



## Dogwood State Bank Reports Fourth Quarter and Full Year 2023 Results

Raleigh, North Carolina, February 1, 2024 – Dogwood State Bank (OTCQX: DSBX) today announced its financial results for the fourth quarter and year ended December 31, 2023.

### **Fourth Quarter and Full Year 2023 Highlights**

- Net income was \$2.9 million, or \$0.20 per diluted share, in Q4 2023
- Net income was \$10.6 million, or \$0.72 per diluted share, in 2023
- Pre-tax, pre-provision net revenue improved to \$5.4 million in Q4 2023
- Pre-tax, pre-provision net revenue improved to \$18.8 million in 2023
- Loans increased by \$212.6 million, or 24%, in 2023
- Deposits increased by \$290.4 million, or 32%, in 2023
- Tangible book value increased to \$10.71 per share as of December 31, 2023, which represents growth of 13% in 2023
- Hired banking team in Winston-Salem and Greensboro to expand into Piedmont Triad market

“2023 presented a unique and often challenging environment due to the Federal Reserve’s rapid interest rate escalation throughout the year. Dogwood’s performance continued along its growth trajectory despite the rapidly changing interest rate landscape, performing well across many key metrics leading into 2024,” commented Steve Jones, Chief Executive Officer. “Dogwood’s strategy has always centered around providing superior customer service and investing in experienced commercial banking teams. As we continue to focus on improving the customer and employee experience, while adding shareholder value, we added key markets to our franchise throughout the year expanding our footprint in the Carolinas. I’m excited about the opportunities of 2024 and the continued success of Dogwood.”

### **Q4 2023 Earnings Performance**

#### *Net Interest Income*

Net interest income was \$11.9 million in Q4 2023, an increase from \$10.4 million in Q4 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 \$1.38 billion in Q4 2023 from \$1.02 billion in Q4 2022. Average loans increased by \$211.9 million. Average investment securities balances increased by \$4.0 million. Average interest-earning cash balances increased by \$148.3 million due to an increase in deposits.

Net interest margin decreased to 3.42% in Q4 2023, compared to 4.06% in Q4 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.

### *Provision for Credit Losses and Asset Quality*

Provision for credit losses was \$1.6 million in Q4 2023, an increase from \$826 thousand in Q4 2022. The increase in provision expense was primarily due to a \$1.2 million reserve recorded on an SBA loan previously sold into the secondary market. This reserve was included in the allowance for credit losses on off-balance sheet credit exposures as of December 31, 2023. The Bank's allowance for credit losses to total loans was 1.09% as of December 31, 2023, compared to 1.10% as of September 30, 2023, and 0.99% as of December 31, 2022.

Nonperforming loans were 0.15% of total loans as of December 31, 2023, compared to 0.16% as of September 30, 2023, and 0.15% as of December 31, 2022. Annualized net charge offs decreased to 0.02% of average loans in Q4 2023, compared to 0.19% in Q4 2022. Substantially all charge offs recognized in 2023 have been related to unguaranteed portions of SBA loans.

### *Non-Interest Income*

Non-interest income was \$3.7 million in Q4 2023, an increase from \$2.3 million in Q4 2022. Most of this increase was due to a \$1.2 million gain recorded on the early payoff of \$50.0 million of term FHLB advances.

GGL lending income rose by \$102 thousand due to higher secondary market premiums on sales of guaranteed loans, partially offset by a decrease in the volume of guaranteed SBA 7(a) loans sold in the quarter. The increase in GGL lending income was also partially due to a \$130 thousand recovery of previous impairment on the SBA servicing asset in Q4 2023 versus a \$313 thousand impairment on the SBA servicing asset in Q4 2022.

Loan production under the SBA's 7(a) loan program totaled \$28.3 million in Q4 2023, compared to \$46.5 million in Q4 2022. Guaranteed balances of SBA loans sold totaled \$25.4 million in Q4 2023, compared to \$27.1 million in Q4 2022. The weighted average net premium on SBA loans sold in Q4 2023 was 8.14%, an increase from 7.74% in Q4 2022.

### *Non-Interest Expense*

Non-interest expense was \$10.2 million in Q4 2023, an increase from \$8.2 million in Q4 2022. A majority of the increase was related to compensation and benefits, which increased by \$1.4 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. Additionally, loan related costs increased by \$156 thousand due to the SBA business, and FDIC insurance expense rose by \$164 thousand due to deposit growth.

### *Income Taxes*

Income tax expense was \$865 thousand in Q4 2023, compared to \$827 thousand in Q4 2022. The effective tax rate was 22.8% in Q4 2023, which was slightly higher than the effective tax rate of 22.6% in Q4 2022.

## **Full Year 2023 Earnings Performance**

### *Net Interest Income*

Net interest income was \$42.8 million in 2023, an increase from \$36.5 million in 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 \$1.22 billion in 2023 from \$952.3 million in 2022. Average loans increased by \$212.7 million. Average investment securities balances increased by \$5.0 million, and average interest-earning cash balances increased by \$45.5 million. Net interest margin decreased to 3.52% in 2023, compared to 3.83% in 2022.

#### *Provision for Credit Losses and Asset Quality*

Provision for credit losses was \$5.2 million in 2023, an increase from \$2.7 million in 2022. The increase in provision expense was partially due to a \$1.2 million increase in net charge-offs and was also partially due to a \$1.2 million reserve recorded in 2023 on an SBA loan previously sold into the secondary market. This reserve was included in the allowance for credit losses on off-balance sheet credit exposures as of December 31, 2023.

#### *Non-Interest Income*

Non-interest income was \$12.1 million in 2023, an increase from \$11.7 million in 2022. This increase was primarily due to a \$1.2 million gain recorded on the early payoff of \$50.0 million of term FHLB advances. Also contributing to the increase was an improvement of \$368 thousand in other non-interest income which was driven by a one-time loss realized in 2022 from the sale of a pool of solar loans.

Partially offsetting the increase in non-interest income was a decline of \$1.4 million in SBA lending income. SBA 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 SBA lending income was partially offset by a \$301 thousand recovery of previous impairment on the SBA servicing asset in 2023 versus a \$797 thousand impairment on the SBA servicing asset in 2022.

Loan production under the SBA's 7(a) loan program totaled \$120.1 million in 2023, compared to \$180.1 million in 2022. Guaranteed balances of SBA loans sold totaled \$105.1 million in 2023, compared to \$114.8 million in 2022. The weighted average net premium on SBA loans sold in 2023 was 8.14%, compared to 9.22% in 2022.

#### *Non-Interest Expense*

Non-interest expense was \$36.1 million in 2023, an increase from \$31.9 million in 2022. Part of the increase was related to compensation and benefits, which increased by \$2.5 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 expenses increased by \$231 thousand due to technology investments, loan related costs increased by \$553 thousand due to the SBA business, and FDIC insurance expense rose by \$291 thousand due to deposit growth.

#### *Income Taxes*

Income tax expense was \$3.0 million in 2023, compared to \$3.1 million in 2022. The effective tax rate was 22.1% in 2023, which was slightly lower than an effective tax rate of 22.4% in 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 \$10.71 as of December 31, 2023, which was up by 13% in 2023. Further, the Common Equity Tier 1 ratio and Total Risk-Based Capital ratio were 13.47% and 14.65%, respectively, as of December 31, 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 \$290.4 million in 2023. 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 December 31, 2023, the percentage of uninsured and uncollateralized deposits to total deposits was 39%.

The Bank's primary on-balance sheet liquidity consists of cash and cash equivalents along with unpledged available for sale investment securities, which totaled \$177.9 million as of December 31, 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 December 31, 2023, the FHLB credit facility totaled \$234.3 million, with \$182.8 million of available borrowing capacity. As of December 31, 2023, the Federal Reserve discount window credit facility totaled \$112.4 million, and the Federal Reserve Bank Term Funding Program credit facility totaled \$16.8 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 105% of the amount of uninsured deposits as of December 31, 2023.

### **About Dogwood State Bank**

Dogwood State Bank is a North Carolina state-chartered community bank headquartered in Raleigh, North Carolina, with approximately \$1.43 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](http://DogwoodStateBank.com).

### **Forward-Looking Statements**

Statements made in this press release, other than those concerning historical financial information, may be considered forward-looking statements, which speak only as of the date of this press release and are based on current expectations and involve a number of assumptions. 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. Our ability to predict results, or the actual effect of future plans or strategies, is inherently uncertain. Factors that could have a material effect on the Bank's operations and future prospects include but are not limited to: the expected growth opportunities or cost savings from the proposed merger (the "merger") of Community First Bancorporation ("Community First") and Community First Bank, Inc. with and into the Bank may not be fully realized or may take longer to realize than expected; the businesses of the Bank and Community First may not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; deposit attrition, operating costs, customer losses and business disruption prior to and following the merger, including adverse effects on relationships with employees and customers, may be greater than expected; the regulatory and shareholder approvals required for the merger may not be obtained; changes in interest rates, general economic and business conditions; legislative/regulatory changes; the monetary and fiscal policies of the U.S. government, including policies of the U.S. Treasury and the Board of Governors of the Federal Reserve System; the quality and composition of the Bank's loan and securities portfolios; demand for loan products and other financial services in our market areas; inflation; deposit flows; competition; our implementation of new technologies and ability to develop and maintain secure and reliable electronic systems; changes in the securities markets; and changes in accounting principles, policies and guidelines. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. We undertake no obligation to update or clarify these forward-looking statements, whether as a result of new information, future events or otherwise.

## Quarterly Financial Tables

### Dogwood State Bank Income Statements

	Quarter Ended					Year Ended Dec 31	
	Dec 31 2023	Sept 30 2023	Jun 30 2023	Mar 31 2023	Dec 31 2022	Dec 31 2023	Dec 31 2022
(In thousands, except per share data)							
<b>Net interest income</b>	<b>\$ 11,899</b>	\$ 11,005	\$ 9,853	\$ 10,026	\$ 10,418	<b>\$ 42,783</b>	\$ 36,493
Provision for credit losses	<b>1,639</b>	1,063	1,725	738	826	<b>5,165</b>	2,710
Net interest income after provision	<b>10,260</b>	9,942	8,128	9,288	9,592	<b>37,618</b>	33,783
<b>Non-interest income</b>							
SBA lending	<b>1,838</b>	2,362	2,155	2,066	1,736	<b>8,421</b>	9,841
Service charges and debit card income	<b>343</b>	345	358	353	333	<b>1,399</b>	1,311
Bank-owned life insurance	<b>201</b>	187	183	180	179	<b>751</b>	696
Securities gains (losses), net	<b>5</b>	94	(13)	(9)	(4)	<b>77</b>	9
Gain on payoff of FHLB advances	<b>1,230</b>	-	-	-	-	<b>1,230</b>	-
Other	<b>93</b>	49	69	40	53	<b>251</b>	(117)
Total non-interest income	<b>3,710</b>	3,037	2,752	2,630	2,297	<b>12,129</b>	11,740
<b>Non-interest expense</b>							
Compensation and benefits	<b>6,910</b>	6,003	5,567	5,659	5,505	<b>24,139</b>	21,632
Occupancy and equipment	<b>634</b>	590	591	588	495	<b>2,403</b>	2,210
Software	<b>343</b>	346	359	327	313	<b>1,375</b>	1,144
Data processing	<b>245</b>	263	247	255	269	<b>1,010</b>	1,144
Loan related costs	<b>254</b>	305	174	181	98	<b>914</b>	361
Professional fees	<b>242</b>	250	236	243	259	<b>971</b>	881
FDIC insurance	<b>239</b>	222	169	104	75	<b>734</b>	443
Amortization of other intangible assets	<b>18</b>	24	31	38	44	<b>111</b>	217
Other	<b>1,287</b>	1,137	976	1,019	1,174	<b>4,419</b>	3,839
Total non-interest expense	<b>10,172</b>	9,140	8,350	8,414	8,232	<b>36,076</b>	31,871
Net income before income taxes	<b>3,798</b>	3,839	2,530	3,504	3,657	<b>13,671</b>	13,652
Income tax expense	<b>865</b>	902	550	707	827	<b>3,024</b>	3,057
Net income	<b>\$ 2,933</b>	\$ 2,937	\$ 1,980	\$ 2,797	\$ 2,830	<b>\$ 10,647</b>	\$ 10,595
<b>Per Share Data:</b>							
Earnings per share - basic	<b>\$ 0.20</b>	\$ 0.20	\$ 0.14	\$ 0.21	\$ 0.21	<b>\$ 0.75</b>	\$ 0.79
Earnings per share - diluted	<b>\$ 0.20</b>	\$ 0.20	\$ 0.13	\$ 0.20	\$ 0.20	<b>\$ 0.72</b>	\$ 0.75
Weighted average common shares - basic	<b>14,329</b>	14,329	14,329	13,605	13,483	<b>14,152</b>	13,423
Weighted average common shares - diluted	<b>15,039</b>	15,026	15,017	14,258	14,115	<b>14,839</b>	14,040
Pre-Tax, Pre-Provision Net Revenue	<b>\$ 5,437</b>	\$ 4,902	\$ 4,255	\$ 4,242	\$ 4,483	<b>\$ 18,836</b>	\$ 16,362
<b>Performance Ratios:</b>							
Return on average assets	<b>0.80%</b>	0.87%	0.67%	1.00%	1.04%	<b>0.83%</b>	1.05%
Return on average equity	<b>7.15%</b>	7.32%	5.05%	8.08%	8.23%	<b>6.87%</b>	8.01%
Return on tangible common equity	<b>7.48%</b>	7.66%	5.29%	8.51%	8.69%	<b>7.20%</b>	8.47%
Net interest margin	<b>3.42%</b>	3.43%	3.50%	3.78%	4.06%	<b>3.52%</b>	3.83%
Efficiency ratio	<b>65.17%</b>	65.09%	66.24%	66.48%	64.74%	<b>65.70%</b>	66.08%
Non-interest expense to average assets	<b>2.79%</b>	2.71%	2.81%	3.00%	3.03%	<b>2.82%</b>	3.15%

**Dogwood State Bank**
**Balance Sheets**

	Ending Balance				
	Dec 31 2023	Sept 30 2023	Jun 30 2023	Mar 31 2023	Dec 31 2022
(In thousands, except per share data)					
<b>Assets</b>					
Cash and due from banks	\$ 5,191	\$ 5,261	\$ 5,471	\$ 5,257	\$ 3,149
Interest-earning deposits with banks	<b>123,474</b>	220,206	105,237	71,310	36,734
Total cash and cash equivalents	<b>128,665</b>	225,467	110,708	76,567	39,883
Investment securities available for sale	<b>49,244</b>	40,887	39,565	40,810	41,042
Investment securities held to maturity	<b>77,557</b>	78,614	79,759	80,746	81,512
Marketable equity securities	<b>329</b>	324	230	243	252
Total investment securities	<b>127,130</b>	119,825	119,554	121,799	122,806
Loans held for sale	<b>15,274</b>	20,329	13,884	9,511	11,545
Loans	<b>1,095,339</b>	1,036,636	996,193	907,851	882,778
Less allowance for credit losses	<b>(11,943)</b>	(11,385)	(11,204)	(10,235)	(8,728)
Loans, net	<b>1,083,396</b>	1,025,251	984,989	897,616	874,050
Bank-owned life insurance	<b>27,458</b>	27,257	27,069	26,887	26,707
Premises and equipment, net	<b>18,707</b>	19,522	18,648	17,515	17,376
SBA servicing asset	<b>3,967</b>	3,913	3,879	3,603	3,168
Goodwill	<b>7,016</b>	7,016	7,016	7,016	7,016
Other intangible assets, net	<b>15</b>	33	58	89	126
Other assets	<b>20,060</b>	19,845	16,714	14,511	15,579
Total assets	<b>\$ 1,431,688</b>	\$ 1,468,458	\$ 1,302,519	\$ 1,175,114	\$ 1,118,256
<b>Liabilities and Shareholders' Equity</b>					
Deposits:					
Noninterest-bearing	\$ 291,910	\$ 390,018	\$ 308,418	\$ 283,469	\$ 315,804
Interest-bearing	<b>902,369</b>	844,914	757,903	659,062	588,113
Total deposits	<b>1,194,279</b>	1,234,932	1,066,321	942,531	903,917
FHLB advances	<b>50,000</b>	50,000	60,000	60,000	60,000
Lease obligations	<b>11,187</b>	11,416	10,602	9,538	9,730
Other liabilities	<b>11,719</b>	12,012	7,937	7,216	6,692
Total liabilities	<b>1,267,185</b>	1,308,360	1,144,860	1,019,285	980,339
<b>Shareholders' equity</b>					
Common stock (\$1 par value)	<b>14,710</b>	14,695	14,695	14,678	13,828
Additional paid-in capital	<b>132,373</b>	132,113	131,859	131,562	116,129
Retained earnings	<b>22,406</b>	19,473	16,536	14,556	13,199
Accumulated other comprehensive loss	<b>(4,986)</b>	(6,183)	(5,431)	(4,967)	(5,239)
Total shareholders' equity	<b>164,503</b>	160,098	157,659	155,829	137,917
Total liabilities and shareholders' equity	<b>\$ 1,431,688</b>	\$ 1,468,458	\$ 1,302,519	\$ 1,175,114	\$ 1,118,256
<b>Per Share Information:</b>					
Shares outstanding	<b>14,710</b>	14,695	14,695	14,678	13,828
Book value per share	\$ <b>11.18</b>	\$ 10.89	\$ 10.73	\$ 10.62	\$ 9.97
Tangible book value per share (non-GAAP)	\$ <b>10.71</b>	\$ 10.42	\$ 10.25	\$ 10.13	\$ 9.46
<b>Capital Ratios:</b>					
Tier 1 leverage	<b>11.05%</b>	11.72%	12.92%	13.38%	12.45%
Common equity Tier 1 capital	<b>13.47%</b>	13.97%	14.28%	15.52%	14.20%
Tier 1 risk-based capital	<b>13.47%</b>	13.97%	14.28%	15.52%	14.20%
Total risk-based capital	<b>14.65%</b>	15.08%	15.41%	16.67%	15.14%
Tangible common equity (non-GAAP)	<b>11.05%</b>	10.47%	11.62%	12.73%	11.77%

**Dogwood State Bank**  
**Asset Quality Measures**

(In thousands)	Quarter Ended					Year Ended	
	Dec 31	Sept 30	Jun 30	Mar 31	Dec 31	Dec 31	Dec 31
	2023	2023	2023	2023	2022	2023	2022
<b>Nonperforming Assets:</b>							
Non-accrual loans	\$ 1,670	\$ 1,684	\$ 1,918	\$ 1,025	\$ 1,019	\$ 1,608	\$ 1,019
Loans 90 days or more past due and accruing	-	-	-	989	302	-	302
Other real estate owned	-	-	-	-	-	-	-
Total nonperforming assets	<u>\$ 1,670</u>	<u>\$ 1,684</u>	<u>\$ 1,918</u>	<u>\$ 2,014</u>	<u>\$ 1,321</u>	<u>\$ 1,608</u>	<u>\$ 1,321</u>
<b>Asset Quality Ratios:</b>							
Nonperforming loans/loans	0.15%	0.16%	0.19%	0.22%	0.15%	0.15%	0.15%
Nonperforming assets/total assets	0.12%	0.11%	0.15%	0.17%	0.12%	0.12%	0.12%
Nonperforming assets/loans and other real estate owned	0.15%	0.16%	0.19%	0.22%	0.15%	0.15%	0.15%
Loans 30 days or more past due/loans (excludes non-accruals)	0.23%	0.05%	0.04%	0.25%	0.22%	0.23%	0.22%
<b>Allowance for Credit Losses (ACL):</b>							
<b>ACL on Loans:</b>							
Balance, beginning of period	\$ 11,385	\$ 11,204	\$ 10,235	\$ 8,728	\$ 8,304	\$ 8,728	\$ 6,625
CECL adjustment	-	-	-	1,156	-	1,156	-
Loans charged off	(81)	(792)	(787)	(218)	(402)	(1,878)	(608)
Recoveries of loans previously charged off	40	29	7	10	-	86	1
Net loans charged off	(41)	(763)	(780)	(208)	(402)	(1,792)	(607)
Provision for credit losses	599	944	1,749	559	826	3,851	2,710
Balance, end of period	<u>\$ 11,943</u>	<u>\$ 11,385</u>	<u>\$ 11,204</u>	<u>\$ 10,235</u>	<u>\$ 8,728</u>	<u>\$ 11,943</u>	<u>\$ 8,728</u>
<b>ACL on Off-Balance Sheet Credit Exposures:</b>							
Balance, beginning of period	\$ 1,020	\$ 901	\$ 925	\$ 162	\$ 152	\$ 162	\$ 135
CECL adjustment	-	-	-	583	-	583	-
Provision for credit losses	1,040	119	(24)	180	10	1,315	27
Balance, end of period	<u>\$ 2,060</u>	<u>\$ 1,020</u>	<u>\$ 901</u>	<u>\$ 925</u>	<u>\$ 162</u>	<u>\$ 2,060</u>	<u>\$ 162</u>
<b>Allowance for Credit Losses Ratios:</b>							
Allowance for credit losses/loans	1.09%	1.10%	1.12%	1.13%	0.99%	1.09%	0.99%
Allowance for credit losses/nonperforming loans	715.15%	676.07%	584.15%	508.19%	660.71%	715.15%	660.71%
Net charge-offs/average loans (annualized)	0.02%	0.30%	0.33%	0.09%	0.19%	0.18%	0.08%

**Dogwood State Bank**  
**Net Interest Margin Analysis**

	Quarter Ended								
	December 31, 2023			September 30, 2023			December 31, 2022		
	Average Balance	Income/Expense	Yield/Rate	Average Balance	Income/Expense	Yield/Rate	Average Balance	Income/Expense	Yield/Rate
<i>(Dollars in thousands)</i>									
<b>Interest-Earning Assets:</b>									
Loans	\$ 1,069,322	\$ 16,928	6.28%	\$ 1,022,537	\$ 15,959	6.19%	\$ 857,373	\$ 11,420	5.28%
Investment securities	123,736	936	3.00%	119,534	840	2.79%	119,732	768	2.54%
Interest-earning deposits with banks	188,078	2,500	5.27%	131,977	1,712	5.15%	39,794	324	3.23%
Total interest-earning assets	1,381,136	20,364	5.85%	1,274,048	18,511	5.76%	1,016,899	12,512	4.88%
Non interest-earning assets	67,793			65,619			62,183		
Total assets	\$ 1,448,929			\$ 1,339,667			\$ 1,079,082		
<b>Interest-Bearing Liabilities:</b>									
Interest-bearing demand	\$ 136,211	\$ 393	1.14%	\$ 109,731	\$ 254	0.92%	\$ 125,929	\$ 125	0.39%
Savings and money market	564,607	5,751	4.04%	448,059	4,199	3.72%	330,399	1,083	1.30%
Time	177,134	1,962	4.39%	225,987	2,489	4.37%	108,065	436	1.60%
Total interest-bearing deposits	877,952	8,106	3.66%	783,777	6,942	3.51%	564,393	1,644	1.16%
FHLB advances	28,424	292	4.08%	50,435	505	3.97%	39,402	402	4.05%
Lease obligations	11,316	67	2.35%	10,606	59	2.21%	9,001	48	2.12%
Total interest-bearing liabilities	917,692	8,465	3.66%	844,818	7,506	3.52%	612,796	2,094	1.36%
Non-interest bearing deposits	357,065			326,827			321,915		
Other liabilities	11,469			8,813			7,949		
Shareholders' equity	162,703			159,209			136,422		
Total liabilities and shareholders' equity	\$ 1,448,929			\$ 1,339,667			\$ 1,079,082		
Net interest income and interest rate spread		\$ 11,899	2.19%		\$ 11,005	2.24%		\$ 10,418	3.53%
Net interest margin			3.42%			3.43%			4.06%
Cost of funds			2.63%			2.54%			0.89%
Cost of deposits			2.60%			2.48%			0.74%

	Year Ended					
	December 31, 2023			December 31, 2022		
	Average Balance	Income/Expense	Yield/Rate	Average Balance	Income/Expense	Yield/Rate
<i>(Dollars in thousands)</i>						
<b>Interest-Earning Assets:</b>						
Loans	\$ 984,510	\$ 59,618	6.06%	\$ 771,814	\$ 36,921	4.78%
Investment securities	121,632	3,405	2.80%	116,608	2,642	2.27%
Interest-earning deposits with banks	109,396	5,480	5.01%	63,906	733	1.15%
Total interest-earning assets	1,215,538	68,503	5.64%	952,328	40,296	4.23%
Non interest-earning assets	64,638			59,642		
Total assets	\$ 1,280,176			\$ 1,011,970		
<b>Interest-Bearing Liabilities:</b>						
Interest-bearing demand	\$ 114,956	\$ 1,037	0.90%	\$ 117,933	\$ 251	0.21%
Savings and money market	436,020	14,831	3.40%	325,412	2,003	0.62%
Time	197,264	7,781	3.94%	104,655	887	0.85%
Total interest-bearing deposits	748,240	23,649	3.16%	548,000	3,141	0.57%
FHLB advances	42,069	1,831	4.35%	12,973	463	3.57%
Lease obligation	10,260	240	2.34%	8,567	199	2.32%
Total interest-bearing liabilities	800,569	25,720	3.21%	569,540	3,803	0.67%
Non-interest bearing deposits	315,963			303,501		
Other liabilities	8,657			6,599		
Shareholders' equity	154,987			132,330		
Total liabilities and shareholders' equity	\$ 1,280,176			\$ 1,011,970		
Net interest income and interest rate spread		\$ 42,783	2.42%		\$ 36,493	3.56%
Net interest margin			3.52%			3.83%
Cost of funds			2.30%			0.44%
Cost of deposits			2.22%			0.37%