

Evolving for a strong future



2015 ANNUAL REPORT

County Bancorp
Inc.





Letter to Shareholders

William Censky
Chairman of the Board
County Bancorp, Inc.



Timothy Schneider
President, County Bancorp, Inc.
CEO, Investors Community Bank

Dear Shareholders:

2015 was quite an exciting and active year for County Bancorp, Inc. Besides the outstanding financial performance of your company, which I will expound on later, we are ***Evolving for a Strong Future***. What do I mean by this? Strategically, our board decided a few years ago that providing long-term shareholder liquidity was important. To address this issue we made the decision to take the company public, and on January 16, 2015 we started trading on the NASDAQ Global Market (ICBK), raising approximately \$16.9 million (net proceeds) in additional capital through an Initial Public Offering.

Why would a company that is already well capitalized require additional capital? This additional capital, along with the public currency we created by taking the company public, allowed us to pursue another high priority set by your board – that of pursuing qualified acquisition candidates. Two of our primary objectives of an acquisition are to provide a diversification of our loan portfolio by acquiring a strong commercially-focused bank, along with finding an acquisition that's located in a strong community for future growth. We accomplished this with the May 13, 2016 closing of the acquisition of Fox River Valley Bancorp, Inc. and its wholly owned subsidiary, The Business Bank, with locations in Appleton and Green Bay. We are very excited about our new venture with The Business Bank and the outstanding new team members who will be joining Investors Community Bank (ICB), along with their solid commercial banking customers becoming customers of ICB.

As you can see, we have had a lot going on this past year. Diligent and extreme hard work have gone into accomplishing both of these goals by many team members at ICB. Again, we felt both of these steps were necessary in the ever-evolving banking business to continue to provide long term shareholder value creation.

2015 Company Performance

2014 was an outstanding year for County Bancorp, Inc., but 2015 was even better. We surpassed net income year-over-year by 33.7% – \$8.2 million in 2014 versus \$11.0 million in 2015. Our loan growth was also extremely strong, growing \$100.1 million in net loans for the year – \$648.1 million at year end 2014 versus \$748.2 million at year end 2015. We also surpassed \$1.2 billion in total loans serviced in 2015. This number represents all loans on our balance sheet as well as loans serviced, which includes Farm Service Agency government guaranteed loans sold in the secondary market and loans participated to other financial institutions.

Our efficiency ratio continued to be strong and in the industry peer group top quartile at 49.95% for 2015. Return on average assets was a record for your company at 1.35% and also was in the industry peer group top quartile for the year 2015, exceeding last year's return on average assets of 1.10%.

In the current competitive and sustained low interest rate commercial banking environment, we were able to maintain a solid net interest margin at 3.36% in 2015. Our non-interest income also remained strong, growing to \$7.7 million for 2015 versus \$7.1 million for 2014. This was primarily due to our continued strong secondary market sales of Farm Service Agency government guaranteed loans, participated loans and an increase in our crop insurance revenues for the year.

Our non-performing asset level rose in the fourth quarter of 2015. The increase at year end was primarily due to the recognition of one large credit as non-accrual at the end of the fourth quarter. We expect this situation to resolve itself through the owner's sale of the business in 2016. Finally, earnings per diluted share for 2015 were \$1.82 as compared to 2014 at \$1.69. In addition, we announced an increase of 25% in our first quarter dividend for 2016.

Company Recognition

As we previously shared with you, we opened our newly relocated branch in Stevens Point in early February 2016. This beautiful facility will allow us to continue our growth in the Stevens Point and central Wisconsin market. We also opened a new Loan Production Office in Sheboygan in January 2016.

People Bank with People, not Banks

We continue to be a business driven by our people and the relationships we have with our customers. We have added significant new talent to our team in 2015 and will add resources accordingly in 2016 as we see opportunity to grow. As mentioned earlier, we are excited about the people joining our team in the Appleton and Green Bay markets as part of our acquisition of The Business Bank.

Thank you for your support as shareholders this past year, and hopefully you are as pleased with our results for 2015 as we are. We are proud to share our successes with you as we move into an evolving time as a bank and an industry.

ON THE COVER: 3 Sheeps Brewing Company, Sheboygan; Our new Stevens Point banking center; ICB agricultural banking team



Directors & Advisory Board

Investors Community Bank Officers

Senior Management

William C. Censky
Chairman of the Board

Timothy J. Schneider
President

Gary R. Abramowicz
Chief Financial Officer and Treasurer

Mark A. Miller
Secretary and Securities Compliance Officer

2015 Board of Directors County Bancorp Inc. / Investors Community Bank

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Investors Community Bank

Mark R. Binversie
Investors Community Bank

Timothy J. Schneider
Investors Community Bank

Wayne D. Mueller
Investors Community Bank

Carmen L. Chizek
Chizek Transport, Inc.

Lynn D. Davis, Ph.D.
Nutrition Professionals, Inc.

Rick G. Dercks
Business Consultant and Investor

Edson P. Foster
Foster Needle Co., Inc.

Robert E. Matzke
Financial Services of Northeast Wisconsin

Kathi P. Seifert*
Katapult, LLC

Andrew J. Steimle
Steimle Birsbach LLC

Kenneth R. Zacharias, CPA
Schenck Business Solutions

Gary J. Ziegelbauer
Triangle Distributing, Inc.

Stevens Point Advisory Board

Augusto (Tito) Alinea
Stevens Point Anesthesia

Dan Bukowski
Markit, N.A. and DigiCopy, Inc.

Bill Mullins
Mullins Cheese

Ken Turzinski
DMK, Inc.

Bill Wolfe
Wisconsin River Cranberry & Lester Cranberry

**Investors Community Bank Board Only*

Investors Community Bank Officers

Gary R. Abramowicz, Executive Vice President – Chief Financial Officer/Treasurer

Trevar J. Athorp, Senior Agricultural & Business Banking Officer

Nicole M. Bahn, Senior Special Assets Officer

Tony J. Betley, Senior Agricultural Banking Officer

Mark R. Binversie, President

Virginia Bishop, Asst. Vice President - Banking Services

Mary A. Boeckman, Loan Quality Control Specialist

William C. Censky, Chairman of the Board

David A. Coggins, Executive Vice President – Chief Banking Officer

Christopher C. Cox, Senior Business Banking Officer

Thomas D. Detienne, Market President – Southeast Region

David J. Diedrich, Vice President – Business Banking

Jeff C. Duffrin, Senior Business Banker

Steven J. Fleming, Senior Agricultural Banking Officer

Deb Geiger, Asst. Vice President – Electronic Banking

Katelin R. Haglund, Agricultural Credit Manager

Jeffrey J. Hebert, Bank Systems Manager

Bill C. Hodgkiss, Senior Vice President - Business Banking

Brian J. Hoskens, Vice President – Agricultural Banking

Michael J. Hostak, Vice President – Information Technology

Jeffrey L. Jagodinsky, Senior Business Banking Officer

Matt K. Kasdorf, Deputy Chief Credit Officer

Justin R. Knuth, Credit Manager – Business Banking

Cari A. Larsen, Vice President – Controller

Matt R. Lemke, Vice President – Banking Services

Kaarin M. Long, Cash Management Relationship Manager

Mark D. Ludtke, Agricultural Banking Officer

Mark C. Maurer, Vice President – Business Banking

Craig P. Mayo, Executive Vice President – Chief Credit Officer

Lori A. Megow, Asst. Vice President – Banking Services

Mark A. Miller, Executive Vice President – Chief Risk Officer & Bank Counsel/Secretary of the Board

Laurie K. Olson, Vice President - Business Banking

Tom J. Pennings, Senior Business Banker

Bill A. Pfungsten, Senior Vice President - Agricultural Banking

Kathleen M. Richardson, Asst. Vice President – Banking Services

Christopher J. Schneider, Vice President – Agricultural Banking

Patricia M. Schneider, Vice President – Deposit Operations / Security Officer / BSA Administrator

Timothy J. Schneider, Chief Executive Officer

Scott Schroeter, Agricultural Portfolio Manager

Roger P. Sinkula, Agricultural Banking Officer

Sharon A. Slager, Asst. Vice President – Governmental Guarantee Loan Program

James J. Smidel, Agricultural Banking Officer

Susan M. Smith, Executive Vice President – Chief Human Resources Officer

Lori A. Webster, Vice President – Compliance Officer

Laura A. Wiegert, Vice President – Marketing

Cyrene N. Wilke, Vice President – Loan Operations/CRA Officer

Scott C. Yukel, Vice President - Business Banking



Selected Financial Highlights*

COUNTY BANCORP, INC. AND SUBSIDIARIES
December 31, 2015 and 2014

*Additional financial information is available upon request or can be viewed at www.ICBK.com (click on Investor Relations button in upper left corner)

	For the year ended December 31	
	<u>2015</u>	<u>2014</u>
	<i>Dollars in thousands except per share data</i>	
RESULTS OF OPERATIONS:		
Interest income	\$33,767	\$30,897
Interest expense	<u>7,520</u>	<u>7,537</u>
Net interest income	26,247	23,360
Provision for loan losses	<u>(1,019)</u>	<u>589</u>
Net interest income after provision for (recovery of) loan losses	27,266	22,771
Non-interest income	7,685	7,148
Non-interest expense	<u>17,458</u>	<u>17,025</u>
Income before income taxes	17,493	12,894
Income tax expense	<u>6,519</u>	<u>4,684</u>
Net income	<u>\$10,974</u>	<u>\$8,210</u>
PER SHARE DATA:		
Basic	\$1.85	\$1.73
Diluted	\$1.82	\$1.69
Cash dividends per common share	\$0.16	N/A
Book value per share	\$17.16	\$16.01
PERFORMANCE RATIOS:		
Return on average assets	1.35%	1.10%
Return on average common shareholders' equity	11.27%	11.37%
Net interest margin	3.36%	3.29%
Interest rate spread	3.13%	3.07%
Non-interest income to average assets	0.95%	0.96%
Non-interest expense to average assets	2.15%	2.28%
Net overhead ratio	1.20%	1.32%
Efficiency ratio	49.95%	50.99%
Dividend payout ratio	8.79%	N/A
ASSET QUALITY RATIOS:		
Nonperforming loans to total loans	3.29%	1.78%
Allowance for loan losses to:		
Total loans	1.39%	1.64%
Nonperforming loans	42.33%	91.76%
Net charge-offs (recoveries) to average loans	(0.12)%	0.08%
Nonperforming assets to total assets	3.10%	2.42%
CAPITAL RATIOS:		
Shareholders' common equity to assets	11.19%	9.33%
Tier 1 risk-based capital (Bank)	13.94%	15.51%
Total risk-based capital (Bank)	15.19%	16.77%
Tier 1 Common Equity Ratio (Bank)	13.94%	N/A
Leverage ratio (Bank)	13.29%	13.96%

Consolidated Balance Sheets

COUNTY BANCORP, INC. AND SUBSIDIARIES
December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
	<i>Dollars in thousands</i>	
ASSETS		
Cash and cash equivalents	\$ 14,907	\$ 10,480
Securities available for sale, at fair value	83,281	81,282
FHLB Stock, at cost	3,507	1,252
Loans held for sale	9,201	4,114
Loans, net of allowance for loan losses of \$10,405 as of December 31, 2015 and \$10,603 as of December 31, 2014	737,784	637,519
Premises and equipment, net	7,165	4,596
Loan servicing rights	8,145	7,746
Other real estate owned, net	2,872	7,137
Cash surrender value of bank owned life insurance	11,155	10,863
Deferred tax asset, net	2,048	2,321
Accrued interest receivable and other assets	<u>4,824</u>	<u>4,446</u>
Total assets	<u>\$884,889</u>	<u>\$771,756</u>
LIABILITIES		
Deposits:		
Non-interest bearing	\$ 70,914	\$ 81,534
Interest bearing	<u>601,312</u>	<u>523,935</u>
Total deposits	672,226	605,469
Other borrowings	3,945	23,857
Advances from FHLB	66,445	28,000
Subordinated debentures	12,372	12,372
Accrued interest payable and other liabilities	<u>7,877</u>	<u>7,015</u>
Total liabilities	<u>762,865</u>	<u>676,713</u>
Small Business Lending Fund redeemable preferred stock-variable rate, noncumulative, nonparticipating, \$1,000 stated value; 15,000 shares authorized and issued, \$15,000 redemption amount	\$ 15,000	\$ 15,000
SHAREHOLDERS' EQUITY		
Preferred stock-variable rate, non-cumulative, nonparticipating, \$1,000 stated value; 15,000 shares authorized; 8,000 shares issued	8,000	8,000
Common stock - \$0.01 par value; 50,000,000 authorized; 6,192,609 shares issued and 5,771,001 shares outstanding as of December 31, 2015 and 4,908,560 shares issued and 4,498,790 shares outstanding as of December 31, 2014	19	5
Surplus	34,717	16,970
Retained earnings	68,825	59,254
Treasury stock, at cost, 421,608 and 409,770 shares, respectively	(4,758)	(4,572)
Accumulated other comprehensive income	<u>221</u>	<u>386</u>
Total shareholders' equity	<u>107,024</u>	<u>80,043</u>
Total liabilities and shareholders' equity	<u>\$884,889</u>	<u>\$771,756</u>

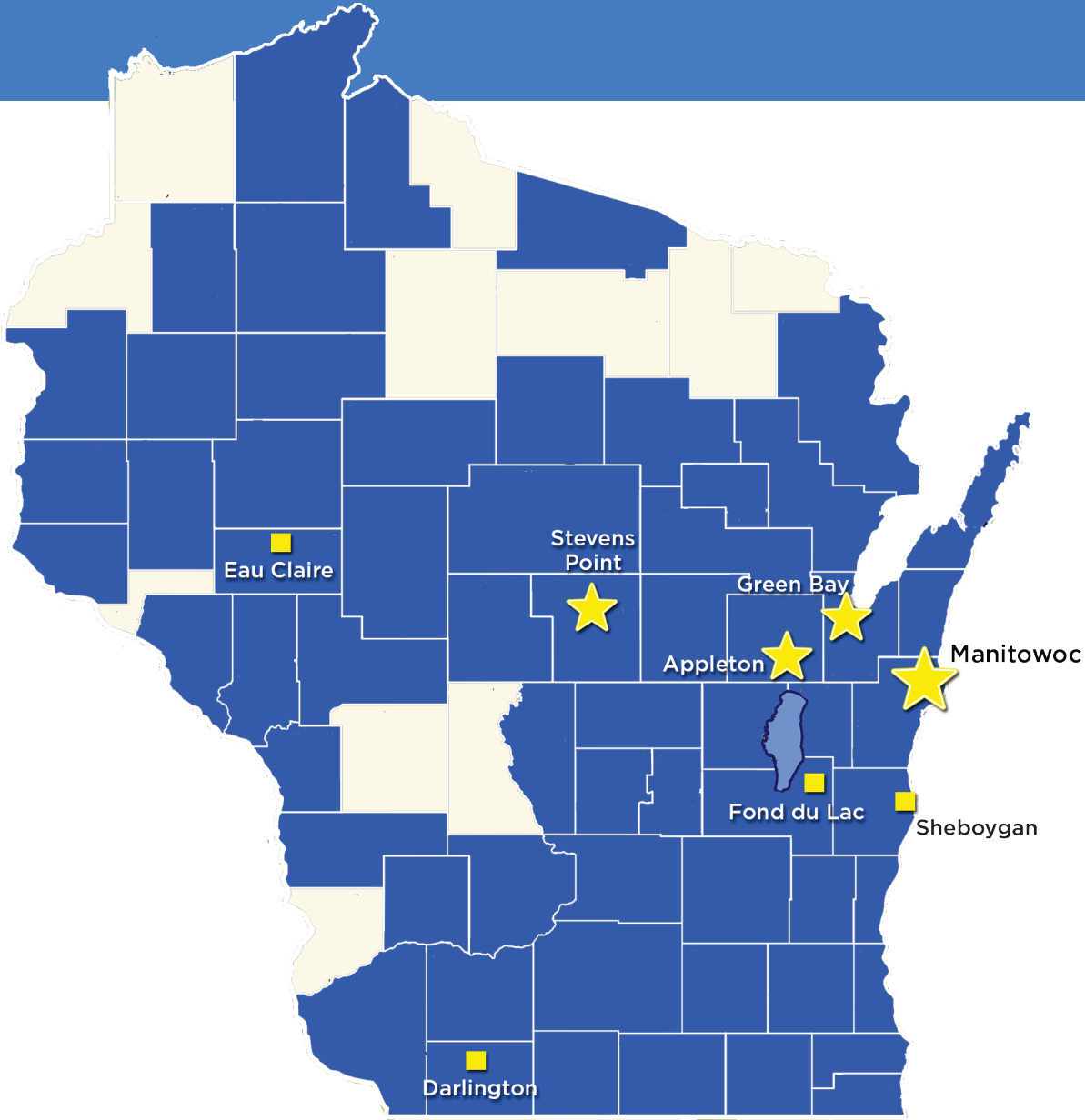



Consolidated Statements of Operations



COUNTY BANCORP, INC. AND SUBSIDIARIES
For the years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
	<i>Dollars in thousands except per share data</i>	
INTEREST AND DIVIDEND INCOME		
Loans, including fees	\$32,301	\$29,416
Taxable securities	964	897
Tax-exempt securities	437	474
Federal funds sold and other	<u>65</u>	<u>110</u>
Total interest and dividend income	<u>33,767</u>	<u>30,897</u>
INTEREST EXPENSE		
Deposits	6,238	6,154
FHLB advances and other borrowed funds	882	903
Subordinated debentures	<u>400</u>	<u>480</u>
Total interest expense	<u>7,520</u>	<u>7,537</u>
Net interest income	26,247	23,360
Provision for loan losses	<u>(1,019)</u>	<u>589</u>
Net interest income after provision for loan losses	<u>27,266</u>	<u>22,771</u>
NON-INTEREST INCOME		
Services charges	1,039	788
Gain on sale of loans, net	429	321
Loan servicing fees	5,323	4,938
Other	<u>894</u>	<u>1,101</u>
Total non-interest income	<u>7,685</u>	<u>7,148</u>
NON-INTEREST EXPENSE		
Employee compensation and benefits	10,769	10,209
Occupancy	338	299
Write-down of other real estate owned	256	1,190
Other	<u>6,095</u>	<u>5,327</u>
Total non-interest expense	<u>17,458</u>	<u>17,025</u>
Income before income taxes	17,493	12,894
Income tax expense	<u>6,519</u>	<u>4,684</u>
NET INCOME	<u>\$10,974</u>	<u>\$8,210</u>
NET INCOME PER SHARE:		
Basic	\$1.85	\$1.73
Diluted	\$1.82	\$1.69
Dividends paid per share	\$0.16	N/A

Locations & Loan Relationships



-  **Branches**
 - Manitowoc**
 860 N. Rapids Rd.
 Manitowoc, WI
(Corporate headquarters)
 - Appleton**
 5643 Waterford Ln.
 Appleton, WI
 - Green Bay**
 3193 Voyager Dr.
 Green Bay, WI
 - Stevens Point**
 5517 Vern Holmes Dr.
 Stevens Point, WI

 Counties where ICB has loan relationships as of 12/31/15
  ICB Loan Production Offices



INVESTORS
 COMMUNITY BANK
 Member FDIC



INVESTORS
 INSURANCE SERVICES, LLC



A partnership that adds up!

*The Business Bank is now
Investors Community Bank*

The Business Bank has merged with Investors Community Bank, and it's a partnership that adds up perfectly. Together we are focused on the financial needs of area businesses ... with a shared passion for personal service, customized solutions and local decision making.

InvestorsCommunityBank.com

County Bancorp Inc.

Annual Meeting

Tuesday, June 21, 2016 at 6 PM at the Silver Lake College Franciscan Center Atrium, 2406 S. Alverno Rd., Manitowoc

Corporate Headquarters

860 North Rapids Rd., PO Box 700, Manitowoc WI 54221-0700, (920) 686-9998, 1-888-686-9998

Transfer Agent

Computershare Trust Company, N.A.; 211 Quality Circle, Suite 210; College Station, TX 77845

Stock Listing

County Bancorp, Inc. common stock is traded on the NASDAQ Global Market under the symbol "ICBK"

Shareholder website

www.ICBK.com (click on Investor Relations button in upper left corner)

Investor Relations

Shareholders, analysts, the news media and others desiring general information about the company or its subsidiaries may contact Timothy J. Schneider, CEO, at the corporate headquarters.

This report includes "forward-looking statements." Forward-looking statements are subject to known and unknown risks and uncertainties, many of which may be beyond our control. We caution you that the forward-looking information presented in this document is not a guarantee of future events, and that actual events may differ materially from those made in or suggested by the forward-looking information contained here. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "plan," "seek," "comfortable with," "will," "expect," "intend," "estimate," "anticipate," "believe" or "continue" or the negative thereof or variations thereon or similar terminology. Any forward-looking information presented herein is made only as of the date of publication of this annual report, and we do not undertake any obligation to update or revise any forward-looking information to reflect changes in assumptions, the occurrence of unanticipated events, or otherwise.

