

**Marquette National Corporation and Subsidiaries**  
**Consolidated Financial Statements**  
**(Unaudited)**  
**March 31, 2024**

**Marquette National Corporation and Subsidiaries**  
**Financial Highlights**  
**(Unaudited)**

*(in thousands, except share and per share data)*

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**Balance Sheet**

	<u>3/31/24</u>	<u>12/31/23</u>	<u>Percent Change</u>
Total assets	\$2,162,790	\$2,142,039	1%
Total loans, net	1,419,779	1,410,345	1%
Total deposits	1,723,041	1,709,750	1%
Total stockholders' equity	165,229	159,053	4%
Shares outstanding	4,381,112	4,381,162	0%
Book value per share	\$37.71	\$36.30	4%
Tangible book value per share	\$29.65	\$28.24	5%

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**Operating Results**

	<u>Three Months Ended March 31, 2024</u>	<u>2023</u>	<u>Percent Change</u>
Net interest income	\$11,025	\$13,327	-17%
Provision for credit losses	200	22	809%
Realized securities gains (loss), net	215	(32)	*
Unrealized holding gains on equity securities and exchange traded funds	9,860	6,494	52%
Other income	4,331	3,734	16%
Other expense	13,835	13,421	3%
Income tax expense	2,930	2,667	10%
Net income	8,466	7,413	14%
Basic earnings per share	\$1.93	\$1.70	14%
Weighted average shares outstanding	4,381,148	4,358,435	*
Cash dividends declared per share	\$0.28	\$0.28	0%
Comprehensive income	\$7,404	\$12,097	-39%

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\* *Not meaningful*

**Marquette National Corporation and Subsidiaries**  
**Consolidated Balance Sheets**  
**(Unaudited)**  
*(in thousands, except share data)*

	<u>3/31/24</u>	<u>12/31/23</u>
<b>Assets</b>		
Cash and due from banks	\$ 33,441	\$ 29,517
Interest-bearing deposits with banks	122,719	131,048
Total cash and cash equivalents	<u>156,160</u>	<u>160,565</u>
Debt securities available for sale, at fair value (amortized cost of \$416,373 and \$405,670)	367,758	358,540
Debt securities held to maturity, at cost	1,461	1,463
Equity securities and exchange traded funds, at fair value	63,200	52,710
Federal Home Loan Bank and Federal Reserve Bank stock, at cost	7,851	7,851
Loans held for sale	666	2,294
Loans	1,434,132	1,424,611
Less: Allowance for credit losses	<u>(14,353)</u>	<u>(14,266)</u>
Loans, net	1,419,779	1,410,345
Premises and equipment, net	45,697	46,245
Bank owned life insurance	51,337	50,309
Goodwill	35,348	35,348
Other real estate owned	-	497
Accrued interest receivable and other assets	<u>13,533</u>	<u>15,872</u>
<b>Total assets</b>	<u><u>\$ 2,162,790</u></u>	<u><u>\$ 2,142,039</u></u>
<b>Liabilities</b>		
Deposits		
Noninterest-bearing	\$ 316,956	\$ 323,673
Interest-bearing	1,406,085	1,386,077
Total deposits	<u>1,723,041</u>	<u>1,709,750</u>
Securities sold under agreements to repurchase	110,443	108,170
Borrowed funds	92,000	92,000
Junior subordinated notes issued to capital trusts	56,702	56,702
Accrued interest payable and other liabilities	<u>15,375</u>	<u>16,364</u>
<b>Total liabilities</b>	<u>1,997,561</u>	<u>1,982,986</u>
<b>Stockholders' Equity</b>		
Preferred stock: \$.01 par value; shares authorized: 150,000 at March 31, 2024 and December 31, 2023; shares issued: none at March 31, 2024 and December 31, 2023	-	-
Common stock: \$.01 par value; shares authorized: 6,000,000 at March 31, 2024 and December 31, 2023; shares issued: 4,381,112 at March 31, 2024 and 4,381,162 at December 31, 2023	44	44
Surplus	38,739	38,740
Retained earnings	161,201	153,962
Deferred compensation	1,277	1,277
Accumulated other comprehensive loss, net of tax	(34,755)	(33,693)
Less: Treasury stock, at cost, 49,817 shares in 2024 and 2023	<u>(1,277)</u>	<u>(1,277)</u>
<b>Total stockholders' equity</b>	<u>165,229</u>	<u>159,053</u>
<b>Total liabilities and stockholders' equity</b>	<u><u>\$ 2,162,790</u></u>	<u><u>\$ 2,142,039</u></u>

See accompanying notes to unaudited consolidated financial statements.

**Marquette National Corporation and Subsidiaries**  
**Consolidated Statements of Income**  
**(Unaudited)**

*(in thousands, except share and per share data)*

	<b>Three Months Ended March 31,</b>	
	<b><u>2024</u></b>	<b><u>2023</u></b>
<b>Interest and Dividend Income</b>		
Loans, including fees:		
Taxable	\$ 15,650	\$ 14,969
Exempt from federal income tax	0	1
Securities:		
Taxable	1,853	1,893
Exempt from federal income tax	88	183
Dividends	126	136
Federal Home Loan Bank and Federal Reserve Bank stock	145	91
Federal funds sold and interest-bearing deposits with banks	1,666	392
<b>Total interest income and dividends</b>	<u>19,528</u>	<u>17,665</u>
<b>Interest Expense</b>		
Deposits	5,631	1,933
Securities sold under agreements to repurchase	866	592
Borrowed funds	999	937
Junior subordinated notes issued to capital trusts	1,007	876
<b>Total interest expense</b>	<u>8,503</u>	<u>4,338</u>
<b>Net interest income</b>	<u>11,025</u>	<u>13,327</u>
Provision for credit losses	200	22
<b>Net interest income after provision for credit losses</b>	<u>10,825</u>	<u>13,305</u>
<b>Other Income</b>		
Service charges on deposit accounts	1,188	1,190
Income from trust services	470	485
Mortgage banking revenue, net	187	124
Wealth management product fees	470	508
Income from bank owned life insurance	1,028	384
Realized securities gains (loss), net	215	(32)
Unrealized holding gains on equity securities and exchange traded funds	9,860	6,494
Other operating income	988	1,043
<b>Total other income</b>	<u>14,406</u>	<u>10,196</u>
<b>Other Expense</b>		
Salaries and employee benefits	7,247	6,916
Net occupancy expense	1,845	1,759
Equipment expense	278	306
Other real estate owned (income) expense, net	(6)	6
Data processing expense	1,294	1,241
Professional and legal services	587	581
Advertising and promotion expenses	231	204
FDIC insurance premiums	361	246
Other operating expenses	1,998	2,162
<b>Total other expense</b>	<u>13,835</u>	<u>13,421</u>
<b>Income before income taxes</b>	<u>11,396</u>	<u>10,080</u>
Income tax expense	2,930	2,667
<b>Net income</b>	<u><u>\$ 8,466</u></u>	<u><u>\$ 7,413</u></u>
Basic earnings per share	\$ 1.93	\$ 1.70
Weighted average shares outstanding	4,381,148	4,358,435

*See accompanying notes to unaudited consolidated financial statements.*

**Marquette National Corporation and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**(Unaudited)**  
*(in thousands)*

	<b>Three Months Ended March 31,</b> <b><u>2024</u></b>	<b><u>2023</u></b>
<b>Net income</b>	<u>\$ 8,466</u>	<u>\$ 7,413</u>
<b>Other comprehensive income (loss):</b>		
Unrealized holding gains (loss) on debt securities arising during the period	(1,485)	6,520
Related tax effect	<u>423</u>	<u>(1,859)</u>
Unrealized gains (loss) on debt securities, net of tax	<u>(1,062)</u>	<u>4,661</u>
Reclassification adjustment for realized debt securities net loss during the period	-	(32)
Related tax effect	<u>-</u>	<u>9</u>
Net after tax reclassification adjustment	<u>-</u>	<u>(23)</u>
<b>Other comprehensive income (loss), net of tax</b>	<u>(1,062)</u>	<u>4,684</u>
<b>Comprehensive income</b>	<u><u>\$ 7,404</u></u>	<u><u>\$ 12,097</u></u>

*See accompanying notes to unaudited consolidated financial statements.*

**Marquette National Corporation and Subsidiaries**  
**Consolidated Statements of Changes in Stockholders' Equity**  
**(Unaudited)**  
*(in thousands, except share data)*

	<b>Common</b>		<b>Retained</b>	<b>Deferred</b>	<b>Accumulated Other Comprehensive</b>	<b>Treasury</b>	
	<b><u>Stock</u></b>	<b><u>Surplus</u></b>	<b><u>Earnings</u></b>	<b><u>Compensation</u></b>	<b><u>(Loss)</u></b>	<b><u>Stock</u></b>	<b><u>Total</u></b>
<b>Balance, January 1, 2024</b>	<b>\$44</b>	<b>\$38,740</b>	<b>\$153,962</b>	<b>\$1,277</b>	<b>(\$33,693)</b>	<b>(\$1,277)</b>	<b>\$159,053</b>
Net income	-	-	8,466	-	-	-	8,466
Other comprehensive (loss), net of tax	-	-	-	-	(1,062)	-	(1,062)
Cash dividends declared on common stock	-	-	(1,227)	-	-	-	(1,227)
Cost of common shares repurchased (50 shares of common stock reverting to authorized unissued status)	-	(1)	-	-	-	-	(1)
Deferred compensation	-	-	-	-	-	-	-
<b>Balance, March 31, 2024</b>	<b>\$44</b>	<b>\$38,739</b>	<b>\$161,201</b>	<b>\$1,277</b>	<b>(\$34,755)</b>	<b>(\$1,277)</b>	<b>\$165,229</b>

*See accompanying notes to unaudited consolidated financial statements.*

**Marquette National Corporation and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**(Unaudited)**  
*(in thousands)*

	<b>Three Months Ended March 31,</b>	
	<b><u>2024</u></b>	<b><u>2023</u></b>
<b>Operating Activities</b>		
Net income	\$ 8,466	\$ 7,413
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred loan fees and costs, net	104	90
Premium amortization on securities, net	355	484
Provision for credit losses	200	22
Origination of loans held for sale	(8,477)	(7,402)
Proceeds from sale of loans originated for sale	10,292	5,210
Gain on sale of loans originated for sale	(187)	(124)
Earnings on bank owned life insurance	(1,028)	(384)
Realized securities (gains) loss, net	(215)	32
Unrealized holding (gain) on equity securities and exchange traded funds	(9,860)	(6,494)
Unrealized holding gain on equity options	(114)	-
Depreciation and amortization	683	705
Gain on sales of other real estate owned	(13)	-
Deferred income tax benefit (expense)	(2,772)	(1,910)
Decrease in accrued interest receivable and other assets	2,304	3,589
Increase (decrease) in accrued interest payable and other liabilities	1,752	(790)
<b>Net cash provided by operating activities</b>	<b><u>1,490</u></b>	<b><u>441</u></b>
<b>Investing Activities</b>		
Securities:		
Proceeds from maturities, pay downs and calls	7,596	12,294
Proceeds from sales	573	5,084
Purchases	(19,641)	(5,282)
Purchase of Federal Home Loan Bank stock	-	(274)
Net increase in loans	(9,740)	(12,150)
Purchases of premises and equipment	(100)	(769)
Proceeds from sales of other real estate owned	511	-
Proceeds from sales of equity options	570	-
<b>Net cash used in investing activities</b>	<b><u>(20,231)</u></b>	<b><u>(1,097)</u></b>
<b>Financing Activities</b>		
Net increase in deposits	13,291	20,234
Net increase in securities sold under agreements to repurchase	2,273	4,445
Net increase in borrowed funds	-	1,000
Cash dividends paid on common stock	(1,227)	(1,220)
Issuance of common stock	-	403
Repurchase of common stock	(1)	(36)
<b>Net cash provided by financing activities</b>	<b><u>14,336</u></b>	<b><u>24,826</u></b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b><u>(4,405)</u></b>	<b><u>24,170</u></b>
<b>Cash and cash equivalents at beginning of period</b>	<b><u>160,565</u></b>	<b><u>53,852</u></b>
<b>Cash and cash equivalents at end of period</b>	<b><u>\$ 156,160</u></b>	<b><u>\$ 78,022</u></b>
<b>Supplemental disclosures:</b>		
Interest paid	\$ 8,424	\$ 3,457
Income taxes paid	-	-
<b>Supplemental schedule of non-cash investing and financing activities:</b>		
Loans transferred to other real estate owned	\$ 2	\$ -
Common stock cash dividends declared and unpaid	1,227	1,223

*See accompanying notes to unaudited consolidated financial statements.*

**Marquette National Corporation and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

**NOTE 1 – General**

The unaudited consolidated financial statements of Marquette National Corporation and Subsidiaries (the "Company") have been prepared in accordance with United States generally accepted accounting principles ("GAAP") for interim financial information. Accordingly, they do not include all the information and footnotes required by GAAP for annual year-end financial statements.

All adjustments consisting of normal recurring accruals which are, in the opinion of management, necessary for fair presentation of the interim consolidated financial statements have been included and fairly and accurately present the financial position, results of operations and cash flows of the Company. These financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Company's Consolidated Financial Statements for the year ended December 31, 2023. Operating results for the three months ended March 31, 2024, are not necessarily indicative of the results that may be expected for the year ending December 31, 2024.