



Dogwood State Bank Reports Third Quarter 2023 Results

Raleigh, North Carolina, October 20, 2023 – Dogwood State Bank (the “Bank”) today announced its financial results for the three and nine months ended September 30, 2023.

Third Quarter 2023 Highlights

- Net income was \$2.9 million in Q3 2023, compared to \$2.0 million in Q2 2023 and \$3.0 million in Q3 2022
- Pre-tax, pre-provision net revenue improved to \$4.9 million in Q3 2023, compared to \$4.3 million in Q2 2023 and \$4.7 million in Q3 2022
- Loans increased by \$217.0 million, or 26%, over the past 12 months
- Deposits increased by \$359.1 million, or 41%, over the past 12 months
- Tangible book value per share increased to \$10.42 at Q3 2023, which represents 13% growth over the past 12 months

“Dogwood’s third quarter results showcase robust growth on both sides of our balance sheet. Even in midst of industry headwinds, the dedication of our team and the trust of our customers continues to drive deposit and loan demand across our entire footprint,” commented Steve Jones, Chief Executive Officer. “We also continue to meaningfully grow tangible book value, which demonstrates our unwavering commitment to create long-term value for our shareholders and underscores the financial strength of our company.”

Q3 2023 Earnings Performance

Net income in Q3 2023 was \$2.9 million, or \$0.20 per diluted share, compared to \$3.0 million, or \$0.21 per diluted share, in Q3 2022. Pre-tax, pre-provision net revenue in Q3 2023 was \$4.9 million, which was an increase from \$4.7 million in Q3 2022.

Net Interest Income

Net interest income was \$11.0 million in Q3 2023, an increase from \$10.0 million in Q3 2022. The increase was due to significant growth in interest-earning assets over the past year, partially offset by a lower net interest margin.

Total average interest-earning assets increased to \$1.27 billion in Q3 2023 from \$971.8 million in Q3 2022. Average loans, excluding PPP loans, increased by \$221.3 million. Average PPP loan balances decreased by \$10.9 million due to forgiveness payments. Average investment securities balances increased by \$2.7 million. Average interest-earning cash balances increased by \$89.1 million due to significant deposit inflows towards the end of the quarter.

Net interest margin decreased to 3.43% in Q3 2023, compared to 4.08% in Q3 2022. Net interest margin has been negatively impacted by funding costs rising at a faster rate than interest-earning asset yields. In an effort to lower the rate of inflation in the U.S. economy, the Federal Open Market Committee (“FOMC”) has increased the federal funds target rate by an aggregate 5.25% since the beginning of 2022.

Given the Bank's balance sheet profile and interest rate position, higher interest rates generally benefited its net interest margin throughout 2022. However, early in 2023 funding costs began rising more rapidly than interest-earning asset yields which has led to declining net interest margins in 2023.

Provision for Credit Losses and Asset Quality

Provision for credit losses was \$1.1 million in Q3 2023, an increase from \$863 thousand in Q3 2022. The increase in provision expense was due to a \$573 thousand increase in net charge-offs, partially offset by slower net loan growth over the same periods. The Bank's allowance for credit losses to total loans, excluding PPP loans, was 1.10% as of September 30, 2023, compared to 1.12% as of June 30, 2023 and 1.01% as of September 30, 2022.

Nonperforming loans were 0.17% of total loans as of September 30, 2023, compared to 0.19% as of June 30, 2023 and 0.14% as of September 30, 2022. Annualized net charge offs increased to 0.30% of average loans in Q3 2023, compared to 0.09% in Q3 2022. Substantially all charge offs recognized this year have been related to unguaranteed portions of SBA loans.

Non-Interest Income

Non-interest income was \$3.0 million in Q3 2023, an increase from \$2.7 million in Q3 2022. Most of this increase was related to growth in government guaranteed lending ("GGL") income by \$203 thousand. GGL lending income rose due to a higher volume of guaranteed SBA 7(a) loans sold in the quarter, partially offset by a decline in secondary market premiums on sales of guaranteed loans. The increase in GGL lending income was also partially offset by a \$171 thousand impairment on the SBA servicing asset in Q3 2023 versus a \$153 thousand recovery of previous impairment on the SBA servicing asset in Q3 2022.

Loan production under the SBA's 7(a) loan program totaled \$32.4 million in Q3 2023, compared to \$47.0 million in Q3 2022. Guaranteed balances of SBA loans sold totaled \$45.3 million in Q3 2023, compared to \$29.9 million in Q3 2022. The weighted average net premium on SBA loans sold in Q3 2023 was 7.72%, a decrease from 8.90% in Q3 2022.

Non-Interest Expense

Non-interest expense was \$9.1 million in Q3 2023, an increase from \$8.0 million in Q3 2022. A majority of the increase was related to compensation and benefits, which increased by \$688 thousand. Investments have been made in human capital across the Bank to support its growth, including recent growth into the Greenville, SC and Charleston, SC markets. Software expense increased by \$100 thousand due to technology investments, loan related costs increased by \$156 thousand due to the GGL business, and FDIC insurance expense rose by \$105 thousand due to deposit growth.

Income Taxes

Income tax expense was \$902 thousand in Q3 2023, compared to \$856 thousand in Q3 2022. The effective tax rate was 23.5% in Q3 2023, which was slightly higher than the effective tax rate of 22.39% in Q3 2022.

Year-to-Date 2023 Earnings Performance

Net income in the first nine months of 2023 ("YTD 2023") was \$7.7 million, or \$0.52 per diluted share, compared to \$7.8 million, or \$0.55 per diluted share, in the first nine months of 2022 ("YTD 2022"). Pre-tax, pre-provision net revenue in YTD 2023 was \$13.4 million, which was an increase from \$11.9 million in YTD 2022.

Net Interest Income

Net interest income was \$30.9 million in YTD 2023, an increase from \$26.1 million in YTD 2022. The increase was due to significant growth in interest-earning assets over the past year, partially offset by a lower net interest margin.

Total average interest-earning assets increased to \$1.16 billion in YTD 2023 from \$930.6 million in YTD 2022. Average loans, excluding PPP loans, increased by \$238.3 million. Average PPP loan balances decreased by \$25.3 million due to forgiveness payments. Average investment securities balances increased by \$5.4 million, and average interest-earning cash balances increased by \$10.8 million. Net interest margin decreased to 3.56% in YTD 2023, compared to 3.75% in YTD 2022.

Provision for Credit Losses and Asset Quality

Provision for credit losses was \$3.5 million in YTD 2023, an increase from \$1.9 million in YTD 2022. The increase in provision expense was primarily due to a \$1.5 million increase in net charge-offs.

Non-Interest Income

Non-interest income was \$8.4 million in YTD 2023, compared to \$9.4 million in YTD 2022. Most of this decrease was related to a \$1.5 million decline in GGL income. GGL lending income declined due to lower secondary market premiums on sales of guaranteed SBA 7(a) loans and due to a lower volume of guaranteed loans sold in the period. The decline in GGL lending income was partially offset by a \$171 thousand recovery of previous impairment on the SBA servicing asset YTD 2023 versus a \$484 thousand impairment on the SBA servicing asset in YTD 2022.

Loan production under the SBA's 7(a) loan program totaled \$91.7 million in YTD 2023, compared to \$133.6 million in YTD 2022. Guaranteed balances of SBA loans sold totaled \$79.7 million in YTD 2023, compared to \$87.6 million in YTD 2022. The weighted average net premium on SBA loans sold in YTD 2023 was 8.14%, compared to 9.68% in YTD 2022.

Non-Interest Expense

Non-interest expense was \$25.9 million in YTD 2023, an increase from \$23.6 million in YTD 2022. Part of the increase was related to compensation and benefits, which increased by \$1.1 million. Investments have been made in human capital across the Bank to support its growth, including recent growth into the Greenville, SC and Charleston, SC markets. Software expense increased by \$338 thousand due to technology investments, loan related costs increased by \$397 thousand due to the GGL business, and FDIC insurance expense rose by \$127 thousand due to deposit growth.

Income Taxes

Income tax expense was \$2.2 million in YTD 2023, which was flat compared to YTD 2022. The effective tax rate was 21.87% in YTD 2023, which was slightly lower than an effective tax rate of 22.31% in YTD 2022.

Capital and Liquidity Strength

In March 2023, the Bank completed a \$16.4 million capital raise through a private placement offering of common stock at \$20 per share. This growth capital was raised at an accretive valuation and is intended to accelerate the buildout of the Bank's franchise in the Carolinas. Tangible book value per share increased to \$10.42 as of September 30, 2023, which was up by 13% over the past twelve months. Further, the Common Equity Tier 1 ratio and Total Risk-Based Capital ratio were 14.01% and 15.13%, respectively, as of September 30, 2023. These regulatory capital ratios are significantly in excess of the required regulatory well-capitalized thresholds of 6.50% and 10.00%, respectively.

Total deposits increased by \$168.6 million in Q3 2023 and by \$359.1 million over the past twelve months. The Bank funds its loan growth primarily with customer deposits and has built a diverse product set and deposit portfolio across a wide variety of customers and industries. The Bank also offers a number of services that can provide extended FDIC coverage. As of June 30, 2023, the percentage of uninsured and uncollateralized deposits to total deposits was 34%.

The Bank's primary on-balance sheet liquidity consists of cash and cash equivalents along with unpledged available for sale investment securities, which totaled \$266.4 million as of September 30, 2023. Additionally, the Bank maintains fully collateralized credit facilities with the Federal Home Loan Bank of Atlanta ("FHLB") and the Federal Reserve Bank of Richmond ("Federal Reserve"). As of September 30, 2023, the FHLB credit facility totaled \$235.5 million, with \$184.0 million of available borrowing capacity. As of September 30, 2023, the Federal Reserve discount window credit facility totaled \$100.5 million, and the Federal Reserve Bank Term Funding Program credit facility totaled \$17.0 million. The Bank has not borrowed against either of the Federal Reserve credit facilities nor does it anticipate borrowing against them in the near future. In aggregate, total primary on-balance sheet liquidity and total available borrowing capacity at the FHLB and Federal Reserve was 137% of the amount of uninsured deposits as of September 30, 2023.

About Dogwood State Bank

Dogwood State Bank is a North Carolina state-chartered community bank headquartered in Raleigh, North Carolina, with approximately \$1.47 billion in total assets. The Bank provides a wide range of banking products and services through its digital offerings and branch offices in Charlotte, Fayetteville, Greenville, Morehead City, Raleigh, Sanford, and Wilmington, North Carolina. The Bank also specializes in providing lending services to small businesses through its Dogwood State Bank Small Business Lending Division. For more information, visit DogwoodStateBank.com.

Disclosures About Forward Looking Statements

All statements in this Shareholder Update that are not historical are forward-looking statements within the meaning of the Securities Exchange Act of 1934, as amended. Forward-looking statements can be identified by words such as "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," "will" and similar references to future periods. Such forward-looking statements are subject to factors that could cause actual results to differ materially from those discussed. Dogwood State Bank wishes to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. These statements are not guarantees of future performance. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements. We do not undertake any obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Quarterly Financial Tables

Dogwood State Bank Income Statements

	Quarter Ended					Nine Months Ended	
	Sept 30 2023	Jun 30 2023	Mar 31 2023	Dec 31 2022	Sept 30 2022	Sept 30 2023	Sept 30 2022
(In thousands, except per share data)							
Net interest income	\$ 11,005	\$ 9,853	\$ 10,026	\$ 10,418	\$ 9,989	\$ 30,884	\$ 26,076
Provision for credit losses	1,063	1,725	738	826	863	3,526	1,884
Net interest income after provision	9,942	8,128	9,288	9,592	9,126	27,358	24,192
Non-interest income							
Government-guaranteed lending	2,362	2,155	2,066	1,736	2,159	6,583	8,104
Service charges and debit card income	345	358	353	333	337	1,056	978
Bank-owned life insurance	187	183	180	179	179	550	517
Securities gains (losses), net	94	(13)	(9)	(4)	(6)	72	12
Other	49	69	40	53	47	158	(169)
Total non-interest income	3,037	2,752	2,630	2,297	2,716	8,419	9,442
Non-interest expense							
Compensation and benefits	6,003	5,567	5,659	5,505	5,315	17,229	16,127
Occupancy and equipment	590	591	588	495	548	1,769	1,715
Software	346	359	327	313	246	1,032	694
Loan related costs	305	174	181	98	149	660	263
Data processing	263	247	255	269	290	765	875
Professional fees	250	236	243	259	201	729	587
FDIC insurance	222	169	104	75	117	495	368
Amortization of other intangible assets	24	31	38	44	51	93	173
Other	1,137	976	1,019	1,174	1,102	3,132	2,837
Total non-interest expense	9,140	8,350	8,414	8,232	8,019	25,904	23,639
Net income before income taxes	3,839	2,530	3,504	3,657	3,823	9,873	9,995
Income tax expense	902	550	707	827	856	2,159	2,230
Net income	\$ 2,937	\$ 1,980	\$ 2,797	\$ 2,830	\$ 2,967	\$ 7,714	\$ 7,765
Per Share Data:							
Earnings per share - basic	\$ 0.20	\$ 0.14	\$ 0.21	\$ 0.21	\$ 0.22	\$ 0.55	\$ 0.58
Earnings per share - diluted	\$ 0.20	\$ 0.13	\$ 0.20	\$ 0.20	\$ 0.21	\$ 0.52	\$ 0.55
Weighted average common shares - basic	14,329	14,329	13,605	13,483	13,483	14,092	13,403
Weighted average common shares - diluted	15,026	15,017	14,258	14,115	14,099	14,772	14,014
Pre-Tax, Pre-Provision Net Revenue	\$ 4,902	\$ 4,255	\$ 4,242	\$ 4,483	\$ 4,686	\$ 13,399	\$ 11,879
Performance Ratios:							
Return on average assets	0.87%	0.67%	1.00%	1.04%	1.14%	0.84%	1.05%
Return on average equity	7.32%	5.05%	8.08%	8.23%	8.76%	6.77%	7.93%
Return on tangible common equity	7.66%	5.29%	8.51%	8.69%	9.26%	7.10%	8.39%
Net interest margin	3.43%	3.50%	3.78%	4.06%	4.08%	3.56%	3.75%
Efficiency ratio	65.09%	66.24%	66.48%	64.74%	63.12%	65.91%	66.55%
Non-interest expense to average assets	2.71%	2.81%	3.00%	3.03%	3.09%	2.83%	3.19%

Dogwood State Bank
Balance Sheets

	Ending Balance				
	Sept 30 2023	Jun 30 2023	Mar 31 2023	Dec 31 2022	Sept 30 2022
(In thousands, except per share data)					
Assets					
Cash and due from banks	\$ 5,261	\$ 5,471	\$ 5,257	\$ 3,149	\$ 4,319
Interest-earning deposits with banks	220,206	105,237	71,310	36,734	31,850
Total cash and cash equivalents	225,467	110,708	76,567	39,883	36,169
Investment securities available for sale	40,887	39,565	40,810	41,042	40,248
Investment securities held to maturity	78,614	79,759	80,746	81,512	75,716
Marketable equity securities	324	230	243	252	255
Total investment securities	119,825	119,554	121,799	122,806	116,219
SBA loans held for sale	20,329	13,884	9,511	11,545	4,289
PPP loans	182	204	3,294	6,655	8,007
Loans, excluding PPP loans	1,036,454	995,989	904,557	876,123	819,465
Less allowance for credit losses	(11,385)	(11,204)	(10,235)	(8,728)	(8,304)
Loans, net	1,025,069	984,785	894,322	867,395	811,161
Bank-owned life insurance	27,257	27,069	26,887	26,707	26,528
Premises and equipment, net	19,522	18,648	17,515	17,376	15,486
SBA servicing asset	3,913	3,879	3,603	3,168	3,381
Goodwill	7,016	7,016	7,016	7,016	7,016
Other intangible assets, net	33	58	89	126	170
Other assets	19,845	16,714	14,511	15,579	12,883
Total assets	\$ 1,468,458	\$ 1,302,519	\$ 1,175,114	\$ 1,118,256	\$ 1,041,309
Liabilities and Shareholders' Equity					
Deposits:					
Noninterest-bearing	\$ 390,018	\$ 308,418	\$ 283,469	\$ 315,804	\$ 321,088
Interest-bearing	844,914	757,903	659,062	588,113	554,718
Total deposits	1,234,932	1,066,321	942,531	903,917	875,806
FHLB advances	50,000	60,000	60,000	60,000	15,000
Lease obligations	11,416	10,602	9,538	9,730	8,184
Other liabilities	12,012	7,937	7,216	6,692	8,106
Total liabilities	1,308,360	1,144,860	1,019,285	980,339	907,096
Shareholders' equity					
Common stock (\$1 par value)	14,695	14,695	14,678	13,828	13,808
Additional paid-in capital	132,113	131,859	131,562	116,129	115,656
Retained earnings	19,473	16,536	14,556	13,199	10,369
Accumulated other comprehensive loss	(6,183)	(5,431)	(4,967)	(5,239)	(5,620)
Total shareholders' equity	160,098	157,659	155,829	137,917	134,213
Total liabilities and shareholders' equity	\$ 1,468,458	\$ 1,302,519	\$ 1,175,114	\$ 1,118,256	\$ 1,041,309
Per Share Information:					
Shares outstanding	14,695	14,695	14,678	13,828	13,808
Book value per share	\$ 10.89	\$ 10.73	\$ 10.62	\$ 9.97	\$ 9.72
Tangible book value per share (non-GAAP)	\$ 10.42	\$ 10.25	\$ 10.13	\$ 9.46	\$ 9.20
Capital Ratios:					
Tier 1 leverage	11.75%	12.92%	13.38%	12.45%	12.71%
Common equity Tier 1 capital	14.01%	14.28%	15.52%	14.20%	14.56%
Tier 1 risk-based capital	14.01%	14.28%	15.52%	14.20%	14.56%
Total risk-based capital	15.13%	15.41%	16.67%	15.14%	15.50%
Tangible common equity (non-GAAP)	10.47%	11.62%	12.73%	11.77%	12.28%

Dogwood State Bank
Asset Quality Measures

(In thousands)	Quarter Ended				
	Sept 30 2023	Jun 30 2023	Mar 31 2023	Dec 31 2022	Sept 30 2022
Nonperforming Assets:					
Non-accrual loans	\$ 1,731	\$ 1,918	\$ 1,025	\$ 1,019	\$ 693
Loans 90 days or more past due and accruing	-	-	989	302	466
Other real estate owned	-	-	-	-	-
Total nonperforming assets	<u>\$ 1,731</u>	<u>\$ 1,918</u>	<u>\$ 2,014</u>	<u>\$ 1,321</u>	<u>\$ 1,159</u>
Asset Quality Ratios:					
Nonperforming loans/loans	0.17%	0.19%	0.22%	0.15%	0.14%
Nonperforming assets/total assets	0.12%	0.15%	0.17%	0.12%	0.11%
Nonperforming assets/loans and other real estate owned	0.17%	0.19%	0.22%	0.15%	0.14%
Loans 30 days or more past due/loans (excludes non-accruals)	0.05%	0.04%	0.25%	0.22%	0.07%
Allowance for Credit Losses:					
Balance, beginning of period	\$ 11,204	\$ 10,235	\$ 8,728	\$ 8,304	\$ 7,631
CECL adjustment	-	-	1,156	-	-
Loans charged off	(792)	(787)	(218)	(402)	(191)
Recoveries of loans previously charged off	29	7	10	-	1
Net loans charged off	(763)	(780)	(208)	(402)	(190)
Provision for loan losses	944	1,749	559	826	863
Balance, end of period	<u>\$ 11,385</u>	<u>\$ 11,204</u>	<u>\$ 10,235</u>	<u>\$ 8,728</u>	<u>\$ 8,304</u>
Reserve for unfunded commitments:					
Balance, beginning of period	\$ 901	\$ 925	\$ 162	\$ 152	\$ 136
CECL adjustment	-	-	583	-	-
Provision for unfunded commitments	119	(24)	180	10	16
Balance, end of period	<u>\$ 1,020</u>	<u>\$ 901</u>	<u>\$ 925</u>	<u>\$ 162</u>	<u>\$ 152</u>
Allowance for Credit Losses Ratios:					
Allowance for credit losses/loans	1.10%	1.12%	1.13%	1.00%	1.01%
Allowance for credit losses/nonperforming loans	657.71%	584.15%	508.19%	660.71%	716.48%
Net charge-offs/average loans (annualized)	0.30%	0.33%	0.09%	0.19%	0.09%

Dogwood State Bank
Net Interest Margin Analysis

	Quarter Ended								
	September 30, 2023			June 30, 2023			September 30, 2022		
	Average Balance	Income/Expense	Yield/Rate	Average Balance	Income/Expense	Yield/Rate	Average Balance	Income/Expense	Yield/Rate
<i>(Dollars in thousands)</i>									
Interest-Earning Assets:									
Loans, excluding PPP loans	\$ 1,022,342	\$ 15,959	6.19%	\$ 942,095	\$ 13,929	5.93%	\$ 801,012	\$ 9,634	4.77%
PPP loans	195	-	1.00%	1,284	66	20.62%	11,064	243	8.71%
Investment securities	119,534	840	2.79%	120,947	808	2.68%	116,869	710	2.41%
Interest-earning deposits with banks	131,977	1,712	5.15%	63,947	738	4.63%	42,840	207	1.92%
Total interest-earning assets	1,274,048	18,511	5.76%	1,128,273	15,541	5.52%	971,785	10,794	4.41%
Non interest-earning assets	65,619			63,779			59,190		
Total assets	\$ 1,339,667			\$ 1,192,052			\$ 1,030,975		
Interest-Bearing Liabilities:									
Interest-bearing demand	\$ 109,731	\$ 254	0.92%	\$ 104,857	\$ 214	0.82%	\$ 125,437	\$ 51	0.16%
Savings and money market	448,059	4,199	3.72%	369,055	2,769	3.01%	320,045	447	0.55%
Time	225,987	2,489	4.37%	196,181	1,865	3.81%	96,830	204	0.84%
Total interest-bearing deposits	783,777	6,942	3.51%	670,093	4,848	2.90%	542,312	702	0.51%
FHLB advances	50,435	505	3.97%	67,253	779	4.65%	10,598	54	2.02%
Lease obligations	10,606	59	2.21%	9,453	61	2.59%	8,276	49	2.35%
Total interest-bearing liabilities	844,818	7,506	3.52%	746,799	5,688	3.05%	561,186	805	0.57%
Non-interest bearing deposits	326,827			280,580			328,411		
Other liabilities	8,813			7,374			6,995		
Shareholders' equity	159,209			157,299			134,383		
Total liabilities and shareholders' equity	\$ 1,339,667			\$ 1,192,052			\$ 1,030,975		
Net interest income and interest rate spread		\$ 11,005	2.24%		\$ 9,853	2.47%		\$ 9,989	3.84%
Net interest margin			3.43%			3.50%			4.08%
Cost of funds			2.54%			2.22%			0.36%
Cost of deposits			2.48%			2.05%			0.32%

	Nine Months Ended					
	September 30, 2023			September 30, 2022		
	Average Balance	Income/Expense	Yield/Rate	Average Balance	Income/Expense	Yield/Rate
<i>(Dollars in thousands)</i>						
Interest-Earning Assets:						
Loans, excluding PPP loans	\$ 953,757	\$ 42,531	5.96%	\$ 715,500	\$ 24,050	4.49%
PPP loans	2,172	160	9.85%	27,481	1,452	7.06%
Investment securities	120,923	2,468	2.73%	115,556	1,874	2.17%
Interest-earning deposits with banks	82,880	2,980	4.81%	72,031	408	0.76%
Total interest-earning assets	1,159,732	48,139	5.55%	930,568	27,784	3.99%
Non interest-earning assets	63,575			58,785		
Total assets	\$ 1,223,307			\$ 989,353		
Interest-Bearing Liabilities:						
Interest-bearing demand	\$ 107,793	\$ 644	0.80%	\$ 115,239	\$ 126	0.15%
Savings and money market	392,687	9,079	3.09%	323,731	920	0.38%
Time	204,047	5,820	3.81%	103,505	451	0.58%
Total interest-bearing deposits	704,527	15,543	2.95%	542,475	1,497	0.37%
FHLB advances	46,667	1,540	4.41%	4,066	61	2.01%
Lease obligation	9,904	172	2.32%	8,421	150	2.38%
Total interest-bearing liabilities	761,098	17,255	3.03%	554,962	1,708	0.41%
Non-interest bearing deposits	302,112			297,296		
Other liabilities	7,709			6,145		
Shareholders' equity	152,388			130,950		
Total liabilities and shareholders' equity	\$ 1,223,307			\$ 989,353		
Net interest income and interest rate spread		\$ 30,884	2.52%		\$ 26,076	3.58%
Net interest margin			3.56%			3.75%
Cost of funds						2.17%
Cost of deposits						2.06%