



VENTURE
BANK

2016 Annual Report

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Letter from the President

2016 marked Venture Bank's 15th year in business. We're grateful for the opportunity to serve so many businesses in the Twin Cities and help develop our local economy. Last year we continued to experience substantial growth, increasing total assets by 18.5% to \$663 million and expanding our client portfolio to over 5,000 businesses.

Employees continue to be our greatest strategic advantage. We added 20 new employees in 2016 and were named a 'Best Place to Work' by the Minneapolis/St. Paul Business Journal as well as a 'Top Workplace' by the Star Tribune. These awards are an affirmation of our culture and critical to employee recruitment and retention.

Our Clients

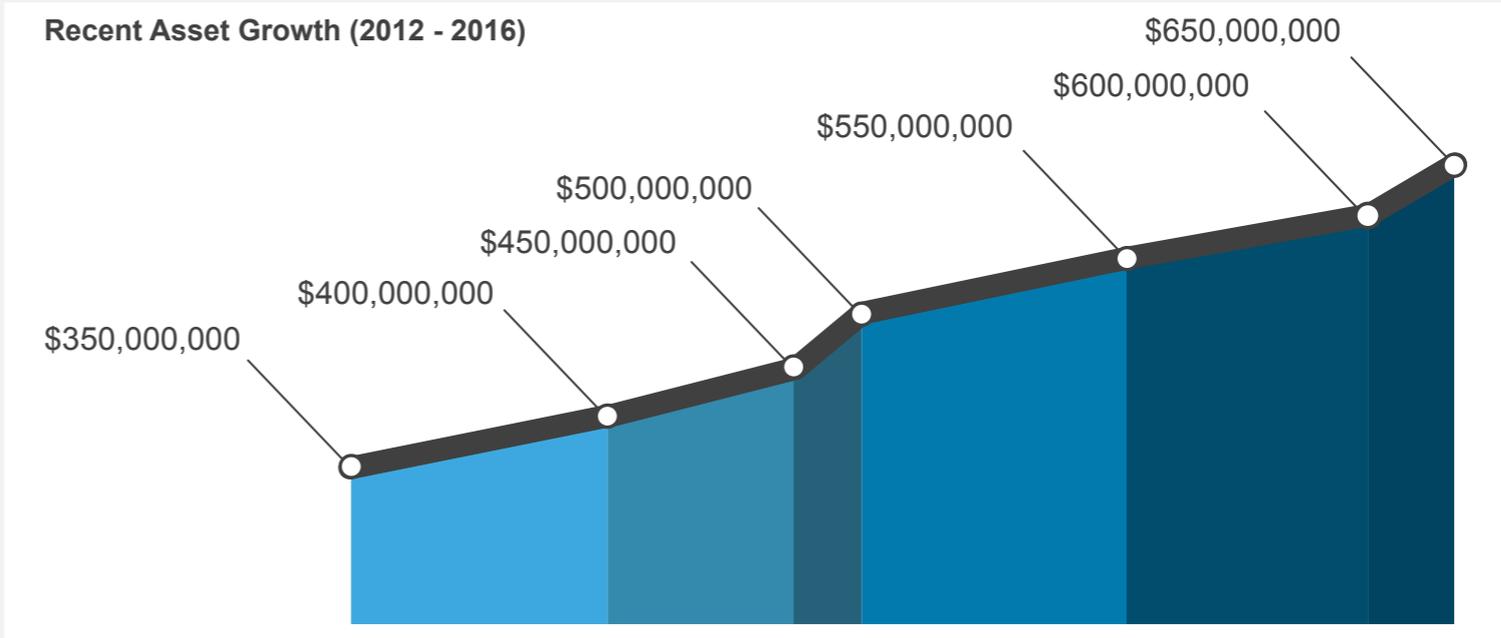
We're proud to be your business partner. We continually focus on bringing additional value to our business banking relationships. Last year we increased the number of educational seminars, expanded our on-site cyber security training and hosted our 1st Annual Client Appreciation Event. In 2017, we'll continue to seek engaging ways to strengthen our customers' networks, connecting you with other Twin Cities business owners.

The Community

We have an obligation to give back. In 2016, our Annual Giving Campaign contributions to the United Way and Community Shares totaled \$72,000, a record high for Venture Bank. Through volunteerism and philanthropy, our outreach efforts positively affected over 100 organizations in the Twin Cities. Looking forward we plan to further explore opportunities for direct investment in the small business community where our expertise can have the most impact.

Thank you to all who have contributed to the success of Venture Bank. We're excited to further expand our unique brand of business banking in 2017.

Michael T. Zenk
President and Founder



Financials

Venture Bank Balance Sheet December 31, 2016

Assets

Cash and cash equivalents	\$	12,231,974
Available-for-sale securities		64,847,322
Restricted Stock		1,711,800
Loans, net		573,688,972
Premises and equipment, net		6,290,523
Accrued interest receivable		2,041,625
Foreclosed assets		0
Other assets		2,609,687
	\$	<u>663,422,903</u>

Liabilities and Stockholder's Equity

Liabilities

Deposits:

Noninterest-bearing	\$	220,343,221
Interest-bearing		343,933,327
Total deposits		<u>564,276,548</u>

Repurchase agreements		1,600,000
Short-term borrowings		33,700,000
Other liabilities		3,727,112
Total liabilities		<u>603,303,660</u>

Stockholders' equity

Common stock		650,000
Additional paid-in capital		41,850,000
Retained earnings		18,132,212
Accumulated other comprehensive Income		(512,969)
Total stockholders' equity		<u>60,119,243</u>
	\$	<u>663,422,903</u>

Venture Bank Statement of Income Year End December 31, 2016

Interest income:

Loans	\$	26,257,956
Securities		976,876
Other		42,749
		<u>27,277,581</u>

Interest expense:

Deposits		1,926,927
Short-term borrowings		27,639
		<u>1,954,566</u>

Net interest income (expense) 25,323,015

Provision for loan losses 1,165,137

**Net interest income (loss)
after provision for loan
losses** 24,157,878

Noninterest income:

Service charges and other fees		3,471,439
Gain on loans held for sale		2,025,572
Gain on available-for-sale securities		17,766

Total noninterest income 5,514,777

Noninterest expenses:

Salaries and employee benefits		11,317,074
Occupancy expenses		2,031,802
Other expenses		3,185,510
Total noninterest expense		<u>16,534,386</u>

Net Income \$ 13,138,269

Celebrating 15 Years

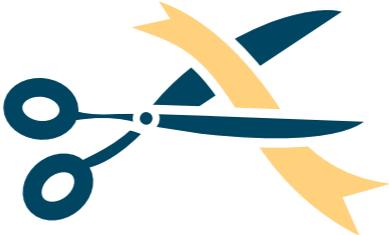
'01

Venture Bank founded. Our first office opened in Bloomington, MN. Since 2001 we've grown from one to four branches.



'04

Grand opening of our office in Golden Valley.



'05

Named Great Places to Work by the Minneapolis/St. Paul Business Journal.



Ranked on MSP Business Journal's Fast 50 as one of Minnesota's fastest growing private companies.



'06

Named Great Places to Work by the Minneapolis/St. Paul Business Journal.

Grand opening of our office in Eagan.



'07

The SBA authorized Venture Bank to be a preferred lender under the SBA loan programs.

Early adopter of Remote Deposit.



Celebrating 15 Years

'08

'09

'11

'12

'13



Business Bill Pay is introduced.



SMALL IS POWERFUL trademark is introduced.



Relocated to the new Golden Valley office.



Entrepreneurial Checking, a product specifically designed for startups and early stage companies is implemented.



Relocated to the new Bloomington office.



While still maintaining a local focus, Venture Bank becomes the 25th largest bank in Minnesota.



Celebrating 15 Years

'14

Joined the 110% Club by obtaining a 23% increase in our 2014 Annual United Way Giving Campaign.

Named the Top SBA 7a lender in the Medium Bank Category by the SBA.

Became the title sponsor of the Minnesota Golf Show.

'15

Recognized as a 2015 Best Places to Work by the MSP Business Journal.



Grand opening of our Roseville office.



Became a sponsor of the MN CUP - the largest statewide startup competition in the nation.



'16

Awarded Top 150 Workplaces by the Star Tribune.



Recognized as a 2016 Best Places to Work by the MSP Business Journal.

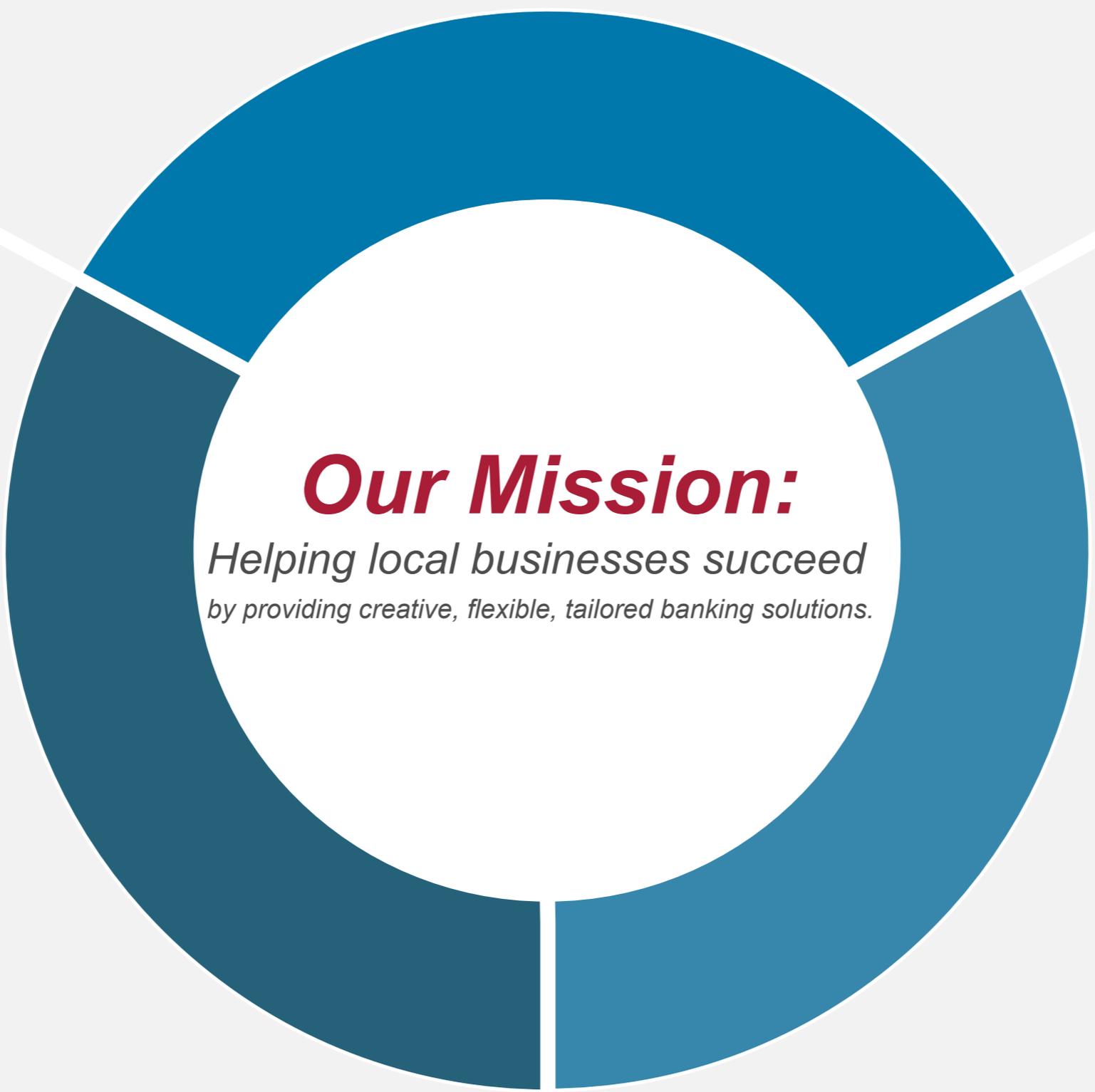


Reached \$650MM in assets.

'17

In 2017 and beyond, we will continue our mission to help local businesses succeed.





Our Mission:

*Helping local businesses succeed
by providing creative, flexible, tailored banking solutions.*

As we've grown, our ability to help local businesses has too. Today, our legal lending limit is \$10,000,000.

We build strong relationships with our clients by getting to know how their businesses work. Our bankers have the power to customize solutions, focusing on what's needed and getting rid of what isn't.

Our bankers' impressive tenure gives us the ability to connect our clients with others in the business community.



Over 5,000 Local Businesses Served.



Collectively Offering 588 Years of Banking Experience.

Venture Bank takes in deposits from the local community.

Our Mission:

Helping local businesses succeed by providing creative, flexible, tailored banking solutions.

We're proud to be serving Twin Cities businesses. In fact, we've funded over 5,500 loans to businesses in the Twin Cities area since 2004.



Since 2004

\$1,798,000,000

has been funded to businesses in the Twin Cities.

Total loans to businesses serving low-moderate income communities: \$410,641,000 (2004-2016)

Deposits are used to fund businesses in the Twin Cities.

the local community.

Our Mission:

Helping local businesses succeed by providing creative, flexible, tailored banking solutions.

*Reinvesting in our community has always been a focus of ours.
Now, it's a pillar to the way we do business.*

\$810,000

Since 2002, we've contributed \$810,000 to organizations in our communities, including funds raised during our Annual Giving Campaign.

What can \$810,000 do for your community?
That can train 23,143 athletes for the Special Olympics, provide 81,001 outreach kits for homeless youth through the Link, or 2,430,057 meals to help children and families facing hunger provided by Second Harvest Heartland.

31,466

Total Volunteer Hours (2002-2004)

12,095 Hours
Low-Moderate Income

19,371 Hours
Community Service

That's just over 3 and a half years.

These businesses serve and enrich our community.

Businesses in the Twin Cities.

Venture Bank takes in

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VENTURE BANK

SMALL IS POWERFUL[®]

[Bloomington](#) | [Eagan](#) | [Golden Valley](#) | [Roseville](#)

www.venturebankonline.com |  | 

 Equal Housing Lender

Member FDIC

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