



**Quarterly
Report**

**Q2
2024**

FINANCIALS



Financial Performance:

Net income decreased by \$23,000, or 11.56%, to \$176,000 for the three months ended June 30, 2024 from \$199,000 for the three months ended June 30, 2023 due primarily to an increase in noninterest expense that exceeded the gains in net interest income and noninterest income. Earnings per share basic decreased \$0.01 for the three months ended June 30, 2024, to \$0.10, from \$0.11 for the three months ended June 30, 2023.

Interest and fee income increased by \$545,000, or 19.53%, to \$3.3 million for the three months ended June 30, 2024 from \$2.8 million for the three months ended June 30, 2023 as a result of an increase in the average balance of loans and increase in the average yield on loans. The average balance of loans increased \$24.8 million, or 13.90%, from \$178.7 million for the three months ended June 30, 2023, to \$203.5 million for the three months ended June 30, 2024.

Interest expense increased by \$477,000, or 53.72%, to \$1.4 million for the three months ended June 30, 2024 from \$888,000 for the three months ended June 30, 2023. Interest expense increased due to the high interest rate environment as the cost of deposits increased.

Noninterest income increased \$102,000, or 28.10%, to \$465,000 for the three months ended June 30, 2024 from \$363,000 for the three months ended June 30, 2023. The increase in noninterest income was due to an increase in income from financial services. Income from financial services increased \$91,000, or 73.98%, to \$214,000 for the three months ended June 30, 2024 from \$123,000 for the three months ended June 30, 2023. Income from financial services increased due to a rise in asset values and the purchase of a retirement book of business.

Noninterest expense increased \$271,000, or 13.88%, to \$2.2 million for the three months ended June 30, 2024 from \$2.0 million for the three months ended June 30, 2023. The increase in noninterest expense was primarily due to increases in compensation and employee benefits expense and core processing expense. Compensation and employee benefits expense increased \$143,000, or 13.79%, to \$1.2 million for the three months ended June 30, 2024 from \$1.0 million for the three months ended June 30, 2023. Compensation and employee benefits expense increased as we added a commercial lender, director of human resources, a credit analyst and a marketing team.





Financial Performance Q2 2024 Continued

Core processing expense increased \$48,000, or 15.09%, to \$366,000 for the three months ended June 30, 2024 from \$318,000 for the three months ended June 30, 2023. Core processing expense increased as we created efficiencies through adding software and enhancing our customers' digital experience.

The provision for credit losses decreased \$75,000 during the three months ended June 30, 2024, as compared to the same period last year. The provision for credit losses decreased as asset quality remains strong.

Total assets increased \$26.5 million, or 11.00%, to \$267.1 million at June 30, 2024 from \$240.6 million at June 30, 2023. The increase in assets was mostly due to an increase in gross loans. Gross loans increased \$24.3 million, or 13.30%, to \$206.6 million at June 30, 2024 from \$182.3 million at June 30, 2023. The growth in our loans was due to increases in residential real estate and commercial real estate loans. Residential real estate loans increased \$4.4 million, or 4.29%, to \$105.8 million at June 30, 2024 from \$101.4 million at June 30, 2023. Commercial real estate loans increased \$9.0 million, or 20.59%, to \$52.7 million at June 30, 2024 from \$43.7 million at June 30, 2023. Total loans past-due over thirty days increased to \$2.1 million at June 30, 2024 from \$565,000 at June 30, 2023. Non-performing loans increased to \$62,000 at June 30, 2024 from \$57,000 at June 30, 2023.

Interest-bearing deposits increased \$11.7 million, or 7.36%, to \$170.9 million at June 30, 2024 from \$159.2 million at June 30, 2023. The increase in interest-bearing deposits was a result of increases in MMDA and certificate of deposit accounts. Total noninterest-bearing deposits increased \$5.0 million, or 18.57%, to \$32.2 million at June 30, 2024 from \$27.2 million at June 30, 2023.

Total stockholders' equity increased \$1.1 million, or 5.25%, to \$22.8 million at June 30, 2024 from \$21.6 million at June 30, 2023 due to the increase in retained earnings and a decrease in accumulated other comprehensive loss.



Financials Q2 2024

Selected Income Statement Data

(Dollars in thousands except per share data, unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|--------------------|-----------|------------------|-----------|
| | June 30, | | June 30, | |
| | 2024 | 2023 | 2024 | 2023 |
| Interest Income | \$ 3,336 | \$ 2,791 | \$ 6,475 | \$ 5,411 |
| Interest Expense | 1,365 | 888 | 2,610 | 1,568 |
| Net Interest Income | 1,971 | 1,903 | 3,865 | 3,843 |
| Provision for Credit Losses | - | 75 | 15 | 150 |
| Net Interest Income after Provision for Credit Losses | 1,971 | 1,828 | 3,850 | 3,693 |
| Noninterest Income | 465 | 363 | 875 | 623 |
| Noninterest Expense | 2,223 | 1,952 | 4,393 | 3,836 |
| Income before Income Taxes | 213 | 239 | 332 | 480 |
| Income Taxes | 37 | 40 | 50 | 83 |
| Net Income | \$ 176 | \$ 199 | \$ 282 | \$ 397 |
| Income per Common Share-Basic | \$ 0.10 | \$ 0.11 | \$ 0.16 | \$ 0.22 |
| Income per Common Share-Dilutive | \$ 0.10 | \$ 0.11 | \$ 0.16 | \$ 0.22 |
| Weighted Average Share-Basic | 1,785,032 | 1,806,401 | 1,785,032 | 1,806,401 |
| Weighted Average Share-Dilutive | 1,791,590 | 1,812,629 | 1,791,268 | 1,812,629 |

Selected Financial Statement Data

| | June 30, 2024 | March 31, 2024 | December 31, 2023 | September 30, 2023 | June 30, 2023 |
|--------------------------------|---------------|----------------|-------------------|--------------------|---------------|
| Cash and Cash Equivalents | \$ 6,338 | \$ 10,580 | \$ 3,920 | \$ 5,378 | \$ 6,736 |
| Securities, Available-for-Sale | 34,680 | 34,792 | 35,440 | 34,377 | 35,253 |
| Gross Loans | 206,600 | 199,030 | 198,502 | 192,728 | 182,315 |
| Allowance for Loan Losses | (2,098) | (2,099) | (2,045) | (2,042) | (1,974) |
| Other Assets | 21,616 | 21,047 | 20,908 | 18,751 | 18,291 |
| Total Assets | \$ 267,136 | \$ 263,350 | \$ 256,725 | \$ 249,192 | \$ 240,621 |

| | June 30, 2024 | March 31, 2024 | December 31, 2023 | September 30, 2023 | June 30, 2023 |
|--|---------------|----------------|-------------------|--------------------|---------------|
| Noninterest-Bearing Deposits | \$ 32,236 | \$ 29,330 | \$ 29,557 | \$ 29,345 | \$ 27,187 |
| Interest-Bearing Deposits | 170,878 | 173,566 | 164,156 | 161,201 | 159,157 |
| Total Deposits | 203,114 | 202,896 | 193,713 | 190,546 | 186,344 |
| FHLB Advances and FRB TFP | 38,195 | 33,000 | 35,500 | 33,500 | 27,500 |
| Other Liabilities | 3,047 | 4,837 | 4,863 | 3,867 | 5,133 |
| Total Stockholders' Equity | 22,780 | 22,617 | 22,649 | 21,279 | 21,644 |
| Total Liabilities and Stockholders' Equity | \$ 267,136 | \$ 263,350 | \$ 256,725 | \$ 249,192 | \$ 240,621 |

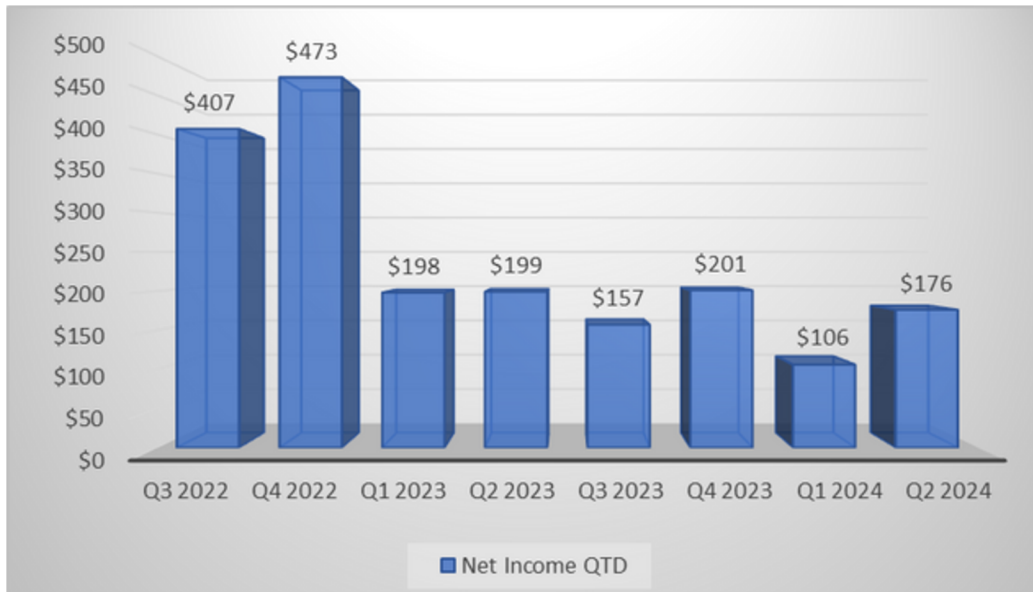
| | June 30, 2024 | March 31, 2024 | December 31, 2023 | September 30, 2023 | June 30, 2023 |
|--|---------------|----------------|-------------------|--------------------|---------------|
| Total Loans over 30 days Past Due | \$ 2,128 | \$ 2,183 | \$ 2,295 | \$ 2,388 | \$ 565 |
| Total Non-Performing Loans | \$ 62 | \$ 510 | \$ 416 | \$ 51 | \$ 57 |
| Other Real Estate Owned and Repossessed Assets | \$ - | \$ - | \$ - | \$ - | \$ - |
| Allowance for Loan Losses to total Loans | 1.02% | 1.05% | 1.05% | 1.03% | 1.06% |
| Total Non-Performing Loans to total Loans | 0.03% | 0.26% | 0.21% | 0.03% | 0.03% |
| Non-Performing Assets to total Assets | 0.36% | 0.56% | 0.52% | 0.39% | 0.41% |

| | Three Months Ended | |
|--------------------------|--------------------|--------|
| | 2024 | 2023 |
| Return on Average Assets | 0.27% | 0.33% |
| Return on Average Equity | 3.19% | 3.62% |
| Tier 1 Capital Ratio | 9.84% | 10.82% |
| Net Interest Margin | 3.10% | 3.40% |
| Efficiency Ratio | 91.26% | 85.71% |

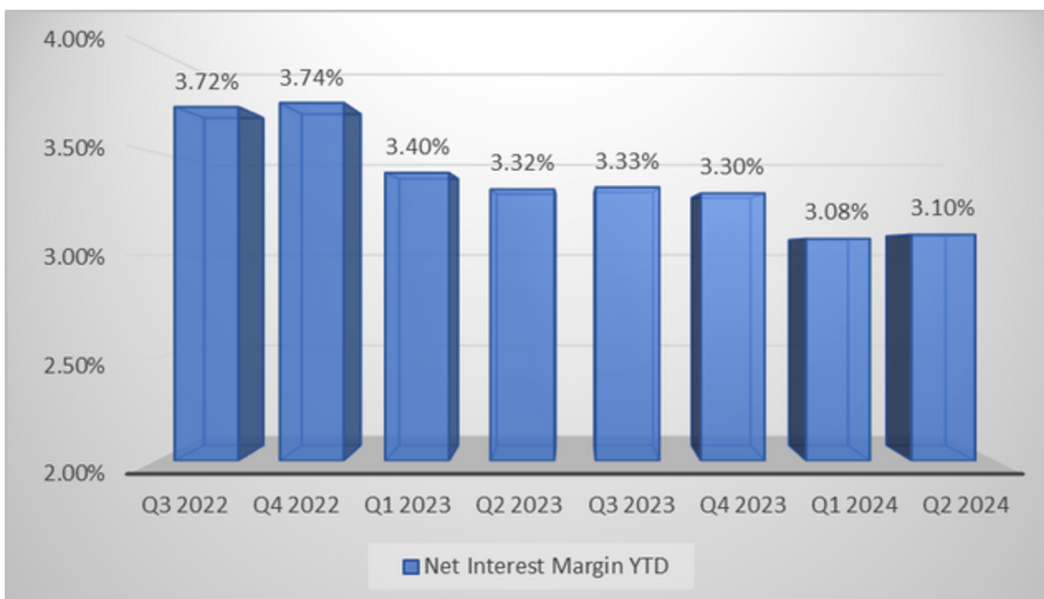


Financials Q2 2024

NET INCOME QTD

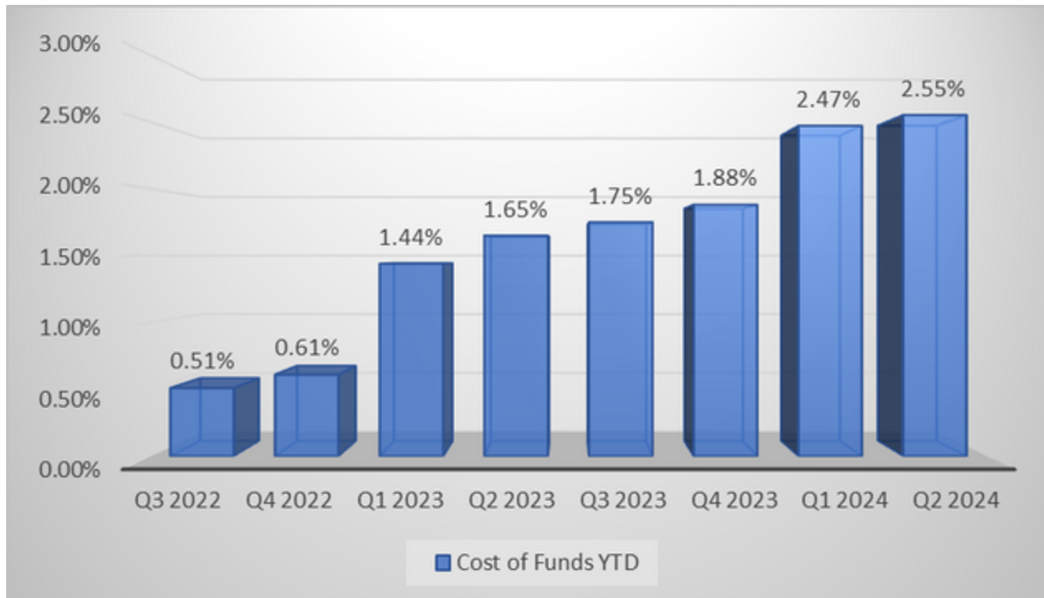


NET INTEREST MARGIN YTD

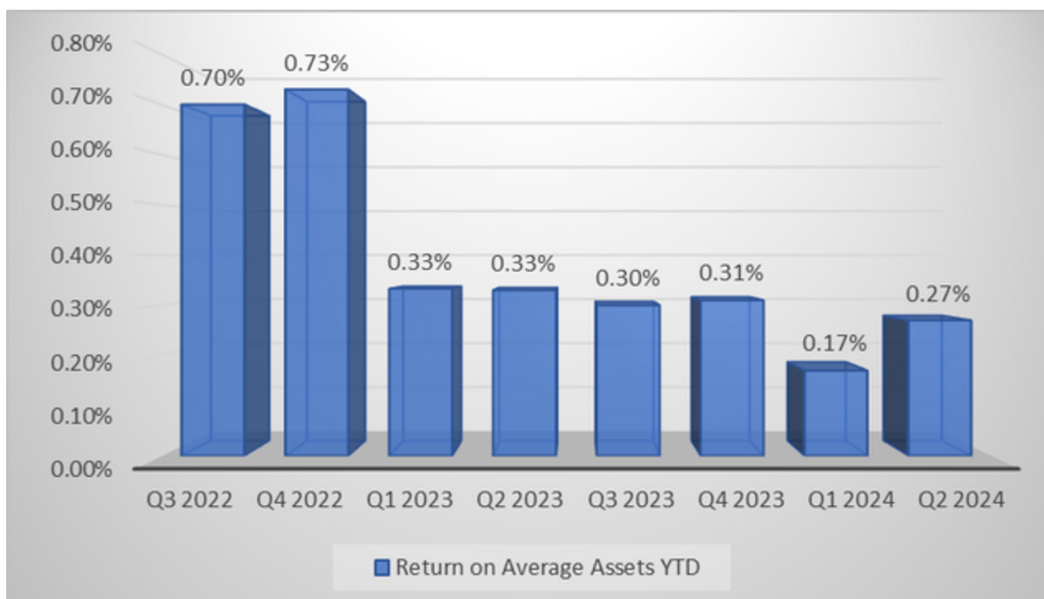


Financials Q2 2024

COST OF FUNDS YTD

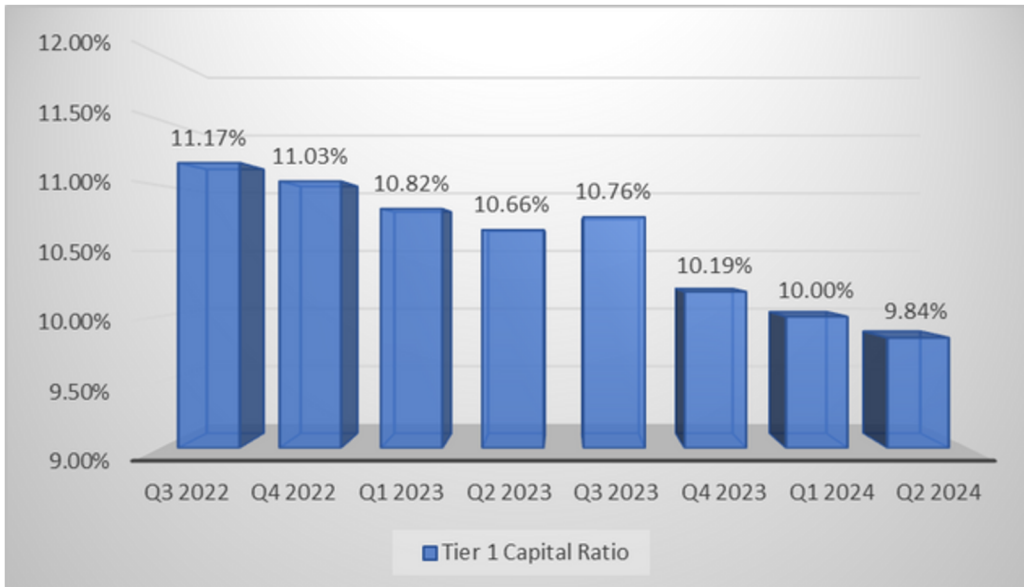


RETURN ON AVERAGE ASSETS YTD

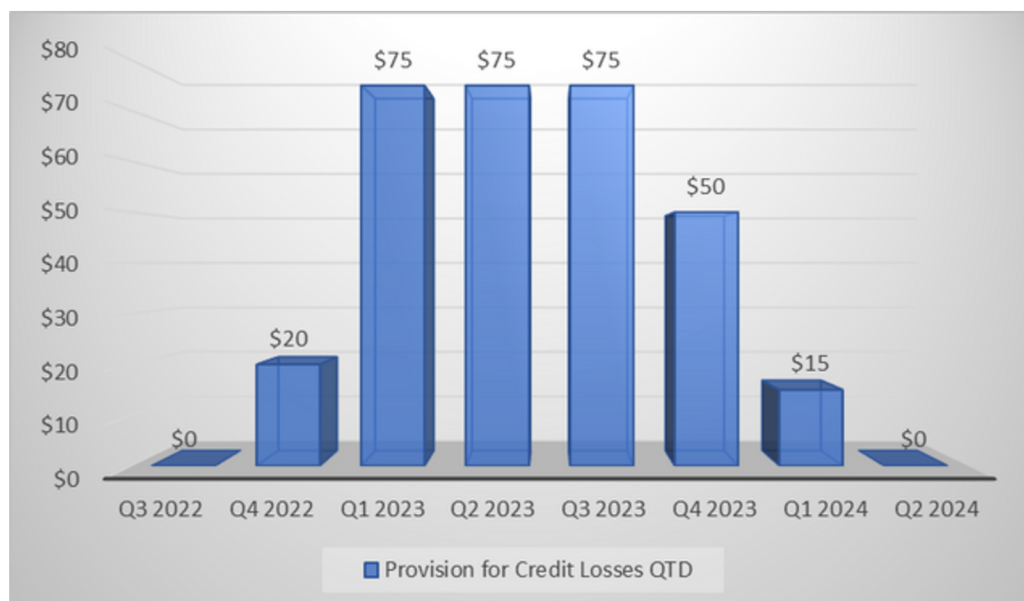


Financials Q2 2024

TIER 1 CAPITAL RATIO

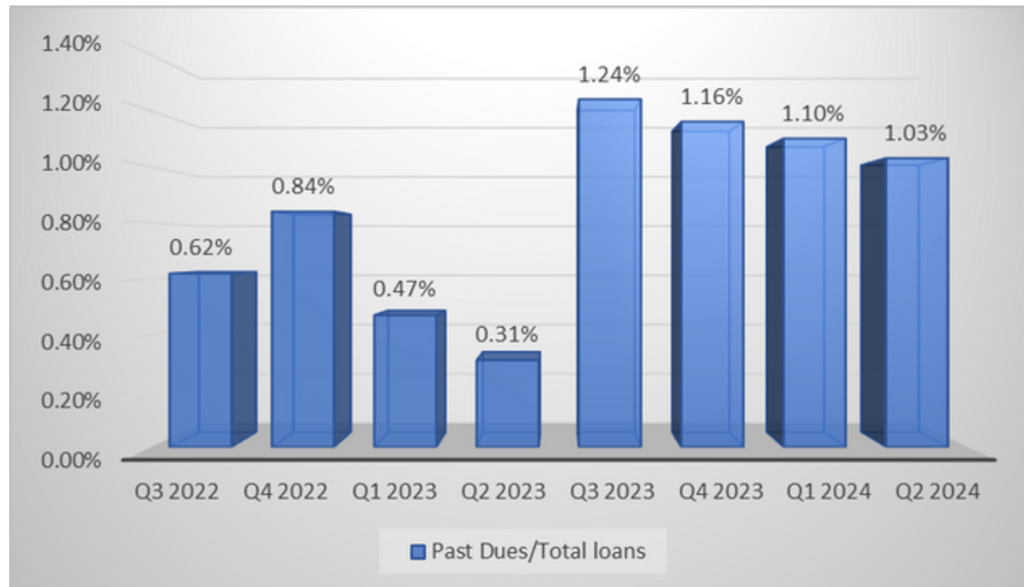


PROVISION FOR CREDIT LOSSES QTD



Financials Q2 2024

PAST DUES/TOTAL LOANS



EFFICIENCY RATIO YTD

