

# 2021



## ANNUAL REPORT

A MESSAGE FROM THE CEO

As we turn the page to 2022, I, like many of you, like to take the time to reflect on the previous year. While 2021 brought continued challenges due to the Pandemic and the political environment, we have accomplished great things.

- We’ve made significant investments in new technology to streamline processes and ensure the highest standards of safety and security. Last fall, our personal online and mobile banking moved to a new platform. The updates provided a more user-friendly layout, increased functionality, and several innovative features such as a new financial wellness tool.
- We had another great year for mortgages in 2021. While it’s difficult to predict what will happen for the housing industry and the rate environment in 2022, I look forward to the opportunity to deepen these relationships. Home loans serve as a great introduction to FIBT and lead to long-term personal banking relationships.
- We made a grand entry into the Sioux Falls community in 2021. Starting with our acquisition of Sodak Home Loans, a full-service mortgage brokerage company, FIBT has taken great strides to further serve the area. Much like Fargo, North Dakota and other cities where we currently have offices, Sioux Falls consistently ranks among the most livable and business-friendly cities in America. We believe the city is a strategic and cultural fit for FIBT and are excited to contribute to the continued success of its residents and businesses.
- Our Edina, Minnesota location is growing, attracting first-class talent for both customer-facing roles as well as our support departments. While we have no immediate plans for further

expansion in the area, we only expect our presence in the Twin Cities area to increase over the next few years.

But even more than our accomplishments, I’m proud of who we are as a company. Our culture at FIBT is uniquely rooted in family values and as we embrace 2022, we know that building meaningful relationships with our clients is more important than ever. Our goal, as it’s always been, is to earn the trust of our customers and have them leave each interaction feeling like family. New technology can add value to those relationships by presenting new offers and increasing convenience but the more personal the connection, the bigger the impact.

It’s hard to say exactly how 2022 will play out but I can promise you this - we will continue to honor the legacy of helping our communities and customers thrive. We will continue to be an employer of choice, attracting and retaining top talent, giving team members opportunities to grow professionally and personally. We will continue to strive for innovation and excellence so that each and every one of our customers can Live First.

As we look forward to what this new year has to offer, I’m thankful for the continued support of our customers. On behalf of the entire First International Bank & Trust family, thank you for trusting us with your financial needs.

STEPHEN L. STENEHJEM  
CEO/Chairman



BOARD OF DIRECTORS

CHAIRMAN OF THE BOARD

Stephen L. Stenehjem, *CEO/Chairman*

DIRECTORS

Blaine DesLauriers, *Vice Chairman*

Peter Stenehjem, *President*

Erik Stenehjem, *President, Phoenix*

Dennis Walsh, *Chief Credit Officer*

Michael Toy, *Chief Operating & Strategy Officer*

Jim Poolman, *Independent Consultant,*

Jim Poolman Consulting

Mark Tollefson, *General Partner,*

TNT Real Estate & Prairie Heights Apts.,

CEO Retired Tollefson's Retail Group

Michelle Kommer, *Founder and Owner,*

HighRoad Partners, LLC

Nancy Slotten, *Executive Vice President, Treasurer,*

Border States Paving, Inc.

Ty LeSueur, *President,*

LeSueur Investments

THANK YOU

First International Bank & Trust celebrated 111 years in 2021. Our foundation has been built on the bond between our employees and our customers. We have 33 locations serving 24 communities across North Dakota, South Dakota, Minnesota, and Arizona. On behalf of the Stenehjem family, thank you for your continued support. We remain committed to those relationships that we’ve worked so hard to build and to our values.

OUR MISSION

To be nationally recognized as a community bank whose innovation and drive for excellence is propelled by the best financial experts with heart.

OUR VISION

Our customers leave feeling like family.

OUR VALUES

Own the Choices You Make

Speak Up Respectfully

Make Decisions with Integrity

Take Pride in Your Work

Act Like Your Ride is Waiting

Learn from Yesterday, Rush for Mastery

Leave Your Mark on Our Communities

Seek the Sunshine Every Day





**“To me, Living First is what the race was all about, it’s living life to the fullest and doing challenging and rewarding things both at work and outside of work.”**

- Jordan Hatzenbuhler  
Senior Financial and Business Analyst

Jordan Hatzenbuhler, Senior Financial and Business Analyst & Gina Huck, Project Management Office Manager training for the Maah Daah Hey 100.



# LIVING FIRST

Live First isn’t just something we use as a tagline, it’s a way of life that we encourage both for our customers and our employees. That one simple statement embodies who we are as a bank. Whether it’s volunteering in the community, supporting an important cause, or following your dreams, Live First means something different to everyone.

## EMPLOYEES

In 2021, the employees who make up our First International Bank & Trust family Lived First in a number of inspiring ways. One of the most unique ways was when brother and sister Jordan Hatzenbuhler and Gina Huck decided to race in the 2021 Maah Daah Hey 100. Not only did FIBT sponsor the 107-mile mountain bike race, but we also outfitted Jordan and Gina head-to-toe in FIBT biking gear. The annual race takes place on the Maah Daah Hey Trail in Western North Dakota and boasts an elevation gain of more than 13,000 feet. The race is hosted by Save the Maah Daah Hey, a nonprofit organization dedicated to preserving the trail and transforming it into a world-class destination that will remain accessible and enjoyable for future generations. Due to the distance, terrain, and summer temperature, the Maah Daah Hey 100 is not for the faint of heart.

Jordan and Gina spent many months training and had to balance time with their families as well as their careers. “Most of my training has been after my kids’ bed time,” Jordan said. “Or on the weekends, I’d get up at 5:00 or 5:30 and ride before everyone else settled in for the day.”

By the time race day came on Saturday, August 7, the two were ready to go. The brother-sister duo rode the first 79 miles together, before Jordan made the decision to bow out. Gina continued on and successfully finished the race in 16 hours. “To me, Living First is what the race was all about,” Jordan said. “It’s living life to the fullest and doing challenging and rewarding things both at work and outside of work.”



**Over \$4,000,000  
committed to helping  
our communities and  
beyond.**

## CUSTOMERS

When it comes to our customers, we stand by the same values. If we can take some of the most complicated financial aspects of your life or business and make it a little easier so you can live your best life, that’s our goal. As you read through the following pages, you’ll notice the steps we took throughout the year to offer new products and streamline our online and mobile banking platforms.

We also found ways to contribute to our communities. We held and contributed to a number of clothing and toy drives, including our Phoenix office’s Childhelp Toy and Clothing Drive where we collected four boxes of toys and clothing items for children who suffered neglect and abuse. We contributed more than \$5,000 to Central Dakota Food Pantry’s annual telethon event to help them provide food for families throughout the community. We raised more than \$4,000 for the Bismarck Emergency Food Pantry through the 8th Annual Banking for the Food Bank Challenge.

FIBT locations in Minot and Fargo donated over \$58,000 to United Way in support of their mission to reduce hunger and homelessness, help prepare children for success, and providing people with support to gain independence. Peter Stenehjerm, First International Bank & Trust President, was able to join other local CEOs and executives to help build a home with Lake Agassiz Habitat for Humanity.

We were able to sponsor the fourth edition of the Sanford International Golf Tournament in Sioux Falls, South Dakota. More than 70 top-talent golfers competed for the grand prize of \$270,000 and golf fans from around the country enjoyed a spectacular weekend. Since 2018, the tournament has raised more than \$500,000 for local charities.





# DIGITAL INNOVATION

Online banking is arguably one of the most commonly used services we offer. It allows you to bank wherever and however you want. It's always been our mission to provide personal attention to each and every one of our customers, whether they are coming into one of our branches or applying for a new account online. To that end, we made the decision to roll out a number of exciting enhancements to our online and mobile banking platforms. Our goal was to elevate the experience for both our personal banking and business banking customers so you can continue to effortlessly manage your finances from anywhere.

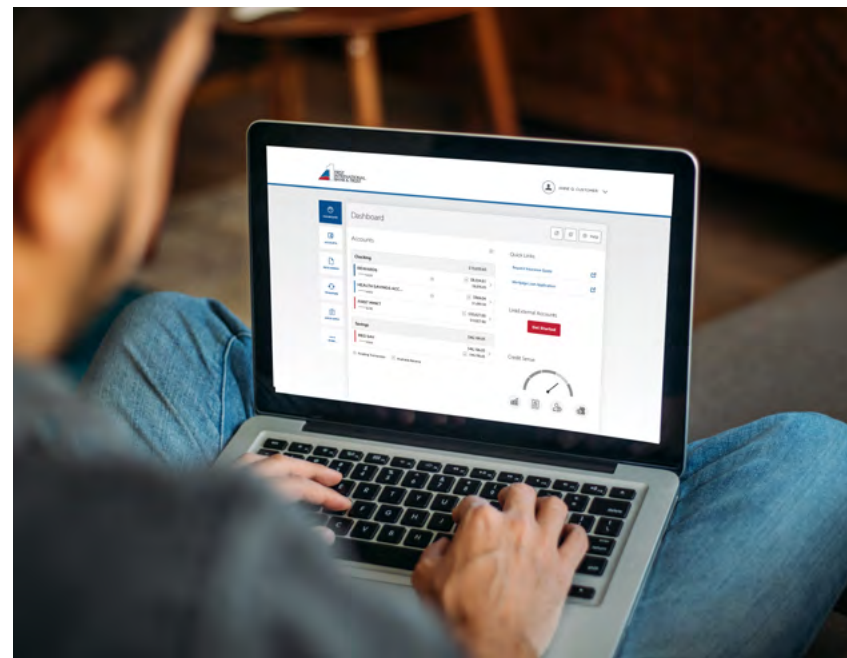
**“Our personal online and mobile banking migration rate exceeded expectations and we were able to make the enhancements with minimal customer impact. Our goal will always be to provide more access, more insight, and more tools to help you be financially confident.”**

- Justin Walseth  
Chief Growth Officer

## NEW FEATURES & FUNCTIONALITY:

A number of new features and functionality were included in our personal online and mobile banking enhancements, including the following:

- View more of your FIBT accounts in one place.
- Easily launch into a new deposit or loan application or obtain a free insurance quote.
- Set up, edit, and update savings goals and track your progress as you go.
- Link non-FIBT accounts to see your full financial picture.
- Automatically categorize your transactions via customizable rules.
- Get a deeper understanding of your financial wellness with new analytics that track your balance history and spending.



## KOTAPAY

Our electronic payments division, Kotapay, served more than 104,000 companies nationwide and experienced steady growth in 2021. Enhanced underwriting and fraud detection systems, along with the diligence of the Kotapay team, allowed once again, for a year with zero fraud losses. Kotapay ranked #41 on the National Automated Clearing House Association's (Nacha) Top 50 ACH Originators List for 2020, marking its first appearance on the annual list.

**“It's a tremendous honor to be included on Nacha's Top 50 ACH Originators list alongside such distinguished national and international organizations. We had a great year and I'm proud that our team worked hard and served more companies than ever before.”**

- Jim Haug  
Director of Kotapay

**\$90 BILLION  
PROCESSED IN 2021**

Up from \$83 Billion in 2020  
Up from \$69 Billion in 2019



DIGITAL INNOVATION





COMMERCIAL & AG BANKING

From our humble Western North Dakota beginnings, we’ve prided ourselves in assisting businesses of all sizes and supporting the farmers that help feed the world. We know that a thriving Main Street means a thriving town and through our commercial relationships, we help facilitate strong local and regional economies. Whether you are a small business needing cash to operate, a large manufacturer needing capital to expand, or a farmer needing cash to plant crops or expand acreage, our team can help.

Our strong desire to see you succeed shows itself as we get to know your business and the people behind the big ideas. We offer flexible financing and treasury management solutions to help you be more efficient and protect your revenue streams. We are available to deliver helpful counsel when considering expansion or new business opportunities and can even provide a wide array of tools to help you retain employees by offering a high-quality retirement plan. Whether you’re looking for straightforward options or something out of the box, we are here to help you meet your goals.

Like all financial institutions, we’ve been seeing an increase in fraudulent activity. Due to our diligent Fraud Department and rigorous safety precautions, we were able to prevent or recover 99.9% of all potential losses for our commercial customers. Our Treasury Management professionals educate customers on fraud risk and are here as a resource for companies who wish to establish or further hone their security procedures.



MARKET PROFITABILITY

In Arizona, we are seeing significant traction when it comes to relationships. While going up against some of the larger national banks in the area, we are finding our niche by being referred and earning new business from clients who appreciate our personal touch and customer-first style of community banking. In 2021, our Arizona market profitability increased 68% over the previous year.

In our rural communities across North Dakota and Minnesota, local ag producers and farmers look to our bankers as trusted advisors. Many of our bankers and lenders are active in the ag industry themselves which allows them to form authentic and valuable relationships with their customers. Our local expertise and dedicated support for our rural communities garnered significant growth in 2021.

Other communities such as the greater Fargo-Moorhead area as well as Grand Forks, Minot, and Bismarck also experienced significant growth as our market share continues to grow. Throughout 2021, we’ve seen our reputation hold strong as being a bank who takes care of its customers and offers solutions for long-term success. We’re excited to see where 2022 takes us and expect our growth to continue as we build deeper relationships with our customers and provide new ways for them to reach their dreams.



MORTGAGE

Whether you’re buying, building or refinancing, we know how to put your dream home in reach. Our mortgage loan products, affordable mortgage rates, and most importantly, our expert service, can get you there. Our team of loan officers can walk you through all the considerations you should make when trying to achieve your goal

Coming off of a record-setting year in 2020, our Mortgage Division kept the momentum going with a year of exciting changes. Our Sioux Falls team joined the family, allowing us to serve customers in South Dakota to a greater extent. We were also pleased to announce that Dave Mason, formerly Bismarck Branch President, was named FIBT’s new Director of Mortgage. Dave has nearly two decades of community banking experience and his past mortgage experience will allow us to continue putting our clients’ dream homes within reach.

To that end, we began offering a new Home Equity Line of Credit (HELOC) product that allows customers to use the equity in their home as collateral for a loan.

There is nothing we love more than seeing people excited to live in their new home. Whether it’s a new home purchase or refinance,

we’re grateful for the opportunity to meet new people, connect with previous clients, and serve as a trusted advisor in one of the biggest financial decisions they will ever make.

INSURANCE

After a record-setting year in 2020, First International Insurance continued to grow in 2021. We closed on our acquisition of Rugby, ND-based insurance agency, Voeller Crop Insurance, which allows us to continue serving the surrounding communities with top-of-the-line products and solutions for their agricultural enterprise.

Throughout our footprint, our independent insurance agents will find the best policy to suit your needs and budget, giving you access to a wide portfolio of insurance products from over 35 companies we represent. We offer personal, commercial and agribusiness insurance offerings.

*\* Not FDIC Or Any Federal Agency Insured  
No Bank Guarantee | May Lose Value*







The Wealth Management Division of First International Bank & Trust continues to provide custom-built solutions tailored specifically to you. We offer a wide variety of investment, trust & fiduciary, and private banking options to align your wants, needs, and dreams.

Our team at First International Investments can help with retirement planning, annuities, mutual funds, stocks & bonds, estate planning, and college funding. Whatever your long-term goals, our financial planners listen to your needs, and manage your investments, so you can do what matters most; live first.

#### NEW LEADERSHIP

We welcomed D. Patrick Franklin as Director of Wealth Management. Patrick joined FIBT in May of 2020 as Wealth Management Operations Manager and is a veteran in the trust, wealth, and retirement operations space, with thirty years of experience in managing business operations, systems administration, client relationship management and strategic planning. He also has more than a decade of experience

in the oil & gas industry. Patrick now manages FIBT's Wealth Management teams, including Trust, Investments, as well as Enterprise Retirement Services.

#### NEW RESOURCES

Early in the year, our Mineral and Land Services experts launched our completely updated and redesigned MineralTracker.com. The website was reimagined to better serve our customers and provide an easy-to-use platform for mineral owners to organize, map, and track wells, audit royalty income, and forecast future revenue and production. To date, MineralTracker is the only mineral management software allowing owners to project royalty income based on well performance and a proprietary Bakken-specific reservoir model built by petroleum engineers.

Not Insured by FDIC or Any Other Government Agency | Not Bank Guaranteed | Not Bank Deposits or Obligations | May Lose Value



## \$4.8 MILLION DONATED TO CHARITABLE ORGANIZATIONS



One hundred and fifteen community organizations applied for our Seventh Annual Live First Community Giving Campaign, which attracted more than 100,000 interactions on social media. Due to the overwhelming response and overall quality of nominations, the decision was made to award two grand prize grants of \$10,000, increasing the total dollar amount given away to \$52,000. This year's big winners were Ministry on the Margins out of Bismarck, ND and Killdeer Area Ambulance out of Killdeer, ND.

#### \$10,000 GRAND PRIZE AWARD - MINISTRY ON THE MARGINS, BISMARCK, ND

Ministry on the Margins is a volunteer-based ministry committed to supporting those who fall through the cracks, especially during times of transition. They serve over 1,000 people per week through their food pantry, emergency sheltering, prison and prison reentry ministry, eye clinic, foot and hand care, free haircuts, various support groups, street outreach, and passionate presence on the margins.

#### \$10,000 GRAND PRIZE AWARD - KILLDEER AREA AMBULANCE, KILLDEER, ND

The members of Killdeer Area Ambulance Service dedicate their resources to provide competent, compassionate, professional emergency medical care to those they serve, with dignity and respect.

In 2021, the Stenehjem Family created the Steve and Gretchen Stenehjem Family Foundation and funded it with close to four million dollars. The foundation will be a way for family members to come together and support philanthropic causes that are important to them.

Whether it's a significant donation, or spending a few hours helping at a community project, we believe in giving back to our communities. We challenge our employees to leave their mark on their communities. They continually rise to the challenge, and amaze bank and community leaders with their dedication to service. Thank you to the FIBT team members who made a commitment to better their communities in 2021.





# EXPANSION & RENOVATION



## ALEXANDER, NORTH DAKOTA

On May 12th, First International Bank & Trust celebrated the grand reopening of its Alexander branch. Originally opened in 1966, the Alexander branch was demolished in late 2020 while a new building was constructed off-site and moved onto the original location on Elk Street. The new building is built in the style of an old-town bank while featuring design elements such as photographs of the town's past, ornate light fixtures and an old-fashioned teller cage.



## EDINA, MINNESOTA

On August 2nd, First International Bank & Trust celebrated the opening of its brand-new location in Edina, MN. The full-service branch is located in the Centennial Lakes Office Park and marks FIBT's official entry into the Minneapolis-St. Paul market. Spearheading the Edina market is Market President Mitch Cook. Mitch joins FIBT with more than 19 years of distinguished service in the banking industry.



## SIOUX FALLS, SOUTH DAKOTA

At the end of 2020, First International Bank & Trust purchased land at the northwest corner of 69th Street and Minnesota

Avenue and plans to develop a full-service branch at that location in the future. In the meantime, property was purchased in October 2021 for a location on the southwest corner of 14th and Minnesota Avenue. This will mark FIBT's second Sioux Falls location, after the former Sodak Home Loans location.

Spearheading the Sioux Falls efforts is Sioux Falls Community President Jason Appel who joins FIBT with nearly 20 years' experience in financial services. Recently recognized by the South Dakota Bankers Association as an Emerging Leader, Jason will lead FIBT's growing banking team. Having spent the last 15 years serving the Sioux Falls business community, Jason understands the evolving banking needs of owners and operators.

**"This year marked the starting point of a long-term commitment to the Sioux Falls market. I look forward to expanding FIBT's services for businesses and consumers alike and playing a part in supporting the growth of this vibrant city and region."**

- Peter Stenehjem  
President



## PHOENIX, ARIZONA

Part of our Wealth Management team relocated to a beautiful new location on Camelback Road in Phoenix, Arizona. The new space offers a

sleek new design and comfortable meeting space. We continue to have Wealth Management professionals across our footprint ready to help customers prepare for their future.



## MOORHEAD, MINNESOTA

On October 6th, First International Bank & Trust held an official groundbreaking ceremony to celebrate the beginning of work on a new Moorhead location. The new branch will be 8,200 square

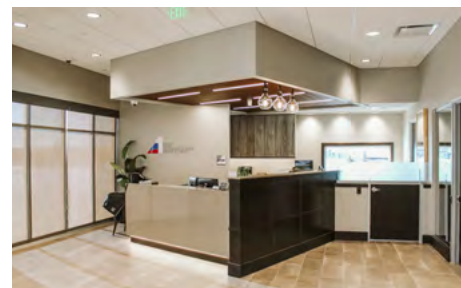
feet and will feature ten offices, two teller pods, and a two-lane drive-thru. Plans for a new building have been in motion since FIBT first purchased the land in 2008. Once construction is complete in 2022, the new branch will provide a full array of financial services and will house the Moorhead banking and insurance teams.



## FARGO, NORTH DAKOTA

In November, First International Bank & Trust completed renovations on its Fargo location on 25th St S. After 27 years in the Fargo-Moorhead community, the nearly three-decade old interior

was due for a new take. The final result is a beautiful, comfortable space that offers top-notch amenities for staff and customers.



## MANDAN, NORTH DAKOTA

First International Bank & Trust opened the doors to its newest branch in Mandan, North Dakota in January 2022. The Mandan location is conveniently located on Memorial Highway near the expressway and

provides a wide range of services including personal banking, commercial lending, mortgage, private banking, trust services, and insurance.



GROWTH





AWARDS & HONORS

2021 ODIN AWARD RECIPIENT



BLAINE DESLAURIERS  
VICE CHAIRMAN

Named after Odin Stenehjøm, who founded our bank in 1910, this award is given annually to the employee who best exemplifies FIBT’s Mission, Vision, and Values. It recognizes those who execute service at its highest level, and inspires those around them.

Blaine DesLauriers, our 2021 Odin Award recipient, is the Senior Executive Vice President and Vice Chairman of FIBT. He has been with the bank for more than 31 years and is a prominent member of the Minot community, having served on the board of directors for a number of local organizations. He was the past chair of the Minot Recreation Commission, the Minot MAGIC Fund, the Minot Community Ambulance Service, the Minot State University Beaver Boosters, the Minot State University Board of Regents, and the Minot Family YMCA, where he was instrumental in the campaigning, planning, and construction of the new YMCA

which opened in August 2001. He has served on the Minot Family YMCA Board for 28 years.

Blaine is the current chair of the Board of Directors for Kalix, formerly the Minot Vocational Adjustment Workshop, and a past board member for Trinity Health and the Minot Catholic Schools’ Corporate Board. Previously, he served on the Minot Area Development Corporation board. He belongs to the Minot Rotary Club, Minot Y’s Men Club, Our Lady of Grace Parish, the Knights of Columbus and was a former member of the Minot Football Officials Association, where he had 30 years of service.

He received Minot State University’s Golden Award in 2009 and was the co-chair of their Dome Floor Project. He has been a Minot State University Board of Regents member since September of 1993.

HONORED EMPLOYEES



University of North Dakota’s Young Alumni Achievement Award

PETER STENEHJEM  
PRESIDENT  
FARGO, ND



Top 25 Women in Business  
- Prairie Business Magazine

CATHRINE GRIMSRUD  
VP/MINERAL AND LAND SERVICES MANAGER  
BISMARCK, ND



Top 40 Business Professionals Under 40  
- Prairie Business Magazine

MELISSA FROHLICH  
VP/DIGITAL BANKING MANAGER  
BISMARCK, ND

BANK HONORS



PB 50 Best Places to Work 2021

NAMED TO PRAIRIE BUSINESS MAGAZINE’S LIST OF THE TOP 50 BEST PLACES TO WORK FOR EIGHT CONSECUTIVE YEARS.



Minot’s Readers’ Choice Awards 2021

VOTED BEST INSURANCE AGENCY BY THE MINOT DAILY NEWS READER’S CHOICE AWARDS



Homeownership Award of Excellence

NORTH DAKOTA HOUSING FINANCE AGENCY AWARDED THE HOMEOWNERSHIP AWARD OF EXCELLENCE FROM THE NORTH DAKOTA HOUSING FINANCE AGENCY

STATEMENT OF CONDITION

ASSETS<sup>1</sup>

	2021	2020
Cash and Due From Banks	\$377,711,787	\$506,890,610
Federal Funds Sold	\$0	\$0
U.S. Government Bonds	\$390,705,907	\$290,823,637
State and Municipal Obligations	\$368,757,800	\$285,463,286
Other Securities	\$15,398,958	\$18,276,148
Quick Assets	\$1,152,574,452	\$1,101,453,681
Loans and Lease Financing Receivables	\$3,365,517,627	\$2,870,826,767
Reserve for Possible Losses	(\$32,386,751)	(\$27,963,787)
Net Loans	\$3,333,130,876	\$2,842,862,980
Bank Premises & Equipment	\$155,966,807	\$154,703,950
Other Assets	\$64,996,279	\$64,704,302
Total Other Assets	\$220,963,086	\$219,408,252
Total Assets	\$4,706,668,414	\$4,163,724,913

LIABILITIES & CAPITAL<sup>1</sup>

	2021	2020
Demand Deposits	\$2,689,298,782	\$2,115,391,602
Time & Savings Deposits	\$1,478,972,941	\$1,506,509,768
Other Liabilities	\$160,961,330	\$174,437,001
Total Deposits & Other Liabilities	\$4,329,233,053	\$3,796,338,371
Common Stock	\$430,200	\$430,200
Surplus	\$101,394,945	\$101,394,945
Retained Earnings	\$275,610,216	\$265,561,397
Total Capital	\$377,435,361	\$367,386,542
Total Liabilities & Capital	\$4,706,668,414	\$4,163,724,913

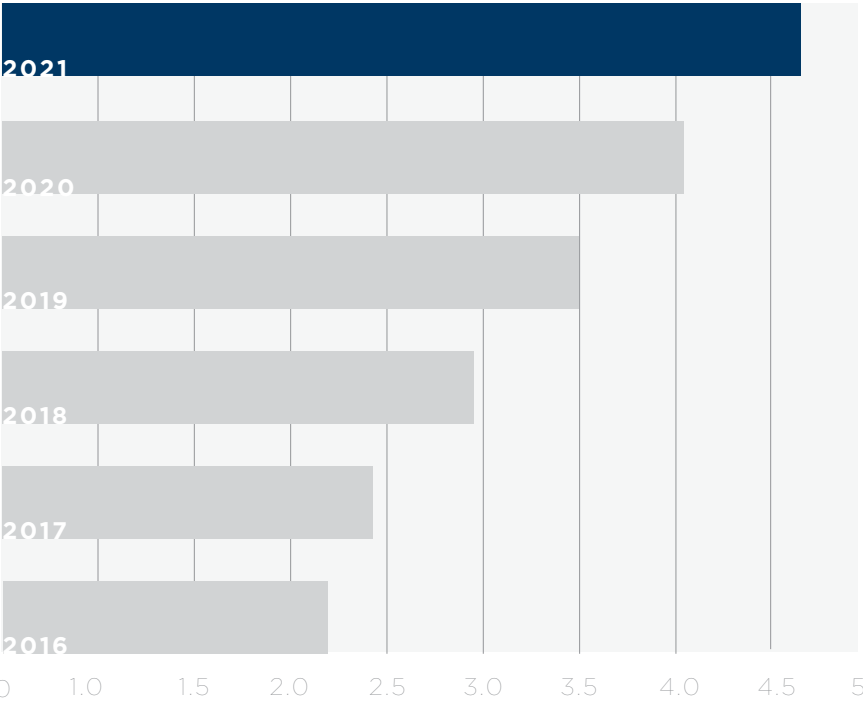
<sup>1</sup> Assets, Liabilities and Capital as of December 31

GROWTH BY NUMBERS  
YEAR OVER YEAR

6.6%  
INCREASE  
Net Income

13%  
INCREASE  
Total Assets

YEAR-END TOTAL ASSETS (BILLION)







**FIBT.com**