



Annual Report 2023





**The Integrity Mission is to
have an enduring impact
on the community.**



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Message from the Board of Directors



The past year was a milestone for Integrity Capital Holdings, formerly Gemini Bancshares, as we celebrated our 20th anniversary. It seems like only yesterday that we opened on August 11, 2003. We had seven employees and one location off of Woodmoor Drive in Monument. We rented a 1,000 square foot office space while our modular building was under construction. Our only asset was the \$4 million in cash that was the initial capital used to charter Integrity Bank.

Now, after 20 years of operation, let's look at a few of the accomplishments of the Integrity Companies. We have four companies—Integrity Capital Holdings, Integrity Bank & Trust, Integrity Wealth Advisors, and Integrity Capital Advisors/SDR. One of the most impressive figures is that we manage nearly \$1 billion in assets between the Integrity Companies. We have five locations in El Paso County, and one location in South Denver. However, our biggest asset is the 100 employees who are spread throughout the four companies. Without our staff, there is no way this growth could have been accomplished.

The last 20 years have been mostly good to us, however there were a few lean years to manage through. God has blessed us and we are looking forward to the future and what is in store for the Integrity Companies. So, from all our team, again thank you and may 2024 be a blessing to us all.

– Board of Directors

External Company Leadership



Robert Blaha

Integrity Capital Holdings:
Vice Chairman
Integrity Bank & Trust:
Vice Chairman
Integrity Wealth Advisors:
Board Member
ICA/SDR: Chairman



Randy Rush

Integrity Capital Holdings:
Treasurer
Integrity Bank & Trust:
Chairman
Integrity Wealth Advisors:
Chairman
ICA/SDR: Board Member



Jim Wyss

Integrity Capital Holdings:
Chairman
Integrity Bank & Trust:
Board Member
Integrity Wealth Advisors:
Board Member
ICA/SDR: Board Member



Aaron Ramsay

Integrity Bank & Trust:
Board Member



Philip Erickson

Integrity Bank & Trust:
Board Member

Internal Company Leadership



Wendy Fisher

Integrity Capital Holdings:
Board Member,
Secretary, Executive
Vice President
Integrity Bank & Trust:
Board Secretary,
Senior Financial Officer
Integrity Wealth Advisors:
Board Secretary, COO



Brett Wyss

Integrity Capital Holdings:
Board Member
Integrity Bank & Trust: Board
Member, President/CEO



Eric Davis

Integrity Wealth Advisors:
Board Member,
President/CEO
ICA/SDR: Board Member



Pam Feilmeier

Integrity Bank & Trust:
Board Member, Executive
Vice President & CFO



Geoff Eliason

Integrity Wealth Advisors:
Board Member
ICA/SDR: Board Member,
Principal/CEO



Executive Vice President & Secretary Wendy Fisher

The last year highlighted the benefits of expanding and diversifying the Integrity Companies and the services they provide. It was the second full year of operating all three companies — a commercial bank, a wealth management company, and an investment bank with specialties in small- to mid-size mergers and acquisitions (M&A). The financial markets and economy experienced periods of volatility and uncertainty. The rapid increase in interest rates greatly impacted the banking and M&A industries. In part due to these rapid increases, the banking industry was shaken by the sudden collapse of multiple high-profile regional banks. Rising interest rates also caused M&A activity to significantly decline. Integrity Bank and SDR were both impacted by these challenges. Yet, while interest rates were increasing, so was the stock market, which benefited Integrity Wealth Advisors. In contrast to the negative returns of the industry as a whole, the diversification contributed to Integrity producing a positive return for shareholders and positioning it well to take advantage of opportunities that arise in the coming year.

– Wendy Fisher

EVP & Secretary



OPERATING GOALS – 2023 RESULTS

Two key operating goals:

1. Provide a minimum 10% annual increase in the value of Integrity Capital Holdings shares.

Integrity Capital Holdings provided a 3% total return to investors. This was below the 10% goal, but is still a decent return given the market challenges. For comparison, the KBW Regional Bank index return was $-.82\%$.

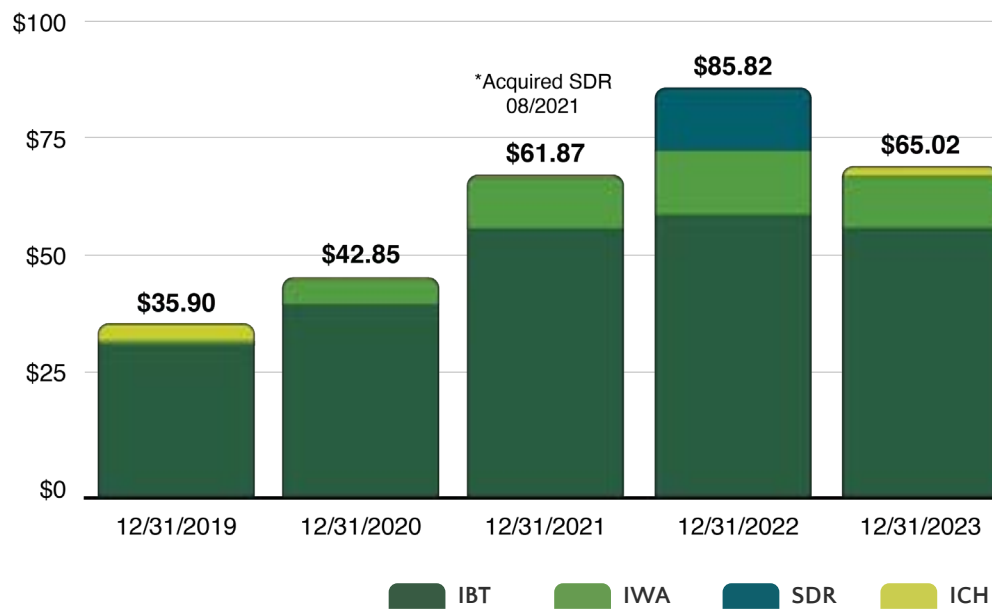
2. Pay a cash dividend to shareholders of 2.0% of the beginning year's stock value.

The Company continued to provide a 2.0% dividend yield.

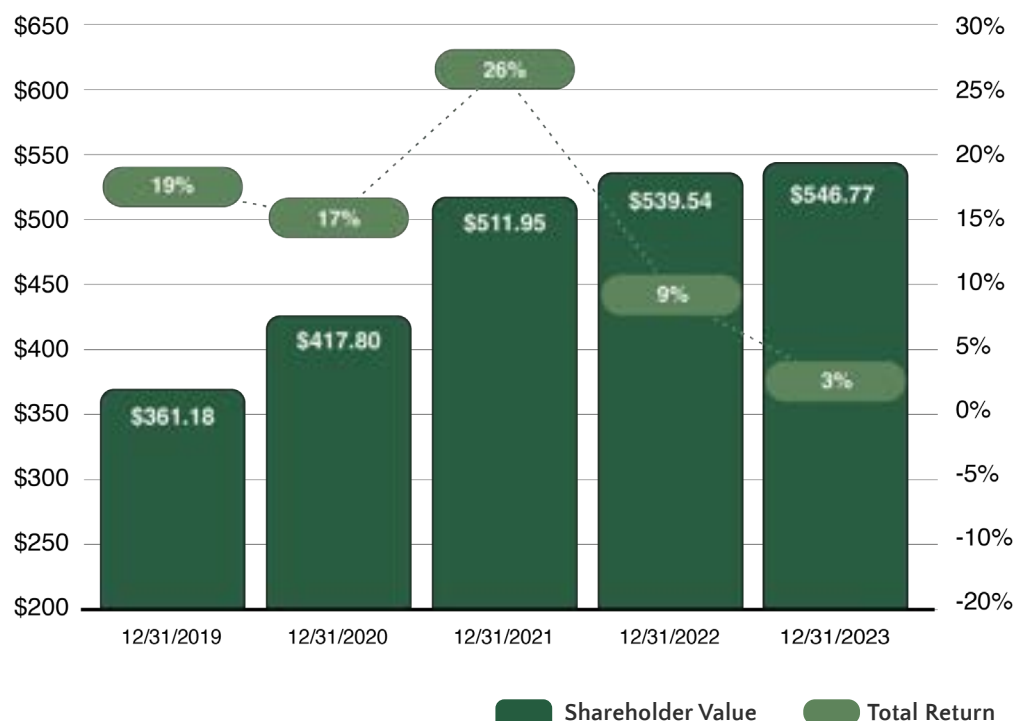
WE HOPE THAT YOU ENJOY
THIS YEAR'S ANNUAL
REPORT AND THE POSITIVE
NEWS THAT IT CONTAINS.

EARNINGS PER SHARE

Earnings Per Share declined year-over-year as a result of the Bank and SDR earnings being lower due to the industry headwinds discussed earlier.



SHAREHOLDER VALUE AND TOTAL RETURN



*Past performance is no guarantee of future returns.

Integrity Bank & Trust CEO Report

Dear Fellow Shareholders,

Last year brought a wave of challenges to the banking industry not seen since the Savings and Loan crisis of the 1980s. Flooded with cash from government stimulus following COVID, many banks invested this cash into long-term bonds at low, fixed rates. When the Federal Reserve began raising rates in 2022, these long-term bonds began to lose value and as a result, depositors panicked and pulled their funds. Two banks, Silicon Valley Bank and Signature Bank, failed on March 12, 2023.

Integrity Bank & Trust has weathered the financial storm in the banking industry well. We entered 2023 with a liquid balance sheet, a local deposit base, and strong income bolstered by our industry leading rate margin. Because of our strong position entering last year, Integrity Bank & Trust grew assets at a rate of 7.4% compared to our peer banks that grew at 4.9%. Our income was \$3,809,453 representing a 1.15% return on average assets.

Weathering a challenging year like 2023 has helped focus strategy for the years to come. As we look forward, we have five initiatives we will focus on in 2024:

1. Continue to operate the bank within our board-approved risk profile. We have set thresholds for capital, loan quality, earnings, liquidity, and interest rate risk and are committed to remaining within these parameters.
2. Target bank growth between 7-10%. This metric will be a challenge in our current interest rate environment, but the sales staff has been equipped with strategies and support to make it happen.
3. Explore new product lines while enhancing our current product offerings. Treasury management services, payroll services, and S.B.A. (Small Business Administration) lending are all areas we are looking to expand.
4. Prioritize I.T. strategies to fight fraud, grow efficiencies, and enhance customer experience. We continue to work with our I.T. partners to offer leading edge products to accomplish these three initiatives.
5. Retain and enhance our culture. We have begun initiatives to bring our culture front and center through highlighting our core values. This includes our internal culture as well as how we interact with customers and our community. As always, we strive to fulfill our mission: To have an enduring impact on our community.

Integrity Bank & Trust is entering 2024 with laser focus on the things that matter. Our staff is motivated and our focus on the community and our customers will continue to provide a framework for success.

- Brett Wyss

President/CEO

INTEGRITY BANK & TRUST FINANCIAL STATEMENT

BALANCE SHEET	12/31/2023	12/31/2022
Assets		
Cash & Investments	\$90,832,112	\$81,026,871
Loans	\$241,544,836	\$227,102,872
Loan Loss Reserve	(\$2,924,880)	(\$2,624,745)
Fixed Assets	\$9,449,513	\$9,561,433
Other Assets	\$7,601,000	\$7,366,622
Total Assets	\$346,502,581	\$322,433,053
Liabilities		
Deposits	\$286,519,834	\$297,658,110
Borrowed Funds	\$30,000,000	\$0
Other Liabilities	\$1,602,804	\$157,436
Total Liabilities	\$318,122,638	\$297,815,546
Capital		
Common Stock And Surplus	\$10,082,315	\$10,082,315
Undivided Profits	\$22,054,389	\$19,301,271
Net Unrealized Gain/Loss & Deferred Tax	(\$3,756,761)	(\$4,766,079)
Total Capital	\$28,379,943	\$24,617,507
Total Liabilities & Capital	\$346,502,581	\$322,433,053
INCOME STATEMENT	12/31/2023	12/31/2022
Income		
Interest Income	\$17,283,585	\$13,596,308
Mortgage Income	\$495,117	\$1,107,502
Other Income	\$1,161,116	\$1,182,599
Total Income	\$18,939,818	\$15,886,409
Expenses		
Interest Expense	\$3,910,829	\$473,738
Operating Expense	\$9,587,071	\$9,434,399
Total Expense	\$13,497,900	\$9,908,137
Income Before Taxes		
Loan Provision	(\$300,000)	(\$300,000)
Fed & State Taxes	(\$1,137,030)	(\$1,139,760)
Gain & Losses	(\$195,435)	(\$223,106)
Net Income	\$3,809,453	\$4,315,406



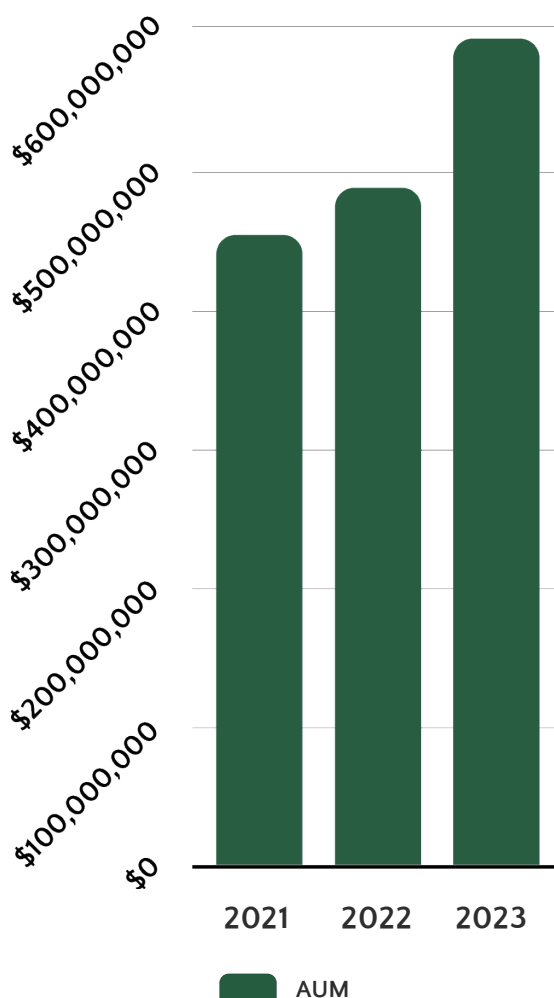
Integrity Wealth Advisors CEO Report

Integrity Wealth Advisors (IWA) celebrated two major milestones in 2023. First, the company passed the \$500 Million mark in Assets Under Management (AUM) in January of 2023. Second, during the year the company grew assets under management over \$100 Million with AUM at year end at \$593 Million. In 2023, gross revenues grew at 9.6% with investment management and family office revenues up 33.1% and 54.6% respectively. IWA achieved strong net margin with a net operating income margin of 21.3% for 2023. The company's growth has been fueled by strong customer relationships, a high performing team, unrelenting commitment to the fiduciary standard and a breadth/depth of financial specialties contributing significant value to our clients. IWA has also significantly benefited from referrals from its clients, shareholders, and affiliates to its core area of products and services. The company continues to focus on scaling profitable growth through organic and acquisition driven growth strategies and has high expectations to deliver another record year in 2024.

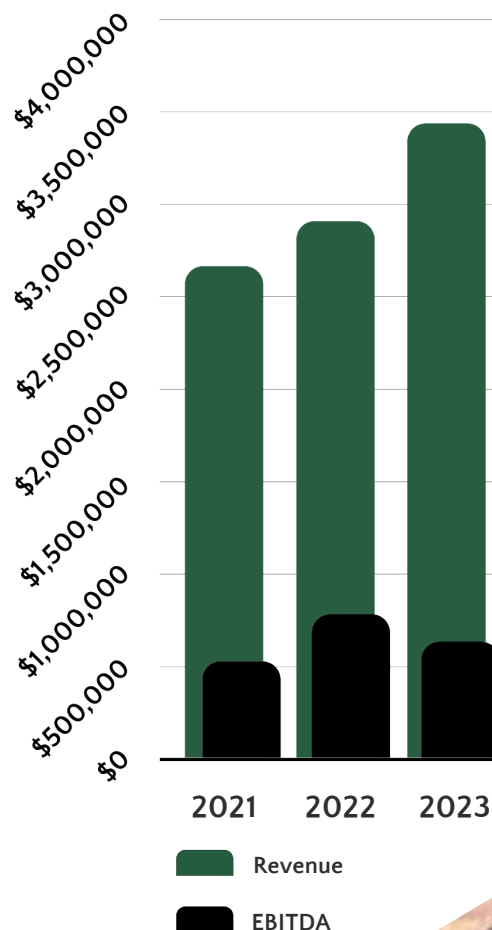
- Eric Davis

President/CEO

Integrity Wealth Advisors Assets under management



Integrity Wealth Advisors Revenue and EBITDA



Integrity Wealth Advisors

**Past performance is no guarantee of future returns.*

Integrity Wealth Advisors Financial Statement

Balance Sheet	12/31/2023	12/31/2022
Assets		
Cash	\$813,425	\$698,065
Investments	\$343,986	\$345,146
Accounts Receivable	\$358,522	\$379,618
Fixed Assets	\$23,018	\$15,776
Intangible Assets	\$1,552,818	\$1,528,844
Other Assets	\$56,112	\$42,885
Total Assets	\$3,147,881	\$3,010,334
Liabilities		
Current Liabilities	\$40,466	\$58,846
Long Term Liabilities	\$305,599	\$199,439
Total Liabilities	\$346,065	\$258,285
Equity		
Integrity Capital Holdings	\$1,453,720	\$1,418,679
Members Capital	\$653,493	\$589,333
Net Income	\$694,603	\$744,037
Total Equity	\$2,801,816	\$2,752,049
Total Liabilities & Equity	\$3,147,881	\$3,010,334
Income Statement	12/31/2023	12/31/2022
Income		
Fee Income	\$3,468,612	\$3,117,360
Advisory Fees	\$387,689	\$416,366
Other Income	\$33,031	\$15,831
Total Income	\$3,889,332	\$3,549,557
Expenses		
Personnel Expense	\$2,164,599	\$1,821,372
Operating Expense	\$895,666	\$860,107
Total Expense	\$3,060,265	\$2,681,479
Earnings Before Depr & Amort		
Depreciation Expense	(\$4,081)	(\$3,972)
Amortization Expense	(\$130,385)	(\$120,070)
Earnings Before Taxes	\$694,601	\$744,037

SDR*Ventures*

Integrity Capital Advisors/ SDR Ventures CEO Report

The Mergers & Acquisitions (M&A) world was thankful to turn the page on 2023. The rapid increase in interest rates brought M&A activity to a halt. SDR was not immune to the slowdown in investment banking. Historically, revenue has been generated through helping business owners sell their business. Fortunately, 2023 brought diversification across revenue streams and SDR was able to pivot. The team was able to provide consulting on how to prepare a company for a sale and assist business owners through acquiring other companies as a growth strategy. As inflation began to ease and the Federal Reserve communicated a more business friendly approach to interest rates, M&A activity turned back on in the fourth quarter. With a tremendous amount of hustle and perseverance, SDR finished the year with very respectable results, particularly relative to our industry counterparts. Our hard work and determination in 2023 have set the stage for a strong 2024. Current engagements and potential clients have never been stronger. Business owners are very motivated to sell their companies in 2024 given the lack of activity in 2023 stalled those objectives. Further, as the baby boomer business owners continue to age, the window of opportunity to sell their businesses continues to close. Lastly, SDR's clients are motivated to take their business to market before the election cycle goes into overdrive, as it may create uncertainty and volatility for business owners. The pent-up demand created in 2023 has created strong winds in SDR's sails for 2024.

- Geoff Eliason

Principal/CEO



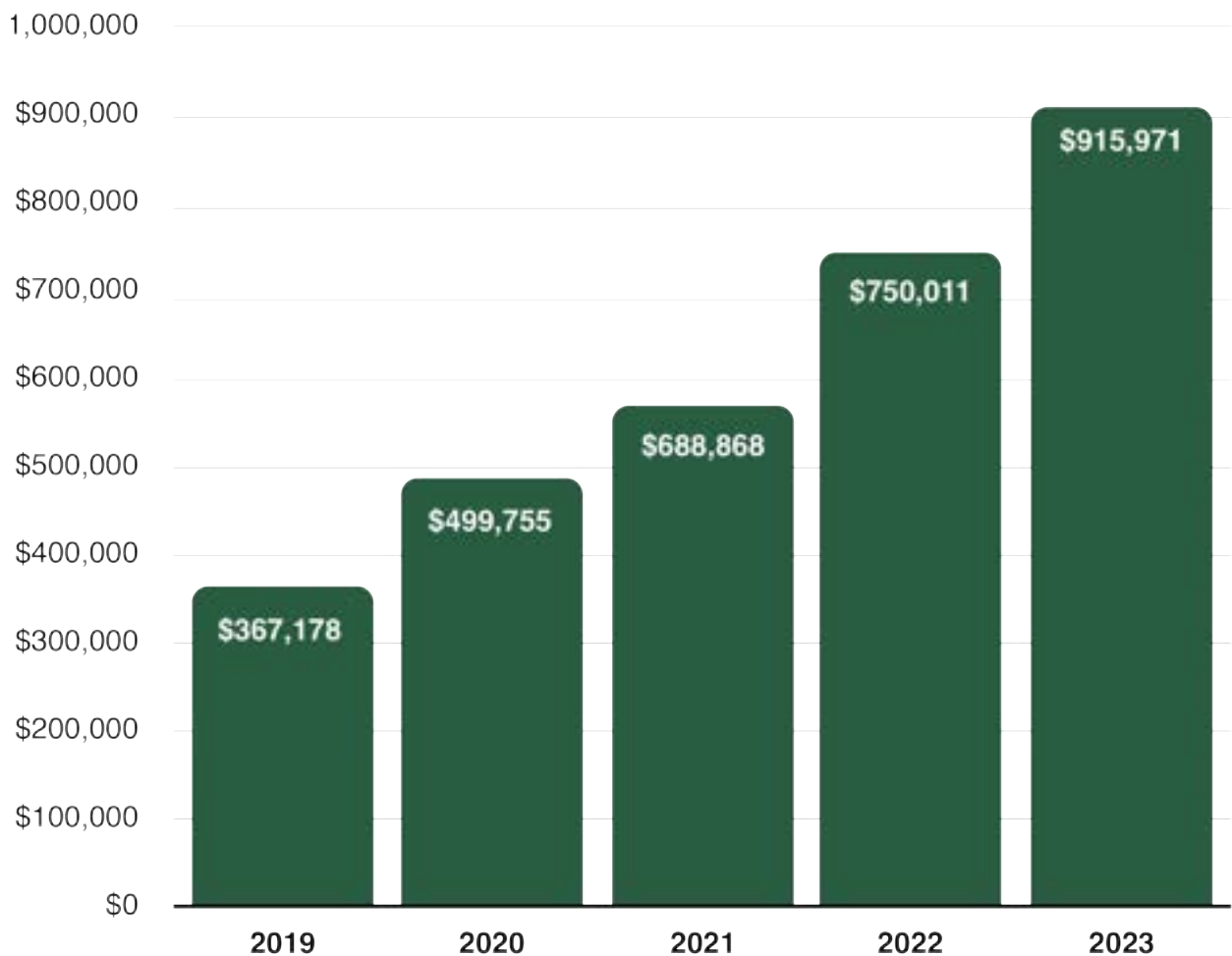
SDR Ventures Financial Statement

Balance Sheet	12/31/2023	12/31/2022
Assets		
Cash	\$1,588,004	\$928,126
Accounts Receivable	(\$15,149)	\$29,280
Fixed Assets	\$142,585	\$180,426
Intangible Assets	\$3,616,712	\$4,091,712
Other Assets	\$16,973	\$51,201
Total Assets	\$5,349,125	\$5,280,745
Liabilities		
Current Liabilities	\$610,787	\$225,039
Long Term Liabilities	\$3,097,057	\$3,470,948
Total Liabilities	\$3,707,844	\$3,695,988
Equity		
Equity	\$1,609,757	\$-141,862
Net Income	\$31,524	\$1,726,619
Total Equity	\$1,641,281	\$1,584,757
Total Liabilities & Equity	\$5,349,125	\$5,280,745
Income Statement	12/31/23	12/31/2022
Income		
Monthly Revenue	\$922,985	\$1,157,406
Success Fees	\$4,465,931	\$7,987,897
Other Income	\$2,780	\$67
Total Income	\$5,391,696	\$9,145,370
Expenses		
Personnel Expense	\$2,737,369	\$3,550,942
Contractor Expense	\$1,315,214	\$2,548,652
Operating Expense	\$793,632	\$745,839
Total Expense	\$4,846,215	\$6,845,433
Earnings Before Depr & Amort		
Tax Expense	(\$1,117)	(\$1,240)
Depreciation Expense	(\$34,285)	(\$33,838)
Amortization Expense	(\$475,000)	(\$536,096)
Gain & Losses	(\$3,556)	(\$2,143)
NET INCOME	\$31,523	\$1,726,620

Integrity Charitable Trust Report

The Integrity Charitable Trust is an essential part of our mission “To have an enduring impact on the community.” Over the past year, the Charitable Trust made donations totaling \$93,000 to benefit our community. Along with the annual donations, the Integrity companies donate a portion of their profits each year, which helps in the growth of the Charitable Trust’s balance. At the end of the year, the Charitable Trust had a balance of \$915,971 providing future income which can be used to benefit our community.

INTEGRITY CHARITABLE TRUST



Integrity Charitable Trust

