West Coast Community Bancorp, Parent Company of Santa Cruz County Bank, Reports Earnings for the Quarter Ended September 30, 2024

Board Declares Increase in Quarterly Cash Dividend

SANTA CRUZ, CA – October 22, 2024: West Coast Community Bancorp ("Bancorp", OTCQX: SCZC), the parent company of Santa Cruz County Bank (the "Bank"), announced unaudited earnings for the third quarter ended September 30, 2024. Net income for the quarter was $8.2 million, compared to $8.2 million in the prior quarter and $9.1 million in the quarter ended September 30, 2023. Year-to-date earnings for the nine-month period ended September 30, 2024 were $25.7 million, compared to $26.3 million for the same period in 2023. The decrease from prior year primarily reflects pre-tax merger related expenses totaling $772 thousand year-to-date in 2024.

President and CEO, Krista Snelling commented: "We are pleased to report continued strong financial results for the third quarter, including a net interest margin of 4.92%, efficiency ratio of 43.65% and return on average assets of 1.94% (excluding merger-related costs).

We look forward to reporting consolidated financials in the fourth quarter resulting from the successful close of our merger with 1st Capital Bank on October 1, 2024. On a pro forma basis, assets will increase to nearly $2.8 billion, allowing for more efficient delivery of advanced technology and greater lending capacity to serve a broader geographic region. We extend a warm welcome to our new team members, directors and clients throughout the Central Coast."

On October 17, 2024, the Board of Directors of Bancorp declared a quarterly cash dividend of $0.18 per common share, payable on November 12, 2024 to shareholders of record at the close of business on November 5, 2024.

"It is a pleasure to welcome new shareholders as the result of our merger and to reward all shareholders, including our incoming 1st Capital shareholders, with a quarterly cash dividend which is increased by $0.01 from the prior quarter," said Stephen Pahl, Chairman of the Board of Directors. "This declaration is supported by our liquidity, financial strength and commitment to building long-term shareholder value, which will be particularly enhanced by our new clients and team members from 1st Capital."

Financial Highlights

Performance highlights as of and for the quarter ended September 30, 2024, included the following:

- Quarterly net income of $8.2 million was consistent with prior quarter despite increases in noninterest expenses resulting from merger and rebranding expenses. Net income decreased 10% from $9.1 million in the quarter ended September 30, 2023. Net income for the nine-month period ended September 30, 2024 was $25.7 million, a decrease of 2% from $26.3 million over the nine-month period of the prior year.
- Basic and diluted earnings per share in the third quarter of 2024 were $0.98 and $0.96, respectively. Basic earnings per share was the same as prior quarter while diluted earnings per share was down $0.01. Basic and diluted earnings per share in the third quarter of 2024 decreased over the prior year comparative quarter by $0.11 and $0.12, respectively. Merger expenses affected third quarter 2024 diluted earnings per share by $0.04, compared to $0.03 in the second quarter of 2024. Basic and diluted earnings per share in the first nine months of 2024 decreased compared to 2023 by $0.06 and $0.07, respectively.
- Total assets were $1.80 billion as of September 30, 2024, an increase of $88.9 million or 5% compared to June 30, 2024, and an increase of $27.6 million or 2% compared to September 30, 2023.

- The Bank's liquidity position remains healthy according to banking industry standards. Primary liquidity ratio, defined as cash and equivalents, deposits held in other banks and unpledged available-for-sale ("AFS") securities as a percentage of total assets, was 14.5% and 11.7% at September 30 and June 30, 2024, respectively.
- Deposits totaled $1.53 billion at September 30, 2024, an increase of $95.3 million or 7%, compared to June 30, 2024, and a decrease of $1.9 million compared to September 30, 2023. Brokered deposits decreased $7.0 million and relationship deposits, i.e. deposits gathered outside of wholesale channels, increased $102.3 million compared to June 30, 2024. The increase in deposits over prior quarter-end is largely the result of seasonal deposit inflows driven by tourism in our region and increases in local agency deposits, as well as $21.6 million in deposit growth attributable to new deposit client relationships established in the third quarter.
- Gross loans totaled $1.39 billion at September 30, 2024, an increase of $7.5 million or 1%, compared to June 30, 2024, and an increase of $19.3 million or 1%, compared to September 30, 2023. Loan growth during the third quarter of 2024 was led by construction loans, which saw a $12.7 million increase in outstanding balances and over $21.0 million in newly originated construction commitments. Outstanding balance of asset-based lines of credit ("ABL") increased by $5.1 million, driven by the origination of $11.1 million in new asset-based commitments.
- Nonaccrual loans totaled $2.4 million, or 0.17% of gross loans, as of September 30, 2024, due to a past-due commercial real estate loan that is well-secured, with no loss anticipated. No loan was on nonaccrual status as of June 30, 2024.
- The allowance for credit losses ("ACL"), reflecting management's reasonable estimate of credit losses for the expected life of the loans in the portfolio, totaled $23.1 million, or 1.66% of total loans at September 30, 2024, compared to $23.0 million, or 1.66% at June 30, 2024.
- The provision for credit losses, including funded and unfunded credit commitments, was $100 thousand during the third quarter of 2024, while no provision was booked in the second quarter and an $858 thousand provision was recognized in the third quarter in 2023. The provision expense in the third quarter of 2024 was due to loan growth during the quarter totaling $7.5 million
- Net interest margin was 4.92% in the third quarter of 2024, compared to 4.98% in the prior quarter and 4.91% for the third quarter in 2023. The decrease from prior quarter was the result of $292 thousand of prepayment penalties and accelerated fee recognition associated with the early payoff of an asset-based line of credit and a commercial real estate loan that occurred in the second quarter. Net interest margin was 4.92% for the first nine months of 2024, compared to 4.98% for the nine months ended September 30, 2023. The decrease from the prior year was primarily driven by increased funding costs, partially offset by higher yields on interest-earning assets.
- For the quarters ended September 30, 2024 and June 30, 2024, return on average assets was 1.87% and 1.93%, respectively, return on average equity was 12.95% and 13.63%, respectively, and return on average tangible equity was 14.52% and 15.37%, respectively. For the nine months ended September 30, 2024 and 2023, return on average assets was 1.98% and 2.02%, respectively, return on average equity was 14.15% and 16.90%, respectively, and return on average tangible equity was 15.94% and 19.49%, respectively. Please see "Merger with 1st Capital Bancorp" below for the impact of merger expenses.
- The efficiency ratio was 45.76% for the third quarter of 2024, as compared to 45.30% in the prior quarter and 38.23% in the third quarter of 2023. The efficiency ratio was 44.62% and 39.83% for the nine months ended September 30, 2024 and 2023, respectively. Merger costs impacted our efficiency ratio by 211 basis points in the third quarter of 2024 and 120 basis points year-to-date.
- All capital ratios were above regulatory requirements for a well-capitalized institution with a total risk-based capital ratio of 16.62% at September 30, 2024 compared to 16.22% at June 30, 2024. Tangible common equity to tangible asset ratio was 12.94% at September 30, 2024 compared to 13.00% at June 30, 2024.
- Tangible book value per share increased to $27.20 at September 30, 2024 from $25.95 at June 30, 2024 and $22.65 at September 30, 2023.

Merger with 1st Capital Bancorp

The merger between West Coast Community Bancorp and 1st Capital Bancorp was completed on October 1, 2024. The financial condition and results of operation of the consolidated company will be reflected in the 2024 fourth quarter results. At the effective time of the closing, each share of 1st Capital Bancorp common stock was converted into the right to receive 0.36 shares of common stock of Bancorp. As a result, 2,071,483 Bancorp shares were issued as of October 1, 2024.

Expenses related to the merger totaled $455 thousand during the third quarter of 2024 and $772 thousand year-to-date, compared to $317 thousand in the second quarter of 2024. These expenses negatively impacted return on average assets by seven basis points quarter-to-date and four basis points year-to-date and return on average equity by 51 basis points quarter-to-date and 30 basis points year-to-date.

Interest Income / Interest Expense and Net Interest Margin

Net interest income of $20.5 million in the third quarter of 2024 increased $295 thousand from $20.2 million for the quarter ended June 30, 2024, due largely to one additional day of interest income. The Bank’s cost of funds decreased four basis points from 1.54% in the second quarter of 2024 to 1.50% in the third quarter of 2024. The decrease in cost of funds was primarily due to the inflow of noninterest-bearing deposits in the third quarter which decreased our reliance on brokered deposits and overnight borrowings, partially offset by continued upward pressure on in-market deposits.

For the third quarter of 2024, net interest margin was 4.92%, compared to 4.98% in the second quarter of 2024 and 4.91% for the corresponding quarter in 2023. The decrease from the prior quarter was largely due to $292 thousand in prepayment fees associated with the payoff of a large asset-based line of credit and a commercial real estate loan in the second quarter. For the nine months ended September 30, 2024, net interest margin was 4.92%, compared to 4.98% for the corresponding period in 2023. The decrease from prior year reflected rising costs of funds, partially offset by the benefit from higher yields on interest-earning assets.

The following tables compare interest income, average interest-earning assets, interest expense, average interest-bearing liabilities, net interest income, net interest margin and cost of funds for each period reported.

	For the Quarter Ended					
	September 30, 2024			June 30, 2024		
(Dollars in thousands)	Average Balance	Interest Income/ Expense	Avg Yield/ Cost	Average Balance	Interest Income/ Expense	Avg Yield/ Cost
ASSETS						
Interest-earning due from banks	$ 50,939	$ 674	5.26%	$ 18,747	$ 204	4.38%
Investments	217,976	892	1.63%	224,629	959	1.72%
Loans	1,389,123	24,498	7.02%	1,388,657	24,614	7.13%
Total interest-earning assets	1,658,038	26,064	6.25%	1,632,033	25,777	6.35%
Noninterest-earning assets	81,886			82,547		
Total assets	$ 1,739,924			$ 1,714,580		
LIABILITIES						
Interest checking deposits	$ 192,209	540	1.12%	$ 201,446	500	1.00%
Money market deposits	446,309	3,312	2.95%	417,622	2,887	2.78%
Savings deposits	89,006	142	0.63%	94,086	133	0.57%
Time certificates of deposits	138,536	1,240	3.56%	136,320	1,159	3.42%
Brokered deposits	23,859	313	5.21%	61,326	818	5.37%
Borrowings	33	--	5.76%	4,060	58	5.74%
Total interest-bearing liabilities	889,952	5,547	2.48%	914,860	5,555	2.44%
Noninterest-bearing deposits	581,545			539,791		
Other noninterest-bearing liabilities	16,579			17,570		
Total liabilities	1,488,076			1,472,221		
EQUITY	251,848			242,359		
Total liabilities and equity	$ 1,739,924			$ 1,714,580		
Net interest income /margin		$ 20,517	4.92%		$ 20,222	4.98%
Cost of funds			1.50%			1.54%

	For the Nine Months Ended					
	September 30, 2024			September 30, 2023		
(Dollars in thousands)	Average Balance	Interest Income/ Expense	Avg Yield/ Cost	Average Balance	Interest Income/ Expense	Avg Yield/ Cost
ASSETS						
Interest-earning due from banks	$ 33,250	$ 1,090	4.38%	$ 38,358	$ 1,042	3.63%
Investments*	231,836	2,915	1.68%	299,184	3,284	1.47%
Loans	1,391,683	73,493	7.05%	1,317,840	64,952	6.59%
Total interest-earning assets*	1,656,769	77,498	6.25%	1,655,382	69,278	5.60%
Noninterest-earning assets	78,556			81,991		
Total assets	1,735,325			$ 1,737,373		
LIABILITIES						
Interest checking deposits	$ 202,207	1,487	0.98%	$ 218,345	444	0.27%
Money market deposits	426,214	8,885	2.78%	370,001	3,547	1.28%
Savings deposits	94,080	390	0.55%	120,515	239	0.26%
Time certificates of deposits	138,197	3,543	3.42%	133,770	2,229	2.23%
Brokered deposits	50,561	2,014	5.32%	15,569	590	5.07%
Borrowings	2,952	127	5.75%	16,034	609	5.08%
Total interest-bearing liabilities	914,211	16,446	2.40%	874,234	7,658	1.17%
Noninterest-bearing deposits	560,809			636,117		
Other noninterest-bearing liabilities	17,337			18,958		
Total liabilities	1,492,357			1,529,309		
EQUITY	242,968			208,064		
Total liabilities and equity	$ 1,735,325			$ 1,737,373		
Net interest income /margin		$ 61,052	4.92%		$ 61,620	4.98%
Cost of funds			1.49%			0.68%

*Effective January 1, 2024, dividends from non-marketable equity investments held by the Bank are reported as noninterest income instead of interest income. Therefore, those equity investments are excluded from earning assets in this table. Prior period figures have been restated for comparability.

Noninterest Income / Expense

Noninterest income for the quarter ended September 30, 2024 was $1.1 million compared to $1.0 million for the previous quarter and $1.3 million in the third quarter of 2023.

Noninterest expense was $9.9 million in the third quarter of 2024, $244 thousand or 3% more than prior quarter, due to a $134 thousand increase in expenses related to the Bank’s rebranding project, a $138 thousand increase in merger related expenses, and annual audit expenses totaling $114 thousand, partially offset by a reduction in stock-based compensation expense from the annual director stock grant that occurred in the second quarter. Noninterest expense increased $1.4 million, or 16% compared to the same quarter last year, largely due to increased personnel expenses in addition to merger expenses. Merger and personnel expenses also contributed to the year-to-date noninterest expense increase of $2.9 million, or 11% compared to the same period last year, in addition to increased data processing costs due to the adoption of a new online banking platform in the fourth quarter of 2023.

Liquidity Position

The following table summarizes the Bank's liquidity as of September 30, 2024 and June 30, 2024:

	As of	
(Dollars in thousands)	**9/30/2024**	**6/30/2024**
Cash and due from banks	$ 134,446	$ 36,127
Unencumbered AFS securities	126,086	163,355
Total on-balance-sheet liquidity	260,532	199,482
Line of credit from the Federal Home Loan Bank of San Francisco - collateralized	471,558	461,794
Line of credit from the Federal Reserve Bank of San Francisco - collateralized	251,634	248,377
Lines at correspondent banks - unsecured	95,000	95,000
Total external contingency liquidity capacity	818,192	805,171
Less: overnight borrowings	--	(16,500)
Net available liquidity sources	$ 1,078,724	$ 988,153

As of September 30, 2024, net liquidity exceeded uninsured and uncollateralized deposits of $690.3 million, with a coverage ratio greater than 156%.

As of September 30, 2024, the Bank had no borrowings outstanding from the Federal Reserve's discount window or unsecured lines of credit from our correspondent banks, compared to $16.5 million overnight borrowings outstanding at June 30, 2024.

Investment Portfolio

U.S. Treasury bonds, securities issued by U.S. Government sponsored agencies and SBA accounted for 71%, 20% and 4% of the investment portfolio's $205.8 million carrying value as of September 30, 2024, respectively, and thus presented minimal credit or liquidity risk. The investment portfolio has an average life of 2.6 years, and the Bank expects to receive principal, in full, when the investments mature. Net unrealized losses on AFS securities totaled $8.9 million ($6.2 million after-tax) at September 30, 2024. Held-to-maturity securities totaled $7.3 million at September 30, 2024 with $229 thousand of unrealized losses.

Loans and Asset Quality

Gross loans increased $7.5 million or 1% from June 30, 2024 and increased $19.3 million or 1% compared to September 30, 2023. The increase in the loan portfolio during the third quarter of 2024 was led by construction loans, which saw a $12.7 million increase in outstanding balances and over $21.0 million in newly originated construction commitments. Outstanding balance of asset-based lines of credit increased $5.1 million, driven by new ABL relationships that resulted in $11.1 million of new ABL commitments. The trailing 12-month growth in the loan portfolio was driven by new originations in commercial real estate loans (including multifamily projects), ABL loans, and construction loans. Outstanding revolving lines of credits decreased $15.1 million in the third quarter, largely due to the paydown of several large lines that remain active. The increase in nonaccrual loans at September 30, 2024 compared to June 30, 2024 was due to a past due $2.4 million, well-collateralized commercial real estate loan with no reserve warranted.

The allowance for credit losses was $23.1 million at September 30, 2024 and $23.0 million at June 30, 2024, or 1.66% of the total loans in each period. The allowance for credit losses allocated to individually evaluated loans were $71 thousand and zero as of September 30, 2024 and June 30, 2024, respectively. The $71 thousand reserve is on a substandard construction loan. The allowance on unfunded credit commitments, presented as part of other liabilities, was 0.34% at September 30, 2024, a slight decrease from 0.35% at June 30, 2024.

The following tables summarize the Bank's loan mix and delinquent/nonperforming loans:

(Dollars in thousands)	As of 9/30/2024	As of 6/30/2024	As of 9/30/2023*	Change % vs. 6/30/2024	Change % vs. 9/30/2023
Loans held for sale	$ 24,154	$ 23,347	$ 34,564	3%	-30%
SBA and B&I loans	143,913	143,209	140,279	0%	3%
Commercial term loans	100,107	102,924	109,526	-3%	-9%
Revolving commercial lines	102,862	118,006	121,392	-13%	-15%
Asset-based lines of credit	14,982	9,920	8,025	51%	87%
Construction loans	165,592	152,878	138,164	8%	20%
Commercial real estate loans	810,280	802,196	788,689	1%	3%
Home equity lines of credit	28,005	29,779	27,611	-6%	1%
Consumer and other loans	2,429	2,625	4,804	-7%	-49%
Deferred loan expenses, net of fees	2,183	2,169	2,163	1%	1%
Total gross loans	$ 1,394,507	$ 1,387,053	$ 1,375,217	1%	1%

*Prior to 2024, the loan mix schedule included a separate line item for nonaccrual loans. Nonaccrual loans are now reported within their respective loan types.

(Dollars in thousands)	As of or for the Quarter Ended 9/30/2024	6/30/2024	9/30/2023
Loans past due 30-89 days	$ 3,377	$ 2,408	$ 1
Delinquent loans (past due 90+ days still accruing)	--	--	--
Nonaccrual loans	2,404	--	10,697
Other real estate owned	--	--	--
Nonperforming assets	--	--	10,697
Net loan charge-offs QTD	--	44	(4)
Net loan charge-offs YTD	44	44	996

Deposits

Deposits were $1.53 billion at September 30, 2024, reflecting an increase of $95.3 million during the third quarter of 2024. Deposits from new client relationships established in the third quarter totaled $21.6 million. Some of the Bank's largest depositors experienced seasonal deposit inflows over the quarter related to the tourist season of the Santa Cruz and Monterey areas. As a result, noninterest-bearing deposits to total deposits at September 30, 2024 increased to 41%, from 38% at June 30, 2024. Local agency deposits also experienced substantial growth throughout the third quarter.

The ten largest deposit relationships, excluding fully collateralized government agency deposits, represent approximately 12% of total deposits as of September 30, 2024, consistent with both June 30, 2024 and September 30, 2023.

The following table summarizes the Bank's deposit mix:

	As of			Change % vs.	
(Dollars in thousands)	**9/30/2024**	**6/30/2024**	**9/30/2023**	**6/30/2024**	**9/30/2023**
Noninterest-bearing demand	$ 629,238	$ 548,499	$ 643,661	15%	-2%
Interest-bearing demand	191,887	195,607	213,270	-2%	-10%
Money markets	461,965	431,509	404,116	7%	14%
Savings	86,519	91,884	113,069	-6%	-23%
Time certificates of deposit	137,484	137,286	147,534	0%	-7%
Brokered deposits	19,858	26,832	7,199	-26%	176%
Total deposits	$ 1,526,951	$ 1,431,617	$ 1,528,849	7%	0%
Deposits – personal	$ 544,086	$ 524,824	$ 563,704	4%	-3%
Deposits – business	963,007	879,961	957,946	9%	1%
Deposits – brokered	19,858	26,832	7,199	-26%	176%
Total deposits	$ 1,526,951	$ 1,431,617	$ 1,528,849	7%	0%

Shareholders' Equity

Total shareholders' equity was $256.7 million at September 30, 2024, a $10.5 million or 4% increase compared to June 30, 2024 and an increase of $39.0 million or 18% compared to September 30, 2023. Earnings of $8.2 million in the third quarter of 2024 contributed to the increase compared to last quarter-end. Additionally, the after-tax unrealized losses on AFS securities decreased from $9.8 million as of June 30, 2024 to $6.2 million as of September 30, 2024, a result of a decrease in market interest rates.

ABOUT SANTA CRUZ COUNTY BANK AND WEST COAST COMMUNITY BANCORP

Founded in 2004, Santa Cruz County Bank is the wholly-owned subsidiary of West Coast Community Bancorp, a bank holding company. The Bank is a top-rated, locally operated and full-service community bank headquartered in Santa Cruz, California. Post-merger with 1st Capital Bank effective October 1, 2024, branches are located in Aptos, Capitola, Cupertino, King City, Monterey, Salinas, San Luis Obispo, Santa Cruz, Scotts Valley and Watsonville. Santa Cruz County Bank is distinguished from "big banks" by its relationship-based service, problem-solving focus and direct access to decision makers. The Bank is a leading SBA lender in Santa Cruz County and Silicon Valley. As a full-service bank, Santa Cruz County Bank offers competitive deposit and lending solutions for businesses and individuals; including business loans, lines of credit, commercial real estate financing, construction lending, asset-based lending, agricultural loans, SBA and USDA government guaranteed loans, credit cards, merchant services, remote deposit capture, mobile and online banking, bill payment and treasury management. True to its community roots, Santa Cruz County Bank has supported regional well-being by actively participating in and donating to local nonprofit organizations.

NATIONAL, STATE, AND LOCAL RATINGS AND AWARDS

- 2024 OTCQX Best 50: West Coast Community Bancorp "SCZC" stock ranked 37th for stock performance based on total return and growth in average daily dollar volume in 2023.
- American Banker Magazine Top 100 Community Banks: The Bank has ranked in the Top Community Banks list for 10 consecutive years based upon 3-year average equity for banks under $2 billion in assets. For 2023, the Bank ranked 50th in the nation.
- 2024 ICBA Top-Performing Community Banks: The Bank ranked 12 out of 25 top banks with assets over $1 billion.
- The Findley Reports, Inc.: The Bank has received the top ranking of Super Premier for 14 consecutive years.
- Bauer Financial Reports, Inc.: The Bank is rated 5-star "Superior" based upon its financial performance.
- Silicon Valley Business Journal: The Bank is the top ranked, #1 lender by number of SBA loans and #3 ranked by total dollar volume lent to Silicon Valley businesses from October 1, 2022 to September 30, 2023.
- Good Times, 2023 Best of Santa Cruz County Award, Voted "Best Bank" for 12 consecutive years.
- Santa Cruz Sentinel, 2023 Reader's Choice Award, number one bank in Santa Cruz County as voted by Santa Cruz Sentinel readers for 10 years.

Forward-Looking Statements

This release may contain forward-looking statements that are subject to risks and uncertainties. Such risks and uncertainties may include but are not necessarily limited to the successful integration with 1st Capital Bancorp post-merger, achieving the targeted cost savings and synergies within expected time-frames or at all, retaining employees and customers, fluctuations in interest rates (including but not limited to changes in depositor behavior in relation thereto), inflation, government regulations and general economic conditions, and competition within the business areas in which the Bank is conducting its operations, health of the real estate market in California, Bancorp's ability to effectively execute its business plans, and other factors beyond Bancorp and the Bank's control. Such risks and uncertainties could cause results for subsequent interim periods or for the entire year to differ materially from those indicated. Readers should not place undue reliance on the forward-looking statements, which reflect management's view only as of the date hereof. Bancorp undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

Concurrent with this earnings release, Bancorp issued presentation slides providing supplemental information, intended to be reviewed together with this release and can be found online at:
https://www.sccountybank.com/investor_relations.cfm

Selected Unaudited Financial Information

(Dollars in thousands, except per share amounts)	As of or for the Quarter Ended September 30, 2024	As of or for the Quarter Ended September 30, 2023	Change $	Change %	As of or for the Quarter Ended June 30, 2024	Change $	Change %
Balance Sheet							
Assets							
Cash and due from banks	$ 134,446	$ 37,751	$ 96,695	256%	$ 36,127	$ 98,319	272%
Securities – AFS	198,531	284,002	(85,471)	-30%	212,146	(13,615)	-6%
Securities – HTM	7,296	7,628	(332)	-4%	7,321	(25)	0%
Gross loans	1,394,507	1,375,217	19,290	1%	1,387,053	7,454	1%
Allowance for credit losses	(23,099)	(25,114)	2,015	-8%	(22,999)	(100)	0%
Goodwill and other intangibles	27,184	27,523	(339)	-1%	27,267	(83)	0%
Other assets	61,927	66,238	(4,311)	-7%	64,929	(3,002)	-5%
Total assets	$ 1,800,792	$ 1,773,245	$ 27,547	2%	$ 1,711,844	$ 88,948	5%
Liabilities and Equity							
Noninterest-bearing deposits	$ 629,238	$ 643,661	$ (14,423)	-2%	$ 548,499	$ 80,739	15%
Interest-bearing non-brokered deposits	877,855	877,989	(134)	0%	856,286	21,569	3%
Brokered deposits	19,858	7,199	12,659	176%	26,832	(6,974)	-26%
Total deposits	1,526,951	1,528,849	(1,898)	0%	1,431,617	95,334	7%
Borrowings	--	--	--	--	16,500	(16,500)	-100%
Other liabilities	17,160	26,723	(9,563)	-36%	17,503	(343)	-2%
Shareholders' equity	256,681	217,673	39,008	18%	246,224	10,457	4%
Total liabilities and equity	$ 1,800,792	$ 1,773,245	$ 27,547	2%	$ 1,711,844	$ 88,948	5%
Income Statement							
Interest income	$ 26,064	$ 24,237	$ 1,827	8%	$ 25,777	$ 287	1%
Interest expense	5,547	3,343	2,204	66%	5,555	(8)	0%
Net interest income	20,517	20,894	(377)	-2%	20,222	295	1%
Provision for credit losses	100	858	(758)	-88%	--	100	100%
Noninterest income	1,065	1,307	(242)	-19%	1,043	22	2%
Noninterest expense	9,876	8,487	1,389	16%	9,632	244	3%
Net income before taxes	11,606	12,856	(1,250)	-10%	11,633	(27)	0%
Income tax expense	3,407	3,744	(337)	-9%	3,417	(10)	0%
Net income after taxes	$ 8,199	$ 9,112	$ (913)	-10%	$ 8,216	$ (17)	0%
Basic earnings per share	$ 0.98	$ 1.09	$ (0.11)	-10%	$ 0.98	--	--
Diluted earnings per share	$ 0.96	$ 1.08	$ (0.12)	-11%	$ 0.97	$ (0.01)	-1%
Book value per share	$ 30.42	$ 25.93	$ 4.49	17%	$ 29.18	$ 1.24	4%
Tangible book value per share[1]	$ 27.20	$ 22.65	$ 4.55	20%	$ 25.95	$ 1.25	5%
Shares outstanding	8,438,238	8,394,725			8,437,816		
Ratios							
Net interest margin[2]	4.92%	4.91%			4.98%		
Cost of funds[3]	1.50%	0.87%			1.54%		
Efficiency ratio[4]	45.76%	38.23%			45.30%		
Return on:							
Average assets	1.87%	2.05%			1.93%		
Average equity	12.95%	16.85%			13.63%		
Average tangible equity[5]	14.52%	19.33%			15.37%		
Tier 1 leverage ratio	13.63%	11.64%			13.40%		
Total risk-based capital ratio	16.62%	14.83%			16.22%		
Tangible common equity ratio[6]	12.94%	10.89%			13.00%		
ACL /Gross loans	1.66%	1.83%			1.66%		
Noninterest-bearing deposits to total deposits	41.21%	42.10%			38.31%		
Gross loans to deposits	91.33%	89.95%			96.89%		

Selected Unaudited Financial Information

(Dollars in thousands, except per share amounts)	For the Nine Months Ended September 30, 2024	2023	Change $	Change %
Income Statement				
Interest income	$ 77,498	$ 69,278	8,220	12%
Interest expense	16,446	7,658	8,788	115%
Net interest income	61,052	61,620	(568)	-1%
Provision for loan losses	(900)	1,659	(2,559)	-154%
Noninterest income	3,142	3,063	79	3%
Noninterest expense	28,646	25,763	2,883	11%
Net income before taxes	36,448	37,261	(813)	-2%
Income tax expense	10,710	10,952	(242)	-2%
Net income after taxes	$ 25,738	$ 26,309	$ (571)	-2%
Basic earnings per share	$ 3.07	$ 3.13	$ (0.06)	-2%
Diluted earnings per share	$ 3.04	$ 3.11	$ (0.07)	-2%
Ratios				
Net interest margin(2)	4.92%	4.98%		
Cost of funds(3)	1.49%	0.68%		
Efficiency ratio(4)	44.62%	39.83%		
Return on:				
Average assets	1.98%	2.02%		
Average equity	14.15%	16.90%		
Average tangible equity(5)	15.94%	19.49%		

(1) Tangible equity equals total shareholders' equity less goodwill and other intangible assets. Tangible book value per share divides tangible equity by period ending shares outstanding.

(2) Net interest margin is calculated by dividing annualized net interest income by period average interest-earning assets.

(3) Cost of funds is computed by dividing annualized interest expense by the sum of period average deposits and borrowings.

(4) Efficiency ratio equals total noninterest expenses divided by the sum of net interest income and noninterest income.

(5) Return on average tangible equity is calculated by dividing annualized net income by period average tangible shareholders' equity. Tangible shareholders' equity is defined in note (1) above.

(6) Tangible common equity ratio is calculated by dividing tangible shareholders' equity as defined in note (1) above by assets less goodwill and other intangible assets.