

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: February 2, 2022

Finward Bancorp
(Exact name of registrant as specified in its charter)

Indiana
(State or other jurisdiction of incorporation)

000-26128
(Commission File Number)

35-1927981
(IRS Employer Identification No.)

9204 Columbia Avenue
Munster, Indiana
(Address of principal executive offices)

46321
(Zip Code)

(219) 836-4400
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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, without par value	FNWD	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

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.

Item 7.01.**Regulation FD Disclosure**

On February 2, 2022, Finward Bancorp (the "Bancorp") will present financial and other information to investors at the Janney CEO Forum in Scottsdale, Arizona. The slides for the presentation are attached as Exhibit 99.1 to this report and are incorporated by reference into this Item 7.01. This information is furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section. The filing of this report shall not be deemed an admission as to the materiality of any information in the report that is required to be disclosed solely by reason of Regulation FD.

Forward-Looking Statements

This Current Report on Form 8-K may contain forward-looking statements regarding the financial performance, business prospects, growth, and operating strategies of the Bancorp. For these statements, the Bancorp claims the protections of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Statements in this communication should be considered in conjunction with the other information available about the Bancorp, including the information in the filings the Bancorp makes with the SEC. Forward-looking statements provide current expectations or forecasts of future events and are not guarantees of future performance. The forward-looking statements are based on management's expectations and are subject to a number of risks and uncertainties. Forward-looking statements are typically identified by using words such as "anticipate," "estimate," "project," "intend," "plan," "believe," "will" and similar expressions in connection with any discussion of future operating or financial performance.

Although management believes that the expectations reflected in such forward-looking statements are reasonable, actual results may differ materially from those expressed or implied in such statements. Risks and uncertainties that could cause actual results to differ materially include: the significant risks and uncertainties for our business, results of operations, and financial condition, as well as our regulatory capital and liquidity ratios and other regulatory requirements caused by the COVID-19 pandemic, which will depend on several factors, including the scope and duration of the pandemic, its influence on financial markets, the effectiveness of our remote work arrangements and staffing levels in branches and other operational facilities, and actions taken by governmental authorities and other third parties in response to the pandemic; changes in asset quality and credit risk; the inability to sustain revenue and earnings growth; changes in interest rates, market liquidity, and capital markets, as well as the magnitude of such changes, which may reduce net interest margins; inflation; customer acceptance of the Bancorp's products and services; customer borrowing, repayment, investment, and deposit practices; customer disintermediation; the introduction, withdrawal, success, and timing of business initiatives; competitive conditions; the inability to realize cost savings or revenues or to implement integration plans and other consequences associated with mergers, acquisitions, and divestitures; economic conditions; and the impact, extent, and timing of technological changes, capital management activities, and other actions of the Federal Reserve Board and legislative and regulatory actions and reforms.

In addition to the above factors, we also caution that the actual amounts and timing of any future common stock dividends or share repurchases will be subject to various factors, including our capital position, financial performance, capital impacts of strategic initiatives, market conditions, and regulatory and accounting considerations, as well as any other factors that our Board of Directors deems relevant in making such a determination. Therefore, there can be no assurance that we will repurchase shares or pay any dividends to holders of our common stock, or as to the amount of any such repurchases or dividends. Further, statements about the effects of the COVID-19 pandemic on our business, operations, financial performance, and prospects may constitute forward-looking statements and are subject to the risk that the actual impacts may differ, possibly materially, from what is reflected in those forward-looking statements due to factors and future developments that are uncertain, unpredictable, and in many cases beyond our control, including the scope and duration of the pandemic, actions taken by governmental authorities in response to the pandemic, and the direct and indirect impact of the pandemic on our customers, third parties, and us.

Item 9.01.**Financial Statements and Exhibits.**

(d) Exhibits.

99.1 [Slide presentation for the Janney CEO Forum held on February 2-3, 2022](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 2, 2022

Finward Bancorp

By: /s/ Peymon S. Torabi
Name: Mr. Peymon S. Torabi
Title: Executive Vice President, Chief
Financial Officer and Treasurer



Investor Presentation

Wednesday, February 2, 2022



 Finward Bancorp



A NASDAQ Traded Company - Symbol FNWD



Forward-Looking Statements

Forward-Looking Statements

This presentation may contain forward-looking statements regarding the financial performance, business prospects, growth and operating strategies of Finward Bancorp ("FNWD"). For these statements, FNWD claims the protections of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Statements in this communication should be considered in conjunction with the other information available about FNWD, including the information in the filings FNWD makes with the Securities and Exchange Commission ("SEC"). Forward-looking statements provide current expectations or forecasts of future events and are not guarantees of future performance. The forward-looking statements are based on management's expectations and are subject to a number of risks and uncertainties. Forward-looking statements are typically identified by using words such as "anticipate," "estimate," "project," "intend," "plan," "believe," "will" and similar expressions in connection with any discussion of future operating or financial performance.

Although management believes that the expectations reflected in such forward-looking statements are reasonable, actual results may differ materially from those expressed or implied in such statements. Risks and uncertainties that could cause actual results to differ materially include: the significant risks and uncertainties for our business, results of operations, and financial condition, as well as our regulatory capital and liquidity ratios and other regulatory requirements caused by the COVID-19 pandemic, which will depend on several factors, including the scope and duration of the pandemic, its influence on financial markets, the effectiveness of our remote work arrangements and staffing levels in branches and other operational facilities, and actions taken by governmental authorities and other third parties in response to the pandemic; changes in asset quality and credit risk; the inability to sustain revenue and earnings growth; changes in interest rates, market liquidity, and capital markets, as well as the magnitude of such changes, which may reduce net interest margins; inflation; customer acceptance of FNWD's products and services; customer borrowing, repayment, investment, and deposit practices; customer disintermediation; the introduction, withdrawal, success, and timing of business initiatives; competitive conditions; the inability to realize cost savings or revenues or to implement integration plans and other consequences associated with mergers, acquisitions, and divestitures; economic conditions; and the impact, extent, and timing of technological changes, capital management activities, and other actions of the Federal Reserve Board and legislative and regulatory actions and reforms.

In addition to the above factors, we also caution that the actual amounts and timing of any future common stock dividends or share repurchases will be subject to various factors, including our capital position, financial performance, capital impacts of strategic initiatives, market conditions, and regulatory and accounting considerations, as well as any other factors that our Board of Directors deems relevant in making such a determination. Therefore, there can be no assurance that we will repurchase shares or pay any dividends to holders of our common stock, or as to the amount of any such repurchases or dividends. Further, statements about the effects of the COVID-19 pandemic on our business, operations, financial performance, and prospects may constitute forward-looking statements and are subject to the risk that the actual impacts may differ, possibly materially, from what is reflected in those forward-looking statements due to factors and future developments that are uncertain, unpredictable, and in many cases beyond our control, including the scope and duration of the pandemic, actions taken by governmental authorities in response to the pandemic, and the direct and indirect impact of the pandemic on our customers, third parties, and us.

Disclosures Regarding Non-GAAP Measures

This presentation refers to certain financial measures that are identified as non-GAAP. FNWD believes that these non-GAAP measures are helpful to investors to better understand FNWD's assets, earnings, and shareholders' equity at the date of this presentation. This supplemental information should not be considered in isolation or as a substitute for the related GAAP measures. See the attached table at the end of this presentation for a reconciliation of the non-GAAP measures identified herein and their most comparable GAAP measures.

Overview of Finward Bancorp

Company Overview

- 110-year old bank headquartered in Munster, Indiana
- Community bank with core competency in commercial lending, funded by a formidable, low-cost core deposit franchise
- Named a Best Bank to Work for in America for 2015-2020 as well as a Top 200 Community Bank for 15 consecutive years by American Banker magazine
- Committed to our core values of **Stability, Integrity, Community and Excellence**
- Expanded into Illinois via two successfully integrated acquisitions, as well as recently completed acquisition of Royal
- Growing a full-service wealth management business

Primary Business Segments

Community Banking

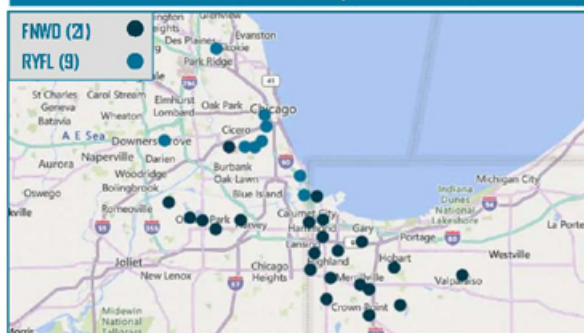
- Indiana state-chartered commercial bank organized in 1910
- 30 full-service retail locations across Indiana and Illinois
- 17 person business banking team
- Full service mortgage banking capabilities

Wealth Management

- Estate & retirement planning
- Corporate fiduciary business
- Advisory & brokerage
- IRA & Keogh accounts
- \$344M of assets under care
- 11% YOY growth in revenues from 2020 to 2021

(1) NPAs / Assets excludes restructured loans from nonperforming assets.
 (2) Non-GAAP calculation, see Pages 30, 31 & 32.
 (3) Core net income, adjusted for realized gain on sale of securities, amortization of intangibles and nonrecurring items.

Branch Map



Financial Highlights

\$ in Millions	2019	2020	2021
Total Assets	\$1,328	\$1,496	\$1,621
Total Gross Loans	906	965	997
Total Deposits	1,154	1,302	1,434
Total Equity	134	152	157
NPAs / Assets ⁽¹⁾	0.72%	1.11%	0.52%
NIM (FTE)	3.73%	3.63%	3.51%
Core ROAA ⁽²⁾⁽³⁾	0.91%	0.94%	0.85%
Core ROATCE ⁽²⁾⁽³⁾	10.6%	10.4%	9.5%
Full-Time Employees	255	264	283



Investment Rationale

Robust & Disciplined Growth Supporting Strong Profitability

- **9.9% TBV + Dividend CAGR since year-end 2013**
- Emphasis on expanding both **wealth management and business banking**
- **Organic growth enhanced by strategic acquisitions** expanding reach into markets that are very similar to the legacy footprint
- Core ROAA of 0.85%⁽¹⁾ and core ROATCE of 9.5%⁽¹⁾ for the year-ended 12/31/2021

Experienced Management Team

- **Dynamic, enthusiastic management team** with significant experience in Chicago area markets led by a highly accomplished Board of Directors
- **Executive management team well positioned** to take the Company through the next phase of the strategic plan
- **18%⁽²⁾ insider ownership** aligns management's interests with shareholders

Dynamic Operating Markets

- **Operating in the "shadow" of Chicago**; enjoying the positives of Chicago's diverse economy with the benefit of being headquartered in Indiana
- **Well positioned to grow through ample acquisition opportunities** in our operating markets
- Vibrant, highly educated workforce

Attractive & Growing Core Deposit Franchise

- Formidable and well established **core deposit base of 91%⁽³⁾ of total deposits** growing in excess of 12.6% per year (2013-current)
- Dedicated to **banking our clients' entire relationship** through whichever of our channels meets their needs

Strategic Investments in Infrastructure & Technology

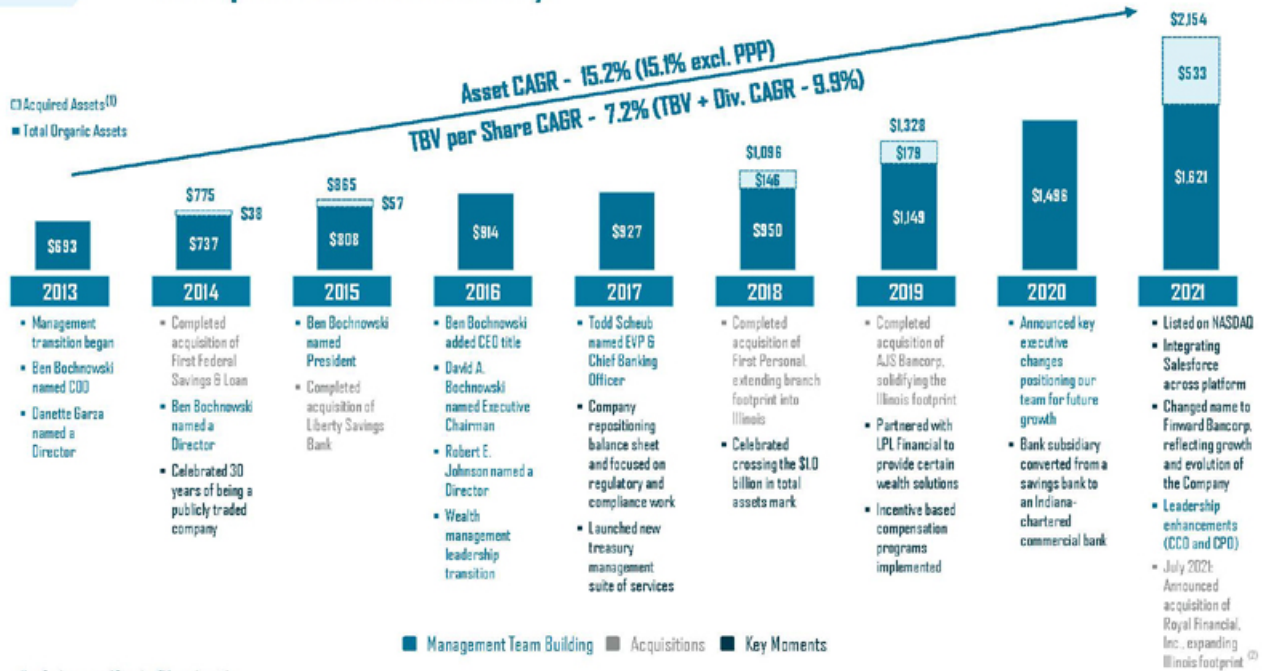
- Focused on establishing **scalable platforms** for all business lines to support continued growth
- **Re-engineering branch and digital banking channels** while bolstering data analytics to better address client needs
- **Leveraging technology** to enhance operations, creating highly scalable processes

(1) Non-GAAP calculation, see Pages 30 & 31.

(2) Prior March 2021 proxy statement. Beneficial ownership includes shares of restricted stock.

(3) Core deposits defined as total deposits less time deposits greater than \$100K.

Corporate History










Note: Total assets as of December 31 for each period.
 (1) Based on reported acquired assets per Company's Audits and 10-K filings.
 (2) Transaction closed on 1/31/2022.



Executive Management Team

- Multi-generational leadership team with decades of combined experience working together
- Significant insider ownership of 18%⁽¹⁾ aligning interests with shareholders
- Seasoned banking team with deep ties to core operating markets
- Risk-aligned corporate culture, promoting responsibility and accountability

Officer	Years of Banking Experience	Year Started at Finward Bancorp	Position with Company
 Benjamin J. Bochnowski	11	2010	President & Chief Executive Officer
 Robert T. Lowry	36	1985	Executive VP & Chief Operating Officer
 Todd M. Scheub	26	1996	Executive VP & Chief Banking Officer
 Peyman S. Torabi	18	2003	Executive VP & Chief Financial Officer
 Leane E. Carven	27	2010	Executive VP & Chief Risk Officer
 Tanya A. Leetz	27	1994	Executive VP & Chief Technology Officer
 Jill Washington	15	2021	Senior VP & Chief People Officer

⁽¹⁾ For March 2021 proxy statement. Beneficial ownership includes shares of restricted stock.

Diverse Board of Directors⁽²⁾

Board Member	Age	Year Joined Board
 David A. Bochnowski <i>Executive Chairman</i>	76	1977

Board Member	Age	Year Joined Board	Board Member	Age	Year Joined Board
 Benjamin J. Bochnowski <i>President & CEO</i>	41	2014	 Amy W. Han	58	2008
 Donald P. Fesko	49	2005	 Robert E. Johnson III	52	2016
 Edward J. Furticella ⁽¹⁾	74	2000	 Kenneth V. Krupinski	74	2003
 Danette Garza	67	2013	 Anthony M. Puntillo	55	2004
 Joel Gorelick	74	2000	 James L. Wieser	74	1999

Note: See Appendix for Board of Directors biographies.

(1) Mr. Furticella will retire from the Board at the 2022 Annual Meeting of Shareholders.
(2) Robert Neuman was appointed to the Board effective 1/31/2022.

Dynamic & Attractive Operating Market

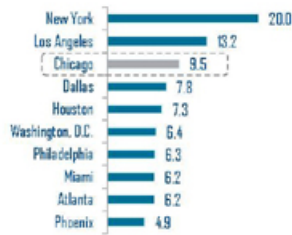
3rd Largest MSA Deposit Market⁽¹⁾

Deposits (\$ billions)



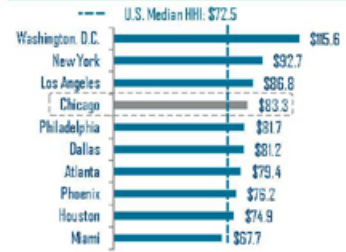
3rd Most Populated MSA⁽²⁾

Population (millions)



4th Highest MSA HH Income⁽³⁾

Household Income (\$ thousands)



FNWO Operating Market: The "Shadow" of Chicago

- Benefits from Chicago's demographics and Indiana's business-friendly environment
- Indiana ranked 2nd among Midwest states for cost of doing business in 2019
- 28 Fortune 1000 companies combined headquartered throughout Chicago and Northwest Indiana
- Chief Executive magazine ranked Indiana the 5th best state in the nation for business, placing it 1st in the Midwest in 2019

Sources: S&P Global Market Intelligence, Forbes, Fortunes.com, Moody's North America Credit Review, The Times of Northwest Indiana
 (1) Excludes non-retail deposits, branches with more than \$500 million in deposits and closed branches as of June 30, 2021.
 (2) Data represents estimated 2022 population per S&P Global Market Intelligence.
 (3) Ranking amongst ten largest populated MSAs of 2022.

Key Employers in Operating Market



Disciplined and Experienced Acquiror

	First Federal Savings & Loan Association of Hammond	Liberty Savings Bank, FSB	First Personal Bank	AJS BANCORP, INC.	Royal Financial, Inc.
Transaction Date	Closed April 2014	Closed July 2015	Closed July 2018	Closed January 2019	Closed January 2022
Transaction Value	(1)	(1)	\$16M	\$34M	\$56M
Assets (\$M)⁽²⁾ As a % of FWD Assets	\$38M 5%	\$57M 7%	\$146M 15%	\$179M 16%	\$533M 33%
Loans (\$M)⁽²⁾	\$29M	\$28M	\$95M	\$88M	\$464M
Deposits (\$M)⁽²⁾	\$37M	\$56M	\$125M	\$144M	\$466M
# of Branches	2	3	3	3	9

Source: S&P Global Market Intelligence

(1) First Federal Savings & Loan Association of Hammond and Liberty Savings Bank, FSB transactions were voluntary supervisory conversions; FWD did not pay any consideration as part of its transactions.

(2) Based on reported accrued amounts per Company's Audits and 10-K filings.

Acquisition of Royal Financial, Inc. (RYFL)

Company Overview

- Royal Financial, Inc. has provided banking and financial services in the Chicagoland area since 1887 through its wholly-owned subsidiary Royal Savings Bank
- Headquartered in Chicago, IL and operates nine full-services branch locations throughout Chicago with lending centers in Homewood and St. Charles, IL
- Consistently profitable with net income of \$5.2 million for the twelve months ended 6/30/2021, resulting in a LTM ROAA of 1.01% and ROATCE of 11.9%
- 4.18%⁽¹⁾ yield on loans and 0.33%⁽¹⁾ cost of total deposits for the quarter ended 6/30/2021

Transaction Rationale

- Strengthens presence in attractive Chicago market, with pro forma deposits of approximately \$1.9 billion and top 25 deposit market share in the Chicago-Naperville-Elgin, IL-IN-WI MSA
- Strong EPS accretion of ~25% in the first year of fully realized cost savings with mid single-digits tangible book value dilution and an earn back of approximately 2.3 years using the cross-over method
- Pro forma company positioned to benefit from growth potential of leveraging its present business model within those new and existing markets, while benefiting from a higher legal lending limit and additional products on the Finward platform

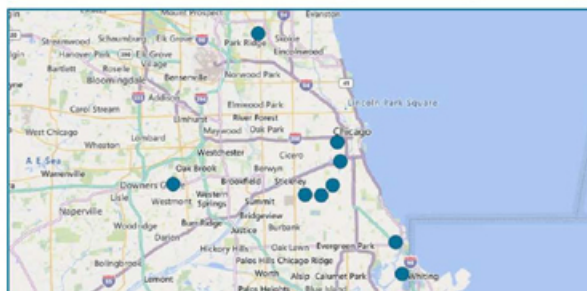
Source: SSP Global Market Intelligence

(1) Loan yield based on bank-level regulatory data and deposit cost based on BHC-GMP data

(2) Asset quality data based on bank-level regulatory data



Branch Map



Financial Highlights

Balance Sheet (\$M)		Capital	
Assets	\$533	TCE / TA	8.5%
Net Loans (incl. HFS)	\$460		
Deposits	\$466		
Profitability (LTM)		Asset Quality ⁽²⁾	
NIM	3.42%	NPAs/Assets	0.44%
ROAA	1.01%	LLR/Loans	0.83%
ROATCE	11.9%	LLR/NPLs	175.1%
Efficiency Ratio	57.1%	LTM NCOs/Avg. Loans	(0.05%)

Driving Service Excellence

Deepen Relationships

- Transitioning from customers and features to relationships and solutions
- Focus on what clients need to thrive
- Broaden product/service offerings

Drive Efficiency

- Reduce complexity
- Reduce cycle time
- Improve sales growth

Expand Markets

- Grow into new markets organically
- Expand product offerings
- Build scale through whole bank & team acquisitions

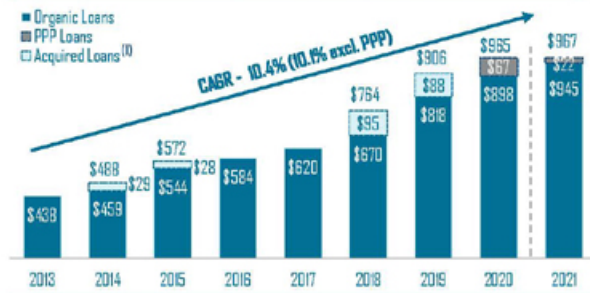
Superior customer service supported by best in class technology

Technology Partners



Well-Balanced, Growing Loan Portfolio

Historical Gross Loans (\$ Millions)

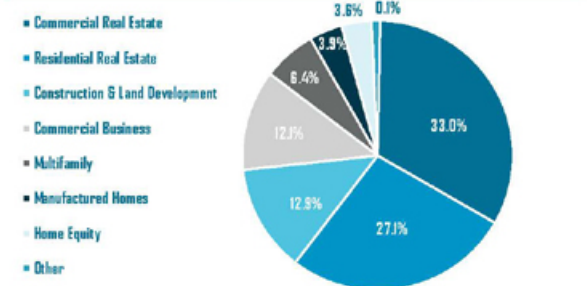


Yield on Loans (%) (2)



Sources: S&P Global Market Intelligence & Company Disclosures.
 Note: Total loans as of December 31 for each period, 2022 excludes loans to be acquired from Royal Financial, which is expected to close in Q3 2022.
 (1) Based on reported acquired loans per Company's Audits and 10-K filings.
 (2) Non-GAAP calculation, see Page 32.

Q4'21 Loan Portfolio by Collateral Type



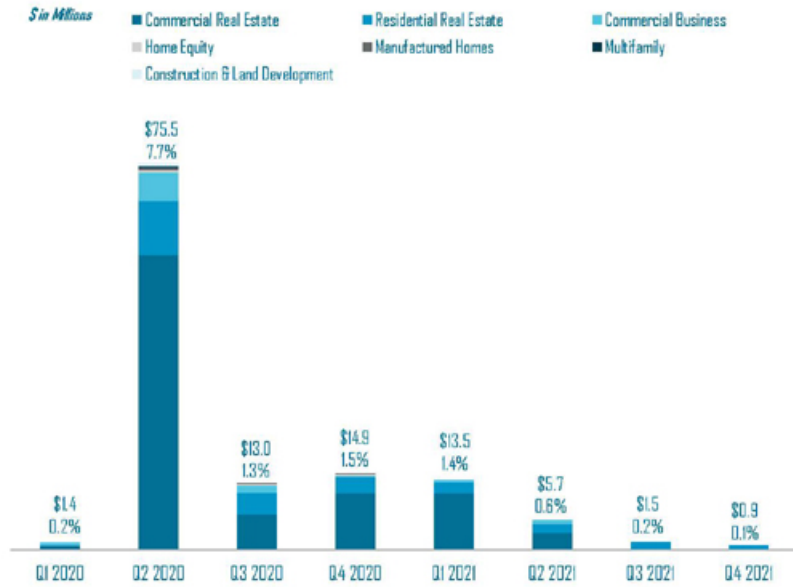
Lending Strategy

- Core competency in commercial lending (45% combined total of CRE and CBI)
- Growing CBI portfolio of \$115.8 million (\$93.7 million excl. PPP) as of 12/31/2021
- Named 2019 Lender of the Year by the Regional Development Company for commercial lending efforts
- Continuously making upgrades to residential mortgage platform with \$225 million of originations in 2020 and \$153 million for the year-ended 12/31/2021
- Portfolio mortgages mainly jumbo loans, high quality loans with 10-15 year terms, and acquired loans

COVID-19 Impacts

Credit Modifications / Deferrals

- Prudently helping borrowers unable to meet contractual payment obligations due to COVID-19
- Consistent with regulatory guidance, consider deferrals/modifications if borrower's cash flow impacted by the pandemic
- Total deferrals/modifications of \$0.9 million (0.1% of total loans)
- As of 12/31/2021, 94% of deferrals are interest only



Sources: Company Documents.



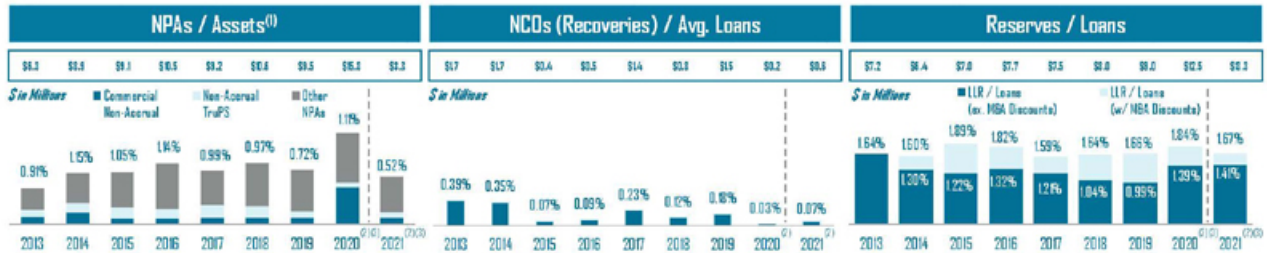
Conservative Approach to Credit

Credit Philosophy

- Experienced banking team with deep knowledge of the Chicago area market empowered to be relationship bankers (not just lenders)
- Prudent risk identification and mitigation processes in place to proactively address risks in the loan portfolio
- Compete aggressively for new lending opportunities, but will always appropriately structure credits to minimize risk
- Loan portfolio is well diversified to reduce concentration risks

Credit Underwriting and Administration

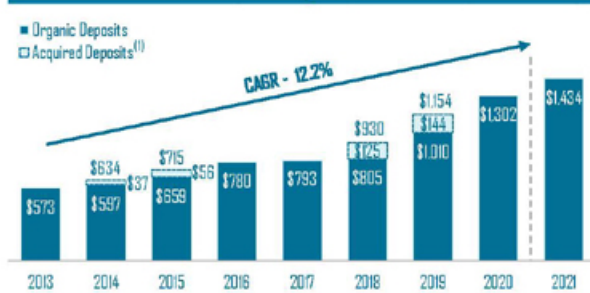
- Credit approval process is layered through Chief Business Banking Officer and loan committees (OLC, SOLC and Board EC)
- Additional personnel to be hired in near future
- 60% of the portfolio was reviewed by an internal team or third party in 2020
- Stress test was conducted by an outside third party in 2021 and will be tested again this year
- Commercial portfolio workout manager actively monitors and works with borrowers for problem credits



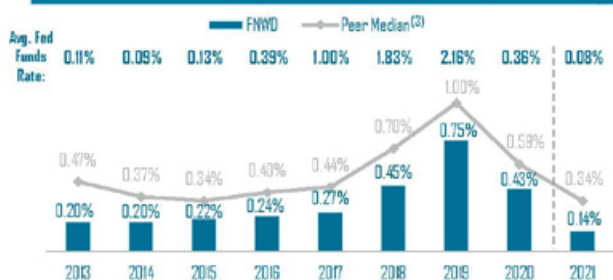
Source: S&P Global Market Intelligence & Company Documents.
 (1) NPA's / Assets excludes restructured loans from nonperforming assets.
 (2) Excludes PPP loan balances.
 (3) Non-GAAP calculation, see Page 32.

Stable and Growing Core Deposit Franchise

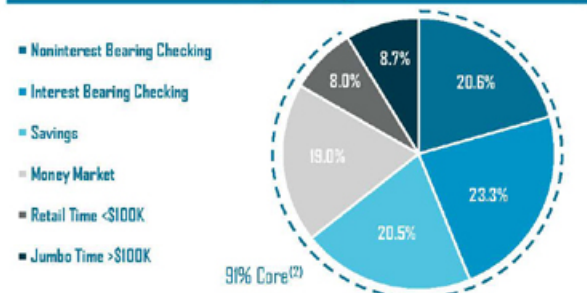
Historical Total Deposits (\$ Millions)



Cost of Deposits (%)



Q4'21 Deposit Composition



Deposit Strategy

- Formidable and well established core deposit franchise provides low-cost source of funding for loan origination
- 67% loans/deposits provides ample room for loan growth
- 83% of total deposits are non-maturity as of 12/31/2021
- Top quartile⁽³⁾ cost of deposits at 14 bps for the year-ended 12/31/2021
- 83% of time deposits as of 12/31/2021 repricing over the next 12 months, providing opportunity for additional potential down-trend in pricing

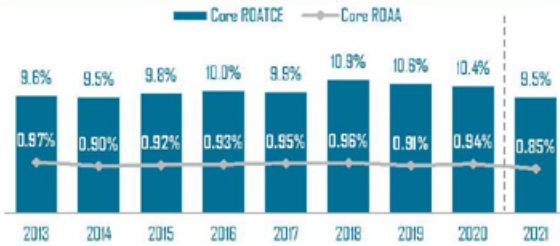
Source: S&P Global Market Intelligence & Company Documents.
 Note: Total deposits as of December 31 for each period. 2020 excludes deposits to be acquired from Royal Financial, which is expected to close in Q1 2022.
 (1) Same as reported acquired deposits per Company's Audits and 10-K filings.
 (2) Core deposits defined as total deposits less time deposits greater than \$100K.
 (3) Peer group consists of Midwest major exchange traded banks with total assets between \$1.0 billion and \$2.0 billion as of 12/31/2021.

Core Earnings Power

Profitability

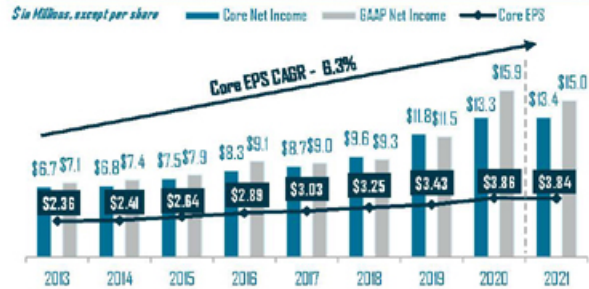
- Strong earnings continue to accrete to and build capital
- Low cost funding allows for utilizing the balance sheet efficiently
- Successful execution of M&A strategy resulting in realized synergies more than accounting for one-time deal-related costs
- Future profitability to be driven by a combination of organic growth, streamlining of internal operations, and accretive M&A

Core ROAA⁽¹⁾⁽²⁾ & Core ROATCE⁽¹⁾⁽²⁾

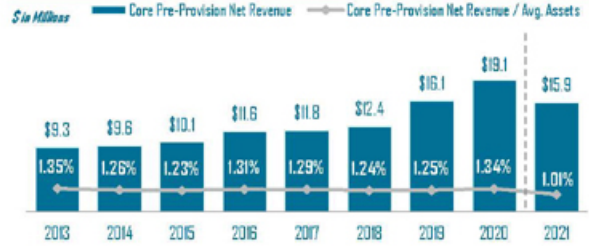


Source: S&P Global Market Intelligence & Company Documents.
 (1) Core net income, adjusted for realized gain on sale of securities, amortization of intangibles and nonrecurring items.
 (2) Non-GAAP calculation, see Pages 50 & 51.

Core Net Income⁽¹⁾⁽²⁾ & Earnings Per Share⁽¹⁾⁽²⁾



Core Pre-Provision Net Revenue⁽¹⁾⁽²⁾ / Avg. Assets

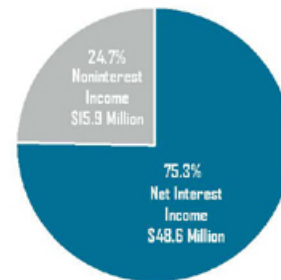


High Quality, Recurring Revenues

Revenue Themes

- Solid net interest margin throughout the economic cycle driven by
 - Top quartile cost of deposits
 - Well managed/diversified loan portfolio with a commercial focus
- Noninterest income is a meaningful component of revenues
 - Flexible mortgage banking operation capable of scaling to meet demand with minimal incremental costs
 - Treasury management business providing value to business clients while augmenting fee income
 - Growing/diversifying wealth management venture

2021 Gross Revenue

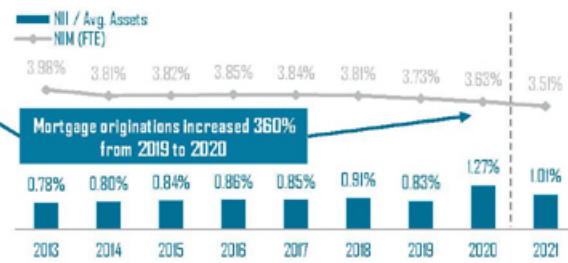


Gross Revenue (\$ Millions)



Sources: S&P Global Market Intelligence & Company Documents.

Revenue Trends



Diversified Sources of Fee Income

Noninterest Income Business

- Mortgage banking, service income, wealth management, and other noninterest income streams are all internally developed
- Recurring fee income continues to be buttressed by strong gains on mortgage loan sales following a record 2020 where gains were up over 266% YOY
- 2021 wealth management income up 11% YOY from 2020 (income tied to trust and fiduciary business, not AUC)
- Investments in enhanced treasury management services compliment business lending activities

Noninterest Income Components

\$ in Millions

■ Gain on Sale of Loans ■ Fees & Service Charges ■ Wealth Management ■ Gain on Sale of Securities ■ Other

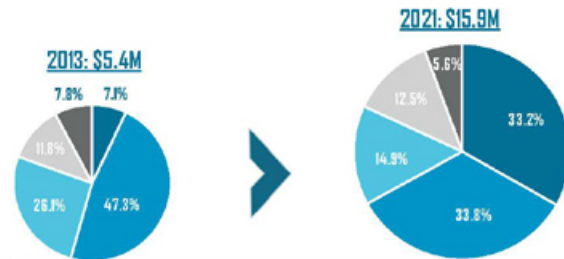


Sources: S&P Global Market Intelligence & Company Documents.



Noninterest Income Breakdown

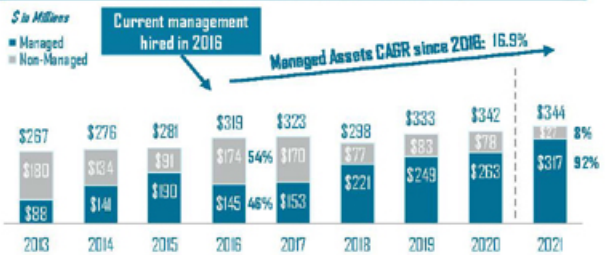
■ Gain on Sale of Loans ■ Fees & Service Charges ■ Wealth Management ■ Gain on Sale of Securities ■ Other



Wealth Management AUC (Assets Under Care)

\$ in Millions

■ Managed ■ Non-Managed



Focused Expense Management

- Investments in core technology platforms key to leveraging of the expense base
- Long-term goal of core efficiency ratio under 60%
- Long-term goal of core NIE / Avg. Assets under 2.5%
- Total assets per FTE has increased 27% since the closing of last bank acquisition
- Have begun a multi-year process to reposition Banking Centers for the needs of our individual communities while increasing efficiency



Source: S&P Global Market Intelligence & Company Documents.

(1) To calculate Efficiency Ratio, NIE excludes amortization of intangibles, foreclosure & reorg expense, and nonrecurring expense while NI excludes gain on sale of securities and gain from sale of foreclosed real estate.

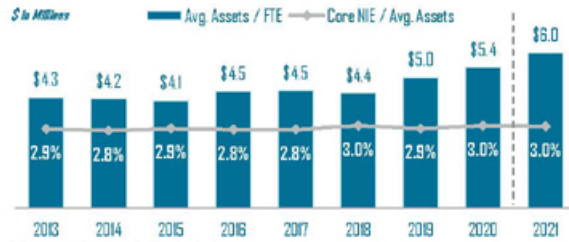
(2) Non-GAAP calculation, see Page 30.

(3) NIE excludes amortization of intangibles, foreclosure & reorg expense, and nonrecurring expenses.

Core Noninterest Expense & Core Efficiency Ratio⁽¹⁾⁽²⁾



Avg. Assets / FTE & Core NIE / Avg. Assets⁽²⁾⁽³⁾



Robust Capital Levels

Capital Management

- Regulatory capital levels in excess of well-capitalized requirements
- TCE and regulatory capital ratios demonstrate a consistent ability to leverage capital
- Have a capital plan in place that satisfies our internal goals

Holding Company Total Capital Ratio (%)



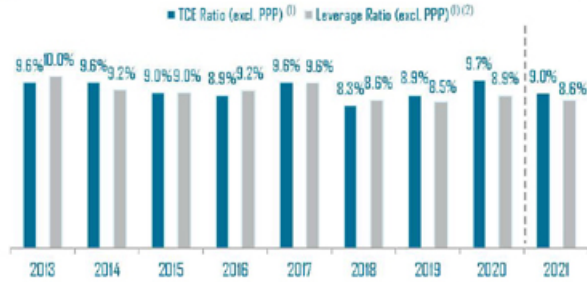
Source: S&P Global Market Intelligence & Company Documents.

(1) Non-GAAP calculation, see page 3.

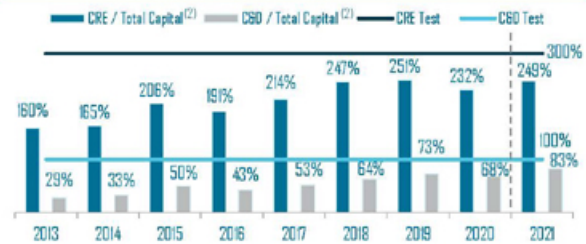
(2) Leverage Ratio excludes PPP loan balance from average assets for leverage ratio.

(3) Commercial real estate loans divided by total risk-based capital and construction & development loans divided total risk-based capital.

TCE / TA & Leverage Ratio (%)



CRE and CSD / Total Risk Based Capital (%)

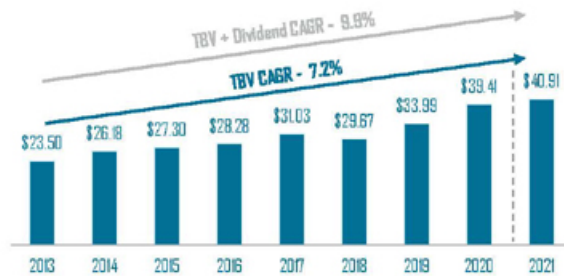


Reliable Stewards of Capital

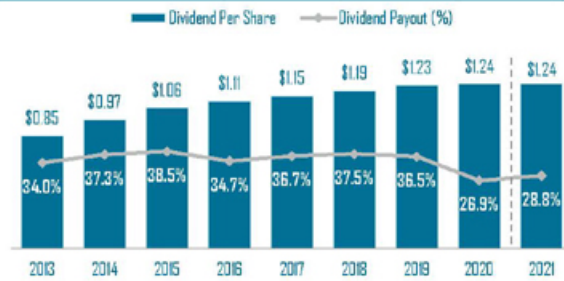
Capital Strategy

- Commitment to growing tangible book value per share:
 - (1) Supporting organic growth
 - (2) Acquisitions
 - (3) Returning capital to shareholders
- Retaining capital necessary to support organic growth initiatives
- Deploying capital through strategic acquisitions that expand our geographic footprint and grow fee based business lines in a financially accretive manner
- Returning capital to shareholders through reasonable and competitive dividend
- Authorized buyback program in place since 2014

Tangible Book Value Per Share Growth⁽¹⁾



Annual Dividend Per Share



Source: S&P Global Market Intelligence & Company Documents.
 (1) Non-GAAP calculation, see Page 38.

Recap of Franchise Highlights



Experienced and Invested Leadership

- Dynamic team with significant experience in Chicago area markets
- Interests aligned with shareholders through substantial ownership



Meaningful Presence in Diverse, Dynamic Markets

- Benefiting from Chicago's demographics and Indiana's business-friendly environment
- Well positioned to grow through acquisition opportunities in existing markets



Attractive Core Deposit Franchise

- 91% core deposits with top quartile cost of deposits for the year-ended 12/31/2021 of 146bps
- Growing core deposits in excess of 12.6% per year (CAGR since 2013)



Track Record of Exceptional Growth and Profitability

- Producing long-term earnings growth in excess of 6.3% (CAGR since 2013) and TBV growth in excess of 7.2% (CAGR since 2013)
- Future profitability focused on a combination of organic growth, streamlining operations, and M&A



Investing to Position For the Future

- Investing in all business lines with a focus on: (1) deepening relationships; (2) driving efficiency; and (3) expanding markets and product offerings
- Moving toward best in class technology stack

THANK YOU



APPENDIX



Board of Directors ⁽²⁾

Board Member	Age	Year Joined Board	Experience
David A. Bochnowski <i>Chairman</i>	76	1977	<ul style="list-style-type: none"> Executive Chairman since 2016 and previously CEO of the Company for 35 years Honored by Indiana Bankers Association as a Leader in Banking Excellence and former Chairman of America's Community Bankers Association
Benjamin J. Bochnowski <i>President & CEO</i>	41	2014	<ul style="list-style-type: none"> Became EVP & COO of the Company in 2013, promoted to President in 2015 and became CEO in 2016 Director and member of the Executive Committee of the Indiana Bankers Association and serves on the Membership Committee of American Bankers Association
Donald P. Fesko	49	2005	<ul style="list-style-type: none"> President & CEO of Community Foundation of Northwest Indiana, a healthcare system with three hospitals and multiple outpatient facilities Former CEO of Community Hospital from 2005 to 2016 before being promoted to President & CEO of entire healthcare system
Edward J. Furticella ⁽¹⁾	74	2000	<ul style="list-style-type: none"> Professor Emeritus of Accounting at Purdue University Northwest, holding titles of Clinical Professor and Department Head among others Former CFO of Peoples Bank from 1995 to 2004 and serves on the Risk Management, Executive & Strategic Planning Committees
Danette Garza	67	2013	<ul style="list-style-type: none"> Business leader who owns Jack Gray Transport Logistics Network, a hauler operation and certified Minority & Women's Business Enterprise Served as Probate Commissioner for the Lake County Superior Court from 2013 to 2017 and is a CPA as well as a licensed attorney
Joel Gorelick	74	2000	<ul style="list-style-type: none"> Served as President & COO of the Company until January 2013 and has over 40 years of banking experience, including retail and commercial Serves as Charter Chairman Emeritus of the Lake County Economic Alliance
Amy W. Han	58	2008	<ul style="list-style-type: none"> Completed a Ph.D. in counseling/clinical psychology; prior to graduate work held management consultant roles with Norrell Services and AT&T Currently serves as the Director for Clinical Affairs and Education at the Northwest campus of Indiana University School of Medicine
Robert E. Johnson III	52	2016	<ul style="list-style-type: none"> Founder, President & CEO of Cimcor, Inc., a developer of cutting edge IT security software enabling companies to maintain IT system integrity Previously Manager of business systems for Kvaerner-Metals and Manager of Process Automation & Control for Davy McKee Corporation
Kenneth V. Krupinski	74	2003	<ul style="list-style-type: none"> Past President of Swartz, Retson & Co., P.C. (CPA firm) and was a Certified Public Accountant for 43 years
Anthony M. Puntillo	55	2004	<ul style="list-style-type: none"> Co-Owner, Managing Partner & Founder of Puntillo and Crane Orthodontics, PC, a dental specialty practice with locations in Northwest Indiana Current President-Elect of the Great Lakes Association of Orthodontists and member of various orthodontics associations
James L. Wieser	74	1999	<ul style="list-style-type: none"> Attorney with over 47 years of experience, concentrating in real estate development and representation of small businesses

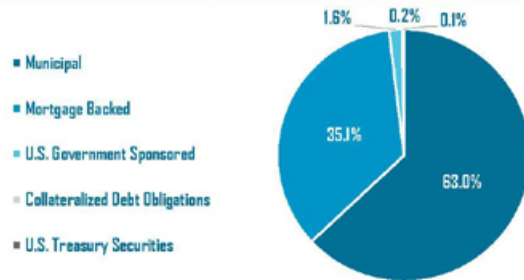


(1) Mr. Furticella will retire from the Board at the 2022 Annual Meeting of Shareholders
 (2) Robert Yeaman was appointed to the Board effective 1/3/2022

Well-Positioned Securities Portfolio

- Securities book currently represents 32.5% of the overall balance sheet
- Began investing excess liquidity into securities portfolio in Q4'20 to enhance net interest margin
- As of Q4'21, 98% of portfolio consisted of municipals and mortgage backed securities
- Remainder of portfolio primarily in money market funds to provide for a certain level of immediate liquidity
- Conservative approach to managing investments resulted in a yield on securities of 1.96% for the year-ended 12/31/2021
- An investment subsidiary headquartered in Nevada manages the securities portfolio, minimizing taxes payable on the securities portfolio

Q4'21 Securities Composition



Securities Balance & Yield



Sources: S&P Global Market Intelligence & Company Documents.

Historical Financial Summary

\$ in thousands, except per share data	Fiscal Year Ended December 31				
	2017	2018	2019	2020	2021
Balance Sheet & Capital					
Total Assets	\$927,259	\$1,096,158	\$1,328,161	\$1,496,292	\$1,620,743
Loans, Net	612,729	756,438	897,228	952,588	953,377
Total Deposits	793,004	929,706	1,154,370	1,302,339	1,434,201
Tangible Common Equity ⁽¹⁾	88,844	89,872	117,319	136,461	142,380
TBV Per Share ⁽²⁾	\$31.03	\$29.67	\$33.99	\$39.41	\$40.91
TCE / TA (%) ⁽¹⁾⁽²⁾	9.6 %	8.3 %	8.9 %	9.7 %	9.0 %
Tier 1 Leverage Ratio (%) ⁽¹⁾⁽²⁾	9.6 %	8.6 %	8.5 %	8.9 %	8.6 %
Total Risk-Based Capital Ratio (%)	14.0 %	12.6 %	12.7 %	14.0 %	14.2 %
Asset Quality					
Nonperforming Assets	\$9,221	\$10,593	\$9,532	\$15,832	\$8,253
NPA's / Assets (%) ⁽¹⁾⁽²⁾⁽³⁾	0.99 %	0.97 %	0.72 %	1.11 %	0.52 %
NPL's / Loans (%)	0.89 %	1.11 %	0.91 %	1.49 %	0.75 %
NCOs (Recoveries) / Average Loans (%)	0.23 %	0.12 %	0.18 %	0.03 %	0.07 %
ALLL / Total Loans (%) ⁽¹⁾⁽²⁾⁽⁴⁾	1.59 %	1.64 %	1.66 %	1.84 %	1.67 %
Income Statement					
Net Interest Income	\$30,766	\$34,359	\$43,158	\$45,881	\$48,575
Provision for Loan Losses	1,200	1,308	2,584	3,587	1,509
Noninterest Income	7,752	9,099	10,670	18,148	15,947
Noninterest Expense	25,488	31,383	38,030	41,836	46,836
Income Tax Expense	2,869	1,430	1,678	2,774	1,414
Net Income	8,961	9,337	11,536	15,932	14,963
GAAP Earnings Per Share	\$3.13	\$3.17	\$3.37	\$4.60	\$4.30
Profitability Ratios					
Core ROAA (%) ⁽¹⁾	0.95 %	0.96 %	0.91 %	0.94 %	0.85 %
Core ROATCE (%) ⁽¹⁾	9.9 %	10.9 %	10.6 %	10.4 %	9.5 %
Net Interest Margin (FTE) (%)	3.84 %	3.81 %	3.73 %	3.63 %	3.51 %
Core Efficiency Ratio (%) ⁽¹⁾	68.7 %	70.7 %	69.7 %	69.0 %	74.5 %
Noninterest Income / Average Assets (%)	0.85 %	0.91 %	0.83 %	1.27 %	1.01 %
Core Noninterest Expense / Average Assets (%) ⁽¹⁾	2.8 %	3.0 %	2.9 %	3.0 %	3.0 %

Source: S&P Global Market Intelligence & Company Documents.

(1) Non-GAAP calculation, see following pages.

(2) Excludes PPP Loans.

(3) NPA's/Assets excludes restructured loans from nonperforming assets.

(4) ALLL includes MSB discounts.

Non-GAAP Reconciliation

(\$ in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net income	\$ 7,118	\$ 7,394	\$ 7,852	\$ 9,142	\$ 8,901	\$ 9,337	\$ 11,536	\$ 15,932	\$ 14,983
Non-recurring expenses									
Acquisition related costs	—	—	452	—	—	2,078	2,113	—	—
Non-recurring income									
BOI death benefit	—	—	—	—	—	—	(205)	—	—
Realized loss/gain on securities	(630)	(541)	(606)	(826)	(800)	(1,200)	(621)	(2,348)	(1,987)
Amortization of intangibles	—	9	41	70	70	258	956	994	994
Loan accretion income	—	(318)	(399)	(606)	(456)	(828)	(1,971)	(1,919)	(1,041)
Related tax benefit/(cost)	221	298	179	477	436	(56)	(57)	687	427
DTA revaluation	—	—	—	—	517	—	—	—	—
Core net income	\$ 6,709	\$ 6,942	\$ 7,519	\$ 8,257	\$ 8,688	\$ 9,587	\$ 11,751	\$ 13,346	\$ 13,356
Diluted average common shares outstanding	2,841,990	2,844,033	2,850,001	2,855,601	2,864,037	2,949,212	3,425,066	3,459,167	3,477,309
Reported Diluted earnings per share	\$ 2.50	\$ 2.60	\$ 2.75	\$ 3.20	\$ 3.13	\$ 3.17	\$ 3.37	\$ 4.61	\$ 4.30
Core Diluted earnings per share	2.36	2.41	2.64	2.89	3.03	3.25	3.43	3.86	3.84
Average total assets	\$ 691,090	\$ 761,431	\$ 817,361	\$ 888,015	\$ 911,078	\$ 1,001,908	\$ 1,285,964	\$ 1,427,176	\$ 1,573,981
Reported Return on average assets	1.03%	0.97%	0.96%	1.03%	0.96%	0.93%	0.90%	1.12%	0.96%
Core Return on average assets	0.97%	0.90%	0.92%	0.93%	0.95%	0.95%	0.91%	0.94%	0.85%

(\$ in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net interest income	\$ 24,427	\$ 25,363	\$ 27,370	\$ 30,064	\$ 30,766	\$ 34,359	\$ 43,158	\$ 45,881	\$ 48,576
Non-interest income	5,369	6,074	6,850	7,613	7,752	9,095	10,670	18,148	15,947
Realized loss/gain on securities	(630)	(541)	(606)	(826)	(800)	(1,200)	(621)	(2,348)	(1,987)
Non-interest expense	(10,821)	(11,016)	(12,616)	(24,709)	(25,486)	(31,383)	(38,030)	(41,836)	(46,636)
Pre-provision net revenue	\$ 9,335	\$ 9,880	\$ 9,998	\$ 12,132	\$ 12,170	\$ 16,075	\$ 15,177	\$ 20,045	\$ 15,899
Non-recurring expenses	—	—	452	—	—	2,078	2,113	—	—
Non-recurring income	—	—	—	—	—	—	(205)	—	—
Amortization of intangibles	—	9	41	70	70	258	956	994	994
Loan accretion income	—	(318)	(399)	(606)	(456)	(828)	(1,971)	(1,919)	(1,041)
Core pre-provision net revenue	\$ 9,335	\$ 9,572	\$ 10,002	\$ 11,596	\$ 11,794	\$ 12,391	\$ 16,070	\$ 19,120	\$ 15,852
Average total assets	\$ 691,090	\$ 761,431	\$ 817,361	\$ 888,015	\$ 911,078	\$ 1,001,908	\$ 1,285,964	\$ 1,427,176	\$ 1,573,981
Reported Pre-provision net revenue to average assets	1.35%	1.30%	1.22%	1.37%	1.34%	1.09%	1.19%	1.40%	1.01%
Core Pre-provision net revenue to average assets	1.36%	1.26%	1.23%	1.31%	1.29%	1.24%	1.26%	1.34%	1.01%

Non-GAAP Reconciliation

(\$ in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total assets	\$ 693,453	\$ 775,044	\$ 864,893	\$ 913,626	\$ 927,259	\$ 1,096,158	\$ 1,328,161	\$ 1,496,292	\$ 1,620,743
Goodwill	—	(1,511)	(2,561)	(2,792)	(2,792)	(8,170)	(11,109)	(11,109)	(11,109)
Other intangibles	—	(84)	(523)	(494)	(424)	(3,422)	(5,134)	(6,119)	(3,126)
Paycheck Protection Plan ("PPP") loans	—	—	—	—	—	—	—	(67,175)	(22,972)
Tangible assets (excl. PPP)	\$ 693,453	\$ 773,349	\$ 861,809	\$ 910,340	\$ 924,043	\$ 1,084,566	\$ 1,311,938	\$ 1,413,889	\$ 1,564,436
Total stockholders' equity	66,761	76,165	80,909	84,108	92,000	101,464	133,542	151,689	156,615
Goodwill	—	(1,511)	(2,561)	(2,792)	(2,792)	(8,170)	(11,109)	(11,109)	(11,109)
Other intangibles	—	(84)	(523)	(494)	(424)	(3,422)	(5,134)	(6,119)	(3,126)
Tangible common equity	\$ 66,761	\$ 74,470	\$ 77,825	\$ 80,822	\$ 88,784	\$ 89,872	\$ 117,319	\$ 136,461	\$ 142,380
Ending number of common shares outstanding	2,841,104	2,844,167	2,851,417	2,860,157	2,864,507	3,029,157	3,451,797	3,462,908	3,460,701
Tangible common equity to tangible assets (excl. PPP)	9.6%	9.6%	9.0%	8.9%	9.6%	8.3%	8.9%	9.7%	9.0%
Tangible book value per share	\$ 23.50	\$ 26.16	\$ 27.29	\$ 28.26	\$ 31.02	\$ 29.67	\$ 33.99	\$ 39.41	\$ 40.91
Average stockholders' common equity	\$ 69,966	\$ 72,943	\$ 79,200	\$ 85,842	\$ 90,538	\$ 94,460	\$ 126,845	\$ 144,275	\$ 155,945
Average goodwill	—	(1,007)	(2,156)	(2,795)	(2,792)	(4,809)	(10,650)	(11,109)	(11,109)
Average other intangibles	—	(55)	(242)	(483)	(459)	(1,504)	(5,274)	(6,616)	(3,643)
Average tangible stockholders' common equity	\$ 69,966	\$ 71,881	\$ 76,896	\$ 82,654	\$ 87,287	\$ 88,147	\$ 110,921	\$ 128,550	\$ 141,193
Reported: Return on average tangible common equity	10.2%	10.3%	10.2%	11.1%	10.3%	10.6%	10.4%	12.4%	10.6%
Core: Return on average tangible common equity	9.6%	9.5%	9.8%	10.0%	9.9%	10.9%	10.6%	10.4%	9.5%

(\$ in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Tier 1 Capital	\$ 69,008	\$ 72,033	\$ 76,402	\$ 82,386	\$ 86,431	\$ 92,800	\$ 110,800	\$ 125,300	\$ 136,500
Average assets for leverage ratio	\$ 692,136	\$ 763,002	\$ 846,730	\$ 890,908	\$ 916,046	\$ 1,073,550	\$ 1,310,614	\$ 1,477,960	\$ 1,604,601
Paycheck Protection Plan ("PPP") loans	—	—	—	—	—	—	—	(67,175)	(22,072)
Average assets for leverage ratio (excl. PPP)	\$ 692,136	\$ 763,002	\$ 846,730	\$ 890,908	\$ 916,046	\$ 1,073,550	\$ 1,310,614	\$ 1,410,605	\$ 1,562,529
Leverage Ratio (excl. PPP)	10.0%	9.2%	9.0%	9.2%	9.6%	8.6%	8.5%	8.0%	8.6%

Non-GAAP Reconciliation

(\$ in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Reported: Interest income on loans	\$ 20,891	\$ 21,232	\$ 23,203	\$ 26,269	\$ 26,859	\$ 32,392	\$ 44,455	\$ 44,967	\$ 41,573
Loan accretion income	—	(316)	(399)	(606)	(456)	(620)	(1,971)	(1,919)	(1,041)
Core: Interest income on loans	\$ 20,891	\$ 20,914	\$ 22,804	\$ 25,663	\$ 26,403	\$ 31,654	\$ 42,484	\$ 42,948	\$ 40,532
Average loan balances	\$ 436,429	\$ 480,404	\$ 522,278	\$ 587,119	\$ 603,913	\$ 684,159	\$ 876,611	\$ 961,187	\$ 968,165
Reported: Yield on loans	4.79%	4.42%	4.44%	4.47%	4.45%	4.73%	5.07%	4.67%	4.29%
Core: Yield on loans	4.79%	4.35%	4.37%	4.37%	4.37%	4.61%	4.85%	4.47%	4.19%

(\$ in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Reported: Allowance for loan losses	\$ 7,189	\$ 6,361	\$ 6,953	\$ 7,698	\$ 7,462	\$ 7,962	\$ 8,999	\$ 12,458	\$ 13,343
Additional reserves net part of ALLL	—	1,858	3,635	2,908	2,376	4,593	8,642	4,098	2,428
Adjusted: Allowance for loan losses	\$ 7,189	\$ 7,610	\$ 10,788	\$ 10,606	\$ 9,838	\$ 12,554	\$ 15,041	\$ 16,556	\$ 15,771
Reported: Loan balances	437,621	488,153	571,898	583,650	620,211	764,400	908,227	965,148	968,720
Paycheck Protection Plan ("PPP") loans	—	—	—	—	—	—	—	(67,175)	(22,072)
Adjusted: Loan balances	\$ 437,621	\$ 488,153	\$ 571,898	\$ 583,650	\$ 620,211	\$ 764,400	\$ 908,227	\$ 897,971	\$ 944,648
Reported: LLR / loans	1.64%	1.30%	1.22%	1.32%	1.21%	1.04%	0.99%	1.29%	1.38%
Adjusted: LLR / loans	1.64%	1.60%	1.89%	1.82%	1.59%	1.64%	1.66%	1.84%	1.67%

(\$ in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Non-accruing loans	\$ 3,780	\$ 4,599	\$ 5,201	\$ 5,605	\$ 4,996	\$ 6,595	\$ 6,507	\$ 13,799	\$ 7,056
Accruing loans > 90 days delinquent	174	941	377	500	227	321	806	566	205
Non-accrual TRUPS	1,252	1,611	1,912	1,689	2,209	2,050	1,076	929	902
OREO	1,084	1,745	1,590	2,065	1,609	1,627	1,083	538	0
Total non-performing assets	\$ 6,290	\$ 8,896	\$ 9,080	\$ 10,459	\$ 9,221	\$ 10,593	\$ 9,532	\$ 15,832	\$ 8,263
Total assets	\$ 693,453	\$ 775,044	\$ 864,893	\$ 913,626	\$ 927,259	\$ 1,096,158	\$ 1,320,161	\$ 1,496,292	\$ 1,620,743
Paycheck Protection Plan ("PPP") loans	—	—	—	—	—	—	—	67,175	22,072
Total assets (excl. PPP)	\$ 693,453	\$ 775,044	\$ 864,893	\$ 913,626	\$ 927,259	\$ 1,096,158	\$ 1,320,161	\$ 1,429,117	\$ 1,598,671
Reported: NPA / assets (excl. TDRs)	0.91%	1.15%	1.05%	1.14%	0.99%	0.97%	0.72%	1.06%	0.51%
Adjusted: NPA / assets (excl. TDRs & PPP)	0.91%	1.15%	1.05%	1.14%	0.99%	0.97%	0.72%	1.11%	0.52%

Non-GAAP Reconciliation

(\$ in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net interest income	\$ 24,427	\$ 25,363	\$ 27,370	\$ 30,054	\$ 30,766	\$ 34,350	\$ 43,158	\$ 45,881	\$ 48,575
Non-interest income	5,359	6,074	6,850	7,613	7,752	9,099	10,670	18,148	15,947
Reported Revenue	29,786	31,437	34,220	37,667	38,518	43,458	53,828	64,029	64,522
Realized loss/(gain) on securities	(630)	(541)	(606)	(826)	(960)	(1,290)	(621)	(2,348)	(1,967)
Non-recurring income	—	—	—	—	—	—	(205)	—	—
Core Revenue	\$ 29,156	\$ 30,896	\$ 33,614	\$ 36,841	\$ 37,558	\$ 42,258	\$ 53,002	\$ 61,681	\$ 62,555
Reported Noninterest expense	19,821	21,015	23,618	24,709	25,468	31,383	36,030	41,636	46,636
Amortization of intangibles	—	(9)	(41)	(70)	(70)	(200)	(956)	(994)	(994)
Loan accretion income	—	318	309	606	456	825	1,971	1,519	1,041
Non-recurring expenses	—	—	(452)	—	—	(2,070)	(2,113)	—	—
Core Non-interest expense	\$ 19,821	\$ 21,324	\$ 23,522	\$ 25,245	\$ 25,674	\$ 29,867	\$ 36,032	\$ 42,561	\$ 46,589
Reported Efficiency Ratio	65.9%	66.8%	69.0%	65.6%	66.2%	72.3%	70.7%	65.0%	72.3%
Core Efficiency Ratio	68.0%	69.0%	70.0%	68.6%	68.7%	70.7%	69.7%	63.0%	74.6%
Average total assets	\$ 691,090	\$ 761,431	\$ 817,361	\$ 888,015	\$ 911,078	\$ 1,001,908	\$ 1,285,964	\$ 1,427,176	\$ 1,573,981
Reported NIE to average total assets	2.9%	2.6%	2.9%	2.6%	2.6%	3.1%	3.0%	2.9%	3.0%
Core NIE to average total assets	2.0%	2.6%	2.9%	2.8%	2.8%	3.0%	2.9%	3.0%	3.0%