IOWA FIRST BANCSHARES CORP.

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PRESS RELEASE

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<u>Iowa First Bancshares Corp. Reports Fourth Quarter and Full Year 2021 Results</u>

Iowa First Bancshares Corp. (OTC Pink: IOFB) ("Iowa First" or the "Company"), the holding company for First National Bank of Muscatine and First National Bank in Fairfield, today reported financial results for the three month period ended December 31, 2021. Net income was $359,000 for the quarter ended December 31, 2021, compared to net income of $86,000 for the quarter ended December 31, 2020, an increase of $273,000 or 317.4%. Net interest income in the fourth quarter 2021 increased $67,000 from the quarter ended December 31, 2020. Other factors affecting Iowa First's fourth quarter results year-over-year were provision for loan losses decreasing $1,965,000, noninterest income decreasing $339,000, noninterest expense increasing $1,038,000, and income tax expense increasing $382,000. Noninterest income was negatively affected by the reduction of loans sold to the secondary market as the demand for residential loan refinancing declined. Noninterest expense was negatively affected by expenses related to the pending acquisition of the Company by MidWest*One* Financial Group, Inc. ("MidWest*One*").

The Company recorded net income of $2,503,000 for the twelve months ended December 31, 2021, compared with net income of $2,327,000 for the twelve months ended December 31, 2020, an increase of $176,000 or 7.6%. Over that time period, net interest income increased $463,000, provision for loan losses decreased $2,090,000, noninterest income decreased $870,000, noninterest expense increased $1,138,000, and income tax expense increased $369,000.

Iowa First maintains a strong capital position, as evidenced by its December 31, 2021 total risk-based capital ratio of 19.04%. Basic and diluted earnings per share were $2.24 for the twelve months ended December 31, 2021, an increase of $0.17 or 8.2% from the same period in 2020. The Company's annualized return on average assets for the years ended 2021 and 2020 was 0.47% and 0.48% respectively. The Company's annualized return on average equity for the twelve months ended December 31, 2021 and December 31, 2020 was 4.9% and 4.6%, respectively.

Total assets at December 31, 2021 were $522,507,000, an increase of $10,985,000 (2.1%) from December 31, 2020. Gross loans outstanding decreased $21,055,000 (6.5%), while deposits increased $13,185,000 (3.0%) year-over-year. The allowance for loan losses totaled $5,580,000 or 1.84% of gross loans outstanding, at December 31, 2021. Nonaccrual loans totaled $5.3 million or 1.8% of gross loans outstanding at December 31, 2021, a decrease from $11.5 million or 3.6% at December 31, 2020.

Both of the Iowa First banks were very active in the Paycheck Protection Program ("PPP") loan program established through the SBA to assist businesses and farmers as they attempted to navigate the challenges of the COVID-19 pandemic. Customer applications for loan forgiveness continue to be approved by the SBA. Outstanding PPP loans at December 31, 2021 were $485,000, a decrease of $8,654,000 (94.7%) from December 31, 2020.

Iowa First Bancshares Corp. Pending Acquisition

On November 1, 2021, Iowa First and MidWest*One*, the holding company for MidWest*One* Bank, jointly announced the signing of an Agreement and Plan of Merger pursuant to which MidWest*One* will acquire Iowa First and its subsidiaries. On January 20, 2022, the Agreement and Plan of Merger with MidWest*One* was approved by Iowa First shareholders. The acquisition is expected to close in the first quarter or early in the second quarter of 2022 and is subject to approval by regulatory agencies, as well as other customary closing conditions.

About Us

Iowa First Bancshares Corp. is a bank holding company headquartered in Muscatine, Iowa. The Company provides a wide array of banking and other financial services to individuals, businesses and governmental organizations through its two wholly-owned national banks located in Muscatine and Fairfield, Iowa.

Special Note Concerning Forward-Looking Statements

This press release contains, and future oral and written statements of the Company and its management may contain, forward-looking statements with respect to the financial condition, results of operations, plans, objectives, future performance and business of the Company. Investors are cautioned that all forward-looking statements involve risks and uncertainties, and many factors could cause actual results to differ materially from the results anticipated or projected. Our ability to predict results, or the actual effect of future plans or strategies, is inherently uncertain. Additionally, all statements in this document, including forward-looking statements, speak only as of the date they are made, and the Company undertakes no obligation to update any statement in light of new information or future events. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements or that could have a material effect on the operations and future prospects of the Company include, but are not limited to: (1) the effects of the COVID-19 pandemic, including its potential effects on the economic environment, the Company's customers and its operations, as well as any changes to federal, state or local government laws, regulations or orders in connection with the pandemic; (2) credit quality deterioration or pronounced and sustained reduction in real estate or other collateral values could cause an increase in the allowance for loan losses and a reduction in net income; (3) our management's ability to reduce and effectively manage interest rate risk and the impact of interest rates in general on the level and volatility of our net interest income (including the impact of LIBOR phase-out); (4) changes in the economic environment, competition, or other factors that may affect our ability to acquire loans or influence the anticipated growth rate of loans and deposits and the quality of the loan portfolio and loan and deposit pricing; (5) fluctuation in the value of our investment securities; (6) governmental monetary and fiscal policies; (7) legislative, regulatory and tax law changes; (8) the ability to attract and retain key executives and employees; (9) the sufficiency of the allowance for loan losses to absorb the amount of actual losses inherent in our loan portfolio; (10) our ability to adapt successfully to technological changes; (11) credit risks from concentrations (by geographic area and by industry) within our loan portfolio; (12) the effects of competition from numerous sources; (13) volatility, duration and matching risks of rate-sensitive assets and liabilities as well as liquidity risk; (14) operational risks, including data processing system failure or fraud; (15) the costs, effects and outcomes of existing or future litigation; (16) changes in general economic or industry conditions, nationally or in the communities in which we conduct business; (17) changes in accounting policies and practices (including as a result of the future implementation of the current expected credit loss (CECL) impairment standards, that will change how the Company estimates credit losses); (18) the occurrence of any event, change or other circumstances that could give rise to the right of one or both of the parties to terminate the Agreement and Plan of Merger to which the Company and MidWest*One* are a party; and (19) the failure to obtain necessary regulatory approvals or to satisfy any of the other conditions to the proposed merger on a timely basis or at all.

CONSOLIDATED FINANCIAL HIGHLIGHTS

(Dollar amounts in thousands, except share and per share data)
(unaudited)

	For the Three Months Ended December 31, 2021	For the Three Months Ended December 31, 2020	For the Twelve Months Ended December 31, 2021	For the Twelve Months Ended December 31, 2020
Net Interest Income	$3,494	$3,427	$13,952	$13,489
Provision for Loan Losses	(705)	1,260	15	2,105
Noninterest Income	805	1,144	3,519	4,389
Noninterest Expense	4,221	3,183	13,888	12,750
Income Tax Expense	424	42	1,065	696
Net Income after Income Taxes	359	86	2,503	2,327
Net Income Per Common Share, Basic and Diluted	$ 0.32	$0.08	$2.24	$2.07
Average year-to-date common shares outstanding, Basic and Diluted	1,115,939	1,123,944	1,119,957	1,124,833

	As of December 31, 2021	As of December 31, 2020
Gross Loans	$303,301	$324,356
Total Assets	522,507	511,522
Total Deposits	459,137	445,952
Tier 1 Capital	52,442	50,216
Return on Average Equity	4.9%	4.6%
Return on Average Assets	.47	.48
Net Interest Margin (tax equivalent)	2.79	2.93
Allowance as a Percent of Total Loans	1.84	1.88