



# 1Q 2024

## Overview and Financial Results

# Forward Looking Statements & Additional Disclosures

This news release contains a number of forward-looking statements. These statements may be identified by the use of words such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “likely,” “may,” “outlook,” “plan,” “potential,” “predict,” “project,” “should,” “will,” “would” and similar terms and phrases, including references to assumptions. Forward-looking statements are based upon various assumptions and analyses made by the Company in light of management’s experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate under the circumstances. These statements are not guaranties of future performance and are subject to risks, uncertainties and other factors (many of which are beyond the Company’s control) that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. You should not place undue reliance on such statements. Factors that could affect our results include, without limitation, the following: the timing and occurrence or non-occurrence of events may be subject to circumstances beyond the Company’s control; increases in competitive pressure among financial institutions or from non-financial institutions may occur; changes in the interest rate environment may reduce interest margins; changes in deposit flows, loan demand or real estate values may adversely affect the business of the Company and the Bank; significant increases in loan losses may occur; the possibility that changes in accounting principles, policies or guidelines may cause the Company’s financial condition to be perceived differently; changes in corporate and/or individual income tax laws may adversely affect the Company’s financial condition or results of operations; general economic conditions, either nationally or locally in some or all areas in which the Company conducts business, the effects of the COVID-19 pandemic, and of other widespread outbreaks of disease or pandemics, together with related impacts on general economic conditions, including adverse impacts on our customers’ ability to make timely payments on their loans from us, reduced fee income due to reduced loan origination activity, reductions in or absence of gains on loan sales due to uncertainty in the loan sale market, and increased operating expense due to required changes in how we conduct our business may adversely affect us; conditions in the securities markets or the banking industry may be less favorable than the Company currently anticipates; legislation or regulatory changes may adversely affect the Company’s business; technological changes may be more difficult or expensive to implement or accommodate than the Company anticipates; there may be failures or breaches of information technology security systems; success or consummation of new business initiatives may be more difficult or expensive than the Company anticipates; or litigation or matters before regulatory agencies, whether currently existing or commencing in the future, may delay the occurrence or non-occurrence of events longer than the Company anticipates. The Company undertakes no obligation to revise any forward-looking statement contained herein to reflect any future events or circumstances, except to the extent required by law.

# Balance Sheet Highlights

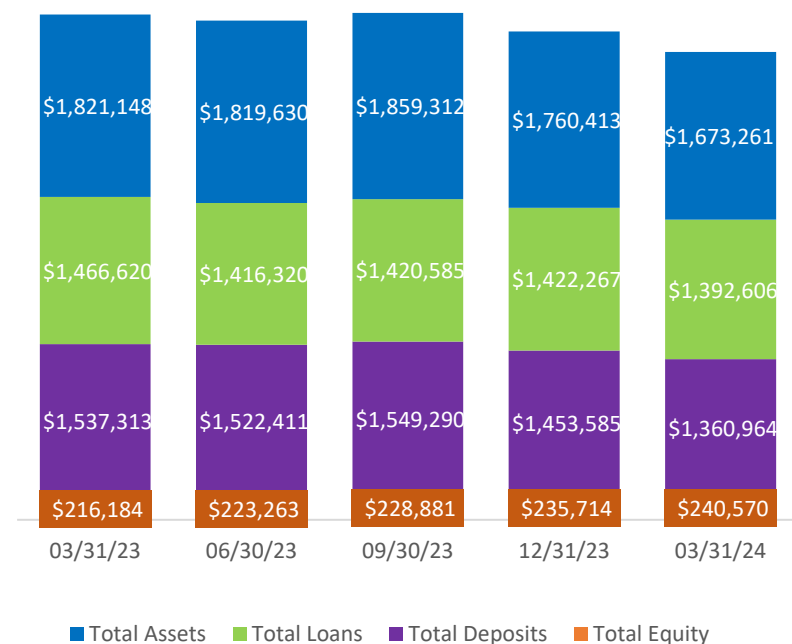
(\$ In thousands)

	03/31/23	06/30/23	09/30/23	12/31/23	03/31/24
Total Assets	\$1,821,148	\$1,819,630	\$1,859,312	\$1,760,413	\$1,673,261
Loans Receivable <sup>1</sup>	1,466,620	1,416,320	1,420,585	1,422,267	1,392,606
Core Deposits	1,007,497	1,006,662	1,031,384	955,584	908,060
Total Deposits	1,537,313	1,522,411	1,549,290	1,453,585	1,360,964
Total Equity	216,184	223,263	228,881	235,714	240,570
TE/Tangible Assets	11.75%	12.15%	12.19%	13.27%	14.25%
Total RBC Ratio	17.37%	18.32%	18.83%	19.30%	19.92%

<sup>1</sup> Includes loans held-for-sale

## Balance Sheet Highlights

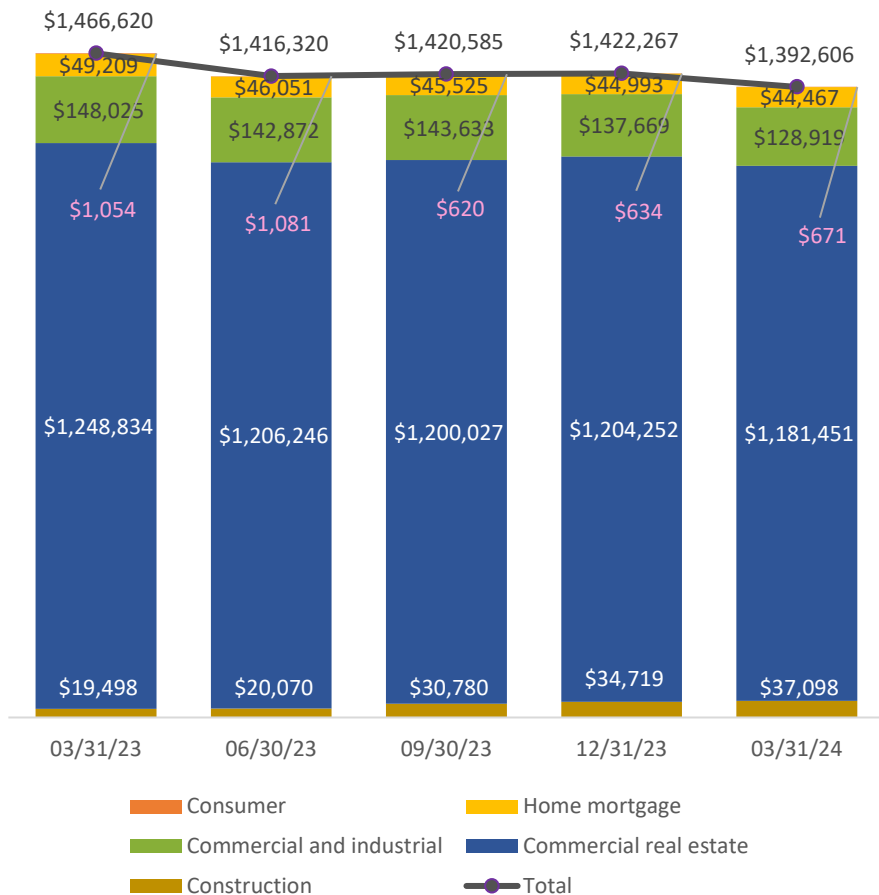
(\$ In thousands)



# Loan Trends

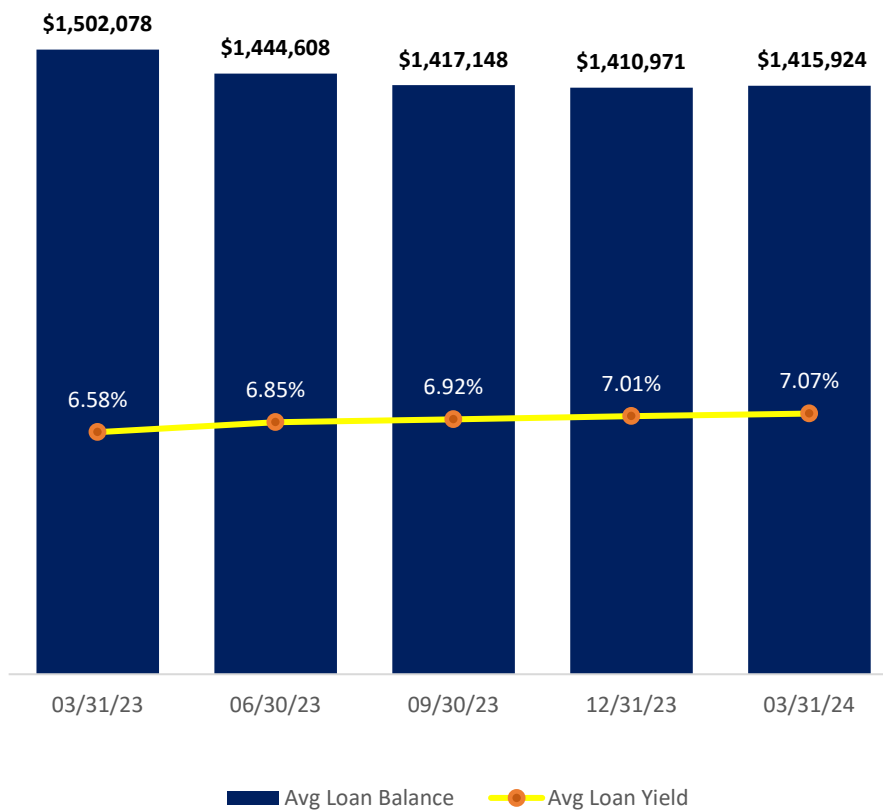
## Loan Composition

(\$ In thousands)



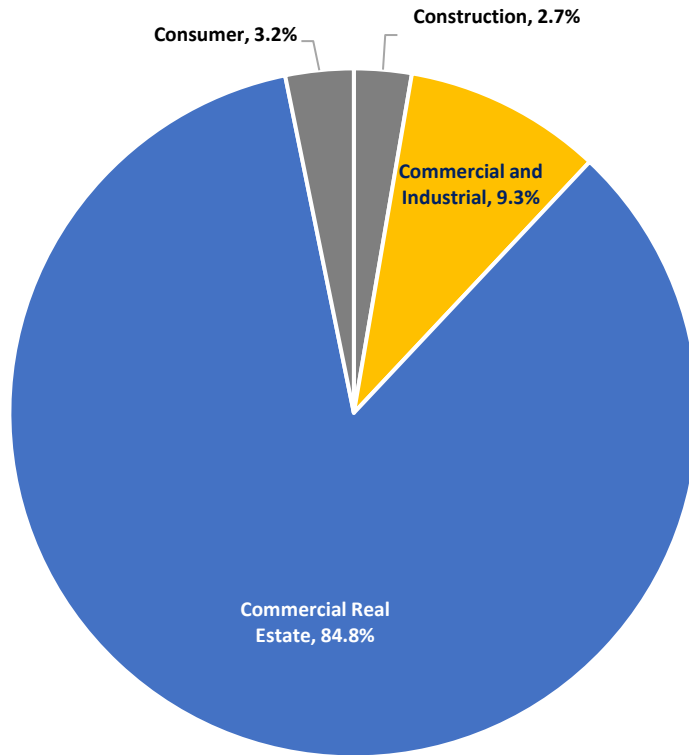
## Average Loan Balance & Average Loan Yield

(\$ In thousands)

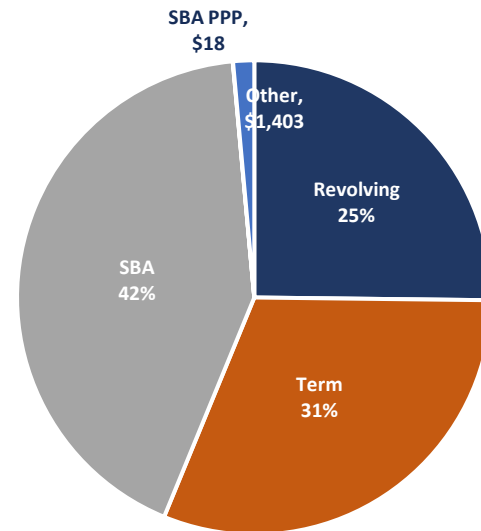


# Loan Composition

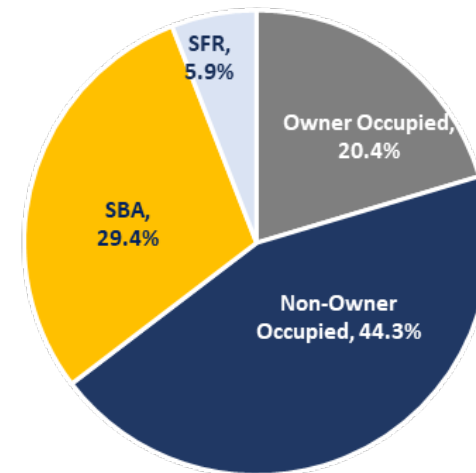
Total Gross Loan Composition



Total C&I Loan Composition

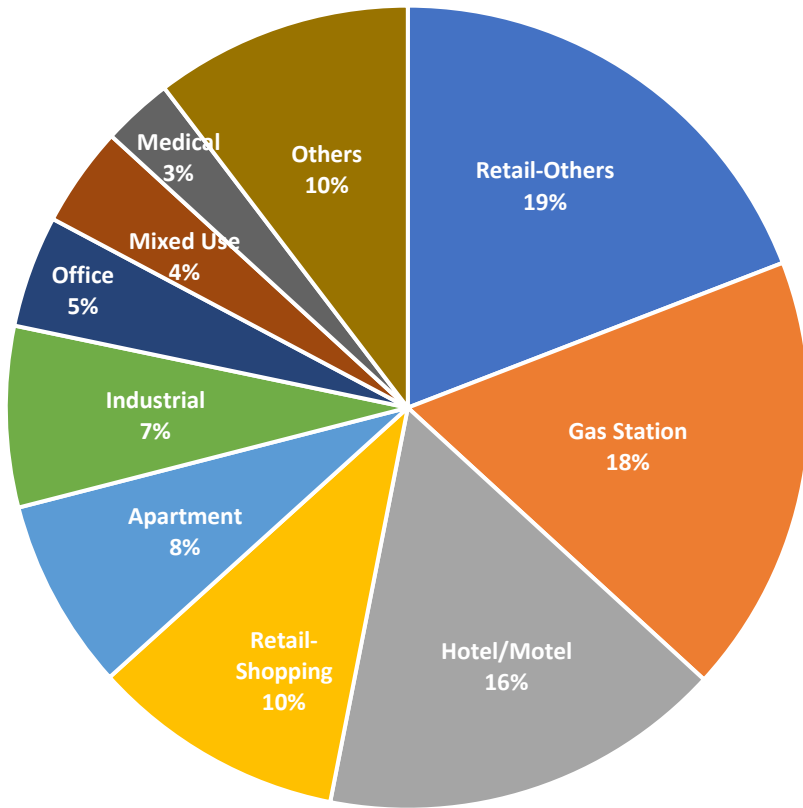


Total CRE Loan Composition



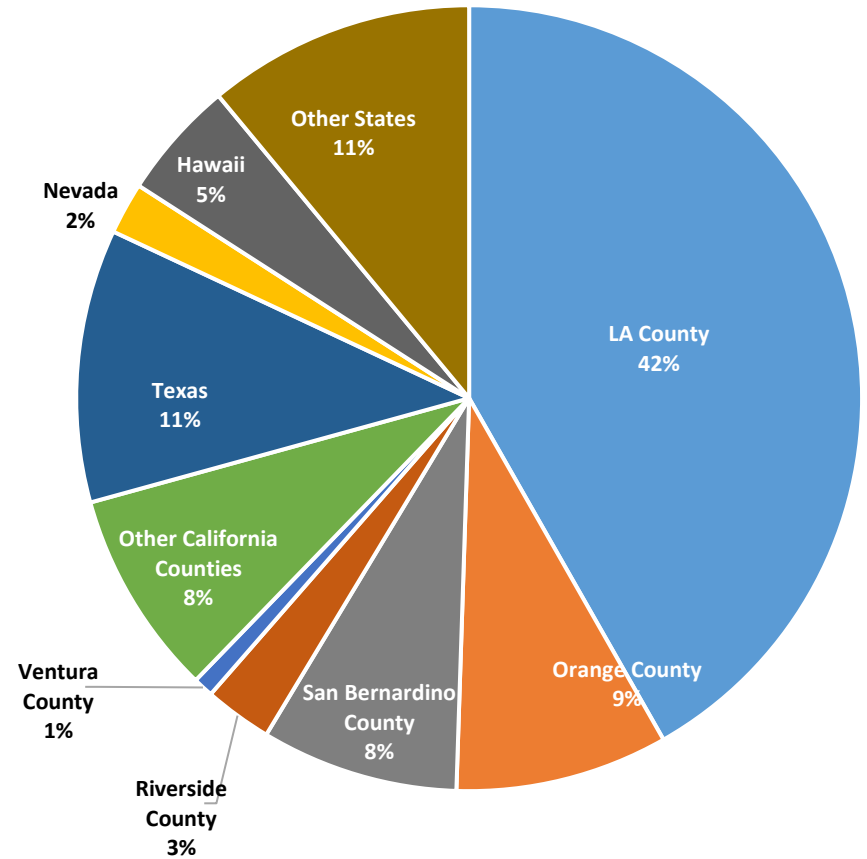
# CRE Loan Stratification

Composition By Property Type



\* Based on collateral type

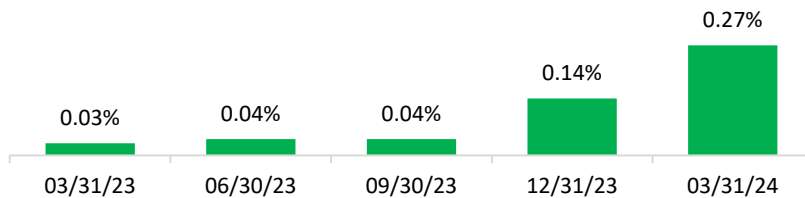
Composition By Location



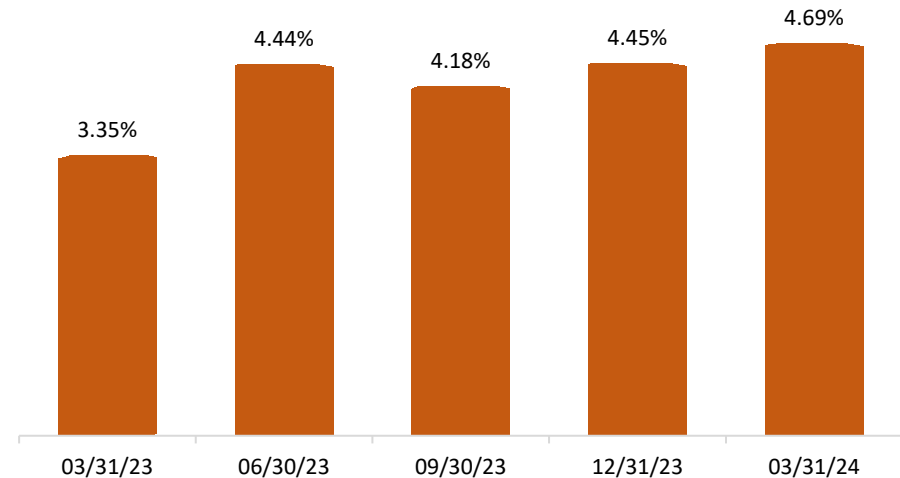
\* Based on collateral type

# Asset Quality Trends

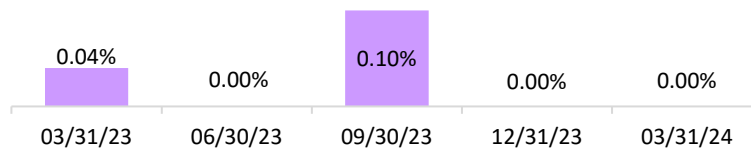
Nonperforming Assets<sup>1</sup> / Total Assets



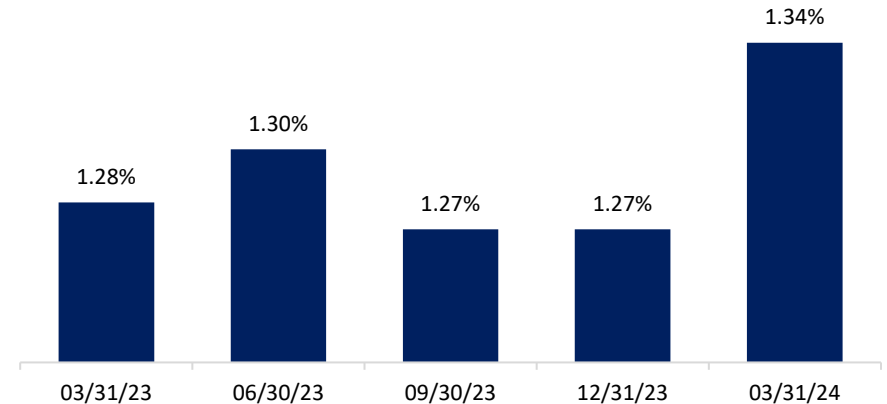
Classified Assets<sup>1</sup> / Capital



Net Charge-Offs / Avg Loans

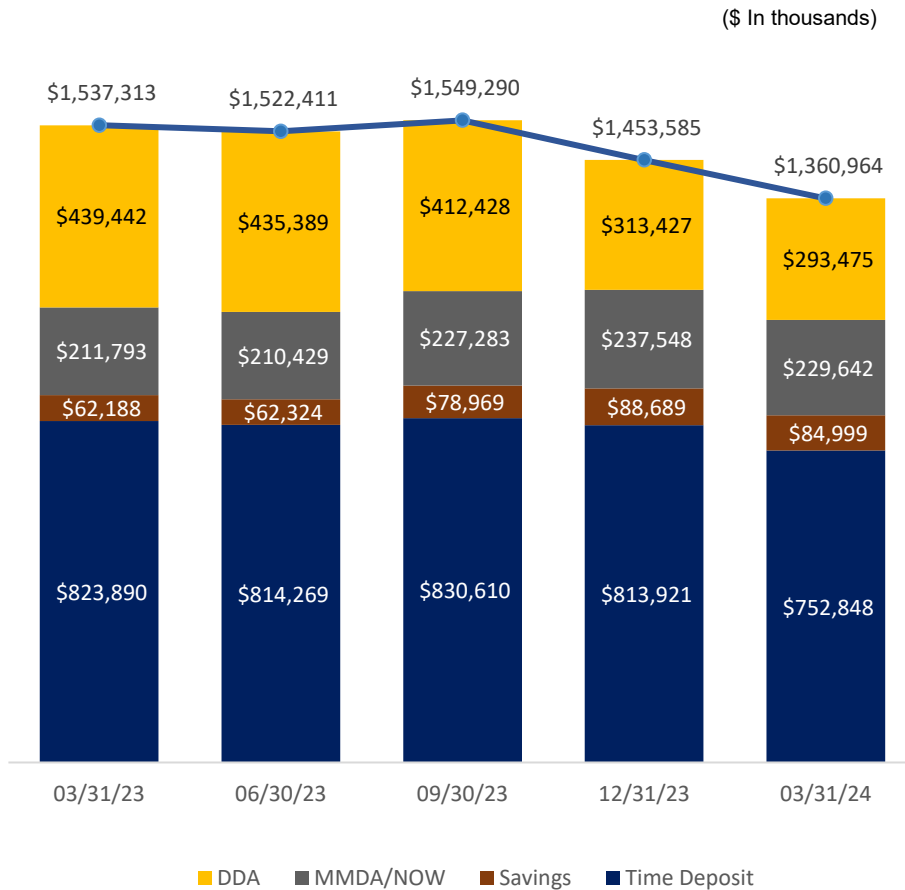


Allowance for Credit Loss / Loans Held for Investment

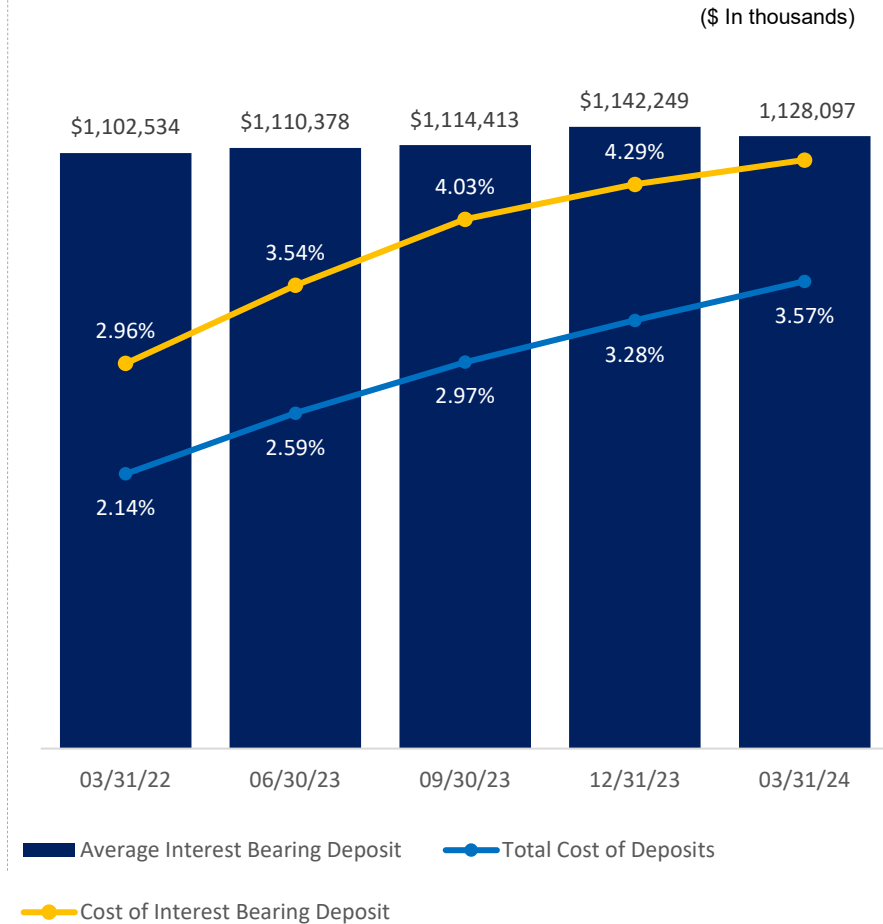


# Deposit Trends

## Deposit Composition



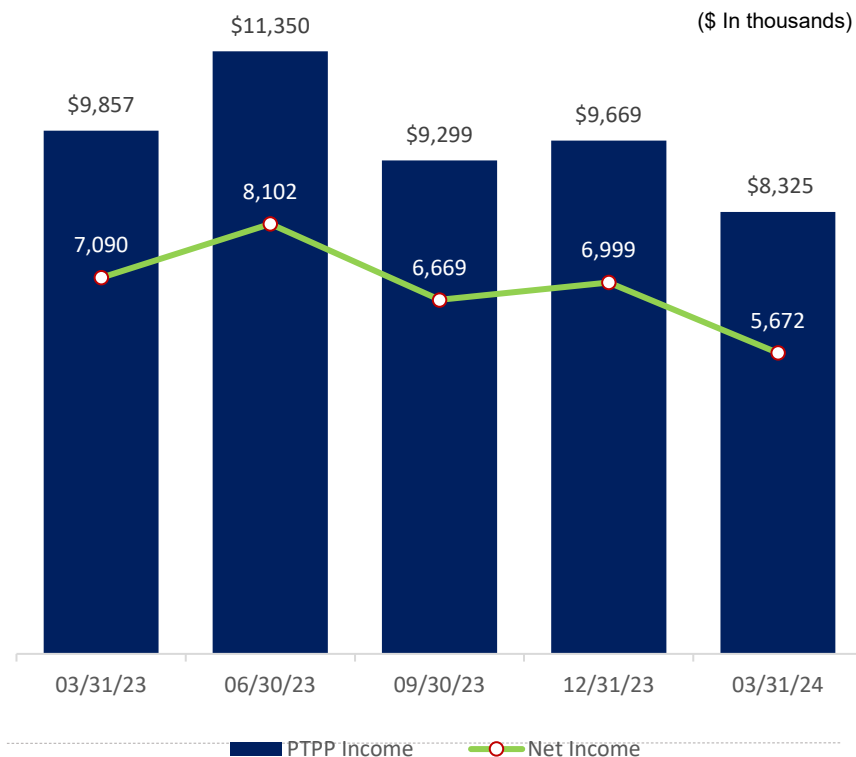
## Average Interest Bearing Deposits & Cost of Deposits





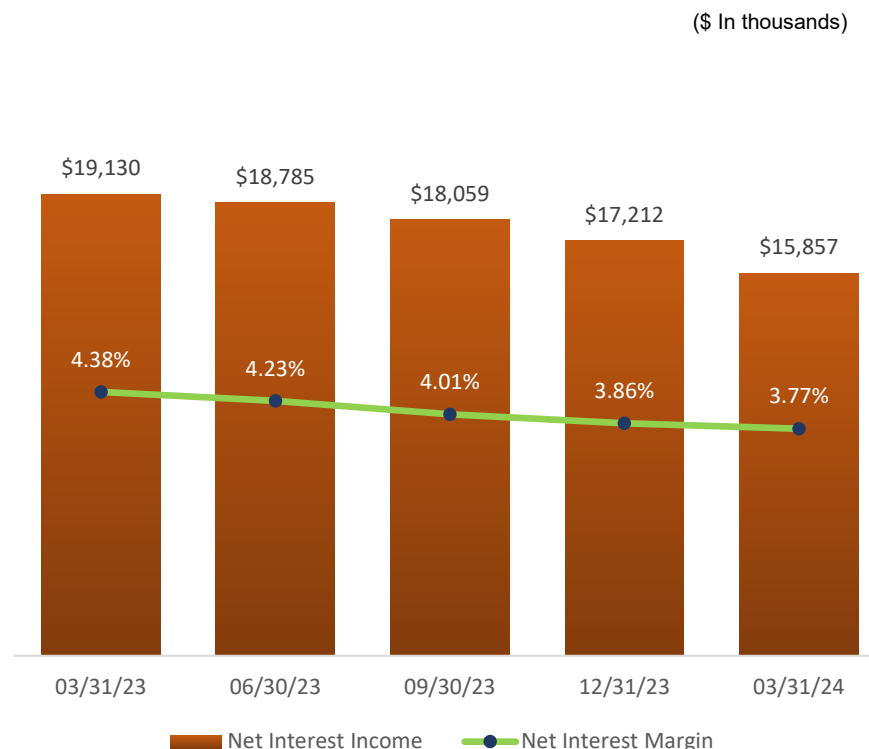
# Pre-Tax Pre-Provision (PTPP) Income, Net Income, NII, and NIM

PTPP Income & Net Income



- ❖ PTPP income and net income for the first quarter 2024 decreased from the fourth quarter 2023, primarily driven by lower net interest income.

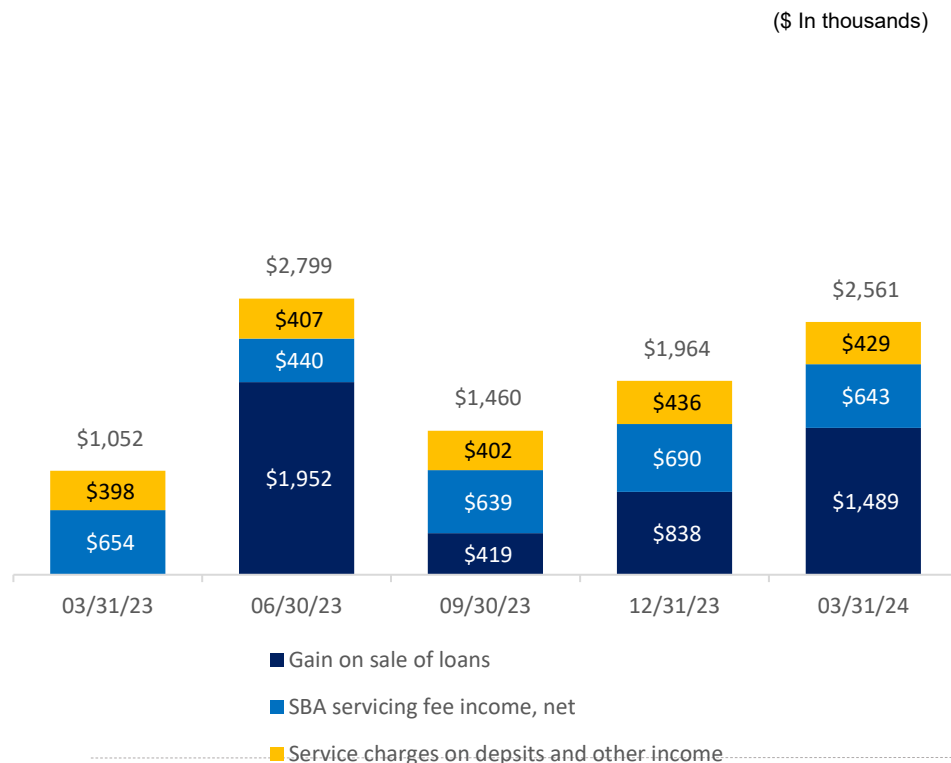
Net Interest Income<sup>1</sup> & Net Interest Margin



- ❖ The net interest income for the first quarter 2024 decreased by \$1.4 million Q-o-Q, driven by the impact of relatively higher increases in interest expenses on deposits.
- ❖ The NIM for the first quarter 2024 decreased by 0.09% Q-o-Q, attributable to the rising cost of funds.

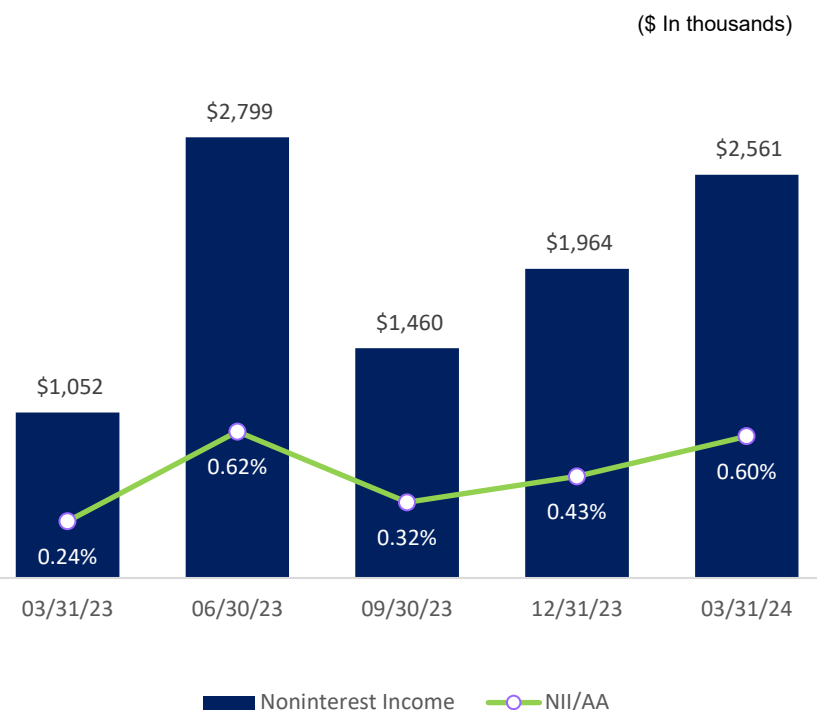
# Noninterest Income and NII/AA

## Noninterest Income



- ❖ The noninterest income for the first quarter 2024 increased by \$0.6 million Q-o-Q, primarily due to higher gain on sales of SBA loans. There were no sales of SBA loans during the first quarter 2023.

## Noninterest Income & NII/AA<sup>1</sup>

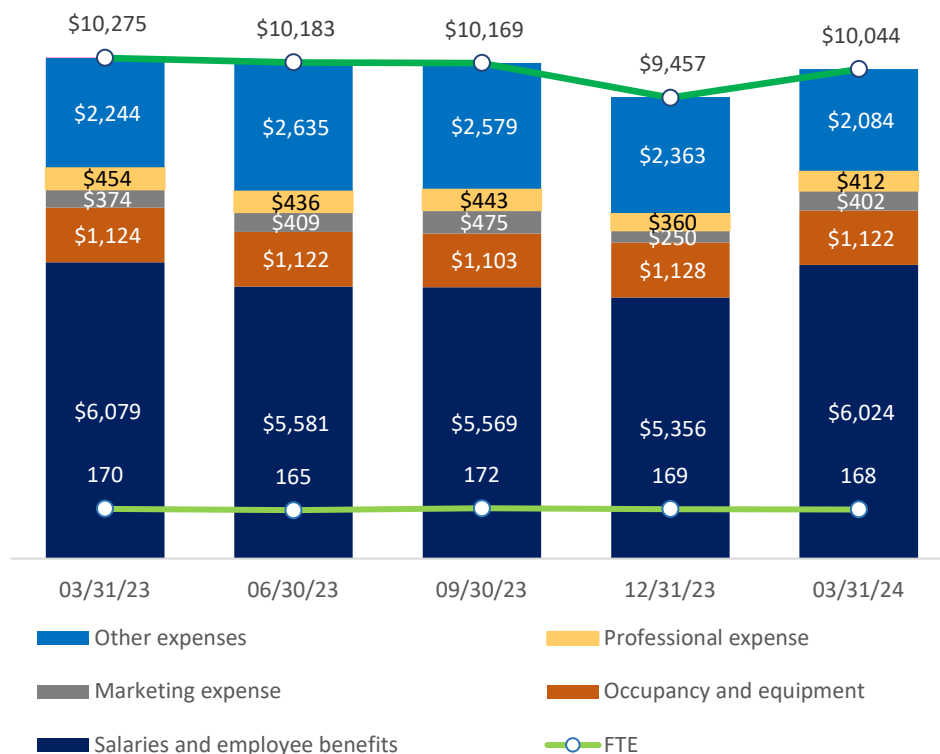


- ❖ The NII/AA for the first quarter 2024 increased by 0.17% Q-o-Q, primarily due to higher gain on sales of SBA loans. The average assets decreased by \$78.6 million, or 4.4%, compared to the prior quarter.

# Noninterest Expense and NIE/AA

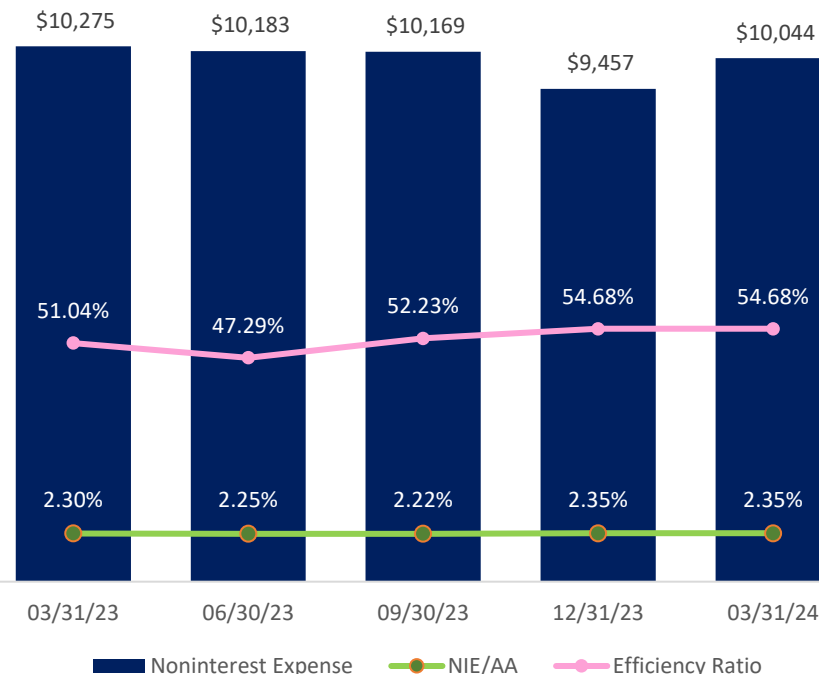
## Noninterest Expense & FTE

(\$ In thousands)



## Noninterest Expense, Efficiency Ratio & NIE/AA<sup>1</sup>

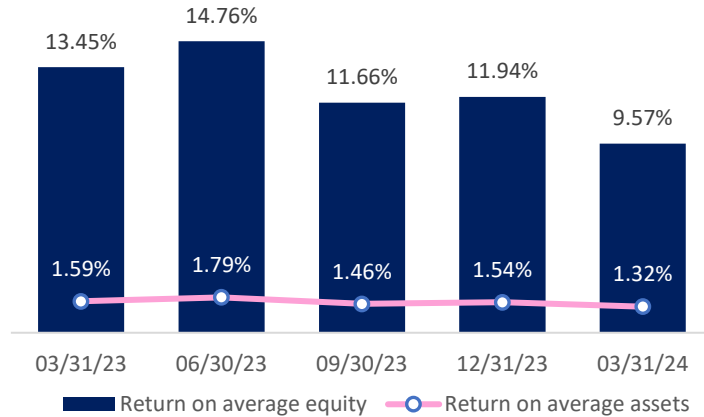
(\$ In thousands)



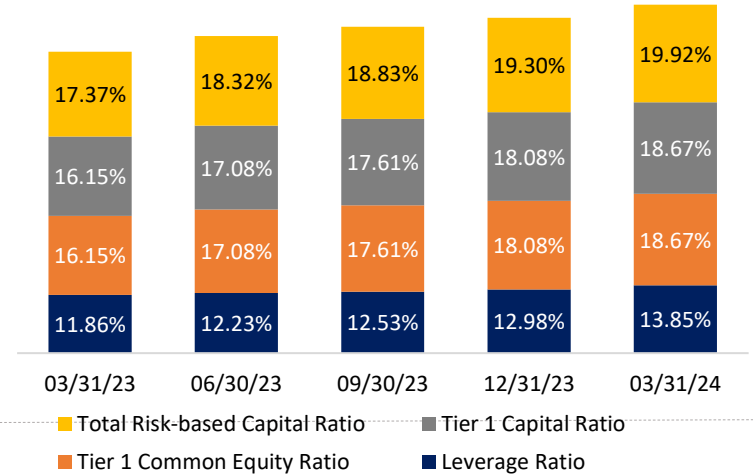
❖ The noninterest expense for the first quarter 2024 was \$10.0 million, compared to \$9.5 million in the fourth quarter of 2023 and \$10.3 million in the first quarter 2023. Salaries and employee benefits totaled \$6.0 million for the first quarter, compared to \$5.4 million in the fourth quarter 2023 and \$6.1 million for the first quarter 2023.

# Strong Capital Trend

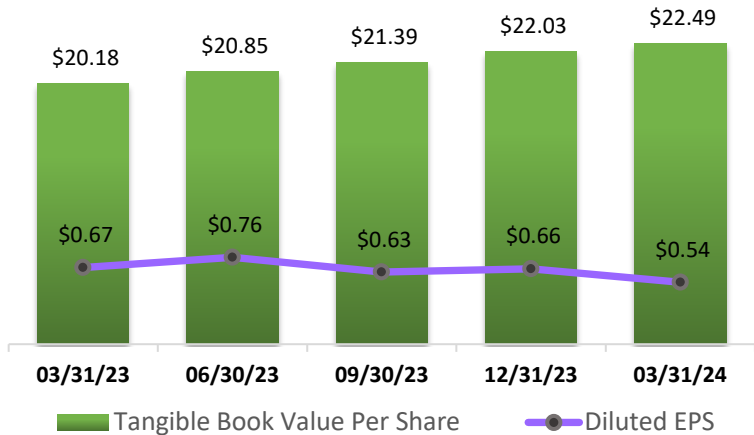
## ROAA and ROAE



## Capital Ratios



## TBVPS and EPS



- ❖ Capital ratios have been increasing over the past quarters.
- ❖ Growing Tangible Book Value Per share of \$22.49, up \$0.46 per share or 2.1% compared to \$22.03 in the fourth quarter 2023, and up \$2.31 per share, or 11.5% compared to \$20.18 in the first quarter 2023.