# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, D.C. 20549**

# FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2024**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _______ to _______

Commission file number **001-35968**

# MIDWEST*ONE* FINANCIAL GROUP, INC.
(Exact name of Registrant as specified in its charter)

| | |
|---|---|
| **Iowa** | **42-1206172** |
| **(State or Other Jurisdiction of Incorporation or Organization)** | **(I.R.S. Employer Identification Number)** |

**102 South Clinton Street, Iowa City, IA 52240**
**(Address of principal executive offices, including zip code)**

**(319) 356-5800**
**(Registrant's telephone number, including area code)**

Securities registered pursuant to Section 12(b) of the Act:

| Title of each Class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, $1.00 par value | MOFG | The Nasdaq Stock Market LLC |

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☐ Yes ☒ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definition of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☒ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ |
| | | Emerging growth company | ☐ |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to Section 240.10D-1(b) ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐ Yes ☒ No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant, based on the last sales price quoted on the Nasdaq Global Select Market of $22.49 on the last business day of the registrant's most recently completed second fiscal quarter, was approximately $354.7 million.

The number of shares outstanding of the registrant's common stock, par value $1.00 per share, as of March 7, 2025, was 20,815,715.

**DOCUMENTS INCORPORATED BY REFERENCE**

The information required by Part III is incorporated by reference to portions of the definitive proxy statement to be filed within 120 days after December 31, 2024, pursuant to Regulation 14A under the Securities Exchange Act of 1934 in connection with the annual meeting of stockholders to be held on April 22, 2025.

**MIDWEST*ONE* FINANCIAL GROUP, INC.**
**Annual Report on Form 10-K**
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**Glossary of Acronyms, Abbreviations, and Terms**

The acronyms, abbreviations, and terms listed below are used in various sections of this Annual Report on Form 10-K, including, "Cautionary Note Regarding Forward-Looking Statements," "Item 1. Business," "Item 1A. Risk Factors," "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," "Item 7A. Quantitative and Qualitative Disclosures About Market Risk," and "Item 8. Financial Statements and Supplemental Data."

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|---|---|---|---|
| ACL | Allowance for Credit Losses | FHLBDM | Federal Home Loan Bank of Des Moines |
| AFS | Available for Sale | FHLMC | Federal Home Loan Mortgage Corporation |
| AOCI | Accumulated Other Comprehensive Income | FNBF | First National Bank in Fairfield |
| ASC | Accounting Standards Codification | FNBM | First National Bank of Muscatine |
| ASU | Accounting Standards Update | FNMA | Federal National Mortgage Association |
| ATB | ATBancorp | FRB or Federal Reserve | Board of Governors of the Federal Reserve System |
| ATM | Automated Teller Machine | GAAP | U.S. Generally Accepted Accounting Principles |
| Basel III Rules | A comprehensive capital framework and rules for U.S. banking organizations approved by the FRB and the FDIC in 2013 | GLBA | Gramm-Leach-Bliley Act of 1999 |
| BHCA | Bank Holding Company Act of 1956, as amended | GSE | Government-Sponsored Enterprise |
| BOD | Bank of Denver | HTM | Held to Maturity |
| BOLI | Bank-Owned Life Insurance | IOFB | Iowa First Bancshares Corp. |
| BTFP | Bank Term Funding Program | MBEFD | Loan Modification for Borrowers Experiencing Financial Difficulty |
| CAA | Consolidated Appropriations Act, 2021 | MBS | Mortgage-Backed Securities |
| CECL | Current Expected Credit Loss | PCD | Purchased Financial Assets with Credit Deterioration |
| CMO | Collateralized Mortgage Obligations | PRSUs | Performance-Based Restricted Stock Unit Awards |
| COVID-19 | Coronavirus Disease 2019 | ROU | Right-of-Use |
| CRA | Community Reinvestment Act | RPA | Credit Risk Participation Agreement |
| CRE | Commercial Real Estate | RRE | Residential Real Estate |
| DNVB | Denver Bankshares, Inc. | SBA | U.S. Small Business Administration |
| DCF | Discounted Cash Flow Method | SEC | U.S. Securities and Exchange Commission |
| Dodd-Frank Act | Dodd-Frank Wall Street Reform and Consumer Protection Act | SERPs | Supplemental Executive Retirement Plans |
| ESOP | Employee Stock Ownership Plan | SOFR | Secured Overnight Financing Rate |
| EVE | Economic Value of Equity | TRSUs | Time-Based Restricted Stock Unit Awards |
| FASB | Financial Accounting Standards Board | | |
| FDIC | Federal Deposit Insurance Corporation | | |
| FHLB | Federal Home Loan Bank | | |

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual report on Form 10-K contains certain “forward-looking statements” within the meaning of such term in the Private Securities Litigation Reform Act of 1995. We and our representatives may, from time to time, make written or oral statements that are “forward-looking” and provide information other than historical information. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any results, levels of activity, performance or achievements expressed or implied by any forward-looking statement. These factors include, among other things, the factors listed below. Forward-looking statements, which may be based upon beliefs, expectations and assumptions of our management and on information currently available to management, are generally identifiable by the use of words such as “believe,” “expect,” “anticipate,” “should,” “could,” “would,” “plans,” “goals,” “intend,” “project,” “estimate,” “forecast,” “may” or similar expressions. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, these statements. Readers are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Additionally, we undertake no obligation to update any statement in light of new information or future events, except as required under federal securities law.

Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors that could have an impact on our ability to achieve operating results, growth plan goals and future prospects include, but are not limited to, the following:

- the risks of mergers or branch sales (including the recent sale of our Florida banking operations and the acquisition of DNVB), including, without limitation, the related time and costs of implementing such transactions, integrating operations as part of these transactions and possible failures to achieve expected gains, revenue growth and/or expense savings from such transactions;
- credit quality deterioration, pronounced and sustained reduction in real estate market values, or other uncertainties, including the impact of inflationary pressures on economic conditions and our business, resulting in an increase in the allowance for credit losses, an increase in the credit loss expense, and a reduction in net earnings;
- the effects of changes in interest rates, including on our net income and the value of our securities portfolio;
- changes in the economic environment, competition, or other factors that may affect our ability to acquire loans or influence the anticipated growth rate of loans and deposits and the quality of the loan portfolio and loan and deposit pricing;
- fluctuations in the value of our investment securities;
- governmental monetary and fiscal policies;
- the economic impacts on the Company and its customers of climate change, natural disasters and exceptional weather occurrences, such as: tornadoes, floods and blizzards;
- legislative and regulatory changes, including changes in banking, securities, trade, and tax laws and regulations and their application by our regulators, including changes in interpretation or prioritization, and any changes in response to the failures of other banks;
- the ability to attract and retain key executives and employees experienced in banking and financial services;
- the sufficiency of the allowance for credit losses to absorb the amount of expected losses inherent in our existing loan portfolio;
- our ability to adapt successfully to technological changes to compete effectively in the marketplace;
- credit risks and risks from concentrations (by type of borrower, collateral, geographic area and by industry) within our loan portfolio;
- the effects of competition from other commercial banks, thrifts, mortgage banking firms, consumer finance companies, credit unions, securities brokerage firms, insurance companies, money market and other mutual funds, financial technology companies, and other financial institutions operating in our markets or elsewhere or providing similar services;
- the failure of assumptions underlying the establishment of allowances for credit losses and estimation of values of collateral and various financial assets and liabilities;
- volatility of rate-sensitive deposits;
- operational risks, including data processing system failures and fraud;
- asset/liability matching risks and liquidity risks;
- the costs, effects and outcomes of existing or future litigation or other legal proceedings and regulatory actions;
- new or revised general economic, political, or industry conditions, nationally, internationally or in the communities in which we conduct business, including the risk of a recession;
- changes in accounting policies and practices, as may be adopted by state and federal regulatory agencies and the FASB;
- war or terrorist activities, including ongoing conflicts in the Middle East and the Russian invasion of Ukraine, widespread disease or pandemic, or other adverse external events, which may cause deterioration in the economy or cause instability in credit markets;
- the occurrence of fraudulent activity, breaches, or failures of our or our third party vendors' information security controls or cyber-security related incidents, including as a result of sophisticated attacks using artificial intelligence and similar tools or as a result of insider fraud;
- the imposition of tariffs or other domestic or international governmental policies impacting the value of the agricultural or other products of our borrowers;
- the ability to successfully manage liquidity risk, which may increase dependence on non-core funding sources such as brokered deposits, and may negatively impact the Company’s cost of funds;
- the concentration of large deposits from certain clients, including those who have balances above current FDIC insurance limits;
- changes in the business and economic conditions generally and in the financial services industry, and the effects of recent developments and events in the financial services industry, including the large-scale deposit withdrawals over a short period of time that resulted in prior bank failures; and
- other factors and risks described under “Risk Factors” in this Form 10-K and in other reports we file with the SEC.

We qualify all of our forward-looking statements by the foregoing cautionary statements. Because of these risks and other uncertainties, our actual future results, performance or achievement, or industry results, may be materially different from the results indicated by these forward-looking statements. In addition, our past results of operations are not necessarily indicative of our future results.

# PART I

## ITEM 1. BUSINESS.

**General**

MidWest*One* Financial Group, Inc., an Iowa corporation formed in 1983, is a bank holding company registered under the BHCA and a financial holding company under the GLBA, with our corporate headquarters in Iowa City, Iowa. Our principal business is to serve as the holding company for our wholly-owned subsidiary, MidWest*One* Bank. References to the "Bank" refer to MidWest*One* Bank. References to "MidWest*One,*" "we," "us," or the "Company," refer to MidWest*One* Financial Group, Inc. together with its subsidiaries on a consolidated basis.

The Bank is focused on delivering relationship-based business and personal banking products and services. The Bank provides commercial loans, real estate loans, agricultural loans, credit card loans, and consumer loans. The Bank also provides deposit products including demand and interest checking accounts, savings accounts, money market accounts, and time deposits. Complementary to our loan and deposit products, the Bank also provides products and services including treasury management, Zelle, online and mobile banking, debit cards, ATMs, and safe deposit boxes. The Bank offers its products and services primarily through its network of full-service banking offices, which includes, as of December 31, 2024, 35 banking offices located throughout central and eastern Iowa, 12 banking offices in the Minneapolis/St. Paul metropolitan area, 7 banking offices in southwestern Wisconsin, and two banking offices in Denver, Colorado. The Bank also has wealth management services through which it offers the administration of estates, trusts, and conservatorships, as well as financial planning, investment advisory, and brokerage services.

As of December 31, 2024, we had total assets of $6.24 billion, total loans, net of unearned income, of $4.32 billion, total deposits of $5.48 billion, and shareholders' equity of $559.7 million.

**Recent Developments**

On January 31, 2024, the Company completed the acquisition of DNVB, a bank holding company whose wholly-owned banking subsidiary was BOD. Immediately following completion of the acquisition, BOD was merged with and into the Bank. As consideration for the merger, the Company paid cash in the amount of $32.6 million.

On June 7, 2024, MidWest*One* Bank completed the sale of its Florida banking operations for a 7.5% deposit premium, which consisted of one MidWest*One* Bank branch in each of Naples and Ft. Myers, Florida.

In September 2024, the Company completed a common equity capital raise, resulting in net proceeds to the Company of $118.6 million. The proceeds from the common equity capital raise were utilized to facilitate a balance sheet repositioning to improve earnings and liquidity risk profiles, as well as capital levels.

**Operating Strategy**

Our operating strategy is based upon a community banking model of delivering a comprehensive suite of financial products and services while following five operating principles: (1) generate impact for our stakeholders; (2) hire and retain excellent employees; (3) always conduct yourself with the utmost integrity; (4) work as one team; and (5) learn constantly so we can continually improve. Management believes the depth and breadth of the Company's products and services coupled with the personal and professional delivery of the same provides an appealing alternative to competitors.

**Lending Activities**

***General***

We provide a range of commercial and retail lending services to businesses, including public sector and non-profit entities, and individuals. These credit activities include commercial and industrial loans, commercial and residential real estate loans, agricultural loans, and consumer loans.

We market our services to qualified lending customers. Lending officers actively solicit the business of new companies entering their market areas as well as long-standing members of the business communities in which we operate. Through professional service, competitive pricing, and innovative structure, we have been successful in attracting new lending customers. We also actively pursue consumer lending opportunities. With convenient locations, advertising, customer communications, and competitive technology, we believe that we have been successful in capitalizing on the credit needs of our market areas.

Our management emphasizes credit quality and seeks to avoid undue concentrations of loans to a single industry or based on a single class of collateral. We have established lending policies that include a number of underwriting factors to be considered in making a loan, including: location, loan-to-value ratio, cash flow, interest rate, and credit history of the borrower.

***Commercial and Industrial Loans***

We have a strong commercial loan base. We focus on, and tailor our commercial loan programs to, small- to mid-sized businesses in our market areas. Our loan portfolio includes loans to wholesalers, manufacturers, contractors, business services companies and retailers. We provide a wide range of business loans, including lines of credit for working capital and operational purposes and term loans for the acquisition of equipment. Although most loans are made on a secured basis, loans may be made on an unsecured basis where warranted by the overall financial condition of the borrower. Terms of commercial business loans generally range from one to five years.

Our commercial and industrial loans are primarily made based on the reported cash flow of the borrower and secondarily on the underlying collateral provided by the borrower. The collateral support provided by the borrower for most of these loans and the probability of repayment is based on the liquidation of the pledged collateral and enforcement of a personal guarantee, if any exists. The primary repayment risks of commercial loans are that the cash flows of the borrower may be unpredictable, and the collateral securing these loans may fluctuate in value. As of December 31, 2024, commercial and industrial loans comprised approximately 26.1% of our total loan portfolio.

***Commercial Real Estate Loans***

We also offer mortgage loans to our commercial and agricultural customers for the acquisition of real estate used in their businesses, such as offices, farmland, warehouses and production facilities, and to real estate investors for the acquisition of apartment buildings, retail centers, office buildings and other commercial buildings. In deciding whether to make a commercial real estate loan, we consider, among other things, the experience and qualifications of the borrower as well as the value and cash flow of the underlying property. Some factors considered are net operating income of the property before debt service and depreciation, the debt service coverage ratio (the ratio of the property's net cash flow to debt service requirements), the cash flows of the borrower, the ratio of the loan amount to the property value and the overall creditworthiness of the prospective borrower. The primary repayment risks of commercial real estate loans are that the cash flows of the borrower may be unpredictable, and the collateral securing these loans may fluctuate in value. As of December 31, 2024, commercial real estate loans constituted approximately 54.2% of our total loan portfolio.

*Construction and Development Loans*. We offer loans both to individuals who are constructing personal residences and to real estate developers and building contractors for the acquisition of land for development and the construction of homes and commercial properties. These loans are generally in-market to known and established borrowers. Construction and development loans generally have a short term, such as one to two years. As of December 31, 2024, construction and development loans constituted approximately 7.5% of our total loan portfolio.

*Farmland.* We offer agricultural mortgage loans to our agricultural customers for the acquisition of real estate used in their business, generally farmland. As of December 31, 2024, farmland loans represented approximately 4.2% of our total loan portfolio.

*Multifamily.* We offer mortgage loans to real estate investors for the acquisition of multifamily (apartment) buildings. As of December 31, 2024, multifamily loans represented approximately 9.8% of our total loan portfolio.

*Commercial real estate-other.* We offer commercial mortgage loans for the acquisition of real estate used in the customer's business, such as offices, warehouses, and production facilities. As of December 31, 2024, commercial real estate-other loans represented approximately 32.7% of our total loan portfolio.

***Residential Real Estate Loans***

Included in this category are home equity loans made to individuals. We generally retain short-term residential mortgage loans that we originate for our own portfolio and sell most long-term residential mortgage loans to other parties, while retaining servicing rights on the majority of such loans. At December 31, 2024, we serviced approximately $870.7 million in mortgage loans for others. We do not offer subprime mortgage loans and do not operate a wholesale mortgage business. Residential mortgage comprised approximately 15.3% of our total loan portfolio at December 31, 2024.

### *Agricultural Loans*

Agricultural loans, most of which are secured by crops, livestock and machinery, are generally provided to finance capital improvements and farm operations as well as acquisitions of livestock and machinery. The ability of the borrower to repay may be affected by many factors outside of the borrower's control, including adverse weather conditions, loss of livestock due to disease or other factors, declines in market prices for agricultural products and the impact of government regulations. The ultimate repayment of agricultural loans is dependent upon the profitable operation or management of the agricultural entity.

Our agricultural lenders work closely with our customers, including companies and individual farmers, and review the preparation of budgets and cash flow projections for the ensuing crop year. These budgets and cash flow projections are monitored closely during the year and reviewed with the customers at least once annually. We also work closely with governmental agencies to help agricultural customers obtain credit enhancement products such as loan guarantees or interest rate assistance. Agricultural loans comprised approximately 2.8% of our total loan portfolio at December 31, 2024.

### *Consumer Lending*

Our consumer lending department provides many types of consumer loans, including personal loans (secured or unsecured) and automobile loans. Consumer loans typically have shorter terms, lower balances, higher yields and higher risks of default than one- to four-family residential real estate mortgage loans. Consumer loan collections are dependent on the borrower's continuing financial stability and are therefore more likely to be affected by adverse personal circumstances. As of December 31, 2024, consumer loans comprised 1.6% of our total loan portfolio.

## Other Products and Services

### *Deposit Products*

We offer competitive deposit products and programs that address the needs of customers in each of the local markets that we serve. The deposit products are offered to individuals, nonprofit organizations, partnerships, small businesses, corporations and public entities. These products include noninterest bearing and interest bearing demand deposits, savings accounts, money market accounts and time deposits. Approximately 89.6% of our total deposits were considered "core" deposits as of December 31, 2024, compared to 87.6% at December 31, 2023. We consider core deposits to be the total of all deposits other than time deposits greater than $250 thousand and brokered deposits.

### *Private Wealth and Investment Services*

We offer private wealth and investment services to help our business and individual clients in meeting their financial goals and preserving wealth. Our services include administering estates, trusts, and conservatorships, and providing property management, farm management, investment advisory, retail securities brokerage, financial planning and custodial services. Licensed brokers, who are registered representatives of a third party registered broker-dealer, serve selected branches and provide investment-related services, such as investment management and financial planning.

## Liquidity and Funding

We depend on deposits and external financing sources to fund our operations. We employ a variety of financing arrangements, including brokered deposits, term debt, subordinated debt, and equity. A discussion of our liquidity and funding programs has been included in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations under "Liquidity," and Item 7A. Quantitative and Qualitative Disclosures About Market Risk under "Liquidity Risk."

## Competition

The banking business and related financial service providers operate in a highly competitive market. The Company competes with other commercial banks, thrifts, credit unions, other financial services companies, finance divisions of auto and farm equipment companies, agricultural suppliers, and other agriculture-related lenders, as well as fintech companies, digital asset service providers, and other non-bank financial services providers. Some of these competitors are local, while others are statewide, regional or nationwide. In addition, financial technology companies and digital asset service providers are emerging in key areas of banking. We compete for deposits, loans, and other financial services through the range and quality of services we provide, with an emphasis on building long-lasting relationships.

**Human Capital Resources**

MidWest*One*'s mission statement, "Take care of our customers and those who should be" and our vision statement, "To be the preeminent relationship-driven community bank where our expertise and proactive approach generate meaningful impact for our stakeholders," are the foundation for everything we do. To fulfill our mission, vision, and strategic plan, our board of directors (the "Board"), through the Human Capital and Compensation Committee, oversees our human capital strategies and programs designed to drive impact for our stakeholders. These include acquiring and developing expertise, engaging and empowering team members, total rewards and recognition, and equal opportunity.

Demographics: As of December 31, 2024, the Company employed 757 full-time equivalent employees. Our workforce is principally in the following geographic regions: Iowa; the Minneapolis/St. Paul metropolitan area of Minnesota; southwest Wisconsin; and Denver, Colorado.

Talent: We recognize that our talented team members are our most valuable asset. Therefore, we invest in a range of formal and informal development opportunities to cultivate a highly skilled workforce. We provide internally designed learning programs and commit resources to external professional education. The learning is reinforced with experience-based assignments, mentorship, project teams, and community involvement initiatives. Through effective coaching, performance management, mentoring, and succession planning programs, we continue to provide talented and well-deserving employees internal promotional opportunities that are aligned to their career aspirations.

Engagement: In 2024, our employees celebrated the twelfth consecutive year of being recognized as a Top Workplace in Iowa and a USA TODAY Top Workplace since the inception in 2021. This recognition is a result of employee feedback surveys that measure employee engagement, organizational health, and job satisfaction. While our engagement surveys provide a good opportunity to gather feedback, we are constantly listening and learning from our employees, including employee town halls and leadership forums. Peer to peer and leader recognition occurs regularly, including at our all-company monthly "One Call" and our annual "Rally Day" event. In October 2024, we celebrated our 90th anniversary and held our first inaugural company-wide Community Day. We closed our offices and branches so approximately 650 team members could support around 70 different organizations and worthy causes in communities across our footprint.

Total Rewards & Recognition: The Company is committed to offering a competitive total compensation package based upon industry best practices and comparative market data. Our compensation programs include base salary and incentive compensation opportunities. We also offer a broad array of benefits including 401(k), medical, dental, vision, disability, life insurance plans, PTO plan, employee stock ownership program, health savings and flexible spending accounts, family leave options, employee assistance program, wellness program, and student debt reduction. These programs are designed to attract and retain top talent, reward excellent performance, and motivate teams to drive the achievement of the Company's financial performance objectives and aligned performance goals in a balanced, risk-based manner.

Equal Opportunity: We believe that diverse perspectives are key to innovation and mutual success. We strive to foster a workplace where everyone feels valued, respected, and empowered to contribute their unique talents. This positions us to understand, serve, and support our colleagues, customers, and communities. The Company makes employment decisions based on qualifications, merit, and business needs. We do not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity national origin, age, disability, veteran status, or other legally protected characteristics.

**Available Information**

We file Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statements, and other information with the SEC. The public may obtain copies of these reports and any amendments at the SEC's Internet site, *www.sec.gov*.

Additionally, reports filed with the SEC can be obtained free of charge through our website at *www.midwestone.com* under "Investor Relations - SEC Filings". These reports are made available through our website as soon as reasonably practicable after they are filed electronically with, or furnished to, the SEC. Information on, or accessible through, our website is not part of, or incorporated by reference in, this Annual Report on Form 10-K.

## Supervision and Regulation

### *General*

FDIC-insured institutions, like the Bank, their holding companies and their affiliates are extensively regulated under federal and state law. As a result, our growth and earnings performance may be affected not only by management decisions and general economic conditions, but also by the requirements of federal and state statutes and by the regulations and policies of various banking agencies, including the Iowa Division of Banking (the "Iowa Division"), the Federal Reserve, the FDIC and the Consumer Financial Protection Bureau (the "CFPB"). Furthermore, taxation laws administered by the Internal Revenue Service and state taxing authorities, accounting rules developed by the FASB, securities laws administered by the SEC and state securities authorities, and anti-money laundering and sanctions laws enforced by the U.S. Department of the Treasury ("Treasury") have an impact on our business. The effect of these statutes, regulations, regulatory policies and accounting rules are significant to our operations and results.

Federal and state banking laws impose a comprehensive system of supervision, regulation and enforcement on the operations of FDIC-insured institutions, their holding companies and affiliates that is intended primarily for the protection of the FDIC-insured deposits and depositors of banks, rather than shareholders. These laws, and the regulations of the banking agencies issued under them, affect, among other things, the scope of our business, the kinds and amounts of investments that the Company and the Bank may make, required capital levels relative to assets, the nature and amount of collateral for loans, the establishment of branches, the ability of the Company and the Bank to merge, consolidate and acquire, dealings with our insiders and affiliates and the payment of dividends. In reaction to the global financial crisis and particularly following the passage of the Dodd-Frank Act, we experienced heightened regulatory requirements and scrutiny. Although the reforms primarily targeted large banking organizations and systemically important financial institutions, their influence filtered down in varying degrees to community banks over time and caused our compliance and risk management processes, and the costs thereof, to increase. The Economic Growth, Regulatory Relief and Consumer Protection Act of 2018 ("Regulatory Relief Act") eliminated questions about the applicability of certain Dodd-Frank Act reforms to community banking organizations, including relieving them of any requirement to engage in mandatory stress tests, maintain a risk committee or comply with the Volcker Rule's complicated prohibitions on proprietary trading and ownership of private funds. These reforms have been favorable to our operations. It is anticipated that the Trump Administration and the current U.S. Congress likely will not increase the regulatory burden on community banking organizations and may seek to reduce and streamline certain prudential and regulatory requirements applicable to these banking organizations at a federal level based on statements made by relevant congressional leaders and the acting leaders of certain federal banking agencies. At this time, however, it is not possible to predict with any certainty the actual impact that the Trump Administration may have on the banking industry or the operations of the Company or the Bank.

The supervisory framework for U.S. banking organizations subjects banks and bank holding companies to regular examination by their respective banking agencies, which results in examination reports and ratings that are not publicly available and that can impact the conduct and growth of their businesses. These examinations consider not only compliance with applicable laws and regulations, but also capital levels, asset quality and risk, management ability and performance, earnings, liquidity, and various other factors. The banking agencies generally have broad discretion to impose restrictions and limitations on the operations of a regulated entity where the agencies determine, among other things, that such operations are unsafe or unsound, fail to comply with applicable law or are otherwise inconsistent with laws and regulations. The approach to supervision adopted by each banking agency may have significant impacts on the operations and results of the Company and the Bank, as well as the banking industry in general. Based on recent statements made by congressional leaders and the acting leaders of certain federal banking agencies, there may be changes in the supervisory processes and approach made by the Trump Administration banking agencies, but it is not possible at this time to predict the specific changes (or the timing of any such changes) that may be made.

The following is a summary of the material elements of the supervisory and regulatory framework applicable to the Company and the Bank. It does not describe all of the statutes, regulations and regulatory policies that apply, nor does it restate all of the requirements of those that are described. The descriptions are qualified in their entirety by reference to the particular statutory and regulatory provision.

### *The Role of Capital*

Regulatory capital represents the net assets of a banking organization available to absorb losses. Because of the risks attendant to their business, FDIC-insured institutions, such as banks, as well as their holding companies (i.e., banking organizations) are required to hold capital, which directly affects our earnings capabilities. Although capital has historically been one of the key measures of the financial health of both bank holding companies and banks, its role became fundamentally more important in the wake of the global financial crisis, as the banking agencies recognized that the amount and quality of capital held by banking organizations prior to that crisis was insufficient to absorb losses during periods of severe stress.

*Capital Levels.* Banking organizations have been required to hold minimum levels of capital based on guidelines established by the banking agencies since 1983. The minimum capital levels for banking organizations have been expressed in terms of ratios of "capital" divided by "total assets." The capital guidelines for U.S. banking organizations beginning in 1989 have been based upon international capital accords (known as the "Basel" accords) adopted by the Basel Committee on Banking Supervision, a committee of central banks and bank supervisors that acts as the primary global standard-setter for prudential regulation, as implemented by the U.S. federal banking agencies on an interagency basis. The accords recognized that bank assets for the purpose of the capital ratio calculations needed to be risk weighted (the theory being that riskier assets should require more capital) and that off-balance sheet exposures needed to be factored in the calculations. Following the global financial crisis, the Group of Governors and Heads of Supervision, the oversight body of the Basel Committee on Banking Supervision, announced an agreement on a strengthened set of capital requirements for banking organizations around the world, known as the Basel III accords, to address deficiencies recognized in connection with the global financial crisis.

*The Basel III Rule*. The U.S. federal banking agencies adopted the U.S. Basel III regulatory capital reforms, and, at the same time, effected changes required by the Dodd-Frank Act, in regulations that were effective (with certain phase-ins) in 2015 (the "Basel III Rule"). The Basel III Rule established capital standards for banking organizations that are meaningfully more stringent than those in place previously and are still in effect today. The Basel III Rule increased the required quantity and quality of capital and required a more complex, detailed and calibrated assessment of risk in the calculation of risk weightings for assets. The Basel III Rule is applicable to all banking organizations that are subject to minimum capital requirements, including national and state banks and savings and loan associations, as well as to most bank and savings and loan holding companies. The Company and the Bank are each subject to the Basel III Rule as described below.

The Basel III Rule also increased the required quantity and quality of capital. Not only did it increase most of the required minimum capital ratios in effect prior to January 1, 2015, but, in requiring that forms of capital be of higher quality to absorb loss, it introduced the concept of Common Equity Tier 1 Capital, which consists primarily of common stock, related surplus (net of Treasury stock), retained earnings, and Common Equity Tier 1 minority interests subject to certain regulatory adjustments. The Basel III Rule also changed the definition of capital by establishing more stringent criteria that instruments must meet to be considered Additional Tier 1 Capital (primarily non-cumulative perpetual preferred stock that meets certain requirements) and Tier 2 Capital (primarily other types of preferred stock and subordinated debt, subject to limitations). The Basel III Rule also constrained the inclusion of minority interests, mortgage-servicing assets, and deferred tax assets in capital and required deductions from Common Equity Tier 1 Capital if such assets exceeded a specified percentage of a banking organization's Common Equity Tier 1 Capital.

The Basel III Rule requires banking organizations to maintain **minimum** capital ratios as follows:

- A ratio of Common Equity Tier 1 Capital equal to 4.5% of risk-weighted assets;
- A ratio of Tier 1 Capital equal to 6% of risk-weighted assets;
- A ratio of Total Capital (Tier 1 plus Tier 2) equal to 8% of risk-weighted assets; and
- A leverage ratio of Tier 1 Capital to total quarterly average assets equal to 4% in all circumstances.

In addition, banking organizations that want to make capital distributions (including for dividends and repurchases of stock) and pay discretionary bonuses to executive officers without restriction must also maintain an additional 2.5% in Common Equity Tier 1 Capital attributable to a capital conservation buffer. The purpose of the conservation buffer is to ensure that banking organizations maintain a buffer of capital that can be used to absorb losses during periods of financial and economic stress. Factoring in the conservation buffer increases the minimum ratios depicted above to 7% for Common Equity Tier 1 Capital, 8.5% for Tier 1 Capital and 10.5% for Total Capital.

In July 2023, the Biden Administration federal banking agencies proposed wide-ranging and significant changes to the Basel III Rule (the "Basel III Endgame Proposal"), which would have, among other requirements, imposed structural changes to the calculation of capital requirements and risk-weighted assets in an effort to finish the implementation of the Basel III accords. The Basel III Endgame Proposal would have primarily impacted the capital requirements applicable to banking organizations with $100 billion or more in total assets, and, as a general matter, would not have had a significant impact on the Company or the Bank. The Basel III Endgame Proposal has not been, and is not expected to be, adopted in its proposed form. The Trump Administration banking agencies may change or issue their own version of this proposal.

*Well-Capitalized Requirements*. The capital ratios described above are minimum standards in order for banking organizations to be considered "adequately capitalized." Banking agencies uniformly encourage banking organizations to hold more capital and be "well-capitalized" and, to that end, federal law and regulations provide various incentives for banking organizations to maintain regulatory capital at levels in excess of minimum regulatory requirements. For example, a banking organization that is well-capitalized may: (i) qualify for exemptions from prior notice or application requirements otherwise applicable to certain types of activities; (ii) qualify for expedited processing of other required notices or applications; and (iii) accept, roll-over or renew brokered deposits. Higher capital levels could also be required if warranted by the particular circumstances or risk profiles of individual banking organizations. For example, the Federal Reserve's capital guidelines contemplate that additional capital may be required to take adequate account of, among other things, interest rate risk, or the risks posed by concentrations of credit, nontraditional activities or securities trading activities. Further, any banking organization experiencing or anticipating significant growth would be expected to maintain capital ratios, including tangible capital positions (i.e., Tier 1 Capital less all intangible assets), well above the minimum levels.

Under the capital regulations of the Federal Reserve for the Company and the FDIC for the Bank, in order to be well-capitalized, we must maintain:

- A Common Equity Tier 1 Capital ratio to risk-weighted assets of 6.5% or more;
- A ratio of Tier 1 Capital to total risk-weighted assets of 8% or more;
- A ratio of Total Capital to total risk-weighted assets of 10% or more; and
- A leverage ratio of Tier 1 Capital to total adjusted average quarterly assets of 5% or greater.

It is possible under the Basel III Rule to be well-capitalized while remaining out of compliance with the capital conservation buffer discussed above.

As of December 31, 2024: (i) the Bank was not subject to a directive from the FDIC or the Iowa Division to increase its capital and (ii) the Bank was well-capitalized, as defined by FDIC regulations. As of December 31, 2024, the Company had regulatory capital in excess of the Federal Reserve's requirements and met the Basel III Rule requirements to be well-capitalized. We were also in compliance with the capital conservation buffer as of December 31, 2024.

*Prompt Corrective Action*. The concept of a banking organization being "well-capitalized" is part of a regulatory enforcement regime that provides the federal banking agencies with broad power to take "prompt corrective action" to resolve the problems of banking organizations based on the capital level of each particular institution. The extent of the agencies' powers depends on whether the institution in question is "adequately capitalized," "undercapitalized," "significantly undercapitalized" or "critically undercapitalized," in each case as defined by regulation. Depending upon the capital category to which a banking organization is assigned, the banking agencies' corrective powers include: (i) requiring the institution to submit a capital restoration plan; (ii) limiting the institution's asset growth and restricting its activities; (iii) requiring the institution to issue additional capital stock (including additional voting stock) or to sell itself; (iv) restricting transactions between the institution and its affiliates; (v) restricting the interest rate that the institution may pay on deposits; (vi) ordering a new election of directors of the institution; (vii) requiring that senior executive officers or directors be dismissed; (viii) prohibiting the institution from accepting deposits from correspondent banks; (ix) requiring the institution to divest certain subsidiaries; (x) prohibiting the payment of principal or interest on subordinated debt; and (xi) ultimately, appointing a receiver for the institution.

*Community Bank Capital Simplification*. Community banking organizations have long raised concerns with the federal banking agencies about the regulatory burden, complexity, and costs associated with certain provisions of the Basel III Rule. In response, the U.S. Congress provided an "off-ramp" for institutions, like us, with total consolidated assets of less than $10 billion as part of the Regulatory Relief Act. Section 201 of the Regulatory Relief Act specifically instructed the federal banking agencies to establish a single "Community Bank Leverage Ratio" ("CBLR") of between 8% and 10%. Under the final rule, a community banking organization is eligible to elect to comply with its capital requirements under the CBLR framework if it has: (i) less than $10 billion in total consolidated assets, (ii) limited amounts of certain assets and off-balance sheet exposures, and (iii) a CBLR greater than 9%. We have not elected to use the CBLR framework at this time.

***Supervision and Regulation of the Company***

*General.* The Company, as the sole shareholder of the Bank, is a bank holding company that has elected financial holding company status. As a bank holding company, we are registered with, and subject to regulation, supervision and enforcement by, the Federal Reserve under the BHCA. We are legally obligated to act as a source of financial and managerial strength to the Bank and to commit resources to support the Bank in circumstances where we might not otherwise do so. Under the BHCA, we are subject to periodic examination by the Federal Reserve and are required to file with the Federal Reserve periodic reports of our operations and such additional information regarding us and the Bank as the Federal Reserve may require.

*Acquisitions, Activities and Financial Holding Company Election*. The primary purpose of a bank holding company is to control and manage banks. The BHCA generally requires the prior approval of the Federal Reserve for any merger involving a bank holding company or any acquisition by a bank holding company of another bank or bank holding company. Subject to certain conditions (including deposit concentration limits established by the BHCA), the Federal Reserve may allow a bank holding company to acquire banks located in any state of the United States. In approving interstate acquisitions, the Federal Reserve is required to give effect to applicable state law limitations on the aggregate amount of deposits that may be held by the acquiring bank holding company and its FDIC-insured institution affiliates in the state in which the target bank is located (provided that those limits do not discriminate against out-of-state institutions or their holding companies) and state laws that require that the target bank have been in existence for a minimum period of time (not to exceed five years) before being acquired by an out-of-state bank holding company. Furthermore, in accordance with the Dodd-Frank Act, bank holding companies must be well-capitalized and well-managed in order to effect interstate mergers or acquisitions. For a discussion of the capital requirements, see "—The Role of Capital" above.

The BHCA generally prohibits us from acquiring direct or indirect ownership or control of more than 5% of a class of voting shares of any company that is not a bank and from engaging in any business other than that of banking, managing and controlling banks or furnishing services to banks and their subsidiaries. This general prohibition is subject to a number of exceptions. The principal exception allows bank holding companies to engage in, and to own shares of companies engaged in, certain businesses found by the Federal Reserve prior to November 11, 1999 to be "so closely related to banking ... as to be a proper incident thereto." This authority permits us to engage in a variety of banking-related businesses, including the ownership and operation of a savings association, or any entity engaged in consumer finance, equipment leasing, the operation of a computer service bureau (including software development) and mortgage banking and brokerage services. The BHCA does not place territorial restrictions on the domestic activities of nonbank subsidiaries of bank holding companies. In addition to approval from the Federal Reserve that may be required in certain circumstances, prior approval for acquisitions by the Company may be required from other agencies, such as the Iowa Division or other agencies that regulate the target company of an acquisition.

Additionally, bank holding companies that meet certain eligibility requirements prescribed by the BHCA and elect to operate as financial holding companies may engage in, or own shares in companies engaged in, a wider range of nonbanking activities, including securities and insurance underwriting and sales, merchant banking and any other activity that the Federal Reserve, in consultation with the Secretary of the Treasury, determines by regulation or order is financial in nature or incidental to any such financial activity or that the Federal Reserve determines by order to be complementary to any such financial activity, as long as the activity does not pose a substantial risk to the safety or soundness of FDIC-insured institutions or the financial system generally. We have elected to operate as a financial holding company. In order to maintain our status as a financial holding company, the Company and the Bank must be well-capitalized, well-managed, and the Bank must have a least a satisfactory CRA rating. If the Federal Reserve determines that either the Company or the Bank is not well-capitalized or well-managed, the Federal Reserve will provide a period of time in which to achieve compliance, but during the period of noncompliance, the Federal Reserve may place any limitations on us that it deems appropriate. Furthermore, if the Federal Reserve determines that a financial holding company's subsidiary bank has not received a satisfactory CRA rating, we would not be able to commence any new financial activities or acquire a company that engages in such activities.

*Change in Control.* Federal law also prohibits any person or company from acquiring "control" of an FDIC-insured depository institution or its holding company without prior notice to the appropriate federal banking agency. "Control" is conclusively presumed to exist upon the acquisition of 25% or more of the outstanding voting securities of a bank or bank holding company, but may arise under certain circumstances between 10% and 24.99% ownership.

*Capital Requirements.* We are required to maintain consolidated capital in accordance with Federal Reserve capital adequacy requirements. For a discussion of capital requirements, see "—The Role of Capital" above.

*Dividend Payments.* Our ability to pay dividends to our shareholders may be affected by both general corporate law considerations and the policies and capital requirements of the Federal Reserve applicable to bank holding companies. As an Iowa corporation, we are subject to the limitations of Iowa law, which allows us to pay dividends unless, after such dividend, (i) we would not be able to pay our debts as they become due in the usual course of business; or (ii) our total assets would be less than the sum of our total liabilities plus any amount that would be needed if we were to be dissolved at the time of the dividend payment, to satisfy the preferential rights upon dissolution of shareholders whose rights are superior to the rights of the shareholders receiving the distribution.

As a general matter, the Federal Reserve has indicated that the board of directors of a bank holding company should eliminate, defer or significantly reduce dividends to shareholders if: (i) the company's net income available to shareholders for the past four quarters, net of dividends previously paid during that period, is not sufficient to fully fund the dividends; (ii) the prospective rate of earnings retention is inconsistent with the company's capital needs and overall current and prospective financial condition; or (iii) the company will not meet, or is in danger of not meeting, its minimum regulatory capital adequacy ratios. Due to the investment securities losses recognized in conjunction with our balance sheet repositioning in the current and prior year, we were required to receive approval from the FRB prior to declaring a dividend in the fourth quarter of 2023 and in the third and fourth quarters of 2024. Such approval was received from the FRB prior to the declaration of a cash dividend of $0.2425 per share by the Board on January 23, 2024, October 23, 2024 and January 22, 2025.

The Federal Reserve also possesses enforcement powers over bank holding companies and their nonbank subsidiaries to prevent or remedy actions that represent unsafe or unsound practices or violations of applicable statutes and regulations. Among these powers is the ability to proscribe the payment of dividends by banks and bank holding companies. In addition, under the Basel III Rule, banking organizations that want to pay unrestricted dividends have to maintain 2.5% in Common Equity Tier 1 Capital attributable to the capital conservation buffer. See "—The Role of Capital" above.

*Incentive Compensation.* There have been a number of developments in recent years focused on incentive compensation plans sponsored by bank holding companies and banks, reflecting recognition by the federal banking agencies and the U.S. Congress that flawed incentive compensation practices in the financial industry were one of many factors contributing to the global financial crisis. The result was interagency guidance on sound incentive compensation practices for banking organizations.

The interagency guidance recognized three core principles. Effective incentive plans should: (i) provide employees incentives that appropriately balance risk and reward; (ii) be compatible with effective controls and risk-management; and (iii) be supported by strong corporate governance, including active and effective oversight by the organization's board of directors. Much of the guidance is directed at large banking organizations and, because of the size and complexity of their operations, the regulators expect those organizations to maintain systematic and formalized policies, procedures, and systems for ensuring that the incentive compensation arrangements for all executive and non-executive employees covered by this guidance are identified and reviewed, and appropriately balance risks and rewards. Smaller banking organizations, like us, that use incentive compensation arrangements are expected to implement less extensive, formalized, and detailed policies, procedures, and systems than those of larger banks.

In May 2024, certain of the federal banking and other financial services agencies released a proposed rule regarding certain incentive-based compensation arrangements at certain financial institutions with at least $1 billion in assets, as required under Section 956 of the Dodd-Frank Act. This proposal was largely based on an earlier 2016 proposal. The Federal Reserve and the SEC, however, did not join this proposal, and it was not published in the Federal Register, signaling potential interagency misalignment. In March 2025, the FDIC withdrew its support for this proposed rule, making it unlikely that any rule in a substantially similar form will be finalized.

*Monetary Policy.* The monetary policy of the Federal Reserve has a significant effect on the operating results of bank holding companies and their subsidiaries. Among the tools available to the Federal Reserve to affect the money supply are open market transactions in U.S. government securities and changes in the discount rate on bank borrowings. These means are used in varying combinations to influence overall growth and distribution of bank loans, investments and deposits, and their use may affect interest rates charged on loans or paid on deposits, which may impact the Company's and the Bank's businesses and operations.

*Federal Securities Regulation.* Our common stock is registered with the SEC under the Securities Act of 1933, as amended, and the Exchange Act. Consequently, we are subject to the information, proxy solicitation, insider trading and other restrictions and requirements of the SEC under the Exchange Act.

*Corporate Governance*. The Dodd-Frank Act addressed many investor protection, corporate governance and executive compensation matters that affect most U.S. publicly traded companies. It increased shareholder influence over boards of directors by requiring companies to give shareholders a nonbinding vote on executive compensation and so-called "golden parachute" payments, and authorizing the SEC to promulgate rules that would allow shareholders to nominate and solicit voters for their own candidates using a company's proxy materials. The Dodd-Frank Act also directed the Federal Reserve, together with the other federal banking and financial services agencies, to promulgate rules prohibiting excessive compensation paid to executives of bank holding companies, regardless of whether such companies are publicly traded.

***Supervision and Regulation of the Bank***

*General.* The Bank is an Iowa-chartered bank. The deposit accounts of the Bank are insured by the FDIC's Deposit Insurance Fund ("DIF") to the maximum extent provided under federal law and FDIC regulations, currently $250 thousand per insured depositor category. As an Iowa-chartered FDIC-insured bank, the Bank is subject to the examination, supervision, reporting and enforcement requirements of the Iowa Division, the chartering authority for Iowa banks, and the FDIC, designated by federal law as the primary federal regulator of insured state banks that, like the Bank, are not members of the Federal Reserve System (nonmember banks).

*Deposit Insurance*. As an FDIC-insured institution, the Bank is required to pay deposit insurance premium assessments to the FDIC. The FDIC has adopted a risk-based assessment system whereby FDIC-insured institutions pay insurance premiums at rates based on their risk classification. For institutions like the Bank that are not considered large and highly complex banking organizations, the risk-based assessment is now based on examination ratings and financial ratios. The total base assessment rates, effective as of January 1, 2023, currently range from 2.5 basis points to 32 basis points.

At least semi-annually, the FDIC updates its loss and income projections for the DIF and, if needed, increases or decreases the assessment rates, following notice and comment on proposed rulemaking. For this purpose, the reserve ratio is the DIF balance divided by estimated insured deposits. In response to the global financial crisis, the Dodd-Frank Act increased the minimum reserve ratio from 1.15% to 1.35% of the estimated amount of total insured deposits. In its October 2024 semiannual update, the FDIC stated that the reserve ratio likely will reach the statutory minimum by the September 30, 2028 deadline, and no adjustments to the base assessment rates are currently projected.

In addition, because the total cost of the failures of Silicon Valley Bank and Signature Bank was approximately $24.1 billion, the FDIC adopted a special assessment applicable to banking organizations with assets of $5 billion or more, at an annual rate of 13.4 basis points beginning with the first quarterly assessment period of 2024. The FDIC will continue to collect special assessments for an anticipated total of eight quarterly assessment periods. The base for the special assessment is equal to an insured depository institution's estimated uninsured deposits for the December 31, 2022 reporting period, adjusted to exclude the first $5 billion in estimated uninsured deposits. Although the Company is subject to the special assessment as a banking organization with more than $5 billion of assets as of December 31, 2024, the Bank did not have to pay the special assessment, as the Company's uninsured deposits were less than $5 billion.

*Supervisory Assessments.* All Iowa banks are required to pay supervisory assessments to the Iowa Division to fund the operations of that agency. The amount of the assessment is calculated on the basis of the Bank's total assets. During the year ended December 31, 2024, the Bank paid supervisory assessments to the Iowa Division totaling approximately $200 thousand.

*Capital Requirements.* Banks are generally required to maintain capital levels in excess of other businesses. For a discussion of capital requirements, see "—The Role of Capital" above.

*Liquidity Requirements.* Liquidity is a measure of the ability and ease with which bank assets may be converted to meet financial obligations such as deposits or other funding sources. Banks are required to implement liquidity risk management frameworks that ensure they maintain sufficient liquidity, including a cushion of unencumbered, high quality liquid assets, to withstand a range of stress events. The level and speed of deposit outflows contributing to the failures of Silicon Valley Bank, Signature Bank and First Republic Bank in the first half of 2023 was unprecedented and contributed to acute liquidity and funding strain. These events have further underscored the importance of liquidity risk management and contingency funding planning by insured depository institutions like the Bank, as highlighted in a 2023 addendum to existing interagency guidance on funding and liquidity risk management.

The primary role of liquidity risk management is to: (i) prospectively assess the need for funds to meet financial obligations; and (ii) ensure the availability of cash or collateral to fulfill those needs at the appropriate time by coordinating the various sources of funds available to the institution under normal and stressed conditions. The Basel III Rule includes a liquidity framework that requires the largest insured institutions to measure their liquidity against specific liquidity tests. One test, referred to as the Liquidity Coverage Ratio, or LCR, is designed to ensure that the banking organization has an adequate stock of unencumbered high-quality liquid assets that can be converted easily and immediately in private markets into cash to meet liquidity needs for a 30-calendar day liquidity stress scenario. The other test, known as the Net Stable Funding Ratio, or NSFR, is designed to promote more medium- and long-term funding of the assets and activities of FDIC-insured institutions over a one-year horizon. These tests provide an incentive for banking organizations to increase their holdings in Treasury securities and other sovereign debt as a component of assets, increase the use of long-term debt as a funding source and rely on stable funding like core deposits (in lieu of brokered deposits).

Although these tests do not apply to the Bank, we continue to review our liquidity risk management policies in light of regulatory requirements and industry developments. For instance, in July 2024, the FDIC released a request for information on deposits, soliciting information on whether and to what extent certain types of deposits may behave differently from each other (particularly during periods of economic or financial stress), the results of which may impact liquidity monitoring and risk management requirements, including for FDIC-insured institutions, like the Bank, going forward.

*Dividend Payments.* The primary source of funds for the Company is dividends from the Bank. Under the Iowa Banking Act, Iowa-chartered banks generally may pay dividends only out of undivided profits. The Iowa Division may restrict the declaration or payment of a dividend by an Iowa-chartered bank, such as the Bank. The payment of dividends by any FDIC-insured institution is affected by the requirement to maintain adequate capital pursuant to applicable capital adequacy guidelines and regulations, and an FDIC-insured institution generally is prohibited from paying any dividends if, following payment thereof, the institution would be undercapitalized. As described above, the Bank exceeded its capital requirements under applicable guidelines as of December 31, 2024. Notwithstanding the availability of funds for dividends, however, the FDIC and the Iowa Division may prohibit the payment of dividends by the Bank if either or both determine such payment would constitute an unsafe or unsound practice. In addition, under the Basel III Rule, banking organizations that want to pay unrestricted dividends have to maintain 2.5% in Common Equity Tier 1 Capital attributable to the capital conservation buffer. See "—The Role of Capital" above.

*State Bank Investments and Activities.* The Bank is permitted to make investments and engage in activities directly or through subsidiaries as authorized by Iowa law. However, under federal law and FDIC regulations, FDIC-insured state banks are prohibited, subject to certain exceptions, from making or retaining equity investments of a type, or in an amount, that are not permissible for a national bank. Federal law and FDIC regulations also prohibit FDIC-insured state banks and their subsidiaries, subject to certain exceptions, from engaging as principal in any activity that is not permitted for a national bank unless the bank meets, and continues to meet, its minimum regulatory capital requirements and the FDIC determines that the activity would not pose a significant risk to the DIF. These restrictions have not had, and are not currently expected to have, a material impact on the operations of the Bank.

The Bank may be required to seek approval from the Iowa Division, the FDIC and other banking or financial services agencies before engaging in certain acquisitions or mergers under applicable state and federal law. In 2024, each of the OCC and the FDIC separately released updated policy statements—and in the case of the OCC, a final rule—regarding how each banking agency reviews applications submitted pursuant to the Bank Merger Act based on statutory factors. The acting leader of the Trump Administration's FDIC has indicated that the FDIC may seek to reverse the FDIC's 2024 policy statement. In March 2025, the FDIC issued a notice of proposed rulemaking to repeal its 2024 policy statement and reinstate its prior policy statement on bank mergers, while it considers wider changes to its bank merger review practices.

*Insider Transactions.* The Bank is subject to certain restrictions imposed by federal law on "covered transactions" between the Bank and its "affiliates." The Company is an affiliate of the Bank for purposes of these restrictions, and covered transactions subject to the restrictions include extensions of credit to the Company, investments in the stock or other securities of the Company and the acceptance of the stock or other securities of the Company as collateral for loans made by the Bank. The Dodd-Frank Act enhanced the requirements for certain transactions with affiliates, including an expansion of the definition of "covered transactions" and an increase in the amount of time for which collateral requirements regarding covered transactions must be maintained.

Under state and/or federal law, certain limitations and reporting requirements are also placed on extensions of credit by the Bank to its directors and officers, to directors and officers of the Company and its subsidiaries, to principal shareholders of the Company and to "related interests" of such directors, officers and principal shareholders. In addition, federal law and regulations may affect the terms on which any person who is a director or officer of the Company or the Bank, or a principal shareholder of the Company, may obtain credit from banks with which the Bank maintains a correspondent relationship.

*Safety and Soundness Standards/Risk Management.* The federal banking agencies have adopted operational and managerial standards to promote the safety and soundness of FDIC-insured institutions. The standards apply to internal controls, information systems, internal audit systems, loan documentation, credit underwriting, interest rate exposure, asset growth, compensation, fees and benefits, asset quality and earnings.

In general, the safety and soundness standards prescribe the goals to be achieved in each area, and each institution is responsible for establishing its own procedures to achieve those goals. While regulatory standards do not have the force of law, if an FDIC-insured institution operates in an unsafe and unsound manner, the institution's primary federal regulator may require the institution to submit a plan for achieving and maintaining compliance. If an FDIC-insured institution fails to submit an acceptable compliance plan, or fails in any material respect to implement a compliance plan that has been accepted by its primary federal regulator, the banking agency is required to issue an order directing the institution to cure the deficiency. Until the deficiency cited in the agency's order is cured, the agency may restrict the institution's rate of growth, require the FDIC-insured institution to increase its capital, restrict the rates that the institution pays on deposits or require the institution to take any action that the agency deems appropriate under the circumstances. Noncompliance with safety and soundness may also constitute grounds for other enforcement action by the federal banking agencies, including cease and desist orders and civil money penalty assessments.

During the past decade, the banking agencies have increasingly emphasized the importance of sound risk management processes and strong internal controls when evaluating the activities of the FDIC-insured institutions they supervise. Properly managing risk has been identified as critical to the conduct of safe and sound banking activities and has become even more important as new technologies, product innovation, and the size and speed of financial transactions have changed the nature of banking markets. The agencies have identified a spectrum of risks facing a banking organization including, but not limited to, credit, market, liquidity, operational, legal and reputational risk. The key risk themes identified for 2024 are discussed in "Item 1.A. Risk Factors" section. The Bank is expected to have active board and senior management oversight; adequate policies, procedures and limits; adequate risk measurement, monitoring and management information systems; and comprehensive internal controls. The federal banking agencies also have released specific risk management guidance on certain topics, including third-party relationships, in response to the proliferation of relationships between banking organizations and financial technology companies (although the guidance applies more broadly).

*Privacy and Cybersecurity.* The Bank is subject to many U.S. federal and state laws and regulations governing requirements for maintaining policies and procedures to protect non-public confidential information of their customers. These laws require the Bank to periodically disclose its privacy policies and practices relating to sharing such information and permit consumers to opt out of their ability to share information with unaffiliated third parties under certain circumstances. They also impact the Bank's ability to share certain information with affiliates and non-affiliates for marketing and/or non-marketing purposes, or to contact customers with marketing offers. In addition, the Bank is required to implement a comprehensive information security program that includes administrative, technical, and physical safeguards to ensure the security and confidentiality of customer records and information. These security and privacy policies and procedures are in effect across all businesses and geographic locations.

Risks and exposures related to cybersecurity require banking organizations to design multiple layers of security controls to establish lines of defense and to ensure that their risk management processes also address the risk posed by compromised customer credentials, including security measures to reliably authenticate customers accessing internet-based services of the banking organization. Bank management is expected to maintain sufficient business continuity planning processes to ensure the rapid recovery, resumption and maintenance of the organization's operations after a cyber-attack involving destructive malware. The Bank and the Company also are subject to a number of federal and state laws and regulations requiring notifications and disclosures regarding certain cybersecurity incidents.

*Branching Authority*. Iowa banks, such as the Bank, have the authority under Iowa law to establish branches anywhere in the State of Iowa, subject to receipt of all required regulatory approvals. The establishment of new interstate branches has historically been permitted only in those states the laws of which expressly authorize such expansion. The Dodd-Frank Act permits well-capitalized and well-managed banks to establish new interstate branches or the acquisition of individual branches of a bank in another state (rather than the acquisition of an out-of-state bank in its entirety) without impediments. In addition, federal law permits state and national banks to merge with banks in other states subject to: (i) regulatory approval; (ii) federal and state deposit concentration limits; and (iii) state law limitations requiring the merging bank to have been in existence for a minimum period of time (not to exceed five years) prior to the merger.

*Federal Home Loan Bank System.* The Bank is a member of a FHLB, which serves as a central credit facility for its members. The FHLB is funded primarily from proceeds from the sale of obligations of the FHLB system. It makes loans to member banks in the form of FHLB advances. All advances from the FHLB are required to be fully collateralized as determined by the FHLB.

*Community Reinvestment Act Requirements.* The CRA requires the Bank to have a continuing and affirmative obligation in a safe and sound manner to help meet the credit needs of the entire community, including low- and moderate-income neighborhoods. The FDIC regularly assesses the Bank's record of meeting the credit needs of its communities in dedicated examinations. The Bank's CRA ratings derived from these examinations can have significant impacts on the activities in which the Bank and the Company can engage. For example, a low CRA rating may impact the review of applications for acquisitions by the Bank.

On October 24, 2023, the federal banking agencies issued a final rule to strengthen and modernize the CRA regulations (the "CRA Rule"). Elements of this rule were supposed to become effective on April 1, 2024 (while other elements had much later effective dates). However, the effective date of the CRA Rule was paused because of an order issued as part of ongoing litigation claiming that the federal banking agencies exceeded their statutory authority in promulgating the CRA Rule. Despite the lawsuit, management of the Bank is continuing to assess the impact of the CRA Rule on its CRA lending and investment activities in its respective markets.

The CRA Rule is designed to update how CRA activities qualify for consideration, where CRA activities are considered, and how CRA activities are evaluated. More specifically, the federal banking agencies described the goals of the CRA Rule as follows: (i) to expand access to credit, investment, and basic banking services in low- and moderate-income communities; (ii) to adapt to changes in the banking industry, including mobile and internet banking by modernizing assessment areas while maintaining a focus on branch-based areas; (iii) to provide greater clarity, consistency and transparency in the application of the regulations through the use of standardized metrics as part of CRA evaluation and clarifying eligible CRA activities focused on low- and moderate-income communities and underserved rural communities; (iv) to tailor CRA rules and data collection to bank size and business model; and (v) to maintain a unified approach among the regulators.

*Anti-Money Laundering/Sanctions.* The Bank Secrecy Act ("BSA") is the common name for a series of laws and regulations enacted in the United States to combat money laundering and the financing of terrorism. They are designed to deny terrorists and criminals the ability to obtain access to the U.S. financial system and have significant implications for FDIC-insured institutions and other businesses involved in the transfer of money. The so-called Anti-Money Laundering / Countering the Financing of Terrorism ("AML/CFT") regime under the BSA provides a foundation to promote financial transparency and deter and detect those who seek to misuse the U.S. financial system to launder criminal proceeds, finance terrorist acts, or move funds for other illicit purposes. The laws mandate financial services companies to have policies and procedures with respect to measures designed to address: (i) customer identification programs; (ii) money laundering; (iii) terrorist financing; (iv) identifying and reporting suspicious activities and currency transactions; (v) currency crimes; and (vi) cooperation between FDIC-insured institutions and law enforcement authorities. The Bank must also comply with stringent economic and trade sanctions regimes administered and enforced by the Office of Foreign Assets Control.

*Concentrations in Commercial Real Estate.* Concentration risk exists when FDIC-insured institutions deploy too many assets to any one industry or segment. A concentration in commercial real estate ("CRE") is one example of regulatory concern, which has been subject to additional scrutiny by federal banking agencies as well as the SEC (for publicly-traded banking organizations) in recent years. The interagency Concentrations in Commercial Real Estate Lending, Sound Risk Management Practices guidance ("CRE Guidance") provides supervisory criteria, including the following numerical indicators, to assist bank examiners in identifying banks with potentially significant CRE loan concentrations that may warrant greater supervisory scrutiny: (i) CRE loans exceeding 300% of capital and increasing 50% or more in the preceding three years; or (ii) construction and land development loans exceeding 100% of capital. The CRE Guidance does not limit banks' levels of CRE lending activities, but rather guides institutions in developing risk management practices and levels of capital that are commensurate with the level and nature of their CRE concentrations. On December 18, 2015, and again in recent years, the federal banking agencies issued statements to reinforce prudent risk-management practices related to CRE lending, having observed substantial growth in many CRE asset and lending markets, increased competitive pressures, rising CRE concentrations in banks, and an easing of CRE underwriting standards. The federal banking agencies have reminded FDIC-insured institutions to maintain underwriting discipline and exercise prudent risk-management practices to identify, measure, monitor, and manage the risks arising from CRE lending. In addition, FDIC-insured institutions must maintain capital commensurate with the level and nature of their CRE concentration risk. As of December 31, 2024, the Bank did not exceed these guidelines.

*Consumer Financial Services.* The historical structure of federal consumer protection regulation applicable to all providers of consumer financial products and services changed significantly on July 21, 2011, when the CFPB commenced operations to supervise and enforce consumer protection laws. The CFPB has broad rulemaking authority for a wide range of consumer protection laws that apply to all providers of consumer products and services, including the Bank, as well as the authority to prohibit "unfair, deceptive or abusive" acts and practices. The CFPB has examination and enforcement authority over providers with more than $10 billion in assets. FDIC-insured institutions with $10 billion or less in assets, like the Bank, continue to be examined by their applicable primary federal regulators.

Because abuses in connection with residential mortgages were a significant factor contributing to the financial crisis, many rules issued by the CFPB, as required by the Dodd-Frank Act, addressed mortgage and mortgage-related products, their underwriting, origination, servicing and sales. The Dodd-Frank Act significantly expanded underwriting requirements applicable to loans secured by 1-4 family residential real property and augmented federal law combating predatory lending practices. In addition to numerous disclosure requirements, the Dodd-Frank Act and the CFPB's rules imposed new standards for mortgage loan originations on all lenders, including banks and savings associations, in an effort to strongly encourage lenders to verify a borrower's ability to repay, while also establishing a presumption of compliance for certain "qualified mortgages."

Over the last several years, the CFPB has taken an aggressive approach to the regulation (and supervision, where applicable) of providers of consumer financial products and services. Given the increased number and expansive nature of its regulatory initiatives, the CFPB has been subject to lawsuits brought by the banking industry and other providers of consumer financial products and services. The CFPB's approach will likely change under the Trump Administration, but it remains unclear exactly what changes will occur or how quickly. In addition, certain rules that the Biden Administration CFPB finalized, such as rules relating to overdraft fees and reporting requirements for small business lending, may be subject to reversal by either the U.S. Congress or the new CFPB administration.

The CFPB's rules have not had a significant impact on the Bank's operations, except for higher compliance costs. The Bank must also comply with certain state consumer protection laws and requirements in the states in which it operates.

## ITEM 1A. RISK FACTORS.

An investment in our securities is subject to risks inherent in our business. Before making an investment decision, you should carefully consider the risks and uncertainties described below together with all of the other information included in this report. In addition to the risks and uncertainties described below, other risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition and results of operations. The value or market price of our securities could decline due to any of these identified or other risks, and you could lose all or part of your investment.

### Economic and Market Risks

***Our business is concentrated in and largely dependent upon the continued growth and welfare of the Iowa and Minneapolis/St. Paul markets.***

We operate primarily in the central and eastern Iowa and Minneapolis/St. Paul, Minnesota markets and their surrounding communities in the upper-Midwest. As a result, our financial condition, results of operations and cash flows are significantly impacted by changes in the economic conditions in those areas. Our success depends to a significant extent upon the business activity, population, income levels, deposits and real estate activity in these markets. Although our customers' businesses and financial interests may extend well beyond these market areas, adverse economic conditions that affect these market areas could reduce our growth rate, affect the ability of our customers to repay their loans to us, affect the value of collateral underlying loans and generally affect our financial condition and results of operations. Unfavorable or uncertain economic and market conditions can be caused by declines in economic growth, business activity or investor or business confidence; limitations on the availability or increases in the cost of credit and capital; increases in inflation or interest rates; high unemployment; uncertainty in U.S. trade policies, legislation, treaties and tariffs; natural disasters; acts of war or terrorism; widespread disease or pandemics; or a combination of these or other factors. Because of our geographic concentration, we are less able than other regional or national financial institutions to diversify our credit risks across multiple markets.

***We are subject to interest rate risk, which could adversely affect our financial condition and profitability.***

Shifts in short-term interest rates may reduce our net interest income, which is the principal component of our earnings. The impact on earnings can be adverse when the slope of the yield curve flattens, that is, when short-term interest rates increase more than long-term interest rates or when long-term interest rates decrease more than short-term interest rates.

Changes in interest rates also can affect the value of loans, securities and other assets. An increase in interest rates that adversely affects the ability of borrowers to pay the principal or interest on loans may lead to an increase in nonperforming assets and a reduction of income recognized, which could have a material adverse effect on our results of operations and cash flows. Rising interest rates will likely result in a decline in fair value of our fixed-rate debt securities. Unrealized losses due to changes in interest rates on available for sale securities are recognized in other comprehensive income and reduce total shareholders' equity but do not negatively impact our regulatory capital ratios. However, tangible common equity and the associated ratios used by many investors would be reduced. Realized losses from debt securities sales reduce our regulatory capital ratios.

We measure interest rate risk under various rate scenarios and using specific criteria and assumptions. A summary of this process, along with the results of our net interest income simulations, is included at Item 7A. Quantitative and Qualitative Disclosures About Market Risk under "Interest Rate Risk." Although we believe our current level of interest rate sensitivity is reasonable and effectively managed, significant fluctuations in interest rates may have an adverse effect on our business, financial condition and results of operations.

***Elevated levels of inflation could adversely impact our business, results of operations and financial condition.***

The United States experienced elevated levels of inflation throughout 2022 and 2023. While inflationary pressures moderated somewhat in 2024, a continuation or increase in the level of inflation could have complex effects on our business, results of operations and financial condition, some of which could be materially adverse. Inflation could adversely impact our net interest income, while inflation-driven increases in our levels of noninterest expense could negatively impact our results of operations.

Elevated levels of inflation could also cause increased volatility and uncertainty in the business environment, which could adversely affect loan demand and our customers' ability to repay indebtedness. It is also possible that governmental responses to the current or any future inflation environment, such as changes to monetary and fiscal policy that are too strict, or the imposition or threatened imposition of price controls, could adversely affect our business.

***Monetary policies and regulations of the Federal Reserve could adversely affect our business, financial condition and results of operations.***

In addition to being affected by general economic conditions, our earnings and growth are affected by the policies of the Federal Reserve. An important function of the Federal Reserve is to regulate the money supply and credit conditions. Among the instruments used by the Federal Reserve to implement these objectives are open market operations in U.S. government securities, adjustments of the discount rate and changes in reserve requirements against bank deposits. These instruments are used in varying combinations to influence overall economic growth and the distribution of credit, bank loans, investments and deposits. Their use also affects interest rates charged on loans or paid on deposits.

Following a series of significant increases to the target Federal Funds rate made by the Federal Reserve throughout 2022 and 2023 as part of an effort to combat elevated levels of inflation affecting the U.S. economy, the Federal Reserve began enacting incremental rate cuts in 2024. While additional incremental rate cuts may occur in the near term, the occurrence or significance of changes in interest rates cannot be predicted. Changes in the Federal Funds rate, including their impact on U.S. treasuries, may impact the value of our securities portfolio, which had $98.6 million in net unrealized losses from available-for-sale investment securities at December 31, 2024. Sustained high interest rates can also negatively affect our customers' businesses and financial condition, and the value of collateral securing loans in our portfolio.

Given the complex factors affecting the strength of the U.S. economy, including uncertainties regarding the persistence of inflation, geopolitical developments such as the conflicts in the Middle East and the Russian invasion of Ukraine and resulting disruptions in the global energy market, tight labor market conditions domestically, supply chain issues both domestically and internationally and the potential effects of a new presidential administration, including potential imposition of new tariffs, mass deportations and changes to tax or other financial regulations, there is a meaningful risk that the Federal Reserve and other central banks may maintain high interest rates or elect to make fewer or smaller interest rate cuts than anticipated, thereby limiting economic growth and potentially causing an economic recession or other political instability. This could decrease loan demand, harm the credit characteristics of our existing loan portfolio, impact our net interest income, impact our investment security valuation, and decrease the value of collateral securing loans in the portfolio.

The monetary policies and regulations of the Federal Reserve have had a significant effect on the operating results of commercial banks in the past and are expected to continue to do so in the future. The effects of such policies upon our business, financial condition and results of operations cannot be predicted.

***We could recognize losses on securities held in our securities portfolio, particularly if interest rates remain at their current levels or economic and market conditions deteriorate.***

As of December 31, 2024, the fair value of our securities portfolio was approximately $1.33 billion. Factors beyond our control can significantly influence the fair value of securities in our portfolio and can cause potential adverse changes to the fair value of these securities. For example, fixed-rate securities acquired by us are generally subject to decreases in market value when interest rates rise. Additional factors include, but are not limited to, rating agency downgrades of the securities, defaults by the issuer or individual mortgagors with respect to the underlying securities and instability in the credit markets. Any of the foregoing factors could result in the recognition of a loss through earnings. Because of changing economic and market conditions affecting interest rates, the financial condition of issuers of the securities and the performance of the underlying collateral, we may recognize realized and/or unrealized losses in future periods, which could have an adverse effect on our financial condition and results of operations.

At December 31, 2024, we had $98.6 million in net unrealized losses in our debt securities available for sale portfolio. If we are forced to liquidate any of those investments prior to maturity, including because of a lack of liquidity, we would recognize as a charge to earnings the losses attributable to those securities. Our securities portfolio has an average duration of 4.0 years, so we expect an increase in realized losses if interest rates increase within that period.

***Weather-related events and other natural disasters, as well as man-made disasters, could cause a disruption in our operations or other consequences that could have an adverse impact on financial results and condition.***

A significant portion of our operations are located in areas that are susceptible to floods, droughts, tornadoes and other severe weather events. Severe weather events, natural disasters and effects of climate change could cause disruptions to our operations and could have a material adverse effect on our overall business, results of operations or financial condition. While we maintain insurance covering many of these weather-related events, including coverage for lost profits and extra expense, there is no insurance against the disruption that a severe weather event could produce to the markets that we serve and the resulting adverse impact on our borrowers to timely repay their loans and the value of any collateral held by us. The severity and impact of weather-related events are difficult to predict and may be exacerbated by global climate change.

***Risks arising from climate change, including physical risks and transition risks, could have an adverse impact on our business and results of operations.***

Climate change could present financial risks to us through changes in the physical climate that affect our operations directly or that impact our customer's operations or loan collateral. Climate change also could present financial risks to us as a result of transition risks, such as societal and/or technological responses to climate change that may affect us or our customers, and which could include changes in climate policy or in the regulation of financial institutions with respect to risks posed by climate change. These climate-related physical risks and transition risks could have an adverse impact on our business or results of operations due to the impact such risks may have on our operations and our customers, such as declines in asset values, reduced availability of insurance, significant interruptions to business operations, negative consequences to business models and the need to make changes in response to those consequences. The risks of regulatory changes and compliance requirements related to climate change may impose operational burdens and increased compliance costs, capital requirements, or the risk of litigation, which could adversely affect the Company's businesses, results of operations and financial condition.

**Credit and Lending Risks**

***We must manage our credit risk effectively.***

There are risks inherent in making any loan, including risks inherent in dealing with individual borrowers, risks of nonpayment, risks resulting from uncertainties as to the future value of collateral or cash flows available to service debt and risks resulting from changes in economic and industry conditions. Default risk may arise from events or circumstances that are difficult to detect, such as fraud, or difficult to predict, such as catastrophic events affecting certain industries. In addition, we primarily serve the banking and financial services needs of small to mid-sized businesses. These businesses generally have fewer financial resources in terms of capital or borrowing capacity than larger entities, may be more vulnerable to economic downturns, may experience volatility in operating results and may have elevated business continuity risk due to the limited size of the management group, any of which may impair their ability to repay a loan. We attempt to minimize our credit risk through prudent loan application approval procedures, careful monitoring of the concentration of our loans within specific industries and periodic independent reviews of outstanding loans by our credit review department. We periodically examine our credit process and implement changes to improve our procedures and standards. However, we cannot assure that such approval and monitoring procedures will reduce these credit risks. If the overall economic climate in the U.S., generally, or our market areas, specifically, declines, or even if it does not, our borrowers may experience difficulties in repaying their loans, and the level of nonperforming loans, charge-offs and delinquencies could rise and require increases in the provision for loan losses, which would cause our net income and return on equity to decrease.

***Our loan portfolio has a significant concentration of commercial real estate loans, which involve risks specific to real estate value.***

Commercial real estate lending comprises a significant portion of our lending business. Specifically, commercial real estate loans were approximately 54.2% of our total loan portfolio as of December 31, 2024. The market value of real estate securing our commercial real estate loans can fluctuate significantly in a short period of time as a result of market conditions in the geographic area in which the real estate is located. Although a significant portion of such loans is secured by real estate as a secondary form of repayment, adverse developments affecting real estate values in one or more of our markets could increase the credit risk associated with our loan portfolio. Additionally, commercial real estate lending typically involves higher loan principal amounts, and repayment is generally dependent, in large part, on sufficient income from the properties securing the loans to cover operating expenses and debt service. Economic events, including decreases in office occupancy as a result of the shift to remote working environments following the COVID-19 pandemic, or governmental regulations outside of the control of the borrower or lender could negatively impact the future cash flow and market values of the affected properties.

If problems develop in the commercial real estate sector, particularly within one or more of our markets, the value of collateral securing our commercial real estate loans could decline, which could adversely affect our operating results, financial condition or capital. In light of the continued general uncertainty that exists in the economy and credit markets nationally, we may experience deterioration in the performance of our commercial real estate loan customers.

***Commercial, industrial and agricultural loans make up a significant portion of our loan portfolio.***

Commercial, industrial, and agricultural loans were approximately 28.9% of our total loan portfolio as of December 31, 2024. Our commercial loans are primarily made based on the identified cash flow of the borrower and secondarily on the underlying collateral provided by the borrower. Most often, this collateral is accounts receivable, inventory and equipment. Credit support provided by the borrower for most of these loans and the probability of repayment is based on the liquidation value of the pledged collateral and enforcement of a personal guarantee, if any exists. As a result, in the case of loans secured by accounts receivable, the availability of funds for the repayment of these loans may be substantially dependent on the ability of the borrower to collect amounts due from its customers. The collateral securing these loans may depreciate over time, may be difficult to appraise and may fluctuate in value based on the success of the business. In addition, if the U.S. economy declines, this could harm the businesses of our commercial and industrial customers and reduce the value of the collateral securing these loans.

Payments on agricultural loans are dependent on the successful operation or management of the farm property. The success of the farm may be affected by many factors outside the control of the borrower, including adverse weather conditions that prevent the planting of a crop or limit crop yields, such as hail, drought and floods (although borrowers may attempt to mitigate this risk by purchasing crop insurance), loss of livestock due to disease or other factors, declines in market prices for agricultural products both domestically and internationally, the impact of government regulations, including changes in price supports, subsidies, tariffs, trade agreements and environmental regulations, as well as changes in the demand for agricultural products in response thereto. In addition, many farms are dependent on a limited number of key individuals whose injury or death may significantly affect the successful operation of the farm. If the cash flow from a farming operation is diminished, the borrower's ability to repay the loan may be impaired. The primary crops in our market areas are corn and soybeans. Accordingly, adverse circumstances affecting these crops could have an adverse effect on our agricultural portfolio. Likewise, agricultural operating loans involve a greater degree of risk than lending on residential properties, particularly in the case of loans that are unsecured or secured by rapidly-depreciating assets such as farm equipment or assets such as livestock or crops. In these cases, any repossessed collateral for a defaulted loan may not provide an adequate source of repayment of the outstanding loan balance as a result of the greater likelihood of damage, loss or depreciation.

***Our allowance for credit losses may prove to be insufficient to absorb losses in our loan portfolio.***

We establish our allowance for credit losses at a level considered appropriate by management to absorb current expected credit losses based on an analysis of the portfolio, market environment and other factors we deem relevant. The allowance for credit losses represents our estimate of current expected losses in the portfolio at each balance sheet date and is based upon relevant information available to us. The allowance contains an allocation for loans specifically evaluated, as well as loans collectively evaluated. Additions to the allowance for credit losses, are estimated through the CECL model, which reflects current and forecasted conditions. The determination of the appropriate level of the allowance for credit losses inherently involves a high degree of subjectivity and requires us to make significant estimates of current credit risks and future trends, all of which may undergo material changes. Although management has established an allowance for credit losses it believes is adequate to absorb current expected credit losses, the allowance may not be adequate. We could sustain credit losses that are significantly higher than the amount of our allowance for credit losses. Higher loan losses could arise for a variety of reasons, including changes in economic, operating and other conditions within our markets, as well as changes in the financial condition, cash flows and operations of our borrowers. At December 31, 2024, our allowance for credit losses as a percentage of total loans held for investment, net was 1.28% and as a percentage of nonaccrual loans was approximately 254.32%. An increase in credit loss expense would result in a decrease in net income and capital and may have a material negative impact on our financial condition and results of operations.

***Nonperforming assets take significant time and resources to resolve and adversely affect our results of operations and financial condition, and could result in further losses in the future.***

As of December 31, 2024, our nonperforming loans, which includes nonaccrual loans and loans past due 90 days or more and still accruing interest, totaled $21.8 million, or 0.51% of our loan portfolio. Our nonperforming assets, which include nonperforming loans plus foreclosed assets, net, totaled $25.2 million, or 0.40% of total assets.

Our nonperforming assets adversely affect our net income in various ways. We do not record interest income on nonaccrual loans or foreclosed assets, thereby adversely affecting our net income and returns on assets and equity, increasing our loan administration costs and adversely affecting our efficiency ratio. When we take collateral in foreclosure and similar proceedings, we are required to mark the collateral to its fair market value, which may result in a loss. These nonperforming loans and foreclosed assets also increase our risk profile and the capital our regulators believe is appropriate in light of such risks. The resolution of nonperforming assets requires significant time commitments from management and can be detrimental to the performance of their other responsibilities, and may also involve additional financial resources. If we experience increases in nonperforming loans and nonperforming assets, our net interest income may be negatively impacted and our loan administration costs could increase, each of which could have an adverse effect on our net income and related ratios, such as return on assets and equity.

***We may encounter issues with environmental law compliance if we take possession, through foreclosure or otherwise, of the real property that secures a loan.***

A significant portion of our loan portfolio is secured by real property. In the ordinary course of business, we may foreclose on and take title to properties securing certain loans. In doing so, there is a risk that hazardous or toxic substances could be found on these properties. If hazardous or toxic substances are found, we may be liable for remediation costs, as well as for personal injury and property damage costs. Environmental laws may require us to incur substantial expenses and may materially reduce the affected property's value or limit our ability to use or sell the affected property. In addition, future laws or more stringent interpretations or enforcement policies with respect to existing laws may increase our exposure to environmental liability. The remediation costs and any other financial liabilities associated with an environmental hazard could have a material adverse effect on our financial condition and results of operations.

**Capital & Liquidity Risks**

***Liquidity risks could affect operations and jeopardize our business, financial condition and results of operations.***

Liquidity is essential to our business. An inability to raise funds through deposits, borrowings, the sale of loans and other sources could have a substantial negative effect on our liquidity. Our most important source of funds consists of customer deposits. Deposit balances can decrease when customers perceive alternative investments, such as money market funds, treasury securities and certificates of deposit at other financial institutions as providing a better risk/return trade-off. If customers move money out of bank deposits and into other investments, we could lose a relatively low cost source of funds, which would require us to seek other, potentially higher cost funding alternatives. Other primary sources of funds consist of cash from operations, investment securities maturities and sales and funds from sales of our stock. Additional liquidity is provided by brokered deposits, bank lines of credit, repurchase agreements and the ability to borrow from the Federal Reserve Bank and the FHLB, including borrowings under the BTFP incurred before the Federal Reserve ceased making new loans under the program in March 2024. Our access to funding sources in amounts adequate to finance or capitalize our activities or on terms that are acceptable to us could be impaired by factors that affect us directly or the financial services industry or economy in general, such as disruptions in the financial markets or negative views and expectations about the prospects for the financial services industry.

Additionally, uninsured deposits historically have been viewed by the FDIC as less stable than insured deposits. According to statements made by FDIC staff and the leadership of the federal banking agencies, customers with larger uninsured deposit account balances often are small- and mid-sized businesses that rely upon deposit funds for payment of operational expenses and, as a result, are more likely to closely monitor the financial condition and performance of their depository institutions. As a result, in the event of financial distress, uninsured depositors historically have been more likely to withdraw their deposits. If a significant portion of our deposits were to be withdrawn within a short period of time such that additional sources of funding would be required to meet withdrawal demands, the Company may be unable to obtain funding at favorable terms, which may have an adverse effect on our net interest margin. Moreover, obtaining adequate funding to meet our deposit obligations may be more challenging during periods of elevated prevailing interest rates. Our ability to attract depositors during a time of actual or perceived distress or instability in the marketplace may be limited. Further, interest rates paid for borrowings generally exceed the interest rates paid on deposits. This spread may be further affected in higher interest rate environments. In addition, because our debt securities lose value when interest rates rise, after-tax proceeds resulting from the sale of such assets may be diminished during periods when interest rates are elevated. Under such circumstances, we may be required to access funding from sources such as the Federal Reserve's discount window in order to manage our liquidity risk.

At December 31, 2024, our average borrowed funds increased to $441.9 million, compared to $425.2 million at December 31, 2023, which resulted in an increase in our cost of funds, that was offset by higher interest earning asset yields, which resulted in an increase in our net interest margin in 2024 compared to 2023.

Any decline in available funding could adversely impact our ability to originate loans, invest in securities, pay our expenses, pay dividends to our shareholders, or fulfill obligations such as repaying our borrowings or meeting deposit withdrawal demands, any of which could have a material adverse impact on our liquidity, business, financial condition and results of operations.

***We may desire or be required to raise additional capital in the future, but that capital may not be available.***

We are required by federal and state regulatory authorities to maintain adequate levels of capital to support our operations. We intend to grow our business organically and to explore opportunities to grow our business by taking advantage of attractive acquisition opportunities, and such growth plans may require us to raise additional capital to ensure that we have adequate levels of capital to support such growth on top of our current operations. In order to accommodate future capital needs we maintain a universal shelf registration statement, which, as of December 31, 2024, included approximately $25 million of securities remaining available for sale; however, we anticipate that a new universal shelf registration statement will be filed to replenish the amount of securities available for sale to a level similar to the amount of securities available for sale prior to the Company's common equity offering completed in September 2024. Our ability to raise additional capital will depend on conditions in the capital markets, economic conditions and a number of other factors, including investor perceptions regarding the banking industry, market conditions, governmental activities and our financial condition and performance. Accordingly, we cannot assure you of our ability to raise additional capital, if needed or desired, on terms acceptable to us. If we cannot raise additional capital when needed or desired, our ability to further expand our operations through internal growth or acquisitions could be materially impaired.

***Downgrades in the credit rating of one or more insurers that provide credit enhancement for our state and municipal securities portfolio may have an adverse impact on the market for, and valuation of, these types of securities.***

We invest in tax-exempt and taxable state and local municipal securities, some of which are insured by monoline insurers. As of December 31, 2024, we had $159.3 million of amortized cost of municipal securities, which represented 11.2% of our total securities portfolio based upon amortized cost. Following the onset of the financial crisis, several of these insurers came under scrutiny by rating agencies. Even though management generally purchases municipal securities on the overall credit strength of the issuer, the reduction in the credit rating of an insurer may negatively impact the market for and valuation of our investment securities. Such a downgrade could adversely affect our liquidity, financial condition and results of operations.

***Our ability to pay dividends is subject to certain limitations and restrictions, and there is no guarantee that we will be able to continue paying the same level of dividends in the future that we have paid in the past or that we will be able to pay future dividends at all.***

Holders of our common stock are entitled to receive only such dividends as our Board may declare out of funds legally available for such payments. Our Board may, in its sole discretion, change the amount or frequency of dividends or discontinue the payment of dividends entirely. The timing, declaration, amount and payment of future cash dividends, if any, will be within the discretion of our Board and will depend upon then-existing conditions, including our results of operations, financial condition, capital requirements, investment opportunities, growth opportunities, any legal, regulatory, contractual or other limitations on our ability to pay dividends and other factors our Board may deem relevant. The ability of the Bank to pay dividends to us is limited by its obligations to maintain sufficient capital and liquidity and by other general restrictions on dividends that are applicable to the Bank, including the requirement under the Iowa Banking Act that the Bank may not pay dividends in excess of its undivided profits. If these regulatory requirements are not met, the Bank will not be able to pay dividends to us, and we may be unable to pay dividends on our common stock.

In addition, as a bank holding company, our ability to declare and pay dividends is subject to the guidelines of the Federal Reserve regarding capital adequacy and dividends. It is the policy of the Federal Reserve that bank holding companies should generally pay dividends on common stock only out of earnings, and only if prospective earnings retention is consistent with the organization's expected future needs, asset quality and financial condition, and that bank holding companies should inform and consult with the Federal Reserve in advance of declaring and paying a dividend that exceeds earnings for the period for which the dividend is being paid. Any future payment of dividends will depend on the Bank's ability to make distributions and payments to us, as these distributions and payments are our principal source of funds to pay dividends. As a general matter, the Federal Reserve has indicated that the board of directors of a bank holding company (including a financial holding company) should eliminate, defer or significantly reduce the company's dividends if:

- the company's net income available to shareholders for the past four quarters, net of dividends previously paid during that period, is not sufficient to fully fund the dividends;

- the prospective rate of earnings retention is inconsistent with the company's capital needs and overall current and prospective financial condition; or
- the company will not meet, or is in danger of not meeting, its minimum regulatory capital adequacy ratios.

The ability of the Bank to pay dividends to us is also limited by its obligations to maintain sufficient capital and liquidity and by other legal, regulatory and general restrictions on dividends that are applicable to the Bank, including the requirement under the Iowa Banking Act that the Bank may not pay dividends in excess of its undivided profits. Also, banking institutions that do not maintain a capital conservation buffer, comprised of Common Equity Tier 1 Capital, of 2.5% above the regulatory minimum capital requirements will face constraints on the payment of dividends, stock repurchases and discretionary bonus payments to executive officers based on the amount of the shortfall, unless prior regulatory approval is obtained. Accordingly, if the Bank fails to maintain the applicable minimum capital ratios and the capital conservation buffer, distributions to the Company may be prohibited or limited, and if the Company fails to maintain the applicable minimum capital ratios and the capital conservation buffer, distributions to or stock repurchases from the Company's shareholders may be prohibited or limited.

As of December 31, 2024, we had $42.5 million of junior subordinated debentures held by five statutory business trusts that we control. Interest payments on the debentures, which totaled $3.6 million for the year ended December 31, 2024, must be paid before we pay dividends on our capital stock, including our common stock. We have the right to defer interest payments on the debentures for up to 20 consecutive quarters. However, if we elect to defer interest payments, all deferred interest must be paid before we may pay dividends on our capital stock. Additionally, based on certain balance sheet restructuring transactions that we conducted during 2024, we are required to seek the Federal Reserve's non-objection prior to declaring dividends on our common stock at least through 2025. It is possible that the Federal Reserve would not provide such non-objection, and therefore that we would be unable to declare and pay any cash dividends on our common stock.

In addition, in the future, we may enter into borrowing or other contractual arrangements that restrict our ability to pay dividends. As a consequence of these various limitations and restrictions, we may not be able to make, or may have to reduce or eliminate, the payment of dividends on our common stock. Any change in the level of our dividends or the suspension of the payment thereof could have an adverse effect on the market price of our common stock.

***We have counterparty risk, and therefore, we may be adversely affected by the soundness of other financial institutions.***

Our ability to engage in routine funding and other transactions could be negatively affected by the actions and the soundness of other financial institutions. Financial services institutions are generally interrelated as a result of trading, clearing, counterparty, credit, reputational or other relationships. We have exposure to many different industries and counterparties and regularly engage in transactions with counterparties in the financial services industry, including commercial banks, brokers and dealers, investment banks and other institutional customers. Many of these transactions may expose us to credit or other risks if another financial institution experiences adverse circumstances. For example, certain community banks experienced deposit outflows following the failures of Silicon Valley Bank, Signature Bank and First Republic Bank in 2023. In certain circumstances, the collateral that we hold may be insufficient to fully cover the risk that a counterparty defaults on its obligations, which may cause us to experience losses that could have a material adverse effect on our business, financial condition and results of operations.

**Competitive and Strategic Risks**

***We face intense competition in all phases of our business from banks, other financial institutions and non-banks.***

The banking and financial services businesses in our markets are highly competitive. Our competitors include large regional banks, local community banks, savings and loan associations, securities and brokerage companies, mortgage companies, insurance companies, finance companies, money market mutual funds, small local credit unions as well as large aggressive and expansion-minded credit unions, fintech companies and other non-bank financial services providers. Many of these competitors are not subject to the same regulatory restrictions as we are. Many of our unregulated competitors compete across geographic boundaries and are able to provide customers with a competitive alternative to traditional banking services, including financial transaction processing, lending platforms and maintenance of funds.

While we do not offer products relating to digital assets, including cryptocurrencies, stablecoins or other similar assets, there has been a significant increase in digital asset adoption globally over the past several years. Certain characteristics of digital asset transactions, such as the speed with which such transactions can be conducted, the ability to transact without the involvement of regulated intermediaries, the ability to engage in transactions across multiple jurisdictions, and the anonymous nature of the transactions, are appealing to certain consumers notwithstanding the various risks posed by such transactions. Accordingly, digital asset service providers—which, at present are not subject to the same degree of scrutiny and oversight as banking organizations and other financial institutions—are becoming active competitors to more traditional financial institutions. The process of eliminating banks as intermediaries, known as "disintermediation," could result in the loss of fee income, as well as the loss of customer deposits and the related income generated from those deposits. The loss of these revenue streams and of the associated lower cost deposits as a source of funds could have a material adverse effect on our financial condition and results of operations. Potential partnerships with digital asset companies, moreover, could also entail significant investment.

Increased competition in our markets may result in a decrease in the amounts of our loans and deposits, reduced spreads between loan rates and deposit rates, increased pressure on underwriting standards or other loan terms that are more favorable to the borrower. Any of these results could have a material adverse effect on our results, our financial condition, and our ability to grow and remain profitable. In addition, the diminishing role of banks as financial intermediaries has resulted and could continue to result in the loss of fee income, as well as the loss of customer deposits and the related income generated from those deposits.

***We have a continuing need for technological change, and we may not have the resources to effectively implement new technology.***

The financial services industry continues to undergo rapid technological changes with frequent introductions of new technology-driven products and services. In addition to enabling us to better serve our customers, the effective use of technology increases efficiency and the potential for cost reduction. Our future success will depend in part upon our ability, both internally and through our core processor and other third party partners, to address the needs of our customers by using technology to provide products and services that will satisfy customer demands for convenience as well as to create additional efficiencies in our operations as we continue to grow our market share. Many of our larger competitors have substantially greater resources to invest in technological improvements. As a result, they may be able to offer additional or superior products to those that we will be able to offer, which could put us at a competitive disadvantage. Accordingly, we cannot provide assurances that we will be able to effectively implement new technology-driven products and services or be successful in marketing such products and services to our customers.

The widespread adoption of new technologies, including internet services, artificial intelligence, cryptocurrencies and payment systems, could require us in the future to make substantial expenditures to modify or adapt our existing products and services as we grow and develop new products to satisfy our customers' expectations, remain competitive and comply with regulatory guidance.

***We may be adversely affected by risks associated with completed and potential acquisitions, including execution risks, failure to realize anticipated transaction benefits, and failure to overcome integration risks, which could adversely affect our growth and profitability.***

We plan to continue to grow our businesses organically, but remain open to considering potential bank or other acquisition opportunities, in addition to our completed acquisitions of DNVB and IOFB, that make financial and strategic sense. In the event that we do pursue strategic acquisitions, we may fail to realize some or all of the anticipated transaction benefits. Acquisition activities could be material to our business and involve a number of risks, including the following:

- We may incur time and expense associated with identifying and evaluating potential acquisitions and negotiating potential transactions, resulting in our attention being diverted from the operation of our existing business.
- We are exposed to potential asset and credit quality risks and unknown or contingent liabilities of the banks or businesses we acquire. If these issues or liabilities exceed our estimates, our earnings, capital and financial condition may be materially and adversely affected.
- The acquisition of other entities generally requires integration of systems, procedures and personnel of the acquired entity. This integration process is complicated and time consuming and can also be disruptive to the customers and employees of both the acquired business and our business. If the integration process is not conducted successfully, we may not realize the anticipated economic benefits of acquisitions within the expected time frame, or ever, and we may lose customers or employees of the acquired business. We may also experience greater than anticipated customer losses even if the integration process is successful.
- To finance an acquisition, we may borrow funds or pursue other forms of financing, such as issuing convertible preferred stock, which may have high dividend rates or may be highly dilutive to holders of our common stock, thereby increasing our leverage and diminishing our liquidity, or issuing capital stock, which could dilute the interests of our existing shareholders.
- We may be unsuccessful in realizing other anticipated benefits from acquisitions. For example, we may not be successful in realizing anticipated cost savings.

In addition to the foregoing, we may face additional risks in acquisitions to the extent we acquire new lines of business, new products, or enter into new geographic areas in which we have little or no current experience, especially if we lose key employees of the acquired operations. We cannot provide assurances that we will be successful in overcoming these risks or any other problems encountered in connection with acquisitions. Our inability to overcome risks associated with acquisitions could have an adverse effect on our ability to successfully implement our acquisition growth strategy and grow our business and profitability.

**Accounting and Tax Risks**

***Our accounting estimates and risk management processes rely on analytical and forecasting models.***

The processes that we use to estimate expected credit losses and to measure the fair value of assets carried on the balance sheet at fair value, as well as the processes used to estimate the effects of changing interest rates and other market measures on our financial condition and results of operations, depend upon the use of analytical and forecasting models. These models are complex and reflect assumptions that may not be accurate, particularly in times of market stress or other unforeseen circumstances. Although we have processes and procedures in place governing internal valuation models and their testing and calibration, such assumptions are complex as we must make judgments about the effect of matters that are inherently uncertain. Different assumptions could result in significant changes in valuation, which in turn could have a material adverse effect on our financial condition and results of operations.

***The Company is subject to changes in tax law and may not realize tax benefits, which could adversely affect our results of operations.***

Changes in tax laws at national or state levels, such as the new 1.0% excise tax on stock buybacks for publicly traded companies, could have an effect on the Company's short and long-term earnings. Future changes in tax laws could affect the Company's earnings as well as its customers' financial positions, or both. Changes in tax laws could also require the revaluation of the Company's net deferred tax position, which could have a material adverse effect on our results of operations and financial condition. In addition, current portions of the Company's net deferred tax assets relate to tax-effected state net operating loss carry-forwards, the utilization of which may be further limited in the event of certain material changes in the Company's ownership.

**Operational Risks**

***We face the risk of possible future goodwill impairment.***

We are required to perform additional goodwill impairment assessments on at least an annual basis, and perhaps more frequently, which could result in additional goodwill impairment charges. Any future goodwill impairment charge on the current goodwill balance, or future goodwill arising out of acquisitions that we are required to take, could have a material adverse effect on our results of operations by reducing our net income or increasing our net losses.

***Our ability to attract and retain management and key personnel may affect future growth and earnings.***

Much of our success and growth has been influenced by our ability to attract and retain management that is experienced in banking and financial services and familiar with the communities in our market areas. Our ability to attract and retain executive officers, management teams, branch managers and loan officers will continue to be important to the successful implementation of our strategy. The Dodd-Frank Act also directs the Federal Reserve to promulgate rules prohibiting excessive compensation paid to bank holding company executives. These rules, when adopted, may make it more difficult to attract and retain the people we need to operate our businesses and limit our ability to promote our objectives through our compensation and incentive programs. The unexpected loss of services of any key management personnel, or the inability to recruit and retain qualified personnel in the future, could have an adverse effect on our business, results of operations and financial condition.

***Labor shortages and a failure to attract and retain qualified employees could negatively impact our business, results of operations and financial condition.***

A number of factors may adversely affect the labor force available to us or increase labor costs, including changes in unemployment levels, decreased labor force size and decreased labor force participation rates. Although we have not experienced any material labor shortage to date, we continue to observe an overall tightening of and an increase in competition in local labor markets. A sustained labor shortage or increased turnover rates within our employee base and also within our third party vendors could lead to increased costs, such as increased compensation expense to attract and retain employees, as well as decreased efficiency. In addition, if we are unable to hire and retain employees capable of performing at a high level, or if mitigation measures we take to respond to a decrease in labor availability have unintended negative effects, our business could be adversely affected. An overall labor shortage, lack of skilled labor, increased turnover or labor-driven inflation could have a material adverse impact on our business, results of operations and financial condition.

***The occurrence of fraudulent activity, breaches or failures of our information security controls or cybersecurity-related incidents could have a material adverse effect on our business, financial condition, results of operations and growth prospects.***

As a bank, we are susceptible to fraudulent activity, information security breaches and cybersecurity-related incidents that may be committed against us, our third party partners or our customers, which may result in financial losses or increased costs to us or our customers, disclosure or misuse of our information or customer information, misappropriation of assets, privacy breaches against our customers, litigation or damage to our reputation. Such fraudulent activity may take many forms, including check fraud, electronic fraud, wire fraud, phishing, social engineering and other dishonest acts. Information security breaches and cybersecurity-related incidents may include fraudulent or unauthorized access to systems used by us or our customers, denial or degradation of service attacks, ransomware, malware or other cyber-attacks.

There continues to be a rise in electronic fraudulent activity, security breaches and cyber-attacks within the financial services industry, especially in the commercial banking sector, due to cyber criminals targeting commercial bank accounts and as a result of increasingly sophisticated methods of conducting cyber-attacks, including those employing artificial intelligence. Several large corporations, including financial institutions, vendors specializing in providing services to financial institutions and retail companies have suffered major data breaches, in some cases exposing not only confidential and proprietary corporate information, but also sensitive financial and other personal information of their customers and employees and subjecting them to potential fraudulent activity. Some of our customers may have been affected by these breaches, which could increase their risks of identity theft and other fraudulent activity that could involve their accounts with us.

Information pertaining to us and our customers is maintained, and transactions are executed, on networks and systems maintained by us and certain third party partners, such as our online banking, mobile banking or accounting systems. The secure maintenance and transmission of confidential information, as well as execution of transactions over these systems, are essential to protect us and our customers against fraud and security breaches and to maintain the confidence of our customers. Breaches of information security also may occur through intentional or unintentional acts by those having authorized access to our systems or the confidential information of our customers, including employees. In addition, increases in criminal activity levels and sophistication, advances in computer capabilities, new discoveries, vulnerabilities in third party technologies (including browsers and operating systems) or other developments could result in a compromise or breach of the technology, processes and controls that we use to prevent fraudulent transactions and to protect data about us, our customers and underlying transactions, as well as the technology used by our customers to access our systems. Our third party partners' inability to anticipate, or failure to adequately mitigate, breaches of security could result in a number of negative events, including losses to us or our customers, loss of business or customers, damage to our reputation, the incurrence of additional expenses, disruption to our business, additional regulatory scrutiny or penalties or our exposure to civil litigation and possible financial liability, any of which could have a material adverse effect on our business, financial condition, results of operations and growth prospects. While we maintain insurance coverage that may, subject to policy terms and conditions, cover certain aspects of cybersecurity risks, such insurance coverage may be insufficient to cover all losses.

***Issues with the use of artificial intelligence in our marketplace may result in reputational harm or liability, or could otherwise adversely affect our business.***

Artificial intelligence, including generative artificial intelligence, is or may be enabled by or integrated into our products or those developed by our third party partners. As with many developing technologies, artificial intelligence presents risks and challenges that could affect its further development, adoption and use, and therefore our business and our customers. Artificial intelligence algorithms may be flawed, for example datasets may contain biased information or otherwise be insufficient, and inappropriate or controversial data practices could impair the acceptance of artificial intelligence solutions and result in burdensome new regulations. If the analyses that products incorporating artificial intelligence assist in producing for us or our third party partners are deficient, biased or inaccurate, we could be subject to competitive harm, potential legal liability and brand or reputational harm. The use of artificial intelligence may also present ethical issues. If we or our third party partners offer artificial intelligence enabled products that are controversial because of their purported or real impact on human rights, privacy, or other issues, we may experience competitive harm, potential legal liability and brand or reputational harm. In addition, we expect that governments will continue to assess and implement new laws and regulations concerning the use of artificial intelligence, which may affect or impair the usability or efficiency of our products and services and those developed by our third party partners.

***The Company is or may become involved from time to time in suits, legal proceedings, information-gathering requests, investigations and proceedings by governmental and self-regulatory agencies that may lead to adverse consequences.***

Many aspects of our business and operations involve the risk of legal liability, and in some cases we or our subsidiaries have been named or threatened to be named as defendants in various lawsuits arising from our business activities. In addition, companies in our industry are frequently the subject of governmental and self-regulatory agency information-gathering requests, reviews, investigations and proceedings. The results of such proceedings could lead to significant civil or criminal penalties, including monetary penalties, damages, adverse judgments, settlements, fines, injunctions, restrictions on the way in which we conduct our business or reputational harm.

Although we establish accruals for legal proceedings when information related to the loss contingencies represented by those matters indicates both that a loss is probable and that the amount of loss can be reasonably estimated, we do not have accruals for all legal proceedings where we face a risk of loss. In addition, due to the inherent subjectivity of the assessments and unpredictability of the outcome of legal proceedings, amounts accrued may not represent the ultimate loss to us from the legal proceedings in question. Accordingly, our ultimate losses may be higher, and possibly significantly so, than the amounts accrued for legal loss contingencies, which could adversely affect our financial condition and results of operations.

***We depend on information technology and telecommunications systems of third parties, and any systems failures, interruptions or data breaches involving these systems could adversely affect our operations and financial condition.***

Our business is highly dependent on the successful and uninterrupted functioning of our information technology and telecommunications systems, third party servicers, accounting systems, mobile and online banking platforms and financial intermediaries. We outsource to third parties many of our major systems, such as data processing and mobile and online banking. The failure of these systems, or the termination of a third party software license or service agreement on which any of these systems is based, could interrupt our operations. Because our information technology and telecommunications systems interface with and depend on third party systems, we could experience service denials if demand for such services exceeds capacity or such third party systems fail or experience interruptions. A system failure or service denial could result in a deterioration of our ability to process loans or gather deposits and provide customer service, compromise our ability to operate effectively, result in potential noncompliance with applicable laws or regulations, damage our reputation, result in a loss of customer business or subject us to additional regulatory scrutiny and possible financial liability, any of which could have a material adverse effect on our business, financial condition, results of operations and growth prospects. In addition, failures of third parties to comply with applicable laws and regulations, or fraud or misconduct on the part of employees of any of these third parties, could disrupt our operations or adversely affect our reputation.

It may be difficult for us to replace some of our third party vendors, particularly vendors providing our core banking and information services, in a timely manner if they are unwilling or unable to provide us with these services in the future for any reason, and even if we are able to replace them, it may be at higher cost or result in the loss of customers. Any such events could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

Our operations rely heavily on the secure processing, storage and transmission of information and the monitoring of a large number of transactions on a minute-by-minute basis, and even a short interruption in service could have significant consequences. We also interact with and rely on retailers, for whom we process transactions, as well as financial counterparties and regulators. Each of these third parties may be targets of the same types of fraudulent activity, computer break-ins and other cybersecurity breaches described above, including those employing artificial intelligence, and the cybersecurity measures that they maintain to mitigate the risk of such activity may be different than our own and may be inadequate.

As a result of financial entities and technology systems becoming more interdependent and complex, a cyber incident, information breach, information loss or technology failure that compromises the systems or data of one or more financial entities could have a material impact on counterparties or other market participants, including ourselves. As a result of the foregoing, our ability to conduct business may be adversely affected by any significant disruptions to us or to third parties with whom we interact.

***We are subject to certain operational risks, including, but not limited to, customer or employee fraud and data processing system failures and errors.***

Employee errors and employee and customer misconduct could subject us to financial losses, regulatory sanctions and serious harm to our reputation. Misconduct by our employees could include, but are not limited to, hiding unauthorized activities from us, improper or unauthorized activities on behalf of our customers or improper use of confidential information. It is not always possible to prevent employee errors and misconduct, and the precautions we take to prevent and detect this activity may not be effective in all cases. Employee errors could also subject us to financial claims for negligence.

We maintain a system of internal controls and insurance coverage to mitigate against operational risks, including data processing system failures and errors and customer or employee fraud. Should our internal controls fail to prevent or detect an occurrence, and if any resulting loss is not insured or exceeds applicable insurance limits, such failure could have a material adverse effect on our business, financial condition and results of operations.

***Our framework for managing risks may not be effective in mitigating risk and loss to us.***

Our risk management framework seeks to mitigate risk and loss to us. We have established processes and procedures intended to identify, measure, monitor, report and analyze the types of risk to which we are subject, including liquidity risk, credit risk, market risk, interest rate risk, operational risk, compensation risk, legal and compliance risk, and reputational risk, among others. However, as with any risk management framework, there are inherent limitations to our risk management strategies as there may exist, or develop in the future, risks that we have not appropriately anticipated or identified. If our risk management framework proves ineffective, we could suffer unexpected losses and our business, financial condition or results of operations could be materially adversely affected.

***Our internal controls may be ineffective.***

Management regularly reviews and updates our internal controls, disclosure controls and procedures and corporate governance policies and procedures. Any system of controls, however well designed and operated, is based in part on certain assumptions and can provide only reasonable, not absolute, assurances that the objectives of the system are met. Any failure or circumvention of our controls and procedures or failure to comply with regulations related to controls and procedures could have a material adverse effect on our financial condition and results of operations.

***We depend on the accuracy and completeness of information provided by customers and counterparties.***

In deciding whether to extend credit or enter into other transactions with customers and counterparties, we may rely on information furnished to us by or on behalf of customers and counterparties, including financial statements and other financial information. We also may rely on representations of customers and counterparties as to the accuracy and completeness of that information. In deciding whether to extend credit, we may rely upon our customers' representations that their financial statements conform to GAAP and present fairly, in all material respects, their financial condition, results of operations and cash flows. We also may rely on customer representations and certifications, or other audit or accountants' reports, with respect to the business and financial condition of our customers. Our financial condition, results of operations, financial reporting and reputation could be negatively affected if we rely on materially misleading, false, inaccurate or fraudulent information.

**Regulatory Risks**

***We operate in a highly regulated industry, and the laws and regulations to which we are subject, or changes in them, or our failure to comply with them, may adversely affect us.***

The Company and the Bank are subject to extensive regulation by multiple regulatory agencies. These regulations may affect the manner and terms of delivery of our services. If we do not comply with governmental regulations, we may be subject to fines, penalties, lawsuits or material restrictions on our businesses, which may adversely affect our business operations. Changes in these regulations, including their interpretation and enforcement, can significantly affect the services that we provide, as well as our costs of compliance with such regulations. In addition, political developments, including possible changes in law introduced by the new presidential administration or the appointment of new personnel in regulatory agencies, add uncertainty to the implementation, scope and timing of regulatory reforms. Adverse publicity and damage to our reputation arising from the failure or perceived failure to comply with legal, regulatory or contractual requirements could also affect our ability to attract and retain customers.

***The Company and the Bank are subject to stringent capital and liquidity requirements.***

As a result of the implementation of the Basel III Rules, we were required to meet new and increased capital requirements beginning on January 1, 2015. In addition, beginning in 2016, banking institutions that do not maintain a capital conservation buffer, comprised of Common Equity Tier 1 Capital, of 2.5% above the regulatory minimum capital requirements face constraints on the payment of dividends, stock repurchases and discretionary bonus payments to executive officers based on the amount of the shortfall, unless prior regulatory approval is obtained. Accordingly, if the Bank or the Company fails to maintain the applicable minimum capital ratios and the capital conservation buffer, distributions by the Bank to the Company, or dividends or stock repurchases by the Company, may be prohibited or limited.

Future increases in minimum capital requirements could adversely affect our net income. Furthermore, if we fail to comply with existing or future minimum capital requirements, regulators could take formal or informal actions against us which could restrict our future growth or operations.

***Federal and state regulators periodically examine our business, and we may be required to remediate adverse examination findings.***

The Federal Reserve, the FDIC and the Iowa Division periodically examine our business, including our compliance with laws and regulations. If, as a result of an examination, a banking agency were to determine that our financial condition, capital resources, asset quality, earnings prospects, management, liquidity or other aspects of any of our operations had become unsatisfactory, or that we were in violation of any law or regulation, they may take a number of different remedial actions as they deem appropriate. These actions include the power to enjoin “unsafe or unsound” practices, to require affirmative action to correct any conditions resulting from any violation or practice, to issue an administrative order that can be judicially enforced, to direct an increase in our capital, to restrict our growth, to assess civil money penalties, to fine or remove officers and directors and, if it is concluded that such conditions cannot be corrected or there is an imminent risk of loss to depositors, to terminate our deposit insurance and place our bank into receivership or conservatorship. Any regulatory action against us could have an adverse effect on our business, financial condition and results of operations.

***We are subject to numerous laws designed to protect consumers, including the CRA and fair lending laws, and failure to comply with these laws could lead to a wide variety of sanctions.***

The CRA requires the Bank, consistent with safe and sound operations, to ascertain and meet the credit needs of its entire community, including low and moderate income areas. The Bank’s failure to comply with the CRA could, among other things, result in the denial or delay of certain corporate applications filed by us or the Bank, including applications for branch openings or relocations and applications to acquire, merge or consolidate with another banking institution or holding company. In addition, the Equal Credit Opportunity Act, the Fair Housing Act and other fair lending laws and regulations prohibit discriminatory lending practices by financial institutions. The U.S. Department of Justice, federal banking agencies, and other federal agencies are responsible for enforcing these laws and regulations. A challenge to an institution’s compliance with fair lending laws and regulations could result in a wide variety of sanctions, including damages and civil money penalties, injunctive relief, restrictions on mergers and acquisitions activity, customer redress payments, restrictions on expansion and restrictions on entering new business lines. Private parties may also challenge an institution’s performance under fair lending laws in private class action litigation. Such actions could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

***Non-compliance with the Bank Secrecy Act or other laws and regulations could result in fines or sanctions against us.***

The Bank Secrecy Act requires financial institutions to design and implement programs to prevent financial institutions from being used for money laundering and terrorist financing activities. If such activities are detected, financial institutions are obligated to file suspicious activity reports with the Financial Crimes Enforcement Network of the Treasury. These rules require financial institutions to establish procedures for identifying and verifying the identity of customers seeking to open new financial accounts. Federal and state bank regulators also have focused on compliance with Bank Secrecy Act and anti-money laundering regulations. Failure to comply with these regulations could result in fines or sanctions, including restrictions on conducting acquisitions or establishing new branches. In recent years, several banking institutions have received large civil money penalties and criminal fines for non-compliance with these laws and regulations. While we have developed policies and procedures designed to assist in compliance with these laws and regulations, these policies and procedures may not be effective in preventing violations of these laws and regulations. Failure to maintain and implement adequate programs to combat money laundering and terrorist financing could also have serious reputational consequences for us, which could have a material adverse effect on our business, financial condition or results of operations.

**Common Stock Risks**

***There is a limited trading market for our common shares, and you may not be able to resell your shares at or above the price you paid for them.***

Although our common shares are listed for quotation on the Nasdaq Global Select Market, the trading in our common shares has substantially less liquidity than many other companies listed on the Nasdaq Global Select Market. A public trading market having the desired characteristics of depth, liquidity and orderliness depends on the presence in the market of willing buyers and sellers of our common shares at any given time. This presence depends on the individual decisions of investors and general economic and market conditions over which we have no control. We cannot provide assurances that the volume of trading in our common shares will increase in the future.

***Certain shareholders own a significant interest in the Company and may exercise their control in a manner detrimental to your interests.***

Certain Company shareholders who are descendants of our founder collectively control approximately 13.5% of our outstanding common stock. In addition, certain Company shareholders that previously owned ATB collectively control approximately 13.5% of our outstanding common stock. These shareholders may have the opportunity to exert influence on the outcome of matters required to be submitted to shareholders for approval. In addition, the significant level of ownership by these shareholders may contribute to the rather limited liquidity of our common stock on the Nasdaq Global Select Market.

## Item 1B. Unresolved Staff Comments.

None.

## Item 1C. Cybersecurity.

### Cybersecurity Risk Management and Strategy

The Company has established an information security program that uses a risk-based methodology to ensure the confidentiality, integrity, and availability of its information. The Board and the Enterprise Risk Management Committee set enterprise risk strategy and make risk-informed decisions, which includes assessment and response to cybersecurity risk. The Board has appointed an Information Security Officer ("ISO") to oversee the program. The program utilizes a combination of automated tools, manual processes, and third party assessments to identify and assess potential cybersecurity threats. The program is supported by an organization structure that reflects support from across the business. Program objectives and results are regularly reported to the Enterprise Risk Management Committee, Audit Committee, and Board.

The Company conducts risk assessments and compliance audits, both internally and by independent third parties, for comparison against industry standards, including the National Institute of Standards and Technology cybersecurity framework and Federal Financial Institution Examination Council guidance. Risk assessment results are used to develop appropriate cybersecurity controls and risk mitigation strategies, which are implemented throughout the organization.

We maintain a cybersecurity incident response plan to help ensure a timely, consistent, and effective response to actual or attempted cybersecurity incidents impacting the Company. The plan includes considerations for (1) detection, (2) analysis, which may include timely notice to our Board if deemed material or appropriate, (3) containment, (4) eradication, (5) recovery, (6) post-incident review, and (7) external reporting through a Current Report on Form 8-K (if deemed material). In addition, we also maintain a formal information security training program for all employees that includes training on topics such as phishing and email security best practices. Employees are also required to complete regular training on data privacy.

While we have a cybersecurity program designed to protect and preserve the integrity of our information systems, the Company also maintains cybersecurity insurance to manage potential liabilities resulting from specific cyber-attacks. However, it is important to note that although we maintain cybersecurity insurance, there can be no guarantee that our insurance coverage limits will protect against any future claims or that such insurance proceeds will be paid to us in a timely manner. For further discussion of risks from cybersecurity threats, see the section captioned "Operational Risks" in Item 1A. Risk Factors.

We use third party partners to audit, assess, and test our cybersecurity program governance and control effectiveness on an annual basis. These engagements include an IT general controls review, internal and external penetration testing, social engineering testing, and incident response exercises. Findings and recommendations from these engagements are reported to the Enterprise Risk Management and Audit Committees.

We rely on our information technology systems and networks in connection with many of our business activities. Some of these networks and systems are managed by third party service providers and are not under our direct control. The Company has implemented a third party risk management program to manage the cybersecurity risks associated with its use of third party service providers.

### Cybersecurity Incidents

While we have no knowledge that we have experienced a cybersecurity incident that has had or is reasonably likely to have a material adverse impact on our operations or financial results as of the date of this Annual Report on Form 10-K, there can be no assurance that we will not encounter such an incident in the future, notwithstanding the cybersecurity measures and processes we have undertaken. Such incidents, whether or not successful, could result in our incurring significant costs related to, for example, remediating or restoring our internal systems or information, implementing additional threat protection measures, defending against litigation, responding to regulatory inquiries or actions, paying damages, providing customers with incentives to maintain a business relationship with us, or taking other remedial steps with respect to third parties, as well as incurring significant reputational harm. Further, there is increasing regulation regarding responses to cybersecurity incidents, including reporting to regulators, which could subject us to additional liability and reputational harm. Cybersecurity threats are expected to continue to be persistent and severe.

**Cybersecurity Governance**

The Board and the Enterprise Risk Management Committee have oversight responsibility for our information security program and receive regular updates on the status of the program and any emerging threats or incidents with the potential to impact operations or financial performance. To ensure that the Board is fully informed about cybersecurity risks, the ISO provides regular reports to both the Board and the Enterprise Risk Management Committee. These regular reports include an overview of the Company's current cybersecurity risk assessment, key risk areas, and any significant cyber incidents that have occurred or are reasonably likely to occur. In addition, the Enterprise Risk Management Committee receives regular updates on cybersecurity trends and emerging threats from program management. Our Audit Committee also plays a role in overseeing the Company's cybersecurity and information security program. The Audit Committee reviews final reports from third party engagements and receives presentations at its meetings concerning cybersecurity risk and related issues. All members of the Board receive copies of Audit Committee reports.

Company management is responsible for assessing and administering the cybersecurity risk program. Specifically, the Chief Information Officer ("CIO") and the ISO are responsible for the prevention, mitigation, detection, and remediation of cybersecurity incidents. The ISO has relevant expertise in cybersecurity, with 19 years of experience managing components of the information technology and information security programs at the Company. The ISO has established expertise and proficiency in cybersecurity, and holds several cybersecurity certifications, including Certified Information Systems Security Professional (CISSP), Certified Information Security Manager (CISM), and Certified in Risk and Information Systems Control (CRISC). The ISO and CIO work closely with other management positions, including the Chief Risk Officer, Chief Financial Officer, General Counsel, President, and CEO to ensure that the Company has effective communication and understanding regarding its cybersecurity risk and related controls.

The IT and Security teams monitor the prevention, mitigation, detection, and remediation of cybersecurity incidents through various processes. These processes include risk assessments, vulnerability assessments, penetration testing, program exercises, security incident and event management, continuous monitoring, and threat intelligence gathering.

In 2024, the Board held an education session with outside experts on cybersecurity. The Company has also implemented a cybersecurity training and compliance program to ensure regular education for all employees. In addition, external parties are engaged to assess Company information security programs and practices, including incident management, service continuity, and information security compliance programs.

## ITEM 2. PROPERTIES.

The Company's principal location is our corporate headquarters located at 102 South Clinton Street, Iowa City, Iowa. We own or lease other banking offices and operating facilities located throughout central and eastern Iowa, the Minneapolis / St. Paul metropolitan area, southwestern Wisconsin, and Denver, Colorado. The number of banking offices per state at December 31, 2024 is detailed in the following table:

| | Number of Banking Offices |
|---|---|
| Iowa banking offices | 35 |
| Minnesota banking offices | 12 |
| Wisconsin banking offices | 7 |
| Colorado banking offices | 2 |
| | 56 |

Additional information with respect to premises and equipment is presented in Note 6. Premises and Equipment and Note 22. Leases to the consolidated financial statements in "Item 8. Financial Statements and Supplementary Data."

## Item 3. Legal Proceedings.

We and our subsidiaries are from time to time parties to various legal actions arising in the normal course of business. We believe that there is no threatened or pending proceeding, other than ordinary routine litigation incidental to the Company's business, against us or our subsidiaries or of which our property is the subject, which, if determined adversely, would have a material adverse effect on our consolidated business or financial condition.

## Item 4. Mine Safety Disclosures.

Not applicable.

## PART II

### ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

**Marketplace Designation and Holders**

Our common stock is listed on the Nasdaq Global Select Market under the symbol “MOFG.” As of March 3, 2025, there were 20,815,715 shares of common stock outstanding held by approximately 393 holders of record. Additionally, there are an estimated 7,668 beneficial holders whose stock was held in street name by brokerage houses and other nominees as of that date.

**Dividends**

The Company paid quarterly cash dividends on its common shares in each quarter of 2024 and 2023 and anticipates continuing to pay comparable dividends going forward. Total dividends paid on common shares were $0.97 in 2024 in 2023. However, we have no obligation to pay dividends and we may change our dividend policy at any time without notice to our shareholders.

The ability of the Company to pay dividends in the future will depend primarily upon the earnings of the Bank and its ability to pay dividends to the Company, as well as regulatory requirements of the Federal Reserve relating to the payment of dividends by bank holding companies. The ability of the Bank to pay dividends is governed by various statutes. These statutes provide that a bank may pay dividends only out of undivided profits. In addition, applicable bank regulatory authorities have the power to require any bank to suspend the payment of dividends until the bank complies with all requirements that may be imposed by such authorities.

Due to the investment securities losses recognized in conjunction with our balance sheet repositioning in the current and prior year, we were required to receive approval from the Federal Reserve prior to declaring a quarterly dividend in the fourth quarter of 2023 and the third and fourth quarters of 2024, and anticipate that we will continue to need prior approval from the Federal Reserve to issue quarterly dividends through 2025.

**Issuer Purchases of Equity Securities**

The following table sets forth information about the Company's purchases of its common stock during the fourth quarter of 2024:

| | Total Number of Shares Purchased[1] | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Programs[2] | Approximate Dollar Value of Shares That May Yet Be Purchased Under the Program |
|---|---|---|---|---|
| October 1 - 31, 2024 | — | $ — | — | $ 15,000,000 |
| November 1 - 30, 2024 | — | — | — | 15,000,000 |
| December 1 - 31, 2024 | — | — | — | 15,000,000 |
| Total | — | $ — | — | $ 15,000,000 |

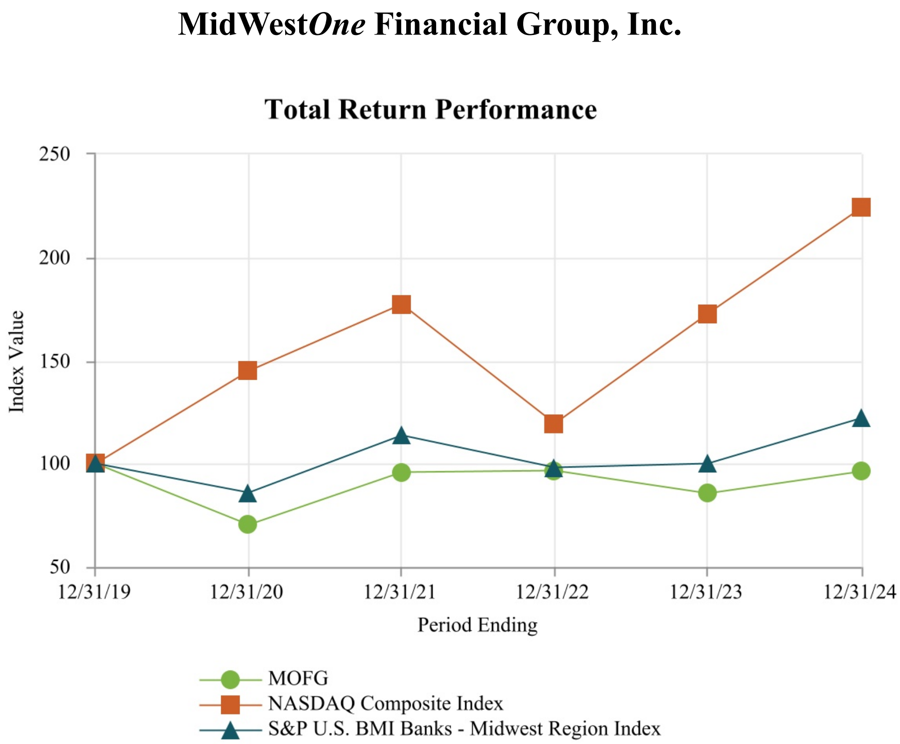
[1] The Company repurchased no common shares and there were no shares surrendered by employees of the Company to pay withholding taxes on vesting of restricted stock unit awards during the three months ended December 31, 2024.

[2] On June 22, 2021, the Board approved a share repurchase program, allowing for the repurchase of up to $15.0 million of the Company's common stock through December 31, 2023. This repurchase program replaced the Company's prior repurchase program, which was due to expire on December 31, 2021. Since June 23, 2021 and through April 27, 2023, the Company repurchased 403,368 shares of common stock for approximately $12.0 million, leaving $3.0 million available to be repurchased.

On April 27, 2023, the Board approved a share repurchase program, allowing for the repurchase of up to $15.0 million of the Company's common stock through December 31, 2025. This repurchase program replaced the Company's prior repurchase program, adopted in June 2021, which was due to expire on December 31, 2023. Since April 28, 2023 and through December 31, 2024, the Company repurchased no shares of common stock, leaving $15.0 million available to be repurchased.

**Performance Graph**

The following table compares MidWest*One* Financial Group, Inc's ("MOFG") performance, as measured by the change in price of its common stock plus reinvested dividends, with the Nasdaq Composite Index and the S&P U.S. BMI Banks - Midwest Region Index for the five years ended December 31, 2024.




| Index | At 12/31/2019 | 12/31/2020 | 12/31/2021 | 12/31/2022 | 12/31/2023 | 12/31/2024 |
|---|---|---|---|---|---|---|
| MidWest*One* Financial Group, Inc. | $ 100.00 | $ 70.31 | $ 95.71 | $ 96.75 | $ 85.61 | $ 96.21 |
| Nasdaq Composite Index | 100.00 | 144.92 | 177.06 | 119.45 | 172.77 | 223.87 |
| S&P U.S. BMI Banks - Midwest Region Index | 100.00 | 85.98 | 113.59 | 98.03 | 100.08 | 122.10 |

The companies in the custom peer group - S&P U.S. BMI Banks - Midwest Region Index - represents all banks, thrifts or financial service companies traded on a major exchange, headquartered in Iowa, Illinois, Indiana, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin.

**ITEM 6. Reserved.**

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.**

This section should be read in conjunction with the following parts of this Annual Report on Form 10-K: Part I, Item 1 "Business.", Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," and Part II, Item 8 "Financial Statements and Supplementary Data." For a discussion on the comparison of results of operations for the years ended December 31, 2023 and 2022, refer to Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operation" in the Company's Annual Form 10-K filed with the SEC on March 8, 2024.

In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Certain risks, uncertainties and other factors, including but not limited to those set forth under "Cautionary Note Regarding Forward-Looking Statements," "Item 1A. Risk Factors," and elsewhere in this report, may cause actual results to differ materially from those projected in the forward-looking statements. The Company assumes no obligation to update any of these forward-looking statements. Readers of the Company's Annual Report on Form 10-K should consider these risks and uncertainties in evaluating forward-looking statements and should not place undue reliance on forward-looking statements.

**Overview**

We are headquartered in Iowa City, Iowa, and are a bank holding company under the BHCA that has elected to be a financial holding company. We are the holding company for MidWest*One* Bank, an Iowa state non-member bank with its main office in Iowa City, Iowa.

On June 7, 2024, the Bank completed the sale of its Florida banking operations for a 7.5% deposit premium, which consisted of one bank branch in each of Naples and Ft. Myers, Florida.

On January 31, 2024, the Company completed the acquisition of DNVB, a bank holding company headquartered in Denver, Colorado, and the parent company of BOD. Immediately following completion of the acquisition, BOD was merged with and into the Bank. As consideration for the merger, we paid cash of $32.6 million.

On June 9, 2022, the Company acquired IOFB, a bank holding company whose wholly-owned banking subsidiaries were FNBM and FNBF, community banks located in Muscatine and Fairfield, Iowa, respectively.

As of December 31, 2024, the Bank operated a total of 56 banking offices, which are located throughout central and eastern Iowa, the Minneapolis/St. Paul metropolitan area, southwestern Wisconsin, and Denver, Colorado. The Bank is focused on delivering relationship-based business and personal banking products and services. The Bank provides commercial loans, real estate loans, agricultural loans, credit card loans, and consumer loans. The Bank also provides deposit products including demand and interest checking accounts, savings accounts, money market accounts, and time deposits. Complementary to our loan and deposit products, the Bank also provides products and services including treasury management, Zelle, online and mobile banking, credit and debit cards, ATMs, and safe deposit boxes. The Bank also has wealth management services through which it offers the administration of estates, trusts, and conservatorships, as well as financial planning, investment advisory, and brokerage services (the latter of which is provided through an arrangement with a third party registered broker-dealer).

Our results of operations are significantly affected by our net interest income. Results of operations are also affected by noninterest income and expense, credit loss expense and income tax expense. Significant external factors that impact our results of operations include general economic and competitive conditions, as well as changes in market interest rates, government policies, and actions of regulatory authorities.

***Financial Summary***

The Company reported a net loss for the year ended December 31, 2024 of $60.3 million, a decrease of $81.1 million, or 389.0%, compared to net income of $20.9 million for 2023, with diluted losses per share of $3.54 at December 31, 2024 as compared to diluted earnings per share of $1.33 at December 31, 2023.

The period as of December 31, 2024 and for the year then ended was also highlighted by the following results:

Balance Sheet:

- Total assets decreased to $6.24 billion at December 31, 2024 from $6.43 billion at December 31, 2023, largely driven by securities sales transactions completed in 2024 as part of a balance sheet repositioning and loans divested in the sale of our Florida banking operations, partially offset by acquired DNVB assets, organic loan growth, and higher line of credit usage.
- At December 31, 2024, total debt securities available for sale were $1.33 billion, with no held to maturity debt securities. At December 31, 2023, total debt securities available for sale were $795.1 million, while held to maturity debt securities were $1.08 billion. In the third quarter of 2024 we reclassified all debt securities held to maturity as available for sale in contemplation of the balance sheet repositioning completed in the fourth quarter of 2024. That repositioning included the sale of $1.0 billion of debt securities, resulting in pretax losses of $140.2 million, and the purchase of $589.8 million of debt securities.
- Gross loans held for investment increased $190.1 million from $4.14 billion at December 31, 2023 to $4.33 billion at December 31, 2024. This increase was primarily driven by loans acquired in the DNVB acquisition, organic loan growth, and higher line of credit usage, partially offset by the sale of loans associated with our Florida banking operations.
- The allowance for credit losses was $55.2 million, or 1.28% of total loans, as of December 31, 2024, compared with $51.5 million, or 1.25% of total loans, at December 31, 2023. The increase in the ACL primarily reflected $3.1 million of day 1 credit loss expense related to acquired DNVB loans and reserve taken to support organic loan growth, partially offset by $1.9 million of allowance divested in connection with the sale of our Florida banking operations.
- Nonperforming assets decreased $5.1 million from $30.3 million at December 31, 2023 to $25.2 million at December 31, 2024.
- Total deposits increased $82.3 million, from $5.40 billion at December 31, 2023 to $5.48 billion at December 31, 2024.
- Short-term borrowings decreased to $3.2 million at December 31, 2024 from $300.3 million at December 31, 2023, as proceeds from the sale of debt securities, in connection with the balance sheet repositioning described above, were partially used to pay off BTFP borrowings, while long-term debt decreased to $113.4 million at December 31, 2024 from $123.3 million at December 31, 2023.
- Shareholders' equity increased to $559.7 million at December 31, 2024 from $524.4 million at December 31, 2023, primarily as a result of a common equity capital raise executed in the third quarter of 2024, partially offset by a net loss and dividends paid.
- The Company was well-capitalized with a total risk-based capital ratio of 14.07% at December 31, 2024.

Income Statement:

- Net interest income of $157.5 million for the year ended December 31, 2024 increased $13.4 million, from $144.2 million for the year ended December 31, 2023. Tax equivalent net interest income (a non-GAAP financial measure - see the "Non-GAAP Presentations" section for a reconciliation to the most comparable GAAP equivalent) increased $13.7 million, from $149.0 million for the year ended December 31, 2023, to $162.7 million for the year ended December 31, 2024. The increase reflected an increase in loan interest income of $43.2 million, partially offset by increases in interest paid on interest bearing deposits and borrowed funds of $27.3 million and $4.0 million, respectively, and a decrease of $2.5 million in interest income earned from investment securities.
- Credit loss expense was $8.8 million during 2024, compared with credit loss expense of $5.8 million in 2023. Credit loss expense during 2024 reflected $3.2 million of credit loss expense related to loans acquired in the DNVB acquisition, as well as additional reserves taken to support organic loan growth.
- Noninterest income decreased $106.7 million, from $18.4 million for the year ended December 31, 2023 to noninterest loss of $88.2 million for the year ended December 31, 2024, primarily due to the balance sheet repositioning-related investment securities losses of $140.2 million. Partially offsetting this decrease was a $10.9 million gain on sale recognized in connection with the sale of our Florida banking operations, which was recorded in other noninterest income.
- Noninterest expense increased $12.6 million, from $131.9 million for the year ended December 31, 2023 to $144.5 million for the year ended December 31, 2024, primarily due to increases in compensation and employee benefits, other expense, legal and professional, and equipment of $6.1 million, $2.5 million, $1.7 million, and $1.1 million, respectively.

**Critical Accounting Policies and Estimates**

We have identified the following critical accounting policies, estimates, and practices relative to the reporting of our results of operations and financial condition. These accounting policies and estimates relate to the allowance for credit losses and the annual impairment testing of goodwill and other intangible assets.

***Allowance for Credit Losses***

Loans Held for Investment:

Under the CECL model, the allowance for credit losses is a valuation account estimated at each balance sheet date and deducted from the amortized cost basis of loans held for investment to present the net amount expected to be collected.

The Company estimates the ACL based on the underlying assets' amortized cost basis, which is the amount at which the financing receivable is originated or acquired, adjusted for collection of cash and charge-offs, as well as applicable accretion or amortization of premium, discount, and net deferred fees or costs. In the event that collection of principal becomes uncertain, the Company has policies in place to reverse accrued interest in a timely manner. Therefore, the Company has made a policy election to exclude accrued interest from the measurement of ACL. The Company's estimate of the ACL reflects losses expected over the contractual life of the assets, adjusted for estimated prepayments or curtailments. The contractual term does not consider extensions, renewals or modifications. A loan that has been modified or renewed is considered a MBEFD when the borrower is experiencing financial difficulty.

Expected credit losses are reflected in the allowance for credit losses through a charge to credit loss expense. When the Company deems all or a portion of a financial asset to be uncollectible, the appropriate amount is written off and the ACL is reduced by the same amount. The Company applies judgment to determine when a financial asset is deemed uncollectible; however, generally speaking, an asset will be considered uncollectible no later than when all efforts at collection have been exhausted. Subsequent recoveries, if any, are credited to the ACL when received.

The Company measures expected credit losses of financial assets on a collective (pool) basis when the financial assets share similar risk characteristics. Depending on the nature of the pool of financial assets with similar risk characteristics, the Company uses a DCF method or a loss-rate method to estimate expected credit losses.

The Company's methodologies for estimating the ACL consider available relevant information about the collectability of cash flows, including information about past events, current conditions, and reasonable and supportable forecasts. The methodologies apply historical loss information, adjusted for asset-specific characteristics, economic conditions at the measurement date, and forecasts about future economic conditions expected to exist through the contractual lives of the financial assets that are reasonable and supportable, to the identified pools of financial assets with similar risk characteristics for which the historical loss experience was observed. Specifically, the economic forecast used by the Company is sensitive to changes in the following loss drivers: (1) Midwest unemployment, (2) national unemployment, (3) year-to-year change in national retail sales, (4) year-to-year change in the CRE index, and (5) year-to-year change in U.S. gross domestic product ("GDP"). General deterioration in these loss drivers, coupled with any changes to our modeling assumptions stemming from overall uncertainties in the current and future economic conditions, also impacts the Company's estimation of the ACL. The Company's economic forecast assumptions revert back to historical loss driver information on a straight-line basis over four quarters.

*Discounted Cash Flow Method*

The Company uses the DCF method to estimate expected credit losses for the agricultural, commercial and industrial, CRE - construction and development, CRE - farmland, CRE - multifamily, CRE - other, RRE - owner-occupied one-to-four family first liens, RRE - non-owner-occupied one-to-four family first liens, RRE - one-to-four family junior liens, and consumer loan pools. For each of these pools, the Company generates cash flow projections at the instrument level wherein payment expectations are adjusted for estimated prepayment speed, curtailments, time to recovery, probability of default, and loss given default. The modeling of expected prepayment speeds, curtailment rates, and time to recovery are based on historical internal data.

The Company uses regression analysis of historical internal and peer data to determine which variables are best suited to be economic variables utilized when modeling lifetime probability of default and loss given default. This analysis also determines how expected probability of default and loss given default will react to forecasted levels of the economic variables. For the loan pools utilizing the DCF method, management utilizes one or multiple of the following economic variables: national unemployment, national retail sales, CRE index, and U.S. GDP.

For all DCF models, management has determined that four quarters represents a reasonable and supportable forecast period and reverts back to a historical loss rate over four quarters on a straight-line basis. Management leverages economic projections from a reputable and independent third party to inform its loss driver forecasts over the four quarter forecast period. Other internal and external indicators of economic forecasts are also considered by management when developing the forecast metrics.

The combination of adjustments for credit expectations (default and loss) and timing expectations (prepayment, curtailment, and time to recovery) produces an expected cash flow stream at the instrument level. Instrument effective yield is calculated, net of the impacts of prepayment assumptions, and the instrument expected cash flows are then discounted at that effective yield to produce an instrument-level net present value of expected cash flows ("NPV"). An ACL is established for the difference between the instrument's NPV and amortized cost basis. In addition, management utilizes qualitative factors to adjust the calculated ACL as appropriate. Qualitative factors are based on management's judgment of company, market, industry or business specific data, changes in underlying loan composition of specific portfolios, trends relating to credit quality, delinquency, non-performing and adversely rated loans, and reasonable and supportable forecasts of economic conditions.

*Loss-Rate Method*

The Company uses a loss-rate method to estimate expected credit losses for the credit card and overdraft pools, as well as a portion of the acquired DNVB consumer loan portfolio. For each of these pools, the Company applies an expected loss ratio based on internal and peer historical losses, adjusted as appropriate for qualitative factors. Qualitative loss factors are based on management's judgment of company, market, industry or business specific data, changes in underlying loan composition of specific portfolios, trends relating to credit quality, delinquency, non-performing and adversely rated loans, and reasonable and supportable forecasts of economic conditions.

*Collateral Dependent Financial Assets*

Loans that do not share risk characteristics are evaluated on an individual basis. For collateral dependent financial assets where the Company has determined that foreclosure of the collateral is probable, or where the borrower is experiencing financial difficulty and the Company expects repayment of the financial asset to be provided substantially through the operation or sale of the collateral, the ACL is measured based on the difference between the fair value of the collateral and the amortized cost basis of the asset as of the measurement date. When repayment is expected to be from the operation of the collateral, expected credit losses are calculated as the amount by which the amortized cost basis of the financial asset exceeds the present value of expected cash flows from the operation of the collateral. When repayment is expected to be from the sale of the collateral, expected credit losses are calculated as the amount by which the amortized cost basis of the financial asset exceeds the fair value of the underlying collateral less estimated cost to sell.

***Goodwill and Other Intangible Assets***

Goodwill and intangible assets arise from business combinations. Goodwill represented $69.8 million of our $6.24 billion total assets at December 31, 2024. Under the Intangibles - Goodwill and Other topic of the FASB ASC, goodwill is tested at least annually for impairment. The Company's annual assessment is done at the reporting unit level, which the Company has concluded is at the consolidated level. We review goodwill for impairment annually during the fourth quarter and also test for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of our reporting unit below its carrying amount. Such events and circumstances may include among others: a significant adverse change in legal factors or in the general business climate; significant decline in our stock price and market capitalization; unanticipated competition; the testing for recoverability of a significant asset group within the reporting unit; and an adverse action or assessment by a regulator. Any adverse change in these factors could have a significant impact on the recoverability of goodwill and could have a material impact on our consolidated financial statements. No goodwill impairment charge was recorded in the years ended December 31, 2024 and 2023 as a result of the Company's internal assessment.

Other intangible assets represented $25.0 million of our $6.24 billion total assets at December 31, 2024. The accounting for a recognized intangible asset is based on its useful life to the Company. An intangible asset with a finite useful life is amortized over its estimated useful life to the Company; an intangible asset with an indefinite useful life is not amortized but rather is tested at least annually for impairment. The intangible assets with finite lives reflected on our financial statements relate to core deposit relationships, trade name, and customer lists. The initial and subsequent measurements of intangible assets involve the use of significant estimates and assumptions. These estimates and assumptions include, among other things, the estimated cost to service deposits acquired, discount rates, estimated attrition rates and useful lives, future economic and market conditions, comparison of our market value to book value and determination of appropriate market comparables. Periodically we evaluate the estimated useful lives of intangible assets and whether events or changes in circumstances warrant a revision to the remaining periods of amortization. We also assess these intangible assets for impairment annually or more often if conditions indicate a possible impairment. If the asset is considered to be impaired, the amount of any impairment is measured as the difference between the carrying value and the fair value of the impaired asset. See Note 7. Goodwill and Intangible Assets to our consolidated financial statements for additional information related to our intangible assets.

**Results of Operations**

***Summary***

| | As of or For the Years Ended December 31, | | |
|---|---|---|---|
| **(dollars in thousands, except per share amounts)** | **2024** | **2023** | **2022** |
| Net Interest Income | $ 157,537 | $ 144,172 | $ 166,358 |
| Noninterest (Loss) Income | (88,247) | 18,423 | 47,519 |
| Total Revenue, Net of Interest Expense | 69,290 | 162,595 | 213,877 |
| Credit Loss Expense | 8,782 | 5,849 | 4,492 |
| Noninterest Expense | 144,496 | 131,913 | 132,788 |
| (Loss) Income Before Income Tax Expense | (83,988) | 24,833 | 76,597 |
| Income Tax (Benefit) Expense | (23,699) | 3,974 | 15,762 |
| Net (Loss) Income | (60,289) | 20,859 | 60,835 |
| Adjusted Earnings[(1)] | $ 37,954 | $ 35,311 | $ 57,988 |
| Diluted Earnings (Loss) Per Share | $ (3.54) | $ 1.33 | $ 3.87 |
| Adjusted Earnings Per Share[(1)] | 2.23 | 2.25 | 3.69 |
| | | | |
| Return on Average Assets | (0.92)% | 0.32 % | 0.97 % |
| Return on Average Equity | (11.08) | 4.12 | 12.16 |
| Return on Average Tangible Equity[(1)] | (12.45) | 6.14 | 15.89 |
| Efficiency Ratio[(1)] | 63.44 | 67.28 | 56.98 |
| Dividend Payout Ratio | n/m | 72.93 | 24.42 |
| Common Equity Ratio | 8.97 | 8.16 | 7.49 |
| Tangible Common Equity Ratio[(1)] | 7.57 | 6.90 | 6.17 |
| Book Value per Share | $ 26.94 | $ 33.41 | $ 31.54 |
| Tangible Book Value per Share[(1)] | 22.37 | 27.90 | 25.60 |

(n/m) - not meaningful

[(1)]A non-GAAP financial measure - see the "Non-GAAP Presentations" section for a reconciliation to the most comparable GAAP equivalent.

### *Net Interest Income*

Net interest income is the difference between interest income and fees earned on interest-earning assets, less interest expense incurred on interest-bearing liabilities. Tax equivalent net interest margin is the net interest income, on a tax equivalent basis, as a percentage of average interest-earning assets.

### *Net Interest Income Summary*

The following table shows the consolidated average balance sheets, detailing the major categories of assets and liabilities, the interest income earned on interest-earning assets, the interest expense paid for interest-bearing liabilities, and the related interest yields and costs for the periods indicated.

| | Year ended December 31, | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | | 2022 | | |
| (dollars in thousands) | Average Balance | Interest Income/ Expense | Average Yield/Cost | Average Balance | Interest Income/Expense | Average Yield/Cost | Average Balance | Interest Income/Expense | Average Yield/Cost |
| **ASSETS** | | | | | | | | | |
| Loans, including fees (1)(2)(3) | $ 4,334,163 | $ 248,409 | 5.73 % | $ 3,993,389 | $ 205,189 | 5.14 % | $ 3,511,192 | $ 150,791 | 4.29 % |
| Taxable investment securities | 1,411,411 | 38,787 | 2.75 | 1,684,360 | 38,978 | 2.31 | 1,891,234 | 39,019 | 2.06 |
| Tax-exempt investment securities (2)(4) | 268,175 | 7,028 | 2.62 | 355,454 | 9,353 | 2.63 | 435,907 | 11,788 | 2.70 |
| Total securities held for investment (2) | 1,679,586 | 45,815 | 2.73 | 2,039,814 | 48,331 | 2.37 | 2,327,141 | 50,807 | 2.18 |
| Other | 103,679 | 5,206 | 5.02 | 22,791 | 916 | 4.02 | 20,827 | 77 | 0.37 |
| Total interest earning assets (2) | $ 6,117,428 | $ 299,430 | 4.89 % | $ 6,055,994 | $ 254,436 | 4.20 % | $ 5,859,160 | $ 201,675 | 3.44 % |
| Other assets | 434,992 | | | 419,366 | | | 385,124 | | |
| Total assets | $ 6,552,420 | | | $ 6,475,360 | | | $ 6,244,284 | | |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | | | | | | | |
| Interest checking deposits | $ 1,273,518 | $ 11,281 | 0.89 % | $ 1,398,538 | $ 8,990 | 0.64 % | $ 1,640,303 | $ 5,416 | 0.33 % |
| Money market deposits | 1,067,109 | 30,841 | 2.89 | 1,037,123 | 23,924 | 2.31 | 992,390 | 4,707 | 0.47 |
| Savings deposits | 748,868 | 11,006 | 1.47 | 624,990 | 2,802 | 0.45 | 674,846 | 1,169 | 0.17 |
| Time deposits | 1,439,697 | 59,981 | 4.17 | 1,443,770 | 50,048 | 3.47 | 925,592 | 8,953 | 0.97 |
| Total interest bearing deposits | 4,529,192 | 113,109 | 2.50 | 4,504,421 | 85,764 | 1.90 | 4,233,131 | 20,245 | 0.48 |
| Securities sold under agreements to repurchase | 5,019 | 41 | 0.82 | 94,563 | 975 | 1.03 | 152,466 | 872 | 0.57 |
| Other short-term borrowings | 318,037 | 15,501 | 4.87 | 199,530 | 10,144 | 5.08 | 70,729 | 2,198 | 3.11 |
| Total short-term borrowings | 323,056 | 15,542 | 4.81 | 294,093 | 11,119 | 3.78 | 223,195 | 3,070 | 1.38 |
| Long-term debt | 118,877 | 8,086 | 6.80 | 131,137 | 8,558 | 6.53 | 148,863 | 7,086 | 4.76 |
| Total borrowed funds | 441,933 | 23,628 | 5.35 | 425,230 | 19,677 | 4.63 | 372,058 | 10,156 | 2.73 |
| Total interest-bearing liabilities | $ 4,971,125 | $ 136,737 | 2.75 % | $ 4,929,651 | $ 105,441 | 2.14 % | $ 4,605,189 | $ 30,401 | 0.66 % |
| Noninterest bearing deposits | 936,526 | | | 951,188 | | | 1,075,918 | | |
| Other liabilities | 100,607 | | | 88,770 | | | 62,706 | | |
| Shareholders' equity | 544,162 | | | 505,751 | | | 500,471 | | |
| Total liabilities and shareholders' equity | $ 6,552,420 | | | $ 6,475,360 | | | $ 6,244,284 | | |
| Net interest income (2) | | $ 162,693 | | | $ 148,995 | | | $ 171,274 | |
| Net interest spread (2) | | | 2.14 % | | | 2.06 % | | | 2.78 % |
| Net interest margin (2) | | | 2.66 % | | | 2.46 % | | | 2.92 % |
| Total deposits (5) | $ 5,465,718 | $ 113,109 | 2.07 % | $ 5,455,609 | $ 85,764 | 1.57 % | $ 5,309,049 | $ 20,245 | 0.38 % |
| Cost of funds (6) | | | 2.31 % | | | 1.79 % | | | 0.54 % |

(1) Average balance includes nonaccrual loans.

(2) Tax equivalent. The federal statutory tax rate utilized was 21%.

(3) Interest income includes net loan fees, loan purchase discount accretion and tax equivalent adjustments. Net loan fees were $1.4 million, $522 thousand, and $765 thousand for the years ended December 31, 2024, 2023 and 2022, respectively. Loan purchase discount accretion was $6.3 million, $3.7 million, and $4.6 million for the years ended December 31, 2024, 2023 and 2022. Tax equivalent adjustments were $3.8 million, $3.0 million and $2.5 million for the years ended December 31, 2024, 2023 and 2022, respectively. The federal statutory tax rate utilized was 21%.

(4) Interest income includes tax equivalent adjustments of $1.3 million, $1.8 million and $2.4 million for the years ended December 31, 2024, 2023 and 2022, respectively. The federal statutory tax rate utilized was 21%.

(5) Total deposits is the sum of total interest-bearing deposits and noninterest bearing deposits. The cost of total deposits is calculated as interest expense on deposits divided by average total deposits.

(6) Cost of funds is calculated as total interest expense divided by the sum of average total deposits and borrowed funds.

***Changes in Net Interest Income***

Net interest income is impacted by changes in volume, interest rate, and the mix of interest earning assets and interest-bearing liabilities. The following table shows changes attributable to (1) changes in volume and (2) changes in rate. Changes attributable to both rate and volume have been allocated proportionately to the change due to volume and the change due to rate.

| | Years Ended December 31, 2024, 2023, and 2022 | | | | | |
|---|---|---|---|---|---|---|
| | Year 2024 to 2023 Change due to | | | Year 2023 to 2022 Change due to | | |
| **(dollars in thousands)** | **Volume** | **Yield/Cost** | **Net** | **Volume** | **Yield/Cost** | **Net** |
| **Increase (decrease) in interest income** | | | | | | |
| Loans, including fees[(1)] | $ 18,369 | $ 24,851 | $ 43,220 | $ 22,382 | $ 32,016 | $ 54,398 |
| Taxable investment securities | (6,865) | 6,674 | (191) | (4,514) | 4,473 | (41) |
| Tax-exempt investment securities [(1)] | (2,287) | (38) | (2,325) | (2,125) | (310) | (2,435) |
| Total securities held for investment [(1)] | (9,152) | 6,636 | (2,516) | (6,639) | 4,163 | (2,476) |
| Other | 4,009 | 281 | 4,290 | 8 | 831 | 839 |
| Change in interest income [(1)] | 13,226 | 31,768 | 44,994 | 15,751 | 37,010 | 52,761 |
| **Increase (decrease) in interest expense** | | | | | | |
| Interest checking deposits | (859) | 3,150 | 2,291 | (900) | 4,474 | 3,574 |
| Money market deposits | 714 | 6,203 | 6,917 | 221 | 18,996 | 19,217 |
| Savings deposits | 659 | 7,545 | 8,204 | (92) | 1,725 | 1,633 |
| Time deposits | (141) | 10,074 | 9,933 | 7,318 | 33,777 | 41,095 |
| Total interest bearing deposits | 373 | 26,972 | 27,345 | 6,547 | 58,972 | 65,519 |
| Securities sold under agreements to repurchase | (765) | (169) | (934) | (416) | 519 | 103 |
| Other short-term borrowings | 5,792 | (435) | 5,357 | 5,890 | 2,056 | 7,946 |
| Total short-term borrowings | 5,027 | (604) | 4,423 | 5,474 | 2,575 | 8,049 |
| Long-term debt | (824) | 352 | (472) | (920) | 2,392 | 1,472 |
| Total borrowed funds | 4,203 | (252) | 3,951 | 4,554 | 4,967 | 9,521 |
| Change in interest expense | 4,576 | 26,720 | 31,296 | 11,101 | 63,939 | 75,040 |
| Change in net interest income [(1)] | $ 8,650 | $ 5,048 | $ 13,698 | $ 4,650 | $ (26,929) | $ (22,279) |
| Percentage increase (decrease) in net interest income over prior period | | | 9.2 % | | | (13.0)% |

(1) Tax equivalent

Our tax equivalent net interest income for the year ended December 31, 2024 was $162.7 million, an increase of $13.7 million, or 9.2%, compared to $149.0 million for the year ended December 31, 2023. The increase was due to an increase of $45.0 million in interest income, partially offset by an an increase of $31.3 million in interest expense. The change in interest income reflected an increase of $43.2 million, or 21%, in loan interest income, stemming from higher yields coupled with increased volumes from acquired DNVB loans, organic loan growth, and additional line of credit usage. The increased loan volumes were partially offset by the sale of loans associated with our Florida banking operations. Partially offsetting the increase in interest income from loans was a decrease of $2.5 million, or 5%, in interest income earned from investment securities, which stemmed from lower volume of securities, partially offset by higher earning yields. The change in interest expense reflected increases in interest paid on interest bearing deposits and borrowed funds of $27.3 million and $4.0 million, respectively, due to higher costs and volumes of interest bearing deposits, coupled with higher volumes and costs of borrowed funds.

Tax equivalent net interest margin for the year ended December 31, 2024 increased to 2.66%, from 2.46% for the year ended December 31, 2023. Total interest earning assets yield increased 69 basis points due to higher loan and securities yields, which increased 59 basis points and 36 basis points, respectively, from the prior year end. Partially offsetting these identified increases to tax equivalent net interest margin from the prior year end were increases of 60 basis points, 103 basis points, and 27 basis points in interest bearing deposit costs, short-term borrowing costs, and long-term debt costs, respectively.

***Credit Loss Expense***

Credit loss expense of $8.8 million was recorded in 2024, as compared to a credit loss expense of $5.8 million in 2023. Credit loss expense for the year ended December 31, 2024 reflected $3.2 million of day 1 credit loss expense recognized in connection with loans acquired in the DNVB acquisition, as well as additional reserve taken to support organic loan growth. Net loan charge-offs were $3.1 million in the year ended December 31, 2024 as compared to net loan charge-offs of $3.7 million in the year ended December 31, 2023. The economic forecasts utilized by the Company for its loan credit loss estimation process are: (1) Midwest unemployment, (2) national unemployment, (3) year-to-year change in national retail sales, (4) year-to-year change in the CRE index, and (5) year-to-year change in U.S. GDP. In addition, management utilized qualitative factors to adjust the calculated ACL as appropriate. Qualitative factors are based on management's judgment of company, market, industry or business specific data, changes in underlying loan composition of specific portfolios, trends relating to credit quality, delinquency, non-performing and adversely rated loans, and reasonable and supportable forecasts of economic conditions.

***Noninterest (Loss) Income***

The following table sets forth the various categories of noninterest income for the years ended December 31, 2024, 2023, and 2022.

| | For the Year Ended December 31, | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| (dollars in thousands) | 2024 | 2023 | $ Change | % Change | 2023 | 2022 | $ Change | % Change |
| Investment services and trust activities | $ 14,196 | $ 12,249 | $ 1,947 | 15.9 % | $ 12,249 | $ 11,223 | $ 1,026 | 9.1 % |
| Service charges and fees | 8,629 | 8,349 | 280 | 3.4 | 8,349 | 7,477 | 872 | 11.7 |
| Card revenue | 7,618 | 7,214 | 404 | 5.6 | 7,214 | 7,210 | 4 | 0.1 |
| Loan revenue | 4,982 | 4,700 | 282 | 6.0 | 4,700 | 10,504 | (5,804) | (55.3) |
| Bank-owned life insurance | 2,926 | 2,500 | 426 | 17.0 | 2,500 | 2,305 | 195 | 8.5 |
| Investment securities (losses) gains, net | (139,952) | (18,789) | (121,163) | n/m | (18,789) | 271 | (19,060) | n/m |
| Other | 13,354 | 2,200 | 11,154 | n/m | 2,200 | 8,529 | (6,329) | (74.2) |
| Total noninterest income | $ (88,247) | $ 18,423 | $ (106,670) | (579.0)% | $ 18,423 | $ 47,519 | $ (29,096) | (61.2)% |

(n/m) - Not meaningful

Total noninterest income for the year ended December 31, 2024 decreased $106.7 million to a noninterest loss of $88.2 million, from noninterest income of $18.4 million during the same period of 2023, primarily in connection with investment securities losses of $140.0 million, net, primarily due to balance sheet repositioning transactions undertaken in 2024. The largest offset to this decrease was an $11.2 million increase in other noninterest income due primarily to the $10.9 million gain on sale of assets associated with our Florida banking operations. Further offsets to the decline in total noninterest income included a $1.9 million increase in investment services and trust activities revenue, driven by growth in assets under administration and transaction fees, and an increase of $1.3 million in SBA gain on sale, which is recorded in loan revenue. Partially offsetting this increase in loan revenue was a decline in the fair value of our mortgage servicing rights of $1.0 million.

***Noninterest Expense***

The following table sets forth the various categories of noninterest expense for the years ended December 31, 2024, 2023, and 2022.

| | For the Year Ended December 31, | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| (dollars in thousands) | 2024 | 2023 | $ Change | % Change | 2023 | 2022 | $ Change | % Change |
| Compensation and employee benefits | $ 82,542 | $ 76,410 | $ 6,132 | 8.0 % | $ 76,410 | $ 78,103 | $ (1,693) | (2.2)% |
| Occupancy expense of premises, net | 10,463 | 10,034 | 429 | 4.3 | 10,034 | 10,272 | (238) | (2.3) |
| Equipment | 10,304 | 9,195 | 1,109 | 12.1 | 9,195 | 8,693 | 502 | 5.8 |
| Legal and professional | 9,107 | 7,365 | 1,742 | 23.7 | 7,365 | 8,646 | (1,281) | (14.8) |
| Data processing | 6,304 | 5,799 | 505 | 8.7 | 5,799 | 5,574 | 225 | 4.0 |
| Marketing | 2,646 | 3,610 | (964) | (26.7) | 3,610 | 4,272 | (662) | (15.5) |
| Amortization of intangibles | 6,149 | 6,247 | (98) | (1.6) | 6,247 | 6,069 | 178 | 2.9 |
| FDIC insurance | 3,896 | 3,294 | 602 | 18.3 | 3,294 | 1,660 | 1,634 | 98.4 |
| Communications | 700 | 910 | (210) | (23.1) | 910 | 1,125 | (215) | (19.1) |
| Foreclosed assets, net | 882 | 13 | 869 | n/m | 13 | (18) | 31 | (172.2) |
| Other | 11,503 | 9,036 | 2,467 | 27.3 | 9,036 | 8,392 | 644 | 7.7 |
| Total noninterest expense | $ 144,496 | $ 131,913 | $ 12,583 | 9.5 % | $ 131,913 | $ 132,788 | $ (875) | (0.7)% |

(n/m) -not meaningful

| (dollars in thousands) | For the Year Ended December 31, 2024 | 2023 | 2022 |
|---|---|---|---|
| **Merger-related expenses:** | | | |
| Compensation and employee benefits | $ 314 | $ 70 | $ 471 |
| Occupancy expense of premises, net | 152 | — | 1 |
| Equipment | 198 | — | 29 |
| Legal and professional | 1,162 | 191 | 948 |
| Data processing | 322 | 65 | 511 |
| Marketing | 32 | 38 | 164 |
| Communications | 9 | — | 3 |
| Other | 143 | 28 | 74 |
| Total impact of merger-related expenses to noninterest expense | $ 2,332 | $ 392 | $ 2,201 |

Noninterest expense for the year ended December 31, 2024 increased $12.6 million, or 9.5%, from $131.9 million during the same period of 2023. The increase was primarily driven by increases in compensation and employee benefits, other expense, legal and professional, and equipment of $6.1 million, $2.5 million, $1.7 million, and $1.1 million, respectively. The increase in compensation and employee benefits expense was primarily driven by annual compensation adjustments, increased headcount as a result of the DNVB acquisition, and increased incentive and commission expense. The increase in other expense stemmed primarily from an increase of $1.0 million in fraud loss expense, coupled with an increase of $1.0 million in customer deposit expense. The increase in legal and professional expense stemmed primarily from higher merger-related expenses associated with the acquisition of DNVB and the sale of our Florida banking operations, while the increase in equipment expense stemmed primarily from higher software maintenance and licensure expense, as well as merger-related expenses. The largest offset to the increase in noninterest expense was a decrease in marketing expense of $1.0 million.

Full-time equivalent employee levels were 757, 732, and 784 at December 31, 2024, 2023, and 2022, respectively.

### *Income Tax Expense*

Our effective tax rate, or income taxes divided by income before taxes, was 28.2% for 2024 compared with 16.0% for 2023, which reflected the impact of the full-year loss before income tax expense, primarily due to the impact of balance sheet repositioning efforts, as well as the impact of tax-exempt investment and loan interest income. The effective income tax rate for 2025 is expected to be 22-24%.

## Financial Condition

Following is a table that represents the major categories of the Company's balance sheet as of the dates indicated:

| (dollars in thousands) | December 31, 2024 | December 31, 2023 | $ Change | % Change |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and cash equivalents | $ 204,895 | $ 81,727 | $ 123,168 | 150.7 % |
| Total securities | 1,328,433 | 1,870,324 | (541,891) | (29.0) |
| Loans held for sale | 749 | 1,045 | (296) | (28.3) |
| Loans held for investment, net of unearned income | 4,315,627 | 4,126,947 | 188,680 | 4.6 |
| Allowance for credit losses | (55,200) | (51,500) | (3,700) | 7.2 |
| Total loans held for investment, net | 4,260,427 | 4,075,447 | 184,980 | 4.5 |
| Other assets | 441,825 | 398,997 | 42,828 | 10.7 |
| Total assets | $ 6,236,329 | $ 6,427,540 | $ (191,211) | (3.0)% |
| **Liabilities and Shareholders' Equity** | | | | |
| Total deposits | $ 5,477,982 | $ 5,395,673 | $ 82,309 | 1.5 % |
| Total borrowings | 116,562 | 423,560 | (306,998) | (72.5) |
| Other liabilities | 82,089 | 83,929 | (1,840) | (2.2) |
| Total shareholders' equity | 559,696 | 524,378 | 35,318 | 6.7 |
| Total liabilities and shareholders' equity | $ 6,236,329 | $ 6,427,540 | $ (191,211) | (3.0)% |

### *Securities*

The composition of debt securities available for sale and held to maturity was as follows:

| (dollars in thousands) | December 31, 2024 Balance | 2024 % of Total | December 31, 2023 Balance | 2023 % of Total |
|---|---|---|---|---|
| **Available for Sale** | | | | |
| U.S. Treasuries | $ 50,399 | 3.8 % | $ — | — % |
| U.S. government agencies and corporations | 9,941 | 0.7 | — | — |
| States and political subdivisions | 135,720 | 10.2 | 130,139 | 16.4 |
| Mortgage-backed securities | 323,439 | 24.3 | 5,311 | 0.7 |
| Collateralized loan obligations | 48,869 | 3.7 | 50,437 | 6.3 |
| Collateralized mortgage obligations | 646,109 | 48.7 | 169,196 | 21.3 |
| Corporate debt securities | 113,956 | 8.6 | 440,051 | 55.3 |
| Fair value of debt securities available for sale | $ 1,328,433 | 100.0 % | $ 795,134 | 100.0 % |
| **Held to Maturity** | | | | |
| States and political subdivisions | $ — | — % | $ 532,422 | 49.5 % |
| Mortgage-backed securities | — | — | 74,904 | 7.0 |
| Collateralized mortgage obligations | — | — | 467,864 | 43.5 |
| Amortized cost of debt securities held to maturity | $ — | — % | $ 1,075,190 | 100.0 % |

The Company's investment securities portfolio is managed to provide a source of both liquidity and earnings. Its size fluctuates in part based on changes in deposit and loan levels. Management considers several factors when determining the composition of the investment securities portfolio, including expected cash flows, duration, credit quality, prepayment/extension risk, tax-equivalent yield, and the Company's liquidity position and interest rate risk profile.

Total investment securities decreased $541.9 million, or 28.97%, from December 31, 2023 to $1.33 billion at December 31, 2024. This decrease stemmed from the sale of debt securities as part of the balance sheet repositioning, as described in more detail below, and principal cash flows received from scheduled payments, calls, and maturities. As of December 31, 2024, there were $0.4 million of gross unrealized gains and $98.9 million of gross unrealized losses in our debt securities available for sale portfolio, resulting in a net unrealized loss of $98.6 million.

The Company executed a balance sheet repositioning related to its debt securities portfolio in the fourth quarter of 2024. Specifically, the Company executed the sale of approximately $1.0 billion in market value of debt securities, including certain securities formerly classified as HTM, for a pre-tax realized loss of $140.2 million. Proceeds from the sale were utilized to purchase higher yielding debt securities and reduce borrowings. The following changes in the Company's investment securities portfolio occurred between December 31, 2023 and 2024 as a result of the repositioning transaction:

- All securities classified as HTM were reclassified as AFS
- Mortgage-backed securities increased from $80.2 million to $323.4 million
- Municipal bonds issued by state and political subdivisions decreased from $662.6 million to $135.7 million
- Corporate debt securities decreased from $440 million to $114 million
- Approximately $60.3 million in U.S. government securities (Treasury and agency) were purchased

The Company's MBS and CMO portfolios are primarily comprised of securities issued by GSEs such as the Federal National Mortgage Corporation, Federal Home Loan Mortgage Corporation, Government National Mortgage Corporation, and private entities. Government-backed securities are primarily comprised of 1-4 family mortgage loans and underwritten to the standards of the issuer. The receipt of principal, at par, and interest on these securities is guaranteed by the respective government entity, and as such the Company believes exposure for credit-related losses from its MBS and CMO holdings is minimal. Further, the Company owns several privately-issued CMOs. These securities are structured with high levels of credit enhancement and carry AAA ratings.

The Company's corporate bond holdings are primarily comprised of securities that are rated in one of the three highest rating categories. When evaluating corporate bonds, management considers each issuer's financial performance, liquidity, capital position and other company fundamentals.

Similarly, the majority of the Company's municipal holdings carry ratings in the top three categories by one of the major statistical rating agencies. Non-rated municipal bonds held in the portfolio were issued by entities predominantly located in the

Company's market areas. Generally, the small issue size of these bond offerings makes obtaining a credit rating prohibitively expensive, which explains the lack of a credit rating.

See Note 3. Debt Securities to our consolidated financial statements for additional information related to our debt securities portfolio.

***Loans***

The composition of our loan portfolio by type of loan was as follows:

| | As of December 31, | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| (dollars in thousands) | Amount | % of Total | Amount | % of Total |
| Agricultural | $ 119,051 | 2.8 % | $ 118,414 | 2.9 % |
| Commercial and industrial | 1,126,813 | 26.1 | 1,075,003 | 26.0 |
| Commercial real estate | 2,344,681 | 54.2 | 2,225,310 | 54.0 |
| Residential real estate | 656,382 | 15.3 | 640,437 | 15.5 |
| Consumer | 68,700 | 1.6 | 67,783 | 1.6 |
| Loans held for investment, net of unearned income | $ 4,315,627 | 100.0 % | $ 4,126,947 | 100.0 % |
| Loans held for sale | $ 749 | | $ 1,045 | |

The composition of our commercial real estate loan portfolio as of December 31, 2024 was as follows:

| | December 31, 2024 | |
|---|---|---|
| (dollars in thousands) | Amount | % of Total Loans |
| Construction & Development | $ 324,896 | 7.5 % |
| Farmland | 182,460 | 4.2 |
| Multifamily | 423,157 | 9.8 |
| CRE Other: | | |
| NOO CRE Office | 144,560 | 3.3 |
| OO CRE Office | 74,233 | 1.7 |
| Industrial and Warehouse | 424,503 | 9.8 |
| Retail | 289,142 | 6.7 |
| Hotel | 131,210 | 3.0 |
| Other | 350,520 | 8.1 |
| Total CRE | $ 2,344,681 | 54.2 % |

Loans held for investment, net of unearned income, increased $188.7 million, or 4.6%, from December 31, 2023 to $4.32 billion, driven primarily by loans acquired in the DNVB acquisition, organic loan growth, and higher line of credit usage, partially offset by sale of gross loans of $163.6 million associated with our Florida banking operations. See Note 4. Loans Receivable and the Allowance for Credit Losses to our consolidated financial statements for additional information related to our loan portfolio.

Commitments under standby letters of credit, unused lines of credit, and other conditionally approved credit lines totaled approximately $1.08 billion and $1.21 billion as of December 31, 2024 and December 31, 2023, respectively.

Our loan to deposit ratio increased to 78.8% as of December 31, 2024 as compared to 76.5% as of December 31, 2023. The loan to deposit ratio increased when compared to the prior year-end due to a larger increase in loans, as described above, than deposits.

The following table sets forth remaining maturities and rate types of loans at December 31, 2024:

| (dollars in thousands) | Due Within 1 Year | Due In 1-5 Years | Due In 5-15 Years | Due After 15 Years | Total | Maturities Within One Year Fixed Rates | Maturities Within One Year Variable Rates | Maturities After One Year Fixed Rates | Maturities After One Year Variable Rates |
|---|---|---|---|---|---|---|---|---|---|
| Agricultural | $ 79,089 | $ 33,219 | $ 6,040 | $ 703 | $ 119,051 | $ 5,509 | $ 73,580 | $ 28,820 | $ 11,142 |
| Commercial and industrial | 192,185 | 364,855 | 392,931 | 176,842 | 1,126,813 | 66,376 | 125,809 | 541,671 | 392,957 |
| Commercial real estate: | | | | | | | | | |
| Construction & development | 90,407 | 182,293 | 40,107 | 12,089 | 324,896 | 38,526 | 51,881 | 55,473 | 179,016 |
| Farmland | 16,460 | 90,709 | 56,826 | 18,465 | 182,460 | 10,656 | 5,804 | 124,065 | 41,935 |
| Multifamily | 139,388 | 160,036 | 110,800 | 12,933 | 423,157 | 111,036 | 28,352 | 174,034 | 109,735 |
| Commercial real estate-other | 154,422 | 837,602 | 366,028 | 56,116 | 1,414,168 | 99,553 | 54,869 | 729,088 | 530,658 |
| Total commercial real estate | 400,677 | 1,270,640 | 573,761 | 99,603 | 2,344,681 | 259,771 | 140,906 | 1,082,660 | 861,344 |
| Residential real estate: | | | | | | | | | |
| One- to four- family first liens | 20,547 | 118,898 | 67,061 | 270,644 | 477,150 | 16,845 | 3,702 | 202,221 | 254,382 |
| One- to four- family junior liens | 3,449 | 30,824 | 141,899 | 3,060 | 179,232 | 1,601 | 1,848 | 77,584 | 98,199 |
| Total residential real estate | 23,996 | 149,722 | 208,960 | 273,704 | 656,382 | 18,446 | 5,550 | 279,805 | 352,581 |
| Consumer | 10,945 | 45,332 | 12,423 | — | 68,700 | 4,091 | 6,854 | 55,872 | 1,883 |
| Total loans | $ 706,892 | $ 1,863,768 | $ 1,194,115 | $ 550,852 | $ 4,315,627 | $ 354,193 | $ 352,699 | $ 1,988,828 | $ 1,619,907 |

Of the $1.97 billion of variable rate loans, approximately $1.03 billion, or 52.2%, were subject to interest rate floors, with a weighted average floor rate of 4.38%.

***Nonperforming Assets***

The following table sets forth information concerning nonperforming assets as of the dates indicated:

| (dollars in thousands) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Nonaccrual loans held for investment | $ 21,705 | $ 25,891 |
| Accruing loans contractually past due 90 days or more | 142 | 468 |
| Total nonperforming loans | 21,847 | 26,359 |
| Foreclosed assets, net | 3,337 | 3,929 |
| Total nonperforming assets | $ 25,184 | $ 30,288 |
| | | |
| Nonaccrual loans ratio(1) | 0.50 % | 0.63 % |
| Nonperforming loans ratios(2) | 0.51 % | 0.64 % |
| Nonperforming assets ratio(3) | 0.40 % | 0.47 % |

(1) Nonaccrual loans ratio is calculated as nonaccrual loans divided by loans held for investment, net of unearned income, at the end of the period.

(2 Nonperforming loans ratio is calculated as total nonperforming loans divided by loans held for investment, net of unearned income, at the end of the period.

(3) Nonperforming assets ratio is calculated as total nonperforming assets divided by total assets at the end of the period.

When compared to December 31, 2023, nonperforming loans and nonperforming assets ratios improved, with declines in both ratios of 13 and 7 basis points, respectively.

***Loan Review and Classification Process for Agricultural, Commercial and Industrial, and Commercial Real Estate Loans:***

The Bank maintains a loan review and classification process which involves multiple officers of the Bank and is designed to assess the general quality of credit underwriting and to promote early identification of potential problem loans. All commercial and agricultural loan officers are charged with the responsibility of risk rating all loans in their portfolios and updating the ratings, positively or negatively, on an ongoing basis as conditions warrant. Risk ratings are selected from an 9-point scale with ratings as follows: ratings 1- 5 Satisfactory (pass), rating 6 Special Mention (potential weakness), rating 7 Substandard (well-defined weakness), rating 8 Doubtful, and rating 9 Loss.

When a loan officer originates a new loan, based upon proper loan authorization, they document the credit file with an offering sheet summary, supplemental underwriting analysis, relevant financial information and collateral evaluations. This information is used in the determination of the initial loan risk rating. Segregation of owner-occupied and non-owner occupied residential real estate loans is made at the time of origination. The Bank’s loan review department undertakes independent credit reviews of relationships based on either criteria established by loan policy, risk-focused sampling, or random sampling. Credit relationships with larger exposure may pose incrementally higher risks. As a result, the Bank's loan review department is required to review all credit relationships with total exposure of $7.5 million or more at least annually. In addition, the individual loan reviews consider such items as: loan type; nature, type and estimated value of collateral; borrower and/or guarantor estimated financial strength; most recently available financial information; related loans and total borrower exposure; and current and anticipated performance of the loan. The results of such reviews are presented to both executive management and the Audit Committee.

Through the review of delinquency reports, updated financial statements or other relevant information, the lending officer and/or loan review personnel may determine that a loan relationship has weakened to the point that a Special Mention (risk rating 6) or Classified (risk ratings 7 through 9) status is warranted. At least quarterly, the loan strategy committee will meet to discuss loan relationships with total exposure of $1.0 million or above that are Special Mention rated credits, loan relationships with total exposure of $500 thousand and above that are Substandard or worse rated credits, as well as loan relationships with total exposure of $250 thousand and above that are on non-accrual. Loan relationships outside these designated thresholds are reviewed upon request. The lending officer is charged with preparing a loan strategy summary worksheet that outlines the background of the credit problem, current repayment status of the loans, current collateral evaluation and a workout plan of action. This plan may include goals to improve the credit rating, assist the borrower in moving the loans to another institution and/or collateral liquidation. All such reports are presented to the loan strategy committee. Further, a report on all Pass/Watch (risk rating 5) loans with total exposure of $2.0 million or above is made verbally to the loan strategy committee, with loan relationships outside this threshold being reviewed upon request. The minutes of the loan strategy committee meetings are provided to the board of directors of the Bank.

Depending upon the individual facts and circumstances and the result of the classified/watch review process, loan officers and/or loan review personnel may categorize a loan relationship as requiring an individual analysis. Once that determination has occurred, the credit analyst will complete an individually analyzed worksheet that contains an evaluation of the collateral (for collateral-dependent loans) based upon the estimated collateral value, adjusting for current market conditions and other local factors that may affect collateral value. Loan review personnel may also complete an independent individual analysis when deemed necessary. These judgmental evaluations may produce an initial specific allowance for recognition in the Company’s allowance for credit losses calculation. An analysis for the underlying collateral value of each individually analyzed loan relationship is completed in the last month of the quarter. The individually analyzed worksheets are reviewed by the Credit Administration department prior to quarter-end. The board of directors of the Bank on a quarterly basis reviews the special mention/classified reports including changes in credit grades of 6 or higher as well as all individually analyzed loans, the related allowances and foreclosed assets, net.

The review process also provides for the upgrade of loans that show improvement since the last review. All requests for an upgrade of a credit are approved by the proper authority based upon the aggregate credit exposure before the rating can be changed.

***Loan Modifications for Borrowers Experiencing Financial Difficulty***

Infrequently, the Company makes modification to certain loans in order to alleviate temporary difficulties in the borrower's financial condition and/or constraints on the borrower's ability to repay a loan, and to minimize potential losses to the Company. GAAP requires that certain types of modifications be reported, including:

- Principal forgiveness.
- Interest rate reduction.
- An other than-insignificant payment delay.
- Term extension.

During the year ended December 31, 2024, the amortized cost of the loans that were modified to borrowers in financial distress was $6.4 million, which represented 0.15% of total loans held for investment, net of unearned income for each respective period.

***Allowance for Credit Losses***

The following table sets forth the allowance for credit losses by loan portfolio segments compared to the percentage of loans to total loans by loan portfolio segment for the periods indicated:

| | December 31, | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| (dollars in thousands) | Allowance for Credit Losses | % of Loans in Each Segment to Total Loans | Allowance for Credit Losses | % of Loans in Each Segment to Total Loans |
| Agricultural | $ 249 | 2.8 % | $ 613 | 2.9 % |
| Commercial and industrial | 21,040 | 26.1 | 21,743 | 26.0 |
| Commercial real estate | 27,641 | 54.3 | 23,759 | 54.0 |
| Residential real estate | 4,929 | 15.2 | 4,762 | 15.5 |
| Consumer | 1,341 | 1.6 | 623 | 1.6 |
| Total | $ 55,200 | 100.0 % | $ 51,500 | 100.0 % |
| | | | | |
| Allowance for credit losses ratio[1] | | 1.28 % | | 1.25 % |
| Allowance for credit losses to nonaccrual loans ratio[2] | | 254.32 % | | 198.91 % |

[1] Allowance for credit losses ratio is calculated as allowance for credit losses divided by loans held for investment, net of unearned income at the end of the period.
[2] Allowance for credit losses to nonaccrual loans ratio is calculated as allowance for credit losses divided by nonaccrual loans at the end of the period.

The following table sets forth the net (charge-offs) recoveries by loan portfolio segments for the periods indicated:

| | For the Years Ended December 31, 2024 and 2023 | | | | | |
|---|---|---|---|---|---|---|
| (dollars in thousands) | Agricultural | Commercial and Industrial | Commercial Real Estate | Residential Real Estate | Consumer | Total |
| **2024** | | | | | | |
| Charge-offs | $ (48) | $ (2,218) | $ (1,079) | $ (75) | $ (1,359) | $ (4,779) |
| Recoveries | 981 | 484 | 22 | 21 | 132 | 1,640 |
| Net (charge-offs) recoveries | $ 933 | $ (1,734) | $ (1,057) | $ (54) | $ (1,227) | $ (3,139) |
| | | | | | | |
| Net (charge-off) recovery ratio[1] | 0.02 % | (0.04)% | (0.02)% | — % | (0.03)% | (0.07)% |
| | | | | | | |
| **2023** | | | | | | |
| Charge-offs | $ (28) | $ (1,447) | $ (2,337) | $ (55) | $ (685) | $ (4,552) |
| Recoveries | 203 | 373 | 20 | 27 | 180 | 803 |
| Net (charge-offs) recoveries | $ 175 | $ (1,074) | $ (2,317) | $ (28) | $ (505) | $ (3,749) |
| | | | | | | |
| Net (charge-off) recovery ratio[1] | — % | (0.03)% | (0.05)% | — % | (0.01)% | (0.09)% |

[1] Net (charge-off) recovery ratio is calculated as net (charge-offs) recoveries divided by average loans held for investment, net of unearned income and average loans held for sale, during the period.

*Actual Results*: Our ACL as of December 31, 2024 was $55.2 million, which was 1.28% of loans held for investment, net of unearned income as of that date. This compares with an ACL of $51.5 million as of December 31, 2023, which was 1.25% of loans held for investment, net of unearned income. The increase in the ACL primarily reflected the $3.1 million of day 1 credit loss expense related to the acquired DNVB loans, as well as additional reserve taken to support organic loan growth, partially offset by the $1.9 million of allowance divested in connection with the sale of our Florida banking operations. The liability for off-balance sheet credit exposures totaled $4.6 million as of December 31, 2024 and December 31, 2023, and is included in 'Other liabilities' on the balance sheet.

The Company recorded a credit loss expense related to loans of $8.8 million for the year ended December 31, 2024 as compared to a credit loss expense of $6.0 million for the year ended December 31, 2023. Gross charge-offs for the year ended December 31, 2024 were $4.8 million, while there were $1.6 million in recoveries of previously charged-off loans. The ratio of net loan charge offs to average loans for the year ended December 31, 2024 was 0.07% compared to 0.09% for the year ended December 31, 2023.

*Economic Forecast*: At December 31, 2024, the economic forecast used by the Company showed the following: (1) Midwest unemployment – increase in the first forecasted quarter, with little change in the second through fourth forecasted quarters; (2) national unemployment - decrease in the first two forecasted quarters, with little change in the third and fourth forecasted quarters; (3) year-to-year change in national retail sales - increases over the next four forecasted quarters; (4) year-to-year change in CRE index - decreases over the next four forecasted quarters; and (5) year-to-year change in U.S. GDP - increases over the next four forecasted quarters. In addition, management utilized qualitative factors to adjust the calculated ACL as appropriate. Qualitative factors are based on management's judgment of company, market, industry or business specific data, changes in underlying loan composition of specific portfolios, trends relating to credit quality, delinquency, non-performing and adversely rated loans, and reasonable and supportable forecasts of economic conditions.

*Loan Policy*: We review all nonaccrual relationships greater than $250 thousand individually on a quarterly basis to measure any amount to be recognized in the Company's allowance for credit losses by analyzing the borrower's ability to repay amounts owed, collateral deficiencies, and other relevant factors. We review loans 90 days or more past due that are still accruing interest no less than quarterly to determine if the asset is both well secured and in the process of collection. If not, such loans are placed on non-accrual status. Upon the Company's determination that a loan balance has been deemed uncollectible, the uncollectible balance is charged-off.

Based on the inherent risk in the loan portfolio, management believed that as of December 31, 2024, the ACL was adequate; however, there is no assurance that loan credit losses will not exceed the ACL. In addition, growth in the loan portfolio or general economic deterioration may require the recognition of additional credit loss expense in future periods. See Note 4. Loans Receivable and the Allowance for Credit Losses for additional information related to the allowance for credit losses.

***Deposits***

The composition of deposits was as follows:

| | As of December 31, 2024 | | As of December 31, 2023 | |
|---|---|---|---|---|
| (dollars in thousands) | Balance | % of Total | Balance | % of Total |
| Noninterest bearing deposits | $ 951,423 | 17.4 % | $ 897,053 | 16.6 % |
| Interest checking deposits | 1,258,191 | 22.9 | 1,320,435 | 24.5 |
| Money market deposits | 1,053,988 | 19.2 | 1,105,493 | 20.5 |
| Savings deposits | 820,549 | 15.0 | 650,655 | 12.1 |
| Total non-maturity deposits | 4,084,151 | 74.5 | 3,973,636 | 73.7 |
| Time deposits of $250 and under | 826,793 | 15.1 | 752,214 | 13.9 |
| Brokered deposits | 200,000 | 3.7 | 221,039 | 4.1 |
| Time deposits of over $250 | 367,038 | 6.7 | 448,784 | 8.3 |
| Total time deposits | $ 1,393,831 | 25.5 % | $ 1,422,037 | 26.3 % |
| Total deposits | $ 5,477,982 | 100.0 % | $ 5,395,673 | 100.0 % |

Total deposits increased $82.3 million from December 31, 2023, or 1.5%, primarily due to $224.2 million of deposits assumed in the DNVB acquisition, partially offset by $133.4 million of deposits divested as part of the sale of our Florida banking operations. Brokered deposits decreased $21.0 million from December 31, 2023 to $200.0 million at December 31, 2024. Approximately 89.6% of our total deposits were considered "core" deposits as of December 31, 2024, compared to 87.6% at December 31, 2023. We consider core deposits to be the total of all deposits other than time deposits greater than $250 thousand and brokered deposits. See Note 10. Deposits to our consolidated financial statements for additional information related to our deposits.

The following table shows the composition and average balance of deposits for the indicated years:

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| (dollars in thousands) | Average Balance | % Total | Average Rate | Average Balance | % Total | Average Rate |
| Noninterest bearing deposits | $ 936,526 | 17.1 % | N/A | $ 951,188 | 17.4 % | N/A |
| Interest checking deposits | 1,273,518 | 23.4 | 0.89 % | 1,398,538 | 25.6 | 0.64 % |
| Money market deposits | 1,067,109 | 19.5 | 2.89 | 1,037,123 | 19.0 | 2.31 |
| Savings deposits | 748,868 | 13.7 | 1.47 | 624,990 | 11.5 | 0.45 |
| Time deposits | 1,439,697 | 26.3 | 4.17 | 1,443,770 | 26.5 | 3.47 |
| Total deposits | $ 5,465,718 | 100.0 % | 2.07 % | $ 5,455,609 | 100.0 % | 1.57 % |

Time deposits over $250 thousand, which represents the U.S. time deposits in excess of the FDIC insurance limit and time deposits that are otherwise uninsured, had the following maturities:

| (dollars in thousands) | As of December 31, 2024 | As of December 31, 2023 |
|---|---|---|
| Three months or less | $ 271,351 | $ 367,510 |
| Over three through six months | 67,352 | 102,017 |
| Over six months through one year | 187,458 | 156,628 |
| Over one year | 40,877 | 43,668 |
| Total | $ 567,038 | $ 669,823 |

### *Short-Term Borrowings and Long-Term Debt*

The following table sets forth the composition of short-term borrowings and long-term debt for the periods presented.

| | Year Ended December 31, | |
|---|---|---|
| (dollars in thousands) | 2024 | 2023 |
| Securities sold under agreements to repurchase | $ 3,186 | $ 5,064 |
| Federal home loan bank advances | — | 10,200 |
| Federal reserve bank borrowings | — | 285,000 |
| Total short-term borrowings | $ 3,186 | $ 300,264 |
| | | |
| Junior subordinated notes issued to capital trusts | $ 42,471 | $ 42,293 |
| Subordinated debentures | 64,268 | 64,137 |
| Finance lease payable | 398 | 604 |
| Federal home loan bank borrowings | 4,239 | 6,262 |
| Other long-term debt | 2,000 | 10,000 |
| Total long-term debt | $ 113,376 | $ 123,296 |

See Note 11. Short-Term Borrowings and Note 12. Long-Term Debt to our consolidated financial statements for additional information related to short-term borrowings and long-term debt.

### *Off-Balance-Sheet Transactions*

During the normal course of business, we are a party to financial instruments with off-balance-sheet risk in order to meet the financing needs of our customers. These financial instruments include commitments to extend credit, commitments to sell loans, and standby letters of credit. We follow the same credit policy (including requiring collateral, if deemed appropriate) to make such commitments as is followed for those loans that are recorded in our financial statements.

Our exposure to credit losses in the event of nonperformance is represented by the contractual amount of the commitments. Management does not expect any significant losses as a result of these commitments, and also expects to have sufficient liquidity available to cover these off-balance-sheet instruments. Off-balance-sheet transactions are more fully discussed in Note 18. Commitments and Contingencies to our consolidated financial statements.

The following table summarizes the Bank’s commitments by expiration period, as of December 31, 2024:

| (dollars in thousands) | Total | Less than 1 year | 1 to 3 years | 3 to 5 years | More than 5 years |
|---|---|---|---|---|---|
| Commitments to extend credit | $ 1,073,297 | $ 326,554 | $ 263,892 | $ 129,126 | $ 353,725 |
| Commitments to sell loans | 749 | 749 | — | — | — |
| Standby letters of credit | 7,440 | — | 6,016 | 513 | 911 |
| Total | $ 1,081,486 | $ 327,303 | $ 269,908 | $ 129,639 | $ 354,636 |

### *Capital Resources*

*Contractual Obligations*

We are a party to many contractual financial obligations, including repayments of deposits and borrowings and payments for noncancellable operating lease and finance lease obligations. The table below summarizes certain future financial obligations of the Company due by period, as of December 31, 2024:

| **Contractual Obligations** (dollars in thousands) | **Total** | **Less than 1 year** | **1 to 3 years** | **3 to 5 years** | **More than 5 years** |
|---|---|---|---|---|---|
| Time certificates of deposit | $ 1,393,831 | $ 1,208,065 | $ 164,931 | $ 17,217 | $ 3,618 |
| Federal funds purchased, repurchase agreements, and FHLB overnight advances | 3,186 | 3,186 | — | — | — |
| FHLB borrowings | 4,239 | — | — | 4,239 | — |
| Junior subordinated notes issued to capital trusts | 42,471 | — | — | — | 42,471 |
| Subordinated debentures | 64,268 | — | — | — | 64,268 |
| Other long-term debt | 2,000 | — | 2,000 | — | — |
| Noncancellable operating leases and finance lease obligations | 3,508 | 848 | 921 | 236 | 1,503 |
| Total | $ 1,513,503 | $ 1,212,099 | $ 167,852 | $ 21,692 | $ 111,860 |

*Shareholders' Equity & Capital Adequacy*

The following table summarizes certain capital ratios and per share amounts of the Company for the periods presented:

| | **December 31, 2024** | **December 31, 2023** |
|---|---|---|
| Common equity ratio | 8.97 % | 8.16 % |
| Tangible common equity ratio[1] | 7.57 % | 6.90 % |
| Total risk-based capital ratio | 14.07 % | 12.53 % |
| Tier 1 risk-based capital ratio | 11.59 % | 10.38 % |
| Common equity tier 1 risk-based capital ratio | 10.73 % | 9.59 % |
| Tier 1 leverage ratio | 9.15 % | 8.58 % |
| Book value per share | $ 26.94 | $ 33.41 |
| Tangible book value per share[1] | $ 22.37 | $ 27.90 |

[1]A non-GAAP financial measure - see the "Non-GAAP Presentations" section for a reconciliation to the most comparable GAAP equivalent.

Shareholders' Equity: Total shareholders' equity was $559.7 million as of December 31, 2024, compared to $524.4 million as of December 31, 2023, an increase of $35.3 million, or 6.74%, driven primarily by increases in common stock outstanding and additional paid-in-capital stemming from the common equity capital raise in the third quarter of 2024, partially offset by a decrease in retained earnings and an increase in accumulated other comprehensive loss.

Capital Adequacy: The Federal Reserve uses capital adequacy guidelines in its examination and regulation of bank holding companies and their subsidiary banks. Risk-based capital ratios are established by allocating assets and certain off-balance-sheet commitments into four risk-weighted categories. These balances are then multiplied by the factor appropriate for that risk-weighted category. Pursuant to the Basel III Rules, the Company and the Bank, respectively, are subject to regulatory capital adequacy requirements promulgated by the Federal Reserve and the FDIC. Failure by the Company or the Bank to meet minimum capital requirements could result in certain mandatory and discretionary actions by our regulators that could have a material adverse effect on our consolidated financial statements. Under the capital requirements and the regulatory framework for prompt corrective action, the Company and the Bank must meet specific capital guidelines that involve quantitative measures of the Company's and the Bank's assets, liabilities and certain off-balance-sheet items as calculated under regulatory accounting practices. The Company's and the Bank's capital amounts and classifications are also subject to qualitative judgments by regulators about components, risk weightings and other factors. Quantitative measures established by regulation to ensure capital adequacy require the Company and the Bank to maintain minimum amounts and ratios of total risk-based capital, Tier 1 capital (as defined in the regulations) and Common Equity Tier 1 Capital (as defined in the regulations) to risk-weighted assets (as defined in the regulations), and a leverage ratio consisting of Tier 1 capital (as defined in the regulations) to average assets (as defined in the regulations). As of December 31, 2024, the Company and the Bank exceeded federal regulatory minimum capital requirements to be classified as well-capitalized (including the capital conservation buffer). See Note 17. Regulatory Capital Requirements and Restrictions on Subsidiary Cash to our consolidated financial statements for additional information related to our regulatory capital ratios.

In order to be a “well-capitalized” depository institution, the Company and the Bank must maintain a Common Equity Tier 1 capital ratio of 6.5% or more; a Tier 1 capital ratio of 8% or more; a total capital ratio of 10% or more; and a leverage ratio of 5% or more. A capital conservation buffer, comprised of 2.5% of Common Equity Tier 1 Capital, is also established above the regulatory minimum capital requirements.

*Stock Compensation*

On April 27, 2023, the Company’s shareholders approved the MidWest*One* Financial Group, Inc. 2023 Equity Incentive Plan (the “2023 Plan”). The 2023 Plan replaced the MidWest*One* Financial Group, Inc. 2017 Equity Incentive Plan.

Restricted stock units were granted to certain officers and directors of the Company on February 15, 2024, May 15, 2024, and August 15, 2024, in the amounts of 104,326, 17,264, and 5,968, respectively. Additionally, during the year ended 2024, 106,527 whole restricted stock units were vested in connection with the vesting of previously awarded grants of restricted stock units, of which 22,398 shares were surrendered by grantees to satisfy tax requirements. There were 7,537 unvested restricted stock units forfeited. Additionally, officers and directors received cash in lieu of 127 fractional restricted stock units vested during 2024.

See Note 15. Stock Compensation Plans to our consolidated financial statements for additional information related to our stock compensation program.

***Liquidity***

*Liquidity Management*

Liquidity risk management involves meeting the cash flow requirements of depositors and borrowers. We conduct liquidity risk management on both a daily and long-term basis, and adjust our investments in liquid assets based on expected loan demand, projected loan maturities and payments, expected deposit flows, yields available on interest-bearing deposits, and the objectives of our asset/liability management program. Generally, excess liquidity is invested in short-term U.S. government and agency securities, short- and medium-term state and political subdivision securities, and other investment securities. Our most liquid assets are cash and due from banks, interest-bearing bank deposits, and federal funds sold. The balances of these assets are dependent on our operating, investing, and financing activities during any given period.

Cash and cash equivalents are summarized in the table below:

| | Year Ended December 31, | |
|---|---|---|
| **(dollars in thousands)** | **2024** | **2023** |
| Cash and due from banks | $ 71,803 | $ 76,237 |
| Interest-bearing deposits | 133,092 | 5,479 |
| Federal funds sold | — | 11 |
| Total | $ 204,895 | $ 81,727 |

Generally, our principal sources of funds are deposits, advances from the FHLB, principal repayments on loans, proceeds from the sale of loans, proceeds from the maturity and sale of investment securities, our federal funds lines, and funds provided by operations. While scheduled loan amortization and maturing interest-bearing deposits are relatively predictable sources of funds, deposit flows and loan prepayments are greatly influenced by economic conditions, the general level of interest rates, and competition. We utilized particular sources of funds based on comparative costs and availability. The Bank maintains unsecured lines of credit with several correspondent banks and secured lines with the Federal Reserve Bank of Chicago and the FHLB that would allow us to borrow funds on a short-term basis, if necessary. We also hold debt securities classified as available for sale that could be sold to meet liquidity needs if necessary.

Net cash provided by operations was another major source of liquidity. The net cash provided by operating activities was $63.2 million for the year ended December 31, 2024 and $62.6 million for the year ended December 31, 2023.

As of December 31, 2024, we had outstanding commitments to extend credit to borrowers of $1.07 billion, standby letters of credit of $7.4 million, and commitments to sell loans of $0.7 million. Certificates of deposit maturing in one year or less totaled $1.21 billion as of December 31, 2024. We believe that a significant portion of these deposits will remain with us upon maturity.

### *Inflation*

The effects of price changes and inflation can vary substantially for most financial institutions. While management believes that inflation affects the growth of total assets, it is difficult to assess its overall impact on the Company. The price of one or more of the components of the Consumer Price Index may fluctuate considerably and thereby influence the overall Consumer Price Index without having a corresponding effect on interest rates or upon the cost of those goods and services normally purchased by us. Inflation and related increases in market rates by the Federal Reserve generally decrease the market value of investments and loans held and may adversely affect liquidity, earnings and shareholders' equity. Ongoing higher inflation levels and higher interest rates could have a negative impact on both our consumer and commercial borrowers. We anticipate our noninterest income may be adversely affected in future periods as a result of sustained high interest rates and inflationary pressure, which negatively impact mortgage originations and mortgage banking revenue. Additionally, the economic impact of the sustained higher levels of inflation and higher interest rates could place increased demand on our liquidity if we experience significant credit deterioration and as we meet borrowers' needs. There is also a risk that additional interest rate increases to fight inflation could lead to a recession.

### Non-GAAP Presentations

Certain ratios and amounts not in conformity with GAAP are provided to evaluate and measure the Company's operating performance and financial condition, including return on average tangible equity, tangible common equity, tangible book value per share, tangible common equity ratio, net interest margin (tax equivalent), core net interest margin, efficiency ratio, adjusted earnings, and adjusted earnings per share. Management believes these ratios and amounts provide investors with useful information regarding the Company's profitability, financial condition and capital adequacy, consistent with how management evaluates the Company's financial performance. The following tables provide a reconciliation of each non-GAAP measure to the most comparable GAAP equivalent.

| **Return on Average Tangible Equity** | For the Year Ended December 31, | | |
|---|---|---|---|
| **(dollars in thousands)** | **2024** | **2023** | **2022** |
| Net (loss) income | $ (60,289) | $ 20,859 | $ 60,835 |
| Intangible amortization, net of tax[1] | 4,561 | 4,685 | 4,552 |
| Tangible net (loss) income | $ (55,728) | $ 25,544 | $ 65,387 |
| | | | |
| Average shareholders' equity | $ 544,162 | $ 505,751 | $ 500,471 |
| Average intangible assets, net | (96,699) | (89,539) | (88,917) |
| Average tangible equity | $ 447,463 | $ 416,212 | $ 411,554 |
| | | | |
| Return on average equity | (11.08)% | 4.12 % | 12.16 % |
| Return on average tangible equity[2] | (12.45)% | 6.14 % | 15.89 % |

(1)The income tax rate utilized was the blended marginal tax rate

(2) Tangible net income divided by average tangible equity

| **Tangible Common Equity / Tangible Book Value Per Share/ Tangible Common Equity Ratio** | As of December 31, | | |
|---|---|---|---|
| **(dollars in thousands, except per share data)** | **2024** | **2023** | **2022** |
| Total shareholders' equity | $ 559,696 | $ 524,378 | $ 492,793 |
| Intangible assets, net | (94,807) | (86,546) | (92,792) |
| Tangible common equity | $ 464,889 | $ 437,832 | $ 400,001 |
| | | | |
| Total assets | $ 6,236,329 | $ 6,427,540 | $ 6,577,876 |
| Intangible assets, net | (94,807) | (86,546) | (92,792) |
| Tangible assets | $ 6,141,522 | $ 6,340,994 | $ 6,485,084 |
| | | | |
| Book value per share | $ 26.94 | $ 33.41 | $ 31.54 |
| Tangible book value per share[1] | $ 22.37 | $ 27.90 | $ 25.60 |
| Shares outstanding | 20,777,485 | 15,694,306 | 15,623,977 |
| | | | |
| Common equity ratio | 8.97 % | 8.16 % | 7.49 % |
| Tangible common equity ratio[2] | 7.57 % | 6.90 % | 6.17 % |

(1) Tangible common equity divided by shares outstanding.

(2) Tangible common equity divided by tangible assets.

| **Net Interest Margin, Tax Equivalent / Core Net Interest Margin** | For the Year Ended December 31, | | |
|---|---|---|---|
| **(dollars in thousands)** | **2024** | **2023** | **2022** |
| Net interest income | $ 157,537 | $ 144,172 | $ 166,358 |
| Tax equivalent adjustments: | | | |
| Loans[1] | 3,840 | 3,010 | 2,507 |
| Securities[1] | 1,316 | 1,813 | 2,409 |
| Net interest income, tax equivalent | $ 162,693 | $ 148,995 | $ 171,274 |
| Loan purchase discount accretion | (6,335) | (3,729) | (4,561) |
| Core net interest income | $ 156,358 | $ 145,266 | $ 166,713 |
| | | | |
| Net interest margin | 2.58 % | 2.38 % | 2.84 % |
| Net interest margin, tax equivalent[2] | 2.66 % | 2.46 % | 2.92 % |
| Core net interest margin[3] | 2.56 % | 2.40 % | 2.85 % |
| Average interest earning assets | $ 6,117,428 | $ 6,055,994 | $ 5,859,160 |

(1) The federal statutory tax rate utilized was 21%.
(2) Tax equivalent net interest income divided by average interest earning assets.
(3) Core net interest income divided by average interest earning assets.

| **Efficiency Ratio** | For the Year Ended December 31, | | |
|---|---|---|---|
| **(dollars in thousands)** | **2024** | **2023** | **2022** |
| Total noninterest expense | $ 144,496 | $ 131,913 | $ 132,788 |
| Amortization of intangibles | (6,149) | (6,247) | (6,069) |
| Merger-related expenses | (2,332) | (392) | (2,201) |
| Noninterest expense used for efficiency ratio | $ 136,015 | $ 125,274 | $ 124,518 |
| | | | |
| Net interest income, tax equivalent[1] | $ 162,693 | $ 148,995 | $ 171,274 |
| Plus: Noninterest (loss) income | (88,247) | 18,423 | 47,519 |
| Less: Investment securities (losses) gains, net | (139,952) | (18,789) | 271 |
| Net revenues used for efficiency ratio | $ 214,398 | $ 186,207 | $ 218,522 |
| | | | |
| Efficiency ratio[2] | 63.44 % | 67.28 % | 56.98 % |

(1) The federal income tax rate utilized was 21%.
(2) Noninterest expense adjusted for amortization of intangibles, merger-related expenses divided by the sum of tax equivalent net interest income, noninterest income and net investment securities (losses) gains.

| **Adjusted Earnings** | For the Year Ended December 31, | | |
|---|---|---|---|
| **(dollars in thousands, except per share data)** | **2024** | **2023** | **2022** |
| Net (loss) income | $ (60,289) | $ 20,859 | $ 60,835 |
| Less: Investment securities (losses) gains, net of tax[1] | (103,818) | (14,092) | 203 |
| Less: Mortgage servicing rights (loss) gain, net of tax[1] | (817) | (66) | 4,295 |
| Plus: Merger-related expenses, net of tax[1] | 1,730 | 294 | 1,651 |
| Less: Gain on branch sale, net of tax[1] | 8,122 | — | — |
| Adjusted earnings | $ 37,954 | $ 35,311 | $ 57,988 |
| | | | |
| Weighted average diluted common shares outstanding | 17,030 | 15,725 | 15,701 |
| | | | |
| Earnings (loss) per common share - diluted | $ (3.54) | $ 1.33 | $ 3.87 |
| Adjusted earnings per common share[2] | $ 2.23 | $ 2.25 | $ 3.69 |

(1) The income tax rate utilized was the blended marginal tax rate.
(2) Adjusted earnings divided by weighted average diluted common shares outstanding.

## ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

In general, market risk is the risk of changes in asset values due to movements in underlying market rates and prices. Interest rate risk is the risk to earnings and capital arising from movements in interest rates. Interest rate risk is the most significant market risk affecting us as other types of market risk, such as foreign currency exchange rate risk and commodity price risk, do not arise in the normal course of our business activities.

In addition to interest rate risk, economic conditions in recent years have made liquidity risk (namely, funding liquidity risk) a more prevalent concern among financial institutions. In general, liquidity risk is the risk of being unable to fund an entity's obligations to creditors (including, in the case of banks, obligations to depositors) as such obligations become due and/or fund its acquisition of assets.

**Interest Rate Risk**

Interest rate risk is defined as the exposure of net interest income and fair value of financial instruments (interest-earning assets, deposits and borrowings) to movements in interest rates. The Company's results of operations depend to a large degree on its net interest income and its ability to manage interest rate risk. The Company considers interest rate risk to be a significant market risk. The major sources of the Company's interest rate risk are timing differences in the maturity and re-pricing characteristics of assets and liabilities, changes in the shape of the yield curve, changes in customer behavior and changes in relationships between rate indices (basis risk). Management measures these risks and their impact in various ways, including through the use of income simulation and valuation analyses. Multiple interest rate scenarios are used in this analysis which include changes in interest rates, spread narrowing and widening, yield curve twists and changes in assumptions about customer behavior in various interest rate scenarios. A mismatch between maturities, interest rate sensitivities and prepayment characteristics of assets and liabilities results in interest rate risk. Like most financial institutions, we have material interest rate risk exposure to changes in both short-term and long-term interest rates, as well as variable interest rate indices (e.g., the prime rate or SOFR).

The Bank's asset and liability committee meets regularly and is responsible for reviewing its interest rate sensitivity position and establishing policies to monitor and limit exposure to interest rate risk. Our asset and liability committee seeks to manage interest rate risk under a variety of rate environments by structuring our balance sheet and off-balance-sheet positions in such a way that changes in interest rates do not have a large negative impact. The risk is monitored and managed within approved policy limits.

We use a third party service to model and measure our exposure to potential interest rate changes. For various assumed hypothetical changes in market interest rates, numerous other assumptions are made, such as prepayment speeds on loans and securities backed by mortgages, the slope of the Treasury yield-curve, the rates and volumes of our deposits, and the rates and volumes of our loans. There are two primary tools used to evaluate interest rate risk: net interest income simulation and economic value of equity ("EVE"). In addition, interest rate gap is reviewed to monitor asset and liability repricing over various time periods.

Net Interest Income Simulation: Management utilizes net interest income simulation models to estimate the near-term effects of changing interest rates on its net interest income. Net interest income simulation involves projecting net interest income under a variety of scenarios, which include varying the level of interest rates and shifts in the shape of the yield curve. Management exercises its best judgment in making assumptions regarding events that management can influence, such as non-contractual deposit re-pricings, and events outside management's control, such as customer behavior on loan and deposit activity and the effect that competition has on both loan and deposit pricing. These assumptions are subjective and, as a result, net interest income simulation results will differ from actual results due to the timing, magnitude and frequency of interest rate changes, changes in market conditions, customer behavior and management strategies, among other factors. We perform various sensitivity analyses on assumptions of deposit attrition and deposit re-pricing.

The following table presents the anticipated effect on net interest income over a twelve month period if short- and long-term interest rates were to sustain an immediate decrease of 100 basis points or 200 basis points, or an immediate increase of 100 basis points or 200 basis points:

| | Immediate Change in Rates | | | |
|---|---|---|---|---|
| **(dollars in thousands)** | **-200** | **-100** | **+100** | **+200** |
| December 31, 2024 | | | | |
| Dollar change | $ (16,026) | $ (7,283) | $ 6,707 | $ 13,028 |
| Percent change | (7.8)% | (3.5)% | 3.2 % | 6.3 % |
| December 31, 2023 | | | | |
| Dollar change | $ 1,280 | $ (347) | $ 229 | $ 111 |
| Percent change | 0.9 % | (0.2)% | 0.2 % | 0.1 % |

As of December 31, 2024, 41.1% of the Company's interest-earning asset balances will reprice or are expected to pay down in the next 12 months, and 40.3% of the Company's deposit balances are low cost or no cost deposits.

Economic Value of Equity: Management also uses EVE to measure risk in the balance sheet that might not be taken into account in the net interest income simulation analysis. Net interest income simulation highlights exposure over a relatively short time period, while EVE analysis incorporates all cash flows over the estimated remaining life of all balance sheet positions. The valuation of the balance sheet, at a point in time, is defined as the discounted present value of asset cash flows minus the discounted present value of liability cash flows. EVE analysis addresses only the current balance sheet and does not incorporate the run-off replacement assumptions that are used in the net interest income simulation model. As with the net interest income simulation model, EVE analysis is based on key assumptions about the timing and variability of balance sheet cash flows and does not take into account any potential responses by management to anticipated changes in interest rates.

Interest Rate Gap: The interest rate gap is the difference between interest-earning assets and interest-bearing liabilities re-pricing within a given period and represents the net asset or liability sensitivity at a point in time. An interest rate gap measure could be significantly affected by external factors such as loan prepayments, early withdrawals of deposits, changes in the correlation of various interest-bearing instruments, competition, or a rise or decline in interest rates.

**Liquidity Risk**

Liquidity refers to our ability to fund operations, to meet depositor withdrawals, to provide for our customers' credit needs, and to meet maturing obligations and existing commitments. Our liquidity principally depends on cash flows from operating activities, investment in and maturity of assets, changes in balances of deposits and borrowings, and our ability to borrow funds.

Net cash inflows from operating activities were $63.2 million during the year ended December 31, 2024, compared with $62.6 million in the year ended December 31, 2023, and $90.3 million in the year ended December 31, 2022. Net cash inflows from investing activities were $312.3 million during the year ended December 31, 2024, compared with net cash inflows of $129.7 million in the year ended December 31, 2023, and net cash outflows of $273.3 million in the year ended December 31, 2022. Net cash outflows from financing activities were $252.3 million during the year ended December 31, 2024, compared with net cash outflows of $197.0 million in the year ended December 31, 2023, and net cash inflows of $65.5 million in the year ended December 31, 2022.

To manage liquidity risk, the Bank has several sources of liquidity in place to maximize funding availability and increase the diversification of funding sources. The criteria for evaluating the use of these sources include volume concentration (percentage of liabilities), cost, volatility, and the fit with the current asset/liability management plan. These acceptable sources of liquidity include:

- Federal Funds Lines;
- Federal Reserve Bank Discount Window;
- Federal Home Loan Bank Advances;
- Brokered Deposits; and
- Brokered Repurchase Agreements.

Federal Funds Lines: Federal funds positions provide a source of short-term liquidity funding for the Bank. Unsecured federal funds purchased lines are viewed as a volatile liability and are not used as a long-term funding solution, especially when used to fund long-term assets. The current federal funds purchased limit is 10% of total assets, or the amount of established federal funds lines, whichever is smaller. As of December 31, 2024, the Bank maintains several unsecured federal funds lines totaling $110.0 million, which are tested annually to ensure availability. There were no amounts outstanding under such lines at December 31, 2024.

Federal Reserve Bank Discount Window: The Federal Reserve Bank Discount Window is an additional source of liquidity, particularly during periods of economic uncertainty or stress. As of December 31, 2024, the Bank had investment securities consisting primarily of corporate debt, state and political subdivisions, mortgage backed, and collateralized mortgage obligations, with an approximate market value of $353.9 million, pledged to the Federal Reserve Bank of Chicago for liquidity purposes and had additional borrowing capacity of $330.1 million. There were no outstanding borrowings through the FRB Discount Window at December 31, 2024.

Federal Home Loan Bank Advances: FHLB advances provide both a source of liquidity and long-term funding for the Bank. All credit exposure, including advances and federal funds borrowings from the FHLBDM, are collateralized primarily by one- to four-family residential, commercial, and agricultural real estate first mortgages equal to various percentages of the total outstanding notes. The current credit limit established by the FHLBDM is equal to 45% of the Bank's total assets. This credit capacity limit includes short-term and long-term borrowings, federal funds, letters of credit, and other sources of credit exposure to the FHLB. As of December 31, 2024, the Bank had no short-term FHLB advances and $4.2 million in long-term FHLB borrowings outstanding, and additional borrowing capacity of $624.0 million.

Brokered Deposits and Reciprocal Deposits: The Bank has brokered time deposit and non-maturity deposit relationships available to diversify its funding sources. Brokered deposits offer several benefits relative to other funding sources, such as: maturity structures which cannot be duplicated in the current retail market, deposit gathering which does not cannibalize the existing deposit base, the unsecured nature of these liabilities, and the ability to quickly generate funds. The Bank's internal policy limits the use of brokered deposits as a funding source to no more than 20% of total assets. Board approval is required to exceed this limit. The Bank must maintain a "well capitalized" rating to access brokered deposits without FDIC waiver. An "adequately capitalized" rating requires an FDIC waiver to access brokered deposits and an "undercapitalized" rating prohibits the Bank from using brokered deposits. At December 31, 2024, the Company held $200.0 million of brokered deposits and $221.0 million as of December 31, 2023.

Under a final rule that was issued by the FDIC in December 2018, financial institutions that are considered "well capitalized" qualify for the exemption of certain reciprocal deposits from being considered brokered deposits. Such exemption is limited to the lesser of 20 percent of total liabilities or $5.00 billion, with some exceptions for financial institutions that do not meet such criteria. At December 31, 2024, the Company had $25.3 million of reciprocal time deposits and $156.2 million of reciprocal interest bearing non-maturity deposits, and $95.0 million non-interest bearing non-maturity deposits that qualified for the brokered deposit exemption. These reciprocal deposits are part of the IntraFi Network Deposits program, which is used by financial institutions to spread deposits that exceed the FDIC insurance coverage limits out to numerous institutions in order to provide insurance coverage for all participating deposits.

Brokered Repurchase Agreements: Brokered repurchase agreements may be established with approved brokerage firms and banks. Repurchase agreements create rollover risk (the risk that a broker will discontinue the relationship due to market factors) and are not used as a long-term funding solution, especially when used to fund long-term assets. Collateral requirements and availability are evaluated and monitored. The current policy limit for brokered repurchase agreements is 15% of total assets. There were no outstanding brokered repurchase agreements at December 31, 2024.

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.**

## Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of MidWest*One* Financial Group, Inc.

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of MidWest*One* Financial Group, Inc. (the Company) as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes to the consolidated financial statements (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013, and our report dated March 11, 2025 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

**Basis for Opinion**

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

**Critical Audit Matter**

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

***Allowance for Credit Losses***

At December 31, 2024, the Company’s total loans were $4.32 billion and the associated allowance for credit losses was $55.2 million. As explained in Note 1 of the consolidated financial statements, the allowance for credit losses consists of reserves for expected losses over the life of the loans that have been identified by management related to specific borrowing relationships that are collateral dependent financial assets evaluated for impairment (individual basis), as well as expected credit losses inherent in the loan portfolio that are not specifically identified (pool basis). The Company measures expected credit losses of financial assets on a collective (pool) basis when the financial assets share similar risk characteristics. Depending on the nature of the pool of financial assets with similar risk characteristics, the Company uses a discounted cash flow (DCF) method or a loss-rate method to estimate expected credit losses which includes adjustments for forecast periods. In addition, management utilizes qualitative factors to adjust the calculated allowance for credit losses as appropriate. Qualitative factors are based on management’s judgement of company, market, industry or business specific data, changes in underlying loan composition of specific portfolios, trends relating to credit quality, delinquency, non-performing and adversely rated loans, and reasonable and supportable forecasts of economic conditions.

We identified the qualitative factors applied to the allowance for credit losses as a critical audit matter, because auditing this matter required significant auditor judgement due to the highly subjective nature of management's significant inputs and assumptions used in the allowance for credit losses model.

Our audit procedures related to management's evaluation and establishment of the qualitative factors applied to the allowance for credit losses include the following, among others:

- We obtained an understanding of the relevant controls related to the qualitative factors applied to the allowance for credit losses and tested such controls for design and operating effectiveness, including controls over management's establishment, review and approval of the qualitative factors and the data used in determining the qualitative factors.

- We tested the completeness, accuracy and relevance of the data inputs used by management as a basis for the qualitative factors by agreeing them to internal and external data sources.

- We tested management's process by evaluating the reasonableness of the overall qualitative factor adjustments based on the data inputs used by management.

/s/ RSM US LLP

We have served as the Company's auditor since 2013.

Des Moines, Iowa
March 11, 2025

**MIDWEST*ONE* FINANCIAL GROUP, INC.**
**CONSOLIDATED BALANCE SHEETS**

| | December 31, | |
|---|---|---|
| **(dollars in thousands)** | **2024** | **2023** |
| **ASSETS** | | |
| Cash and due from banks | $ 71,803 | $ 76,237 |
| Interest earning deposits in banks | 133,092 | 5,479 |
| Federal funds sold | — | 11 |
| Total cash and cash equivalents | 204,895 | 81,727 |
| Debt securities available for sale at fair value | 1,328,433 | 795,134 |
| Held to maturity securities at amortized cost | — | 1,075,190 |
| Total securities | 1,328,433 | 1,870,324 |
| Loans held for sale | 749 | 1,045 |
| Gross loans held for investment | 4,328,413 | 4,138,352 |
| Unearned income, net | (12,786) | (11,405) |
| Loans held for investment, net of unearned income | 4,315,627 | 4,126,947 |
| Allowance for credit losses | (55,200) | (51,500) |
| Total loans held for investment, net | 4,260,427 | 4,075,447 |
| Premises and equipment, net | 90,851 | 85,742 |
| Goodwill | 69,788 | 62,477 |
| Other intangible assets, net | 25,019 | 24,069 |
| Foreclosed assets, net | 3,337 | 3,929 |
| Other assets | 252,830 | 222,780 |
| Total assets | $ 6,236,329 | $ 6,427,540 |
| | | |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| Noninterest bearing deposits | $ 951,423 | $ 897,053 |
| Interest bearing deposits | 4,526,559 | 4,498,620 |
| Total deposits | 5,477,982 | 5,395,673 |
| Short-term borrowings | 3,186 | 300,264 |
| Long-term debt | 113,376 | 123,296 |
| Other liabilities | 82,089 | 83,929 |
| Total liabilities | 5,676,633 | 5,903,162 |
| | | |
| Commitments and contingencies (Note 18) | | |
| | | |
| Shareholders' equity | | |
| Preferred stock, no par value; authorized 500,000 shares; no shares issued and outstanding | — | — |
| Common stock, $1.00 par value; authorized 30,000,000 shares; issued shares of 21,580,067 and 16,581,017; outstanding shares of 20,777,485 and 15,694,306 | 21,580 | 16,581 |
| Additional paid-in capital | 414,987 | 302,157 |
| Retained earnings | 217,776 | 294,784 |
| Treasury stock at cost, 802,582 and 886,711 shares | (21,885) | (24,245) |
| Accumulated other comprehensive loss | (72,762) | (64,899) |
| Total shareholders' equity | 559,696 | 524,378 |
| Total liabilities and shareholders' equity | $ 6,236,329 | $ 6,427,540 |

See accompanying notes to consolidated financial statements.

**MIDWEST*ONE* FINANCIAL GROUP, INC.**
**CONSOLIDATED STATEMENTS OF INCOME**

| | Years ended December 31, | | |
|---|---|---|---|
| **(dollars in thousands, except per share amounts)** | **2024** | **2023** | **2022** |
| **Interest income** | | | |
| Loans, including fees | $ 244,569 | $ 202,179 | $ 148,284 |
| Taxable investment securities | 38,787 | 38,978 | 39,019 |
| Tax-exempt investment securities | 5,712 | 7,540 | 9,379 |
| Other | 5,206 | 916 | 77 |
| Total interest income | 294,274 | 249,613 | 196,759 |
| **Interest expense** | | | |
| Deposits | 113,109 | 85,764 | 20,245 |
| Short-term borrowings | 15,542 | 11,119 | 3,070 |
| Long-term debt | 8,086 | 8,558 | 7,086 |
| Total interest expense | 136,737 | 105,441 | 30,401 |
| Net interest income | 157,537 | 144,172 | 166,358 |
| Credit loss expense | 8,782 | 5,849 | 4,492 |
| Net interest income after credit loss expense | 148,755 | 138,323 | 161,866 |
| **Noninterest income** | | | |
| Investment services and trust activities | 14,196 | 12,249 | 11,223 |
| Service charges and fees | 8,629 | 8,349 | 7,477 |
| Card revenue | 7,618 | 7,214 | 7,210 |
| Loan revenue | 4,982 | 4,700 | 10,504 |
| Bank-owned life insurance | 2,926 | 2,500 | 2,305 |
| Investment securities (losses) gains, net | (139,952) | (18,789) | 271 |
| Other | 13,354 | 2,200 | 8,529 |
| Total noninterest (loss) income | (88,247) | 18,423 | 47,519 |
| **Noninterest expense** | | | |
| Compensation and employee benefits | 82,542 | 76,410 | 78,103 |
| Occupancy expense of premises, net | 10,463 | 10,034 | 10,272 |
| Equipment | 10,304 | 9,195 | 8,693 |
| Legal and professional | 9,107 | 7,365 | 8,646 |
| Data processing | 6,304 | 5,799 | 5,574 |
| Marketing | 2,646 | 3,610 | 4,272 |
| Amortization of intangibles | 6,149 | 6,247 | 6,069 |
| FDIC insurance | 3,896 | 3,294 | 1,660 |
| Communications | 700 | 910 | 1,125 |
| Foreclosed assets, net | 882 | 13 | (18) |
| Other | 11,503 | 9,036 | 8,392 |
| Total noninterest expense | 144,496 | 131,913 | 132,788 |
| (Loss) income before income tax (benefit) expense | (83,988) | 24,833 | 76,597 |
| Income tax (benefit) expense | (23,699) | 3,974 | 15,762 |
| **Net (loss) income** | $ (60,289) | $ 20,859 | $ 60,835 |
| | | | |
| **Per common share information** | | | |
| Earnings (loss) - basic | $ (3.54) | $ 1.33 | $ 3.89 |
| Earnings (loss) - diluted | $ (3.54) | $ 1.33 | $ 3.87 |

See accompanying notes to consolidated financial statements.

**MIDWEST*ONE* FINANCIAL GROUP, INC.**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

| | Years Ended December 31, | | |
|---|---|---|---|
| **(dollars in thousands)** | **2024** | **2023** | **2022** |
| **Net (loss) income** | $ (60,289) | $ 20,859 | $ 60,835 |
| | | | |
| **Other comprehensive (loss) income, net of tax:** | | | |
| Unrealized (loss) gain from AFS debt securities: | | | |
| Unrealized net (loss) gain on debt securities AFS | (152,529) | 10,421 | (111,667) |
| Reclassification adjustment for losses (gains) included in net income | 139,952 | 19,768 | (271) |
| Reclassification of the change in fair value of AFS debt securities attributable to change in hedged risk | 594 | (819) | — |
| Income tax benefit (expense) | 3,032 | (7,433) | 28,951 |
| Unrealized net (loss) gain on AFS debt securities, net of reclassification adjustments | (8,951) | 21,937 | (82,987) |
| Reclassification of AFS debt securities to HTM on January 1, 2022: | | | |
| Amortization of the net unrealized loss from the reclassification of AFS debt securities to HTM | 1,346 | 2,284 | 3,781 |
| Income tax expense | (341) | (578) | (976) |
| Amortization of net unrealized loss from the reclassification of AFS debt securities to HTM, net | 1,005 | 1,706 | 2,805 |
| Unrealized gain from cash flow hedging instruments: | | | |
| Unrealized net gains in cash flow hedging instruments | 2,897 | 2,471 | — |
| Reclassification adjustment for net gain in cash flow hedging instruments included in income | (2,786) | (1,795) | — |
| Income tax expense | (28) | (171) | — |
| Unrealized net gains on cash flow hedge instruments, net of reclassification adjustment | 83 | 505 | — |
| **Other comprehensive (loss) income, net of tax** | $ (7,863) | $ 24,148 | $ (80,182) |
| **Comprehensive (loss) income** | $ (68,152) | $ 45,007 | $ (19,347) |

See accompanying notes to consolidated financial statements.

## MIDWEST*ONE* FINANCIAL GROUP, INC.
## CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

| | Common Stock | | | | | |
|---|---|---|---|---|---|---|
| **(dollars in thousands, except per share amounts)** | **Par Value** | **Additional Paid-in Capital** | **Retained Earnings** | **Treasury Stock** | **Accumulated Other Comprehensive Income (Loss)** | **Total** |
| **Balance at December 31, 2021** | $ 16,581 | $ 300,940 | $ 243,365 | $ (24,546) | $ (8,865) | $ 527,475 |
| Net income | — | — | 60,835 | — | — | 60,835 |
| Other comprehensive loss | — | — | — | — | (80,182) | (80,182) |
| Release/lapse of restriction on RSUs (44,231 shares, net) | — | (1,396) | (41) | 1,156 | — | (281) |
| Repurchase of common stock (91,401 shares) | — | — | — | (2,725) | — | (2,725) |
| Share-based compensation | — | 2,541 | — | — | — | 2,541 |
| Dividends paid on common stock ($0.9500 per share) | — | — | (14,870) | — | — | (14,870) |
| **Balance at December 31, 2022** | $ 16,581 | $ 302,085 | $ 289,289 | $ (26,115) | $ (89,047) | $ 492,793 |
| Net income | — | — | 20,859 | — | — | 20,859 |
| Other comprehensive income | — | — | — | — | 24,148 | 24,148 |
| Release/lapse of restriction on RSUs (70,329 shares, net) | — | (2,331) | (148) | 1,870 | — | (609) |
| Repurchase of common stock (0 shares) | — | — | — | — | — | — |
| Share-based compensation | — | 2,403 | — | — | — | 2,403 |
| Dividends paid on common stock ($0.9700 per share) | — | — | (15,216) | — | — | (15,216) |
| **Balance at December 31, 2023** | $ 16,581 | $ 302,157 | $ 294,784 | $ (24,245) | $ (64,899) | $ 524,378 |
| Net loss | — | — | (60,289) | — | — | (60,289) |
| Other comprehensive loss | — | — | — | — | (7,863) | (7,863) |
| Issuance of common stock (4,999,050 shares), net of expenses $257 | 4,999 | 113,634 | — | — | — | 118,633 |
| Release/lapse of restriction on RSUs (84,129 shares, net) | — | (2,704) | (210) | 2,360 | — | (554) |
| Share-based compensation | — | 1,900 | — | — | — | 1,900 |
| Dividends paid on common stock ($0.9700 per share) | — | — | (16,509) | — | — | (16,509) |
| **Balance at December 31, 2024** | $ 21,580 | $ 414,987 | $ 217,776 | $ (21,885) | $ (72,762) | $ 559,696 |

See accompanying notes to consolidated financial statements.

**MIDWEST*ONE* FINANCIAL GROUP, INC.**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

| (dollars in thousands) | Years Ended December 31, 2024 | 2023 | 2022 |
|---|---|---|---|
| **Operating Activities:** | | | |
| Net (loss) income | $ (60,289) | $ 20,859 | $ 60,835 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Credit loss expense | 8,782 | 5,849 | 4,492 |
| Depreciation, amortization, and accretion | 7,697 | 12,572 | 10,162 |
| Net change in premises and equipment due to writedown or sale | 78 | (92) | 724 |
| Share-based compensation | 1,900 | 2,403 | 2,541 |
| Net loss (gain) on call or sale of debt securities available for sale | 139,952 | 19,768 | (271) |
| Net gain on sale of equity securities | — | (979) | — |
| Net change in foreclosed assets due to writedown or sale | 357 | (38) | (31) |
| Net gain on sale of loans held for sale | (1,357) | (1,166) | (1,842) |
| Origination of loans held for sale | (68,670) | (49,166) | (90,493) |
| Proceeds from sales of loans held for sale | 70,323 | 49,899 | 104,640 |
| Increase in cash surrender value of bank-owned life insurance | (2,719) | (2,500) | (2,305) |
| (Increase) decrease in deferred income taxes, net | (24,276) | (330) | 4,326 |
| Bargain purchase gain | — | — | (3,769) |
| Gain on sale of Florida banking operations | (10,949) | — | — |
| Change in: | | | |
| Other assets | 7,356 | 6,420 | (37,206) |
| Other liabilities | (5,001) | (929) | 38,525 |
| **Net cash provided by operating activities** | $ 63,184 | $ 62,570 | $ 90,328 |
| **Investing Activities:** | | | |
| Purchases of equity securities | $ (875) | $ (1,125) | $ (1,250) |
| Proceeds from sales of equity securities | — | 2,011 | — |
| Proceeds from sales of debt securities available for sale | 1,067,568 | 326,179 | 129,823 |
| Proceeds from maturities, calls and payments of debt securities available for sale | 183,383 | 130,740 | 142,006 |
| Purchases of debt securities available for sale | (847,825) | (89,815) | (386,278) |
| Proceeds from maturities, calls and payments of debt securities held to maturity | 36,881 | 54,543 | 125,456 |
| Net increase in loans held for investment | (143,644) | (290,174) | (312,562) |
| Purchases of premises and equipment | (2,404) | (4,055) | (2,663) |
| Proceeds from sale of foreclosed assets | 3,260 | 184 | 795 |
| Proceeds from sale of premises and equipment | 7 | 1,240 | 29 |
| Proceeds of principal and earnings from bank-owned life insurance | 948 | — | — |
| Net cash (paid) acquired in business acquisition | (28,621) | — | 31,375 |
| Net cash received in divestiture of Florida banking operations | 43,625 | — | — |
| **Net cash provided by (used in) investing activities** | $ 312,303 | $ 129,728 | $ (273,269) |
| **Financing Activities:** | | | |
| Net (decrease) increase in: | | | |
| Deposits | $ (9,094) | $ (73,389) | $ (109,378) |
| Short-term borrowings | (334,578) | (91,609) | 208,964 |
| Payments on finance lease liability | (206) | (183) | (164) |
| Proceeds from Federal Home Loan Bank borrowings | 4,239 | — | — |
| Payments of Federal Home Loan Bank borrowings | (6,250) | (11,000) | (31,000) |
| Proceeds from other long-term debt | — | — | 25,000 |
| Payments of other long-term debt | (8,000) | (5,000) | (10,000) |
| Taxes paid relating to the release/lapse of restriction on RSUs | (554) | (609) | (281) |
| Dividends paid | (16,509) | (15,216) | (14,870) |
| Proceeds from issuance of common stock | 118,890 | — | — |
| Payment of stock issuance costs | (257) | — | — |
| Repurchase of common stock | — | — | (2,725) |
| **Net cash (used in) provided by financing activities** | $ (252,319) | $ (197,006) | $ 65,546 |
| **Net change in cash and cash equivalents** | $ 123,168 | $ (4,708) | $ (117,395) |
| Cash and cash equivalents at beginning of year | 81,727 | 86,435 | 203,830 |
| **Cash and cash equivalents at end of year** | $ 204,895 | $ 81,727 | $ 86,435 |

**MIDWESTONE FINANCIAL GROUP, INC.**
**CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)**

| (dollars in thousands) | Years Ended December 31, 2024 | 2023 | 2022 |
|---|---|---|---|
| Supplemental disclosures of cash flow information: | | | |
| Cash paid during the period for interest | $ 139,968 | $ 97,505 | $ 27,841 |
| Total cash paid during the period for income taxes, net of refunds: | 7,525 | 3,437 | 13,222 |
| Supplemental schedule of non-cash investing and financing activities: | | | |
| Transfer of loans to foreclosed assets, net | $ 3,025 | $ 3,972 | $ 510 |
| Transfer of premises and equipment (from) to assets held for sale | (325) | 327 | 1,349 |
| Transfer of debt securities available for sale to held to maturity | — | — | 1,253,179 |
| Transfer of debt securities held to maturity to available for sale | 1,046,489 | — | — |
| Supplemental Schedule of non-cash investing activities from acquisition: | | | |
| Non-cash assets acquired: | | | |
| Investment securities | $ 52,493 | $ — | $ 119,820 |
| Total loans held for investment, net | 207,095 | — | 281,326 |
| Premises and equipment | 11,091 | — | 7,363 |
| Assets held for sale | 1,979 | — | — |
| Goodwill | 9,041 | — | — |
| Core deposit intangible | 7,100 | — | 16,500 |
| Bank-owned life insurance | — | — | 7,862 |
| Other assets | 4,987 | — | 6,278 |
| Total non-cash assets acquired | $ 293,786 | $ — | $ 439,149 |
| Liabilities assumed: | | | |
| Deposits | $ 224,248 | $ — | $ 463,638 |
| Short-term borrowings | 37,500 | — | 1,541 |
| FHLB borrowings | — | — | 250 |
| Other liabilities | 3,417 | — | 1,326 |
| Total liabilities assumed | $ 265,165 | $ — | $ 466,755 |
| Supplemental Schedule of non-cash investing activities from divestiture: | | | |
| Non-cash assets divested: | | | |
| Total loans held for investment, net | $ 161,359 | $ — | $ — |
| Premises and equipment | 3,511 | — | — |
| Goodwill | 1,730 | — | — |
| Other assets | 375 | — | — |
| Total non-cash assets divested | $ 166,975 | $ — | $ — |
| Liabilities divested: | | | |
| Deposits | $ 133,403 | $ — | $ — |
| Other liabilities | 231 | — | — |
| Total liabilities divested | $ 133,634 | $ — | $ — |

See accompanying notes to consolidated financial statements.

**Note 1. Nature of Business and Significant Accounting Policies**

Nature of business: MidWest*One* Financial Group, Inc. (the "Company"), an Iowa Corporation formed in 1983, is a bank holding company under the BHCA and a financial holding company under the GLBA. Our principal executive offices are located at 102 South Clinton Street, Iowa City, Iowa 52240. The Company owns all of the outstanding common stock of MidWest*One* Bank (the "Bank"), an Iowa state non-member bank chartered in 1934 with its main office in Iowa City, Iowa. We operate primarily through MidWest*One* Bank, our bank subsidiary, and provide services to individuals, businesses, governmental units and institutional customers through a total of 56 banking offices as of December 31, 2024 in central and eastern Iowa, the Minneapolis/St. Paul metropolitan area in Minnesota, southwestern Wisconsin, and Denver, Colorado. The Bank is actively engaged in many areas of commercial banking, including: acceptance of demand, savings and time deposits; making commercial, real estate, agricultural and consumer loans, and other banking services tailored for its individual customers. The wealth management area of the Bank administers estates, personal trusts, and conservatorship accounts along with providing other management services to customers.

On June 7, 2024, the Bank completed the sale of its Florida banking operations for a 7.5% deposit premium, which consisted of one Bank branch in each of Naples and Ft. Myers, Florida.

On January 31, 2024, the Company completed the acquisition of DNVB, a bank holding company whose wholly-owned banking subsidiary was BOD. Immediately following completion of the acquisition, BOD was merged with and into the Bank. As consideration for the merger, the Company paid cash in the amount of $32.6 million.

On June 9, 2022, the Company acquired Iowa First Bancshares Corp., a bank holding company whose wholly-owned banking subsidiaries were First National Bank of Muscatine and First National Bank in Fairfield, community banks located in Muscatine and Fairfield, Iowa, respectively. Immediately following the completion of the acquisition, First National Bank of Muscatine and First National Bank in Fairfield were merged with and into the Bank. As consideration for the merger, we paid cash in the amount of $46.7 million.

Accounting Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect: (1) the reported amount of assets and liabilities, (2) the disclosure of contingent assets and liabilities at the date of the financial statements, and (3) the reported amounts of revenues and expenses during the reporting period. These estimates are based on information available to management at the time the estimates are made. Actual results could differ from those estimates.

Certain Significant Estimates: The allowance for credit losses and the annual impairment testing of goodwill and other intangible assets involve certain significant estimates made by management. These estimates are reviewed by management routinely, and it is reasonably possible that circumstances that exist may change in the near-term future and that the effect could be material to the consolidated financial statements.

Principles of Consolidation: The consolidated financial statements include the accounts of MidWest*One* Financial Group, Inc., a bank holding company, and its wholly-owned subsidiary MidWest*One* Bank, which is a state chartered bank whose primary federal regulator is the FDIC. All significant inter-company accounts and transactions have been eliminated in consolidation.

Private Wealth assets, other than cash deposits held by the Bank in a fiduciary or agency capacity for its customers, are not included in the accompanying consolidated financial statements because such accounts are not assets of the Bank.

Presentation of Cash Flows: For purposes of reporting cash flows, cash and due from banks includes cash on hand, amounts due from banks, and federal funds sold. Cash flows from loans, deposits, and short-term borrowings are reported net. Cash receipts and cash payments resulting from originations and sales of loans held for sale are classified as operating cash flows on a gross basis in the consolidated statements of cash flows.

The nature of the Company's business requires that it maintain amounts due from banks that, at times, may exceed federally insured limits. In the opinion of management, no material risk of loss exists due to the various correspondent banks' financial condition and the fact that they are well capitalized.

Investment Securities: Debt securities that the Company has the positive intent and ability to hold to maturity are classified as held to maturity and recorded at amortized cost. Debt securities not classified as held to maturity are classified as available for sale and recorded at fair value, with unrealized gains and losses excluded from earnings and reported in other comprehensive income. A debt security is placed on nonaccrual status at the time any principal or interest payments become 90 days delinquent. Interest accrued but not received for a security placed on nonaccrual is reversed against interest income.

The Company employs valuation techniques that utilize observable inputs when those inputs are available. These observable inputs reflect assumptions market participants would use in pricing the security, developed based on market data obtained from sources independent of the Company. When such information is not available, the Company employs valuation techniques which utilize unobservable inputs, or those which reflect the Company's own assumptions about assumptions that market participants would use, based on the best information available in the circumstances. These valuation methods typically involve cash flow and other financial modeling techniques. Changes in underlying factors, assumptions, estimates, or other inputs to the valuation techniques could have a material impact on the Company's future financial condition and results of operations. Fair value measurements are required to be classified as Level 1 (quoted prices), Level 2 (based on observable inputs), or Level 3 (based on unobservable inputs) discussed in more detail in Note 20. Estimated Fair Value of Financial Instruments and Fair Value Measurements to the consolidated financial statements.

Purchase premiums and discounts are recognized in interest income using the interest method between the date of purchase and the first call date, or the maturity date of the security when there is no call date. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

*Held to Maturity Debt Securities* - The Company evaluates debt securities held to maturity for current expected credit losses. Held to maturity securities are evaluated on a quarterly basis using historical probability of default and loss given default information specific to the investment category. If this evaluation determines that credit losses exist, an allowance for credit loss is recorded and included in earnings as a component of credit loss expense. The Company's mortgage-backed securities and collateralized mortgage obligations are issued by U.S. government agencies and U.S. government-sponsored enterprises and are implicitly guaranteed by the U.S. government, and as such are excluded from the credit loss evaluation. Accrued interest receivable on held to maturity debt securities is recorded within 'Other Assets,' and is excluded from the estimate of credit losses.

*Available for Sale Debt Securities* - Available for sale debt securities are recorded at fair value. Realized gain or losses on sales of available for sale debt securities are included in earnings. Available for sale debt securities with unrealized gains are excluded from earnings and included in other comprehensive income as a separate component of shareholders' equity, net of tax. When the fair value of an available for sale debt security falls below the amortized cost basis, it is evaluated to determine if any of the decline in value is attributable to credit loss. Decreases in fair value attributable to credit loss would be recorded directly to earnings with a corresponding allowance for credit losses, limited by the amount that the fair value is less than the amortized cost basis. If the credit quality subsequently improves the allowance would be reversed up to a maximum of the previously recorded credit losses. If the Company intends to sell an impaired available for sale debt security, or if it is more likely than not that the Company will be required to sell the security prior to recovering the amortized cost basis, the entire fair value adjustment would be immediately recognized in earnings with no corresponding allowance for credit losses. Accrued interest receivable is excluded from the estimate of credit losses.

Loans: Loans are stated at the principal amount outstanding, net of purchase premiums, purchase discounts and net deferred loan fees. Net deferred loan fees include nonrefundable loan origination fees less direct loan origination costs. Net deferred loan fees, purchase premiums and purchase discounts are amortized into interest income using either the interest method or straight-line method over the terms of the loans, adjusted for actual prepayments. The interest method is used for all loans except revolving loans, for which the straight-line method is used. Interest on loans is credited to income as earned based on the principal amount outstanding.

The accrual of interest on agricultural, commercial, commercial real estate, non-owner occupied residential real estate, and consumer loan segments is discontinued at the time the loan is 90 days past due, and owner occupied residential real estate loan segments at 120 days past due, unless the credit is well secured and in process of collection. Credit card loans and other personal loans are typically charged off no later than 180 days past due. Past due status is based on contractual terms of the loan. In all cases, loans are placed on nonaccrual or charged off at an earlier date, if collection of principal or interest is considered doubtful.

All interest accrued but not collected for loans that are placed on nonaccrual or charged off is reversed against interest income. The interest on these loans is generally accounted for on the cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

The Company requires a loan to be charged-off, in whole or in part, as soon as it becomes apparent that some loss will be incurred, or when its collectability is sufficiently questionable that it no longer is considered a bankable asset. The primary considerations when determining if and how much of a loan should be charged-off are as follows: (1) the potential for future cash flows; (2) the value of any collateral; and (3) the strength of any co-makers or guarantors.

*Acquired Loans* - Acquired loans are separated into two categories based on the credit risk characteristics of the underlying borrowers as either PCD, for loans which have experienced more than insignificant credit deterioration since origination, or loans with no credit deterioration (non-PCD). At the date of acquisition, an ACL on PCD loans is determined and added to the amortized cost basis of the individual loans. The difference between the initial amortized cost basis and the par value of the loan is a noncredit discount or premium, which is amortized into interest income over the life of the loan. The ACL on PCD loans is recorded in the acquisition accounting and no provision for credit losses is recognized at the acquisition date. Subsequent changes to the ACL are recorded through provision expense. For non-PCD loans, an ACL is established immediately after the acquisition through a charge to the provision for credit losses.

The risk characteristics of each loan portfolio segment are as follows:

*Agricultural* - Agricultural loans, most of which are secured by crops, livestock, and machinery, are provided to finance capital improvements and farm operations as well as acquisitions of livestock and machinery. The ability of the borrower to repay may be affected by many factors outside of the borrower’s control including adverse weather conditions, loss of livestock due to disease or other factors, declines in market prices for agricultural products and the impact of government regulations. The ultimate repayment of agricultural loans is dependent upon the profitable operation or management of the agricultural entity. Collateral for these loans generally includes accounts receivable, inventory, equipment and real estate. However, depending on the overall financial condition of the borrower, some loans are made on an unsecured basis. The collateral securing these loans may depreciate over time, may be difficult to appraise and may fluctuate in value based on the success of the business.

*Commercial and Industrial* - Commercial and industrial loans are primarily made based on the reported cash flow of the borrower and secondarily on the underlying collateral provided by the borrower. The collateral support provided by the borrower for most of these loans and the probability of repayment are based on the liquidation of the pledged collateral and enforcement of a personal guarantee, if any exists. The primary repayment risks of commercial and industrial loans are that the cash flows of the borrower may be unpredictable, and the collateral securing these loans may fluctuate in value. The size of the loans the Company can offer to commercial customers is less than the size of the loans that competitors with larger lending limits can offer. This may limit the Company’s ability to establish relationships with the largest businesses in the areas in which the Company operates and may result in the Company assuming greater lending risks. Collateral for these loans generally includes accounts receivable, inventory, equipment and real estate. However, depending on the overall financial condition of the borrower, some loans are made on an unsecured basis. The collateral securing these loans may depreciate over time, may be difficult to appraise and may fluctuate in value based on the success of the business. In addition, a decline in the U.S. economy could harm or continue to harm the businesses of the Company’s commercial and industrial customers and reduce the value of the collateral securing these loans.

*Commercial Real Estate* - The Company offers mortgage loans to commercial and agricultural customers for the acquisition of real estate used in their businesses, such as offices, warehouses and production facilities, and to real estate investors for the acquisition of apartment buildings, retail centers, office buildings and other commercial buildings. The market value of real estate securing commercial real estate loans can fluctuate significantly in a short period of time as a result of market conditions in the geographic area in which the real estate is located. Adverse developments affecting real estate values in one or more of the Company’s markets could increase the credit risk associated with its loan portfolio. Additionally, real estate lending typically involves higher loan principal amounts than other loans, and the repayment of the loans generally is dependent, in large part, on sufficient income from the properties securing the loans to cover operating expenses and debt service. Economic events or governmental regulations outside of the Company's control or that of the borrower could negatively impact the future cash flow and market values of the affected properties.

*Residential Real Estate* - The Company generally retains short-term residential mortgage loans that are originated for its own portfolio but sells most long-term loans to other parties while retaining servicing rights on the majority of those loans. The market value of real estate securing residential real estate loans can fluctuate as a result of market conditions in the geographic area in which the real estate is located. Adverse developments affecting real estate values in one or more of the Company's markets could increase the credit risk associated with its loan portfolio. Additionally, real estate lending typically involves higher loan principal amounts than other loans, and the repayment of the loans generally is dependent, in large part, on the borrower's continuing financial stability, and is therefore more likely to be affected by adverse personal circumstances.

*Consumer* - Consumer loans typically have shorter terms, lower balances, higher yields and higher risks of default than real estate-related loans. Consumer loan collections are dependent on the borrower's continuing financial stability, and are therefore more likely to be affected by adverse personal circumstances. Collateral for these loans generally includes automobiles, boats, recreational vehicles, mobile homes, and real estate. However, depending on the overall financial condition of the borrower, some loans are made on an unsecured basis. The collateral securing these loans may depreciate over time, may be difficult to recover and may fluctuate in value based on condition. In addition, a decline in the United States economy could result in reduced employment, impacting the ability of customers to repay their obligations.

<u>Loan Modifications for Borrowers Experiencing Financial Difficulty</u>: Infrequently, the Company makes modifications to certain loans in order to alleviate temporary difficulties in the borrower's financial condition and/or constraints on the borrower's ability to repay a loan, and to minimize potential losses to the Company. GAAP requires that certain types of modifications be reported, including:

- Principal forgiveness.
- Interest rate reduction.
- An other than-insignificant payment delay.
- Term extension.

<u>Loans Held for Sale</u>: Loans originated and intended for sale in the secondary market are carried at the lower of aggregate cost or estimated fair value, as determined by aggregate outstanding commitments from investors or current investor yield requirements. Net unrealized losses, if any, are recognized through a valuation allowance by charges to income.

Mortgage loans held for sale are generally sold with the mortgage servicing rights retained. Gains or losses on sales of mortgage loans are recognized based on the difference between the selling price plus the value of servicing rights, less the carrying value of the related mortgage loans sold.

<u>Allowance for Credit Losses Related to Loans Held for Investment:</u> Under the current expected credit loss model, the allowance for credit losses is a valuation account estimated at each balance sheet date and deducted from the amortized cost basis of loans held for investment to present the net amount expected to be collected.

The Company estimates the ACL based on the underlying assets' amortized cost basis, which is the amount at which the financing receivable is originated or acquired, adjusted for collection of cash and charge-offs, as well as applicable accretion or amortization of premium, discount, and net deferred fees or costs. In the event that collection of principal becomes uncertain, the Company has policies in place to reverse accrued interest in a timely manner. Therefore, the Company has made a policy election to exclude accrued interest from the measurement of ACL.

Expected credit losses are reflected in the allowance for credit losses through a charge to credit loss expense. When the Company deems all or a portion of a financial asset to be uncollectible, the appropriate amount is written off and the ACL is reduced by the same amount. The Company applies judgment to determine when a financial asset is deemed uncollectible; however, generally speaking, an asset will be considered uncollectible no later than when all efforts at collection have been exhausted. Subsequent recoveries, if any, are credited to the ACL when received.

The Company measures expected credit losses of financial assets on a collective (pool) basis when the financial assets share similar risk characteristics. Depending on the nature of the pool of financial assets with similar risk characteristics, the Company uses a DCF method or a loss-rate method to estimate expected credit losses.

The Company's methodologies for estimating the ACL consider available relevant information about the collectability of cash flows, including information about past events, current conditions, and reasonable and supportable forecasts. The methodologies apply historical loss information, adjusted for asset-specific characteristics, economic conditions at the measurement date, and forecasts about future economic conditions expected to exist through the contractual lives of the financial assets that are reasonable and supportable, to the identified pools of financial assets with similar risk characteristics for which the historical loss experience was observed. The Company's economic forecast assumptions revert over four quarters to historical loss driver information on a straight-line basis after four quarters.

*Discounted Cash Flow Method*

The Company uses the DCF method to estimate expected credit losses for the agricultural, commercial and industrial, CRE - construction and development, CRE - farmland, CRE - multifamily, CRE - other, RRE - owner-occupied one-to-four family first liens, RRE - nonowner-occupied one-to-four family first liens, RRE - one-to-four family junior liens, and consumer loan pools. For each of these pools, the Company generates cash flow projections at the instrument level wherein payment expectations are adjusted for estimated prepayment speed, curtailments, time to recovery, probability of default, and loss given default. The modeling of expected prepayment speeds, curtailment rates, and time to recovery are based on historical internal data.

The Company uses regression analysis of historical internal and peer data to determine which variables are best suited to be economic variables utilized when modeling lifetime probability of default and loss given default. This analysis also determines how expected probability of default and loss given default will react to forecasted levels of the economic variables. For the loan pools utilizing the DCF method, management utilizes one or multiple of the following economic variables: Midwest unemployment, US unemployment, national retail sales, CRE index, and U.S. gross domestic product.

For all DCF models, management has determined that four quarters represents a reasonable and supportable forecast period and reverts back to a historical loss rate over four quarters on a straight-line basis. Management leverages economic projections from a reputable and independent third party to inform its loss driver forecasts over the four quarter forecast period. Other internal and external indicators of economic forecasts are also considered by management when developing the forecast metrics.

The combination of adjustments for credit expectations (default and loss) and timing expectations (prepayment, curtailment, and time to recovery) produces an expected cash flow stream at the instrument level. Instrument effective yield is calculated, net of the impacts of prepayment assumptions, and the instrument expected cash flows are then discounted at that effective yield to produce an instrument-level net present value of expected cash flows ("NPV"). An ACL is established for the difference between the instrument's NPV and amortized cost basis. In addition, management utilizes qualitative factors to adjust the calculated ACL as appropriate. Qualitative factors are based on management's judgment of company, market, industry or business specific data, changes in underlying loan composition of specific portfolios, trends relating to credit quality, delinquency, non-performing and adversely rated loans, and reasonable and supportable forecasts of economic conditions.

*Loss-Rate Method*

The Company uses a loss-rate method to estimate expected credit losses for the credit card and overdraft pools. For each of these pools, the Company applies an expected loss ratio based on internal and peer historical losses, adjusted as appropriate for qualitative factors. Qualitative loss factors are based on management's judgment of company, market, industry or business specific data, changes in underlying loan composition of specific portfolios, trends relating to credit quality, delinquency, non-performing and adversely rated loans, and reasonable and supportable forecasts of economic conditions.

*Collateral Dependent Financial Assets*

Loans that do not share risk characteristics are evaluated on an individual basis. For collateral dependent financial assets where the Company has determined that foreclosure of the collateral is probable, or where the borrower is experiencing financial difficulty and the Company expects repayment of the financial asset to be provided substantially through the operation or sale of the collateral, the ACL is measured based on the difference between the fair value of the collateral and the amortized cost basis of the asset as of the measurement date. When repayment is expected to be from the operation of the collateral, expected credit losses are calculated as the amount by which the amortized cost basis of the financial asset exceeds the present value of expected cash flows from the operation of the collateral. When repayment is expected to be from the sale of the collateral, expected credit losses are calculated as the amount by which the amortized cost basis of the financial asset exceeds the fair value of the underlying collateral less estimated cost to sell.

The Company's estimate of the ACL reflects losses expected over the contractual life of the assets, adjusted for estimated prepayments or curtailments. The contractual term does not consider extensions, renewals or modifications unless the Company has identified an expected MBEFD. A loan that has been modified or renewed is considered a MBEFD when the borrower is experiencing financial difficulty.

Liability for Off-Balance Sheet Credit Losses: Financial instruments include off-balance sheet credit losses, such as commitments to make loans and commercial letters of credit, issued to meet customer financing needs. The Company's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for off-balance sheet loan commitments is represented by the contractual amount of those instruments. Such financial instruments are recorded when they are funded.

The Company recognizes a liability for off-balance sheet credit losses through a charge to credit loss expense for off-balance sheet credit losses, which is included in credit loss expense in the Company's consolidated statements of income, unless the commitments to extend credit are unconditionally cancellable. The liability for off-balance sheet credit losses is estimated by loan segment at each balance sheet date under the current expected credit loss model using the same methodologies as portfolio loans, taking into consideration the likelihood that funding will occur, and is included in other liabilities on the Company's consolidated balance sheets.

Transfers of Financial Assets: Revenue from the origination and sale of loans in the secondary market is recognized upon the transfer of financial assets and accounted for as sales when control over the assets has been surrendered. The Company also sells participation interests in some large loans originated to non-affiliated entities. Control over transferred assets is deemed to be surrendered when: (1) the assets have been isolated from the Company; (2) the transferee has the right to pledge or exchange the assets it received and no condition both constrains the transferee from taking advantage of its right to pledge or exchange and provides more than a trivial benefit to the transferor; and (3) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity or the ability to unilaterally cause the holder to return specific assets.

Credit-Related Financial Instruments: In the ordinary course of business, the Company has entered into commitments to extend credit, including commitments under credit card arrangements, commitments to sell loans, commercial letters of credit and standby letters of credit. Such financial instruments are recorded when they are funded.

Derivatives and Hedging Instruments: As part of its asset and liability management strategy, the Company uses derivative financial instruments to mitigate exposure to interest rate risks. The Company records all derivatives on the balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk in a fair value hedge or the earnings effect of the hedged forecasted transactions in a cash flow hedge. The Company may enter into derivative contracts that are intended to economically hedge certain of its risk, even though hedge accounting does not apply or the Company elects not to apply hedge accounting.

In accordance with the FASB's fair value measurement guidance, the Company made an accounting policy election to measure the credit risk of its derivative financial instruments that are subject to master netting agreements on a net basis by counterparty portfolio.

Premises and Equipment: Land is carried at cost. Premises and equipment are stated at cost less accumulated depreciation. The estimated useful lives and primary method of depreciation for the principal items are as follows:

| | Years | | | |
|---|---|---|---|---|
| **Type of Assets** | **Minimum** | | **Maximum** | **Depreciation Method** |
| Buildings and leasehold improvements | 10 | - | 39 | Straight-line |
| Furniture and equipment | 3 | - | 10 | Straight-line |

Charges for maintenance and repairs are expensed as incurred. When assets are retired or disposed of, the related cost and accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded.

Leases: The Company determines if a lease is present at the inception of an agreement. Operating leases are capitalized at commencement and operating lease ROU assets and operating lease liabilities are recognized based on the present value of lease payments over the lease term and are reported in "Other assets" and "Other liabilities," respectively, on the Company's consolidated balance sheets. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Leases with original terms of less than 12 months are not capitalized. If at lease inception, the Company considers exercising of a renewal option to be reasonably certain, the Company will include the extended term in the calculation of the ROU asset and lease liability.

Foreclosed Assets, Net: Real estate properties and other assets acquired through or in lieu of foreclosure are initially recorded at fair value less estimated selling cost at the date of foreclosure, establishing a new cost basis. Fair value is determined by management by obtaining appraisals or other market value information at least annually. Any write-downs in value at the date of acquisition are charged to the allowance for credit losses. After foreclosure, valuations are periodically performed by management by obtaining updated appraisals or other market value information. Any subsequent write-downs are recorded as a charge to operations, if necessary, to reduce the carrying value of a property to the updated fair value less estimated selling cost. Net costs related to the holding of properties are included in noninterest expense.

Goodwill and Other Intangibles: Goodwill is the excess of the purchase price over the fair value of identifiable net assets acquired in business combinations accounted for as acquisitions. Under ASC Topic 350, goodwill of a reporting unit is tested for impairment on an annual basis, or between annual tests if an event occurs or circumstances change that would reduce the fair value of a reporting unit below its carrying amount. The Company's annual assessment is done at the reporting unit level, which the Company has concluded is at the consolidated level. The Company concluded that goodwill was not impaired and therefore did not recognize any impairment losses during the year ended December 31, 2024 and December 31, 2023.

Certain other intangible assets that have finite lives are amortized on an accelerated basis over the estimated life of the assets. Such assets are evaluated for impairment if events and circumstances indicate a possible impairment. See Note 7. Goodwill and Intangible Assets for additional information.

Federal Home Loan Bank Stock: The Bank is a member of the FHLB of Des Moines and ownership of FHLB stock is a requirement for such membership. The amount of FHLB stock the Bank is required to hold is directly related to the amount of FHLB advances borrowed. This security is redeemable at par by the FHLB, and is, therefore, carried at cost. Redemption of this investment is at the option of the FHLB.

Mortgage Servicing Rights: Mortgage servicing rights are recorded at fair value based on assumptions through a third party valuation service. The valuation model incorporates assumptions that are observable in the marketplace and that market participants would use in estimating future net servicing income, such as the servicing cost per loan, the discount rate, the escrow float rate, an inflation rate, ancillary income, prepayment speeds and default rates and losses.

Bank-Owned Life Insurance: BOLI represents life insurance policies on the lives of certain Company officers and directors or former officers and directors for which the Company is the beneficiary. Bank-owned life insurance is carried at cash surrender value, net of surrender and other charges, with increases/decreases reflected as noninterest income/expense in the consolidated statements of income.

Employee Benefit Plans: Deferred benefits under a salary continuation plan are charged to expense during the period in which the participating employees attain full eligibility.

Stock-Based Compensation: Compensation expense for share based awards is recorded over the vesting period at the fair value of the award at the time of grant. The exercise price of options or fair value of nonvested shares granted under the Company's incentive plans is equal to the fair market value of the underlying stock at the grant date. The Company assumes no projected forfeitures on its stock based compensation, since actual historical forfeiture rates on its stock-based incentive awards have been negligible.

Income Taxes: The Company and/or its subsidiaries file tax returns in all states and local taxing jurisdictions which impose corporate income, franchise or other taxes where it operates. The methods of filing and the methods for calculating taxable and apportionable income vary depending upon the laws of the taxing jurisdiction. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amount of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized as income or expense in the period that includes the enactment date of such change. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

In accordance with ASC 740, *Income Taxes*, the Company recognizes a tax position as a benefit only if it is more likely than not that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized upon examination. For tax positions not meeting the more likely than not test, no tax benefit is recorded. The Company recognizes interest and/or penalties related to income tax matters in income tax expense. There were no material unrecognized tax benefits or any interest or penalties on any unrecognized tax benefits as of December 31, 2024 and 2023.

Common Stock: On June 22, 2021, the Board of Directors of the Company approved a share repurchase program, allowing for the repurchase of up to $15.0 million of the Company's common stock through December 31, 2023. The repurchase program replaced the Company's prior repurchase program, which was due to expire on December 31, 2021. Since June 23, 2021 and through April 27, 2023, the Company repurchased 403,368 shares of common stock for approximately $12.0 million, leaving $3.0 million available to be repurchased.

On April 27, 2023, the Board of Directors of the Company approved a new share repurchase program, allowing for the repurchase of up to $15.0 million of the Company's common stock through December 31, 2025. This new repurchase program replaced the Company's prior repurchase program, adopted in June 2021, which was due to expire on December 31, 2023. Since April 28, 2023 and through December 31, 2024, the Company repurchased no shares of common stock, leaving $15.0 million available to be repurchased.

Comprehensive Income: Accounting principles generally require that recognized revenue, expenses, gains, and losses be included in net income. Certain changes in assets and liabilities, such as unrealized gains and losses on available-for-sale securities, are reported as a separate component of shareholders' equity on the consolidated balance sheets, and are disclosed in the consolidated statements of comprehensive income.

**Effect of New Financial Accounting Standards**

Accounting Guidance Pending Adoption in 2024:
On November 4, 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)*. This ASU requires disclosure of additional information about specific expense categories in the notes to the financial statements. This ASU does not change or remove current expense disclosure requirements, but does affect where this information appears in the notes to the financial statements. The amendments are effective for fiscal years beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027.

The amendments should be applied on a prospective or a retrospective basis, with an option to early adopt. The Company is currently evaluating the impact of ASU 2024-03.

On December 14, 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740) - Improvements to Income Tax Disclosures*. Additional transparency about income tax information through improvements to income tax disclosures, primarily related to the rate reconciliation and income taxes paid information, will be required. The amendments are effective for annual periods beginning after December 15, 2024, with an option to early adopt. The amendments should be applied on a prospective basis, with retrospective application being permitted. The Company is currently evaluating the impact of ASU 2023-09.

Accounting Guidance Adopted in 2024:
On March 12, 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (ASC 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. ASC 848 contains optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform. Certain optional expedients and exceptions for contract modifications and hedging relationships were amended in ASU 2021-01, *Reference Rate Reform (Topic 848): Scope Refinement*, issued on January 7, 2021. In addition, ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848*, deferred the sunset date of Topic 848 from December 31, 2022 to December 31, 2024, after which time entities will no longer be permitted to apply the relief in Topic 848. The adoption of ASU 2020-04 did not have a material impact on the Company's consolidated financial statements.

On March 29, 2023, the FASB issued ASU 2023-02, *Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method*. Under this ASU, if certain conditions are met, a reporting entity may elect to account for its tax equity investments by using the proportional amortization method regardless of the program from which it receives income tax credits. The amendments are effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years, with an option to early adopt. The amendments must be applied on either a modified retrospective or a retrospective basis, with certain exceptions for low-income-housing tax credit structures that are not accounted for using the proportional amortization method. The adoption of ASU 2023-02 was applied on a modified retrospective basis and did not have a material impact on the Company's consolidated financial statements.

On November 27, 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures.* Enhanced disclosures about significant segment expenses are included within this ASU. The amendments are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with an option to early adopt. The amendments should be applied retrospectively to all prior periods presented in the financial statements, with the segment expense categories and amounts disclosed in prior periods being based on the significant segment expense categories identified and disclosed in the period of adoption. The adoption of ASU 2023-07 did not have a material impact on the Company's consolidated financial statements.

**Note 2. Business Combinations**

Denver Bankshares, Inc:
On January 31, 2024, the Company acquired 100% of the equity of DNVB through a merger of DNVB with and into the Company, and acquired its wholly-owned banking subsidiary, BOD, for cash consideration of $32.6 million. The primary reason for the acquisition was to increase our presence in the Denver, Colorado market. Immediately following the completion of the acquisition, BOD was merged with and into the Bank.

The assets acquired and liabilities assumed have been accounted for under the acquisition method of accounting. The assets and liabilities, both tangible and intangible, were recorded at their fair values as of the January 31, 2024 acquisition date, net of any applicable tax effects using a methodology similar to the Company's legacy assets and liabilities (refer to Note 20. Estimated Fair Value of Financial Instruments and Fair Value Measurements for additional information regarding the fair value methodology). Initial accounting for the assets acquired and liabilities assumed was incomplete at December 31, 2024. Thus, such amounts recognized in the financial statements have been determined to be provisional. The excess of the consideration paid over the fair value of the net assets acquired is recorded as goodwill. This goodwill is not deductible for tax purposes. The revenue and earnings amount specific to DNVB since the acquisition date that are included in the consolidated results for the year ended December 31, 2024 are not readily determinable. The disclosures of these amounts are impracticable due to the merging of certain processes and systems at the acquisition date.

The table below summarizes the amounts recognized as of the acquisition date of DNVB for each major class of assets acquired and liabilities assumed:

| (dollars in thousands) | | January 31, 2024 |
|---|---|---|
| **Merger consideration** | | |
| Cash consideration | **$** | **32,600** |
| **Identifiable net assets acquired, at fair value** | | |
| Assets acquired | | |
| Cash and due from banks | $ | 462 |
| Interest earning deposits in banks | | 3,517 |
| Debt securities | | 52,493 |
| Loans held for investment | | 207,095 |
| Premises and equipment | | 13,070 |
| Core deposit intangible | | 7,100 |
| Other assets | | 4,987 |
| Total assets acquired | | **288,724** |
| Liabilities assumed | | |
| Deposits | $ | (224,248) |
| Short-term borrowings | | (37,500) |
| Other liabilities | | (3,417) |
| Total liabilities assumed | | **(265,165)** |
| Identifiable net assets acquired, at fair value | | **23,559** |
| **Goodwill** | **$** | **9,041** |

For illustrative purposes only, the following table presents certain unaudited pro forma information for the years ended December 31, 2024 and December 31, 2023. This unaudited, estimated pro forma information was calculated as if DNVB had been acquired as of the beginning of the year prior to the date of acquisition. This unaudited pro forma information combines the historical results of DNVB and the Company and includes adjustments for the estimated impact of certain fair value purchase accounting, interest expense, acquisition-related expenses, and income tax expense for the respective periods. The pro forma information is not indicative of what would have occurred had the acquisition occurred as of the beginning of the year prior to the acquisition. Additionally, the Company expects to achieve further operating cost savings and other business synergies, including revenue growth as a result of the acquisition, which are not reflected in the pro forma amounts that follow. As a result, actual amounts would have differed from the unaudited pro forma information presented.

| | Unaudited Pro Forma for the Years Ended December 31, | | | |
|---|---|---|---|---|
| (dollars in thousands, except per share amounts) | 2024 | | 2023 | |
| Total revenues | $ | 67,942 | $ | 176,353 |
| Net (loss) income | $ | (58,073) | $ | 19,288 |
| EPS - basic | $ | (3.41) | $ | 1.23 |
| EPS - diluted | $ | (3.41) | $ | 1.23 |

Iowa First Bancshares Corp:
On June 9, 2022, the Company acquired 100% of the equity of IOFB through a merger and acquired its wholly-owned subsidiaries FNBM and FNBF for cash consideration of $46.7 million. Immediately following the completion of the acquisition, FNBM and FNBF were merged with and into the Bank. The Company acquired $517.2 million of assets, assumed $466.8 million of liabilities, and recognized a bargain purchase gain of $3.8 million in connection with this transaction, which was recorded in ‘Other’ noninterest income. The assets acquired and liabilities assumed have been accounted for under the acquisition method of accounting.

For illustrative purposes only, the following table presents certain unaudited pro forma information for the year ended December 31, 2022. This unaudited, estimated pro forma information was calculated as if IOFB had been acquired as of the beginning of the year prior to the date of acquisition. This unaudited pro forma information combines the historical results of IOFB and the Company and includes adjustments for the estimated impact of certain fair value purchase accounting, interest expense, acquisition-related expenses, and income tax expense for the respective period. The pro forma information is not indicative of what would have occurred had the acquisition occurred as of the beginning of the year prior to the acquisition. Additionally, MidWest*One* expects to achieve further operating cost savings and other business synergies, including revenue growth as a result of the acquisition, which are not reflected in the pro forma amounts that follow. As a result, actual amounts would have differed from the unaudited pro forma information presented.

| (dollars in thousands, except per share amounts) | Unaudited Pro Forma for the Year Ended December 31, 2022 |
|---|---|
| Total revenues | $ 217,157 |
| Net income | $ 61,451 |
| EPS - basic | $ 3.93 |
| EPS - diluted | $ 3.91 |

Divestitures:
On June 7, 2024, the Bank completed the sale of its Florida banking operations for a 7.5% deposit premium, which consisted of one bank branch in each of Naples and Ft. Myers, Florida. The sale of our Florida banking operations resulted in a gain on sale of $10.9 million that was recorded in other revenue.

The following is a summary of the assets and liabilities related to the branch sale:

| (dollars in thousands) | June 7, 2024 |
|---|---|
| **Assets** | |
| Cash and due from banks | $ 353 |
| Loans held for investment, net of unearned income | 163,302 |
| Allowance for credit losses | (1,943) |
| Total loans held for investment, net | 161,359 |
| Premises and equipment | 3,511 |
| Goodwill | 1,730 |
| Other assets | 375 |
| Total assets | $ 167,328 |
| **Liabilities** | |
| Deposits | $ 133,403 |
| Other liabilities | 231 |
| Total liabilities | $ 133,634 |

The following table summarizes acquisition and divestiture-related expenses incurred during the years ended December 31, 2024, 2023 and 2022, which are included in the respective income statement line items, for the periods indicated:

| | Years Ended December 31, | | |
|---|---|---|---|
| (dollars in thousands) | 2024 | 2023 | 2022 |
| **Noninterest Expense** | | | |
| Compensation and employee benefits | $ 314 | $ 70 | $ 471 |
| Occupancy expense of premises, net | 152 | — | 1 |
| Equipment | 198 | — | 29 |
| Legal and professional | 1,162 | 191 | 948 |
| Data processing | 322 | 65 | 511 |
| Marketing | 32 | 38 | 164 |
| Communications | 9 | — | 3 |
| Other | 143 | 28 | 74 |
| Total acquisition and divestiture-related expenses | $ 2,332 | $ 392 | $ 2,201 |

## Note 3. Debt Securities

As part of a balance sheet repositioning, the Company sold $1.0 billion of debt securities in the fourth quarter of 2024, including securities previously classified as HTM. The decision to sell HTM securities necessitated the reclassification, on September 30, 2024, of all HTM securities to AFS. On September 30, 2024, the HTM securities reclassified had an amortized cost basis of $1.04 billion and a fair value of $870.2 million. The Company recognized an unrealized loss of $45.7 million in accumulated other comprehensive income associated with the HTM securities reclassified, and an impairment loss of $140.4 million in pre-tax earnings associated with the securities sold during the fourth quarter of 2024.

The following tables summarize the amortized cost, gross unrealized gains and losses and the resulting fair value of debt securities as of the dates indicated:

| | As of December 31, 2024 | | | | |
|---|---|---|---|---|---|
| (dollars in thousands) | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Allowance for Credit Loss related to Debt Securities | Fair Value |
| **Available for Sale** | | | | | |
| U.S. Treasuries | $ 50,371 | $ 28 | $ — | $ — | $ 50,399 |
| U.S. government agencies and corporations | 10,000 | — | 59 | — | 9,941 |
| State and political subdivisions | 159,293 | 2 | 23,575 | — | 135,720 |
| Mortgage-backed securities | 331,956 | 6 | 8,523 | — | 323,439 |
| Collateralized loan obligations | 48,747 | 148 | 26 | — | 48,869 |
| Collateralized mortgage obligations | 702,138 | 83 | 56,112 | — | 646,109 |
| Corporate debt securities | 124,495 | 86 | 10,625 | — | 113,956 |
| Total available for sale debt securities | $ 1,427,000 | $ 353 | $ 98,920 | $ — | $ 1,328,433 |

| | As of December 31, 2023 | | | | |
|---|---|---|---|---|---|
| (dollars in thousands) | Amortized Cost[(1)] | Gross Unrealized Gains | Gross Unrealized Losses | Allowance for Credit Loss related to Debt Securities | Fair Value |
| **Available for Sale** | | | | | |
| State and political subdivisions | $ 139,482 | $ 2 | $ 9,345 | $ — | $ 130,139 |
| Mortgage-backed securities | 5,448 | 5 | 142 | — | 5,311 |
| Collateralized loan obligations | 50,541 | 135 | 239 | — | 50,437 |
| Collateralized mortgage obligations | 190,304 | — | 21,108 | — | 169,196 |
| Corporate debt securities | 487,361 | 57 | 47,367 | — | 440,051 |
| Total debt securities | $ 873,136 | $ 199 | $ 78,201 | $ — | $ 795,134 |
| **Held to Maturity** | | | | | |
| State and political subdivisions | $ 532,422 | $ — | $ 65,932 | $ — | $ 466,490 |
| Mortgage-backed securities | 74,904 | — | 11,635 | — | 63,269 |
| Collateralized mortgage obligations | 467,864 | — | 102,360 | — | 365,504 |
| Total held to maturity debt securities | $ 1,075,190 | $ — | $ 179,927 | $ — | $ 895,263 |

(1) Amortized cost for the held to maturity securities includes $0.2 million of unamortized gain in state and political subdivisions, $58 thousand of unamortized losses in mortgage-backed securities and $9.7 million of unamortized losses in collateralized mortgage obligations related to the re-classification of securities from available for sale to held to maturity on January 1, 2022.

Investment securities with a fair value of $485.3 million and $1.16 billion at December 31, 2024 and December 31, 2023, respectively, were pledged on public deposits, securities sold under agreements to repurchase, and for other purposes, as required or permitted by law.

Accrued interest receivable on available for sale debt securities and held to maturity debt securities is recorded within 'Other Assets,' and is excluded from the estimate of credit losses. At December 31, 2024 the accrued interest receivable on available for sale debt securities was $5.8 million. There was no accrued interest on held to maturity debt securities at December 31, 2024, as the entire portfolio was reclassified as available for sale prior to this date. At December 31, 2023 the accrued interest receivable on available for sale and held to maturity debt securities totaled $5.5 million and $3.7 million, respectively.

The following table presents debt securities AFS in an unrealized loss position for which an allowance for credit losses had not been recorded at December 31, 2024, aggregated by investment category and length of time in a continuous loss position:

| | As of December 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | | Less than 12 Months | | 12 Months or More | | Total | |
| **Available for Sale**<br>(dollars in thousands, except number of securities) | Number of Securities | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses |
| U.S. government agencies and corporations | 1 | $ 9,941 | $ 59 | $ — | $ — | $ 9,941 | $ 59 |
| State and political subdivisions | 121 | 839 | 11 | 127,094 | 23,564 | 127,933 | 23,575 |
| Mortgage-backed securities | 48 | 305,140 | 5,091 | 17,699 | 3,432 | 322,839 | 8,523 |
| Collateralized loan obligations | 2 | 5,014 | 13 | 2,133 | 13 | 7,147 | 26 |
| Collateralized mortgage obligations | 56 | 432,201 | 7,196 | 186,883 | 48,916 | 619,084 | 56,112 |
| Corporate debt securities | 83 | — | — | 103,496 | 10,625 | 103,496 | 10,625 |
| Total | 311 | $ 753,135 | $ 12,370 | $ 437,305 | $ 86,550 | $ 1,190,440 | $ 98,920 |

As of December 31, 2024, 1 U.S. government agencies and corporations security with a total unrealized loss of $0.1 million was held by the Company. Management considered the implied U.S. government guarantee of this agency and corporation security. In addition, management evaluated the security by considering the yield spread to treasury securities and the most recent financial information available. Based on this evaluation, management concluded that the decline in fair value was not attributable to credit losses.

As of December 31, 2024, 121 state and political subdivisions securities with total unrealized losses of $23.6 million were held by the Company. Management evaluated these securities through a process that included consideration of credit agency ratings and payment history. In addition, management evaluated securities by considering the yield spread to treasury securities and the most recent financial information available. Based on this evaluation, management concluded that the decline in fair value was not attributable to credit losses.

As of December 31, 2024, 48 mortgage-backed securities and 56 collateralized mortgage obligations with unrealized losses totaling $64.6 million were held by the Company. Management evaluated the payment history of these securities, and considered the implied U.S. government guarantee of these agency securities and the level of credit enhancement for non-agency securities. Based on this evaluation, management concluded that the decline in fair value was not attributable to credit losses.

As of December 31, 2024, 2 collateralized loan obligations with unrealized losses of $26 thousand were held by the Company. Management evaluated these securities through a process that included consideration of credit agency ratings, priority of cash flows and the amount of over-collateralization. In addition, management may evaluate securities by considering the yield spread to treasury securities and the most recent financial information available. Based on this evaluation, management concluded that the decline in fair value was not attributable to credit losses.

As of December 31, 2024, 83 corporate debt securities with total unrealized losses of $10.6 million were held by the Company. Management evaluated these securities by considering credit agency ratings and payment history. In addition, management evaluated securities by considering the yield spread to treasury securities and the most recent financial information available. Based on this evaluation, management concluded that the decline in fair value was not attributable to credit losses.

The following table presents debt securities AFS in an unrealized loss position for which an allowance for credit losses had not been recorded as of December 31, 2023, aggregated by investment category and length of time in a continuous loss position.

| | | As of December 31, 2023 | | | | | |
|---|---|---|---|---|---|---|---|
| | | Less than 12 Months | | 12 Months or More | | Total | |
| Available for Sale | Number of Securities | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses |
| (dollars in thousands, except number of securities) | | | | | | | |
| State and political subdivisions | 149 | $ 8,417 | $ 492 | $ 114,713 | $ 8,853 | $ 123,130 | $ 9,345 |
| Mortgage-backed securities | 19 | — | — | 4,906 | 142 | 4,906 | 142 |
| Collateralized loan obligations | 2 | 17,696 | 239 | — | — | 17,696 | 239 |
| Collateralized mortgage obligations | 20 | 6,278 | 90 | 127,792 | 21,018 | 134,070 | 21,108 |
| Corporate debt securities | 133 | 2,377 | 80 | 429,222 | 47,287 | 431,599 | 47,367 |
| Total | 323 | $ 34,768 | $ 901 | $ 676,633 | $ 77,300 | $ 711,401 | $ 78,201 |

Proceeds and gross realized gains and losses on debt securities available for sale for the years ended December 31, 2024, 2023, and 2022, were as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| (dollars in thousands) | 2024 | 2023 | 2022 |
| Proceeds from sales of debt securities available for sale | $ 1,067,568 | $ 326,179 | $ 129,823 |
| | | | |
| Gross realized losses from sales of debt securities available for sale[1] | (140,240) | (19,844) | (167) |
| Net realized loss from sales of debt securities available for sale[1] | $ (140,240) | $ (19,844) | $ (167) |

[1] The difference in investment securities (losses) gains, net reported herein as compared to the Consolidated Statements of Income for the year ended December 31, 2024, December 31, 2023, and December 31, 2022 is associated with the net realized gain from the call or maturity of debt securities of $288 thousand, $76 thousand, $438 thousand, respectively.

The contractual maturity distribution of investment debt securities at December 31, 2024 is shown below. Expected maturities of MBS, CLO, and CMO may differ from contractual maturities because the mortgages underlying the securities may be called or prepaid without any penalties. Therefore, these securities are not included in the maturity categories in the following summary.

| | Available For Sale | |
|---|---|---|
| (dollars in thousands) | Amortized Cost | Fair Value |
| Due in one year or less | $ 60,733 | $ 60,671 |
| Due after one year through five years | 52,774 | 51,194 |
| Due after five years through ten years | 141,907 | 126,004 |
| Due after ten years | 88,745 | 72,147 |
| | $ 344,159 | $ 310,016 |
| Mortgage-backed securities | 331,956 | 323,439 |
| Collateralized loan obligations | 48,747 | 48,869 |
| Collateralized mortgage obligations | 702,138 | 646,109 |
| Total | $ 1,427,000 | $ 1,328,433 |

**Note 4. Loans Receivable and the Allowance for Credit Losses**

The composition of loans by class of receivable was as follows:

| (dollars in thousands) | As of December 31, 2024 | As of December 31, 2023 |
|---|---|---|
| Agricultural | $ 119,051 | $ 118,414 |
| Commercial and industrial | 1,126,813 | 1,075,003 |
| Commercial real estate: | | |
| Construction & development | 324,896 | 323,195 |
| Farmland | 182,460 | 184,955 |
| Multifamily | 423,157 | 383,178 |
| Commercial real estate-other | 1,414,168 | 1,333,982 |
| Total commercial real estate | 2,344,681 | 2,225,310 |
| Residential real estate: | | |
| One- to four- family first liens | 477,150 | 459,798 |
| One- to four- family junior liens | 179,232 | 180,639 |
| Total residential real estate | 656,382 | 640,437 |
| Consumer | 68,700 | 67,783 |
| Loans held for investment, net of unearned income | 4,315,627 | 4,126,947 |
| Allowance for credit losses | (55,200) | (51,500) |
| Total loans held for investment, net | $ 4,260,427 | $ 4,075,447 |

Loans with unpaid principal in the amount of $1.19 billion and $1.13 billion at December 31, 2024 and December 31, 2023, respectively, were pledged to the FHLB as collateral for borrowings.

**Non-accrual and Delinquent Status:**
Loans are placed on non-accrual status when (1) payment in full of principal and interest is no longer expected or (2) principal or interest has been in default for 90 days or more for all loan types, except owner occupied residential real estate, which are moved to non-accrual at 120 days or more past due, unless the loan is both well secured with marketable collateral and in the process of collection. All loans rated doubtful or worse, and certain loans rated substandard, are placed on non-accrual.

A non-accrual loan may be restored to accrual status when (1) all past due principal and interest has been paid (excluding renewals and modifications that involve the capitalizing of interest) or (2) the loan becomes well secured with marketable collateral and is in the process of collection. An established track record of performance is also considered when determining accrual status.

Loans are considered past due or delinquent when the contractual principal or interest due in accordance with the terms of the loan agreement or any portion thereof remains unpaid after the due date of the scheduled payment.

The following tables present the amortized cost basis of loans based on delinquency status at the dates indicated:

| | | Age Analysis of Past-Due Financial Assets | | | | |
|---|---|---|---|---|---|---|
| (dollars in thousands) | Current | 30 - 59 Days Past Due | 60 - 89 Days Past Due | 90 Days or More Past Due | Total | 90 Days or More Past Due and Accruing |
| **December 31, 2024** | | | | | | |
| Agricultural | $ 118,659 | $ — | $ — | $ 392 | $ 119,051 | $ — |
| Commercial and industrial | 1,122,382 | 918 | 651 | 2,862 | 1,126,813 | — |
| Commercial real estate: | | | | | | |
| Construction & development | 324,896 | — | — | — | 324,896 | — |
| Farmland | 182,025 | 71 | — | 364 | 182,460 | — |
| Multifamily | 423,157 | — | — | — | 423,157 | — |
| Commercial real estate-other | 1,405,377 | 2,806 | 26 | 5,959 | 1,414,168 | — |
| Total commercial real estate | 2,335,455 | 2,877 | 26 | 6,323 | 2,344,681 | — |
| Residential real estate: | | | | | | |
| One- to four- family first liens | 470,300 | 2,770 | 1,680 | 2,400 | 477,150 | 49 |
| One- to four- family junior liens | 178,225 | 580 | 98 | 329 | 179,232 | 6 |
| Total residential real estate | 648,525 | 3,350 | 1,778 | 2,729 | 656,382 | 55 |
| Consumer | 68,232 | 239 | 142 | 87 | 68,700 | 87 |
| Total | $ 4,293,253 | $ 7,384 | $ 2,597 | $ 12,393 | $ 4,315,627 | $ 142 |
| | | | | | | |
| **December 31, 2023** | | | | | | |
| Agricultural | $ 117,852 | $ 338 | $ — | $ 224 | $ 118,414 | $ — |
| Commercial and industrial | 1,058,301 | 440 | 401 | 15,861 | 1,075,003 | — |
| Commercial real estate: | | | | | | |
| Construction & development | 323,165 | 30 | — | — | 323,195 | — |
| Farmland | 182,759 | 677 | 352 | 1,167 | 184,955 | — |
| Multifamily | 383,178 | — | — | — | 383,178 | — |
| Commercial real estate-other | 1,327,727 | 2,129 | 1,290 | 2,836 | 1,333,982 | — |
| Total commercial real estate | 2,216,829 | 2,836 | 1,642 | 4,003 | 2,225,310 | — |
| Residential real estate: | | | | | | |
| One- to four- family first liens | 453,212 | 3,572 | 1,741 | 1,273 | 459,798 | 468 |
| One- to four- family junior liens | 179,339 | 356 | 690 | 254 | 180,639 | — |
| Total residential real estate | 632,551 | 3,928 | 2,431 | 1,527 | 640,437 | 468 |
| Consumer | 67,622 | 118 | 28 | 15 | 67,783 | — |
| Total | $ 4,093,155 | $ 7,660 | $ 4,502 | $ 21,630 | $ 4,126,947 | $ 468 |

The following table presents the amortized cost basis of loans on non-accrual status, amortized cost basis of loans on non-accrual status with no allowance for credit losses recorded, and loans past due 90 days or more and still accruing by class of loan at the dates presented:

| | Nonaccrual | | Nonaccrual with no Allowance for Credit Losses | | 90 Days or More Past Due And Accruing | |
|---|---|---|---|---|---|---|
| (dollars in thousands) | December 31, 2024 | December 31, 2023 | December 31, 2024 | December 31, 2023 | December 31, 2024 | December 31, 2023 |
| Agricultural | $ 447 | $ 235 | $ 208 | $ 12 | $ — | $ — |
| Commercial and industrial | 2,986 | 17,770 | 1 | 12,549 | — | — |
| Commercial real estate: | | | | | | |
| Construction and development | 27 | — | — | — | — | — |
| Farmland | 483 | 1,654 | 352 | 1,490 | — | — |
| Multifamily | — | — | — | — | — | — |
| Commercial real estate-other | 12,982 | 3,441 | 623 | 853 | — | — |
| Total commercial real estate | 13,492 | 5,095 | 975 | 2,343 | — | — |
| Residential real estate: | | | | | | |
| One- to four- family first liens | 3,667 | 1,888 | 1,748 | 455 | 49 | 468 |
| One- to four- family junior liens | 1,015 | 876 | 378 | — | 6 | — |
| Total residential real estate | 4,682 | 2,764 | 2,126 | 455 | 55 | 468 |
| Consumer | 98 | 27 | — | — | 87 | — |
| Total | $ 21,705 | $ 25,891 | $ 3,310 | $ 15,359 | $ 142 | $ 468 |

There was no interest income recognized on nonaccrual loans during the years ended December 31, 2024 and December 31, 2023, as all interest accrued but not collected for loans that are placed on nonaccrual is reversed against interest income and is generally accounted for using the cost-recovery method, until qualifying for return to accrual. The interest income recognized on loans that were on nonaccrual and have subsequently been paid-off for the years ended December 31, 2024 and December 31, 2023 was $0.6 million and $0.7 million, respectively.

**Credit Quality Information:**

The Company aggregates loans into risk categories based on relevant information about the ability of borrowers to service their debt, such as: current financial information, historical payment experience, credit documentation, and other factors. The Company analyzes loans individually to classify the loans as to credit risk. This analysis includes non-homogenous loans, such as agricultural, commercial and industrial, commercial real estate and non-owner occupied residential real estate loans. Loans not meeting the criteria described below that are analyzed individually are considered to be pass-rated. The Company uses the following definitions for risk ratings:

*Special Mention* - A special mention asset has potential weaknesses that deserve management’s close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the asset or in the Company’s credit position at some future date. Special mention assets are not adversely classified and do not expose the Company to sufficient risk to warrant adverse classification.

*Substandard* - Substandard loans are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the Company will sustain some loss if the deficiencies are not corrected.

*Doubtful* - Loans classified as doubtful have all the weaknesses inherent in those classified as substandard with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently known facts, conditions and values, highly questionable and improbable.

*Loss* - Loans classified as loss are considered uncollectible and of such little value that their continuance as bankable assets is not warranted. This classification does not mean that the loan has absolutely no recovery or salvage value but rather it is not practical or desirable to defer writing off this basically worthless asset even though partial recovery may be affected in the future.

Homogenous loans, including owner occupied residential real estate and consumer loans, are not individually risk rated. Instead, these loans are categorized based on performance: performing and nonperforming. Nonperforming loans include those loans on nonaccrual and loans greater than 90 days past due and on accrual.

The following table sets forth the amortized cost basis of loans by class of receivable by credit quality indicator and vintage, in addition to the current period gross write-offs by class of receivable and vintage, based on the most recent analysis performed, as of December 31, 2024. As of December 31, 2024, there were no ‘doubtful’ or ‘loss’ rated credits.

| December 31, 2024 (dollars in thousands) | Term Loans by Origination Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2022 | 2021 | 2020 | Prior | Revolving Loans | Total |
| **Agricultural** | | | | | | | | |
| Pass | $ 13,364 | $ 7,533 | $ 8,405 | $ 5,452 | $ 1,772 | $ 1,131 | $ 78,123 | $ 115,780 |
| Special mention | 234 | 186 | 152 | 224 | — | 28 | 761 | 1,585 |
| Substandard | 30 | — | 209 | 109 | 211 | 185 | 942 | 1,686 |
| Total | $ 13,628 | $ 7,719 | $ 8,766 | $ 5,785 | $ 1,983 | $ 1,344 | $ 79,826 | $ 119,051 |
| **Commercial and industrial** | | | | | | | | |
| Pass | $ 132,974 | $ 150,944 | $ 168,448 | $ 165,044 | $ 95,206 | $ 121,761 | $ 211,223 | $ 1,045,600 |
| Special mention | 6,262 | 2,306 | 24,261 | 3,121 | 5,042 | 2,202 | 8,856 | 52,050 |
| Substandard | 864 | 545 | 1,859 | 2,977 | 39 | 20,596 | 2,283 | 29,163 |
| Total | $ 140,100 | $ 153,795 | $ 194,568 | $ 171,142 | $ 100,287 | $ 144,559 | $ 222,362 | $ 1,126,813 |
| **CRE - Construction and development** | | | | | | | | |
| Pass | $ 97,609 | $ 137,742 | $ 65,684 | $ 12,571 | $ 2,994 | $ 1,972 | $ 6,101 | $ 324,673 |
| Special mention | — | — | 27 | — | — | — | — | 27 |
| Substandard | 196 | — | — | — | — | — | — | 196 |
| Total | $ 97,805 | $ 137,742 | $ 65,711 | $ 12,571 | $ 2,994 | $ 1,972 | $ 6,101 | $ 324,896 |
| **CRE - Farmland** | | | | | | | | |
| Pass | $ 31,398 | $ 22,842 | $ 39,300 | $ 39,489 | $ 18,802 | $ 13,259 | $ 5,594 | $ 170,684 |
| Special mention | 1,684 | — | 2,350 | 960 | 495 | 1,001 | 478 | 6,968 |
| Substandard | 561 | 516 | 355 | 585 | 1,131 | 1,660 | — | 4,808 |
| Total | $ 33,643 | $ 23,358 | $ 42,005 | $ 41,034 | $ 20,428 | $ 15,920 | $ 6,072 | $ 182,460 |
| **CRE - Multifamily** | | | | | | | | |
| Pass | $ 32,274 | $ 70,843 | $ 99,228 | $ 104,206 | $ 82,750 | $ 18,663 | $ 122 | $ 408,086 |
| Special mention | 78 | 1,031 | 448 | 260 | 1,444 | 11,810 | — | 15,071 |
| Substandard | — | — | — | — | — | — | — | — |
| Total | $ 32,352 | $ 71,874 | $ 99,676 | $ 104,466 | $ 84,194 | $ 30,473 | $ 122 | $ 423,157 |
| **CRE - Other** | | | | | | | | |
| Pass | $ 192,608 | $ 145,595 | $ 322,545 | $ 232,349 | $ 191,697 | $ 134,798 | $ 60,681 | $ 1,280,273 |
| Special mention | 1,902 | 8,546 | 19,573 | 18,577 | 4,702 | 5,129 | 8,350 | 66,779 |
| Substandard | 4,517 | 86 | 24,314 | 1,242 | 17,792 | 19,165 | — | 67,116 |
| Total | $ 199,027 | $ 154,227 | $ 366,432 | $ 252,168 | $ 214,191 | $ 159,092 | $ 69,031 | $ 1,414,168 |
| **RRE - One- to four- family first liens** | | | | | | | | |
| Pass/performing | $ 60,765 | $ 53,273 | $ 121,536 | $ 88,067 | $ 45,026 | $ 82,679 | $ 13,187 | $ 464,533 |
| Special mention | 588 | 1,123 | 1,944 | 197 | 593 | 991 | 546 | 5,982 |
| Substandard/nonperforming | — | 1,302 | 1,019 | 690 | 102 | 3,522 | — | 6,635 |
| Total | $ 61,353 | $ 55,698 | $ 124,499 | $ 88,954 | $ 45,721 | $ 87,192 | $ 13,733 | $ 477,150 |
| **RRE - One- to four- family junior liens** | | | | | | | | |
| Performing | $ 10,503 | $ 16,894 | $ 22,506 | $ 14,906 | $ 6,237 | $ 7,481 | $ 99,690 | $ 178,217 |
| Nonperforming | — | — | 701 | 69 | — | 245 | — | 1,015 |
| Total | $ 10,503 | $ 16,894 | $ 23,207 | $ 14,975 | $ 6,237 | $ 7,726 | $ 99,690 | $ 179,232 |
| **Consumer** | | | | | | | | |
| Performing | $ 17,808 | $ 19,253 | $ 10,262 | $ 5,877 | $ 2,035 | $ 7,612 | $ 5,668 | $ 68,515 |
| Nonperforming | 11 | 63 | 90 | — | 21 | — | — | 185 |
| Total | $ 17,819 | $ 19,316 | $ 10,352 | $ 5,877 | $ 2,056 | $ 7,612 | $ 5,668 | $ 68,700 |

| December 31, 2024 (dollars in thousands) | Term Loans by Origination Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2022 | 2021 | 2020 | Prior | Revolving Loans | Total |
| **Total by Credit Quality Indicator Category** | | | | | | | | |
| Pass | $ 560,992 | $ 588,772 | $ 825,146 | $ 647,178 | $ 438,247 | $ 374,263 | $ 375,031 | $ 3,809,629 |
| Special mention | 10,748 | 13,192 | 48,755 | 23,339 | 12,276 | 21,161 | 18,991 | 148,462 |
| Substandard | 6,168 | 2,449 | 27,756 | 5,603 | 19,275 | 45,128 | 3,225 | 109,604 |
| Performing | 28,311 | 36,147 | 32,768 | 20,783 | 8,272 | 15,093 | 105,358 | 246,732 |
| Nonperforming | 11 | 63 | 791 | 69 | 21 | 245 | — | 1,200 |
| Total | $ 606,230 | $ 640,623 | $ 935,216 | $ 696,972 | $ 478,091 | $ 455,890 | $ 502,605 | $ 4,315,627 |

| December 31, 2024 (dollars in thousands) | Term Loans by Origination Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2022 | 2021 | 2020 | Prior | Revolving Loans | Total |
| **Year-to-date Current Period Gross Write-offs** | | | | | | | | |
| Agricultural | $ — | $ — | $ — | $ 48 | $ — | $ — | $ — | $ 48 |
| Commercial and industrial | — | 59 | 327 | 145 | 29 | 1,658 | — | 2,218 |
| CRE - Other | 836 | — | — | — | — | 243 | — | 1,079 |
| RRE - One-to-four-family first liens | — | — | 53 | 22 | — | — | — | 75 |
| Consumer | 23 | 839 | 413 | 11 | 4 | 69 | — | 1,359 |
| Total Current Period Gross Write-offs | $ 859 | $ 898 | $ 793 | $ 226 | $ 33 | $ 1,970 | $ — | $ 4,779 |

The following table sets forth the amortized cost basis of loans by class of receivable by credit quality indicator and vintage based on the most recent analysis performed, as of December 31, 2023. As of December 31, 2023, there were no 'loss' rated credits.

| | Term Loans by Origination Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **December 31, 2023 (dollars in thousands)** | **2023** | **2022** | **2021** | **2020** | **2019** | **Prior** | **Revolving Loans** | **Total** |
| **Agricultural** | | | | | | | | |
| Pass | $ 11,859 | $ 12,149 | $ 8,352 | $ 2,752 | $ 689 | $ 1,139 | $ 71,680 | $ 108,620 |
| Special mention / watch | 266 | 550 | 670 | 91 | 5 | 522 | 3,705 | 5,809 |
| Substandard | 709 | 193 | 302 | 208 | — | 224 | 2,349 | 3,985 |
| Doubtful | — | — | — | — | — | — | — | — |
| Total | $ 12,834 | $ 12,892 | $ 9,324 | $ 3,051 | $ 694 | $ 1,885 | $ 77,734 | $ 118,414 |
| **Commercial and industrial** | | | | | | | | |
| Pass | $ 176,021 | $ 224,924 | $ 193,011 | $ 117,326 | $ 25,555 | $ 116,661 | $ 147,690 | $ 1,001,188 |
| Special mention / watch | 2,541 | 416 | 3,209 | 3,385 | 193 | 272 | 14,692 | 24,708 |
| Substandard | 897 | 2,921 | 2,010 | 561 | 8,507 | 29,432 | 4,779 | 49,107 |
| Doubtful | — | — | — | — | — | — | — | — |
| Total | $ 179,459 | $ 228,261 | $ 198,230 | $ 121,272 | $ 34,255 | $ 146,365 | $ 167,161 | $ 1,075,003 |
| **CRE - Construction and development** | | | | | | | | |
| Pass | $ 99,803 | $ 163,126 | $ 43,189 | $ 3,393 | $ 821 | $ 700 | $ 9,552 | $ 320,584 |
| Special mention / watch | 1,097 | — | 464 | — | — | — | 467 | 2,028 |
| Substandard | 343 | 240 | — | — | — | — | — | 583 |
| Doubtful | — | — | — | — | — | — | — | — |
| Total | $ 101,243 | $ 163,366 | $ 43,653 | $ 3,393 | $ 821 | $ 700 | $ 10,019 | $ 323,195 |
| **CRE - Farmland** | | | | | | | | |
| Pass | $ 25,666 | $ 44,907 | $ 47,068 | $ 18,863 | $ 6,587 | $ 14,845 | $ 1,642 | $ 159,578 |
| Special mention / watch | 1,229 | 6,898 | 2,409 | 5,982 | — | 965 | 276 | 17,759 |
| Substandard | 1,830 | 210 | 1,542 | 1,052 | 926 | 2,029 | 29 | 7,618 |
| Doubtful | — | — | — | — | — | — | — | — |
| Total | $ 28,725 | $ 52,015 | $ 51,019 | $ 25,897 | $ 7,513 | $ 17,839 | $ 1,947 | $ 184,955 |
| **CRE - Multifamily** | | | | | | | | |
| Pass | $ 32,077 | $ 96,969 | $ 111,032 | $ 77,532 | $ 8,701 | $ 6,508 | $ 4,208 | $ 337,027 |
| Special mention / watch | 5,318 | 1,237 | 277 | 18,984 | 7,850 | 4,586 | — | 38,252 |
| Substandard | — | — | 7,572 | 327 | — | — | — | 7,899 |
| Doubtful | — | — | — | — | — | — | — | — |
| Total | $ 37,395 | $ 98,206 | $ 118,881 | $ 96,843 | $ 16,551 | $ 11,094 | $ 4,208 | $ 383,178 |
| **CRE - Other** | | | | | | | | |
| Pass | $ 199,698 | $ 295,066 | $ 256,718 | $ 250,676 | $ 77,509 | $ 90,170 | $ 51,827 | $ 1,221,664 |
| Special mention / watch | 364 | 1,306 | 3,300 | 4,823 | 4,282 | 2,395 | 3,856 | 20,326 |
| Substandard | 325 | 26,555 | 19,253 | 19,103 | 8,242 | 17,876 | 638 | 91,992 |
| Doubtful | — | — | — | — | — | — | — | — |
| Total | $ 200,387 | $ 322,927 | $ 279,271 | $ 274,602 | $ 90,033 | $ 110,441 | $ 56,321 | $ 1,333,982 |
| **RRE - One- to four- family first liens** | | | | | | | | |
| Pass/ performing | $ 62,644 | $ 125,777 | $ 92,767 | $ 54,028 | $ 19,674 | $ 81,660 | $ 13,283 | 449,833 |
| Special mention / watch | 629 | 716 | 36 | 620 | 1,827 | 319 | — | 4,147 |
| Substandard/ nonperforming | 1,156 | 191 | 738 | 165 | 164 | 3,404 | — | 5,818 |
| Doubtful | — | — | — | — | — | — | — | — |
| Total | $ 64,429 | $ 126,684 | $ 93,541 | $ 54,813 | $ 21,665 | $ 85,383 | $ 13,283 | $ 459,798 |
| **RRE - One- to four- family junior liens** | | | | | | | | |
| Performing | $ 23,551 | $ 29,919 | $ 18,733 | $ 7,292 | $ 2,590 | $ 7,867 | $ 89,810 | $ 179,762 |
| Nonperforming | — | 192 | — | 25 | 23 | 637 | — | 877 |
| Total | $ 23,551 | $ 30,111 | $ 18,733 | $ 7,317 | $ 2,613 | $ 8,504 | $ 89,810 | $ 180,639 |
| **Consumer** | | | | | | | | |
| Performing | $ 26,028 | $ 14,319 | $ 10,042 | $ 4,421 | $ 1,451 | $ 7,350 | $ 4,145 | $ 67,756 |
| Nonperforming | — | 22 | — | — | 3 | 2 | — | 27 |
| Total | $ 26,028 | $ 14,341 | $ 10,042 | $ 4,421 | $ 1,454 | $ 7,352 | $ 4,145 | $ 67,783 |

| December 31, 2023 (dollars in thousands) | Term Loans by Origination Year 2023 | 2022 | 2021 | 2020 | 2019 | Prior | Revolving Loans | Total |
|---|---|---|---|---|---|---|---|---|
| **Total by Credit Quality Indicator Category** | | | | | | | | |
| Pass | $ 607,768 | $ 962,918 | $ 752,137 | $ 524,570 | $ 139,536 | $ 311,683 | $ 299,882 | $ 3,598,494 |
| Special mention / watch | 11,444 | 11,123 | 10,365 | 33,885 | 14,157 | 9,059 | 22,996 | 113,029 |
| Substandard | 5,260 | 30,310 | 31,417 | 21,416 | 17,839 | 52,965 | 7,795 | 167,002 |
| Doubtful | — | — | — | — | — | — | — | — |
| Performing | 49,579 | 44,238 | 28,775 | 11,713 | 4,041 | 15,217 | 93,955 | 247,518 |
| Nonperforming | — | 214 | — | 25 | 26 | 639 | — | 904 |
| Total | $ 674,051 | $ 1,048,803 | $ 822,694 | $ 591,609 | $ 175,599 | $ 389,563 | $ 424,628 | $ 4,126,947 |

| December 31, 2023 (dollars in thousands) | Term Loans by Origination Year 2023 | 2022 | 2021 | 2020 | 2019 | Prior | Revolving Loans | Total |
|---|---|---|---|---|---|---|---|---|
| **Year-to-date Current Period Gross Write-offs** | | | | | | | | |
| Agricultural | $ — | $ 8 | $ 1 | $ 17 | $ 2 | $ — | $ — | $ 28 |
| Commercial and industrial | 239 | 343 | 223 | 133 | 464 | 45 | — | 1,447 |
| CRE - Other | — | — | — | — | — | 2,337 | — | 2,337 |
| RRE - One-to-four-family first liens | — | — | — | — | — | 36 | — | 36 |
| RRE - One-to-four-family junior liens | — | 19 | — | — | — | — | — | 19 |
| Consumer | — | 621 | 30 | 12 | 12 | 10 | — | 685 |
| Total Current Period Gross Write-offs | $ 239 | $ 991 | $ 254 | $ 162 | $ 478 | $ 2,428 | $ — | $ 4,552 |

**Allowance for Credit Losses:**

The following are the economic factors utilized by the Company for its loan credit loss estimation process at December 31, 2024, and the forecast for each factor at that date: (1) Midwest unemployment – increase in the first forecasted quarter, with little change in the second through fourth forecasted quarters; (2) national unemployment - decrease in the first two forecasted quarters, with little change in the third and fourth forecasted quarters; (3) year-to-year change in national retail sales - increases over the next four forecasted quarters; (4) year-to-year change in CRE index - decreases over the next four forecasted quarters; and (5) year-to-year change in U.S. GDP - increases over the next four forecasted quarters. In addition, management utilized qualitative factors to adjust the calculated ACL as appropriate. Qualitative factors are based on management's judgment of company, market, industry or business specific data, changes in underlying loan composition of specific portfolios, trends relating to credit quality, delinquency, non-performing and adversely rated loans, and reasonable and supportable forecasts of economic conditions.

The increase in the ACL between the years ended December 31, 2023 and December 31, 2024 reflects $3.1 million of day 1 credit loss expense related to acquired DNVB loans, as well as additional reserve taken to support loan growth. Partially offsetting these identified increases was a $1.9 million reduction to the ACL for allowance allocated to the loans sold in connection with the sale of our Florida banking operations. Net loan charge-offs were $3.1 million for the year ended December 31, 2024, as compared to net loan charge-offs of $3.7 million for the year ended December 31, 2023.

We have made a policy election to report interest receivable as a separate line on the balance sheet. Accrued interest receivable, which is recorded within 'Other Assets,' totaled $20.2 million and $19.7 million at December 31, 2024 and December 31, 2023, respectively, and is excluded from the estimate of credit losses.

The changes in the allowance for credit losses by portfolio segment were as follows:

| | For the Years Ended December 31, 2024, 2023 and 2022 | | | | | |
|---|---|---|---|---|---|---|
| (dollars in thousands) | Agricultural | Commercial and Industrial | Commercial Real Estate | Residential Real Estate | Consumer | Total |
| **2024** | | | | | | |
| Beginning balance | $ 613 | $ 21,743 | $ 23,759 | $ 4,762 | $ 623 | $ 51,500 |
| Allocated in sale of Florida banking offices | — | (51) | (1,795) | (94) | (3) | (1,943) |
| Charge-offs | (48) | (2,218) | (1,079) | (75) | (1,359) | (4,779) |
| Recoveries | 981 | 484 | 22 | 21 | 132 | 1,640 |
| Credit loss expense (benefit)[1] | (1,297) | 1,082 | 6,734 | 315 | 1,948 | 8,782 |
| Ending balance | $ 249 | $ 21,040 | $ 27,641 | $ 4,929 | $ 1,341 | $ 55,200 |
| **2023** | | | | | | |
| Beginning balance | $ 923 | $ 22,855 | $ 20,123 | $ 4,678 | $ 621 | $ 49,200 |
| Charge-offs | (28) | (1,447) | (2,337) | (55) | (685) | (4,552) |
| Recoveries | 203 | 373 | 20 | 27 | 180 | 803 |
| Credit loss expense (benefit)[1] | (485) | (38) | 5,953 | 112 | 507 | 6,049 |
| Ending balance | $ 613 | $ 21,743 | $ 23,759 | $ 4,762 | $ 623 | $ 51,500 |
| **2022** | | | | | | |
| Beginning balance | $ 667 | $ 17,294 | $ 26,120 | $ 4,010 | $ 609 | $ 48,700 |
| PCD allowance established in acquisition | 512 | 1,473 | 1,227 | 159 | — | 3,371 |
| Charge-offs | (326) | (2,051) | (4,328) | (195) | (756) | (7,656) |
| Recoveries | 11 | 682 | 160 | 86 | 154 | 1,093 |
| Credit loss expense (benefit)[1] | 59 | 5,457 | (3,056) | 618 | 614 | 3,692 |
| Ending balance | $ 923 | $ 22,855 | $ 20,123 | $ 4,678 | $ 621 | $ 49,200 |

[1] The difference in the credit loss expense reported herein as compared to the Consolidated Statements of Income is associated with the credit loss expense of $0.2 million and $0.8 million related to off-balance sheet credit exposures for the years ended December 31, 2023 and December 31, 2022, respectively. There was no credit loss expense related to off-balance sheet credit exposures for the year ended December 31, 2024.

The composition of the allowance for credit losses by portfolio segment based on evaluation method was as follows:

| | As of December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| (dollars in thousands) | Agricultural | Commercial and Industrial | Commercial Real Estate | Residential Real Estate | Consumer | Total |
| **Loans held for investment, net of unearned income** | | | | | | |
| Individually evaluated for impairment | $ 208 | $ 2,488 | $ 15,334 | $ 2,710 | $ 21 | $ 20,761 |
| Collectively evaluated for impairment | 118,843 | 1,124,325 | 2,329,347 | 653,672 | 68,679 | 4,294,866 |
| Total | $ 119,051 | $ 1,126,813 | $ 2,344,681 | $ 656,382 | $ 68,700 | $ 4,315,627 |
| **Allowance for credit losses** | | | | | | |
| Individually evaluated for impairment | $ — | $ 406 | $ 4,011 | $ 164 | $ 8 | $ 4,589 |
| Collectively evaluated for impairment | 249 | 20,634 | 23,630 | 4,765 | 1,333 | 50,611 |
| Total | $ 249 | $ 21,040 | $ 27,641 | $ 4,929 | $ 1,341 | $ 55,200 |

| | As of December 31, 2023 | | | | | |
|---|---|---|---|---|---|---|
| (dollars in thousands) | Agricultural | Commercial and Industrial | Commercial Real Estate | Residential Real Estate | Consumer | Total |
| **Loans held for investment, net of unearned income** | | | | | | |
| Individually evaluated for impairment | $ 11 | $ 17,231 | $ 10,932 | $ 983 | $ — | $ 29,157 |
| Collectively evaluated for impairment | 118,403 | 1,057,772 | 2,214,378 | 639,454 | 67,783 | 4,097,790 |
| Total | $ 118,414 | $ 1,075,003 | $ 2,225,310 | $ 640,437 | $ 67,783 | $ 4,126,947 |
| **Allowance for loan losses** | | | | | | |
| Individually evaluated for impairment | $ — | $ 2,616 | $ 705 | $ 16 | $ — | $ 3,337 |
| Collectively evaluated for impairment | 613 | 19,127 | 23,054 | 4,746 | 623 | 48,163 |
| Total | $ 613 | $ 21,743 | $ 23,759 | $ 4,762 | $ 623 | $ 51,500 |

The following tables present the amortized cost basis of collateral dependent loans, by the primary collateral type, which are individually evaluated to determine expected credit losses, and the related ACL allocated to these loans:

| | As of December 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Primary Type of Collateral | | | | |
| (dollars in thousands) | Real Estate | Equipment | Other | Total | ACL Allocation |
| Agricultural | $ 208 | $ — | $ — | $ 208 | $ — |
| Commercial and industrial | 203 | — | 2,285 | 2,488 | 406 |
| Commercial real estate: | | | | | |
| Construction and development | — | — | — | — | — |
| Farmland | 2,449 | 70 | — | 2,519 | — |
| Multifamily | — | — | — | — | — |
| Commercial real estate-other | 12,815 | — | — | 12,815 | 4,011 |
| Residential real estate: | | | | | |
| One- to four- family first liens | 2,189 | — | — | 2,189 | 79 |
| One- to four- family junior liens | 521 | — | — | 521 | 85 |
| Consumer | — | 21 | — | 21 | 8 |
| Total | $ 18,385 | $ 91 | $ 2,285 | $ 20,761 | $ 4,589 |

| | As of December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | Primary Type of Collateral | | | | |
| (dollars in thousands) | Real Estate | Equipment | Other | Total | ACL Allocation |
| Agricultural | $ 11 | $ — | $ — | $ 11 | $ — |
| Commercial and industrial | 15,991 | — | 1,240 | 17,231 | 2,616 |
| Commercial real estate: | | | | | |
| Construction and development | — | — | — | — | — |
| Farmland | 5,403 | — | — | 5,403 | — |
| Multifamily | — | — | — | — | — |
| Commercial real estate-other | 5,350 | — | 179 | 5,529 | 705 |
| Residential real estate: | | | | | |
| One- to four- family first liens | 481 | — | — | 481 | — |
| One- to four- family junior liens | — | — | 502 | 502 | 16 |
| Consumer | — | — | — | — | — |
| Total | $ 27,236 | $ — | $ 1,921 | $ 29,157 | $ 3,337 |

**Loan Modifications to Borrowers Experiencing Financial Difficulty:**

Occasionally, the Company may modify loans to borrowers who are experiencing financial difficulty. Loan modifications to borrowers experiencing financial difficulty may be in the form of principal forgiveness, term extension, an other-than-insignificant payment delay, interest rate reduction, or combination thereof.

The following table presents the amortized cost basis of loans as of December 31, 2024 and December 31, 2023, that were modified during the years ended December 31, 2024 and December 31, 2023 and experiencing financial difficulty at the time of the modification by class and by type of modification:

| | | | | Combination: | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| (dollars in thousands) | Principal Forgiveness | Payment Delay | Term Extension | Term Extension & Interest Rate Reduction | Principal Forgiveness & Term Extension | Term Extension, Interest Rate Reduction, & Payment Delay | Payment Delay & Term Extension | Total | Total Class of Financing Receivable |
| **Year Ended December 31, 2024** | | | | | | | | | |
| Agricultural | $ — | $ — | $ 55 | $ — | $ — | $ — | $ — | $ 55 | 0.05 % |
| Commercial and industrial | — | — | 572 | — | — | — | — | 572 | 0.05 % |
| CRE - Construction and development | — | — | 195 | 195 | — | — | — | 390 | 0.12 % |
| CRE - Farmland | — | — | 377 | — | — | — | — | 377 | 0.21 % |
| CRE - Other | — | — | 4,172 | — | — | — | — | 4,172 | 0.29 % |
| RRE - One- to four- family first liens | — | 250 | — | — | — | 84 | 379 | 713 | 0.15 % |
| RRE - One- to four- family junior liens | — | — | — | — | — | — | 133 | 133 | 0.07 % |
| Consumer | — | — | 13 | — | — | — | — | 13 | 0.02 % |
| Total | $ — | $ 250 | $ 5,384 | $ 195 | $ — | $ 84 | $ 512 | $ 6,425 | |
| | | | | | | | | | |
| **Year Ended December 31, 2023** | | | | | | | | | |
| Agricultural | $ — | $ 10 | $ — | $ — | $ — | $ — | $ — | $ 10 | 0.01 % |
| Commercial and industrial | — | 260 | 2,888 | 95 | 300 | — | 185 | 3,728 | 0.35 % |
| CRE - Construction and development | — | — | 583 | — | — | — | — | 583 | 0.18 % |
| CRE - Farmland | — | — | 1,823 | — | — | — | — | 1,823 | 0.99 % |
| CRE - Other | — | 5,468 | 1,165 | — | — | — | — | 6,633 | 0.50 % |
| RRE - One- to four- family junior liens | — | — | 14 | — | — | — | — | 14 | 0.01 % |
| Total | $ — | $ 5,738 | $ 6,473 | $ 95 | $ 300 | $ — | $ 185 | $ 12,791 | |

The Company has one additional commitment to lend amounts to a borrower included in the previous table as of December 31, 2024 and no such additional commitments as of December 31, 2023. For the years ended December 31, 2024 and December 31, 2023, the Company had 10 and 17 modified loans totaling $1.2 million and $1.4 million, respectively, to borrowers experiencing financial difficulty that redefaulted within 12 months subsequent to the modification.

The following table presents the performance as of December 31, 2024 and December 31, 2023 of loans that were modified while the borrower was experiencing financial difficulty at the time of modification in the last 12 months:

| | As of December 31, 2024 | | | | |
|---|---|---|---|---|---|
| (dollars in thousands) | Current | 30 - 59 Days Past Due | 60 - 89 Days Past Due | 90 Days or More Past Due | Total |
| Agricultural | $ 55 | $ — | $ — | $ — | $ 55 |
| Commercial and industrial | 572 | — | — | — | 572 |
| CRE - Construction and development | 390 | — | — | — | 390 |
| CRE - Farmland | 377 | — | — | — | 377 |
| CRE - Other | 4,052 | 120 | — | — | 4,172 |
| RRE - One- to four- family first liens | 713 | — | — | — | 713 |
| RRE - One- to four- family junior liens | 133 | — | — | — | 133 |
| Consumer | 13 | — | — | — | 13 |
| Total | $ 6,305 | $ 120 | $ — | $ — | $ 6,425 |

| (dollars in thousands) | As of December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | Current | 30 - 59 Days Past Due | 60 - 89 Days Past Due | 90 Days or More Past Due | Total |
| Agricultural | $ — | $ 10 | $ — | $ — | $ 10 |
| Commercial and industrial | 3,653 | — | — | 75 | 3,728 |
| CRE - Construction and development | 583 | — | — | — | 583 |
| CRE - Farmland | 1,471 | — | 352 | — | 1,823 |
| CRE - Other | 6,633 | — | — | — | 6,633 |
| RRE - One- to four- family junior liens | 14 | — | — | — | 14 |
| Total | $ 12,354 | $ 10 | $ 352 | $ 75 | $ 12,791 |

The following tables present the financial effect of the loan modifications presented above to borrowers experiencing financial difficulty for the years ended December 31, 2024 and December 31, 2023:

| (dollars in thousands) | Principal Forgiveness | Weighted Average Interest Rate Reduction | Weighted Average Term Extension (Months) |
|---|---|---|---|
| **Year Ended December 31, 2024** | | | |
| Agricultural | $ — | — % | 2.9 |
| Commercial and industrial | — | — | 10.0 |
| CRE - Construction and development | — | 0.50 | 4.6 |
| CRE - Farmland | — | — | 5.4 |
| CRE - Other | — | — | 10.9 |
| RRE - One- to four- family first liens | — | 1.25 | 216.3 |
| RRE - One- to four- family junior liens | — | — | 122.0 |
| Consumer | — | — | 18.3 |
| Total | $ — | 0.73 % | 25.7 |
| | | | |
| **Year Ended December 31, 2023** | | | |
| Commercial and industrial | $ 63 | 1.25 % | 7.4 |
| CRE - Construction and development | — | — | 15.9 |
| CRE - Farmland | — | — | 1.3 |
| CRE - Other | 18 | — | 5.6 |
| RRE - One- to four- family first liens | — | — | 3.9 |
| RRE - One- to four- family junior liens | — | — | 49.8 |
| Total | $ 81 | 1.25 % | 5.3 |

**Note 5. Derivatives, Hedging Activities and Balance Sheet Offsetting**

The following table presents the total notional amounts and gross fair values of the Company's derivatives as of the dates indicated. The derivative asset and liability balances are presented on a gross basis, prior to the application of master netting agreements, as included in other assets and other liabilities, respectively, on the consolidated balance sheets. The fair values of the Company's derivative instrument assets and liabilities are summarized as follows:

| | As of December 31, 2024 | | | As of December 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Notional | Fair Value | | Notional | Fair Value | |
| (dollars in thousands) | Amount | Assets | Liabilities | Amount | Assets | Liabilities |
| **Designated as hedging instruments:** | | | | | | |
| Fair value hedges: | | | | | | |
| Interest rate swaps - loans | $ 49,486 | $ 2,416 | $ 294 | $ 41,101 | $ 2,071 | $ 902 |
| Interest rate swaps - securities | 150,000 | — | 239 | 150,000 | — | 821 |
| Cash flow hedges | | | | | | |
| Interest rate swaps | 200,000 | 813 | 26 | 200,000 | 940 | 264 |
| Total | $ 399,486 | $ 3,229 | $ 559 | $ 391,101 | $ 3,011 | $ 1,987 |
| | | | | | | |
| **Not designated as hedging instruments:** | | | | | | |
| Interest rate swaps | $ 697,969 | $ 21,145 | $ 21,153 | $ 432,648 | $ 22,028 | $ 22,038 |
| RPAs - protection sold | 55,088 | 4 | — | 18,778 | 4 | — |
| RPAs - protection purchased | 29,982 | — | — | 31,145 | — | 9 |
| Interest rate lock commitments | 912 | 10 | — | 1,461 | 50 | — |
| Interest rate forward loan sales contracts | 1,312 | 9 | — | 2,075 | — | 23 |
| Total | $ 785,263 | $ 21,168 | $ 21,153 | $ 486,107 | $ 22,082 | $ 22,070 |

Derivatives Designated as Hedging Instruments:
The Company uses derivative instruments to hedge its exposure to economic risks. Certain hedging relationships are formally designated and qualify for hedge accounting under GAAP as fair value or cash flow hedges.

*Fair Value Hedges* - Derivatives are designated as fair value hedges to limit the Company's exposure to changes in the fair value of assets or liabilities due to movements in interest rates. The Company entered into pay-fixed receive-floating interest rate swaps to manage its exposure to changes in fair value in certain fixed-rate assets, including AFS debt securities and loans. The gain or loss on the loan fair value hedge derivative, as well as the offsetting loss or gain on the hedged item attributable to the hedged risk are recognized in interest income. The change in the fair value of the available for sale securities attributable to changes in the hedged risk is recorded in accumulated other comprehensive income and subsequently reclassified into interest income, as applicable, in the same period(s) to offset the changes in the fair value of the swap, which is also recognized in interest income.

*Cash Flow Hedges* - Derivatives are designated as cash flow hedges in order to minimize the variability in cash flows of earning assets or forecasted transactions caused by movement in interest rates. The Company entered into pay-fixed receive-variable interest rate swaps to hedge against adverse fluctuations in interest rates by reducing exposure to variability in cash flows relating to interest payments on the Company's variable rate debt, including brokered deposits. The gain or loss on the derivatives is recorded in accumulated other comprehensive income and subsequently reclassified into interest expense, as applicable, in the same period(s) during which the hedged transaction affects earnings. During the next 12 months, the Company estimates that an additional $0.6 million of income will be reclassified into interest expense.

The table below presents the effect of cash flow hedge accounting on AOCI for the years ended December 31, 2024 and 2023.

| | Amount of Gain (Loss) Recognized in AOCI on Derivative | | Location of Gain (Loss) Reclassified from AOCI into Income | Amount of Gain (Loss) Reclassified from AOCI into Income | |
|---|---|---|---|---|---|
| | Year Ended December 31, | | | Year Ended December 31, | |
| (dollars in thousands) | 2024 | 2023 | | 2024 | 2023 |
| Interest rate swaps | $ 2,897 | $ 2,471 | Interest Expense | $ 2,786 | $ 1,795 |

The table below presents the effect of the Company's derivative financial instruments designated as hedging instruments on the consolidated statements of income for the periods indicated:

| | Location and Amount of Gain or Loss Recognized in Income on Hedging Relationships | | | | | |
|---|---|---|---|---|---|---|
| | For the Years Ended December 31, | | | | | |
| | 2024 | | 2023 | | 2022 | |
| (dollars in thousands) | Interest Income | Other Income | Interest Income | Other Income | Interest Income | Other Income |
| Income and expense included in the consolidated statements of income related to the effects of fair value hedges is recorded | $ 1,447 | $ — | $ 1,106 | $ — | $ (36) | $ — |
| The effects of fair value hedging: | | | | | | |
| Gain (loss) on fair value hedging relationships in subtopic 815-20: | | | | | | |
| Interest contracts - loans: | | | | | | |
| Hedged items | (965) | — | 1,836 | — | (3,536) | — |
| Derivative designated as hedging instruments | 1,970 | — | (563) | — | 3,500 | — |
| Interest contracts - securities: | | | | | | |
| Hedged items | (594) | — | 819 | — | — | — |
| Derivative designated as hedging instruments | 1,035 | — | (530) | — | — | — |

As of December 31, 2024, the following amounts were recorded on the balance sheet related to cumulative basis adjustment for fair value hedges:

| Line Item in the Balance Sheet in Which the Hedged Item is Included | Carrying Amount of the Hedged Assets | Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of the Hedged Asset |
|---|---|---|
| (dollars in thousands) | | |
| Loans | $ 47,405 | $ (2,128) |
| Securities | $ 150,225 | $ 225 |

Derivatives Not Designated as Hedging Instruments:
*Interest Rate Swaps* - The Company periodically enters into commercial loan interest rate swap agreements in order to provide commercial loan customers with the ability to convert from variable to fixed interest rates. These derivative contracts relate to transactions in which the Company enters into an interest rate swap with a customer, while simultaneously entering into an offsetting interest rate swap with an institutional counterparty.

*Credit Risk Participation Agreements* - The Company enters into RPAs to manage the credit exposure on interest rate contracts associated with a syndicated loan or participation agreement. The Company may enter into protection purchased RPAs with institutional counterparties to decrease or increase its exposure to a borrower. Under the RPA, the Company will receive or make payment if a borrower defaults on the related interest rate contract. The notional amount of the RPAs reflects the Company's pro-rata share of the derivative instrument.

*Interest Rate Forward Loan Sales Contracts & Interest Rate Lock Commitments* - The Company enters into forward delivery contracts to sell residential mortgage loans at specific prices and dates in order to hedge the interest rate risk in its portfolio of mortgage loans held for sale and its residential mortgage interest rate lock commitments.

The following table presents the net gains (losses) recognized on the consolidated statements of income related to the derivatives not designated as hedging instruments for the periods indicated:

| (dollars in thousands) | Location in the Consolidated Statements of Income | For the Years Ended December 31, 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Interest rate swaps | Other income | $ 3 | $ (8) | $ 9 |
| RPAs | Other income | 9 | 65 | 1 |
| Interest rate lock commitments | Loan revenue | (40) | 43 | (323) |
| Interest rate forward loan sales contracts | Loan revenue | 32 | (31) | (15) |
| Total | | $ 4 | $ 69 | $ (328) |

Offsetting of Derivatives:
The Company has entered into agreements with certain counterparty financial institutions, which include master netting agreements. However, the Company has elected to account for all derivatives with counterparty institutions on a gross basis. The Company manages the risk of default by its borrower counterparties through its normal loan underwriting and credit monitoring policies and procedures.

The table below presents gross derivatives and the respective collateral received or pledged in the form of other financial instruments as of December 31, 2024 and December 31, 2023, which are generally marketable securities and/or cash. The collateral amounts in the table below are limited to the outstanding balances of the related asset or liability (after netting is applied); thus instances of over-collateralization are not shown. Further, the net amounts of derivative assets or liabilities can be reconciled to the tabular disclosure of fair value. The tabular disclosure of fair value provides the location that derivative assets and liabilities are presented on the consolidated balance sheets.

| | | | | Gross Amounts Not Offset in the Balance Sheet | | |
|---|---|---|---|---|---|---|
| (dollars in thousands) | Gross Amounts Recognized | Gross Amounts Offset in the Balance Sheet | Net Amounts presented in the Balance Sheet | Financial Instruments | Cash Collateral Received / Paid | Net Assets / Liabilities |
| **As of December 31, 2024** | | | | | | |
| Asset Derivatives | $ 24,397 | $ — | $ 24,397 | $ — | $ 17,011 | $ 7,386 |
| Liability Derivatives | 21,712 | — | 21,712 | — | 110 | 21,602 |
| | | | | | | |
| **As of December 31, 2023** | | | | | | |
| Asset Derivatives | $ 25,093 | $ — | $ 25,093 | $ — | $ 15,549 | $ 9,544 |
| Liability Derivatives | 24,057 | — | 24,057 | — | 2,420 | 21,637 |

Credit-Risk-Related Contingent Features:
The Company has an unsecured federal funds line with its institutional derivative counterparties. The Company has an agreement with its institutional derivative counterparties that contains a provision under which if the Company defaults on any of its indebtedness, including default where repayment of the indebtedness has not been accelerated by the lender, then the Company could also be declared in default on its derivative obligations. The Company also has an agreement with its derivative counterparties that contains a provision under which the Company could be declared in default on its derivative obligations if repayment of the underlying indebtedness is accelerated by the lender due to the Company’s default on the indebtedness. As of December 31, 2024, the fair value of derivatives in a net liability position, which includes accrued interest but excludes any adjustment for nonperformance risk, related to these agreements was $5.0 million.

**Note 6. Premises and Equipment**

Premises and equipment as of December 31, 2024 and 2023 were as follows:

| (dollars in thousands) | As of December 31, 2024 | 2023 |
|---|---|---|
| Land | $ 20,623 | $ 14,998 |
| Buildings and leasehold improvements | 95,733 | 93,685 |
| Furniture and equipment | 23,704 | 23,057 |
| Construction in process | 69 | 1,119 |
| Premises and equipment | 140,129 | 132,859 |
| Accumulated depreciation and amortization | 49,278 | 47,117 |
| Premises and equipment, net | $ 90,851 | $ 85,742 |

Premises and equipment depreciation and amortization expense for the years ended December 31, 2024, 2023, and 2022 was $5.2 million, $5.1 million, and $5.1 million, respectively.

**Note 7. Goodwill and Intangible Assets**

Goodwill:
The following table presents the changes in the carrying amount of goodwill as of the dates indicated:

| (dollars in thousands) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Goodwill, beginning of period | $ 62,477 | $ 62,477 |
| Established in acquisition[(1)] | 9,041 | — |
| Allocated to divestiture[(1)] | (1,730) | — |
| Total goodwill, end of period | $ 69,788 | $ 62,477 |

[(1)] Refer to Note 2. Business Combinations for additional information regarding these changes in the carrying amount of goodwill stemming from acquisitions and divestitures.

Intangible Assets:
As indicated in Note 2. Business Combinations, the Company acquired a core deposit intangible from DNVB at the time that the acquisition was completed on January 31, 2024, with an estimated fair value of $7.1 million, which will be amortized over its estimated useful life of 10 years.

The following table presents the gross carrying amount, accumulated amortization, and net carrying amount of other intangible assets as of the dates indicated:

| | December 31, 2024 | | | December 31, 2023 | | |
|---|---|---|---|---|---|---|
| (dollars in thousands) | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount |
| Core deposit intangible | $ 65,345 | $ (47,388) | $ 17,957 | $ 58,245 | $ (41,499) | $ 16,746 |
| Customer relationship intangible | 5,265 | (5,243) | 22 | 5,265 | (5,008) | 257 |
| Other | 2,700 | (2,700) | — | 2,700 | (2,674) | 26 |
| | $ 73,310 | $ (55,331) | $ 17,979 | $ 66,210 | $ (49,181) | $ 17,029 |
| Indefinite-lived trade name intangible | | | 7,040 | | | 7,040 |
| Total other intangible assets, net | | | $ 25,019 | | | $ 24,069 |

The following table provides the estimated future amortization expense of intangible assets:

| (dollars in thousands) | Core Deposit Intangible | Customer Relationship Intangible | Total |
|---|---|---|---|
| **Year ending December 31,** | | | |
| 2025 | $ 4,924 | $ 22 | $ 4,946 |
| 2026 | 3,840 | — | 3,840 |
| 2027 | 2,757 | — | 2,757 |
| 2028 | 2,110 | — | 2,110 |
| 2029 | 1,681 | — | 1,681 |
| Thereafter | 2,645 | — | 2,645 |
| Total | $ 17,957 | $ 22 | $ 17,979 |

## Note 8. Other Assets

The components of the Company's other assets as of December 31, 2024 and December 31, 2023 were as follows:

| | As of December 31, | |
|---|---|---|
| (dollars in thousands) | 2024 | 2023 |
| Bank-owned life insurance | $ 99,810 | $ 98,039 |
| Interest receivable | 26,467 | 29,768 |
| FHLB stock | 5,156 | 5,806 |
| Mortgage servicing rights | 12,232 | 13,333 |
| Operating lease right-of-use assets, net | 1,576 | 2,337 |
| Federal and state taxes, current | 8,282 | 1,556 |
| Federal and state taxes, deferred | 58,127 | 31,218 |
| Derivative assets | 24,397 | 25,093 |
| Other receivables/assets | 16,783 | 15,630 |
| | $ 252,830 | $ 222,780 |

## Note 9. Loans Serviced for Others

Loans serviced for others are not included in the accompanying consolidated balance sheets. The unpaid principal balances of mortgage and other loans serviced for others were $1.18 billion at December 31, 2024 and $1.20 billion at December 31, 2023. Servicing loans for others generally consists of collecting mortgage payments, maintaining escrow accounts, disbursing payments to investors, and collection and foreclosure processing. Loan servicing income is recorded on the accrual basis and includes servicing fees from investors and certain charges collected from borrowers, such as late payment fees, and is net of fair value adjustments to capitalized mortgage servicing rights.

## Note 10. Deposits

The following table presents the composition of our deposits as of the dates indicated:

| | As of December 31, | |
|---|---|---|
| (dollars in thousands) | 2024 | 2023 |
| Noninterest bearing deposits | $ 951,423 | $ 897,053 |
| Interest checking deposits | 1,258,191 | 1,320,435 |
| Money market deposits | 1,053,988 | 1,105,493 |
| Savings deposits | 820,549 | 650,655 |
| Time deposits of $250 and under | 1,026,793 | 973,253 |
| Time deposits over $250 | 367,038 | 448,784 |
| Total deposits | $ 5,477,982 | $ 5,395,673 |

At December 31, 2024, the scheduled maturities of certificates of deposits were as follows:

| (dollars in thousands) | | |
|---|---|---|
| 2025 | $ | 1,208,064 |
| 2026 | | 151,526 |
| 2027 | | 13,405 |
| 2028 | | 9,827 |
| 2029 | | 7,390 |
| Thereafter | | 3,619 |
| Total | $ | 1,393,831 |

The Company had $25.3 million and $15.2 million in reciprocal time deposits as of December 31, 2024 and December 31, 2023, respectively. Included in money market deposits at December 31, 2024 and December 31, 2023 were $156.2 million and $128.0 million, respectively, of interest-bearing reciprocal deposits. Included in noninterest bearing deposits at December 31, 2024 and December 31, 2023 were $95.0 million and $58.0 million, respectively, of noninterest-bearing reciprocal deposits. These reciprocal deposits are part of the IntraFi Network Deposits program, which is used by financial institutions to spread deposits that exceed the FDIC insurance coverage limits out to numerous institutions in order to provide insurance coverage for all participating deposits. In addition, included within the time deposits of $250 thousand and under was $200.0 million of brokered deposits as of December 31, 2024 and $221.0 million of brokered deposits as of December 31, 2023.

As of December 31, 2024 and December 31, 2023, the Company had public entity deposits that were collateralized by investment securities of $19.9 million and $183.4 million, respectively. As of December 31, 2024, the public entity deposits were also collateralized by FHLB letters of credit totaling $116.1 million and no FHLB letters of credit related to public entity deposits at December 31, 2023.

**Note 11. Short-Term Borrowings**

The following table summarizes our short-term borrowings as of the dates indicated:

| | December 31, 2024 | | | December 31, 2023 | | |
|---|---|---|---|---|---|---|
| (dollars in thousands) | Weighted Average Rate | | Balance | Weighted Average Rate | | Balance |
| Securities sold under agreements to repurchase | 0.70 % | $ | 3,186 | 0.72 % | $ | 5,064 |
| Federal Home Loan Bank advances | — | | — | 5.64 | | 10,200 |
| Federal Reserve Bank borrowings | — | | — | 4.82 | | 285,000 |
| Total | 0.70 % | $ | 3,186 | 4.78 % | $ | 300,264 |

<u>Securities Sold Under an Agreement to Repurchase:</u> Securities sold under agreements to repurchase are agreements in which the Company acquires funds by selling assets to another party under a simultaneous agreement to repurchase the same assets at a specified price and date. The Company enters into repurchase agreements and also offers a demand deposit account product to customers that sweeps their balances in excess of an agreed upon target amount into overnight repurchase agreements. All securities sold under agreements to repurchase are recorded on the face of the balance sheet.

<u>Federal Home Loan Bank Advances:</u> The Bank has a secured line of credit with the FHLBDM. At December 31, 2024 and December 31, 2023, the Company had FHLB borrowing capacity of $624.0 million and $795.9 million, respectively. Advances from the FHLBDM are collateralized primarily by one- to four-family residential, commercial and agricultural real estate first mortgages equal to various percentages of the total outstanding notes. See Note 4. Loans Receivable and the Allowance for Credit Losses of the notes to the consolidated financial statements.

<u>Federal Funds Purchased:</u> The Bank has unsecured federal funds lines totaling $110.0 million from multiple correspondent banking relationships. There were no borrowings from such lines at either December 31, 2024 or December 31, 2023.

<u>Federal Reserve Bank Borrowings:</u> At December 31, 2024 and December 31, 2023, the Company had no Federal Reserve Discount Window borrowings, while its financing capacity was $330.1 million as of December 31, 2024 and $428.8 million as of December 31, 2023. At December 31, 2024, the Company had no BTFP borrowings, with $285.0 million in borrowings outstanding under the program as of December 31, 2023. The FRB ceased making new loans under the BTFP effective March 11, 2024. As of December 31, 2024 and December 31, 2023, the Bank had pledged debt securities with a market value of $353.9 million and $797.6 million, respectively.

Unsecured Line of Credit: The Company has a credit agreement with a correspondent bank with a revolving commitment of $25.0 million. The credit agreement was amended on September 30, 2024 such that the revolving commitment matures on September 30, 2025, with no other alterations made to the fee structure or the interest rate. Fees are paid on the average daily unused revolving commitment in the amount of 0.30% per annum. Interest is payable at a rate equal to the monthly reset term SOFR rate plus 1.55%. The Company had no balance outstanding under this revolving credit facility as of both December 31, 2024 and December 31, 2023.

**Note 12. Long-Term Debt**

Junior Subordinated Notes Issued to Capital Trusts:
The table below summarizes the terms of each issuance of junior subordinated notes outstanding as of the dates indicated:

| | Face Value | December 31, 2024 Book Value | December 31, 2023 Book Value | Interest Rate[1] | December 31, 2024 Rate | December 31, 2023 Rate | Maturity Date | Callable Date |
|---|---|---|---|---|---|---|---|---|
| | (dollars in thousands) | | | | | | | |
| ATBancorp Statutory Trust I | $ 7,732 | $ 7,014 | $ 6,970 | 1.68% Margin | 6.30 % | 7.33 % | 06/15/2036 | 06/15/2011 |
| ATBancorp Statutory Trust II | 12,372 | 11,103 | 11,034 | 1.65% Margin | 6.27 % | 7.30 % | 09/15/2037 | 06/15/2012 |
| Barron Investment Capital Trust I | 2,062 | 1,888 | 1,861 | 2.15% Margin | 6.75 % | 7.77 % | 09/23/2036 | 09/23/2011 |
| Central Bancshares Capital Trust II | 7,217 | 7,002 | 6,964 | 3.50% Margin | 8.12 % | 9.15 % | 03/15/2038 | 03/15/2013 |
| MidWestOne Statutory Trust II | 15,464 | 15,464 | 15,464 | 1.59% Margin | 6.21 % | 7.24 % | 12/15/2037 | 12/15/2012 |
| Total | $ 44,847 | $ 42,471 | $ 42,293 | | | | | |

[1]Interest rate is equal to the Three-month CME Term SOFR + 0.26% Spread + Applicable Margin

The trust preferred securities are subject to mandatory redemption, in whole or in part, upon repayment of the junior subordinated notes at the stated maturity date or upon redemption of the junior subordinated notes. Each trust's ability to pay amounts due on the trust preferred securities is solely dependent upon the Company making payment on the related junior subordinated notes. The Company's obligation under the junior subordinated notes and other relevant trust agreements, in aggregate, constitutes a full and unconditional guarantee by the Company of each trust's obligations under the trust preferred securities issued by each trust. The Company has the right to defer payment of interest on the junior subordinated notes and, therefore, distributions on the trust preferred securities, for up to five years, but not beyond the stated maturity date in the table above. During any such deferral period the Company may not pay cash dividends on its stock and generally may not repurchase its stock.

Subordinated Debentures:
On July 28, 2020, the Company completed the private placement offering of $65.0 million of its subordinated notes, of which $63.75 million have been exchanged for subordinated notes registered under the Securities Act of 1933. The 5.75% fixed-to-floating rate subordinated notes are due July 30, 2030. On July 30, 2025, the interest rate on the subordinated notes will reset quarterly to a floating rate of three-month term SOFR plus 5.68%. At December 31, 2024, 100% of the subordinated notes qualified as Tier 2 capital. Per applicable Federal Reserve rules and regulations, the amount of the subordinated notes qualifying as Tier 2 regulatory capital will be phased-out by 20% of the amount of the subordinated notes in each of the five years beginning on the fifth anniversary preceding the maturity date of the subordinated notes. At December 31, 2024 and December 31, 2023, the Company had outstanding subordinated debentures of $64.3 million and $64.1 million, respectively.

Other Long-Term Debt:
Other long-term borrowings were as follows as of December 31, 2024 and December 31, 2023:

| | December 31, 2024 | | December 31, 2023 | |
|---|---|---|---|---|
| (dollars in thousands) | Weighted Average Rate | Balance | Weighted Average Rate | Balance |
| Finance lease payable | 8.89 % | $ 398 | 8.89 % | $ 604 |
| FHLB borrowings | — | 4,239 | 3.11 | 6,262 |
| Notes payable to unaffiliated bank | 6.10 | 2,000 | 6.89 | 10,000 |
| Total | 2.37 % | $ 6,637 | 5.56 % | $ 16,866 |

On June 7, 2022, pursuant to a credit agreement with a correspondent bank, the Company entered into a $35.0 million term note payable maturing on June 30, 2027. Principal and interest are payable quarterly and began on September 30, 2022. Interest accrues at the monthly reset term SOFR rate plus 1.55%. The credit agreement includes customary covenants requiring the Company to, among other things, maintain minimum levels of both regulatory capital and certain financial ratios; the Company certifies compliance with the covenants on a quarterly basis. For the reporting period ended December 31, 2023, the Company's fixed charge coverage ratio, as defined in the credit agreement, was below the minimum allowed. The violation was due primarily to investment securities losses in the first and fourth quarters of 2023 recognized in connection with the Company's balance sheet repositioning efforts. The Company requested from the lender a waiver of the default, which was granted on January 26, 2024. On February 12, 2024, the credit agreement, including certain of its covenants, was amended. On September 30, 2024, the credit agreement was again amended to include certain terms and to extend the maturity date of the line of credit to September 30, 2025.

As a member of the FHLBDM, the Bank may borrow funds from the FHLB, provided the Bank is able to pledge an adequate amount of qualified assets to secure the borrowings. In addition, the FHLB has established a maximum credit capacity to the Bank that is equal to 45% of the Bank's total assets. This credit capacity limit includes short-term and long-term borrowings, federal funds, letters of credit and other sources of credit exposure to the FHLB. Advances from the FHLB are collateralized primarily by one- to four-family residential, commercial and agricultural real estate first mortgages equal to various percentages of the total outstanding notes. See Note 4. Loans Receivable and the Allowance for Credit Losses of the notes to the consolidated financial statements. See Note 3. Debt Securities of the notes to the consolidated financial statements.

As of December 31, 2024, the Company had $4.2 million in FHLB borrowings due in 2029 with a 0% fixed interest rate.

### Note 13. Income Taxes

Income taxes for the years ended December 31, 2024, 2023, and 2022 are summarized as follows:

| | December 31, | | |
|---|---|---|---|
| (dollars in thousands) | 2024 | 2023 | 2022 |
| Current: | | | |
| Federal tax expense | $ 719 | $ 2,438 | $ 7,204 |
| State tax (benefit) expense | (142) | 1,866 | 4,232 |
| Deferred: | | | |
| Deferred income tax (benefit) expense | (24,276) | (330) | 4,326 |
| Total income tax (benefit) expense | $ (23,699) | $ 3,974 | $ 15,762 |

Income tax (benefit) expense based on statutory rate for the year ended December 31, 2024, 2023, and 2022 varied from the amount computed by applying the maximum effective federal income tax rate of 21%, to the income before income taxes, because of the following items:

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | 2023 | | 2022 | |
| (dollars in thousands) | Amount | % of Pretax Income | Amount | % of Pretax Income | Amount | % of Pretax Income |
| Income tax based on statutory rate | $ (17,637) | 21.0 % | $ 5,215 | 21.0 % | $ 16,085 | 21.0 % |
| Tax-exempt interest | (2,188) | 2.6 | (2,391) | (9.6) | (3,505) | (4.6) |
| Bank-owned life insurance | (614) | 0.7 | (525) | (2.1) | (484) | (0.6) |
| State income taxes, net of federal income tax benefit | (4,023) | 4.8 | 1,476 | 5.9 | 3,805 | 5.0 |
| Goodwill allocated to branch sale | 363 | (0.4) | — | — | — | — |
| Bargain purchase gain | — | — | — | — | (792) | (1.0) |
| Non-deductible acquisition expenses | — | — | 36 | 0.2 | 55 | 0.1 |
| General business credits | 63 | (0.1) | (40) | (0.2) | (60) | (0.1) |
| State tax reduction | — | — | — | — | 835 | 1.1 |
| Other | 337 | (0.4) | 203 | 0.8 | (177) | (0.3) |
| Total income tax (benefit) expense | $ (23,699) | 28.2 % | $ 3,974 | 16.0 % | $ 15,762 | 20.6 % |

Net deferred tax assets as of December 31, 2024 and December 31, 2023 consisted of the following components:

| | December 31, | |
|---|---|---|
| (dollars in thousands) | 2024 | 2023 |
| Deferred income tax assets: | | |
| Allowance for credit losses | $ 15,166 | $ 14,232 |
| Deferred compensation | 3,407 | 3,441 |
| Net operating losses (state and federal) | 33,080 | 8,407 |
| Unrealized losses on investment securities | 24,805 | 22,172 |
| Accrued compensation | 1,465 | 1,189 |
| ROU liabilities | 553 | 781 |
| Other | 2,151 | 1,975 |
| Gross deferred tax assets | 80,627 | 52,197 |
| Deferred income tax liabilities: | | |
| Premises and equipment depreciation and amortization | 7,267 | 5,272 |
| Purchase accounting adjustments | 2,482 | 2,674 |
| Mortgage servicing rights | 3,102 | 3,382 |
| ROU assets | 551 | 754 |
| Other | 276 | 756 |
| Gross deferred tax liabilities | 13,678 | 12,838 |
| Net deferred income tax asset | 66,949 | 39,359 |
| Valuation allowance | 8,822 | 8,141 |
| Net deferred tax asset | $ 58,127 | $ 31,218 |

The Company has recorded a deferred tax asset for the future tax benefits of Iowa net operating loss carryforwards. The Iowa net operating loss carryforwards amounting to approximately $91.4 million will expire in various amounts from 2025 to 2045. As of December 31, 2024 and 2023, the Company believed it was more likely than not that all temporary differences associated with the Iowa corporate tax return would not be fully realized. Accordingly, the Company has recorded a valuation allowance to reduce the net operating loss carryforward and the temporary differences associated with the Iowa corporate income tax return. A valuation allowance related to the remaining deferred tax assets has not been provided because management believes it is more likely than not that the results of future operations will generate sufficient taxable income to realize the deferred tax assets.

The Company had no material unrecognized tax benefits as of December 31, 2024 and December 31, 2023.

**Note 14. Employee Benefit Plans**

The Company has a salary reduction profit-sharing 401(k) plan covering all employees fulfilling minimum age and service requirements. Employee contributions to the plan are optional. Employer contributions are discretionary and may be made to the plan in an amount equal to a percentage of each participating employee's salary. For the period through July 31, 2023, the Company matched 100% of the first 3% of employee contributions, and 50% of the next 2% of employee contributions, up to a maximum amount of 4% of an employee's compensation. Effective August 1, 2023, the Company matches 100% of the first 4% of employee contributions, and 50% of the next 2% of employee contributions, up to a maximum amount of 5% of an employee's compensation. Company matching contributions for the years ended December 31, 2024, 2023, and 2022 were $2.7 million, $2.3 million, and $2.0 million, respectively.

The Company has an ESOP covering all employees fulfilling minimum age and service requirements. Employer contributions are discretionary and may be made to the plan in an amount equal to a percentage of each participating employee's salary. For the year ended December 31, 2024 and December 31, 2022, total ESOP contribution expense was $0.9 million and $1.7 million, respectively. For the year ended December 31, 2023, financial performance did not meet the threshold for Company contributions to the ESOP, and as such no contributions were made. The Company provides Health Savings Account contributions to its employees enrolled in high deductible plans. Company contributions for the years ended December 31, 2024, 2023, and 2022 were $0.3 million each year.

Supplemental Executive Retirement Plans: The Company has entered into nonqualified SERPs with certain former executive officers. The SERPs allow these former executives to accumulate retirement benefits beyond those provided by the qualified plans. Changes in the liability related to the SERPs, included in other liabilities, were as follows for the years ended December 31, 2024, 2023, and 2022:

| (dollars in thousands) | 2024 | 2023 | 2022 |
| --- | --- | --- | --- |
| Balance, beginning | $ 1,030 | $ 1,087 | $ 1,246 |
| Company contributions and interest | 72 | 80 | (12) |
| Cash payments made | (210) | (137) | (147) |
| Balance, ending | $ 892 | $ 1,030 | $ 1,087 |

Salary Continuation Plans: The Company has salary continuation plans for several officers and directors. These plans provide payments of various amounts upon retirement or death. There are no employee compensation deferrals to these plans. The Company accrues the expense for these benefits by charges to operating expense during the period the respective officer or director attains full eligibility. Changes in the salary continuation agreements, included in other liabilities, were as follows for the years ended December 31, 2024, 2023, and 2022:

| (dollars in thousands) | 2024 | 2023 | 2022 |
| --- | --- | --- | --- |
| Balance, beginning | $ 3,269 | $ 3,597 | $ 4,289 |
| Company paid interest | 95 | 90 | 103 |
| Cash payments made | (420) | (418) | (795) |
| Balance, ending | $ 2,944 | $ 3,269 | $ 3,597 |

Deferred Compensation Plans: The Company has entered into deferred compensation agreements with certain executive officers. Under the provisions of the agreements, the officers may defer compensation. Interest on the deferred amounts is earned at The Wall Street Journal's prime rate plus one percent. The Company also maintains deferred compensation agreements with certain other former officers and directors, under which deferrals are no longer permitted, and the interest rate is fixed at 4%. In 2019 the Company also acquired deferred compensations plans as a result of the merger with ATBancorp. Under the provisions of the agreements, interest on the deferred amounts is earned at an annual interest rate equal to either the Bank's or Company's return on equity or the stated minimum rate and deferrals are no longer permitted. Upon retirement, participants will generally receive the deferral balance in equal monthly installments over periods no longer that 180 months.

Changes in the deferred compensation agreements, included in other liabilities, were as follows for the years ended December 31, 2024, 2023, and 2022:

| (dollars in thousands) | 2024 | 2023 | 2022 |
|---|---|---|---|
| Balance, beginning | $ 6,922 | $ 6,156 | $ 5,880 |
| Employee deferrals | 631 | 692 | 441 |
| Company paid interest | 457 | 633 | 582 |
| Cash payments made | (633) | (559) | (747) |
| Balance, ending | $ 7,377 | $ 6,922 | $ 6,156 |

Post-retirement Death Benefit Plan: The Company has an insurance benefit plan for several current and former officers that provides a life insurance benefit upon retirement from the Company. Changes in the accrued balance, included in other liabilities, were as follows for the years ended December 31, 2024, 2023, and 2022:

| (dollars in thousands) | 2024 | 2023 | 2022 |
|---|---|---|---|
| Balance, beginning | $ 2,382 | $ 2,205 | $ 1,991 |
| Company deferral expense | (126) | 177 | 214 |
| Balance, ending | $ 2,256 | $ 2,382 | $ 2,205 |

To provide the retirement benefits for the aforementioned SERPs, salary continuation plans, deferred compensation plans, and post-retirement death benefit plan, the Company carries life insurance policies which had cash values totaling $86.9 million, $85.5 million and $83.3 million at December 31, 2024, 2023, and 2022, respectively.

**Note 15. Stock Compensation Plans**

Under the Company’s 2017 Equity Incentive Plan (the “2017 Plan”), the Company was permitted to grant a total of 500,000 shares of the Company’s common stock as stock options, stock appreciation rights, and stock awards, and also to grant cash incentive awards to eligible individuals. On April 27, 2023, the Company’s 2023 Equity Incentive Plan (the “2023 Plan”) was approved by the Company’s shareholders. The 2023 Plan replaced the 2017 Plan, and allows the Company to grant a total of 700,000 shares of the Company’s common stock as stock options, stock appreciation rights, and stock awards, and also to grant cash incentive awards to eligible individuals. As of December 31, 2024, 532,068 shares of the Company’s common stock remained available for future awards under the 2023 Plan.

During 2024, the Company recognized $1.9 million of stock based compensation expense related to restricted stock unit grants. In comparison, during 2023 and 2022, the Company recognized $2.4 million and $2.5 million, respectively, related to restricted stock unit grants.

Under the 2017 Plan and the 2023 Plan, the Company may grant restricted stock unit awards that vest upon the completion of future service requirements or specified performance criteria. Generally, all restricted stock units vest upon death, disability, or in connection with a change in control. In addition, TRSUs and PRSUs with an award date through December 31, 2023 receive forfeitable dividend equivalents. To the extent there is a financial restatement, any performance-based or incentive-based compensation that has been paid is subject to clawback.

For TRSUs granted prior to 2020, the restricted stock units vest 25% per year over four years. Beginning with the TRSUs granted in 2020, the restricted stock units vest 1/3rd per year over three years, with the first vesting date being the one-year anniversary of the grant date. Awards granted to directors vest 100% one year from the grant date.

PRSUs cliff vest three years from the grant date based on certain equally-weighted performance conditions. The three-year performance measurement period commences at the beginning of the defined period. Upon retirement, PRSU awards remain eligible to vest at the conclusion of the performance period.

The Company recognizes stock-based compensation expense for TRSUs over the vesting period, using the straight-line method, based upon the number of awards ultimately expected to vest. The fair value of the TRSUs is equal to the market price of the common stock at the grant date. Stock-based compensation expense for PRSUs is based upon the fair value of the underlying stock on the grant date, and is amortized over the vesting period using the straight-line method unless it is determined that: (1)

attainment of the financial metrics is less than probable, in which case a portion of the amortization is suspended, or (2) attainment of the financial metrics is improbable, in which case a portion of the previously recognized amortization is reversed and also suspended.

The following is a summary of non-vested restricted stock unit activity for the year ended December 31, 2024:

| | Shares | Weighted-Average Grant-Date Fair Value |
|---|---|---|
| Non-vested at December 31, 2023 | 205,842 | $ 29.30 |
| Granted based upon satisfaction of a performance factor | 9,229 | 27.86 |
| Granted | 127,558 | 24.21 |
| Vested | (106,654) | 27.26 |
| Forfeited | (7,537) | 28.62 |
| Reinvested | 4,479 | 30.60 |
| Non-vested at December 31, 2024 | 232,917 | $ 27.44 |

The fair value of restricted stock unit awards that vested during 2024 was $2.6 million, compared to $2.6 million and $1.7 million during the years ended December 31, 2023 and 2022, respectively. As of December 31, 2024, the total compensation costs related to non-vested restricted stock units that have not yet been recognized totaled $2.6 million, and the weighted average period over which these costs are expected to be recognized is approximately 1.8 years.

## Note 16. Earnings per Share

Basic per-share amounts are computed by dividing net (loss) income by the weighted average number of common shares outstanding. Diluted per-share amounts assume issuance of all common stock issuable upon conversion or exercise of other securities, unless the effect is to reduce the loss or increase the income per common share from continuing operations.

The following table presents the computation of basic and diluted (loss) earnings per common share for the periods indicated:

| | Year Ended December 31, | | |
|---|---|---|---|
| (dollars in thousands, except per share amounts) | 2024 | 2023 | 2022 |
| **Basic (Loss) Earnings Per Share:** | | | |
| Net (loss) income | $ (60,289) | $ 20,859 | $ 60,835 |
| Weighted average shares outstanding | 17,029,837 | 15,678,045 | 15,649,247 |
| Basic (loss) earnings per common share | $ (3.54) | $ 1.33 | $ 3.89 |
| | | | |
| **Diluted (Loss) Earnings Per Share:** | | | |
| Net (loss) income | $ (60,289) | $ 20,859 | $ 60,835 |
| Weighted average shares outstanding, included all dilutive potential shares | 17,029,837 | 15,724,842 | 15,700,607 |
| Diluted (loss) earnings per common share | $ (3.54) | $ 1.33 | $ 3.87 |

The weighted average shares that have an antidilutive effect in the calculation of diluted (loss) earnings per common share and have been excluded from the computation above were as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| Dilutive shares[1] | 45,936 | — | — |

[1] Dilutive potential shares that were excluded from the computation of diluted (loss) earnings per common share for the year ended December 31, 2024 as a result of the reported net loss available to common shareholders.

## Note 17. Regulatory Capital Requirements and Restrictions on Subsidiary Cash

Regulatory Capital and Reserve Requirement: The Company (on a consolidated basis) and the Bank are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's consolidated financial statements. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

The ability of the Company to pay dividends to its shareholders is dependent upon dividends paid by the Bank to the Company. The Bank is subject to certain statutory and regulatory restrictions on the amount of dividends it may pay. In addition, as previously disclosed, subsequent to December 31, 2008, the Bank's board of directors adopted a capital policy requiring it to maintain a ratio of Tier 1 capital to total assets of at least 8% and a ratio of total capital to risk-based capital of at least 10%. Failure to maintain these ratios also could limit the ability of the Bank to pay dividends to the Company.

As of December 31, 2024, the most recent notification from the FDIC categorized the Bank as "well capitalized" under the regulatory framework for prompt corrective action then in effect. There are no conditions or events since this date that management believes have changed the Bank's category. In order to be a "well-capitalized" depository institution, a bank must maintain a Common Equity Tier 1 capital ratio of 6.5% or more; a Tier 1 capital ratio of 8% or more; a total capital ratio of 10% or more; and a leverage ratio of 5% or more. A capital conservation buffer of 2.5%, comprised of Common Equity Tier 1 capital, is also established above the regulatory minimum capital requirements. Due to the investment securities losses recognized in conjunction with the Company's balance sheet repositioning in the current and prior year, the Company was required to receive approval from the Federal Reserve prior to declaring quarterly dividends on its common stock in the fourth quarter of 2023 and the third and fourth quarters of 2024.

As of December 31, 2024 and December 31, 2023, the Bank was not required to maintain reserve balances in cash on hand or on deposit with Federal Reserve Banks, and therefore no amounts were held in reserve for each of these periods.

A comparison of the Company's and the Bank's capital with the corresponding minimum regulatory requirements in effect as of December 31, 2024 and December 31, 2023, is presented below:

| | Actual | | For Capital Adequacy Purposes With Capital Conservation Buffer(1) | | To Be Well Capitalized Under Prompt Corrective Action Provisions | |
|---|---|---|---|---|---|---|
| (dollars in thousands) | Amount | Ratio | Amount | Ratio(1) | Amount | Ratio |
| **At December 31, 2024:** | | | | | | |
| Consolidated: | | | | | | |
| Total capital/risk weighted assets | $ 692,834 | 14.07 % | $ 517,026 | 10.50 % | N/A | N/A |
| Tier 1 capital/risk weighted assets | 570,896 | 11.59 | 418,545 | 8.50 | N/A | N/A |
| Common equity tier 1 capital/risk weighted assets | 528,425 | 10.73 | 344,684 | 7.00 | N/A | N/A |
| Tier 1 leverage capital/average assets | 570,896 | 9.15 | 249,689 | 4.00 | N/A | N/A |
| MidWest*One* Bank: | | | | | | |
| Total capital/risk weighted assets | $ 688,190 | 14.02 % | $ 515,575 | 10.50 % | $ 491,024 | 10.00 % |
| Tier 1 capital/risk weighted assets | 631,252 | 12.86 | 417,370 | 8.50 | 392,819 | 8.00 |
| Common equity tier 1 capital/risk weighted assets | 631,252 | 12.86 | 343,717 | 7.00 | 319,166 | 6.50 |
| Tier 1 leverage capital/average assets | 631,252 | 10.12 | 249,584 | 4.00 | 311,980 | 5.00 |
| **At December 31, 2023:** | | | | | | |
| Consolidated: | | | | | | |
| Total capital/risk weighted assets | $ 668,748 | 12.53 % | $ 560,596 | 10.50 % | N/A | N/A |
| Tier 1 capital/risk weighted assets | 554,177 | 10.38 | 453,816 | 8.50 | N/A | N/A |
| Common equity tier 1 capital/risk weighted assets | 511,884 | 9.59 | 373,731 | 7.00 | N/A | N/A |
| Tier 1 leverage capital/average assets | 554,177 | 8.58 | 258,487 | 4.00 | N/A | N/A |
| MidWest*One* Bank: | | | | | | |
| Total capital/risk weighted assets | $ 656,027 | 12.49 % | $ 551,658 | 10.50 % | $ 525,388 | 10.00 % |
| Tier 1 capital/risk weighted assets | 606,456 | 11.54 | 446,580 | 8.50 | 420,310 | 8.00 |
| Common equity tier 1 capital/risk weighted assets | 606,456 | 11.54 | 367,772 | 7.00 | 341,502 | 6.50 |
| Tier 1 leverage capital/average assets | 606,456 | 9.39 | 258,339 | 4.00 | 322,924 | 5.00 |

(1) Includes the capital conservation buffer of 2.50%.

## Note 18. Commitments and Contingencies

Credit-related Financial Instruments: The Bank is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit, commitments to sell loans, and standby letters of credit. These instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the balance sheets.

The Bank uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments. The following table summarizes the Bank’s commitments as of the dates indicated:

| | December 31, | |
|---|---|---|
| **(dollars in thousands)** | **2024** | **2023** |
| Commitments to extend credit | $ 1,073,297 | $ 1,203,001 |
| Commitments to sell loans | 749 | 1,045 |
| Standby letters of credit | 7,440 | 7,795 |
| Total | $ 1,081,486 | $ 1,211,841 |

The Bank’s exposure to credit loss in the event of nonperformance by the counterparty to the financial instrument for commitments to extend credit is represented by the contractual amount of those instruments. Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Bank evaluates each customer’s creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Bank upon extension of credit, is based on management’s credit evaluation of the party. Collateral held varies, but may include accounts receivable, crops, livestock, inventory, property and equipment, residential real estate, and income-producing commercial properties.

Commitments to sell loans are agreements to sell loans held for sale to third parties at an agreed upon price.

Standby letters of credit are conditional commitments issued to guarantee the performance of a customer to a third party. Those guarantees are primarily issued to support public and private borrowing arrangements and, generally, have terms of one year or less. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. The Bank holds collateral, which may include accounts receivable, inventory, property, equipment, and income-producing properties, that support those commitments, if deemed necessary. In the event the customer does not perform in accordance with the terms of the agreement with the third party, the Bank would be required to fund the commitment. The maximum potential amount of future payments the Bank could be required to make is represented by the contractual amount shown in the summary above. If the commitment is funded, the Bank would be entitled to seek recovery from the customer.

Liability for Off-Balance Sheet Credit Losses: The Company records a liability for off-balance sheet credit losses through a charge to credit loss expense (or a reversal of credit loss expense) on the Company's consolidated statements of income and other liabilities on the Company's consolidated balance sheets. At December 31, 2024 and December 31, 2023, the liability for off-balance-sheet credit losses totaled $4.6 million. There was no credit loss expense recorded for the year ended December 31, 2024, while a credit loss benefit of $0.2 million was recorded for the year ended December 31, 2023.

Litigation: In the normal course of business, the Company and its subsidiaries have been named, from time to time, as defendants in various legal actions. Certain of the actual or threatened legal actions may include claims for substantial compensatory and/or punitive damages or claims for indeterminate amounts of damages. Management, after consulting with legal counsel, is of the opinion that the ultimate liability, if any, resulting from these pending or threatened actions and proceedings will not have a material effect on the financial statements of the Company.

Concentrations of Credit Risk: Substantially all of the Bank’s loans, commitments to extend credit and standby letters of credit have been granted to customers in the Bank’s market areas. Although the loan portfolio of the Bank is diversified, approximately 65% of the loans are real estate loans, excluding farmland, and approximately 7% are agriculturally related. The concentrations of credit by type of loan are set forth in Note 4. Loans Receivable and the Allowance for Credit Losses. Commitments to extend credit are primarily related to commercial loans and home equity loans. Standby letters of credit were granted primarily to commercial borrowers. Investments in securities issued by state and political subdivisions involve certain governmental entities within Iowa and Minnesota. The carrying value of investment securities of Iowa and Minnesota political subdivisions totaled 25% and 16%, respectively, as of December 31, 2024.

**Note 19. Related Party Transactions**

Certain directors of the Company and certain principal officers are customers of, and have banking transactions with, the Bank in the ordinary course of business. Such indebtedness has been incurred on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with unrelated persons.

The following is an analysis of the changes in the loans to related parties during the years ended December 31, 2024 and 2023:

| | Year Ended December 31, | |
|---|---|---|
| **(dollars in thousands)** | **2024** | **2023** |
| Balance, beginning | $ 14,640 | $ 15,603 |
| Advances | 37,417 | 17,729 |
| Change due to collections, loans sold, or changes in related parties | (32,685) | (18,692) |
| Balance, ending | $ 19,372 | $ 14,640 |
| | | |
| Available credit | $ 9,801 | $ 14,836 |

None of these loans are past due, nonaccrual or restructured to provide a reduction or deferral of interest or principal because of deterioration in the financial position of the borrower. Deposits from these related parties totaled $9.5 million and $10.6 million as of December 31, 2024 and December 31, 2023, respectively. Deposits from related parties are accepted subject to the same interest rates and terms as those from non-related parties.

**Note 20. Estimated Fair Value of Financial Instruments and Fair Value Measurements**

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

- Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
- Level 2 – Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Significant unobservable inputs that reflect a company’s own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Company uses fair value to measure certain assets and liabilities on a recurring basis, primarily available for sale debt securities, derivatives and mortgage servicing rights. For assets measured at the lower of cost or fair value, the fair value measurement criteria may or may not be met during a reporting period, and such measurements are therefore considered "nonrecurring" for purposes of disclosing the Company's fair value measurements. Fair value is used on a nonrecurring basis to adjust carrying values for collateral dependent individually analyzed loans and foreclosed assets.

Recurring Basis:

The Company used the following methods and significant assumptions to estimate the fair value of each type of financial instrument:

*Investment Securities* - The fair value for investment securities are determined by quoted market prices, if available (Level 1). The Company utilizes an independent pricing service to obtain the fair value of debt securities. Debt securities issued by the U.S. Treasury and other U.S. government agencies and corporations, mortgage-backed securities, collateralized loan obligations, and collateralized mortgage obligations are priced utilizing industry-standard models that consider various assumptions, including time value, yield curves, volatility factors, prepayment speeds, default rates, loss severity, current market and contractual prices for the underlying financial instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace, can be derived from observable data, or are supported by observable levels at which transactions are executed in the marketplace (Level 2). Municipal securities are valued using a type of matrix, or grid, pricing in which securities are benchmarked against the treasury rate based on credit rating (Level 2).

*Derivatives* - Interest rate swaps are valued by using cash flow valuation techniques with observable market data inputs (Level 2). The Company has entered into collateral agreements with its swap dealers which entitle it to receive collateral to cover market values on derivatives which are in asset position, thus a credit risk adjustment on interest rate swaps is not warranted. RPAs are entered into by the Company with institutional counterparties, under which the Company assumes its pro-rata share of the credit exposure associated with a borrower’s performance related to interest rate derivative contracts. The fair value of

RPAs is calculated by determining the total expected asset or liability exposure using observable inputs, such as yield curves and volatilities, of the derivatives to the borrowers and applying the borrowers' credit spread to that exposure (Level 2). The fair values of the interest rate lock commitments and interest rate forward loan sales contracts are estimated using quoted or published market prices for similar instruments, adjusted for factors such as pull-through rate assumptions based on historical information, where appropriate. The pull-through rate assumptions are considered Level 3 valuation inputs and are significant to the interest rate lock commitments valuation; as such, the interest rate lock commitments are classified as Level 3.

*Mortgage Servicing Rights (MSR)* - MSRs are recorded at fair value based on assumptions through a third party valuation service. The valuation model incorporates assumptions that are observable in the marketplace and that market participants would use in estimating future net servicing income, such as servicing cost per loan, the discount rate, the escrow float rate, an inflation rate, ancillary income, prepayment speeds, and default rates and losses (Level 2).

The following table summarizes assets measured at fair value on a recurring basis as of December 31, 2024 and December 31, 2023 by level within the fair value hierarchy:

| | Fair Value Measurement at December 31, 2024 Using | | | |
|---|---|---|---|---|
| **(dollars in thousands)** | **Total** | **Level 1** | **Level 2** | **Level 3** |
| Assets: | | | | |
| Available for sale debt securities: | | | | |
| U.S. Treasury securities | $ 50,399 | $ — | $ 50,399 | $ — |
| U.S. government agencies and corporations | 9,941 | — | 9,941 | — |
| State and political subdivisions | 135,720 | — | 135,720 | — |
| Mortgage-backed securities | 323,439 | — | 323,439 | — |
| Collateralized loan obligations | 48,869 | — | 48,869 | — |
| Collateralized mortgage obligations | 646,109 | — | 646,109 | — |
| Corporate debt securities | 113,956 | — | 113,956 | — |
| Derivative assets | 24,397 | — | 24,387 | 10 |
| Mortgage servicing rights | 12,232 | — | 12,232 | — |
| Liabilities: | | | | |
| Derivative liabilities | $ 21,712 | $ — | $ 21,712 | $ — |

| | Fair Value Measurement at December 31, 2023 Using | | | |
|---|---|---|---|---|
| **(dollars in thousands)** | **Total** | **Level 1** | **Level 2** | **Level 3** |
| Assets: | | | | |
| Available for sale debt securities: | | | | |
| State and political subdivisions | $ 130,139 | $ — | $ 130,139 | $ — |
| Mortgage-backed securities | 5,311 | — | 5,311 | — |
| Collateralized loan obligations | 50,437 | — | 50,437 | — |
| Collateralized mortgage obligations | 169,196 | — | 169,196 | — |
| Corporate debt securities | 440,051 | — | 440,051 | — |
| Derivative assets | 25,093 | — | 25,043 | 50 |
| Mortgage servicing rights | 13,333 | — | 13,333 | — |
| Liabilities: | | | | |
| Derivative liabilities | $ 24,057 | $ — | $ 24,057 | $ — |

There were no transfers of assets between Level 3 and other levels of the fair value hierarchy during the years ended December 31, 2024 or December 31, 2023. Changes in the fair value of available for sale debt securities, including the changes attributable to the hedged risk, are included in other comprehensive income.

The following table presents the valuation technique, significant unobservable inputs, and quantitative information about the unobservable inputs used for fair value measurements of the financial instruments held by the Company and categorized within Level 3 of the fair value hierarchy as of the dates indicated:

| | Fair Value at | | | | | |
|---|---|---|---|---|---|---|
| (dollars in thousands) | December 31, 2024 | December 31, 2023 | Valuation Techniques(s) | Unobservable Input | Range of Inputs | Weighted Average |
| Interest rate lock commitments | $ 10 | $ 50 | Quoted or published market prices of similar instruments, adjusted for factors such as pull-through rate assumptions | Pull-through rate | 91 % - 100 % | 99 % |

Nonrecurring Basis:

The Company used the following methods and significant assumptions to estimate the fair value of each type of financial instrument:

*Collateral Dependent Individually Analyzed Loans* - Collateral dependent individually analyzed loans with a reserve are valued based on the fair value of the collateral less estimated costs to sell. These estimates are based on the most recently available appraisals by qualified licensed appraisers with certain adjustment made based on the type of property, age of appraisal, current status of the property, and other related factors to estimate the current value of the collateral (Level 3).

*Foreclosed Assets, Net* - Foreclosed assets are measured at fair value less costs to sell. These estimates are based on the most recently available appraisals by qualified licensed appraisers with certain adjustment made based on the type of property, age of appraisal, current status of the property, and other related factors to estimate the current value of the collateral (Level 3).

The following table presents assets measured at fair value on a nonrecurring basis as of the dates indicated:

| | Fair Value Measurement at December 31, 2024 Using | | | |
|---|---|---|---|---|
| (dollars in thousands) | Total | Level 1 | Level 2 | Level 3 |
| Collateral dependent individually analyzed loans | $ 10,697 | $ — | $ — | $ 10,697 |
| Foreclosed assets, net | 3,337 | — | — | 3,337 |

| | Fair Value Measurement at December 31, 2023 Using | | | |
|---|---|---|---|---|
| (dollars in thousands) | Total | Level 1 | Level 2 | Level 3 |
| Collateral dependent individually analyzed loans | $ 6,524 | $ — | $ — | $ 6,524 |
| Foreclosed assets, net | 3,929 | — | — | 3,929 |

The following presents the valuation technique(s), unobservable inputs, and quantitative information about the unobservable inputs used for fair value measurements of the financial instruments held by the Company and categorized within Level 3 of the fair value hierarchy as of the date indicated:

| | Fair Value at | | | | | |
|---|---|---|---|---|---|---|
| (dollars in thousands) | December 31, 2024 | December 31, 2023 | Valuation Techniques(s) | Unobservable Input | Range of Inputs | Weighted Average |
| Collateral dependent individually analyzed loans | $ 10,697 | $ 6,524 | Fair value of collateral | Valuation adjustments | — % - 24 % | 6 % |
| Foreclosed assets, net | 3,337 | 3,929 | Fair value of collateral | Valuation adjustments | 19 % - 19 % | 19 % |

Changes in assumptions or estimation methodologies may have a material effect on these estimated fair values.

Other Fair Value Methods:

*Cash and Cash Equivalents, Interest Receivable, Short-term Borrowings, Finance Lease Payable, and Other Long-Term Debt* - The carrying amounts of these financial instruments approximate their fair values.

*Loans Held for Sale* - Loans held for sale are carried at the lower of cost or fair value, with fair value being based on binding contracts from third party investors (Level 2). The portfolio has historically consisted primarily of residential real estate loans.

*Loans Held for Investment, Net* - The estimated fair value of loans, net, was performed using the income approach, with the asset approach used for certain nonperforming loans, resulting in a Level 3 fair value classification.

*FHLB stock* - Investments in FHLB stock are recorded at cost and measured for impairment quarterly. Ownership of FHLB stock is restricted to member banks and the securities do not have a readily determinable market value. Purchases and sales of these securities are at par value with the issuer. The fair value of investments in FHLB stock is equal to the carrying amount.

*Deposits* - Deposits are carried at historical cost. The fair values of deposits with no stated maturity (defined as noninterest-bearing demand, interest checking, money market, and savings accounts) are equal to the amount payable on demand as of the balance sheet date and considered Level 1. The fair value of time deposits is based on the discounted value of contractual cash flows and considered Level 2. The discount rate is estimated using the rates currently offered for deposits of similar remaining maturities.

*FHLB Borrowings* - Borrowings are carried at amortized cost. The fair value of FHLB borrowings is calculated by discounting scheduled cash flows through the maturity dates or call dates, if applicable, using estimated market discount rates that reflect current rates offered for borrowings with similar remaining maturities and characteristics and are considered Level 2.

*Junior Subordinated Notes Issued to Capital Trusts* - Junior subordinated notes issued to capital trusts are carried at amortized cost. The fair value of these junior subordinated notes with variable rates is determined using a market discount rate on the expected cash flows and are considered Level 2.

*Subordinated Debentures* - Subordinated debentures are carried at amortized cost. The fair value of subordinated debentures is based on discounted cash flows on current borrowing rates being offered for similar subordinated debenture deals and considered Level 2.

The carrying amount and estimated fair value of financial instruments at December 31, 2024 and December 31, 2023 were as follows:

| | December 31, 2024 | | | | |
|---|---|---|---|---|---|
| **(dollars in thousands)** | **Carrying Amount** | **Estimated Fair Value** | **Level 1** | **Level 2** | **Level 3** |
| **Financial assets:** | | | | | |
| Cash and cash equivalents | $ 204,895 | $ 204,895 | $ 204,895 | $ — | $ — |
| Debt securities available for sale | 1,328,433 | 1,328,433 | — | 1,328,433 | — |
| Loans held for sale | 749 | 758 | — | 758 | — |
| Loans held for investment, net | 4,260,427 | 4,156,142 | — | — | 4,156,142 |
| Interest receivable | 26,467 | 26,467 | — | 26,467 | — |
| FHLB stock | 5,156 | 5,156 | — | 5,156 | — |
| Derivative assets | 24,397 | 24,397 | — | 24,387 | 10 |
| **Financial liabilities:** | | | | | |
| Noninterest bearing deposits | 951,423 | 951,423 | 951,423 | — | — |
| Interest bearing deposits | 4,526,559 | 4,508,773 | 3,132,728 | 1,376,045 | — |
| Short-term borrowings | 3,186 | 3,186 | 3,186 | — | — |
| Finance leases payable | 398 | 398 | — | 398 | — |
| FHLB borrowings | 4,239 | 4,064 | — | 4,064 | — |
| Junior subordinated notes issued to capital trusts | 42,471 | 37,845 | — | 37,845 | — |
| Subordinated debentures | 64,268 | 63,469 | — | 63,469 | — |
| Other long-term debt | 2,000 | 2,000 | — | 2,000 | — |
| Derivative liabilities | 21,712 | 21,712 | — | 21,712 | — |

| (dollars in thousands) | December 31, 2023 Carrying Amount | Estimated Fair Value | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|
| **Financial assets:** | | | | | |
| Cash and cash equivalents | $ 81,727 | $ 81,727 | $ 81,727 | $ — | $ — |
| Debt securities available for sale | 795,134 | 795,134 | — | 795,134 | — |
| Debt securities held to maturity | 1,075,190 | 895,263 | — | 895,263 | — |
| Loans held for sale | 1,045 | 1,083 | — | 1,083 | — |
| Loans held for investment, net | 4,075,447 | 3,953,368 | — | — | 3,953,368 |
| Interest receivable | 29,768 | 29,768 | — | 29,768 | — |
| FHLB stock | 5,806 | 5,806 | — | 5,806 | — |
| Derivative assets | 25,093 | 25,093 | — | 25,043 | 50 |
| **Financial liabilities:** | | | | | |
| Noninterest bearing deposits | 897,053 | 897,053 | 897,053 | — | — |
| Interest bearing deposits | 4,498,620 | 4,489,322 | 3,076,582 | 1,412,740 | — |
| Short-term borrowings | 300,264 | 300,264 | 300,264 | — | — |
| Finance leases payable | 604 | 604 | — | 604 | — |
| FHLB borrowings | 6,262 | 6,199 | — | 6,199 | — |
| Junior subordinated notes issued to capital trusts | 42,293 | 37,938 | — | 37,938 | — |
| Subordinated debentures | 64,137 | 61,940 | — | 61,940 | — |
| Other long-term debt | 10,000 | 10,000 | — | 10,000 | — |
| Derivative liabilities | 24,057 | 24,057 | — | 24,057 | — |

## Note 21. Revenue Recognition

Substantially all of the Company’s revenue is generated from contracts with customers. Topic 606 does not apply to revenue associated with financial instruments, including revenue from loans and securities. In addition, certain noninterest income streams such as fees associated with mortgage servicing rights, financial guarantees, derivatives, and certain credit card fees are also not in the scope of Topic 606. Noninterest revenue streams in-scope of Topic 606 are discussed below.

*Trust and Asset Management*
Trust and asset management income is primarily comprised of fees earned from the management and administration of trusts and other customer assets. The Company’s performance obligation is generally satisfied over time, and the resulting fees are recognized monthly, based upon the month-end market value of the assets under management and the applicable fee rate. Payment is generally received a few days after month end through a direct charge to customers’ accounts. The Company does not earn performance-based incentives. Optional services such as real estate property management and tax return preparation services are also available to existing trust and asset management customers. The Company’s performance obligation for these transactional-based services is generally satisfied, and related revenue recognized, at a point in time (i.e., as incurred). Payment is received shortly after services are rendered.

*Service Charges on Deposit Accounts*
Service charges on deposit accounts consist of account analysis fees (i.e., net fees earned on analyzed business and public checking accounts), monthly service fees, check orders, and other deposit account related fees. The Company’s performance obligation for account analysis fees and monthly service fees is generally satisfied, and the related revenue recognized, over the period in which the service is provided. Check orders and other deposit account related fees are largely transactional based, and therefore, the Company’s performance obligation is satisfied, and related revenue recognized, at a point in time. Payment for service charges on deposit accounts is primarily received immediately or in the following month through a direct charge to customers’ accounts.

*Fees, Exchange, and Other Service Charges*
Fees, exchange, and other service charges are primarily comprised of debit and credit card income, ATM fees, merchant services income, and other service charges. Debit and credit card income is primarily comprised of interchange fees earned whenever the Company’s debit and credit cards are processed through card payment networks such as Visa. ATM fees are primarily generated when a Company cardholder uses a non-Company ATM or a non-Company cardholder uses a Company ATM. Merchant services income mainly represents fees charged to merchants to process their debit and credit card transactions, in addition to account management fees. Other service charges include revenue from processing wire transfers, bill pay service,

cashier's checks, and other services. The Company's performance obligation for fees, exchange, and other service charges are largely satisfied, and related revenue recognized, when the services are rendered or upon completion. Payment is typically received immediately or in the following month.

*Gains/Losses on Sales of Foreclosed Assets*
Gain or loss from the sale of foreclosed assets occurs when control of the property transfers to the buyer, which generally occurs at the time of an executed deed. When the Company finances the sale of foreclosed assets to the buyer, the Company assesses whether the buyer is committed to perform their obligations under the contract and whether collectability of the transaction price is probable. Once these criteria are met, the foreclosed assets are derecognized and the gain or loss on sale is recorded upon the transfer of control of the property to the buyer. In determining the gain or loss on the sale, the Company adjusts the transaction price and related gain (loss) on sale if a significant financing component is present.

*Other*
Other noninterest income consists of other recurring revenue streams such as safe deposit box rental fees, and other miscellaneous revenue streams. Safe deposit box rental fees are charged to the customer on an annual basis and recognized upon receipt of payment. The Company determined that since rentals and renewals occur fairly consistently over time, revenue is recognized on a basis consistent with the duration of the performance obligation.

*Contract Balances*
A contract asset balance occurs when an entity performs a service for a customer before the customer pays consideration (resulting in a contract receivable) or before payment is due (resulting in a contract asset). A contract liability balance is an entity's obligation to transfer a service to a customer for which the entity has already received payment (or payment is due) from the customer. The Company's noninterest revenue streams are largely based on transactional activity, or standard month-end revenue accruals such as asset management fees based on month-end market values. Consideration is often received immediately or shortly after the Company satisfies its performance obligation and revenue is recognized. The Company does not typically enter into long-term revenue contracts with customers, and therefore, does not experience significant contract balances. As of December 31, 2024 and December 31, 2023, the Company did not have any significant contract balances.

*Contract Acquisition Costs*
In connection with the adoption of Topic 606, an entity is required to capitalize, and subsequently amortize into expense, certain incremental costs of obtaining a contract with a customer if these costs are expected to be recovered. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, sales commission). The Company utilizes the practical expedient which allows entities to immediately expense contract acquisition costs when the asset that would have resulted from capitalizing these costs would have been amortized in one year or less. Upon adoption of Topic 606, the Company did not capitalize any contract acquisition cost.

## Note 22. Leases

The Company's lease commitments consist primarily of real estate property for banking offices and office space with terms extending through 2045. Substantially all of our leases are classified as operating leases, with the Company holding only one existing finance lease for a banking office location with a lease term through 2026.

| (dollars in thousands) | Classification | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| Operating lease right-of-use assets | Other assets | $ 1,576 | $ 2,337 |
| Finance lease right-of-use asset | Premises and equipment, net | 159 | 255 |
| Total right-of-use assets | | $ 1,735 | $ 2,592 |
| | | | |
| Operating lease liability | Other liabilities | $ 2,179 | $ 3,078 |
| Finance lease liability | Long-term debt | 398 | 604 |
| Total lease liabilities | | $ 2,577 | $ 3,682 |
| | | | |
| Weighted-average remaining lease term: | Operating leases | 12.26 years | 10.20 years |
| | Finance lease | 1.67 years | 2.67 years |
| Weighted-average discount rate: | Operating leases | 4.92 % | 4.43 % |
| | Finance lease | 8.89 % | 8.89 % |

The following table represents lease costs and other lease information for the periods indicated. As the Company elected, for all classes of underlying assets, not to separate lease and non-lease components and instead to account for them as a single lease component, the variable lease cost primarily represents variable payments such as common area maintenance and utilities.

| (dollars in thousands) | Years Ended December 31, 2024 | 2023 | 2022 |
|---|---|---|---|
| **Lease Costs** | | | |
| Operating lease cost | $ 982 | $ 1,182 | $ 1,165 |
| Variable lease cost | 37 | 28 | 56 |
| Interest on lease liabilities (1) | 44 | 61 | 76 |
| Amortization of right-of-use assets | 96 | 96 | 96 |
| Net lease cost | $ 1,159 | $ 1,367 | $ 1,393 |
| **Other Information** | | | |
| Cash paid for amounts included in the measurement of lease liabilities: | | | |
| Operating cash flows from operating leases | $ 1,239 | $ 1,265 | $ 1,186 |
| Operating cash flows from finance lease | 44 | 61 | 76 |
| Finance cash flows from finance lease | 206 | 183 | 164 |
| Supplemental non-cash information on lease liabilities: | | | |
| Right-of-use assets obtained in exchange for new operating lease liabilities | 253 | 857 | 638 |

(1) Included in long-term debt interest expense in the Company's consolidated statements of income. All other lease costs in this table are included in occupancy expense of premises, net.

Future minimum payments for finance leases and operating leases with initial or remaining terms of one year or more as of December 31, 2024 were as follows:

| (dollars in thousands) | Finance Leases | Operating Leases |
|---|---|---|
| Twelve Months Ended: | | |
| December 31, 2025 | $ 255 | $ 593 |
| December 31, 2026 | 172 | 447 |
| December 31, 2027 | — | 302 |
| December 31, 2028 | — | 138 |
| December 31, 2029 | — | 98 |
| Thereafter | — | 1,503 |
| Total undiscounted lease payment | $ 427 | $ 3,081 |
| Amounts representing interest | (29) | (902) |
| Lease liability | $ 398 | $ 2,179 |

## Note 23. Accumulated Other Comprehensive Income (Loss)

The following table summarizes the changes in accumulated other comprehensive income (loss) by component, net of tax:

| (dollars in thousands) | Unrealized Gain (Loss) from AFS Debt Securities | Reclassification of AFS Debt Securities to HTM | Unrealized Gain from Cash Flow Hedging Instruments | Total |
|---|---|---|---|---|
| **Balance, December 31, 2021** | $ (8,865) | $ — | $ — | $ (8,865) |
| Other comprehensive (loss) income before reclassifications | (82,788) | 2,805 | — | (79,983) |
| Amounts reclassified from AOCI | (199) | — | — | (199) |
| Net current-period other comprehensive (loss) income | (82,987) | 2,805 | — | (80,182) |
| **Balance, December 31, 2022** | $ (91,852) | $ 2,805 | $ — | $ (89,047) |
| Other comprehensive income before reclassifications | 7,782 | 1,706 | 1,846 | 11,334 |
| Amounts reclassified from AOCI | 14,155 | — | (1,341) | 12,814 |
| Net current-period other comprehensive income | 21,937 | 1,706 | 505 | 24,148 |
| **Balance, December 31, 2023** | $ (69,915) | $ 4,511 | $ 505 | $ (64,899) |
| Other comprehensive (loss) income before reclassifications | (113,939) | 1,005 | 2,164 | (110,770) |
| Amounts reclassified from AOCI | 104,988 | — | (2,081) | 102,907 |
| Net current-period other comprehensive (loss) income | (8,951) | 1,005 | 83 | (7,863) |
| **Balance, December 31, 2024** | $ (78,866) | $ 5,516 | $ 588 | $ (72,762) |

The following table presents reclassifications out of AOCI:

| | Years Ended December 31, | | |
|---|---|---|---|
| (dollars in thousands) | 2024 | 2023 | 2022 |
| Investment securities losses (gains), net | $ 139,952 | $ 19,768 | $ (271) |
| Interest income | 594 | (819) | — |
| Interest expense | (2,786) | (1,795) | — |
| Income tax expense | (34,853) | (4,340) | 72 |
| **Net of tax** | $ 102,907 | $ 12,814 | $ (199) |

## Note 24. Operating Segments

The Company’s activities are considered to be one operating segment. This determination was based upon factors such as: the Company’s organizational structure, the reporting package provided to the Company’s chief operating decision maker (“CODM”), methodology for the allocation of resources, and the level at which budgets are reviewed and approved by the CODM. The Company is engaged in the business of commercial and retail banking and private wealth and investment management services with operations throughout central and eastern Iowa, the Minneapolis/St. Paul metropolitan area of Minnesota, southwestern Wisconsin, and Denver, Colorado. Substantially all income is derived from a diverse base of commercial, mortgage and retail lending activities, investment securities, and fee income.

The accounting policies of the reportable segment are the same as those described in Note 1. Nature of Business and Significant Accounting Policies.

The Company’s chief executive officer is the CODM. The CODM assesses performance for the reportable segment and decides how to allocate resources based on net income that is reported in the consolidated statements of income. The CODM uses net income to evaluate income generated from segment assets (return on assets) to make decisions about allocating capital, such as to the business, for acquisitions, or to pay dividends. Additionally, net income is used by the CODM to monitor budget versus actual results on a monthly basis.

The following table summarizes segment revenue, segment profit or loss and significant segment expenses for the years ended December 31, 2024, 2023, and 2022:

| | Years Ended December 31, | | |
|---|---|---|---|
| **(dollars in thousands)** | **2024** | **2023** | **2022** |
| Interest income | $ 294,274 | $ 249,613 | $ 196,759 |
| Interest expense | 136,737 | 105,441 | 30,401 |
| Net interest income | 157,537 | 144,172 | 166,358 |
| Noninterest (loss) income | (88,247) | 18,423 | 47,519 |
| Total revenue | 69,290 | 162,595 | 213,877 |
| Less: | | | |
| Compensation and employee benefits | 82,542 | 76,410 | 78,103 |
| Occupancy expense of premises, net[2] | 10,463 | 10,034 | 10,272 |
| Equipment[2] | 10,304 | 9,195 | 8,693 |
| Legal and professional | 9,107 | 7,365 | 8,646 |
| Data processing | 6,304 | 5,799 | 5,574 |
| Amortization of intangibles | 6,149 | 6,247 | 6,069 |
| Other segment items[1] | 19,627 | 16,863 | 15,431 |
| Credit loss expense | 8,782 | 5,849 | 4,492 |
| Income tax (benefit) expense | (23,699) | 3,974 | 15,762 |
| Net (loss) income | $ (60,289) | $ 20,859 | $ 60,835 |

(1) Other segment items included in segment net (loss) income includes marketing, FDIC insurance, communications, foreclosed assets, net and other expense.
(2) Included in occupancy expense of premises, net and equipment is depreciation expense of $5.2 million, $5.1 million, and $5.1 million, for the years ended December 31, 2024, 2023, and 2022, respectively.

**Note 25. Parent Company Only Financial Information**

The following are condensed balance sheets of MidWest*One* Financial Group, Inc. as of December 31, 2024 and December 31, 2023 (parent company only):

| | As of December 31, | |
|---|---|---|
| **(dollars in thousands)** | **2024** | **2023** |
| **Assets** | | |
| Cash | $ 4,790 | $ 19,818 |
| Investment in subsidiaries | 660,512 | 618,950 |
| Other assets | 7,374 | 4,094 |
| Total assets | $ 672,676 | $ 642,862 |
| | | |
| **Liabilities and Shareholders' Equity** | | |
| Long-term debt | $ 108,739 | $ 116,430 |
| Other liabilities | 4,241 | 2,054 |
| Total liabilities | 112,980 | 118,484 |
| Total shareholders' equity | 559,696 | 524,378 |
| Total liabilities and shareholders' equity | $ 672,676 | $ 642,862 |

The following are condensed statements of income of MidWest*One* Financial Group, Inc. for the years ended December 31, 2024, 2023, and 2022 (parent company only):

| | Year Ended December 31, | | |
|---|---|---|---|
| (dollars in thousands) | 2024 | 2023 | 2022 |
| **Income** | | | |
| Dividends received from subsidiaries | $ 51,500 | $ 36,500 | $ 36,000 |
| Interest and other income | 138 | 153 | 3,349 |
| Total income | 51,638 | 36,653 | 39,349 |
| **Expense** | | | |
| Interest expense | 8,424 | 8,268 | 6,342 |
| Compensation and employee benefits | 2,428 | 2,860 | 2,976 |
| Other | 1,521 | 1,214 | 2,960 |
| Total expenses | 12,373 | 12,342 | 12,278 |
| Income before income taxes and equity in subsidiaries' undistributed income | 39,265 | 24,311 | 27,071 |
| Income tax benefit | 2,389 | 2,573 | 1,768 |
| Equity in subsidiaries' undistributed (loss) income | (101,943) | (6,025) | 31,996 |
| **Net (loss) income** | $ (60,289) | $ 20,859 | $ 60,835 |

The following are condensed statements of cash flows of MidWest*One* Financial Group, Inc. for the years ended December 31, 2024, 2023, and 2022 (parent company only):

| | Year Ended December 31, | | |
|---|---|---|---|
| (dollars in thousands) | 2024 | 2023 | 2022 |
| **Operating Activities:** | | | |
| Net (loss) income | $ (60,289) | $ 20,859 | $ 60,835 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Equity in undistributed earnings of subsidiary | 101,943 | 6,025 | (31,996) |
| Share-based compensation | 1,900 | 2,403 | 2,541 |
| Net change in other assets and other liabilities | 91 | 732 | (433) |
| **Net cash provided by operating activities** | $ 43,645 | $ 30,019 | $ 30,947 |
| **Investing Activities:** | | | |
| Proceeds from sales of equity securities | $ — | $ — | $ 14 |
| Purchases of equity securities | (875) | (1,125) | (1,250) |
| Net cash paid in business acquisition | (32,478) | — | (44,955) |
| Investment in subsidiary | (118,890) | — | — |
| **Net cash used in investing activities** | $ (152,243) | $ (1,125) | $ (46,191) |
| **Financing Activities:** | | | |
| Proceeds from other long-term debt | $ — | $ — | $ 25,000 |
| Payments of other long-term debt | (8,000) | (5,000) | (10,000) |
| Taxes paid relating to the release/lapse of restriction on RSUs | (554) | (609) | (281) |
| Proceeds from issuance of common stock | 118,890 | — | — |
| Payment of stock issuance costs | (257) | — | — |
| Dividends paid | (16,509) | (15,216) | (14,870) |
| Repurchase of common stock | — | — | (2,725) |
| **Net cash provided by (used in) financing activities** | $ 93,570 | $ (20,825) | $ (2,876) |
| **Net (decrease) increase in cash** | $ (15,028) | $ 8,069 | $ (18,120) |
| Cash and cash equivalents at beginning of year | 19,818 | 11,749 | 29,869 |
| **Cash and cash equivalents at end of year** | $ 4,790 | $ 19,818 | $ 11,749 |

**Note 26. Subsequent Events**

Management evaluated subsequent events through the date the consolidated financial statements were issued. Events or transactions occurring after December 31, 2024, but prior to the date the consolidated financial statements were issued, that provided additional evidence about conditions that existed at December 31, 2024 have been recognized in the consolidated financial statements for the period ended December 31, 2024. Events or transactions that provided evidence about conditions that did not exist at December 31, 2024, but arose before the consolidated financial statements were issued, have not been recognized in the consolidated financial statements for the period ended December 31, 2024.

On January 22, 2024, the Board of Directors of the Company declared a cash dividend of $0.2425 per share payable on March 17, 2025 to shareholders of record as of the close of business on March 3, 2025.

**Note 27. Quarterly Results of Operations (unaudited)**

| | Three Months Ended | | | |
|---|---|---|---|---|
| (dollars in thousands, except per share amounts) | December 31 | September 30 | June 30 | March 31 |
| **2024** | | | | |
| Interest income | $ 78,267 | $ 73,696 | $ 72,776 | $ 69,535 |
| Interest expense | 29,329 | 36,175 | 36,429 | 34,804 |
| Net interest income | 48,938 | 37,521 | 36,347 | 34,731 |
| Credit loss expense | 1,291 | 1,535 | 1,267 | 4,689 |
| Noninterest income (loss) | 10,837 | (130,388) | 21,554 | 9,750 |
| Noninterest expense | 37,372 | 35,798 | 35,761 | 35,565 |
| Income before income tax expense (benefit) | 21,112 | (130,200) | 20,873 | 4,227 |
| Income tax expense (benefit) | 4,782 | (34,493) | 5,054 | 958 |
| Net income (loss) | $ 16,330 | $ (95,707) | $ 15,819 | $ 3,269 |
| Earnings (loss) per common share | | | | |
| Basic | $ 0.79 | $ (6.05) | $ 1.00 | $ 0.21 |
| Diluted | $ 0.78 | $ (6.05) | $ 1.00 | $ 0.21 |
| **2023** | | | | |
| Interest income | $ 65,386 | $ 63,572 | $ 61,350 | $ 59,305 |
| Interest expense | 32,827 | 28,997 | 24,388 | 19,229 |
| Net interest income | 32,559 | 34,575 | 36,962 | 40,076 |
| Credit loss expense | 1,768 | 1,551 | 1,597 | 933 |
| Noninterest income (loss) | 3,862 | 9,861 | 8,746 | (4,046) |
| Noninterest expense | 32,131 | 31,544 | 34,919 | 33,319 |
| Income before income tax expense | 2,522 | 11,341 | 9,192 | 1,778 |
| Income tax (benefit) expense | (208) | 2,203 | 1,598 | 381 |
| Net income | $ 2,730 | $ 9,138 | $ 7,594 | $ 1,397 |
| Earnings per common share | | | | |
| Basic | $ 0.17 | $ 0.58 | $ 0.48 | $ 0.09 |
| Diluted | $ 0.17 | $ 0.58 | $ 0.48 | $ 0.09 |

## ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

## ITEM 9A. CONTROLS AND PROCEDURES.

**Disclosure Controls and Procedures**

The Company's management, including the Chief Executive Officer, Chief Financial Officer, and Chief Accounting Officer, evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) or Rule 15d-15(e) under the Exchange Act) as of December 31, 2024, the end of the fiscal year covered by this Annual Report on Form 10-K, that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including the Company's Chief Executive Officer, Chief Financial Officer, and Chief Accounting Officer, to allow timely decisions regarding required disclosure. Based on this evaluation, the Chief Executive Officer, Chief Financial Officer, and Chief Accounting Officer have concluded that the Company's disclosure controls and procedures were effective as of December 31, 2024.

**Changes in Internal Control over Financial Reporting**

There were no changes in the Company's internal controls over financial reporting (as defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act) that occurred during the quarter ended December 31, 2024 that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

**Management's Annual Report on Internal Control over Financial Reporting**

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) to provide reasonable assurance to the Company's management and Board regarding the preparation of reliable published financial statements. Internal control over financial reporting includes self-monitoring mechanisms and taking action to correct deficiencies as they are identified. Because of inherent limitations in any system of internal control, no matter how well designed, misstatements due to error or fraud may occur and not be detected, including the possibility of the circumvention or overriding of controls. Accordingly, even effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, internal control effectiveness may vary over time.

Management assessed the Company's internal control over financial reporting as of December 31, 2024. This assessment was based on criteria for effective internal control over financial reporting described in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. Based on this assessment, the Chief Executive Officer, Chief Financial Officer, and Chief Accounting Officer, assert that the Company maintained effective internal control over financial reporting as of December 31, 2024 based on the specified criteria.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2024 has been audited by RSM US LLP, the independent registered public accounting firm who also has audited the Company's consolidated financial statements included in this Annual Report on Form 10-K. RSM US LLP's attestation report on the Company's internal control over financial reporting appears on the following page.

# Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of MidWest*One* Financial Group, Inc.

**Opinion on the Internal Control Over Financial Reporting**

We have audited MidWest*One* Financial Group, Inc.'s (the Company) internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2024, and the related notes to the consolidated financial statements of the Company and our report dated March 11, 2025 expressed an unqualified opinion.

**Basis for Opinion**

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

**Definition and Limitations of Internal Control Over Financial Reporting**

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ RSM US LLP

Des Moines, Iowa
March 11, 2025

## ITEM 9B. OTHER INFORMATION.

**Insider Trading Policy and Guidelines with Respect to Certain Transactions in Company Securities**

On January 23, 2024, the Board approved the amended Insider Trading Policy and corresponding Guidelines with Respect to Certain Transactions in Company Securities of MidWest*One* Financial Group, Inc. governing the purchase, sale, and/or other dispositions of its securities by directors, officers, and employees, as well as by the Company itself, that is designed to promote compliance with insider trading laws, rules, and regulations and any applicable listing standards. This amended policy is included as Exhibit 19.1 to this Annual Report on Form 10-K.

**Rule 10b5-1 Trading Plans**

During the fiscal quarter ended December 31, 2024, none of the Company's directors or executive officers adopted or terminated any contract, instruction, or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

## ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not Applicable.

# PART III

## ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

The information required by this Item 10 will be included in the Company's Definitive Proxy Statement for the 2025 Annual Meeting of Shareholders under the headings "Proposal 1: Election of Directors," "Information About Nominees, Continuing Directors and Named Executive Officers," "Corporate Governance and Board Matters," "Delinquent Section 16(a) Reports," and "Shareholder Communications with the Board and Nomination and Proposal Procedures" and is incorporated herein by reference. The Definitive Proxy Statement will be filed with the SEC pursuant to Regulation 14A within 120 days of the end of the Company's 2024 fiscal year.

## ITEM 11. EXECUTIVE COMPENSATION.

The information required by this Item 11 will be included in the Company's Definitive Proxy Statement for the 2025 Annual Meeting of Shareholders under the headings "Compensation Discussion and Analysis," "Human Capital and Compensation Committee Report," "Executive Compensation," "Director Compensation" and "Policies and Practices Related to the Grant of Certain Equity Awards" and is incorporated herein by reference. The Definitive Proxy Statement will be filed with the SEC pursuant to Regulation 14A within 120 days of the end of the Company's 2024 fiscal year.

## ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The information required by this Item 12 will be included in the Company's Definitive Proxy Statement for the 2025 Annual Meeting of Shareholders under the headings "Security Ownership of Certain Beneficial Owners and Management" and "Equity Compensation Plan Information" and is incorporated herein by reference. The Definitive Proxy Statement will be filed with the SEC pursuant to Regulation 14A within 120 days of the end of the Company's 2024 fiscal year.

## ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

The information required by this Item 13 will be included in the Company's Definitive Proxy Statement for the 2025 Annual Meeting of Shareholders under the headings "Corporate Governance and Board Matters" and "Certain Relationships and Related-Person Transactions" and is incorporated herein by reference. The Definitive Proxy Statement will be filed with the SEC pursuant to Regulation 14A within 120 days of the end of the Company's 2024 fiscal year.

## ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES (PCAOB ID: 49).

The information required by this Item 14 will be included in the Company's Definitive Proxy Statement for the 2025 Annual Meeting of Shareholders under the caption "Proposal 3: Ratification of Appointment of Independent Registered Public Accounting Firm" and is incorporated herein by reference. The Definitive Proxy Statement will be filed with the SEC pursuant to Regulation 14A within 120 days of the end of the Company's 2024 fiscal year.

# PART IV

## ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) The following documents are filed as part of this report:

(1) Financial Statements: The following consolidated financial statements of the registrant are filed as part of this document under "Item 8. Financial Statements and Supplementary Data."

Report of Independent Registered Accounting Firm (PCAOB ID: 49)
Consolidated Balance Sheets - December 31, 2024 and 2023
Consolidated Statements of Income - Years Ended December 31, 2024, 2023, and 2022
Consolidated Statements of Comprehensive Income - Years Ended December 31, 2024, 2023, and 2022
Consolidated Statements of Shareholders' Equity - Years Ended December 31, 2024, 2023, and 2022
Consolidated Statements of Cash Flows - Years Ended December 31, 2024, 2023, and 2022
Notes to Consolidated Financial Statements

(2) Financial Statement Schedules:

All schedules are omitted as such information is inapplicable or is included in the financial statements.

(3) Exhibits:

The exhibits are filed as part of this report and exhibits incorporated herein by reference to other documents are as follows:

| Exhibit Number | Description | Incorporated by Reference to: |
|---|---|---|
| 2.1 | Agreement and Plan of Merger dated November 1, 2021, by and among MidWest*One* Financial Group, Inc., IFBC Acquisition Corp., and Iowa First Bancshares Corp.^ | Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the SEC on November 1, 2021 |
| 3.1 | Amended and Restated Articles of Incorporation of MidWest*One* Financial Group, Inc. filed with the Secretary of State of the State of Iowa on March 14, 2008 | Exhibit 3.3 to the Company's Amendment No. 1 to Registration Statement on Form S-4 (File No. 333-147628) filed with the SEC on January 14, 2008 |
| 3.2 | Articles of Amendment (First Amendment) to the Amended and Restated Articles of Incorporation of MidWest*One* Financial Group, Inc. filed with the Secretary of State of the State of Iowa on January 23, 2009 | Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on January 23, 2009 |
| 3.3 | Articles of Amendment (Second Amendment) to the Amended and Restated Articles of Incorporation of MidWest*One* Financial Group, Inc. filed with the Secretary of State of the State of Iowa on February 4, 2009 (containing the Certificate of Designations for the Company's Fixed Rate Cumulative Perpetual Preferred Stock, Series A) | Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on February 6, 2009 |
| 3.4 | Articles of Amendment (Third Amendment) to the Amended and Restated Articles of Incorporation of MidWest*One* Financial Group, Inc., filed with the Secretary of State of the State of Iowa on April 21, 2017 | Exhibit 3.1 to the Company's Form 10-Q for the quarter ended March 31, 2017, filed with the SEC on May 4, 2017 |
| 3.5 | Third Amended and Restated Bylaws, as Amended of MidWest*One* Financial Group, Inc. as of October 18, 2022 | Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on October 19, 2022 |
| 4.1 | Reference is made to Exhibits 3.1 through 3.5 hereof | N/A |
| 4.2 | Description of the Company's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 | Exhibit 4.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on March 13, 2023 |

| Exhibit Number | Description | Incorporated by Reference to: |
|---|---|---|
| 4.3 | Indenture, dated July 28, 2020, by and between MidWest*One* Financial Group, Inc. and U.S. Bank National Association, as trustee | Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on July 29, 2020 |
| 4.4 | Forms of 5.75% Fixed-to-Floating Rate Subordinated Note due 2030 (included as Exhibit A-1 and Exhibit A-2 to the Indenture filed as Exhibit 4.3 hereto) | Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on July 29, 2020 |
| 10.1 | MidWest*One* Financial Group, Inc. Employee Stock Ownership Plan and Trust (Restated as of January 1, 2013)* | Exhibit 10.1 to the Company's Annual Report on Form 10-K filed with the SEC on March 6, 2020 |
| 10.2 | MidWest*One* Financial Group, Inc. 2017 Equity Incentive Plan* | Appendix A of the Company's Definitive Proxy Statement on Schedule 14A filed with the SEC on March 10, 2017 |
| 10.3 | Form of MidWest*One* Financial Group, Inc. 2017 Equity Incentive Plan Restricted Stock Unit Award Agreement* | Exhibit 10.4 to the Company's Annual Report on Form 10-K filed with the SEC on March 11, 2021 |
| 10.4 | Form of MidWest*One* Financial Group, Inc. 2017 Equity Incentive Plan Performance-Based Restricted Stock Unit Award Agreement* | Exhibit 10.5 to the Company's Annual Report on Form 10-K filed with the SEC on March 11, 2021 |
| 10.5 | Supplemental Retirement Agreement between Iowa State Bank & Trust Company (now known as MidWest*One* Bank) and Charles N. Funk, dated November 1, 2001* | Exhibit 10.13 of the Company's Registration Statement on Form S-4 (File No. 333-147628) filed with the SEC on November 27, 2007 |
| 10.6 | Credit Agreement by and between MidWest*One* Financial Group, Inc. and U.S. Bank National Association dated June 7, 2022 | Exhibit 10.8 to the Company's Annual Report on Form 10-K filed with the SEC on March 8, 2024 |
| 10.7 | First Amendment to the Credit Agreement by and between MidWest*One* Financial Group, Inc. and U.S. Bank National Association dated September 30, 2022 | Exhibit 10.9 to the Company's Annual Report on Form 10-K filed with the SEC on March 8, 2024 |
| 10.8 | Second Amendment to the Credit Agreement by and between MidWest*One* Financial Group, Inc. and U.S. Bank National Association dated September 19, 2023 | Exhibit 10.10 to the Company's Annual Report on Form 10-K filed with the SEC on March 8, 2024 |
| 10.9 | Third Amendment to the Credit Agreement by and between MidWest*One* Financial Group, Inc. and U.S. Bank National Association dated February 12, 2024 | Exhibit 10.11 to the Company's Annual Report on Form 10-K filed with the SEC on March 8, 2024 |
| 10.10 | Employment Agreement between MidWest*One* Financial Group, Inc. and Barry S. Ray, effective June 4, 2018* | Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on May 4, 2018 |
| 10.11 | Employment Agreement between MidWest*One* Financial Group, Inc. and Gary L. Sims, effective June 25, 2018* | Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on June 11, 2018 |
| 10.12 | Underwriting Agreement, dated September 26, 2024, by and between MidWest*One* Financial Group, Inc. and Keefe, Bruyette & Woods, Inc. | Exhibit 1.1 to the Company's Current Report on Form 8-K filed with the SEC on September 30, 2024 |

| Exhibit Number | Description | Incorporated by Reference to: |
|---|---|---|
| 10.13 | Employment Agreement between MidWest*One* Financial Group, Inc. and Paul Ho-Sing-Loy, effective September 12, 2024* | Filed herewith |
| 10.14 | Amended and Restated MidWest*One* Financial Group, Inc. Executive Deferred Compensation Plan, effective December 15, 2020* | Exhibit 10.16 to the Company's Annual Report on Form 10-K filed with the SEC on March 11, 2021 |
| 10.15 | Amended and Restated Employment Agreement between MidWest*One* Financial Group, Inc. and Len D. Devaisher, dated March 8, 2022* | Exhibit 10.18 to the Company's Annual Report on Form 10-K filed with the SEC on March 10, 2022 |
| 10.16 | Letter Agreement which revises the Amended and Restated Employment Agreement between MidWest*One* Financial Group, Inc. and Len D. Devaisher, dated September 27, 2022* | Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on September 29, 2022 |
| 10.17 | Employment Agreement between MidWest*One* Financial Group, Inc. and Charles N. Reeves, dated November 1, 2022* | Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on October 19, 2022 |
| 10.18 | MidWest*One* Financial Group, Inc. 2023 Equity Incentive Plan* | Exhibit 4.6 to the Company's Form S-8 filed with the SEC on May 5, 2023 |
| 10.19 | Amended Form of MidWest*One* Financial Group, Inc. 2023 Equity Incentive Plan Restricted Stock Unit Award Agreement* | Filed herewith |
| 10.20 | Amended Form of MidWest*One* Financial Group, Inc. 2023 Equity Incentive Plan Performance-Based Restricted Stock Unit Award Agreement* | Filed herewith |
| 10.21 | MidWest*One* Bank Amended and Restated Executive Life Insurance Plan, effective December 1, 2023* | Filed herewith |
| 19.1 | Insider Trading Policy and Guidelines with Respect to Certain Transactions in Company Securities of MidWest*One* Financial Group, Inc., as amended January 23, 2024 | Exhibit 19.1 to the Company's Annual Report on Form 10-K filed with the SEC on March 8, 2024 |
| 21.1 | Subsidiaries of MidWest*One* Financial Group, Inc. | Filed herewith |
| 23.1 | Consent of RSM US LLP | Filed herewith |
| 31.1 | Certification of Principal Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) | Filed herewith |
| 31.2 | Certification of Principal Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) | Filed herewith |
| 31.3 | Certification of Principal Accounting Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) | Filed herewith |
| 32.1 | Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | Filed herewith |
| 32.2 | Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | Filed herewith |

| Exhibit Number | Description | Incorporated by Reference to: |
|---|---|---|
| 32.3 | Certification of Principal Accounting Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | Filed herewith |
| 97.1 | MidWestOne Financial Group, Inc. Clawback Policy | Exhibit 97.1 to the Company's Annual Report on Form 10-K filed with the SEC on March 8, 2024 |
| 101 | The following financial statements from the Company's Annual Report on Form 10-K for the year ended December 31, 2024, formatted in Inline XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Income (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Shareholders' Equity, (v) Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements, tagged as blocks of text and including detailed tags. | Filed herewith |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document | Filed herewith |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document | Filed herewith |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document | Filed herewith |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document | Filed herewith |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document | Filed herewith |
| 101.INS | The Inline XBRL Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document | Filed herewith |
| 104 | Cover Page Interactive Data File (formatted inline XBRL and contained in Exhibit 101) | Filed herewith |

* Indicates management contract or compensatory plan or arrangement.

^ The schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K and will be provided to the SEC upon request.

## ITEM 16. FORM 10-K SUMMARY.

None.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**MidWestOne Financial Group, Inc.**

| | | |
|---|---|---|
| Dated: March 11, 2025 | By: | /s/ CHARLES N. REEVES<br>Charles N. Reeves<br>Chief Executive Officer<br>(Principal Executive Officer) |
| | By: | /s/ BARRY S. RAY<br>Barry S. Ray<br>Chief Financial Officer<br>(Principal Financial Officer) |
| | By: | /s/ JOHN J. RUPPEL<br>John J. Ruppel<br>Chief Accounting Officer<br>(Principal Accounting Officer) |

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

| Signature | Title | Date |
|---|---|---|
| /s/ CHARLES N. REEVES<br>Charles N. Reeves | Chief Executive Officer; Director<br>(Principal Executive Officer) | March 11, 2025 |
| /s/ BARRY S. RAY<br>Barry S. Ray | Chief Financial Officer<br>(Principal Financial Officer) | March 11, 2025 |
| /s/ JOHN J. RUPPEL<br>John J. Ruppel | Chief Accounting Officer<br>(Principal Accounting Officer) | March 11, 2025 |
| /s/ KEVIN W. MONSON<br>Kevin W. Monson | Chairman of the Board | March 11, 2025 |
| /s/ AZEEMUDDIN AHMED<br>Azeemuddin Ahmed | Director | March 11, 2025 |
| /s/ LARRY D. ALBERT<br>Larry D. Albert | Director | March 11, 2025 |
| /s/ CARL J. CHANEY<br>Carl J. Chaney | Director | March 11, 2025 |
| /s/ CHARLES N. FUNK<br>Charles N. Funk | Director | March 11, 2025 |

| | | |
|---|---|---|
| /s/ JANET E. GODWIN<br>Janet E. Godwin | Director | March 11, 2025 |
| /s/ DOUGLAS H. GREEFF<br>Douglas H. Greeff | Director | March 11, 2025 |
| /s/ JENNIFER L. HAUSCHILDT<br>Jennifer L. Hauschildt | Director | March 11, 2025 |
| /s/ MATTHEW J. HAYEK<br>Matthew J. Hayek | Director | March 11, 2025 |
| /s/ RUTH E. HEINONEN<br>Ruth E. Heinonen | Director | March 11, 2025 |
| /s/ NATHANIEL J. KAEDING<br>Nathaniel J. Kaeding | Director | March 11, 2025 |
| /s/ TRACY S. MCCORMICK<br>Tracy S. McCormick | Director | March 11, 2025 |

**MidWest*One* Financial Group, Inc.**

**<u>Employment Agreement</u>**

This **Employment Agreement** ("**Agreement**") is made and entered into as of <u>September 12, 2024</u> (the "**Effective Date**"), by and between **MidWest*One* Financial Group, Inc.** (the "**Company**") and Paul Ho-Sing-Loy ("**Executive**," and together with the Company, the "**Parties**").

**RECITALS**

**A.** The Company desires to employ Executive pursuant to the terms of this Agreement.

**B.** The Executive desires to continue to be employed by the Company pursuant to the terms of this Agreement.

**C.** The Parties have made commitments to each other on a variety of important issues concerning Executive's employment, including the performance that will be expected of Executive, the compensation Executive will be paid, how long and under what circumstances Executive will remain employed and the financial details relating to any decision that either the Company or Executive may make to terminate this Agreement.

**AGREEMENTS**

In consideration of the foregoing and the mutual promises and covenants of the Parties set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby expressly covenant and agree as follows:

**1. <u>Employment Period</u>.** The Company shall continue to employ Executive during the Employment Period and Executive shall continue to remain in the employ of the Company and to provide services during the Employment Period in accordance with the terms of this Agreement. The "**Employment Period**" shall be the period beginning on the Effective Date and ending on December 31, 2025, unless sooner terminated as provided herein. The Employment Period shall automatically be extended for one (1) additional year beginning on January 1, 2025, and on each January 1 thereafter unless either Party notifies the other Party, by written notice delivered no later than ninety (90) days prior to such January 1, that the Employment Period shall not be extended for an additional year. Notwithstanding any provision of this Agreement to the contrary, if a Change in Control occurs during the Employment Period, this Agreement shall remain in effect for the two (2)-year period following the Change in Control and shall then terminate.

**2. <u>Duties</u>.** During the Employment Period, Executive shall devote Executive's full business time, energies and talents to serving as the Executive Vice President & Chief Information Officer of the Company and MidWestOne Bank, at the direction of the Company's Chief Executive Officer (the "**CEO**"). Executive shall have such duties and responsibilities as may be assigned to Executive from time to time by the CEO, which duties and responsibilities shall be commensurate with Executive's position, shall perform all duties assigned to Executive faithfully and efficiently, subject to the direction of the CEO and shall have such authorities and powers as are inherent to the undertakings applicable to Executive's position and necessary to carry out the responsibilities and duties required of Executive hereunder. Executive shall perform the duties required by this Agreement at the Company's Iowa City, Iowa headquarters unless the nature of such duties requires otherwise. Notwithstanding the foregoing provisions of this **Section 2**, during the Employment Period, Executive may devote reasonable time to activities other than those required under this Agreement, including activities of a charitable, educational, religious or similar nature (including professional associations) to the extent such activities do not, in the reasonable judgment of the CEO, inhibit, prohibit, interfere with or conflict with Executive's duties under this Agreement or conflict in any material way with the business of the Company or an Affiliate; provided, however, that Executive shall not serve on the board of directors of any business (other than the Company or an Affiliate) or hold any other position with any business without receiving the prior written consent of the CEO.

**3.** **Compensation and Benefits.** Subject to the terms of this Agreement, during the Employment Period, while Executive is employed by the Company, the Company shall compensate Executive for Executive's services as follows:

**(a)** Executive shall be compensated at an annual rate of three hundred twenty thousand dollars ($320,000.00) (the "**Annual Base Salary**"), which shall be payable in accordance with the normal payroll practices of the Company then in effect. Beginning on January 1, 2025, and on each anniversary of such date, Executive's Annual Base Salary shall be reviewed, and may be adjusted, by the Board.

**(b)** Executive shall be eligible to receive performance-based annual incentive bonuses (each, the "**Incentive Bonus**") from the Company for each fiscal year ending during the Employment Period. Any such Incentive Bonus shall be paid to Executive within thirty (30) days of the completion of the respective fiscal year audit by the Company's auditor, but in no event later than two and one-half (2½) months after the close of such fiscal year. Executive's annual Incentive Bonus opportunity shall be equal to forty percent (40%) of his Annual Base Salary; *provided, however,* that this amount may be reduced in an amount that will not give rise to a Good Reason under this Agreement.

**(c)** During the Employment Period, Executive shall be eligible to participate, subject to the terms thereof, in all incentive plans and programs of the Company, including such cash and deferred bonus programs and equity incentive plans as may be in effect from time to time with respect to senior executives employed by the Company, on as favorable a basis as other similarly situated senior executives. During the Employment Period, Executive and Executive's dependents, as the case may be, shall be eligible to participate, subject to the terms thereof, in all pension and similar benefit plans (including qualified, non-qualified and supplemental plans) and all medical, dental, vision, disability, group and executive life, accidental death and travel accident insurance and other similar welfare benefit plans and programs of the Company as may be in effect from time to time with respect to senior executives employed by the Company, on as favorable a basis as other similarly situated senior executives.

**(d)** Executive shall be entitled to accrue paid time off ("**PTO**") at a rate of no less than thirty (30) days of PTO per calendar year, subject to the Company's PTO programs and policies as may be in effect during the Employment Period.

**(e)** Executive shall be eligible to be reimbursed by the Company, on terms that are substantially similar to those that apply to other similarly situated senior executives employed by the Company, for reasonable out-of-pocket expenses for entertainment, travel, meals, lodging and similar items that are consistent with the Company's expense reimbursement policy and actually incurred by Executive in the promotion of the Company's business.

4. **<u>Rights upon Termination</u>.** Executive's right to benefits, if any, for periods after the Termination Date shall be determined in accordance with this **Section 4**:

**(a)** **<u>Minimum Benefits</u>.** If the Termination Date occurs during the Employment Period for any reason, Executive shall be entitled to the Minimum Benefits in addition to any other benefits to which Executive may be entitled under the following provisions of this **Section 4** or the express terms of any employee benefit plan or as required by law. Any benefits to be provided to Executive pursuant to this **Section 4(a)** shall be provided within thirty (30) days after the Termination Date; *provided*, *however*, that any benefits, incentives or awards payable as described in **Section 4(f)** shall be made in accordance with the provisions of the applicable plan, program or arrangement. Except as may otherwise be provided expressly to the contrary in this Agreement or as otherwise provided by law, nothing in this Agreement shall be construed as requiring Executive to be treated as employed by the Company following the Termination Date for purposes of any employee benefit plan or arrangement in which Executive may participate at such time.

**(b)** **<u>Termination for Cause, Death, Disability or Voluntary Resignation</u>.** If the Termination Date occurs during the Employment Period and is a result of a Termination for Cause, Executive's death or Disability, or termination by Executive other than for Good Reason, then, other than the Minimum Benefits, Executive shall have no right to benefits under this Agreement (and the Company shall have no obligation to provide any such benefits) for periods after the Termination Date.

**(c)** **<u>Termination other than for Cause or Termination for Good Reason</u>.** If Executive's employment with the Company is subject to a Termination other than during a Covered Period, then, in addition to Minimum Benefits, the Company shall provide Executive the following benefits:

(i) Commencing on the first Company payroll date that occurs on or following the sixtieth (60th) day following the Termination Date, Executive shall receive the Severance Amount (less any amount described in **Section 4(c)(ii)**), with such amount to be paid in twelve (12) substantially equal monthly installments (subject to the remaining provisions of this paragraph), with each successive payment being due on the next monthly payroll date following the first installment, *provided* that any such monthly installments that would have been paid in the sixty (60)-day period following the Termination Date but for the Release requirement in **Section 5** shall be paid on the first Company payroll date that occurs on or following the sixtieth (60th) day following the Termination Date, and the number of remaining substantially equal monthly installments to be made shall be reduced from twelve (12) by any such "catch-up" payments that are made.

(ii) To the extent any portion of the Severance Amount exceeds the "safe harbor" amount described in Treasury Regulation §1.409A-1(b)(9)(iii)(A), Executive shall receive such portion of the Severance Amount that exceeds the "safe harbor" amount in a single lump sum payment payable on the first Company payroll date that occurs on or following the sixtieth (60th) day following the Termination Date.

(iii) Executive (and Executive's dependents, as may be applicable) shall be entitled to the benefits described in **Section 4(e)**.

**(d)** **<u>Termination upon a Change in Control</u>.** If Executive's employment with the Company is subject to a Termination within a Covered Period, then, in addition to Minimum Benefits, the Company shall provide Executive the following benefits:

(i) On the sixtieth (60th) day following the Termination Date, the Company shall pay Executive a lump sum payment in an amount equal to the Severance Amount.

(ii) Executive (and Executive's dependents, as may be applicable) shall be entitled to the benefits provided in **Section 4(e)**.

**(e) <u>Medical, Dental and Vision Benefits</u>.** If Executive's employment with the Company is subject to a Termination, then to the extent that Executive or any of Executive's dependents may be covered under the terms of any medical, dental or vision plans of the Company (or any Affiliate) for active employees immediately prior to the Termination, then, for as long as Executive is eligible for and elects coverage under the health care continuation rules of COBRA, the Company shall provide Executive and those dependents with coverage equivalent to the coverage received while Executive was employed with the Company, with Executive required to pay the same amount as Executive would pay if Executive continued in employment with the Company during such period; *provided*, *however*, that such coverage shall be provided only to the extent that it does not result in any additional tax or other penalty being imposed on the Company or any Affiliate. The coverages under this **Section 4(e)** may be procured directly by the Company (or any Affiliate, if appropriate) apart from and outside of the terms of the respective plans, *provided* that Executive and Executive's dependents comply with all of the terms of the substitute medical, dental or vision plans, and *provided*, *further*, that the cost to the Company shall not exceed the cost for continued COBRA coverage. In the event Executive or any of Executive's dependents is or becomes eligible for coverage under the terms of any other medical and/or dental and/or vision plan of a subsequent employer with plan benefits that are comparable to Company (or any Affiliate) plan benefits, the Company's obligations under this **Section 4(e)** shall cease with respect to the eligible Executive and/or dependents. Executive and Executive's dependents must notify the Company (or any Affiliate) of any subsequent employment and provide information regarding medical and/or dental and/or vision coverage available.

**(f) <u>Other Benefits</u>.**

(i) Executive's rights following a termination of employment with the Company and its Affiliates for any reason with respect to any benefits, incentives or awards provided to Executive pursuant to the terms of any plan, program or arrangement sponsored or maintained by the Company or an Affiliate, whether tax-qualified or not, which are not specifically addressed herein, shall be subject to the terms of such plan, program or arrangement, and this Agreement shall have no effect upon such terms except as specifically provided herein.

(ii) Except as specifically provided herein, the Company shall have no further obligations to Executive under this Agreement following Executive's termination of employment for any reason.

**(g) <u>Removal from any Boards and Positions</u>.** Upon Executive's termination of employment for any reason under this Agreement, Executive shall be deemed to resign (i) if a member, from the Board and board of directors of any Affiliate and any other board to which Executive has been appointed or nominated by or on behalf of the Company, (ii) from each position with the Company or any Affiliate, including as an officer of the Company or any of its Affiliates and (iii) as a fiduciary of any employee benefit plan of the Company.

**5. <u>Release</u>.** Notwithstanding any provision of this Agreement to the contrary, no payments or benefits shall be owed to Executive under **Section 4(c), 4(d) or 4(e)** (except for the Minimum Benefits) unless Executive executes and delivers to the Company a Release within forty-five (45) days following the Termination Date, and any applicable revocation period has expired prior to the sixtieth (60th) day following the Termination Date.

**6. Excise Tax Limitation.**

**(a)** It is the intention of the Parties that no portion of any payment under this Agreement, or payments to or for the benefit of Executive under any other agreement or plan, be deemed to be an Excess Parachute Payment. The present value of payments to or for the benefit of Executive in the nature of compensation, receipt of which is contingent on a Change in Control, and to which Code Section 280G applies (in the aggregate "**Total Payments**") shall not exceed an amount equal to one dollar ($1.00) less than the maximum amount that the Company may pay without loss of deduction under Code Section 280G(a). Present value for purposes of this Agreement shall be calculated in accordance with Code Section 280G(d)(4). Within one hundred twenty (120) days following the earlier of (i) the giving of the notice of termination or (ii) the giving of notice by the Company to Executive of its belief that there is a payment or benefit due Executive that will result in an Excess Parachute Payment, the Parties, at the Company's expense, shall obtain the opinion of an Independent Advisor, which opinion need not be unqualified, which sets forth (A) Executive's applicable "base amount" (as defined under Code Section 280G), (B) the present value of Total Payments and (C) the amount and present value of any Excess Parachute Payments. In the event that such opinion determines that there would be an Excess Parachute Payment, the payment hereunder or any other payment determined by such Independent Advisor to be includable in Total Payments shall be modified, reduced or eliminated, in accordance with Code Section 409A, as specified by Executive in writing delivered to the Company within ninety (90) days of Executive's receipt of such opinions or, if Executive fails to so notify the Company, then as the Company shall reasonably determine, so that under the bases of calculation set forth in such opinions there will be no Excess Parachute Payment. The provisions of this **Section 6**, including the calculations, notices and opinion provided for herein, shall be based upon the conclusive presumption that (A) the compensation and benefits provided for in **Section 3** and (B) any other compensation earned by Executive pursuant to the Company's compensation programs that would have been paid in any event, are reasonable compensation for services rendered, even though the timing of such payment may be triggered by a Change in Control.

**(b)** The Parties hereby recognize that the restrictive covenants under **Section 7** have value that is equivalent in amount to some or all of the Severance Amount (and potentially other termination benefits) and that such value shall be recognized in the Code Section 280G calculations contemplated hereunder. The Independent Advisor shall make the determination of the actual fair market value of the restrictive covenants under **Section 7** at the time of the Change in Control.

**7. Restrictive Covenants.**

**(a) Confidential Information.**

(i) Executive acknowledges that, during the course of Executive's employment with the Company, Executive may produce and have access to confidential and/or proprietary, non-public information concerning the Company or its Affiliates, including marketing materials, financial and other information concerning customers and prospective customers, customer lists, records, data, trade secrets, proprietary business information, pricing and profitability information and policies, strategic planning, commitments, plans, procedures, litigation, pending litigation and other information not generally available to the public (collectively, "**Confidential Information**"). Executive shall not directly or indirectly use, disclose, copy or make lists of Confidential Information for the benefit of anyone other than the Company, either during or after Executive's employment with the Company, except to the extent that such information is or thereafter becomes lawfully available from public sources, or such disclosure is authorized in writing by the Company, required by law or any competent administrative agency or judicial authority, or otherwise as reasonably necessary or appropriate in connection with the performance by Executive of Executive's duties hereunder. If Executive receives a subpoena or other court order or is otherwise required by law to provide information to a governmental authority or other person concerning the activities of the Company or any of its Affiliates, or Executive's activities in connection with the business of the Company or any of its Affiliates, Executive shall immediately notify the Company of such subpoena, court order or other requirement and deliver forthwith to the Company a copy thereof and any attachments and non-privileged correspondence related thereto. Executive shall take reasonable precautions to protect against the inadvertent disclosure of Confidential Information. Executive shall abide by the Company's reasonable policies, as in effect from time to time, respecting avoidance of interests conflicting with those of the Company and its Affiliates. In this regard, Executive shall not directly or indirectly render services to any person or entity where Executive's service would involve the use or disclosure of Confidential Information. Executive shall not use any Confidential Information to guide Executive in searching publications or other publicly available information, selecting a series of items of knowledge from unconnected sources and fitting them together to claim that Executive did not violate any agreements set forth in this Agreement.

(ii) Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (2) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Accordingly, Executive has the right to disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. Executive also has the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b). Nothing in this Agreement shall be construed to authorize, or limit liability for, an act that is otherwise prohibited by law, such as the unlawful access of material by unauthorized means.

(iii) Nothing contained in this **Section 7(a)** shall limit Executive's ability to file a charge or complaint with any governmental, administrative or judicial agency (each, an "**Agency**") pursuant to any applicable whistleblower statute or program (each, a "**Whistleblower Program**"). Executive acknowledges that this **Section 7(a)** does not limit (A) his ability to communicate, in connection with a charge or complaint pursuant to any Whistleblower Program with any Agency or otherwise participate in any investigation or proceeding that may be conducted by such Agency, including providing documents or other information, without notice to the Company, or (B) his right to receive an award for information provided to such Agency pursuant to any Whistleblower Program.

**(b) <u>Documents and Property</u>.**

(i) All records, files, documents and other materials or copies thereof relating to the business of the Company or its Affiliates that Executive prepares, receives or uses shall be and remain the sole property of the Company and, other than in connection with the performance by Executive of Executive's duties hereunder, shall not be removed from the premises of the Company or any of its Affiliates without the Company's prior written consent, and shall be promptly returned to the Company upon Executive's termination of employment for any reason, together with all copies (including copies or recordings in electronic form), abstracts, notes or reproductions of any kind made from or about the records, files, documents or other materials.

(ii) Executive acknowledges that Executive's access to and permission to use the Company's and any Affiliate's computer systems, networks and equipment, and all Company and Affiliate information contained therein, is restricted to legitimate business purposes on behalf of the Company. Any other access to or use of such systems, network, equipment and information is without authorization and is prohibited except that Executive may use a Company-provided computer for reasonable personal use in accordance with the Company's Technology Use Policy as in effect from time to time. The restrictions contained in this **Section 7(b)** extend to any personal computers or other electronic devices of Executive that are used for business purposes relating to the Company or any Affiliate. Executive shall not transfer any Company or Affiliate information to any personal computer or other electronic device that is not otherwise used for any business purpose relating to the Company. Upon the termination of Executive's employment with the Company for any reason, Executive's authorization to access and permission to use the Company's and any Affiliate's computer systems, networks and equipment, and any Company and Affiliate information contained therein, shall cease.

**(c)** **<u>Non-Competition and Non-Solicitation</u>.** As an essential ingredient of and in consideration of this Agreement and Executive's employment with the Company, Executive shall not, during Executive's employment with the Company and for a period of fifteen (15) months immediately following the termination of Executive's employment for any reason (the **"Restrictive Period"**), whether such termination occurs during the Employment Period or thereafter, shall not directly or indirectly do any of the following (all of which are collectively referred to in this Agreement as the "**Restrictive Covenant"**):

(i) Engage or invest in, own, manage, operate, finance, control, participate in the ownership, management, operation or control of, be employed by, associated with or in any manner connected with, serve as a director, officer or consultant to, lend Executive's name or any similar name to, lend Executive's credit to or render services or advice to, in each case in the capacity that Executive provided services to the Company or any Affiliate, any person, firm, partnership, corporation or trust that owns, operates or is in the process of forming a Financial Institution with an office located, or to be located at an address identified in a filing with any regulatory authority, within the Restrictive Area; *provided*, *however*, that the ownership by Executive of shares of the capital stock of any Financial Institution, which shares are listed on a securities exchange or quoted on the National Association of Securities Dealers Automated Quotation System and which do not represent more than five (5) percent (5%) of the institution's outstanding capital stock, shall not violate any terms of this Agreement;

(ii) Either for Executive or any Financial Institution: (A) induce or attempt to induce any employee of the Company or any of its Affiliates with whom Executive had significant contact to leave the employ of the Company or any of its Affiliates; (B) in any way interfere with the relationship between the Company or any of its Affiliates and any employee of the Company or any of its Affiliates with whom Executive had significant contact; or (C) induce or attempt to induce any customer, supplier, licensee or business relation of the Company or any of its Affiliates with whom Executive had significant contact to cease doing business with the Company or any of its Affiliates or in any way interfere with the relationship between the Company or any of its Affiliates and their respective customers, suppliers, licensees or business relations with whom Executive had significant contact;

(iii) Either for Executive or any Financial Institution, solicit the business of any person or entity known to Executive to be a customer of the Company or any of its Affiliates, where Executive had significant contact with such person or entity, with respect to products, activities or services that compete in whole or in part with the products, activities or services of the Company or any of its Affiliates; or

(iv) Serve as the agent, broker or representative of, or otherwise assist, any person or entity in obtaining services or products from any Financial Institution within the Restrictive Area, with respect to products, activities or services that Executive devoted time to on behalf of the Company or any of its Affiliates and that compete in whole or in part with the products, activities or services of the Company or any of its Affiliates.

**(d)** **Works Made for Hire Provisions.** The Parties acknowledge that all work performed by Executive for the Company or any of its Affiliates shall be deemed a "work made for hire." The Company shall at all times own and have exclusive right, title and interest in and to all Confidential Information and Inventions, and the Company shall retain the exclusive right to license, sell, transfer and otherwise use and dispose of the same. Any and all enhancements of the technology of the Company or any of its Affiliates that are developed by Executive shall be the exclusive property of the Company. Executive hereby assigns to the Company any right, title and interest in and to all Inventions that Executive may have, by law or equity, without additional consideration of any kind whatsoever from the Company or any of its Affiliates. Executive shall execute and deliver any instruments or documents and do all other things (including the giving of testimony) requested by the Company (both during and after the termination of Executive's employment with the Company) in order to vest more fully in the Company or any of its Affiliates all ownership rights in the Inventions (including obtaining patent, copyright or trademark protection therefor in the United States and/or foreign countries).

**(e)** **Remedies for Breach of Restrictive Covenant.** Executive has reviewed the provisions of this Agreement with legal counsel, or has been given adequate opportunity to seek such counsel, and Executive acknowledges that the covenants contained in this **Section 7** are reasonable with respect to their duration, geographical area and scope. Executive further acknowledges that the restrictions contained in this **Section 7** are reasonable and necessary for the protection of the legitimate business interests of the Company, that they create no undue hardships, that any violation of these restrictions would cause substantial injury to the Company and such interests, and that such restrictions were a material inducement to the Company to enter into this Agreement. In the event of any violation or threatened violation of these restrictions, the Company, in addition to and not in limitation of, any other rights, remedies or damages available to the Company under this Agreement or otherwise at law or in equity, shall be entitled to preliminary and permanent injunctive relief to prevent or restrain any such violation by Executive and any and all persons directly or indirectly acting for or with Executive, as the case may be. If Executive violates the Restrictive Covenant and the Company brings legal action for injunctive or other relief, the Company shall not, as a result of the time involved in obtaining such relief, be deprived of the benefit of the full period of the Restrictive Covenant. Accordingly, the Restrictive Covenant shall be deemed to have the duration specified herein computed from the date the relief is granted but reduced by the time between the period when the Restrictive Period began to run and the date of the first violation of the Restrictive Covenant by Executive.

**(f)** **Other Agreements.** In the event of the existence of another agreement between the Parties that (a) is in effect during the Restrictive Period, and (b) contains restrictive covenants that conflict with any of the provisions of this **Section 7**, then the more restrictive of such provisions from the two (2) agreements shall control for the period during which both agreements would otherwise be in effect.

**8.** **No Set-Off; No Mitigation.** Except as provided herein, the Company's obligation to provide benefits under this Agreement and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including any set-off, counterclaim, recoupment, defense or other right the Company may have against Executive or others. In no event shall Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Executive under any of the provisions of this Agreement, and such amounts shall not be reduced whether or not Executive obtains other employment.

**9.** **Notices.** Notices and all other communications under this Agreement shall be in writing and shall be deemed given when mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Company:

MidWest*One* Financial Group, Inc.
Attention: MidWest*One* Bank Executive Vice President
and Chief Human Resources Officer
102 South Clinton Street
Iowa City, Iowa 52240

If to Executive: Executive's address on file with the Company

or to such other address as either Party may furnish to the other in writing, except that notices of changes of address shall be effective only upon receipt.

**10.** **Applicable Law.** All questions concerning the construction, validity and interpretation of this Agreement and the performance of the obligations imposed by this Agreement shall be governed by the internal laws of the State of Iowa applicable to agreements made and wholly to be performed in such state without regard to conflicts of law provisions of any jurisdiction, and any court action commenced to enforce this Agreement shall have as its sole and exclusive venue the County of Johnson, Iowa.

**11.** **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties concerning the subject matter hereof, and supersedes all prior negotiations, undertakings, agreements and arrangements with respect thereto, whether written or oral, specifically including any term sheet or offer letter previously presented to Executive. If a court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement and all other provisions shall remain in full force and effect. The various covenants and provisions of this Agreement are intended to be severable and to constitute independent and distinct binding obligations. Without limiting the generality of the foregoing, if the scope of any covenant contained in this Agreement is too broad to permit enforcement to its full extent, such covenant shall be enforced to the maximum extent permitted by law, and such scope may be judicially modified accordingly.

**12.** **Withholding of Taxes.** The Company may withhold from any benefits payable under this Agreement all federal, state, city and other taxes as may be required pursuant to any law, governmental regulation or ruling.

**13.** **No Assignment.** Executive's rights to receive benefits under this Agreement shall not be assignable or transferable whether by pledge, creation of a security interest or otherwise, other than a transfer by will or by the laws of descent or distribution. In the event of any attempted assignment or transfer contrary to this **Section 13**, the Company shall have no liability to pay any amount so attempted to be assigned or transferred. This Agreement shall inure to the benefit of and be enforceable by Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

**14.** **Successors.** This Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns. The Company shall not effect the sale or other disposition of all or substantially all of its assets unless either (a) the person or entity acquiring the assets, or a substantial portion of the assets, expressly assumes by an instrument in writing all duties and obligations of the Company under this Agreement, or (b) the Company provides, through the establishment of a separate reserve, for the payment in full of all amounts that are or may reasonably be expected to become payable to Executive under this Agreement.

**15.** **Legal Fees.** All reasonable legal fees and related expenses (including the costs of experts, evidence and counsel) paid or incurred by Executive pursuant to any dispute or question of interpretation relating to this Agreement shall be paid or reimbursed by the Company if Executive is successful on the merits pursuant to a legal judgment or arbitration.

**16.** **Amendment.** Except as specifically provided in Section 17 hereof, this Agreement may not be amended or modified except by written agreement signed by the Parties.

**17.** **Code Section 409A.**

**(a)** To the extent any provision of this Agreement or action by the Company would subject Executive to liability for interest or additional taxes under Code Section 409A, it shall be deemed null and void, to the extent permitted by law and deemed advisable by the Company. It is intended that this Agreement will comply with Code Section 409A, and this Agreement shall be administered accordingly and interpreted and construed on a basis consistent with such intent. Notwithstanding any provision of this Agreement to the contrary, no termination or similar payments or benefits shall be payable hereunder on account of Executive's termination of employment unless such termination constitutes a "separation from service" within the meaning of Code Section 409A. For purposes of Code Section 409A, all installment payments of deferred compensation made hereunder, or pursuant to another plan or arrangement, shall be deemed to be separate payments. To the extent any reimbursements or in-kind benefit payments under this Agreement are subject to Code Section 409A, such reimbursements and in-kind benefit payments shall be made in accordance with Treasury Regulation Section 1.409A-3(i)(1)(iv). This Agreement may be amended to the extent necessary (including retroactively) by the Company to avoid the application of taxes or interest under Code Section 409A, while maintaining to the maximum extent practicable the original intent of this Agreement. This **Section 17** shall not be construed as a guarantee of any particular tax effect for Executive's benefits under this Agreement and the Company does not guarantee that any such benefits will satisfy the provisions of Code Section 409A or any other provision of the Code.

**(b)** Notwithstanding any provision of this Agreement to the contrary, if Executive is determined to be a Specified Employee as of the Termination Date, then, to the extent required pursuant to Code Section 409A, payments due under this Agreement that are deemed to be deferred compensation shall be subject to a six (6)-month delay following the Termination Date; and all delayed payments shall be accumulated and paid in a lump-sum payment as of the first day of the seventh month following the Termination Date (or, if earlier, as of Executive's death), with all such delayed payments being credited with interest (compounded monthly) for this period of delay equal to the prime rate in effect on the first day of such six (6)-month period. Any portion of the benefits hereunder that were not otherwise due to be paid during the six (6)-month period following the Termination Date shall be paid to Executive in accordance with the payment schedule established herein.

**18.** **Construction.** In this Agreement, unless otherwise stated, the following uses apply: (a) references to a statute shall refer to the statute and any amendments and any successor statutes, and to all regulations promulgated under or implementing the statute, as amended, or its successors, as in effect at the relevant time; (b) in computing periods from a specified date to a later specified date, the words "from" and "commencing on" (and the like) mean "from and including, " and the words "to," "until" and "ending on" (and the like) mean "to, but excluding"; (c) references to a governmental or quasi-governmental agency, authority or instrumentality shall also refer to a regulatory body that succeeds to the functions of the agency, authority or instrumentality; (d) indications of time of day shall be based upon the time applicable to the location of the principal headquarters of the Company; (e) the words "include," "includes" and "including" means "include, without limitation," "includes, without limitation" and "including, without limitation," respectively; (f) all references to preambles, recitals, sections and exhibits are to preambles, recitals, sections and exhibits in or to this Agreement unless otherwise specified; (g) the words "hereof," "herein," "hereto," "hereby," "hereunder," and other words of similar import refer to this Agreement as a whole (including exhibits); (h) any reference to a document or set of documents, and the rights and obligations of the parties under any such documents, means such document or documents as amended from time to time, and any and all modifications, extensions, renewals, substitutions or replacements thereof; (i) all words used shall be construed to be of such gender or number as the circumstances and context require; (j) the captions and headings of preambles, recitals, sections and exhibits appearing in or attached to this Agreement have been inserted solely for convenience of reference and shall not be considered a part of this Agreement, nor shall any of them affect the meaning or interpretation of this Agreement or any of its provisions; and (k) all accounting terms not specifically defined herein shall be construed in accordance with GAAP.

**19.** **Definitions.** As used in this Agreement, the terms defined in this **Section 19** have the meanings set forth below.

**(a)** "**1934 Act**" means the Securities Exchange Act of 1934.

**(b)** "**Affiliate**" means each company, corporation, partnership, Financial Institution or other entity that, directly or indirectly, is controlled by, controls, or is under common control with, the Company, where "control" means (i) the ownership of fifty-one percent (51%) or more of the Voting Securities or other voting or equity interests of any corporation, partnership, joint venture or other business entity or (ii) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such corporation, partnership, joint venture or other business entity.

**(c)** "**Agreement**" has the meaning set forth in the preamble hereto.

**(d)** "**Annual Base Salary**" has the meaning set forth in **Section 3(a)**.

**(e)** "**Base Compensation**" means the amount equal to the sum of (i) the greater of Executive's then-current Annual Base Salary or Executive's Annual Base Salary as of the date one (1) day prior to the Change in Control, and (ii) the amount of the Incentive Bonus paid (or payable) for the most recently completed fiscal year of the Company.

**(f)** “**Board**” means the board of directors of the Company.

**(g)** “**Change in Control**” means:

(i) the consummation of the acquisition by any “person” (as such term is defined in Section 13(d) or 14(d) of the 1934 Act) of “beneficial ownership” (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of fifty percent (50%) or more of the combined voting power of the then outstanding Voting Securities of the Company; or

(ii) the individuals who, as of the Effective Date, are members of the Board cease for any reason to constitute a majority of the Board, unless the election, or nomination for election by the shareholders, of any new director was approved by a vote of a majority of the Board, and such new director shall, for purposes of this Agreement, be considered as a member of the Board; or

(iii) the consummation by the Company of: (A) a merger or consolidation if the shareholders immediately before such merger or consolidation do not, as a result of such merger or consolidation, own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the then outstanding Voting Securities of the entity resulting from such merger or consolidation in substantially the same proportion as their ownership of the combined voting power of the Voting Securities of the Company outstanding immediately before such merger or consolidation; or (B) a complete liquidation or dissolution or an agreement for the sale or other disposition of all or substantially all of the assets of the Company.

Notwithstanding any provision in this definition to the contrary, a Change in Control shall not be deemed to occur solely because fifty percent (50%) or more of the combined voting power of the then outstanding securities of the Company are acquired by (A) a trustee or other fiduciary holding securities under one (1) or more employee benefit plans maintained for employees of the Company or an Affiliate or (B) any corporation that, immediately prior to such acquisition, is owned directly or indirectly by the shareholders in the same proportion as their ownership of stock immediately prior to such acquisition.

Further notwithstanding any provision in this definition to the contrary, in the event that any amount or benefit under this Agreement constitutes deferred compensation and the settlement of or distribution of such amount or benefit is to be triggered by a Change in Control, then such settlement or distribution shall be subject to the event constituting the Change in Control also constituting a “change in control event” under Code Section 409A.

**(h)** “**COBRA**” means the Consolidated Omnibus Budget Reconciliation Act of 1985.

**(i)** “**Code**” means the Internal Revenue Code of 1986.

**(j)** “**Company**” has the meaning set forth in the preamble hereto.

**(k)** “**Confidential Information**” has the meaning set forth in **Section 7(a)**.

**(l)** “**Covered Period**” means the period beginning six (6) months prior to a Change in Control and ending twenty-four (24) months after the Change in Control.

**(m)** "**Disability**" means that (i) Executive is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or (ii) Executive is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident or health plan covering employees of the Company.

**(n)** "**Effective Date**" has the meaning set forth in the preamble hereto.

**(o)** "**Employment Period**" has the meaning set forth in **Section 1**.

**(p)** "**Excess Parachute Payment**" has the meaning set forth in Code Section 280G.

**(q)** "**Executive**" has the meaning set forth in the preamble hereto.

**(r)** "**Financial Institution**" means a bank, savings bank, savings and loan association, credit union or similar financial institution.

**(s)** "**Good Reason**" means the occurrence of any one (1) of the following events, unless Executive agrees in writing that such event shall not constitute Good Reason:

(i) an adverse change in the nature, scope or status of Executive's position, authorities or duties from those in effect in accordance with **Section 2** immediately following the Effective Date, or if applicable and greater, immediately prior to the Covered Period;

(ii) a reduction of ten percent (10%) or more in Executive's Annual Base Salary or Incentive Bonus opportunity (each as measured as of the Effective Date), or a material reduction in Executive's aggregate benefits or other compensation plans as in effect immediately following the Effective Date, or if applicable and greater, immediately prior to the Covered Period;

(iii) relocation of Executive's primary place of employment by more than twenty-five (25) miles from Executive's primary place of employment immediately following the Effective Date, or if applicable, prior to the Covered Period, or a requirement that Executive engage in travel that is materially greater than prior to the Covered Period;

(iv) failure by an acquirer to assume this Agreement at the time of a Change in Control; or

(v) a material breach by the Company of this Agreement.

Prior to Executive's Termination for Good Reason, Executive must give the Company written notice of the existence of any condition set forth in clause (i) – (v) immediately above within ninety (90) days of its initial existence and the Company shall have thirty (30) days from the date of such notice in which to cure the condition giving rise to Good Reason, if curable. If, during such thirty (30)-day period, the Company cures the condition giving rise to Good Reason, the condition shall not constitute Good Reason. Further, in order to constitute a Termination for Good Reason, such Termination must occur within twenty-four (24) months of the initial existence of the applicable condition.

**(t)** "**Incentive Bonus**" has the meaning set forth in **Section 3(b)**.

**(u)** "**Independent Advisor**" means an independent, nationally recognized accounting firm approved by the Parties, where such approval shall not be unreasonably withheld by either Party.

**(v)** "**Inventions**" means all systems, procedures, techniques, manuals, databases, plans, lists, inventions, trade secrets, copyrights, patents, trademarks, discoveries, innovations, concepts, ideas and software conceived, compiled or developed by Executive in the course of Executive's employment with the Company or any of its Affiliates and/or comprised, in whole or part, of Confidential Information. Notwithstanding the foregoing sentence, Inventions shall not include: (i) any inventions independently developed by Executive and not derived, in whole or part, from any Confidential Information or (ii) any invention made by Executive prior to Executive's exposure to any Confidential Information.

**(w)** "**Minimum Benefits**" means, as applicable, the following:

(i) Executive's earned but unpaid Annual Base Salary for the period ending on the Termination Date;

(ii) Executive's earned but unpaid Incentive Bonus, if any, for any completed fiscal year preceding the Termination Date;

(iii) Executive's accrued but unpaid PTO for the period ending on the Termination Date;

(iv) Executive's unreimbursed business expenses and all other items earned and owed to Executive by the Company through and including the Termination Date; and

(v) the benefits, incentives and awards described in **Section 4(f)**.

**(x)** "**Parties**" has the meaning set forth in the preamble hereto.

**(y)** "**Release**" means a general release and waiver substantially in the form attached hereto as Exhibit A.

**(z)** "**Restrictive Area**" means within a fifty (50)-mile radius from where, at the time of the Executive's termination of employment for any reason, the Company has business operations, or the Board has approved plans to commence business operations.

**(aa)** "**Restrictive Covenant**" has the meaning set forth in **Section 7(c)**.

**(bb)** "**Restrictive Period**" has the meaning set forth in **Section 7(c)**.

**(cc)** "**Severance Amount**" means:

(i) for any Termination other than during a Covered Period, an amount equal to one hundred percent (100%) of Executive's then-current Annual Base Salary as of the respective Termination; or

(ii) for a Termination during a Covered Period, an amount equal to two hundred percent (200%) of Executive's Base Compensation as of the respective Termination.

**(dd)** “**Specified Employee**” means any person who is a “key employee” (as defined in Code Section 416(i) without regard to paragraph (5) thereof), as determined by the Company based upon the twelve (12)-month period ending on each December 31st (such twelve (12)-month period is referred to below as the “identification period”). If Executive is determined to be a key employee, Executive shall be treated as a Specified Employee for purposes of this Agreement during the twelve (12)-month period that begins on the April 1 following the close of the identification period. For purposes of determining whether Executive is a key employee, “compensation” means Executive’s W-2 compensation as reported by the Company for a particular calendar year.

**(ee)** “**Termination**” means termination of Executive’s employment with the Company during the Employment Period either:

(i) by the Company, other than a Termination for Cause or a termination as a result of Executive’s death or Disability; or

(ii) by Executive for Good Reason.

**(ff)** “**Termination Date**” means the date of termination of Executive’s employment with the Company.

**(gg)** “**Termination for Cause**” means only a termination of Executive’s employment with the Company as a result of:

(i) Executive’s willful and continuing failure, which is not remedied within twenty (20) days after receipt of written notice of such failure from the Company, to perform Executive’s obligations hereunder;

(ii) Executive’s conviction of, or the pleading of *nolo contendere* to, a crime of embezzlement or fraud or a felony under the laws of the United States or any state thereof;

(iii) Executive’s breach of fiduciary responsibility; or

(iv) an act of dishonesty by Executive that is materially injurious to the Company.

Any determination of a Termination for Cause under this Agreement shall be made by resolution adopted by at least a two-thirds (2/3) vote of the Board at a meeting called and held for that purpose. Executive shall be provided with reasonable notice of such meeting and shall be given the opportunity to be heard, with the presence of counsel, prior to such vote being taken by the Board.

**(hh)** “**Total Payments**” has the meaning set forth in Section 6(a).

**(ii)** “**Voting Securities**” means any securities that ordinarily possess the power to vote in the election of directors without the happening of any precondition or contingency.

**20.** **Survival.** The provisions of **Sections 5** through **20** shall survive the termination of this Agreement.

[*Signature page follows*]

**IN WITNESS WHEREOF,** the Parties have executed this Agreement as of the Effective Date.

| | | | |
|---|---|---|---|
| **MIDWEST*ONE* FINANCIAL GROUP, INC.** | | **EXECUTIVE - PAUL HO-SING LOY** | |
| By: | Tim Heth | By: | Paul Ho-Sing-Loy<br>(Signature) |
| Name: | Tim Heth | Name: | Paul Ho-Sing-Loy<br>(Address) |
| Its: | CHRO | Its: | (Address) |

**<u>EXHIBIT A</u>**

**Release and Waiver of Claims**

This **Release and Waiver of Claims** ("**Agreement**") is made and entered into by and between **MidWest*One* Financial Group, Inc.** (the "**Company**"), and Paul Ho-Sing-Loy ("**Executive**," and together with the Company, the "**Parties**").

**RECITALS**

**A.** The Parties desire to settle fully and amicably all issues between them, including any issues arising out of Executive's employment with the Company and the termination of that employment.

**B.** Executive and the Company are parties to that certain Employment Agreement, made and entered into <u>September 12, 2024</u>, (the "**Employment Agreement**").

**AGREEMENTS**

For and in consideration of the mutual promises contained herein, and for other good and sufficient consideration, the receipt of which is hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

**1. Termination of Employment.** Executive's employment with the Company shall be terminated effective as of the close of business on [_______________] (the "**Termination Date**").

**2. Compensation and Benefits.** Subject to the terms of this Agreement, the Company shall compensate Executive under this Agreement as follows (collectively, the "**Severance Payments**"):

(a) <u>Severance Amount</u>. [_______________].

(b) <u>Accrued Salary and Paid Time Off</u>. Executive shall be entitled to a lump sum payment in an amount equal to Executive's earned but unpaid annual base salary and accrued but unused paid time off for the period ending on the Termination Date, with such payment to be made on the first payroll date following the Termination Date.

(c) <u>COBRA Benefits</u>. Executive and Executive's qualified beneficiaries, as applicable, shall be entitled to continuation of group health coverage following the Termination Date under the Company's group health plan, to the extent required under the Consolidated Omnibus Budget Reconciliation Act of 1986, with Executive required to pay the same amount as Executive would pay if Executive continued in employment with the Company during such period as described in Section 4(e) of the Employment Agreement.

(d) <u>Executive Acknowledgement</u>. Executive acknowledges that, subject to fulfillment of all obligations provided for herein, Executive has been fully compensated by the Company, including under all applicable laws, and that nothing further is owed to Executive with respect to wages, bonuses, severance, other compensation, or benefits. Executive further acknowledges that the Severance Payments (other than (b) and (c) immediately above) are consideration for Executive's promises contained in this Agreement, and that the Severance Payments are above and beyond any wages, bonuses, severance, other compensation, or benefits to which Executive is entitled from the Company under the terms of Executive's employment or under any other contract or law that Executive would be entitled to absent execution of this Agreement.

(e) Withholding. The Severance Payments shall be subject to all taxes and other payroll deductions required by law.

**3. Termination of Benefits.** Except as provided in **Section 2** above or as may be required by law, Executive's participation in all employee benefit (pension and welfare) and compensation plans of the Company shall cease as of the Termination Date. Nothing contained herein shall limit or otherwise impair Executive's right to receive pension or similar benefit payments that are vested as of the Termination Date under any applicable tax-qualified pension or other plans, pursuant to the terms of the applicable plan.

**4. Release of Claims and Waiver of Rights.** Executive, on Executive's own behalf and that of Executive's heirs, executors, attorneys, administrators, successors, and assigns, fully and forever releases and discharges the Company, its predecessors, successors, parents, subsidiaries, affiliates, and assigns, and its and their directors, officers, trustees, employees, agents, and shareholders, both in their individual and official capacities, and the current and former trustees and administrators of each retirement and other benefit plan applicable to the employees and former employees of the Company, both in their official and individual capacities (the "**Releasees**"), from all liability, claims, demands, actions, and causes of action Executive now has, may have had, or may ever have, whether currently known or unknown, relating to acts or omissions as of or prior to Executive's execution of this Agreement (the "**Release and Waiver**"), including liability, claims, demands, actions, and causes of action:

(a) Relating to Executive's employment or other association with the Company, or the termination of such employment;
(b) Relating to wages, bonuses, other compensation, or benefits;
(c) Relating to any employment or change in control contract;
(d) Relating to any employment law, including
- (i) The United States and State of Iowa Constitutions,
- (ii) The Iowa Civil Rights Act of 1965,
- (iii) The Iowa Wage Payment Collection Law,
- (iv) The Civil Rights Act of 1964,
- (v) The Civil Rights Act of 1991,
- (vi) The Equal Pay Act,
- (vii) The Employee Retirement Income Security Act of 1974,
- (viii) The Age Discrimination in Employment Act (the "**ADEA**"),
- (ix) The Older Workers Benefit Protection Act,
- (x) The Worker Adjustment and Retraining Notification Act,
- (xi) The Americans with Disabilities Act,
- (xii) The Family and Medical Leave Act,
- (xiii) The Occupational Safety and Health Act,
- (xiv) The Fair Labor Standards Act,
- (xv) The National Labor Relations Act,
- (xvi) The Genetic Information Nondiscrimination Act,
- (xvii) The Rehabilitation Act,
- (xviii) The Fair Credit Reporting Act,

(xix) Executive Order 11246,

(xx) Executive Order 11141, and

(xxi) Each other federal, state, and local statute, ordinance, and regulation relating to employment;

(e) Relating to any right of payment for disability;

(f) Relating to any statutory or contractual right of payment; and

(g) For relief on the basis of any alleged tort or breach of contract under the common law of the State of Iowa or any other state, including defamation, intentional or negligent infliction of emotional distress, breach of the covenant of good faith and fair dealing, promissory estoppel, and negligence.

Executive acknowledges that statutes exist that render null and void releases and waivers of any claims, rights, demands, liabilities, actions, and causes of action that are unknown to the releasing or waiving party at the time of execution of the release and waiver. Executive waives, surrenders, and shall forego any protection to which Executive would otherwise be entitled by virtue of the existence of any such statutes in any jurisdiction, including the State of Iowa.

**5. Exclusions from General Release**.

(a) Excluded from the Release and Waiver are any claims or rights arising pursuant to this Agreement and any claims or rights that cannot be waived by law, as well as Executive's right to file a charge with an administrative agency or participate in any agency investigation, including with the Equal Employment Opportunity Commission. Executive is, however, waiving the right to recover any money in connection with a charge or investigation and the right to recover any money in connection with a charge filed by any other individual or by the Equal Employment Opportunity Commission or any other federal or state agency, except where such waivers are prohibited by law.

(b) Notwithstanding the foregoing, nothing contained in this Section 5 shall limit Executive's ability to file a charge or complaint with any governmental, administrative or judicial agency (each, an "**Agency**") pursuant to any applicable whistleblower statute or program (each, a "**Whistleblower Program**"). Executive acknowledges that this **Section 5** does not limit (A) his ability to communicate, in connection with a charge or complaint pursuant to any Whistleblower Program with any Agency or otherwise participate in any investigation or proceeding that may be conducted by such Agency, including providing documents or other information, without notice to the Company, or (B) his right to receive an award for information provided to such Agency pursuant to any Whistleblower Program.

**6. Covenant Not to Sue**.

(a) A "**covenant not to sue**" is a legal term that means Executive promises not to file a lawsuit in court. It is different from the Release and Waiver. Besides waiving and releasing the claims covered by **Section 4** above, Executive shall never sue the Releasees in any forum for any reason covered by the Release and Waiver. Notwithstanding this covenant not to sue, Executive may bring a claim against the Company to enforce this Agreement or to challenge the validity of this Agreement under the ADEA. If Executive sues any of the Releasees in violation of this Agreement, Executive shall be liable to them for their reasonable attorneys' fees and costs (including the costs of experts, evidence, and counsel) and other litigation costs incurred in defending against Executive's suit. In addition, if Executive sues any of the Releasees in violation of this Agreement, the Company can require Executive to return all but a sum of $100 of the Severance Payments, which sum is, by itself, adequate consideration for the promises and covenants in this Agreement. In that event, the Company shall have no obligation to make any further Severance Payments.

(b) If Executive has previously filed any lawsuit against any of the Releasees, Executive shall immediately take all necessary steps and execute all necessary documents to withdraw or dismiss such lawsuit to the extent Executive's agreement to withdraw, dismiss, or not file a lawsuit would not be a violation of any applicable law or regulation.

**7. Mutual Non-Disparagement**. At all times following the signing of this Agreement, neither Party shall engage in any vilification of the other, and each Party shall refrain from making any false, negative, critical or disparaging statements, implied or expressed, concerning the other, including management style, methods of doing business, the quality of products and services, role in the community, or treatment of employees. Executive acknowledges that the only persons whose statements may be attributed to the Company for purposes of this covenant not to make disparaging statements shall be each member of the Company's Board of Directors and the Company's Chief Executive Officer. The Parties shall do nothing that would damage the other's business reputation or good will.

**8. Restrictive Covenants.** Section 7 of the Employment Agreement (entitled "Restrictive Covenants"), shall continue in full force and effect as if fully restated herein.

**9. No Admissions.** The Company denies that any of the Releasees have taken any improper action against Executive, and this Agreement shall not be admissible in any proceeding as evidence of improper action by any of the Releasees.

**10. Confidentiality of Agreement.** Executive shall keep the existence and the terms of this Agreement confidential, except for Executive's immediate family members and Executive's legal and tax advisors in connection with services related hereto and except as may be required by law or in connection with the preparation of tax returns.

**11. Non-Waiver.** The Company's waiver of a breach of this Agreement by Executive shall not be construed or operate as a waiver of any subsequent breach by Executive of the same or of any other provision of this Agreement.

**12. Governing Law.** This Agreement shall be governed by and construed under the laws of the State of Iowa, without regard to principles of conflict of laws (whether in the State of Iowa or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Iowa.

**13. Entire Agreement.** This Agreement sets forth the entire agreement of the Parties regarding the subject matter hereof, and shall be final and binding as to all claims that have been or could have been advanced on behalf of Executive pursuant to any claim arising out of or related in any way to Executive's employment with the Company and the termination of that employment. This Agreement may not be amended, modified, altered, or changed except by express written consent of the Parties.

**14.** **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

**15.** **Successors.** This Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns.

**16.** **Enforcement.** The provisions of this Agreement shall be regarded as divisible and separable and if any provision should be declared invalid or unenforceable by a court of competent jurisdiction, the validity and enforceability of the remaining provisions shall not be affected thereby. If the scope of any restriction or requirement contained in this Agreement is too broad to permit enforcement of such restriction or requirement to its full extent, then such restriction or requirement shall be enforced to the maximum extent permitted by law, and Executive hereby consents that any court of competent jurisdiction may so modify such scope in any proceeding brought to enforce such restriction or requirement. In addition, Executive stipulates that breach by Executive of restrictions and requirements under this Agreement will cause irreparable damage to the Releasees in the case of Executive's breach and that the Company would not have entered into this Agreement without Executive binding Executive to these restrictions and requirements. In the event of Executive's breach of this Agreement, in addition to any other remedies the Company may have, and without bond and without prejudice to any other rights and remedies that the Company may have for Executive's breach of this Agreement, the Company shall be relieved of any obligation to provide Severance Payments and shall be entitled to an injunction to prevent or restrain any such violation by Executive and all persons directly or indirectly acting for or with Executive.

**17.** **Construction.** In this Agreement, unless otherwise stated, the following uses apply: (a) references to a statute or law refer to the statute or law and any amendments and any successor statutes or laws, and to all regulations promulgated under or implementing the statute or law, as amended, or its successors, as in effect at the relevant time; (b) in computing periods from a specified date to a later specified date, the words "from" and "commencing on" (and the like) mean "from and including, " and the words "to," "until," and "ending on" (and the like) mean "to, and including"; (c) references to a governmental or quasi-governmental agency, authority, or instrumentality also refer to a regulatory body that succeeds to the functions of the agency, authority, or instrumentality; (d) the words "include," "includes," and "including" (and the like) mean "include, without limitation," "includes, without limitation," and "including, without limitation," (and the like) respectively; (e) the words "hereof," "herein," "hereto," "hereby," (and the like) refer to this Agreement as a whole; (f) any reference to a document or set of documents, and the rights and obligations of the parties under any such documents, means such document or documents as amended from time to time, and all modifications, extensions, renewals, substitutions, or replacements thereof; (g) all words used shall be construed to be of such gender or number as the circumstances and context require; and (h) the captions and headings of preambles, recitals, sections, and exhibits appearing in or attached to this Agreement have been inserted solely for convenience of reference and shall not be considered a part of this Agreement, nor shall any of them affect the meaning or interpretation of this Agreement or any of its provisions.

**18.** **Future Cooperation.** In connection with any and all claims, disputes, or negotiations, or governmental, internal, or other investigations, lawsuits, or administrative proceedings (the "**Legal Matters**") involving any of the Releasees (collectively, the "**Disputing Parties**" and, individually, each a "**Disputing Party**"), Executive shall make herself reasonably available, upon reasonable notice from the Company and without the necessity of subpoena, to provide information and documents, provide declarations and statements regarding a Disputing Party, meet with attorneys and other representatives of a Disputing Party, prepare for and give depositions and testimony, and otherwise cooperate in the investigation, defense, and prosecution of any and all such Legal Matters, as may, in the good faith and judgment of the Company, be reasonably requested. The Company shall consult with Executive and make reasonable efforts to schedule such assistance so as not to materially disrupt Executive's business and personal affairs. The Company shall reimburse all reasonable expenses incurred by Executive in connection with such assistance, including travel, meals, rental car, and hotel expenses, if any; *provided* such expenses are approved in advance by the Company and are documented in a manner consistent with expense reporting policies of the Company as may be in effect from time to time.

**19. Representations by Executive.** Executive acknowledges each of the following:

(a) Executive is aware that this Agreement includes a release of all known and unknown claims.

(b) Executive is legally competent to execute this Agreement and Executive has not relied on any statements or explanations made by the Company or its attorneys not otherwise set forth herein.

(c) Any modifications, material or otherwise, made to this Agreement shall not restart or affect in any manner the original 21-day consideration period.

(d) Executive has been offered at least 21 days to consider this Agreement.

(e) Executive has been afforded the opportunity to be advised by legal counsel regarding the terms of this Agreement, including the Release and Waiver, and to negotiate such terms.

(f) Executive, without coercion of any kind, freely, knowingly, and voluntarily enters into this Agreement.

(g) Executive has the right to rescind the Release and Waiver by written notice to the Company within seven (7) calendar days after Executive has signed this Agreement, and the Release and Waiver shall not become effective or enforceable until seven (7) calendar days after Executive has signed this Agreement, as evidenced by the date set forth below Executive's signature on the signature page hereto. Any such rescission must be in writing and delivered by hand or sent by U.S. Mail within such seven (7)-day period, to the attention of [_______________]. If delivered by U.S. Mail, the rescission must be: (i) postmarked within the seven (7)-day period and (ii) sent by certified mail, return receipt requested.

[*Signature page follows*]

**IN WITNESS WHEREOF,** the Parties have executed this Agreement as of dates set forth below their respective signatures below.

| **MIDWEST*ONE* FINANCIAL GROUP, INC.** | | **EXECUTIVE - PAUL HO-SING LOY** | |
|---|---|---|---|
| By: | ______________________ | | ______________________ |
| | [Name]<br>[Title] | | |
| Date: | ______________________ | Date: | ______________________ |

**MIDWEST*ONE* FINANCIAL GROUP, INC.**
**2023 EQUITY INCENTIVE PLAN**

**RESTRICTED STOCK UNIT AWARD AGREEMENT**

The Participant specified below is hereby granted a restricted stock unit award (the "**Award**") by **MidWest*One* Financial Group, Inc.**, an Iowa corporation (the "**Company**"), under the **MidWest*One* Financial Group, Inc. 2023 Equity Incentive Plan** (the "**Plan**"). The Award shall be subject to the terms of the Plan and the terms set forth in this Restricted Stock Unit Award Agreement ("**Award Agreement**").

**Section 1.** <u>**Award**</u>**.** The Company hereby grants to the Participant the Award of restricted stock units (each such unit, an "**RSU**"), where each RSU represents the right of the Participant to receive one Share in the future once the Restricted Period specified below ends, subject to the terms of this Award Agreement and the Plan.

**Section 2.** <u>**Terms of Restricted Stock Unit Award**</u>**.** The following words and phrases relating to the Award shall have the following meanings:

(a) The "**Participant**" is ________________________________.

(b) The "**Grant Date**" is ________________________________.

(c) The amount of the Award is $_______________. Based on a per Share closing price of $____________ on the Grant Date, the number of "**RSUs**" is _______________.

Except for words and phrases otherwise defined in this Award Agreement, any capitalized word or phrase in this Award Agreement shall have the meaning ascribed to it in the Plan.

**Section 3.** <u>**Restricted Period**</u>**.**

(a) The RSUs are subject to forfeiture until they vest. The "**Restricted Period**" for each installment of RSUs set forth in the table below (each, an "**Installment**") shall begin on the Grant Date and end on the date specified in the table (each, a "**Vesting Date**"); *provided* that the Participant's Termination of Service has not occurred prior thereto:

| **Installment** | **Vesting Date:** |
|---|---|
| 1/3rd of total RSUs | 1st anniversary of Grant Date |
| 1/3rd of total RSUs | 2nd anniversary of Grant Date |
| 1/3rd of total RSUs | 3rd anniversary of Grant Date |

(b) Notwithstanding the foregoing provisions of this **Section 3**, the Restricted Period for all the RSUs shall cease immediately and such RSUs shall become fully vested immediately upon the Participant's Termination of Service due to the Participant's Disability or the Participant's death.

(c) Upon a Change in Control, the Award shall be treated in accordance with Section 4.1 of the Plan.

(d) Notwithstanding any provision of this Award Agreement to the contrary, if the Participant's Termination of Service is due to retirement, any RSUs that are unvested as of the effective date of the Termination of Service shall be eligible to continue to vest in accordance with the schedule set forth in **Section 3(a)** and will be eligible to be settled in accordance with the provisions of **Section 4**, provided that the Participant does not work for or provide services to any entity considered to be a competitor of the Company during any remaining portion of the Restricted Period. For purposes of this Award Agreement, the Committee in its sole discretion shall determine (1) whether the Participant's Termination of Service is due to "retirement," and (2) whether the Participant is working for or providing services to a competitor of the Company.

(e) Except as set forth in **Section 3(b)**, **Section 3(c)** or **Section 3(d)** above, if the Participant's Termination of Service occurs prior to the expiration of one or more Restricted Periods, the Participant shall forfeit all right, title and interest in and to any Installment(s) still subject to a Restricted Period as of such Termination of Service.

**Section 4.** **<u>Settlement of RSUs</u>.** Delivery of Shares or other amounts under this Award Agreement and the Plan shall be subject to the following:

(a) *Delivery of Shares*. The Company shall deliver to the Participant one Share free and clear of any restrictions in settlement of each of the vested and unrestricted RSUs within 30 days following the end of the respective Restricted Period or the date on which the Award otherwise vests under the Plan. Notwithstanding the foregoing, if the 30-day settlement period following the end of the respective Restricted Period extends over two calendar years, settlement will occur no later than the end of the calendar year in which such Restricted Period ends.

(b) *No Fractional Shares*. Notwithstanding **Section 4(a)** above, the Company shall not issue a fractional Share in settlement of any RSUs. Instead, the Company shall deliver cash for the current Fair Market Value of the fractional Share, in accordance with settlement timing under **Section 4(a)** above. The current Fair Market Value of a fractional Share shall be determined to the nearest $1/1000^{th}$ of a Share in an administratively practicable manner following the Vesting Date of the Award (or the date on which the Award otherwise vests under **Section 3(b)**, **Section 3(c)** or **Section 3(d)** above) and shall be rounded to the nearest whole cent.

(c) *Compliance with Applicable Laws.* Notwithstanding any other term of this Award Agreement or the Plan, the Company shall have no obligation to deliver any Shares or make any other distribution of benefits under this Award Agreement or the Plan unless such delivery or distribution complies with all applicable laws and the applicable rules of any securities exchange or similar entity.

(d) *Certificates Not Required.* To the extent that this Award Agreement and the Plan provide for the issuance of Shares, such issuance may be effected on a non-certificated basis, to the extent not prohibited by applicable law or the applicable rules of any securities exchange or similar entity.

**Section 5.** **<u>Withholding</u>.** All deliveries of Shares pursuant to the Award shall be subject to withholding of all applicable taxes. The Company shall have the right to require the Participant (or if applicable, permitted assigns, heirs and Designated Beneficiaries (as defined below)) to remit to the Company an amount sufficient to satisfy any tax requirements prior to the delivery date of any Shares in connection with the Award. Except as otherwise provided by the Committee, such withholding obligations may be satisfied (a) through cash payment by the Participant, (b) through the surrender of Shares that the Participant already owns (c) by withholding from wages or other amounts otherwise payable to the Participant or (d) through the surrender of Shares to which the Participant is otherwise entitled under the Plan; *provided*, *however*, that except as otherwise specifically provided by the Committee, such Shares under clause (d) may not be used to satisfy more than the maximum individual statutory tax rate for each applicable tax jurisdiction, or such lesser amount as may be established by the Company.

**Section 6.** **Non-Transferability of Award.** The Award, or any portion thereof, is not transferable except as designated by the Participant by will or by the laws of descent and distribution or pursuant to a domestic relations order. Except as provided in the immediately preceding sentence, the Award shall not be assigned, transferred, pledged, hypothecated or otherwise disposed of by the Participant in any way whether by operation of law or otherwise, and shall not be subject to execution, attachment or similar process. Any attempt at assignment, transfer, pledge, hypothecation or other disposition of the Award contrary to the provisions hereof, or the levy of any attachment or similar process upon the Award, shall be null and void and without effect.

**Section 7.** **Dividend Equivalents.** The Participant shall not be entitled to receive a payment equal in value to any dividends and distributions paid with respect to the RSUs during the Restricted Period or prior to settlement of the RSUs pursuant to **Section 4(a)** above.

**Section 8.** **No Rights as Shareholder.** The Participant shall not have any rights of a Shareholder with respect to the RSUs, including but not limited to, voting rights, prior to the settlement of the RSUs pursuant to **Section 4(a)** above.

**Section 9.** **Heirs and Successors.** This Award Agreement shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, and upon any person acquiring all or substantially all of the Company's assets or business. If any rights of the Participant or benefits distributable to the Participant under this Award Agreement have not been settled or distributed at the time of the Participant's death, such rights shall be settled for and such benefits shall be distributed to the Designated Beneficiary in accordance with the provisions of this Award Agreement and the Plan. The "**Designated Beneficiary**" shall be the beneficiary or beneficiaries designated by the Participant in a writing filed with the Committee in such form as the Committee may require. The Participant's designation of beneficiary may be amended or revoked from time to time by the Participant in accordance with any procedures established by the Committee. If a Participant fails to designate a beneficiary, or if the Designated Beneficiary does not survive the Participant, any benefits that would have been provided to the Participant shall be provided to the legal representative of the estate of the Participant. If a Participant designates a beneficiary and the Designated Beneficiary survives the Participant but dies before the provision of the Designated Beneficiary's benefits under this Award Agreement, then any benefits that would have been provided to the Designated Beneficiary shall be provided to the legal representative of the estate of the Designated Beneficiary.

**Section 10.** **Administration.** The authority to manage and control the operation and administration of this Award Agreement and the Plan shall be vested in the Committee, and the Committee shall have all powers with respect to this Award Agreement as it has with respect to the Plan. Any interpretation of this Award Agreement or the Plan by the Committee and any decision made by the Committee with respect to this Award Agreement or the Plan shall be final and binding on all persons.

**Section 11.** **Plan Governs.** Notwithstanding any provision of this Award Agreement to the contrary, this Award Agreement shall be subject to the terms of the Plan, which is incorporated herein by reference, a copy of which may be obtained by the Participant from the office of the Corporate Secretary of the Company. This Award Agreement shall be subject to all interpretations, amendments, rules and regulations promulgated by the Committee from time to time. Notwithstanding any provision of this Award Agreement to the contrary, in the event of any discrepancy between the corporate records of the Company and this Award Agreement, the corporate records of the Company shall control.

**Section 12.** **Not an Employment Contract.** Neither the Award nor this Award Agreement shall confer on the Participant any rights with respect to continuance of employment or other service with the Company or a Subsidiary, nor shall they interfere in any way with any right the Company or a Subsidiary may otherwise have to terminate or modify the terms of the Participant's employment or other service at any time.

**Section 13.** **Amendment.** Without limitation of **Section 16** and **Section 17** below, this Award Agreement may be amended in accordance with the provisions of the Plan, and may otherwise be amended in writing by the Participant and the Company without the consent of any other person.

**Section 14.** **Governing Law.** This Award Agreement, the Plan and all actions taken in connection herewith and therewith shall be governed by and construed in accordance with the laws of the State of Iowa, without reference to principles of conflict of laws, except as superseded by applicable federal law.

**Section 15.** **Validity.** If any provision of this Award Agreement is determined to be illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but this Award Agreement shall be construed and enforced as if such illegal or invalid provision had never been included herein.

**Section 16.** **Section 409A Amendment.** The Award is intended to be exempt from, or otherwise is compliant with, Code Section 409A and this Award Agreement shall be administered and interpreted in accordance with such intent. The Committee reserves the right (including the right to delegate such right) to unilaterally amend this Award Agreement without the consent of the Participant in order to maintain an exclusion from the application of, or to maintain compliance with, Code Section 409A; and the Participant hereby acknowledges and consents to such rights of the Committee. Each installment of RSUs shall be considered a separate payment for purposes of Code Section 409A.

**Section 17.** **Clawback.** As set forth in this **Section 17**, the Award and any Shares or other payment issued in settlement of the Award, or any portion thereof as may be determined in the sole discretion of the Committee, are subject to cancellation, rescission, payback, recoupment or other similar action ("**Clawback**") upon the occurrence of any Clawback Event (as defined below). Any Clawback under this **Section 17** shall be increased by the Company's costs incurred, including reasonable attorneys' fees, in pursuing or securing such cancellation, rescission, payback, recoupment or other similar action. For purposes of this Award Agreement, a "**Clawback Event**" includes the occurrence of any of the following:

(a) If the Company is required to prepare an accounting restatement of its financial statements due to the Company's material noncompliance with any financial reporting requirement under securities law, then the Company shall be entitled to Clawback from the Participant any Award granted, or Shares or other payment issued in settlement of the Award, during the three (3) completed fiscal years immediately preceding the date on which the Company is required to prepare such accounting restatement.

(b) If the Company is required to prepare an accounting restatement of its financial statements due to the Company's material noncompliance with any financial reporting requirement under securities law as a result of misconduct by the Participant, then the Company shall be entitled to Clawback from the Participant any Award granted, or Shares or other payment issued in settlement of the Award, during the three (3) completed fiscal years immediately preceding the date on which the Company is required to prepare such accounting restatement, and the Participant will be required to repay any profits received by the Participant from the sale of any Company securities during the twelve (12) months after the inaccurate or erroneous financial information was initially reported.

(c) If the Participant's employment with the Company or any Subsidiary thereof is subject to a termination for Cause, and the event or events giving rise to such termination for Cause are determined by the Committee in its reasonable discretion to be materially injurious to the reputation of the Company or any Subsidiary, then the Company shall be entitled to Clawback from the Participant any Award granted, or Shares or other payment issued in settlement of the Award, during the three (3) completed fiscal years immediately preceding the date on which the Participant is notified in writing by the Company (or any of its Subsidiaries) that the Participant's employment will be terminated for Cause.

(d) For the avoidance of doubt, the Participant acknowledges and agrees that each of the Clawbacks and Clawback Events described in paragraphs **(a)** through **(c)** above may be applied independently or collectively, as determined in the Committee's sole discretion, to the same, or similar, facts, circumstances, and events giving rise to such Clawback. Further, notwithstanding anything to the contrary in this **Section 17**, if a statutorily mandated Clawback would require or permit a more extensive recapture by the Company, then such statutorily mandated Clawback shall apply.

**Section 18.** **Non-Solicitation.** As an essential ingredient of and in consideration of this Award and the Award Agreement, the Participant shall not, during the Participant's employment with the Company and its Subsidiaries and for a period of twelve (12) months immediately following the termination of the Participant's employment for any reason, directly or indirectly do any of the following:

(a) either for the Participant or any Financial Institution: (1) induce or attempt to induce any employee of the Company or any Subsidiary with whom the Participant had significant contact to leave the employ of the Company or the Subsidiary; or (2) in any way interfere with the relationship between the Company or a Subsidiary and any employee of the Company or a Subsidiary with whom the Participant had significant contact; or

(b) either for the Participant or any Financial Institution: (1) solicit the business of any person or entity known to the Participant to be a customer of the Company or a Subsidiary, where the Participant had significant contact with such person or entity during the Participant's employment with respect to the products, activities, or services provided by the Company or any Subsidiary to such person or entity; (2) induce or attempt to induce any customer, supplier, licensee, or business relation of the Company or a Subsidiary with whom the Participant had significant contact during the Participant's employment to cease doing business with the Company or any Subsidiary; or (3) interfere in any way with the relationship between the Company or a Subsidiary and its respective customers, suppliers, licensees or business relations with whom the Participant had significant contact during the Participant's employment.

(c) For the purpose of the Award Agreement, "**Financial Institution**" means any person, firm, partnership, corporation, trust, or other entity that owns, operates or is in the process of forming (1) a bank, savings bank, savings and loan association, credit union or other similar financial institution, (2) an independent licensed mortgage banking entity, independent licensed mortgage brokerage entity, or (3) any other entity of any kind that engages in residential first or second lien mortgage banking activities, including but not limited to loan origination or sales, warehouse lending to mortgage banking entities, or loan servicing.

**Section 19.** **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, elect to deliver this Award Agreement and any documents related to participation in the Plan, or to request the Participant to acknowledge participation in the Plan or otherwise execute documents required by the Company in connection with the Plan, by electronic means, and may elect to require the Participant to acknowledge acceptance of the Award (including the terms set forth in this Award Agreement and the Plan) by means of an electronic signature or other assent mechanism delivered via an electronic system. The Participant acknowledges and agrees that the granting of this Award, and the Participant's right, if any, to receipt of a benefit or payment pursuant to this Award, is conditioned upon Participant's acknowledgement and acceptance of the terms and conditions set forth in this Award Agreement and the Plan.

**Section 20.** **Representations by the Participant.** The Participant acknowledges and agrees that:

(a) the Participant has been and hereby is advised in writing to consult with an attorney prior to executing the Award Agreement; and,

(b) the Participant was given at least fourteen (14) days to consider whether to execute the Award Agreement, although Participant may execute it sooner if desired.

* * * * *

**IN WITNESS WHEREOF**, the Company has caused this Award Agreement to be executed in its name and on its behalf, and the Participant acknowledges understanding and acceptance of, and agrees to, the terms of the Plan and this Award Agreement, all as of the Grant Date. As described in **Section 19** above, all acknowledgements and consents hereunder may be required, at the Company's election, to be delivered via an electronic system.

**MIDWEST*ONE* FINANICAL GROUP, INC.**

By: ______________________________

Print Name: Charles N. Reeves

Title: Chief Executive Officer

**PARTICIPANT**

______________________________

Print Name: ______________________________

**MIDWEST*ONE* FINANCIAL GROUP, INC.**
**2023 EQUITY INCENTIVE PLAN**

**PERFORMANCE-BASED**
**RESTRICTED STOCK UNIT AWARD AGREEMENT**

The Participant specified below is hereby granted a performance-based restricted stock unit award (the "**Award**") by **MidWest*One* Financial Group, Inc.**, an Iowa corporation (the "**Company**"), under the **MidWest*One* Financial Group, Inc. 2023 Equity Incentive Plan** (the "**Plan**"). The Award shall be subject to the terms of the Plan and the terms set forth in this Performance-Based Restricted Stock Unit Award Agreement ("**Award Agreement**").

**Section 1.** **Award.** The Company hereby grants to the Participant the Award of restricted stock units (each such unit, an "**RSU**"), where each RSU represents the right of the Participant to receive one Share in the future upon the conclusion of the Performance Period specified below, subject to the terms of this Award Agreement and the Plan.

**Section 2.** **Terms of Restricted Stock Unit Award.** The following words and phrases relating to the Award shall have the following meanings:

(a) The "**Participant**" is ________________________________.

(b) The "**Grant Date**" is ________________________________.

(c) The amount of the Award is $_______________. Based on a per Share closing price of $____________ on the Grant Date, the target number of "**RSUs**" is _______________.

(d) The "**Performance Period**" is the three (3) calendar year period beginning on January 1 of the calendar year including the Grant Date and ending on December 31 of the second calendar year following the calendar year including the Grant Date.

Except for words and phrases otherwise defined in this Award Agreement, any capitalized word or phrase in this Award Agreement shall have the meaning ascribed to it in the Plan.

**Section 3.** **Performance Measurement.**

(a) The RSUs are subject to forfeiture until they vest. The Committee shall establish one or more performance goals for the Performance Period, which may consist of business criteria or other metrics at the discretion of the Committee (the "**Performance Goals**"). The Performance Goals are set forth on **Exhibit A** hereto. Except as otherwise provided herein, the RSUs will vest and become nonforfeitable on the third ($3^{rd}$) anniversary of the Grant Date (the "**Vesting Date**"), subject to the achievement of the minimum threshold Performance Goals for payout and the Participant's continuous service with the Company through the Vesting Date. Upon the conclusion of the Performance Period, the Committee shall have the sole discretion to determine the level of achievement of the Performance Goals and, in accordance with **Exhibit A**, the number of RSUs, if any, that vest and shall be settled pursuant to **Section 4** below. For purposes of this Agreement, to the extent that an established Performance Goal is reported in the Company's Form 10-Ks and Form 10-Qs, attainment of any such Performance Goal will be based on the Company's reporting with respect to such Performance Goal in the Company's Form 10-Ks and Form 10-Qs as filed with the Securities and Exchange Commission with such adjustments as are recommended by management and approved by the Committee for items that are infrequent in occurrence and/or unusual in nature and consistent with similar adjustments made for purposes of annual bonus compensation.

(b) Notwithstanding any provision of this Award Agreement to the contrary, if the Participant incurs a Termination of Service due to the Participant's Disability or the Participant's death, the RSUs shall become fully vested immediately upon such Termination of Service at the target level of performance.

(c) Upon a Change in Control, the Award shall be treated in accordance with Section 4.1 of the Plan.

(d) Notwithstanding any provision of this Award Agreement to the contrary, if the Participant's Termination of Service is due to retirement, the RSUs shall not be forfeited as a result of such retirement and shall remain eligible to vest upon the conclusion of the Performance Period as provided in **Section 3(a)**, *provided* that the Participant does not work for or provide services to any entity considered to be a competitor of the Company during any remaining portion of the Performance Period. The number of RSUs that shall remain eligible to vest upon the conclusion of the Performance Period shall be determined by multiplying the number of RSUs that would have vested but for the retirement by a fraction the numerator of which is the number of days the Participant was employed during the Performance Period and the denominator of which is the total number of days in the Performance Period. For purposes of this Award Agreement, the Committee in its sole discretion shall determine (1) whether the Participant's Termination of Service is due to "retirement," and (2) whether the Participant is working for or providing services to a competitor of the Company.

(e) Except as set forth in **Section 3(b)**, **Section 3(c)** or **Section 3(d)** above, if the Participant's Termination of Service occurs prior to the conclusion of the Performance Period, the Participant shall forfeit all right, title and interest in and to the RSUs as of such Termination of Service.

**Section 4.** **<u>Settlement of RSUs</u>.** Delivery of Shares or other amounts under this Award Agreement and the Plan shall be subject to the following:

(a) *Delivery of Shares*. The Company shall deliver to the Participant one Share free and clear of any restrictions in settlement of each of the vested and unrestricted RSUs, as determined in accordance with **Section 3** above, within 30 days following the Vesting Date (or the date on which the Award otherwise vests under **Section 3(b)**, **Section 3(c)** or **Section 3(d)** above). Notwithstanding the foregoing, if the 30-day settlement period following the end of the Vesting Date extends over two calendar years, settlement will occur no later than the end of the calendar year in which the Vesting Date occurs.

(b) *No Fractional Shares*. Notwithstanding **Section 4(a)** above, the Company shall not issue a fractional Share in settlement of any RSUs. Instead, the Company shall deliver cash for the current Fair Market Value of the fractional Share, in accordance with settlement timing under **Section 4(a)** above. The current Fair Market Value of a fractional Share shall be determined to the nearest 1/1000$^{th}$ of a Share in an administratively practicable manner following the Vesting Date of the Award (or the date on which the Award otherwise vests under **Section 3(b)**, **Section 3(c)** or **Section 3(d)** above) and shall be rounded to the nearest whole cent.

(c) *Compliance with Applicable Laws.* Notwithstanding any other term of this Award Agreement or the Plan, the Company shall have no obligation to deliver any Shares or make any other distribution of benefits under this Award Agreement or the Plan unless such delivery or distribution complies with all applicable laws and the applicable rules of any securities exchange or similar entity.

(d) *Certificates Not Required.* To the extent that this Award Agreement and the Plan provide for the issuance of Shares, such issuance may be effected on a non-certificated basis, to the extent not prohibited by applicable law or the applicable rules of any securities exchange or similar entity.

**Section 5.** **<u>Withholding</u>.** All deliveries of Shares pursuant to the Award shall be subject to withholding of all applicable taxes. The Company shall have the right to require the Participant (or if applicable, permitted assigns, heirs and Designated Beneficiaries (as defined below)) to remit to the Company an amount sufficient to satisfy any tax requirements prior to the delivery date of any Shares in connection with the Award. Except as otherwise provided by the Committee, such withholding obligations may be satisfied (a) through cash payment by the Participant, (b) through the surrender of Shares that the Participant already owns, (c) by withholding from wages or other amounts otherwise payable to the Participant or (d) through the surrender of Shares to which the Participant is otherwise entitled under the Plan; *provided*, *however*, that except as otherwise specifically provided by the Committee, such Shares under clause (d) may not be used to satisfy more than the maximum individual statutory tax rate for each applicable tax jurisdiction, or such lesser amount as may be established by the Company.

**Section 6.** **Non-Transferability of Award.** The Award, or any portion thereof, is not transferable except as designated by the Participant by will or by the laws of descent and distribution or pursuant to a domestic relations order. Except as provided in the immediately preceding sentence, the Award shall not be assigned, transferred, pledged, hypothecated or otherwise disposed of by the Participant in any way whether by operation of law or otherwise, and shall not be subject to execution, attachment or similar process. Any attempt at assignment, transfer, pledge, hypothecation or other disposition of the Award contrary to the provisions hereof, or the levy of any attachment or similar process upon the Award, shall be null and void and without effect.

**Section 7.** **Dividend Equivalents.** The Participant shall not be entitled to receive a payment equal in value to any dividends and distributions paid with respect to the RSUs during the Restricted Period or prior to settlement of the RSUs pursuant to **Section 4(a)** above.

**Section 8.** **No Rights as Shareholder.** The Participant shall not have any rights of a Shareholder with respect to the RSUs, including but not limited to, voting rights, prior to the settlement of the RSUs pursuant to **Section 4(a)** above.

**Section 9.** **Heirs and Successors.** This Award Agreement shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, and upon any person acquiring all or substantially all of the Company's assets or business. If any rights of the Participant or benefits distributable to the Participant under this Award Agreement have not been settled or distributed at the time of the Participant's death, such rights shall be settled for and such benefits shall be distributed to the Designated Beneficiary in accordance with the provisions of this Award Agreement and the Plan. The "**Designated Beneficiary**" shall be the beneficiary or beneficiaries designated by the Participant in a writing filed with the Committee in such form as the Committee may require. The Participant's designation of beneficiary may be amended or revoked from time to time by the Participant in accordance with any procedures established by the Committee. If a Participant fails to designate a beneficiary, or if the Designated Beneficiary does not survive the Participant, any benefits that would have been provided to the Participant shall be provided to the legal representative of the estate of the Participant. If a Participant designates a beneficiary and the Designated Beneficiary survives the Participant but dies before the provision of the Designated Beneficiary's benefits under this Award Agreement, then any benefits that would have been provided to the Designated Beneficiary shall be provided to the legal representative of the estate of the Designated Beneficiary.

**Section 10.** **Administration.** The authority to manage and control the operation and administration of this Award Agreement and the Plan shall be vested in the Committee, and the Committee shall have all powers with respect to this Award Agreement as it has with respect to the Plan. Any interpretation of this Award Agreement or the Plan by the Committee and any decision made by the Committee with respect to this Award Agreement or the Plan shall be final and binding on all persons.

**Section 11.** **Plan Governs.** Notwithstanding any provision of this Award Agreement to the contrary, this Award Agreement shall be subject to the terms of the Plan, which is incorporated herein by reference, a copy of which may be obtained by the Participant from the office of the Corporate Secretary of the Company. This Award Agreement shall be subject to all interpretations, amendments, rules and regulations promulgated by the Committee from time to time. Notwithstanding any provision of this Award Agreement to the contrary, in the event of any discrepancy between the corporate records of the Company and this Award Agreement, the corporate records of the Company shall control.

**Section 12.** **Not an Employment Contract.** Neither the Award nor this Award Agreement shall confer on the Participant any rights with respect to continuance of employment or other service with the Company or a Subsidiary, nor shall they interfere in any way with any right the Company or a Subsidiary may otherwise have to terminate or modify the terms of the Participant's employment or other service at any time.

**Section 13.** **Amendment.** Without limitation of **Section 16** and **Section 17** below, this Award Agreement may be amended in accordance with the provisions of the Plan, and may otherwise be amended in writing by the Participant and the Company without the consent of any other person.

**Section 14.** **Governing Law.** This Award Agreement, the Plan and all actions taken in connection herewith and therewith shall be governed by and construed in accordance with the laws of the State of Iowa, without reference to principles of conflict of laws, except as superseded by applicable federal law.

**Section 15.** **Validity.** If any provision of this Award Agreement is determined to be illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but this Award Agreement shall be construed and enforced as if such illegal or invalid provision had never been included herein.

**Section 16.** **Section 409A Amendment.** The Award is intended to be exempt from, or otherwise is compliant with, Code Section 409A and this Award Agreement shall be administered and interpreted in accordance with such intent. The Committee reserves the right (including the right to delegate such right) to unilaterally amend this Award Agreement without the consent of the Participant in order to maintain an exclusion from the application of, or to maintain compliance with, Code Section 409A; and the Participant hereby acknowledges and consents to such rights of the Committee.

**Section 17.** **Clawback.** As set forth in this **Section 17**, the Award and any Shares or other payment issued in settlement of the Award, or any portion thereof as may be determined in the sole discretion of the Committee, are subject to cancellation, rescission, payback, recoupment or other similar action ("**Clawback**") upon the occurrence of any Clawback Event (as defined below). Any Clawback under this **Section 17** shall be increased by the Company's costs incurred, including reasonable attorneys' fees, in pursuing or securing such cancellation, rescission, payback, recoupment or other similar action. For purposes of this Award Agreement, a "**Clawback Event**" includes the occurrence of any of the following:

(a) If the Company is required to prepare an accounting restatement of its financial statements due to the Company's material noncompliance with any financial reporting requirement under securities law, then the Company shall be entitled to Clawback from the Participant any Award granted, or Shares or other payment issued in settlement of the Award, during the three (3) completed fiscal years immediately preceding the date on which the Company is required to prepare such accounting restatement.

(b) If the Company is required to prepare an accounting restatement of its financial statements due to the Company's material noncompliance with any financial reporting requirement under securities law as a result of misconduct by the Participant, then the Company shall be entitled to Clawback from the Participant any Award granted, or Shares or other payment issued in settlement of the Award, during the three (3) completed fiscal years immediately preceding the date on which the Company is required to prepare such accounting restatement, and the Participant will be required to repay any profits received by the Participant from the sale of any Company securities during the twelve (12) months after the inaccurate or erroneous financial information was initially reported.

(c) If the Participant's employment with the Company or any Subsidiary thereof is subject to a termination for Cause, and the event or events giving rise to such termination for Cause are determined by the Committee in its reasonable discretion to be materially injurious to the reputation of the Company or any Subsidiary, then the Company shall be entitled to Clawback from the Participant any Award granted, or Shares or other payment issued in settlement of the Award, during the three (3) completed fiscal years immediately preceding the date on which the Participant is notified in writing by the Company (or any of its Subsidiaries) that the Participant's employment will be terminated for Cause.

(d) For the avoidance of doubt, the Participant acknowledges and agrees that each of the Clawbacks and Clawback Events described in paragraphs **(a)** through **(c)** above may be applied independently or collectively, as determined in the Committee's sole discretion, to the same, or similar, facts, circumstances, and events giving rise to such Clawback. Further, notwithstanding anything to the contrary in this **Section 17**, if a statutorily mandated Clawback would require or permit a more extensive recapture by the Company, then such statutorily mandated Clawback shall apply.

**Section 18.** **<u>Non-Solicitation.</u>** As an essential ingredient of and in consideration of this Award and the Award Agreement, the Participant shall not, during the Participant's employment with the Company and its Subsidiaries and for a period of twelve (12) months immediately following the termination of the Participant's employment for any reason, directly or indirectly do any of the following:

(a) either for the Participant or any Financial Institution: (1) induce or attempt to induce any employee of the Company or any Subsidiary with whom the Participant had significant contact to leave the employ of the Company or the Subsidiary; or (2) in any way interfere with the relationship between the Company or a Subsidiary and any employee of the Company or a Subsidiary with whom the Participant had significant contact; or

(b) either for the Participant or any Financial Institution: (1) solicit the business of any person or entity known to the Participant to be a customer of the Company or a Subsidiary, where the Participant had significant contact with such person or entity during the Participant's employment with respect to the products, activities, or services provided by the Company or any Subsidiary to such person or entity; (2) induce or attempt to induce any customer, supplier, licensee, or business relation of the Company or a Subsidiary with whom the Participant had significant contact during the Participant's employment to cease doing business with the Company or any Subsidiary; or (3) interfere in any way with the relationship between the Company or a Subsidiary and its respective customers, suppliers, licensees or business relations with whom the Participant had significant contact during the Participant's employment.

(c) For the purpose of the Award Agreement, "**Financial Institution**" means any person, firm, partnership, corporation, trust, or other entity that owns, operates or is in the process of forming (1) a bank, savings bank, savings and loan association, credit union or other similar financial institution, (2) an independent licensed mortgage banking entity, independent licensed mortgage brokerage entity, or (3) any other entity of any kind that engages in residential first or second lien mortgage banking activities, including but not limited to loan origination or sales, warehouse lending to mortgage banking entities, or loan servicing.

**Section 19.** **<u>Electronic Delivery and Acceptance</u>.** The Company may, in its sole discretion, elect to deliver this Award Agreement and any documents related to participation in the Plan, or to request the Participant to acknowledge participation in the Plan or otherwise execute documents required by the Company in connection with the Plan, by electronic means, and may elect to require the Participant to acknowledge acceptance of the Award (including the terms set forth in this Award Agreement and the Plan) by means of an electronic signature or other assent mechanism delivered via an electronic system. The Participant acknowledges and agrees that the granting of this Award, and the Participant's right, if any, to receipt of a benefit or payment pursuant to this Award, is conditioned upon Participant's acknowledgement and acceptance of the terms and conditions set forth in this Award Agreement and the Plan.

**Section 20.** **<u>Representations by the Participant</u>.** The Participant acknowledges and agrees that:

(a) the Participant has been and hereby is advised in writing to consult with an attorney prior to executing the Award Agreement; and,

(b) the Participant was given at least fourteen (14) days to consider whether to execute the Award Agreement, although Participant may execute it sooner if desired.

* * * * *

**IN WITNESS WHEREOF**, the Company has caused this Award Agreement to be executed in its name and on its behalf, and the Participant acknowledges understanding and acceptance of, and agrees to, the terms of the Plan and this Award Agreement, all as of the Grant Date. As described in Section 19 above, all acknowledgements and consents hereunder may be required, at the Company's election, to be delivered via an electronic system.

**MIDWEST*ONE* FINANICAL GROUP, INC.**

By: ______________________________

Print Name: Charles N. Reeves

Title: Chief Executive Officer

**PARTICIPANT**

______________________________

Print Name: ______________________________

**Exhibit A**

**Performance-Based Restricted Stock Unit**
**Performance Goals**

**Performance Goal:** 3-Year Cumulative Core Diluted Earnings Per Share (“EPS”)

**Weighting of Performance Goal:** 50%

| **Performance Level/Goal** | 3-Year Cumulative Core Diluted EPS | Payout (% of Target RSUs) |
|---|---|---|
| Threshold | | 50% |
| Target | | 100% |
| Maximum | | 150% |

**Performance Goal:** 3-Year Average Return on Average Tangible Common Equity (“ROATCE”)

**Weighting of Performance Goal:** 50%

| **Performance Level/Goal** | 3-Year Core ROATCE | Payout (% of Target RSUs) |
|---|---|---|
| Threshold | | 50% |
| Target | | 100% |
| Maximum | | 150% |

*Achievement of each Performance Goal to be determined by straight-line interpolation for actual performance falling between threshold and target or target and maximum levels. If achievement with respect to a particular Performance Goal does not reach threshold level, then no portion of the Award will vest with respect to such Performance Goal.

**MidWest*One* Bank**

**Amended and Restated**
**Executive Life Insurance Plan**

**Introduction**

The purpose of this Amended and Restated Executive Life Insurance Plan (the "**Plan**") is to promote the long-term financial success of MidWest*One* Bank (the "**Bank**") and its parent company, MidWest*One* Financial Group, Inc. (the "**Company**"), and their affiliates by providing a means to retain and reward individuals who can and do contribute to such success. The Plan is a complete amendment and restatement of the Executive Life Insurance Plan originally adopted, effective March 18, 2005 (the "**Prior Plan**"), by Iowa State Bank & Trust Company, the predecessor of the Bank. The Plan, as amended and restated, is effective as of December 1, 2023 (the "**Effective Date**"). Following the Effective Date, except as set forth in Section 3.1(c), the Prior Plan shall be without further effect.

**Article 1**
**Definitions**

Whenever used in this Plan, the following terms shall have the meanings specified:

"**Base Salary**" means the current base annual salary of the Participant at the date of the Participant's death where the Participant dies while actively employed. In the case of a Participant whose compensation is based primarily on commissions, "Base Salary" shall mean the average compensation (excluding benefits) paid to such employee for the five most recent full calendar years (or fewer for employment of less than five years) prior to the date of the Participant's death.

"**Board**" means the board of directors of the Bank.

"**Change in Control**" means:

(a) the consummation of the acquisition by any "person" (as such term is defined in Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "**1934 Act**")) of "beneficial ownership" (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of 50 percent or more of the combined voting power of the then outstanding Voting Securities of the Company; or

(b) the individuals who, as of the Effective Date, are members of the Company Board cease for any reason to constitute a majority of the Company Board, unless the election, or nomination for election by the shareholders, of any new director was approved by a vote of a majority of the Company Board, and such new director shall, for purposes of this Plan, be considered as a member of the Company Board; or

(c) the consummation by the Company of: (A) a merger or consolidation if the shareholders immediately before such merger or consolidation do not, as a result of such merger or consolidation, own, directly or indirectly, more than 50 percent of the combined voting power of the then outstanding Voting Securities of the entity resulting from such merger or consolidation in substantially the same proportion as their ownership of the combined voting power of the Voting Securities of the Company outstanding immediately before such merger or consolidation; or (B) a complete liquidation or dissolution or an agreement for the sale or other disposition of all or substantially all of the assets of the Company.

Notwithstanding any provision in this definition to the contrary, a Change in Control shall not be deemed to occur solely because 50 percent or more of the combined voting power of the then outstanding securities of the Company are acquired by (A) a trustee or other fiduciary holding securities under one or more employee benefit plans maintained for employees of the Company or an affiliate of the Company or (B) any corporation or other entity that, immediately prior to such acquisition, is owned directly or indirectly by the shareholders in the same proportion as their ownership of stock immediately prior to such acquisition.

"**CEO**" means the Chief Executive Officer of the Bank.

"**Company Board**" means the board of directors of the Company.

"**Compensation Committee**" means the Compensation Committee of the Company Board.

"**Disability**" means the Participant's suffering a sickness, accident or injury which has been determined by the carrier of any individual or group disability insurance policy covering the Participant, or by the Social Security Administration, to be a disability rendering the Participant totally and permanently disabled. The Participant must submit proof to the Bank of the carrier's or Social Security Administration's determination upon the request of the Bank.

"**Good Reason**" means the occurrence of one of the following events, unless the Participant agrees in writing that such event shall not constitute Good Reason:

(a) an adverse change in the nature, scope or status of the Participant's position, authorities or duties from those in effect immediately prior to a Change in Control;

(b) a material reduction in the Participant's annual base salary or commission compensation opportunity as in effect immediately prior to a Change in Control; or

(c) a relocation of the Participant's primary place of employment by more than 25 miles from the Participant's primary place of employment immediately prior to a Change in Control;

Prior to the Participant's resignation for Good Reason, the Participant must give the Bank written notice of the existence of any condition set forth in clause (a) – (c) immediately above within 30 days of its initial existence and the Bank shall have 30 days from the date of such notice in which to cure the condition giving rise to Good Reason, if curable. If the Bank cures the condition giving rise to Good Reason during such 30-day period, the condition shall not constitute Good Reason. If the Bank fails or refuses to cures the condition giving rise to Good Reason, the Participant may resign for Good Reason provided that such resignation is effective within 90 days of the initial existence of the applicable condition.

"**Insured**" means the individual whose life is insured.

"**Insurer**" means the insurance company issuing the life insurance policy on the life of the Insured.

"**Normal Retirement Age**" means the Participant attaining age 65.

“**Participant**” means (a) any Participant as of the Effective Date, and (b) any officer of the Bank who is designated by the CEO as a Participant, provided that such individual executes any documents deemed necessary by the Bank to evidence such participation or necessary for obtaining any Policy or Policies.

“**Policy**” or “**Policies**” means the individual insurance policy or policies approved by the Compensation Committee for purposes of insuring a Participant’s life under this Plan.

“**PTDB Base Salary**” means the base annual salary of the Participant as in effect on November 30, 2023. In the case of a Participant whose compensation is based primarily on commissions, “PTDB Base Salary” shall mean the average compensation (excluding benefits) paid to such employee for the five full calendar years 2018 – 2022 (or fewer for employment of less than five full calendar years).

“**Retirement**” means, on or after the Participant’s attainment of Normal Retirement Age, a voluntary resignation of employment by the Participant (other than a resignation in anticipation of, or intended to pre-empt, a Termination for Cause) or a termination of a Participant’s employment by the Bank (other than a Termination for Cause).

“**Terminated for Cause**” or “**Termination for Cause**” shall mean termination because of the Employee’s personal dishonesty, incompetence, willful misconduct, breach of fiduciary duty involving personal profit, intentional failure to perform stated duties, willful violation of any law, rule or regulation (other than traffic violations or similar infractions) or a final cease-and-desist order.

“**Voting Securities**” means any securities that ordinarily possess the power to vote in the election of directors without the happening of any precondition or contingency.

## Article 2
## Participation

2.1 **<u>Participation</u>**. A Participant may commence participation in this Plan by executing an election to participate and a split dollar endorsement for each Policy (each in a form as required from time to time by the Bank in its sole discretion). The split dollar endorsement shall bind the Participant and his or her beneficiaries, assigns and transferees, to the terms and conditions of this Plan. Notwithstanding the foregoing, no new Participant shall be admitted to participation in the Plan after the Effective Date, unless otherwise determined by the CEO.

2.2 **<u>Termination of Participation</u>**. A Participant’s rights under this Plan shall cease, unless otherwise decided by the CEO, and his or her participation in this Plan shall terminate if any of the following events occur:

(a) If the Participant’s employment is terminated by the Bank for any reason prior to Normal Retirement Age;

(b) If the Participant’s employment is Terminated for Cause by the Bank at any time;

(c) If the Participant voluntarily terminates employment with the Bank prior to Normal Retirement Age or Disability, except where such termination is for Good Reason occurring within the two-year period following the effective date of a Change in Control; or

(d) If the Participant’s employment with the Bank is terminated due to Disability and the Participant thereafter becomes gainfully employed with an entity other than the Bank.

In the event the Bank decides to maintain the Policy after the Participant's termination of participation in the Plan, the Bank shall be the direct beneficiary of the entire death proceeds of the Policy.

2.3 **Maintaining the Policy and Endorsement until Death**. If any of the events listed below occur, the Bank shall maintain the applicable Policy in full force and effect and, in no event, shall the Bank amend, terminate or otherwise abrogate the Participant's interest in such Policy as described in Section 3.1 below, unless the Participant agrees to such in writing. The Bank may replace the applicable Policy with a comparable insurance policy to cover the benefit provided under this Plan if the Bank and Participant execute a new split dollar policy endorsement for a comparable benefit.

(a) *Disability*. If the Participant's employment with the Bank is terminated due to Disability, except as set forth in Section 2.2(d) herein.

(b) *Retirement*. If the Participant's employment with the Bank is terminated due to Retirement.

(c) *Change in Control*. If the Participant's employment with the Bank terminates as a result of (i) the Participant's resignation for Good Reason, or (ii) the Bank's (or a successor's) termination of the Participant's employment other than a Termination for Cause, in either case within the two-year period immediately following the effective date of a Change in Control (except for Termination for Cause).

## Article 3
## Policy Ownership/Interests

3.1 **Participant's Interest**. With respect to each Policy, the Participant or the Participant's assignee shall have the right to designate the beneficiary of one of the following death benefits:

(a) *Death While Actively Employed*. If the Participant dies while actively employed by the Bank, the death benefit shall be two times the Participant's Base Salary, less the full proceeds, if any, of Participant's group term life insurance benefit under the Bank's group term life insurance plan, if any, then in effect.

(b) *Death Following Termination of Employment*. If the Participant dies after termination of employment with the Bank where such termination is due to: (i) Participant's Retirement or Disability; or (ii) the Participant's resignation for Good Reason or the Bank's (or a successor's) termination of the Participant's employment other than a Termination for Cause, in either case within the two-year period immediately following the effective date of a Change in Control; the Participant's "**Post-Term Death Benefit**" shall be equal to the amount described in the table below:

| **Participant's Age as of December 31, 2023** | **Post-Term Death Benefit** |
|---|---|
| < 40 years | None |
| ≥ 40 years but < 45 years | 50% of PTDB Base Salary |
| ≥ 45 years but < 50 years | 60% of PTDB Base Salary |
| ≥ 50 years but < 55 years | 70% of PTDB Base Salary |
| ≥ 55 years but < 60 years | 80% of PTDB Base Salary |
| ≥ 60 years | 100% of PTDB Base Salary |

Notwithstanding the foregoing, any Participant who first becomes a Participant, or again becomes a Participant after a break in participation, on or after the Effective Date shall be ineligible for a Post-Term Death Benefit.

(c) *Benefit Under Prior Plan*. If, prior to the Effective Date, a Participant had attained "Normal Retirement Age" (as defined under the Prior Plan) or terminated employment due to retirement (within the meaning of the Prior Plan), Disability (within the meaning of the Prior Plan) or death, the Participant shall be entitled to the benefits described in the Prior Plan.

The Participant shall also have the right to elect and change settlement options with the consent of the Bank and the Insurer to the extent of the Participant's death benefits. For the avoidance of doubt, the Participant shall only ever be entitled to receive one Plan benefit under either Section 3.1(a), Section 3.1(b) or Section 3.1(c).

3.2 **Bank's Interest**. The Bank shall own the Policies and shall have the right to exercise all incidents of ownership except that the Bank shall not sell, surrender or transfer ownership of a Policy so long as a Participant has an interest in the Policy (to the extent provided in Section 2.3 and Section 3.1). With respect to each Policy, the Bank shall be the direct beneficiary of the remaining death proceeds of the Policy after the Participant's interest is determined according to Section 3.1.

## Article 4
## Premiums

4.1 **Premium Payment**. The Bank shall pay all premiums due on all Policies.

4.2 **Imputed Income**. The Bank shall annually impute income to each Participant in the minimum amount required under applicable federal tax law based on the net death benefit payable to the Participant's beneficiary. The Participant shall be responsible for any income taxes that may be due on such imputed income.

## Article 5
## Insurer

The Insurer shall be bound only by the terms of their corresponding Policy. Any payments the Insurer makes or actions it takes in accordance with a Policy shall fully discharge it from all claims, suits and demands of all persons relating to that Policy. The Insurer shall not be bound by the provisions of this Plan. The Insurer shall have the right to rely on the Bank's representations with regard to any definitions, interpretations, or Policy interests as specified under this Plan.

## Article 6
## Administration and Claim

6.1 **Administration**. The administration of the Plan, the exclusive power to interpret it, and the responsibility for carrying out its provisions, are vested in the Board. The Board shall have the authority to resolve any question under the Plan. The determination of the Board as to the interpretation of the Plan or any disputed question shall be conclusive and final to the extent permitted by applicable law.

6.2 **Claims Procedures**.

(a) Claims for benefits under the Plan shall be submitted in writing to the Bank's President & CEO.

(b) If any claim for benefits is wholly or partially denied, the claimant shall be given written notice within a reasonable period following the date on which the claim is filed, which notice shall set forth:

(i) the specific reason or reasons for the denial;

(ii) specific reference to pertinent Plan provisions on which the denial is based;

(iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and

(iv) an explanation of the Plan's claim review procedure.

If the claim has not been granted and written notice of the denial of the claim is not furnished within 60 days following the date on which the claim is filed, the claim shall be deemed denied for the purpose of proceeding to the claim review procedure.

(c) The claimant or his authorized representative shall have 30 days after receipt of written notification of denial of a claim (or of a deemed denial) to request a review of the denial by making written request to the Bank's President & CEO, and may review pertinent documents and submit issues and comments in writing within such 30-day period.

(d) After receipt of the request for review, the Board shall, within 60 days, render and furnish to the claimant a written decision, which shall include specific reasons for the decision and shall make specific references to pertinent Plan provisions on which it is based. Such decision by the Board shall not be subject to further review. If a decision on review is not furnished to a claimant, within such 60-day period, the claim shall be deemed to have been denied on review.

(e) No claimant shall institute any action or proceeding in any state or federal court of law or equity or before any administrative tribunal or arbitrator for a claim for benefits under the Plan until the claimant has first exhausted the provisions set forth in this section.

## Article 7
## Amendments and Termination

7.1 **Amendment or Termination of Plan**. The Bank may amend or terminate the Plan at any time. With respect to any Participant who is then entitled to a benefit pursuant to Section 3.1, except as otherwise provided in Section 2.3 and Section 7.2, the Bank may amend or terminate the Plan at any time.

7.2 **Amendment or Termination of Plan Upon Change in Control**. In the event of a Change in Control, the Bank, or its successor, shall maintain in full force and effect each Policy that is in existence on the date the Change in Control occurs and shall not terminate or otherwise abrogate a Participant's interest in the Policy. However, the Bank may replace the Policy with a comparable insurance policy to cover the benefit provided under this Plan to the Participant. This Section 7.2 shall apply to all Participants in the Plan on the date the Change in Control occurs, including but not limited to (i) a retired Participant who has an interest in a Policy; (ii) a disabled Participant who has an interest in a Policy; and (iii) a Participant whose employment terminates as a result of the Participant's resignation for Good Reason or the Bank's (or a successor's) termination of the Participant other than a Termination for Cause in either case within the two-year period following the effective date of a Change in Control.

**Article 8**
**Miscellaneous**

8.1 **Binding Effect**. This Plan in conjunction with each split dollar endorsement shall bind each Participant and the Bank, their beneficiaries, survivors, executors, administrators and transferees and any Policy beneficiary.

8.2 **No Guarantee of Employment**. This Plan is not an employment policy or contract. It does not give a Participant the right to remain an employee of the Bank, nor does it interfere with the Bank's right to discharge a Participant. It also does not require a Participant to remain an employee nor interfere with a Participant's right to terminate employment at any time, with or without cause.

8.3 **Applicable Law**. The Plan and all rights hereunder shall be governed by and construed according to the laws of the State of Iowa, except to the extent preempted by federal law.

8.4 **Notice**. Any notice, consent or demand required or permitted to be given under the provisions of this Plan by one party to another shall be in writing, shall be signed by the party giving or making the same, and may be given either by delivering the same to such other party personally, or by mailing the same, by United States certified mail, postage prepaid, to such party, addressed to his/her last known address as shown in the records of the Bank. The date of such mailing shall be deemed the date of such mailed notice, consent or demand.

8.5 **Entire Agreement**. This Plan constitutes the entire agreement between the Bank and the Participant as to the subject matter hereof. No rights are granted to the Participants by virtue of this Plan other than those specifically set forth herein.

8.6 **Designated Fiduciary**. For purposes of the Employee Retirement Income Security Act of 1974, if applicable, the Bank shall be the named fiduciary and plan administrator under this Plan. The named fiduciary may delegate to others certain aspects of the management and operational responsibilities of the Plan, including the employment of advisors and the delegation of ministerial duties to qualified individuals.

8.7 **Severability**. If for any reason any provision of this Plan is held invalid such invalidity shall not affect any other provision of this Plan not held so invalid, and each such other provision shall, to the full extent consistent with the law, continue in full force and effect. If any provision of this Plan shall be held invalid in part, such invalidity shall in no way affect the rest of such provision, not held so invalid, and the rest of such provision, together with all other provisions of this Plan shall, to the full extent consistent with the law, continue in full force and effect.

8.8 **Headings**. The headings of Sections herein are included solely for convenience of reference and shall not affect the meaning or interpretation of any provision of this Plan.

**LIST OF SUBSIDIARIES**

| **Subsidiaries of the Company** | **Organized Under the Laws of** | **Percent Owned by the Company** |
|---|---|---|
| MidWest*One* Bank | State of Iowa | 100% |
| MidWest*One* Statutory Trust II | State of Delaware | 100% of common securities |
| Central Bancshares Capital Trust II | State of Delaware | 100% of common securities |
| Barron Investment Capital Trust I | State of Delaware | 100% of common securities |
| ATBancorp Statutory Trust I | State of Delaware | 100% of common securities |
| ATBancorp Statutory Trust II | State of Delaware | 100% of common securities |

**Exhibit 23.1**

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the Registration Statements (No. 333-281845) on Form S-3 and Registration Statements (Nos. 333-217718 and 333-271682) on Form S-8 of MidWest*One* Financial Group, Inc., of our reports dated March 11, 2025, relating to the consolidated financial statements and the effectiveness of internal control over financial reporting of MidWest*One* Financial Group, Inc., appearing in the Annual Report to Shareholders, which is incorporated in this Annual Report on Form 10-K of MidWest*One* Financial Group, Inc. for the year ended December 31, 2024.

/s/ RSM US LLP

Des Moines, Iowa
March 11, 2025

**Exhibit 31.1**

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER**
**PURSUANT TO EXCHANGE ACT RULE 13a - 14(a) / 15d - 14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Charles N. Reeves, Chief Executive Officer of MidWest*One* Financial Group, Inc., certify that:

1) I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2024 of MidWest*One* Financial Group, Inc.;

2) Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Annual Report;

3) Based on my knowledge, the financial statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Annual Report;

4) The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Annual Report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Annual Report based on such evaluation; and

   d) disclosed in this Annual Report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5) The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ CHARLES N. REEVES

Charles N. Reeves
Chief Executive Officer
Date: March 11, 2025

**Exhibit 31.2**

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER**
**PURSUANT TO EXCHANGE ACT RULE 13a - 14(a) / 15d - 14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Barry S. Ray, Chief Financial Officer of MidWest*One* Financial Group, Inc., certify that:

1) I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2024 of MidWest*One* Financial Group, Inc.;

2) Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Annual Report;

3) Based on my knowledge, the financial statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Annual Report;

4) The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Annual Report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Annual Report based on such evaluation; and

   d) disclosed in this Annual Report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5) The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ BARRY S. RAY

Barry S. Ray
Chief Financial Officer
Date: March 11, 2025

**Exhibit 31.3**

**CERTIFICATION OF PRINCIPAL ACCOUNTING OFFICER**
**PURSUANT TO EXCHANGE ACT RULE 13a - 14(a) / 15d - 14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, John J. Ruppel, Chief Accounting Officer of MidWest*One* Financial Group, Inc., certify that:

1) I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2024 of MidWest*One* Financial Group, Inc.;

2) Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Annual Report;

3) Based on my knowledge, the financial statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Annual Report;

4) The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Annual Report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Annual Report based on such evaluation; and

   d) disclosed in this Annual Report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5) The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ JOHN J. RUPPEL

John J. Ruppel
Chief Accounting Officer
Date: March 11, 2025

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of MidWest*One* Financial Group, Inc. on Form 10-K for the period ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Charles N. Reeves, the Chief Executive Officer of MidWest*One* Financial Group, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(a) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of MidWest*One* Financial Group, Inc.

/s/ CHARLES N. REEVES

Charles N. Reeves
Chief Executive Officer
Date: March 11, 2025

*This certification accompanies this Form 10-K and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that Section.*

**Exhibit 32.2**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of MidWest*One* Financial Group, Inc. on Form 10-K for the period ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Barry S. Ray, Chief Financial Officer of MidWest*One* Financial Group, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(a) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of MidWest*One* Financial Group, Inc.

/s/ BARRY S. RAY

Barry S. Ray
Chief Financial Officer
Date: March 11, 2025

*This certification accompanies this Form 10-K and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that Section.*

**Exhibit 32.3**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of MidWest*One* Financial Group, Inc. on Form 10-K for the period ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John J. Ruppel, the Chief Accounting Officer of MidWest*One* Financial Group, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(a) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of MidWest*One* Financial Group, Inc.

/s/ JOHN J. RUPPEL
John J. Ruppel
Chief Accounting Officer
Date: March 11, 2025

*This certification accompanies this Form 10-K and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that Section.*