of Nebraska as an acquisition target was a key accomplishment. This was a highly strategic decision with a lot of upside for both organizations. We anticipate the transaction to close 2nd quarter 2017 with full conversion completed in 3rd quarter.

### **Q: The bank is in its tenth year. Are you where you expected to be?**

We're exactly on target with our original plans and goals - we just got there a little differently than we originally forecast. Our goal was to become a \$500 million community bank - and we'll hit that number in 2017. We always expected, though, to reach that number through organic growth, year over year. So the acquisition of Bank of Nebraska gets us there a bit differently than we originally thought - but it was undoubtedly the perfect use of our surplus capital.

### **Q: Do you still feel like the new bank in the Omaha market?**

Funny thing - when we started in 2007 and had one location just off of Dodge - people would see our sign and wonder who we were. With our name, many people thought we were strictly an online bank.

We still feel new. At least I think so. And that's a good thing. We

remember our early days and that entrepreneurial feeling. It helps us connect with business clients. I hope we never lose that feeling. We've been named "Best Business Bank" by B2B Magazine four years in a row - probably because we still have that early excitement and motivation.

### **Q: What's on the horizon for 2017?**

With the new year, we've got a lot of exciting plans. They may not be as visible as our 2016 activities, but they're essential to serving clients, growing opportunities and nurturing our team.

We're going to devote more time and resources to leadership development and professional development for our team. We'll also be introducing new protocols, such as a new pricing model, to empower customer-facing employees. The idea is to become even more nimble and responsive.

We'll be introducing some new client-centered initiatives, with a focus on our business clients in professional practice categories. We'll also be converting to new systems - specifically, a new imaging system in the commercial loan area - to improve operating efficiencies and bring us on a par with more sophisticated banks and provide a higher degree of service.

### **Q: Do you see any changes in the local banking market in 2017?**

Our market has a lot of well-run banks, both community banks and regional banks. We also enjoy a healthy business environment with a solid local economy. We don't foresee any big shifts in 2017.

Like a lot of banks, we have our eye on a few things, such as increasing competition from credit unions, and we're hoping for some form of regulatory relief in the next year or two.

Overall, though, we feel better positioned than ever before to grow and succeed. We're hitting our sweet spot in terms of assets and locations. For our shareholders, clients and employees, 2017 promises to be our most exciting year yet.

# ACCESSbank

## Balance Sheets

December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>ASSETS:</b>		
Cash and due from banks	\$9,015,654	53,735,165
Certificates of deposit	992,000	992,000
Available-for-sale securities	25,006,589	19,055,073
Held-to-maturity securities	19,870,624	9,424,686
Loans	256,875,628	200,748,184
Less allowance for loan losses	(3,630,645)	(2,978,114)
	<u>253,244,983</u>	<u>197,770,070</u>
Premises and equipment	6,678,712	6,020,672
Less accumulated depreciation	(1,647,322)	(1,243,578)
	<u>5,031,390</u>	<u>4,777,094</u>
Federal Home Loan Bank stock	1,327,600	299,000
Bank owned life insurance	4,725,231	4,618,642
Other assets	3,875,648	2,622,422
Total assets	<u><u>323,089,719</u></u>	<u><u>293,294,152</u></u>
<b>LIABILITIES:</b>		
Deposits:		
Demand	96,021,445	99,551,585
Demand-interest bearing	94,050,552	82,837,205
Savings	2,884,208	1,940,696
Time	64,699,014	67,272,392
	<u>257,655,219</u>	<u>251,601,878</u>
Federal Home Loan Bank line of credit	9,900,000	0
Federal Home Loan Bank long-term advances	17,496,901	5,483,306
Other liabilities	2,350,576	2,364,180
Total liabilities	<u>287,402,696</u>	<u>259,449,364</u>
<b>STOCKHOLDERS' EQUITY:</b>		
Common stock	789,174	789,174
Additional paid-in capital	28,666,987	28,521,493
Accumulated earnings	7,046,935	5,128,970
Accumulated other comprehensive income (loss)	(816,073)	(594,849)
Total stockholders' equity	<u>35,687,023</u>	<u>33,844,788</u>
Total liabilities and stockholders' equity	<u><u>323,089,719</u></u>	<u><u>293,294,152</u></u>

# ACCESSbank

## Statements of Income

For The Years Ended December 31, 2016 and 2015

	2016	2015
<b>INTEREST AND DIVIDEND INCOME:</b>		
Loans, including fees	11,036,513	9,842,698
Debt securities	916,833	531,110
Federal funds sold and other	139,240	64,101
Total interest and dividend income	<u>12,092,586</u>	<u>10,437,909</u>
<b>INTEREST EXPENSE:</b>		
Deposits	1,073,025	1,114,010
Federal Home Loan Bank advances	257,030	102,823
Total interest expense	<u>1,330,055</u>	<u>1,216,833</u>
Net interest income	10,762,531	9,221,076
<b>PROVISION FOR LOAN LOSSES</b>	717,875	237,000
Net interest income after provision for loan losses	<u>10,044,656</u>	<u>8,984,076</u>
<b>NON-INTEREST INCOME:</b>		
Customer service fees	601,479	299,320
Net realized gains on sales of securities	5,150	26,877
Other	739,209	646,453
Total non-interest income	<u>1,345,838</u>	<u>972,650</u>
<b>NON-INTEREST EXPENSE:</b>		
Salaries and employee benefits	5,698,488	4,858,360
Occupancy	1,040,241	817,210
Other	1,905,212	1,738,849
Total non-interest expense	<u>8,643,941</u>	<u>7,414,419</u>
Income before taxes	2,746,553	2,542,307
<b>INCOME TAX EXPENSE</b>	826,450	759,661
Net income	<u><u>1,920,103</u></u>	<u><u>1,782,646</u></u>

# Bank of Nebraska *Acquisition* 7 Strategic Highlights

With the acquisition of Bank of Nebraska, we'll hit our goal of \$500 million in assets by our tenth anniversary - which is coming up on December 10, 2017.

The acquisition represents the optimal use of our surplus capital and will strengthen the return-on-investment for shareholders, enhance service quality for customers and help us provide ongoing professional development and advancement opportunities for employees.

## Optimum Asset Size

Within the Omaha market, \$500 to \$750 million is the ideal asset size for a genuine community bank. At this size, we'll be able to provide top-of-line technology solutions - and operate effectively within an increasingly complex regulatory environment.

## Ideal Number of Locations

Even with the advent and acceptance of online banking, bank branches still matter. For our market, we've always felt six to ten branches would be ideal. With the acquisition, we'll have seven branches - and beginning in 3rd quarter 2017 a customer should be able to seamlessly transact business at any location.

## In-Market Efficiencies

Because this is an in-market acquisition, our operation will remain locally managed. The acquisition, conversion and integration will present no significant strain or stress to management teams or systems.

## Geographic Diversity

The acquisition helps us expand our presence in Sarpy County - where Bank of Nebraska has developed good household penetration over the past 35 years - and gives us a better distribution of locations across the metro area.

## Higher Loan Limits

With the acquisition, we'll be able to write larger loans - and more loans as the sole lender. This will strengthen relationships with business clients and improve our overall response times.

## Complementary Strengths

Combining our strengths in technology and business banking with Bank of Nebraska's strengths in the consumer retail space, including mortgage, creates a well-rounded, full-service bank that reaches across the metro area.

## Common Core Values

Both organizations emphasize and value customer service, with a high-touch approach that builds long term relationships with customers of all types. As a result, conversion and integration should go smoothly and quickly.





## Executive Management Team



**Patrick J. Corrigan**  
President & CEO



**Dana Henricksen**  
EVP & Chief Financial Officer



**Nannette Sudman**  
EVP & Chief Operating Officer



**Nathan Christ**  
EVP & Chief Business Development Officer



**Tom Corrigan**  
EVP & Chief Credit Officer

## Senior Management Team



**Katie Henry**  
Senior Vice President of  
Professional Services



**Dan Ertz**  
Senior Vice President of Real  
Estate Banking



**Mack La Rock**  
Senior Vice President &  
Commercial Banking Manager



**Jeffrey Wiitanen**  
Senior Vice President  
& Controller

## Board of Directors

**John Morris**  
Chairman of the Board

**Robert Baltzell**  
Sirius, LLC

**Angela Quinn**  
Baxter Auto

**Justin Lovegrove**  
The ARC Group

**Fred Bruning**  
Bruning State Bank

**Gary Perkins**  
Retired from Children's Hospital  
and Medical Center

**Wayne Hoovestol**  
Lone Mountain Truck Leasing,  
LLC

**Patrick Corrigan**  
ACCESSbank

**Peg Stessman**  
Strategic Health Solutions

**Dana Henricksen**  
ACCESSbank



# Giving Back Volunteerism *and* Support

*Serving others is who we are. It's the ACCESSway.*

Every year, our employees give back with their time, talent and resources. Whether supporting a local food bank or contributing to a great cause, we are committed to making meaningful contributions in the communities we serve.

In 2016, our employees went above and beyond in making positive experiences happen every day.



## Omaha Gives

Through our affiliation and support of the fine work the Omaha Community Foundation provides, our employees have stepped up over the past few years to provide financial support to various non-profit organizations in our community.

## Food Bank for the Heartland

Employees volunteered their time with the Strike Out Hunger campaign, packing hundreds of pounds of food to help feed those hungry in our area. Our team donated 50.5 hours, providing a total of 6,877 meals to our community.

## Fred & Pamela Buffett Cancer Center

We were proud to be a sponsor of the WE CAN Cure-A-Thon and offer matching donations up to \$5,000. All proceeds went directly to cancer research and patient assistance for the new Fred & Pamela Buffett Cancer Center.

## 24 Hours of Impact

In 2016, employees donated at least one hour of their time on July 22nd to participate in 24 Hours of Impact. Each branch developed their own volunteer initiative which included; cleaning Omaha Street School, a faith-based alternative high school that puts at-risk youth on the path to success, working with Keep Omaha Beautiful to clean litter around Lake Zorinsky and hosting our own Alex's Lemonade Stand which raised more than \$400 for a young girl battling childhood cancer in Omaha.

Throughout the year, we supported these and other great community causes such as Habitat for Humanity, United Way, Project Harmony and Open Door Mission.

Our employees are never shy about rolling up their sleeves and giving back. We're proud to be a part of the communities we serve.



# Built on Referrals

## *from* Shareholders, Clients & Employees

Successful businesses are built on referrals. That goes for banks, too.

In case you didn't know, we prize referrals. When we receive a positive endorsement from a shareholder, client or employee - it doesn't just give us one new opportunity, it gives us a dozen or more.

Every new customer turns into even more referrals, which spurs growth and solidifies our future.

## What are we looking for?

**Small to medium-sized businesses** - especially those looking for a lending partner to help them purchase equipment, finance a building or provide a line of credit for operations and inventory. We also offer deposit solutions to help businesses better manage their cash flow.

**Homebuyers** - we offer great mortgage products for first-time homebuyers and for experienced homeowners looking to trade up.

**Individuals and Families** - we couple our personal banking products with a great online banking experience. And don't forget our insurance offerings protecting auto, home and life.

*Please keep ACCESSbank top-of-mind, and we pledge to provide prompt, professional service to any referral you send our way. Need a referral from us for your business or enterprise? Just let us know what you're looking for. We'll be happy to help.*







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