West Coast Community Bancorp, Parent Company of Santa Cruz County Bank, Reports Record Annual Earnings For 2023
Board Declares Increase in Quarterly Cash Dividend

SANTA CRUZ, CA – January 25, 2024: West Coast Community Bancorp ("Bancorp", OTCQX: SCZC), the parent company of Santa Cruz County Bank (the "Bank"), announced unaudited record earnings for the year ended December 31, 2023 of $35.2 million, a $4.2 million or 14% increase over 2022. Basic and diluted earnings per share in 2023 improved over 2022 by $0.55 and $0.54, respectively, to $4.18 and $4.16. Unaudited earnings for the quarter ended December 31, 2023 were $8.8 million, a decrease of 3% from $9.1 million in the prior quarter and a decrease of 12% from $10.0 million in the fourth quarter of 2022. Basic and diluted earnings per share in the fourth quarter of 2023 were both $1.05, and decreased over the prior quarter by $0.04 and $0.03, respectively. Both basic and diluted earnings per share in the fourth quarter of 2023 decreased over the prior year comparative quarter by $0.13.

President and CEO, Krista Snelling commented: "We are pleased to report record net income for the year and record gross loans at year-end. Our team grew loans despite the high interest rate environment, which speaks volumes for our relationship banking model and our reputation in the industry for responsiveness and delivery. In addition, we ranked as the top SBA lender by number of loans made in the Silicon Valley region for the SBA's 2023 fiscal year.

In February, we will celebrate our 20th anniversary as a community bank. The achievements of the past two decades are attributable to our dedicated employees, longstanding community partners, and loyal clients who value placing their deposits locally for the benefit of the communities we serve."

On January 18, 2024, the Board of Directors of Bancorp declared a quarterly cash dividend of $0.17 per common share, an increase of $0.01 per share from the prior quarter, payable on February 14, 2024, to shareholders of record at the close of business on February 8, 2024.

"Our financial performance throughout 2023 allows us to sustain our delivery of dividends," said Stephen Pahl, Chairman of the Board of Directors. "Our consistent track record of increasing quarterly cash dividends is reflective of the Board's commitment to rewarding our shareholders, and our confidence in the Bank's financial performance."

Financial Highlights

Performance highlights as of and for the quarter ended December 31, 2023, included the following:

- Quarterly net income of $8.8 million decreased 3% from $9.1 million in the prior quarter and decreased 12% from $10.0 million in the fourth quarter ended December 31, 2022. Net income for the year ended December 31, 2023 was $35.2 million, an increase of 14% from $30.9 million in 2022.
- Total assets of $1.79 billion as of December 31, 2023, increased $21.1 million or 1%, compared to $1.77 billion as of September 30, 2023, and increased $49.9 million or 3% over prior year-end.
- The Bank's liquidity position remains healthy. 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 13.6% and 15.2% at December 31 and September 30, 2023, respectively.
- Deposits totaled $1.52 billion at December 31, 2023, a decrease of $13.8 million or 1%, compared to September 30, 2023, and a decrease of $15.7 million or 1% compared to December 31, 2022. Relationship deposits, i.e. deposits gathered outside of wholesale channels, decreased $53.9 million compared to September 30, 2023. The

decrease from the prior quarter-end reflected seasonal fluctuation from our large depositors influenced by tourism and the agricultural harvest cycle. Total uninsured deposits, excluding collateralized deposits, represented approximately 44% and 45% of total deposits as of December 31 and September 30, 2023, respectively.

- Record gross loans (excluding PPP) of $1.41 billion, an increase of $36.1 million or 3%, compared to September 30, 2023, and an increase of $146.4 million or 12%, compared to December 31, 2022. The Bank originated $473 million in new credit commitments in 2023. The Bank achieved $58.8 million loan growth in our Silicon Valley office in 2023, while continuing to capitalize on lending opportunities in our core markets of Santa Cruz and Monterey counties with a strong mix of loans serving our business community and the development of housing projects. In addition, our asset-based lending ("ABL") division's outstanding loan balances increased $24.9 million in 2023.
- Nonaccrual loans totaled $6.5 million, or 0.46% of gross loans, as of December 31, 2023, compared to $10.7 million, or 0.78% of total loans as of September 30, 2023. The decrease during the fourth quarter is primarily due to a delinquent $3.0 million commercial real estate loan returned to accrual status in December 2023. The loan was subsequently paid off in January 2024.
- Current Expected Credit Loss ("CECL") methodology was adopted January 1, 2023. The allowance for credit losses ("ACL"), which is based on estimating credit losses for the expected life of the loans in the portfolio, totaled $23.9 million, or 1.70% of total loans at December 31, 2023, compared to 1.83% at September 30, 2023. The decline in ACL as a percentage of total loans was due to a $1.2 million charge-off on a previously fully reserved nonaccrual loan and a slight decline in reserve rates due to changes in forecasted economic factors. In addition, the allowance on unfunded credit commitments, presented as part of other liabilities, decreased $246 thousand in the fourth quarter of 2023 due to lower amount of unfunded commitments.
- Provision for credit losses, including funded and unfunded credit commitments, was a reversal of $246 thousand in the fourth quarter due to the factors discussed above, compared to $858 thousand provision for the third quarter of 2023 and $642 thousand provision for the fourth quarter in 2022. Unfunded commitments decreased during the fourth quarter of 2023, allowing the release of some of the reserve and resulting in the overall reversal during the period.
- Net interest margin was 4.85% in the fourth quarter of 2023, compared to 4.92% in the prior quarter and 4.83% for the fourth quarter in 2022. In the fourth quarter of 2023, higher yields on interest-earning assets were more than offset by increased funding costs. Net interest margin was 4.94% in 2023, compared to 4.19% in 2022. The Bank's large proportion of adjustable-rate loans benefited from the increases in prime index rate in 2023. However, the Bank experienced pressure from the rising cost of funds, particularly in 2023 following the failures of several high-profile banks which accelerated a trend of bank depositors shifting to higher rate deposit networks for increased FDIC insurance coverage and to other higher yielding investment opportunities, increasing funding pressure across the banking industry.
- For the quarters ended December 31, 2023 and September 30, 2023, return on average assets was 1.99% and 2.05%, respectively, return on average equity was 15.72% and 16.85%, respectively, and return on average tangible equity was 17.93% and 19.33%, respectively. In 2023, return on average assets was 2.02%, compared to 1.76% in 2022. Return on average equity was 16.60% in 2023, compared to 16.35% in 2022, and return on average tangible equity was 19.09% and 19.19% in 2023 and 2022, respectively.
- The efficiency ratio was 43.37% for the fourth quarter of 2023, as compared to 38.23% in the prior quarter and 31.75% in the fourth quarter of 2022. The increase from prior quarter was driven mainly by the implementation expenses related to the launch of the Bank's new e-banking platform in November, totaling $556 thousand, as well as higher professional service fees. The efficiency ratio was 40.72% and 39.33% in 2023 and 2022, respectively.
- All capital ratios were above regulatory requirements for a well-capitalized institution with a total risk-based capital ratio of 14.98% at December 31, 2023 compared to 14.83% at September 30, 2023. Tangible common equity to tangible asset ratio increased from 10.89% at September 30, 2023 to 11.47% at December 31, 2023.
- Tangible book value per share increased to $24.05 at December 31, 2023 from $22.65 at September 30, 2023 and $20.04 at December 31, 2022.

Liquidity Position

The following table summarizes the Bank's liquidity as of December 31, 2023 and 2022:

	As of	
(Dollars in thousands)	12/31/2023	12/31/2022
Cash and due from banks	$ 44,395	$ 77,383
Unencumbered AFS securities	198,876	263,615
Total on-balance-sheet liquidity	243,271	340,998
Line of credit from the Federal Home Loan Bank of San Francisco - collateralized	434,961	354,677
Line of credit from the Federal Reserve Bank of San Francisco - collateralized	251,641	--
Lines at correspondent banks - unsecured	80,000	71,000
Total external contingency liquidity capacity	766,602	425,677
Less: overnight borrowings	(32,500)	--
Net available liquidity sources	$ 977,373	$ 766,675

As of December 31, 2023, net liquidity exceeded uninsured and uncollateralized deposits of $664.5 million, with a coverage ratio greater than 147%.

U.S. Treasury bonds, securities issued by U.S. Government sponsored agencies and SBA accounted for 74%, 18% and 4% of the investment portfolio as of December 31, 2023, respectively, and thus presented minimal credit or liquidity risk. The investment portfolio of $269.9 million at December 31, 2023 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 $15.0 million ($10.6 million after-tax). Held-to-maturity securities totaled $7.6 million at December 31, 2023 with an insignificant amount of unrealized losses.

As of December 31, 2023, the Bank had no borrowings outstanding from the Federal Reserve's discount window or its Bank Term Funding Program. $32.5 million overnight borrowing was outstanding as of December 31, 2023 under unsecured lines of credit from our correspondent banks, compared to no overnight borrowings outstanding at September 30, 2023.

Quarterly Earnings

For the fourth quarter of 2023, net income was $8.8 million, compared to $9.1 million in the third quarter of 2023 and $10.0 million in the fourth quarter of 2022. Major factors impacting earnings in the fourth quarter include: interest income on loans, interest expense on deposits and borrowings, and noninterest expense. Interest income on loans increased $1.2 million compared to prior quarter, primarily attributable to growth in the loan portfolio, recognition of interest recovered from the resolution of a previously nonaccrual commercial real estate credit, and continued upward repricing of the adjustable-rate loans. However, market interest rate pressure resulted in a $1.1 million interest expense increase during the fourth quarter of 2023. Additionally, noninterest expense increased $902 thousand during the fourth quarter of 2023 due to implementation costs totaling $556 thousand associated with the new e-banking platform and audit expenses incurred throughout the quarter.

Interest Income / Interest Expense and Net Interest Margin

Net interest income of $20.8 million in the fourth quarter of 2023 decreased $247 thousand from $21.1 million for the quarter ended September 30, 2023, primarily due to the impact of continued upward pressure on funding costs partially offset by additional interest income from increased loan balances and yields. Increased rates on interest-bearing deposits caused a larger increase in funding costs than the corresponding increase in loan yields. The Bank's cost of funds increased 30 basis points from the third quarter of 2023 of 0.87%, to 1.17% in the fourth quarter of 2023.

For the fourth quarter of 2023, net interest margin was 4.85%, compared to 4.92% in the third quarter and 4.83% for the corresponding quarter in 2022. The decrease from the prior quarter primarily reflected rising costs of funds, partially offset by the benefit from higher yields on interest-earning assets and the recognition of $263 thousand interest recovered for a commercial real estate loan. We expect the margin compression to continue in 2024 due to the rising cost of funds, while the pace is anticipated to moderate.

The Bank’s 2023 net interest margin was 4.94%, compared to 4.19% in 2022. The increase from prior year is mainly attributed to an improvement on yield from earning assets, favorably impacted by multiple increases in prime rate and other indices tied to our floating rate loans, and organic loan growth in 2023, which improved the mix of earning assets, as well as increases in our cost of funds lagging behind the market rate increases during most of 2023. Cost of funds were 0.80% in 2023 compared to 0.12% in 2022.

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					
	December 31, 2023			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	$ 28,290	$ 167	2.34%	$ 52,137	$ 538	4.10%
Investments	292,959	1,320	1.79%	297,352	1,239	1.65%
Loans	1,381,579	23,807	6.84%	1,346,981	22,616	6.66%
Total interest-earning assets	1,702,828	25,294	5.89%	1,696,470	24,393	5.70%
Noninterest-earning assets	61,462			67,660		
Total assets	$ 1,764,290			$ 1,764,130		
LIABILITIES						
Interest-bearing deposits	$ 894,514	4,457	1.98%	$ 874,172	3,327	1.51%
Borrowings	2,375	34	5.71%	1,217	16	5.36%
Total interest-bearing liabilities	896,889	4,491	1.99%	875,389	3,343	1.52%
Noninterest-bearing deposits	625,930			650,865		
Other noninterest-bearing liabilities	18,353			23,286		
Total liabilities	1,541,172			1,549,540		
EQUITY	223,118			214,590		
Total liabilities and equity	$ 1,764,290			$ 1,764,130		
Net interest income /margin		$ 20,803	4.85%		$ 21,050	4.92%
Cost of funds			1.17%			0.87%

	For the Years Ended					
	December 31, 2023			December 31, 2022		
(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	$ 35,820	$ 1,209	3.38%	$ 133,183	$ 2,520	1.89%
Investments	304,191	4,945	1.63%	331,958	3,797	1.14%
Loans	1,333,906	88,759	6.65%	1,212,425	65,744	5.42%
Total interest-earning assets	1,673,917	94,913	5.67%	1,677,566	72,061	4.30%
Noninterest-earning assets	70,261			78,509		
Total assets	$ 1,744,178			$ 1,756,075		
LIABILITIES						
Interest-bearing deposits	$ 867,353	11,506	1.33%	$ 833,443	1,850	0.22%
Borrowings	12,592	643	5.11%	110	2	1.47%
Total interest-bearing liabilities	879,945	12,149	1.38%	833,553	1,852	0.22%
Noninterest-bearing deposits	633,504			716,961		
Other noninterest-bearing liabilities	18,955			16,338		
Total liabilities	1,532,404			1,566,852		
EQUITY	211,774			189,223		
Total liabilities and equity	$ 1,744,178			$ 1,756,075		
Net interest income /margin		$ 82,764	4.94%		$ 70,209	4.19%
Cost of funds			0.80%			0.12%

Noninterest Income / Expense

Noninterest income for the quarter ended December 31, 2023 was $849 thousand compared to $1.2 million for the previous quarter and $804 thousand in the fourth quarter of 2022. The Bank sold its vacant office property in July 2023 and recognized a $255 thousand gain in the third quarter. There were no SBA sales in 2023 or in the fourth quarter of 2022. The market premium on SBA loans declined, making it less favorable to sell SBA loans in 2023.

Noninterest expense was $9.4 million in the fourth quarter of 2023, $902 thousand or 11% more than prior quarter, primarily due to system implementation costs and temporary staffing costs totaling $556 thousand related to the launch of our new e-banking platform in November, $289 thousand higher expenses associated with audits conducted during the fourth quarter, and $67 thousand increased fraudulent check costs, partially offset by lower bonus expenses and reduction in split-dollar life insurance plans reflecting a higher discount rate in 2023. Noninterest expense increased $2.5 million, or 37% compared to the same quarter last year, the result of higher operating costs across the board due to inflation, as well as holding company formation expenses and the $556 thousand in expenses associated with the conversion to a new e-banking platform mentioned earlier.

Loans and Asset Quality

Non-PPP loans increased $36.1 million or 3% from September 30, 2023 and $146.4 million or 12% compared to December 31, 2022. Growth in the loan portfolio was driven by new originations in commercial real estate loans, including multifamily projects, and asset-based lending loans. The ABL department originated $29.1 million and $43.4 million in new loan commitments during the fourth quarter of 2023 and the full year of 2023, respectively.

The allowance for credit losses was $23.9 million, or 1.70% of the total loans, at December 31, 2023, compared to $25.1 million, or 1.83% of the total loans, at September 30, 2023. The decrease in the allowance as a percentage of total loans was due to the $1.2 million charge-off of a fully reserved nonaccrual loan as discussed previously, and slight declines in reserve rates due to changes in forecasted economic factors. The allowance for credit losses includes specific reserves in the amount of $185 thousand as of December 31, 2023 and $1.4 million as of September 30, 2023, for individually evaluated commercial loans on nonaccrual status. No loans were added to nonaccrual status during the fourth quarter of 2023.

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

Loan Mix

		As of		Change % vs.	
(Dollars in thousands)	12/31/2023	09/30/2023	12/31/2022	9/30/2023	12/31/2022
Loans held for sale	$ 33,696	$ 34,564	$ 45,263	-3%	-26%
SBA and B&I loans	137,586	140,279	139,732	-2%	-2%
PPP loans	313	346	3,202	-10%	-90%
Commercial term loans	107,509	109,526	111,591	-2%	-4%
Revolving commercial lines	117,251	120,220	126,439	-2%	-7%
Asset-based lines of credit	27,174	8,025	2,314	239%	1,074%
Construction loans	138,309	138,164	154,070	0%	-10%
Real estate loans	807,050	779,143	646,295	4%	25%
Home equity lines of credit	31,849	27,611	29,382	15%	8%
Consumer and other loans	8,396	15,176	6,480	-45%	30%
Deferred loan expenses, net of fees	2,160	2,163	2,971	0%	-27%
Total gross loans	$ 1,411,293	$ 1,375,217	$ 1,267,739	3%	11%

Delinquent and Nonperforming Loans

	As of or for the Quarter Ended		
(Dollars in thousands)	**12/31/2023**	**09/30/2023**	**12/31/2022**
Loans past due 30-89 days, excluding PPP loans	$ --	$ 1	$ 959
PPP loans past due 30-89 days	--	--	26
Delinquent loans (past due 90+ days still accruing)	2,999*	--	10
Nonaccrual loans	6,526*	10,697	3,161
Other real estate owned	--	--	--
Nonperforming assets	9,525	10,697	3,171
Net loan charge-offs (recoveries) QTD	1,172	(4)	--
Net loan charge-offs (recoveries) YTD	2,167	996	126

* A $3.0 million delinquent commercial real estate loan was returned to accrual status in the fourth quarter of 2023 and was subsequently paid off in January 2024.

Deposits

Deposits were $1.52 billion at December 31, 2023, reflecting a decrease of $13.8 million during the fourth quarter of 2023. The decrease reflected several significant cyclical fluctuations from our large depositors whose non-interest bearing deposit accounts are influenced by tourism and the harvest season. As a result, the Bank's noninterest-bearing deposits to total deposits at December 31, 2023 declined to 38%, from 42% at September 30, 2023.

The ten largest deposit relationships, excluding fully collateralized government agency deposits, represent approximately 13% of total deposits as of December 31, 2023, up from 12% at September 30, 2023. The Bank's presence in Monterey County continues to grow; excluding a temporary deposit inflow that straddled over the 2023 year-end, deposits in the region grew $43.8 million or 51% in 2023, largely due to the opening of the Salinas branch. The Bank has also seen strong growth in deposits from non-profit organizations, which increased by $28.5 million or 14% in the fourth quarter of 2023.

Deposit Mix

	As of			Change % vs.	
(Dollars in thousands)	**12/31/2023**	**09/30/2023**	**12/31/2022**	**09/30/2023**	**12/31/2022**
Noninterest-bearing demand	$ 576,456	$ 643,661	$ 669,489	-10%	-14%
Interest-bearing demand	209,584	213,270	246,265	-2%	-15%
Money markets	434,287	404,116	363,092	7%	20%
Savings	105,012	113,069	137,808	-7%	-24%
Time certificates of deposit	142,413	147,534	114,128	-3%	25%
Brokered deposits	47,338	7,199	--	558%	100%
Total deposits	$ 1,515,090	$ 1,528,849	$ 1,530,782	-1%	-1%
Total deposits – personal	$ 545,920	$ 563,704	$ 609,206	-3%	-10%
Total deposits – business	$ 969,170	$ 965,145	$ 921,576	0%	5%

Shareholders' Equity

Total shareholders' equity was $230.0 million at December 31, 2023, a $12.4 million or 6% increase over September 30, 2023 and an increase of $32.4 million or 16% over December 31, 2022. Earnings of $8.8 million in the fourth quarter of 2023 contributed to the increase over last quarter-end. In addition, the after-tax unrealized losses on AFS securities improved from $15.1 million as of September 30, 2023 to $10.6 million as of December 31, 2023 due to decline in interest rates in the fourth quarter of 2023.

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 with branches in Aptos, Capitola, Cupertino, Monterey, Salinas, 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 not-for-profit 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: The Bank is ranked #89 in the Top 200 Community Banks list based upon 3-year average equity for banks under $2 billion in assets and ranked #13 out of 21 California banks.
- S&P Global Market Intelligence: The Bank is ranked #6 in the Top 100 banks nationwide for 2022 performance for banks under $3 billion in assets and ranked #3 for the best-performing community banks in the Western U.S. with assets under $10 billion.
- The Findley Reports, Inc.: The Bank has received the top ranking of Super Premier for 13 consecutive years.
- Bauer Financial Reports, Inc.: The Bank is rated 5-star "Superior" based upon its financial performance.
- U.S. Small Business Administration: The Bank is in the Top 100 most active SBA 7(a) lenders in the nation.
- 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 11 consecutive years.
- Santa Cruz Sentinel, 2022 Reader's Choice Award, number one bank in Santa Cruz County as voted by Santa Cruz Sentinel readers for 9 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 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, including the real estate market in California and other factors beyond 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. The Bank undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

Concurrent with this earnings release, the Bank 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 December 31, 2023	2022	Change $	Change %	As of or for the Quarter Ended September 30, 2023	Change $	Change %
Balance Sheet							
Assets							
Cash and due from banks	$ 44,395	$ 77,383	$ (32,988)	-43%	$ 37,751	$ 6,644	18%
Securities – AFS	262,566	320,730	(58,164)	-18%	284,002	(21,436)	-8%
Securities – HTM	7,585	2,840	4,745	167%	7,628	(43)	-1%
Gross loans, excluding PPP	1,410,980	1,264,537	146,443	12%	1,374,871	36,109	3%
SBA PPP loans	313	3,202	(2,889)	-90%	346	(33)	-10%
Allowance for credit losses	(23,943)	(21,444)	(2,499)	12%	(25,114)	1,171	-5%
Goodwill and other intangibles	27,433	27,796	(363)	-1%	27,523	(90)	0%
Other assets	65,033	69,443	(4,410)	-6%	66,238	(1,205)	-2%
Total assets	$ 1,794,362	$ 1,744,487	$ 49,875	3%	$ 1,773,245	$ 21,117	1%
Liabilities and Equity							
Noninterest-bearing deposits	$ 576,456	$ 669,489	$ (93,033)	-14%	$ 643,661	$ (67,205)	-10%
Interest-bearing non-brokered deposits	891,296	861,293	30,003	3%	877,989	13,307	2%
Brokered deposits	47,338	--	47,338	100%	7,199	40,139	558%
Borrowings	32,500	--	32,500	100%	--	32,500	100%
Other liabilities	16,736	16,029	707	4%	26,723	(9,987)	-37%
Shareholders' equity	230,036	197,676	32,360	16%	217,673	12,363	6%
Total liabilities and equity	$1,794,362	$ 1,744,487	$ 49,875	3%	$ 1,773,245	$ 21,117	1%
Income Statement							
Interest income	$ 25,294	$ 21,430	$ 3,864	18%	$ 24,393	$ 901	4%
Interest expense	4,491	638	3,853	604%	3,343	1,148	34%
Net interest income	20,803	20,792	11	0%	21,050	(247)	-1%
Provision for credit losses	(246)	642	(888)	-138%	858	(1,104)	-129%
Noninterest income	849	804	45	6%	1,151	(302)	-26%
Noninterest expense	9,389	6,858	2,531	37%	8,487	902	11%
Net income before taxes	12,509	14,096	(1,587)	-11%	12,856	(347)	-3%
Income tax expense	3,668	4,075	(407)	-10%	3,744	(76)	-2%
Net income after taxes	$ 8,841	$ 10,021	$ (1,180)	-12%	$ 9,112	$ (271)	-3%
Basic earnings per share	$ 1.05	$ 1.18	$ (0.13)	-11%	$ 1.09	$ (0.04)	-4%
Diluted earnings per share	$ 1.05	$ 1.18	$ (0.13)	-11%	$ 1.08	$ (0.03)	-3%
Book value per share	$ 27.30	$ 23.32	$ 3.98	17%	$ 25.93	$ 1.37	5%
Tangible book value per share	$ 24.05	$ 20.04	$ 4.01	20%	$ 22.65	$ 1.40	6%
Shares outstanding	8,425,180	8,477,272			8,394,725		
Ratios							
Net interest margin	4.85%	4.83%			4.92%		
Cost of funds	1.17%	0.16%			0.87%		
Efficiency ratio	43.37%	31.75%			38.23%		
Return on:							
Average assets	1.99%	2.22%			2.05%		
Average equity	15.72%	20.57%			16.85%		
Average tangible equity	17.93%	24.04%			19.33%		
Tier 1 leverage ratio	12.09%	10.39%			11.64%		
Total risk-based capital ratio	14.98%	14.94%			14.83%		
Tangible common equity ratio	11.47%	9.90%			10.89%		
ACL / Non-PPP loans	1.70%	1.70%			1.83%		
Noninterest-bearing to total deposits	38.05%	43.74%			42.10%		
Gross loans to deposits	93.15%	82.82%			89.95%		

Selected Unaudited Financial Information

(Dollars in thousands, except per share amounts)	For the Year Ended December 31, 2023	2022	Change $	Change %
Income Statement				
Interest income	$ 94,913	$ 72,061	$ 22,852	32%
Interest expense	12,149	1,852	10,297	556%
Net interest income	82,764	70,209	12,555	18%
Provision for loan losses	1,413	1,592	(179)	-11%
Noninterest income	3,572	4,544	(972)	-21%
Noninterest expense	35,153	29,402	5,751	20%
Net income before taxes	49,770	43,759	6,011	14%
Income tax expense	14,620	12,815	1,805	14%
Net income after taxes	$ 35,150	$ 30,944	$ 4,206	14%
Basic earnings per share *	$ 4.18	$ 3.63	$ 0.55	15%
Diluted earnings per share *	$ 4.16	$ 3.62	$ 0.54	15%
Ratios				
Net interest margin	4.94%	4.19%		
Cost of funds	0.80%	0.12%		
Efficiency ratio	40.72%	39.33%		
Return on:				
Average assets	2.02%	1.76%		
Average equity	16.60%	16.35%		
Average tangible equity	19.09%	19.19%		

* Share data for prior periods has been adjusted to reflect stock split in March 2022.