

BREAKING BARRIERS

Adapt. Evolve. Overcome.

2023 Annual Report



A BARRIER

is only a limitation when you
perceive it as one.

Marc Hammond



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Letter to the Shareholders

Derek Hetherington
President & CEO

Dear Shareholders,

As we reflect on 2023, I am filled with pride and gratitude for the remarkable achievements and milestones of Independent Correspondent Bankers' Bank (ICBB) during our 35th year of service. This year has been a testament to our resilience, dedication, and unwavering commitment to supporting community banks throughout Kentucky and the surrounding states.

In 2023, we celebrated 35 years of steadfast dedication to the community banking model. Since our founding in 1988, ICBB has been at the forefront of providing superior correspondent banking services that empower our community bank partners. Our enduring mission is to protect, promote, and support community banks, ensuring their continued success and relevance in an ever-evolving financial landscape.

Our financial performance this year has been exceptional. We achieved a remarkable 20% growth in total assets under management, with loan participations surpassing \$500 million. ICBB ended the year with a net operating income of \$842 thousand, reflecting a Return on Average Assets of 0.55% and a Return on Equity of 4.70%. These outstanding results underscore our strong financial position and our ability to generate significant value for our shareholders.

We also enhanced our organizational strength by welcoming a new Loan Operations Manager, Chief Financial Officer, and several customer service and loan operations staff members. These talented additions to our team have been instrumental in driving our growth and improving our service delivery. Their fresh perspectives and expertise have enabled us to better meet the needs of our community bank partners, streamline our operations, and enhance customer satisfaction. This expansion reflects our commitment to investing in the resources and capabilities necessary for sustained success and innovation.

The year was not without its challenges. We were deeply saddened by the cancer diagnoses of Stephanie Oerther, our Chief Credit Officer, and Tina Parsons, our Senior Credit Analyst. Their selfless service and contribution to ICBB and the community banking industry stand as an example for those who should follow. Their courage and resilience through this journey have been a profound inspiration to us all, and we remain committed to supporting them in every way possible.

Industry-wide liquidity constraints and increased regulatory pressure presented additional hurdles. While ICBB did not face direct liquidity challenges, the broader impact on the banking sector did influence our performance slightly. Despite these obstacles, our leverage ratio increased to 13.44%, and our Tier 1 Capital Ratio rose to 26.77%, reinforcing our strong foundation for future growth.

As we move forward, ICBB is well-positioned for continued success. Our shareholder equity at year-end stood at \$24,518,601, resulting in a book value per share of \$4,355. We are optimistic about the opportunities that lie ahead and remain committed to enhancing the value we provide to our shareholders and customers.

We are immensely grateful to our shareholders, whose unwavering support has been vital to our success. Our appreciation also extends to our dedicated employees, whose hard work and commitment drive our achievements. Lastly, we thank our community bank partners, whose trust and collaboration are at the heart of everything we do. In closing, 2024 is set up to be another great year of growth and success as we continue our mission to protect, promote, and support the community bank model.

Sincerely,

A handwritten signature in black ink, appearing to read 'Derek J. Hetherington', with a stylized, cursive flourish at the end.

Derek J. Hetherington
President & CEO
Independent Correspondent Bankers' Bank

Meet Our Senior Management Team



Becky Sisco

SVP &
Chief Operations Officer



Eli Barber

SVP &
Chief Finance Officer



Stephanie Oerther

SVP &
Chief Credit Officer



Britney Leach

SVP &
Chief Human Resource Officer

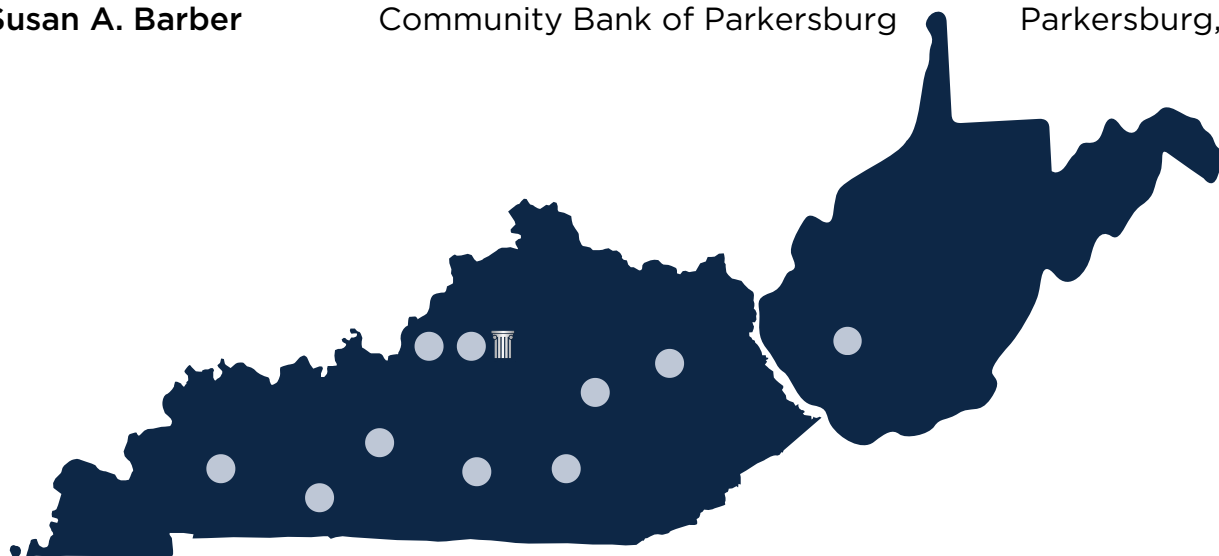


Brandon Feltner

SVP &
Chief Loan Officer

Meet Our Board of Directors

Derek Hetherington	ICBI	Frankfort, KY
Mark Wolford	Casey County Bank	Liberty, KY
Greg Pawley	The Cecilian Bank	Cecilia, KY
Michael W. Hunt	Sacramento Deposit Bank	Sacramento, KY
Orson Oliver	Outside Director	Louisville, KY
Darryl Traylor	Citizens Union Bank	Shelbyville, KY
Robert Ross	Legal Counsel	Louisville, KY
Tom Jones	Morgantown Bank & Trust	Morgantown, KY
Corey Craig	Citizens Bank	Mt. Vernon, KY
Jodi Stacy	Bank of the Mountains	West Liberty, KY
Kathy Samples	Citizens Guaranty Bank	Irvine, KY
Gary Traugher	Elkton Bank & Trust	Elkton, KY
William L. Fallon	Outside Director	Frankfort, KY
Susan A. Barber	Community Bank of Parkersburg	Parkersburg, WV



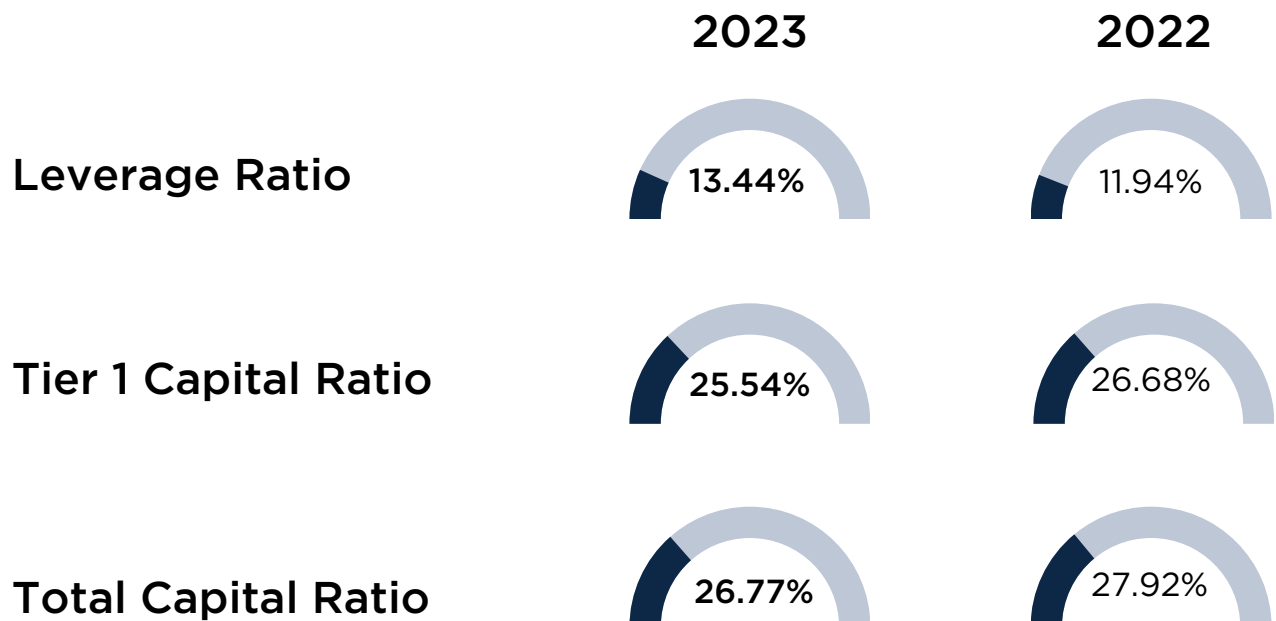


Financial Statements

Shareholders Equity

	December 2023	December 2022
Common Stock	\$5,640,000	\$5,640,000
Treasury Stock	(\$10,000)	(\$10,000)
Additional Paid-In Capital	\$6,062,500	\$6,062,500
Retained Earnings	\$12,827,157	\$12,678,944
Total Shareholders' Equity	\$24,519,657	\$23,471,444

Regulation F Ratios



Assets Under Management

	December 2023	December 2022
Total Balance Sheet Assets	\$143,309,748	\$146,469,182
Total Assets Under Management	\$553,292,570	\$406,247,173

Profitability

	2023	2022
Net Operating Income	\$842,497	\$656,698
Return on Average Equity	4.70%	3.84%
Return on Average Assets	0.55%	0.50%
Efficiency Ratio (FTE)	82.87%	79.97%

Statement of Condition

Assets	2023	2022
Cash & Due from Banks	\$62,028,651	\$79,207,915
CDs with Other Banks	638,114	783,367
Accounts Receivable	110,282	280,391
Accrued Interest Receivable	399,284	307,092
Other Receivable	-	426,651
Investment Securities, held to maturity	2,919,695	962,330
Loan Receivable, less allowance for credit loss	76,414,716	64,229,867
Federal Reserve Bank stock	150,000	150,000
Bank Premises and Equipment, net	1,205,670	1,194,586
Other Assets	506,455	249,941
Equity Method Investment	-	253,161
Goodwill	1,724,881	1,724,881
Total Assets	\$146,097,748	\$149,770,182

Liabilities	2023	2022
Total Deposits	\$58,097,323	\$43,916,320
Fed Funds Purchased	63,017,178	81,222,009
Other Liabilities	463,590	260,409
Total Liabilities	\$121,578,091	\$125,398,738,

Equity Capital

Common Stock	\$5,640,000	\$5,640,000
Treasury Stock	(10,000)	(10,000)
Additional Paid-In Capital	6,062,500	6,062,500
Retained Earnings	12,827,157	12,678,944
Total Capital	\$24,519,657	\$24,371,444

Total Liabilities & Equity Capital	\$146,097,748	\$149,770,182
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Contact Your Account Executive



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THE
CORRESPONDENT
Banking Podcast from ICBB

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