

Investor Presentation

Q3 2024



**PRIME
MERIDIAN**
HOLDING COMPANY

FORWARD LOOKING STATEMENTS

This Presentation, including information incorporated herein by reference, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “may,” “could,” “should,” “would,” “believe,” “anticipate,” “estimate,” “expect,” “intend,” “plan,” “project,” “is confident that,” and similar expressions are intended to identify these forward-looking statements. These forward-looking statements involve risk and uncertainty and a variety of factors could cause our actual results and experience to differ materially from the anticipated results or other expectations expressed in these forward-looking statements. We do not have a policy of updating or revising forward looking statements except as otherwise required by law, and silence by management over time should not be construed to mean that actual events are occurring as estimated in such forward-looking statements.

Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors that could have a material adverse effect on our operations and the operations of our subsidiary, Prime Meridian Bank, include, but are not limited to, changes in:

- risk factors named in the Prospectus
- general economic conditions
- legislative/regulatory changes
- monetary and fiscal policies of the U.S. Government
- the quality and composition of our loan or investment portfolios
- competition
- demand for loan and deposit products
- demand for financial services in our primary trade area
- litigation, tax, and other regulatory matters
- accounting principles and guidelines
- other economic, competitive, governmental, regulatory, or technological factors affecting us

The factors listed above should not be construed as exhaustive. A number of important factors could cause actual results to differ materially from those indicated by the forward-looking statements. Information on these factors can be found in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, and other reports and statements Prime

Meridian Holding Company has filed with the Securities and Exchange Commission which are available at its website (www.sec.gov). We do not have a policy of updating or revising forward-looking statements except as otherwise required by law, and silence by management over time should not be construed to mean that actual events are occurring as estimated in such forward-looking statements.

About Non-GAAP Financial Measures

Certain of the financial measures and ratios we present including “pre-tax, pre-provision (PTPP) operating earnings,” “PTPP return on average common equity,” “PTPP return on average assets,” and “adjusted average loan yield” are supplemental measures that are not required by, or are not presented in accordance with, U.S. generally accepted accounting principles (GAAP). We refer to those financial measures and ratios as “non-GAAP financial measures.” We consider the use of select non-GAAP financial measures and ratios to be useful for financial and operational decision making and useful in evaluating period-to-period comparisons. We believe that these non-GAAP financial measures provide meaningful supplemental information regarding our performance by excluding certain expenditures or assets that we believe are not indicative of our primary business operating results.

We believe that management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting, analyzing and comparing past, present, and future periods.

These non-GAAP measures should not be considered a substitute for financial information presented in accordance with GAAP and you should not rely on non-GAAP financial measures alone as measures of our performance. The non-GAAP financial measures we present may differ from non-GAAP financial measures used by our peers or other companies. We compensate for these limitations by providing the equivalent GAAP measures whenever we present the non-GAAP financial measures and by including a reconciliation of the impact of the components adjusted for in the non-GAAP financial measure so that both measures and the individual components may be considered when analyzing our performance. A reconciliation of non-GAAP financial measures is included at the end of the financial statement tables.

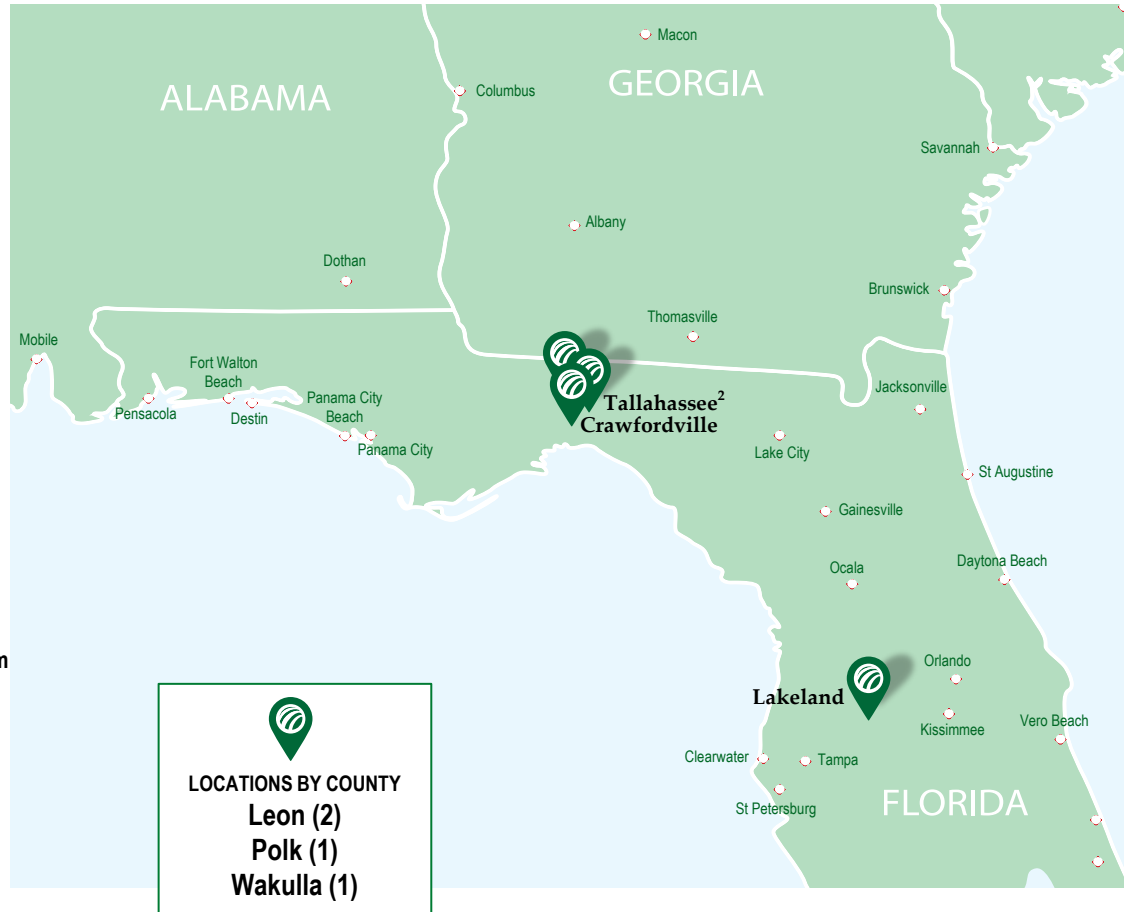
GLOSSARY OF TERMS

- Q1-21 or Q1 2021 – First Quarter of 2021
- Q2-21 or Q2 2021 – Second Quarter of 2021
- Q3-21 or Q3 2021 – Third Quarter of 2021
- Q4-21 or Q4 2021 – Fourth Quarter of 2021
- Q1-22 or Q1 2022 – First Quarter of 2022
- Q2-22 or Q2 2022 – Second Quarter of 2022
- Q3-22 or Q3 2022 – Third Quarter of 2022
- Q4-22 or Q4 2022 – Fourth Quarter of 2022
- Q1-23 or Q1 2023 – First Quarter of 2023
- Q2-23 or Q2 2023 – Second Quarter of 2023
- Q3-23 or Q3 2023 – Third Quarter of 2023
- Q4-23 or Q4 2023 – Fourth Quarter of 2023
- Q1-24 or Q1 2024 – First Quarter of 2024
- Q2-24 or Q2 2024 – Second Quarter of 2024
- Q3-24 or Q3 2024 – Third Quarter of 2024
- 2023Y – Fiscal Year 2023
- 2022Y – Fiscal Year 2022
- 2021Y – Fiscal Year 2021
- Annualized – Calculated to reflect a rate based on a full year
- ACL – Allowance for Credit losses
- CAGR – Compound annual growth rate
- CECL – Current Expected Credit Losses
- COF – Cost of funds
- COVID-19 – Pandemic-related virus
- CRE – Commercial real estate
- Efficiency ratio – Ratio of noninterest expense to sum of total net interest income and noninterest income
- FTE – Full time equivalent
- GAAP – Generally accepted accounting principles
- MM – Dollars in millions
- NPA – Nonperforming assets
- NPL – Nonperforming loans
- OTCQX – OTC Exchange
- PMB – Prime Meridian Bank
- PMHG – Prime Meridian Holding Company
- PPP – SBA's Paycheck Protection Program related to COVID-19
- PTPP – Pre-tax pre-provision
- ROAA – Return on average assets
- ROAE – Return on average equity
- SBA – Small Business Administration

COMPANY PROFILE

Q3 2024 Overview

Ticker	PMHG (OTCQX)
Market Capitalization	\$84.0 million (as of 9/30/2024)
Price / TBV⁽¹⁾	94.9% (as of 9/30/2024)
Assets	\$931.6 Million
Loans, net	\$687.1 Million
Deposits	\$824.0 Million
Shareholders' Equity	\$88.5 Million
NPAs ⁽²⁾/ Assets	0.26%
Leverage Ratio (Company)	10.28%
Leverage Ratio (Bank)	10.21%
Shares Outstanding	3,293,755
Bank Website	www.PrimeMeridianBank.com
Investor Website	Investors.PrimeMeridianBank.com



(1) TBV = Tangible Book Value
(2) NPAs = Nonperforming Assets

Data as of 9/30/2024

INVESTMENT CONSIDERATIONS

Financial

- ✓ History of profitable operations, driven by strong organic loan growth and core deposit base
- ✓ Continued emphasis on expense management and historically stable operating efficiency ratio
- ✓ Net Interest Margin is consistent with peer group

Credit Quality

- ✓ Corporate-banking style underwriting philosophy within community banking model
- ✓ Conservative risk culture with focus on credit, interest rate and compliance risk management
- ✓ Long history of disciplined credit process and strong asset quality. NPAs of 0.26% at 9/30/2024

Capital and Liquidity

- ✓ Tier 1 Leverage of 10.21% (Bank)
- ✓ Tangible book value per share of \$26.87
- ✓ Current liquidity resources and access to capital provides capacity for additional growth and loan funding

Growth and Strategy

- ✓ Personalized client service guided by core values
- ✓ Operating in attractive growth markets (North and Central Florida)
- ✓ Targeting additional locations in North/Central Florida, South Georgia, and South Alabama

Experienced Local Management Team

- ✓ Energetic and experienced management team
- ✓ Strong credibility with regulators and investors
- ✓ Meaningful insider ownership is aligned with shareholder interest

PROFILE | MANAGEMENT TEAM

- ✓ Experienced management team with proven track record of franchise growth and development
- ✓ Community leaders who know their clients
- ✓ History of profitable bank operations



Sammie D. Dixon, Jr.
Vice Chairman, President and Chief Executive Officer
 Age: 54 | 26 years banking experience



Chris L. Jensen, Jr.
Executive Vice President and Chief Lending Officer
 Age: 67 | 44 years banking and lending experience



Susan Payne Turner
Executive Vice President and Chief Risk Officer
 Age: 57 | 41 years banking experience



Monté L. Ward
Executive Vice President and Chief Information Officer
 Age: 43 | 20 years banking and information security experience



Clint F. Weber
Executive Vice President and Chief Financial Officer
 Age: 43 | 20 years banking and credit experience

COMPANY PERSONNEL

- ✓ **Average Age**
 - **Entire Team⁽¹⁾ 41.2**
 - **Executive Officers 52.8**
 - **All Officers 48.8**
- FTEs ⁽¹⁾ 111
- ✓ **Employees, Management and Director Ownership: 24.3%**
 - ✓ **Prime Meridian Bank Employees Who Own PMHG: 47.0%**

Data as of 9/30/2024

CORPORATE CULTURE

MISSION	Building bankers to serve our clients and community in order to optimize shareholder value.
PURPOSE	Banking done right, right away.
CORE VALUES	<ul style="list-style-type: none">• Passion – level of intense excellence and commitment beyond simply meeting requirements• Grace – high level of service with courtesy and compassion• Integrity – doing the right thing because it’s the right thing to do• Tenacity – culture of looking at new ideas, tackling challenges and overcoming obstacles• Accountability – personally accepting full and ultimate responsibility as well as holding one another accountable

CORPORATE CULTURE

A Different Banking Model

- ✓ Prime Meridian Bank promotes and maintains a culture of openness and transparency to encourage exposure of team members to all aspects of banking.
- ✓ Team members, executive officers and board members interact to resolve issues without the typical top/down or bottom/up paths.



2018, 2019, 2020, 2021, 2022, 2023, 2024
Seminole 100 recognizes the 100 fastest-growing Florida State university (FSU) alumni-owned businesses as recognized by The Jim Moran Institute For Global Entrepreneurship at FSU's College of Business, the FSU Alumni Association and EY



5 Star Rating

57 consecutive quarters by Bauer Financial, the nation's leading bank rating and research firm



Voted by readers of Tallahassee Magazine
2018, 2020, 2021

AMERICAN BANKER Best Banks To Work For

ANNUALLY SINCE 2015

FINANCIAL HIGHLIGHTS

\$0.78
Diluted EPS
GAAP Q3-24

\$1.06
Diluted EPS
PTPP Q3-24

1.14% ROAA
GAAP Q3-24

1.55% ROAA
PTPP Q3-24

2.30%
Costs of Deposits
Q3-24

25%
DDA/Total Deposits
Q3-24

12.20%
ROAE
GAAP Q3-24

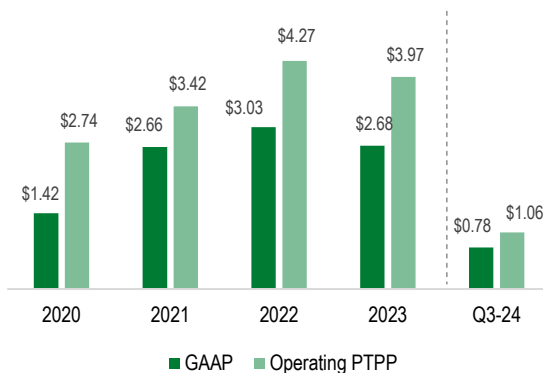
16.58%
ROAE
PTPP Q3-24

17.58%
Net Loans CAGR
2019-2023

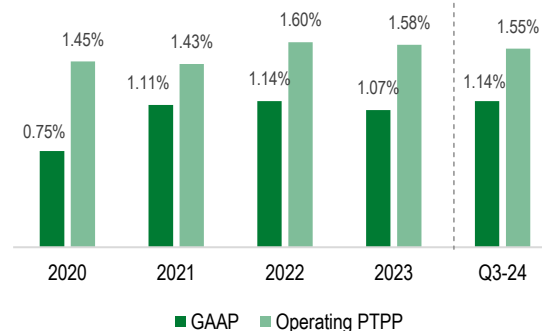
58.24%
Efficiency Ratio
Q3-24

84.06%
Loan/Deposit
Ratio
Q3-24

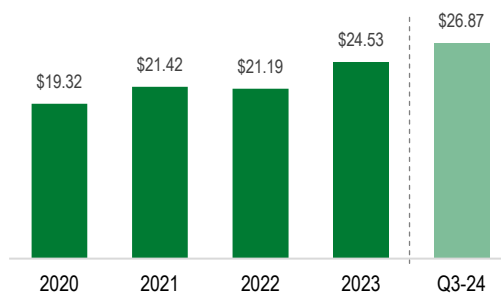
Diluted Earnings Per Share



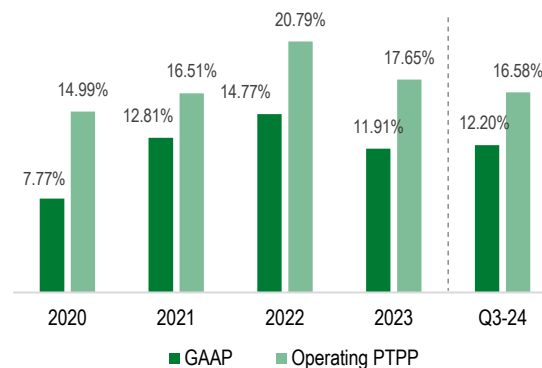
Return on Average Assets



Book Value Per Common Share



Return on Average Equity

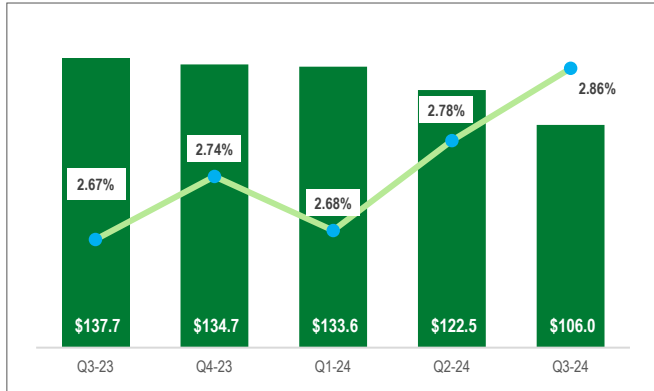


See Non-GAAP Reconciliation on pages 33 & 34

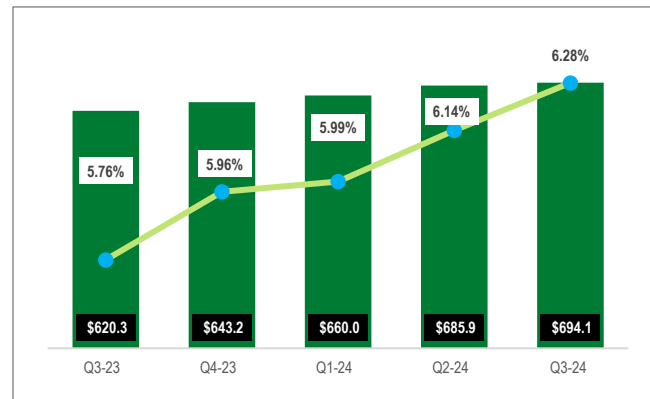
NET INTEREST DRIVERS

(dollars in millions and represents average period-ending balance)

Average Securities Yield

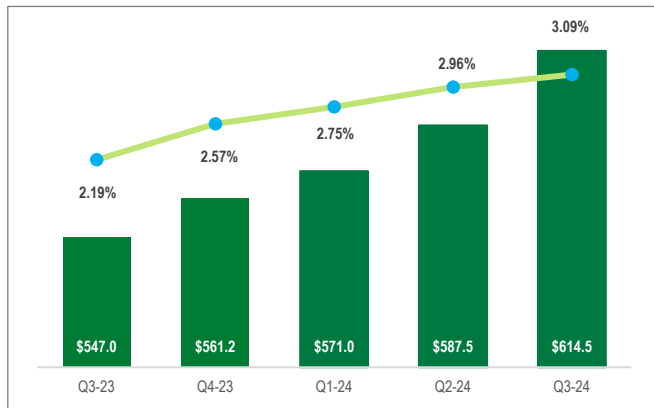


Average Loan Yield

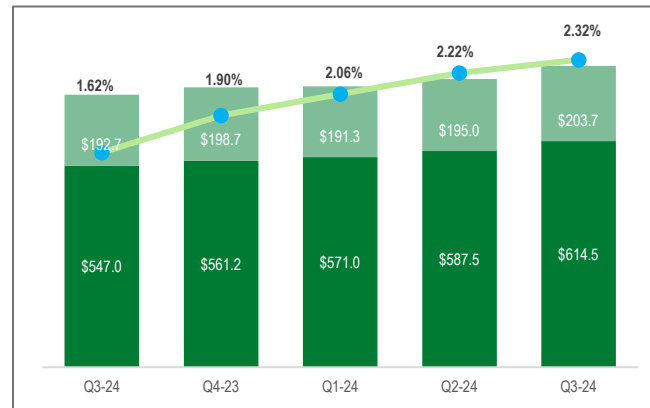


Net Loans

Average Cost of Interest-Bearing Liabilities



Average Cost of Funds

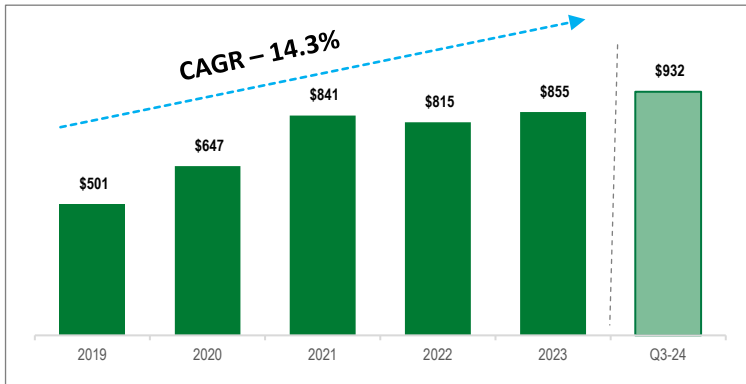


Noninterest-Bearing Deposits
Interest-Bearing Liabilities

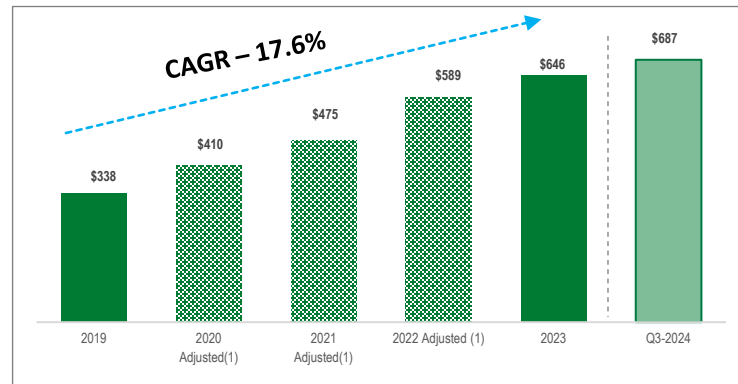
Source: S&P Global and internal company documents

BUILDING FRANCHISE VALUE

Total Assets (in millions)



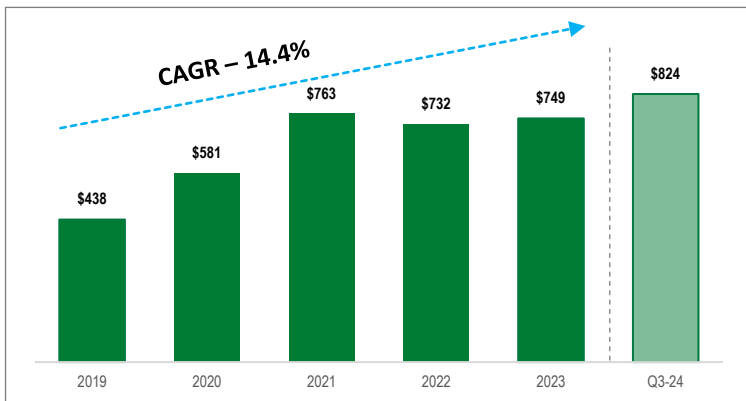
Net Loans (in millions)



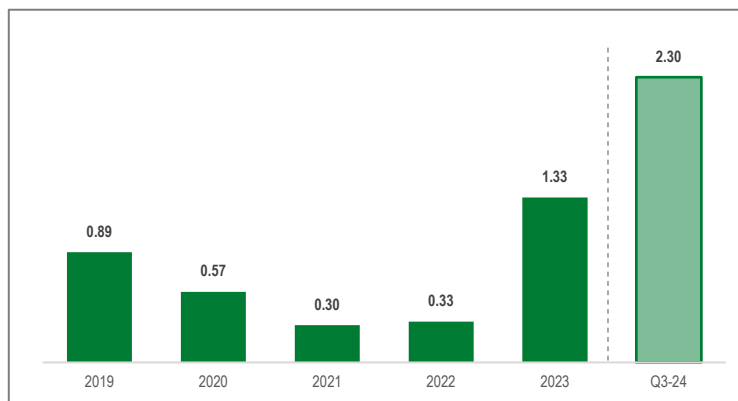
■ Net Loans
 ■ Net Loans (Adjusted)⁽¹⁾

(1) See Non-GAAP Reconciliation on Page 35
 Excludes HFS & PPP Loans

Total Deposits (in millions)



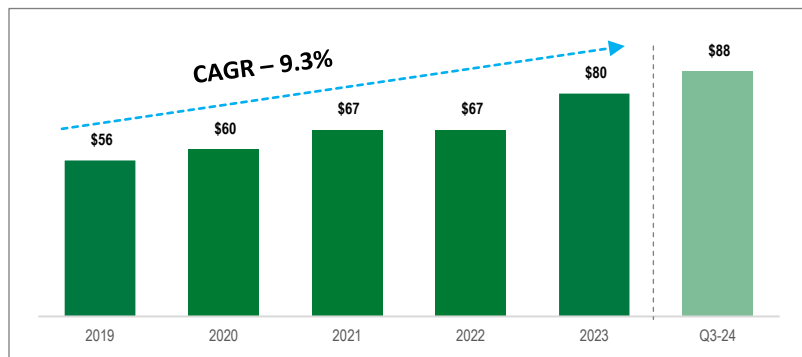
Average Cost of Total Deposits (percent)



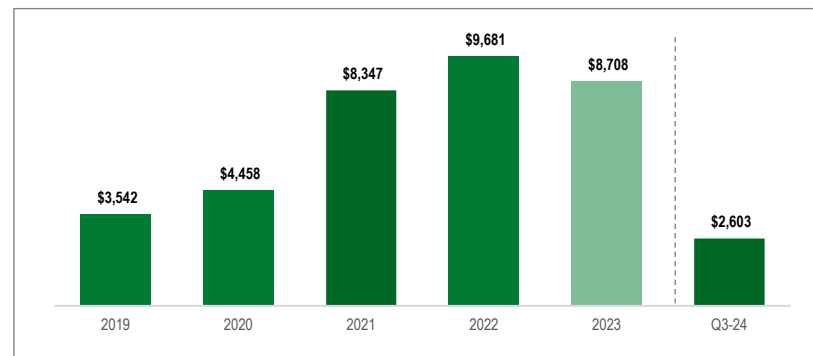
All financial data as of December 31 of the respective year. Source: S&P Global and internal company documents

BUILDING SHAREHOLDER VALUE

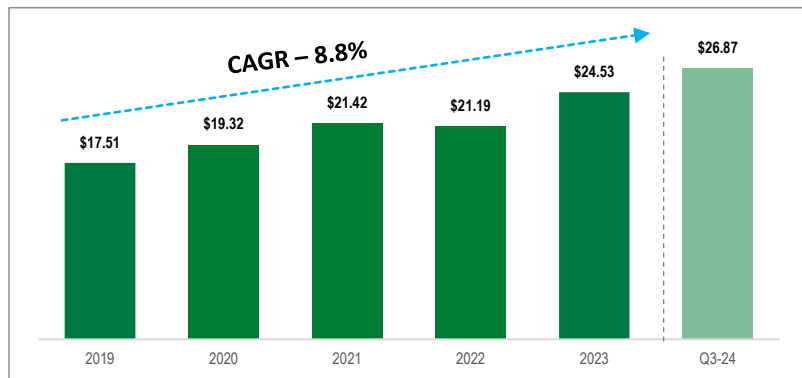
Total Common Equity (in millions)



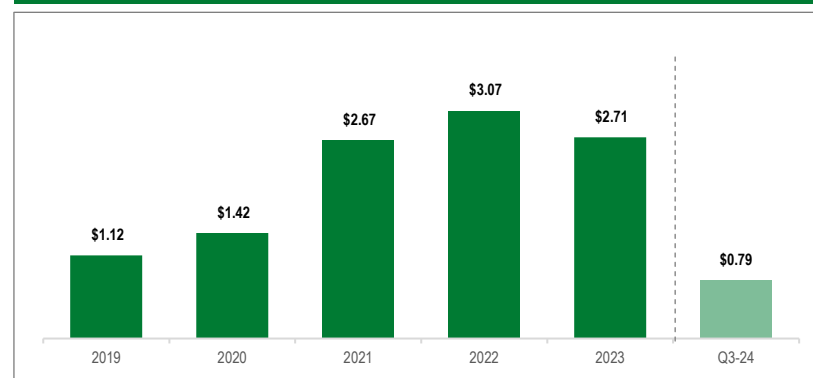
Net income (in thousands)



Book Value Per Share



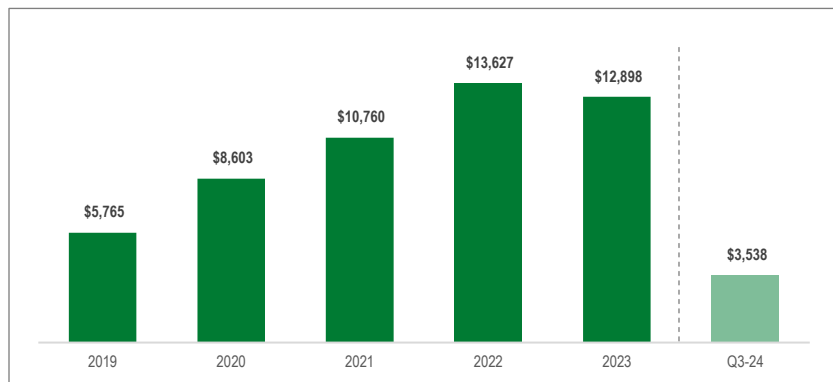
Earnings Per Share (Basic)



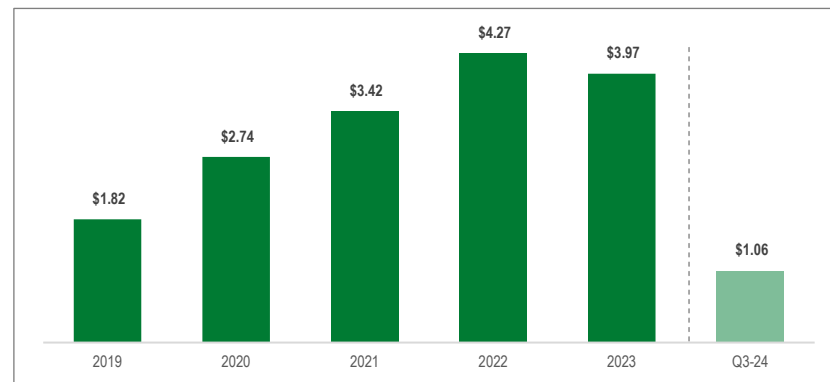
Notes: Prime Meridian raised \$12.8 million in 2008; just over \$2.0 million in December, 2010 through warrants; \$5.4 million in our stock offering concluded December 31, 2014, \$18.0 million in our stock offering concluded May 15, 2017, and just under \$1.0 million through a Private Placement Offering concluded September 25, 2019. During the first quarter of 2020, the Company repurchased 82,784 shares for \$1.2 million. Unless otherwise indicated, all financial data as of December 31 of the respective year. Source: S&P Global and internal company documents

STRONG RECORD OF PRE-TAX PRE-PROVISION (PTPP) PERFORMANCE (NON-GAAP)

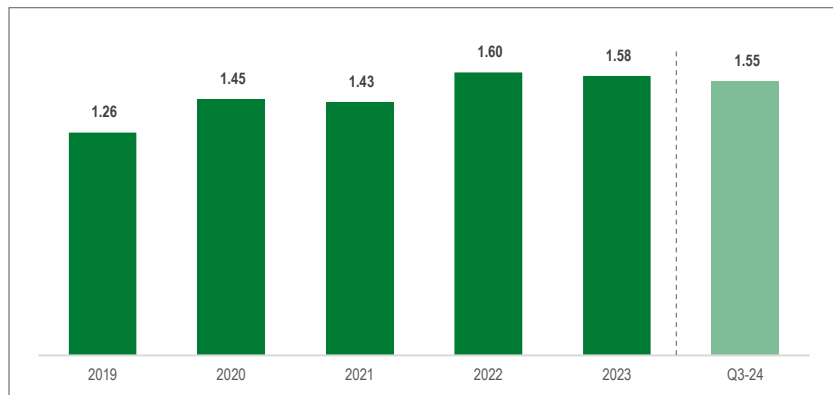
PTPP Operating Earnings (Non-GAAP, in thousands)



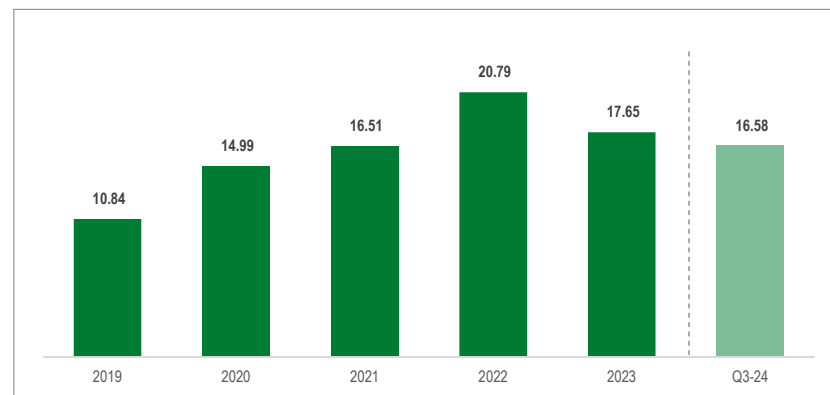
PTPP Earnings Per Share, Fully Diluted (Non-GAAP)



PTPP Return on Average Assets (Non-GAAP) %



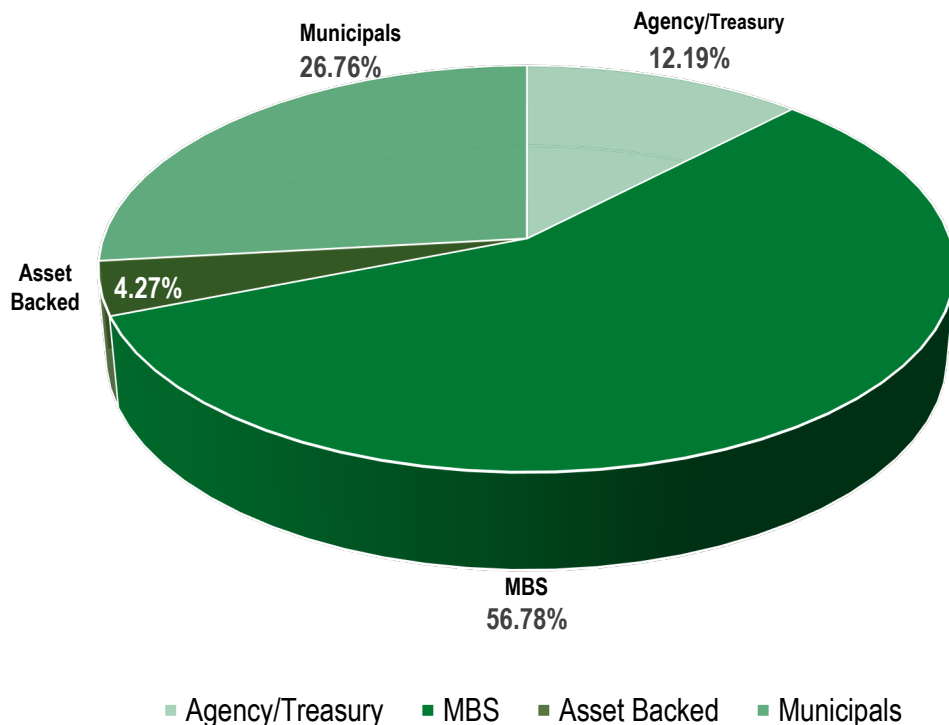
PTPP Return On Average Equity (Non-GAAP) %



ROAA non-GAAP is calculated as PTPP / Average Assets. ROAE non-GAAP is calculated as PTPP before amortization of intangibles (None) / Average Common Equity.
 Source: Internal company documents and documents filed with SEC. See Non-GAAP Reconciliation on Page 33 & 34.

BALANCE SHEET – BOND PORTFOLIO STATISTICS

Investment Securities Segmentation



Portfolio: September 30, 2024

Total Investments: \$104.2 million

Net Unrealized Gain (Loss) AFS: (\$5.7 million)

QUARTER	EFFECTIVE DURATION	AVG YIELD	AVG LIFE
3Q24	4.24	2.86%	5.47
2Q24	3.85	2.78%	5.24
1Q24	3.45	2.68%	4.68
4Q23	3.45	2.74%	4.68
3Q23	3.62	2.67%	4.95
2Q23	3.74	2.63%	5.17
1Q23	3.81	2.64%	5.28
4Q22	3.93	2.64%	5.43
3Q22	4.07	2.43%	5.63

Data as of 9/30/2024

INTEREST RATE SENSITIVITY

▲ Fixed Rate Loans \$203.0 million

* Weighted Average Maturity 5.1 years

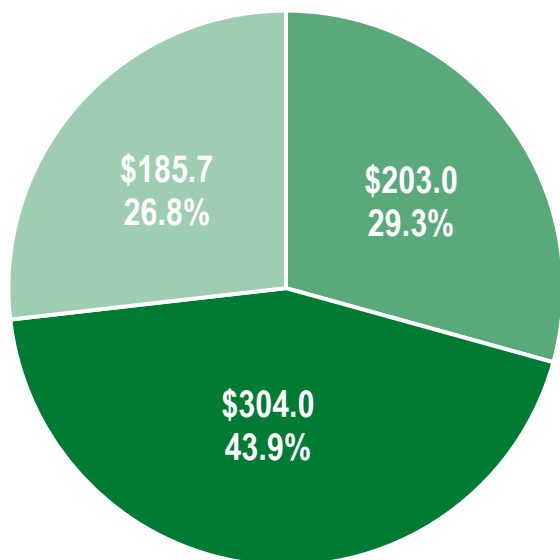
▲ Variable Rate Loans \$489.7 million

* \$185.7 million ST Variable Rate (0-12 Month reset)

* \$304.0 million LT Variable Rate (>12 Month reset)

Fixed vs Variable Rate Loans

in millions



■ Fixed Rate ■ LT Variable ■ ST Variable

% Change in Projected Baseline Net Interest Income Immediate and Parallel Shock-Static Balance Sheet

Change in Interest Rates	0-12 Months	13-24 Months
+3.00%	(7.33%)	(1.75%)
+2.00%	(4.78)%	(0.82)%
+1.00%	(2.37)%	(0.20)%
Current	0.00%	0.00%
-1.00%	2.03%	(0.16)%
-2.00%	3.82%	(0.84)%
-3.00%	4.33%	(5.88%)

Data as of 9/30/2024

DISCIPLINED CREDIT PROCESSES

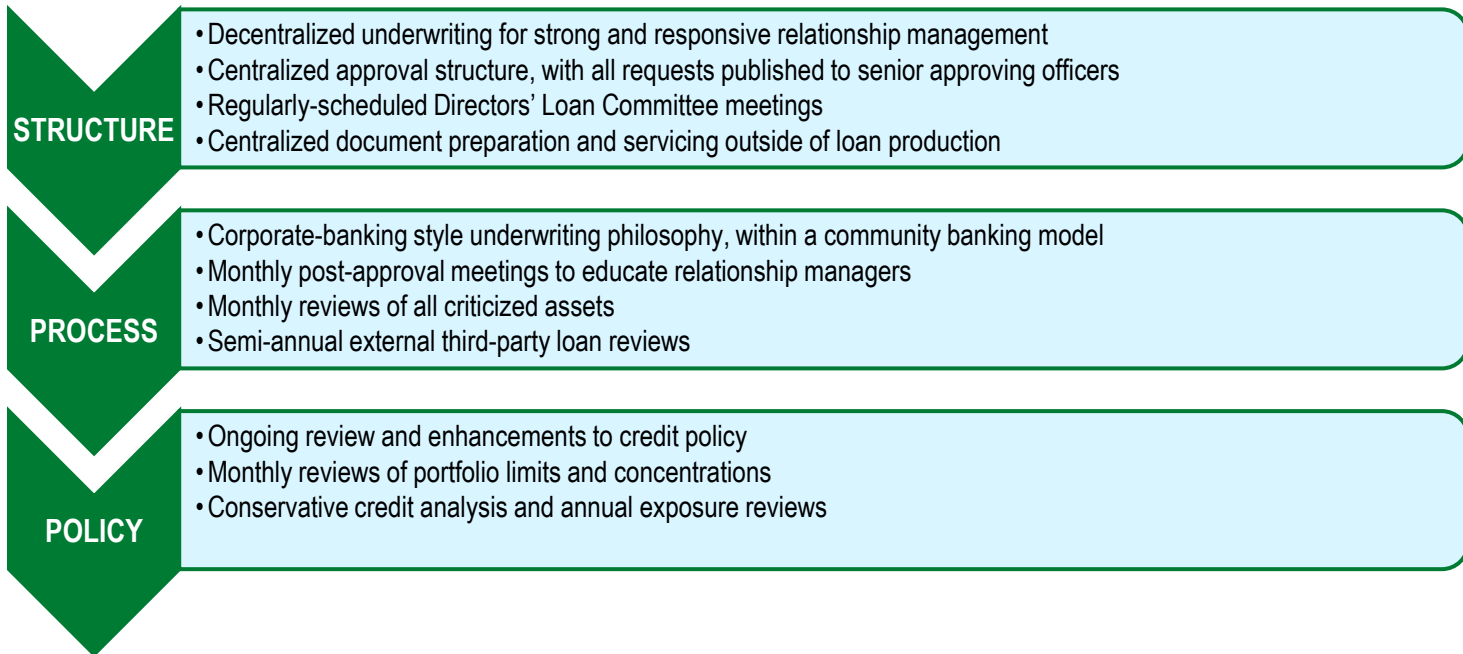
(in thousands)

Granular Portfolio – Lending Exposure Limits

Concentration limits set for primary segments of the portfolio.

✓ Secured Legal Limit – Bank	\$ 23,395
✓ Secured In-House Limit	\$ 8,000
✓ Top 25 Relationships	\$ 171,044

Internal company data as of 9/30/2024



CRE COMMITMENTS & EXPOSURE

(dollars in thousands)

- ✓ As part of its overall risk management program, Prime Meridian Bank pursues a program of controlled growth in its Commercial Real Estate (CRE) portfolio and maintains its CRE exposure within regulatory guidelines

Total Risk Based Capital - Bank \$ 98,970
Total Loans \$ 692,664

Commercial Real Estate Loans	Funded	Committed	Committed as % of Capital	Funded % of Portfolio
Construction, Land Development, and Other	\$ 86,735	\$ 23,349	111.23 %	12.53 %
Multifamily	33,874	556	34.79 %	4.89 %
Nonfarm Nonresidential	221,445	2,889	226.67 %	31.98 %
Less: Improved Owner-Occupied CRE	(104,974)	(2,071)	(108.16) %	(15.16) %
Total - Bank	\$ 237,080	\$ 24,723	264.53 %	34.24 %

Source: internal company documents as of 9/30/2024

LOAN PORTFOLIO

Total Loans (in millions)

\$484 **\$573** **\$634** **\$693**

Loans (in thousands)

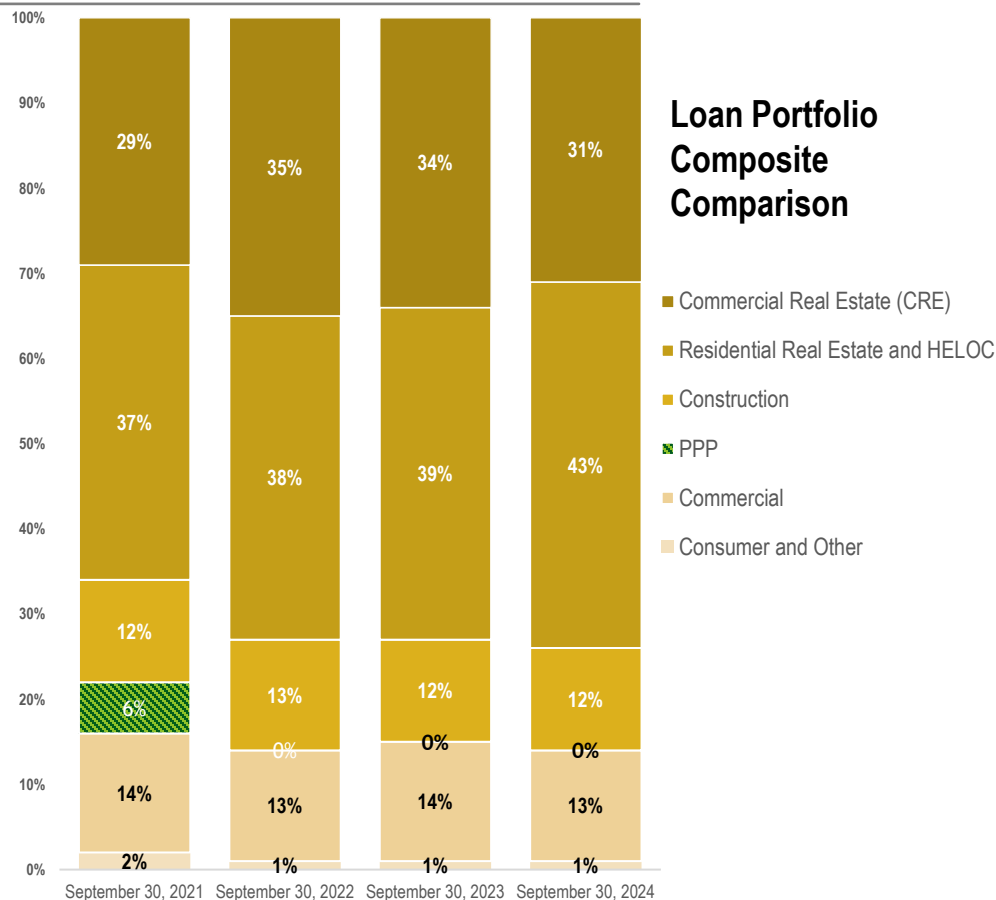
Real Estate Mortgage Loans

Commercial Real Estate (CRE)	\$	216,379
Residential Real Estate and HELOC		297,887
Construction		82,639
Total Real Estate Mortgage		596,905

Commercial		89,788
Consumer and Other		5,971
Total Loans		692,664

Deferred Loan Fees, Net		(218)
Less: ALLL		(5,389)
Loans, Net	\$	687,057

Source: internal company documents as of 9/30/2024



RESIDENTIAL LOAN PORTFOLIO

Total Residential Loans (in millions)

\$181

\$219

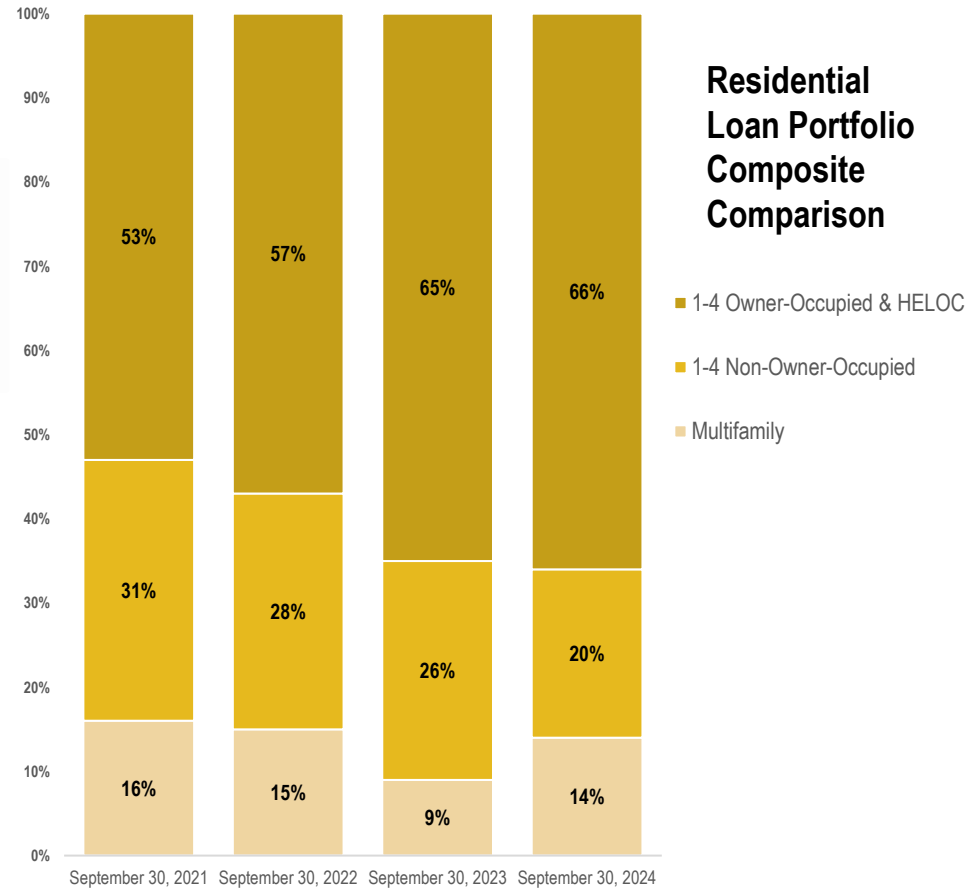
\$249

\$298

Residential Loans (in thousands)

Residential Real Estate and HELOC

1-4 Owner-Occupied & HELOC	\$	197,403
1-4 Non-Owner-Occupied		60,626
Multifamily		39,858
Total	\$	297,887

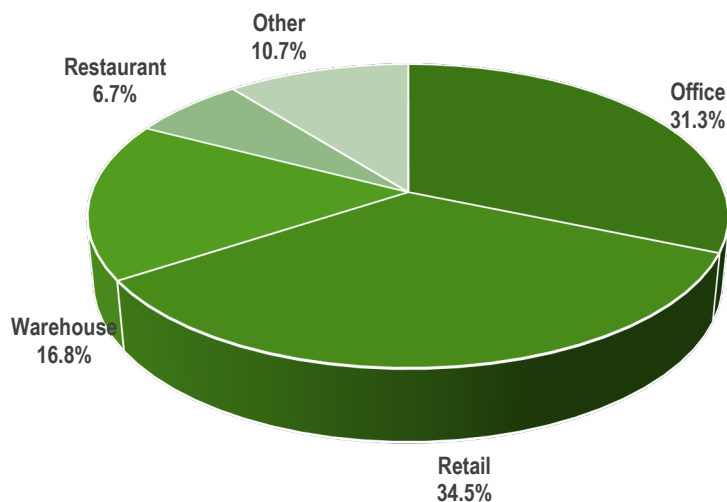


Source: internal company documents as of 9/30/2024

CRE LOAN PORTFOLIO

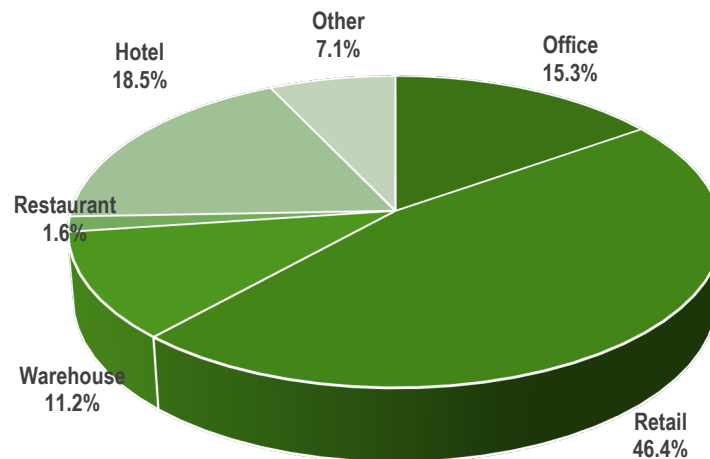
- CRE represents the Bank's second largest loan category with Owner Occupied and Non-Owner Occupied making up 15.2% and 16.1% of the total loan portfolio.
- Office accounts for 31.3% (\$32.9 million) and 15.3% (\$17.0 million) of Owner Occupied and Non-Owner Occupied respectively.

Owner Occupied CRE by Type



■ Office ■ Retail ■ Warehouse ■ Restaurant ■ Other

Non-Owner Occupied CRE by Type



■ Office ■ Retail ■ Warehouse ■ Restaurant ■ Hotel ■ Other

Source: internal company documents as of 9/30/2024

CORE FUNDING

Total Deposits (in millions)

\$718

\$755

\$723

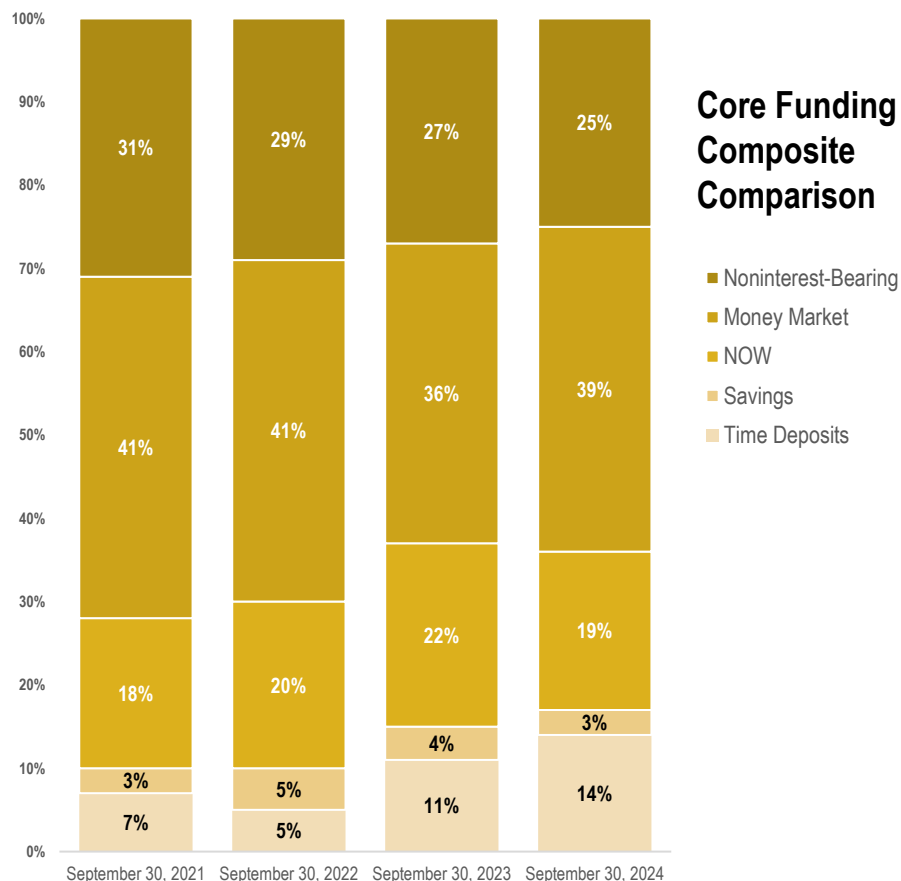
\$824

✓ Company's deposit franchise is comprised of **25%** noninterest-bearing deposits

Deposits (in thousands)

Noninterest-Bearing	\$ 202,659
Money Market Accounts	326,061
NOW	154,753
Savings	22,954
Time Deposits	117,559
Total	<u>\$ 823,986</u>

Source: internal company documents as of 9/30/2024

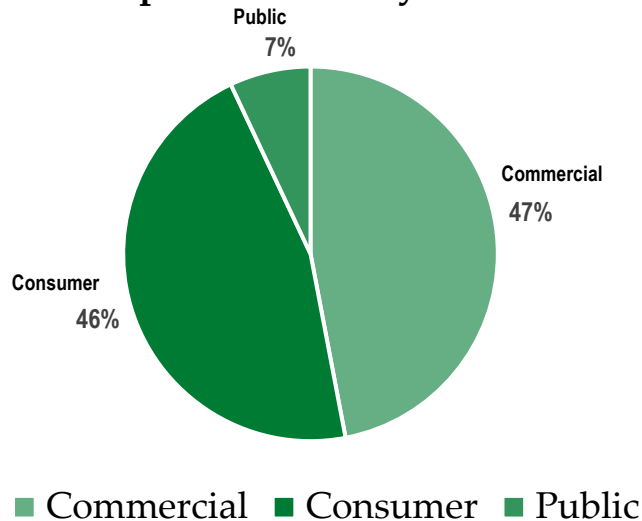


CORE FUNDING

Deposit Highlights Q3 2024

- Diversified core deposit base and balanced distribution between commercial and retail clients.
- Average balance per account of \$51,059
- Non-core funding represents \$67.4 million, or 10.7% of total interest-bearing liabilities.
- Q3-24 average cost of funds of 2.32%.

Deposit Volume by Client Mix



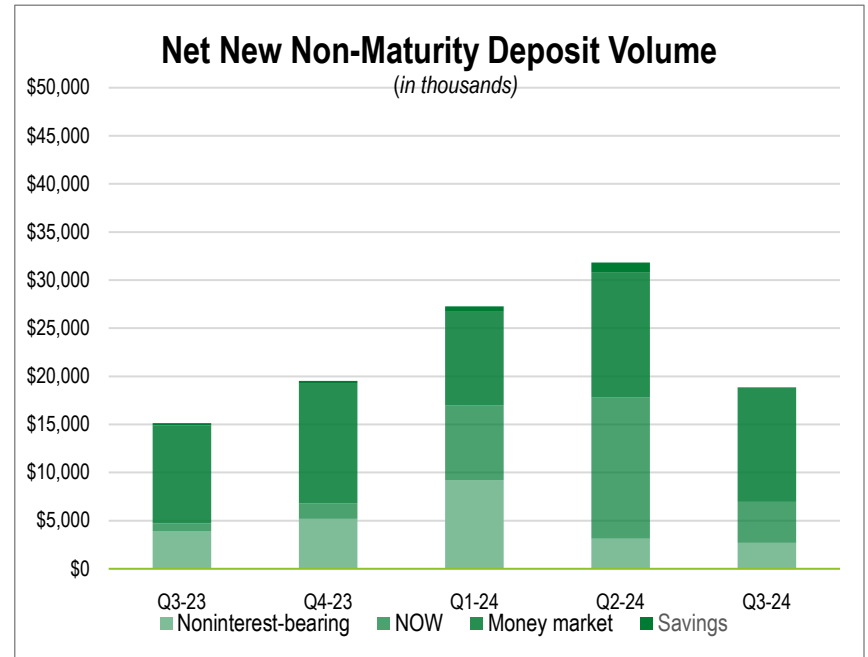
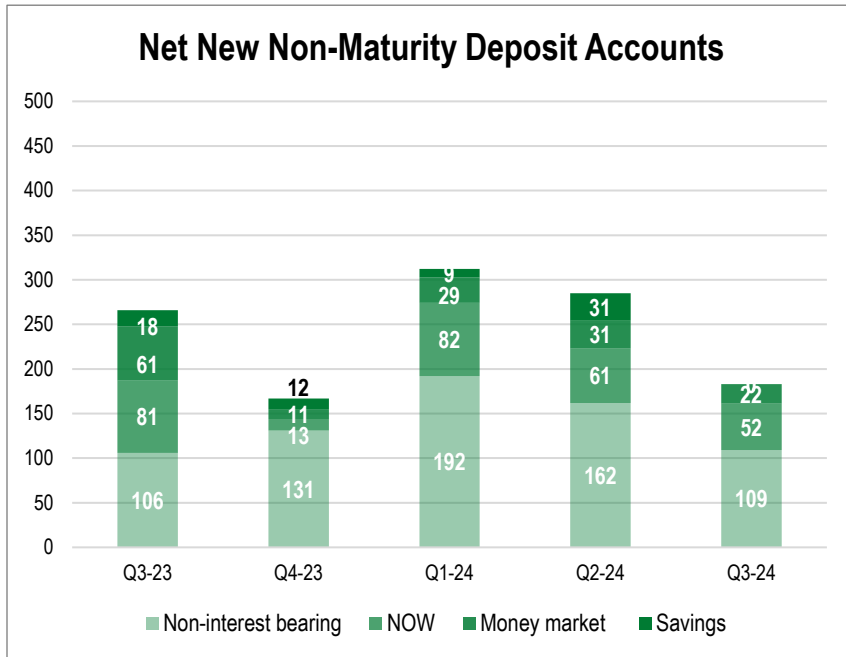
Source: internal company documents as of 9/30/2024

Deposits by Product Type

Deposit Type	Balance (in 000s)	Count	Avg Per Account
Non-Interest Bearing	\$202,659	7,909	\$25,624
Money Market	\$326,061	1,678	\$194,315
NOW	\$154,753	3,403	\$45,475
Savings	\$22,954	2,181	\$10,525
Time Deposits	\$117,559	967	\$121,571
Total	\$823,986	16,138	\$51,059

NON-MATURITY DEPOSITS

- Average net new non-maturity deposit volume of \$18.8 million, and 183 net new accounts for 3rd quarter 2024.
- Focus on noninterest-bearing and NOW accounts.
- 4.9% year-over-year growth in the number of non-maturity deposit accounts.



Above data represents new accounts net of closed accounts. Volume is represented as QTD average balance of new accounts net of closed accounts.

Source: internal company documents

LIQUIDITY AND FLEXIBILITY

Cash and Cash
Equivalents

\$96.5 million

Unpledged Debt
Securities (Fair Value)

\$85.1 million

Available Credit
Lines

\$197.7 million

Maximum Available
Brokered + Wholesale

\$232.9 million

On-Balance Sheet Liquidity

\$181.6 million

Off-Balance Sheet Liquidity

\$430.6 million

TOTAL LIQUIDITY

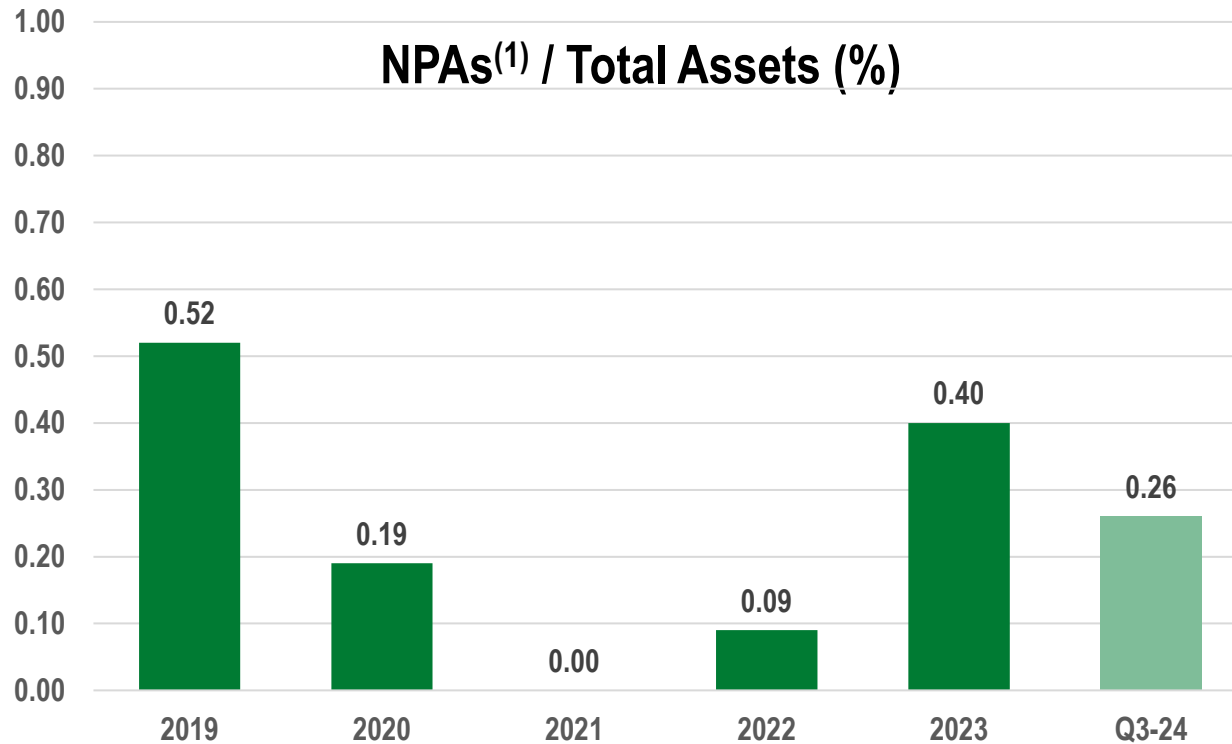
\$612.2 million

74.3% of Total Deposits

Data as of 9/30/2024

As of September 30, 2024, the Bank's estimated uninsured deposits were \$252.0 million, or 30.6% of total deposits, excluding collateralized deposits from respective totals. The Bank's total estimated uninsured deposits is \$316.3 million, or 38.4% of total deposits, including collateralized deposits. Total liquidity is \$612.2 million, or 74.3% of total deposits, and is 194% of estimated uninsured deposits as of September 30, 2024.

Asset Quality



⁽¹⁾ NPA = Nonperforming Assets

Source: S&P Global and internal company documents. All financial data as of December 31 of the respective year unless otherwise noted.

DEPOSIT MARKET SHARE

County	Institution	State	Type	2024 Rank	2023 Rank	2024 Total Deposit Market Share (%)	2023 Total Deposit Market Share (%)	YoY Deposit Growth 2024 (%)	5-Year Deposit CAGR 2024 (%)
<i>Leon, FL</i>									
	Wells Fargo Bank NA	SD	Bank	1	1	17.50	17.44	(0.12)	5.40
	Capital City Bank	FL	Bank	2	2	15.68	17.23	(9.40)	5.52
	Bank of America NA	NC	Bank	3	3	15.13	15.83	(4.87)	8.58
	Truist Bank	NC	Bank	4	4	11.92	11.93	(0.51)	(3.88)
	Prime Meridian Bank	FL	Bank	5	5	7.83	7.03	10.87	13.04
	Hancock Whitney Bank	MS	Bank	6	6	6.33	6.37	(1.05)	7.92
	Regions Bank	AL	Bank	7	10	4.57	4.03	12.85	(0.34)
	Synovus Bank	GA	Bank	8	9	4.49	4.10	8.84	3.55
	Renasant Bank	MS	Bank	9	7	4.28	4.34	(1.91)	(0.55)
	Centennial Bank	AR	Bank	10	8	3.99	4.24	(6.34)	2.69
	Thomasville National Bank	GA	Bank	11	11	2.46	1.96	24.72	-
	JPMorgan Chase Bank NA	OH	Bank	12	13	1.81	1.54	17.04	72.06
	Ameris Bank	GA	Bank	13	12	1.49	1.83	(18.76)	58.22
	ServisFirst Bank	AL	Bank	14	14	1.16	0.70	65.39	-
	PeoplesSouth Bank	GA	Bank	15	16	0.53	0.52	(0.17)	9.21
	American Commerce Bank NA	GA	Bank	16	15	0.49	0.61	(20.84)	(6.13)
	MidSouth Bank	AL	Bank	17	17	0.24	0.23	2.82	-
	SmartBank	TN	Bank	18	18	0.11	0.06	73.85	-
<i>Polk, FL</i>									
	Prime Meridian Bank	FL	Bank	16	16	0.28	0.25	15.62	38.31
<i>Wakulla, FL</i>									
	Centennial Bank	AR	Bank	1	1	63.38	61.30	11.38	13.18
	Prime Meridian Bank	FL	Bank	2	3	16.68	15.07	19.18	17.62
	Ameris Bank	GA	Bank	3	2	11.56	15.23	(18.22)	7.45
	Capital City Bank	FL	Bank	4	4	8.39	8.39	7.63	10.64

Source: S&P Global: Market share analysis excludes non-retail deposits. ⁽¹⁾Lakeland, FL office (Polk County) opened April 16, 2019.

Note: Deposit rankings for 2024 and 2023 and other data in this table are pro forma for all acquisitions announced after June 30, 2024 and up to including the date of this table (September 20, 2024).

Appendix | TABLES

Financial Highlights (unaudited)

(dollars in thousands except per share amounts)

	3Q'24	2Q'24	1Q'24	4Q'23	3Q'23
Per Share Data:					
Earnings per common share - Basic	\$ 0.79	\$ 0.54	\$ 0.59	\$ 0.56	\$ 0.66
Earnings per common share - Diluted	\$ 0.78	\$ 0.54	\$ 0.59	\$ 0.55	\$ 0.66
Book value per common share	\$ 26.87	\$ 25.35	\$ 24.71	\$ 24.53	\$ 22.91
Common shares outstanding	3,293,755	3,293,863	3,295,265	3,259,881	3,263,733
Weighted-average basic common shares outstanding	3,293,993	3,295,423	3,275,401	3,259,247	3,214,323
Weighted-average diluted common shares outstanding	3,322,536	3,310,628	3,298,555	3,299,212	3,235,920
Selected Performance Ratios and Other Data:					
Return on average assets ⁽¹⁾	1.14%	0.81%	0.91%	0.87%	1.03%
Return on average equity ⁽¹⁾	12.20%	8.70%	9.61%	9.85%	11.31%
Average yield on earning assets	5.81%	5.63%	5.44%	5.40%	5.21%
Net interest margin ⁽²⁾	3.63%	3.55%	3.51%	3.61%	3.68%
Efficiency ratio ⁽³⁾	58.24%	65.02%	63.81%	59.99%	61.45%
Noninterest expense/average assets ⁽¹⁾	2.16%	2.36%	2.27%	2.20%	2.29%
Asset Quality Data:					
Nonaccrual loans	\$ 2,464	\$ 3,029	\$ 3,446	\$ 2,335	\$ 1,112
Loans 90 days past due and still accruing	\$ -	\$ -	\$ -	\$ 1,110	\$ 367
Other real estate owned	\$ -	\$ -	\$ -	\$ -	\$ 117
Total nonperforming assets	\$ 2,464	\$ 3,029	\$ 3,446	\$ 3,445	\$ 1,596
Nonperforming assets/total assets	0.26%	0.34%	0.40%	0.40%	0.19%
Loans 30-89 days past due	\$ 906	\$ 635	\$ 4,447	\$ 5,353	\$ 1,060
Total loans	\$ 692,664	\$ 690,258	\$ 672,836	\$ 651,928	\$ 633,982
Loans 30-89 days past due/total loans	0.13%	0.09%	0.66%	0.82%	0.17%
Net charge-offs/average loans ⁽¹⁾	-	0.47%	-	-	0.03%
Capital Ratios:					
Tier 1 Leverage Capital Ratio (Company)	10.28%	10.41%	10.44%	10.29%	10.34%
Common Equity Tier 1 Capital Ratio (Company)	13.63%	13.39%	13.28%	13.37%	13.42%
Tier 1 Risk-Based Capital Ratio (Company)	13.63%	13.39%	13.28%	13.37%	13.42%
Total Risk-Based Capital Ratio (Company)	14.41%	14.17%	14.13%	14.22%	14.19%
Tangible Common Equity Ratio ⁽⁴⁾ (Company)	9.50%	9.35%	9.44%	9.36%	8.99%
Tier 1 Leverage Capital Ratio (Bank)	10.21%	10.32%	10.35%	10.15%	10.18%
Common Equity Tier 1 Capital Ratio (Bank)	13.53%	13.29%	13.16%	13.18%	13.23%
Tier 1 Risk-Based Capital Ratio (Bank)	13.53%	13.29%	13.16%	13.18%	13.23%
Total Risk-Based Capital Ratio (Bank)	14.33%	14.09%	14.02%	14.03%	13.99%
Tangible Common Equity Ratio ⁽⁴⁾ (Bank)	9.43%	9.27%	9.38%	9.22%	8.84%

(1) Annualized on a 30/360 basis

(2) Net interest margin is net interest income divided by total average interest-earnings assets, annualized.

(3) Efficiency Ratio represents noninterest expense divided by the sum of net interest income plus noninterest income.

(4) Tangible Common Equity is a non-GAAP financial measure.

Condensed Consolidated Statements of Earnings

(in thousands except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	<i>Unaudited</i>		<i>Unaudited</i>	
Interest income:				
Loans	\$ 10,995	\$ 9,019	\$ 31,584	\$ 25,633
Debt securities	757	919	2,505	2,777
Other	942	244	1,408	650
Total interest income	12,694	10,182	35,497	29,060
Interest expense:				
Deposits	4,643	2,691	12,410	6,141
FHLB advances and other borrowings	110	304	619	824
Total interest expense	4,753	2,995	13,029	6,965
Net interest income	7,941	7,187	22,468	22,095
Credit loss expense	100	175	755	743
Net interest income after credit loss expense	7,841	7,012	21,713	21,352
Noninterest income:				
Service charges and fees on deposit accounts	81	92	228	261
Debit card/ATM revenue, net	159	137	481	437
Mortgage banking revenue, net	133	121	329	250
Income from bank-owned life insurance	105	100	307	290
Other income	53	49	166	165
Total noninterest income	531	499	1,511	1,403
Noninterest expense:				
Salaries and employee benefits	3,011	2,864	8,900	8,359
Occupancy and equipment	408	427	1,238	1,235
Professional fees	151	149	447	416
Marketing	243	215	816	688
FDIC assessment	111	104	325	275
Software maintenance, amortization and other	433	341	1,378	912
Other	577	623	1,821	1,814
Total noninterest expense	4,934	4,723	14,925	13,699
Earnings before income taxes	3,438	2,788	8,299	9,056
Income taxes	835	668	1,991	2,178
Net earnings	\$ 2,603	\$ 2,120	\$ 6,308	\$ 6,878
Earnings per common share:				
Basic	\$ 0.79	\$ 0.66	\$ 1.92	\$ 2.15
Diluted	\$ 0.78	\$ 0.66	\$ 1.89	\$ 2.13
Cash dividends per common share ⁽¹⁾	\$ -	\$ -	\$ 0.25	\$ 0.22

(1) Annual cash dividends were paid during the first quarters of 2024 and 2023.

Condensed Consolidated Statements of Earnings (unaudited)

(in thousands except per share amounts)

	3Q'24	2Q'24	1Q'24	4Q'23	3Q'23
Interest income:					
Loans	\$ 10,995	\$ 10,627	\$ 9,962	\$ 9,658	\$ 9,019
Debt securities	757	852	896	921	919
Other	942	259	207	287	244
Total interest income	12,694	11,738	11,065	10,866	10,182
Interest expense:					
Deposits	4,643	4,090	3,677	3,351	2,691
FHLB advances and other borrowings	110	254	255	262	304
Total interest expense	4,753	4,344	3,932	3,613	2,995
Net interest income	7,941	7,394	7,133	7,253	7,187
Credit loss expense	100	444	211	707	175
Net interest income after credit loss expense	7,841	6,950	6,922	6,546	7,012
Noninterest income:					
Service charges and fees on deposit accounts	81	78	69	96	92
Debit card/ATM revenue, net	159	164	158	136	137
Mortgage banking revenue, net	133	125	71	102	121
Income from bank-owned life insurance	105	102	100	99	100
Other income	53	58	55	59	49
Total noninterest income	531	527	453	492	499
Noninterest expense:					
Salaries and employee benefits	3,011	3,024	2,865	2,813	2,864
Occupancy and equipment	408	425	405	412	427
Professional fees	151	142	154	143	149
Marketing	243	299	274	215	215
FDIC assessment	111	106	108	85	104
Software maintenance, amortization and other	433	541	404	302	341
Other	577	613	631	676	623
Total noninterest expense	4,934	5,150	4,841	4,646	4,723
Earnings before income taxes	3,438	2,327	2,534	2,392	2,788
Income taxes	835	553	603	562	668
Net earnings	\$ 2,603	\$ 1,774	\$ 1,931	\$ 1,830	\$ 2,120
Basic earnings per common share	\$ 0.79	\$ 0.54	\$ 0.59	\$ 0.56	\$ 0.66
Diluted earnings per common share	\$ 0.78	\$ 0.54	\$ 0.59	\$ 0.55	\$ 0.66

Condensed Consolidated Balance Sheets

(in thousands)

	3Q'24 (Unaudited)	2Q'24 (Unaudited)	1Q'24 (Unaudited)	4Q'23 (Unaudited)	3Q'23 (Unaudited)
Assets					
Cash & cash equivalents	\$ 96,524	\$ 50,875	\$ 23,474	\$ 28,416	\$ 22,404
Debt securities available for sale	90,935	99,798	117,413	124,475	123,838
Debt securities held to maturity	13,276	13,267	11,861	11,850	11,838
Loans, held for sale	7,457	5,505	3,583	5,288	5,182
Loans, net	687,057	684,762	666,826	646,127	628,974
Federal Home Loan Bank stock	1,073	1,073	1,548	1,283	1,758
Premises & equipment, net	7,112	7,266	7,406	7,476	7,613
Right of use lease asset	2,654	2,711	2,767	2,823	2,879
Accrued interest receivable	3,213	3,579	3,465	3,114	2,671
Bank-owned life insurance	17,228	17,123	17,021	16,921	16,822
Other real estate owned	-	-	-	-	117
Other assets	5,093	7,422	7,296	6,755	7,889
Total Assets	\$ 931,622	\$ 893,381	\$ 862,660	\$ 854,528	\$ 831,985
Liabilities and Stockholders' Equity					
Liabilities:					
Noninterest-bearing demand deposits	\$ 202,659	\$ 206,158	\$ 201,083	\$ 189,426	\$ 193,439
Savings, NOW and money-market deposits	503,768	479,162	462,601	476,826	451,492
Time deposits	117,559	105,050	88,029	82,436	77,876
Total Deposits	823,986	790,370	751,713	748,688	722,807
Other borrowings	-	-	-	-	-
FHLB Advances	10,000	10,000	20,000	15,000	25,000
Official checks	1,338	939	831	2,377	717
Operating lease liability	2,857	2,913	2,963	3,013	3,062
Other liabilities	4,943	5,648	5,714	5,474	5,612
Total Liabilities	843,124	809,870	781,221	774,552	757,198
Total Stockholders' Equity	88,498	83,511	81,439	79,976	74,787
Total Liabilities and Stockholders' Equity	\$ 931,622	\$ 893,381	\$ 862,660	\$ 854,528	\$ 831,985

Results of Operations (unaudited)

(dollars in thousands)

	3Q'24			2Q'24			3Q'23		
	Average Balance	Interest and Dividends	Yield/Rate ⁽⁵⁾	Average Balance	Interest and Dividends	Yield/Rate ⁽⁵⁾	Average Balance	Interest and Dividends	Yield/Rate ⁽⁵⁾
Interest-earning assets:									
Loans ⁽¹⁾	\$ 694,083	\$ 10,893	6.28%	\$ 685,946	\$ 10,536	6.14%	\$ 620,297	\$ 8,939	5.76%
Loans held for sale	6,371	102	6.40	5,670	91	6.42	5,850	80	5.47
Debt securities	105,999	757	2.86	122,472	852	2.78	137,731	919	2.67
Other ⁽²⁾	67,629	942	5.57	19,318	259	5.36	17,398	244	5.61
Total interest-earning assets	874,082	\$ 12,694	5.81%	833,406	\$ 11,738	5.63%	781,276	\$ 10,182	5.21%
Noninterest-earning assets	38,751			40,418			42,065		
Total assets	\$ 912,833			\$ 873,824			\$ 823,341		
Interest-bearing liabilities:									
Savings, NOW and money-market deposits	\$ 492,632	\$ 3,374	2.74%	\$ 467,312	\$ 3,031	2.59%	\$ 449,396	\$ 2,089	1.86%
Time deposits	111,851	1,269	4.54	99,583	1,059	4.25	73,071	602	3.30
Total interest-bearing deposits	604,483	4,643	3.07	566,895	4,090	2.89	522,467	2,691	2.06
FHLB advances and other borrowings	10,000	110	4.40	20,608	254	4.93	24,582	304	4.95
Total interest-bearing liabilities	614,483	\$ 4,753	3.09%	587,503	\$ 4,344	2.96%	547,049	\$ 2,995	2.19%
Noninterest-bearing deposits	203,659			194,955			192,686		
Noninterest-bearing liabilities	9,317			9,780			8,644		
Stockholders' equity	85,374			81,586			74,962		
Total liabilities and stockholders' equity	\$ 912,833			\$ 873,824			\$ 823,341		
Net earning assets	\$ 259,599			\$ 245,903			\$ 234,227		
Net interest income	\$ 7,941			\$ 7,394			\$ 7,187		
Interest rate spread ⁽³⁾			2.72%			2.67%			3.02%
Net interest margin ⁽⁴⁾			3.63%			3.55%			3.68%

(1) Includes nonaccrual loans

(2) Other interest-earning assets include federal funds sold, interest-bearing deposits and Federal Home Loan Bank stock.

(3) Interest rate spread is the difference between the total interest-earning asset yield and the rate paid on total interest-bearing liabilities

(4) Net interest margin is net interest income divided by total average interest-earning assets, annualized

(5) Annualized on a 30/360 basis

RECONCILIATION OF NON-GAAP DISCLOSURES

Non-GAAP Measures and Ratio Reconciliation (Unaudited)

(dollars in thousands except per share amounts)

	<u>3Q'24</u>	<u>2Q'24</u>	<u>1Q'24</u>	<u>4Q'23</u>	<u>3Q'23</u>
<u>Net Income</u>					
Net earnings (GAAP)	\$ 2,603	\$ 1,774	\$ 1,931	\$ 1,830	\$ 2,120
Plus: credit loss expense	100	444	211	707	175
Plus: income taxes	835	553	603	562	668
PTPP(1) net earnings (non-GAAP)	<u>\$ 3,538</u>	<u>\$ 2,771</u>	<u>\$ 2,745</u>	<u>\$ 3,099</u>	<u>\$ 2,963</u>
<u>Earnings per Share (EPS)</u>					
Weighted average common shares, diluted	3,322,536	3,310,628	3,298,555	3,299,212	3,235,920
EPS, diluted (GAAP)	\$ 0.78	\$ 0.54	\$ 0.59	\$ 0.55	\$ 0.66
PTPP(1) EPS, diluted (non-GAAP)	\$ 1.06	\$ 0.84	\$ 0.83	\$ 0.94	\$ 0.92
<u>Return on Average Assets (ROAA)(2)</u>					
Average assets	\$ 912,833	\$ 873,824	\$ 852,562	\$ 844,835	\$ 823,341
ROAA (GAAP)	1.14%	0.81%	0.91%	0.87%	1.03%
PTPP(1) ROAA (non-GAAP)	1.55%	1.27%	1.29%	1.47%	1.44%
<u>Return on Average Equity (ROAE)(2)</u>					
Average equity	\$ 85,374	\$ 81,586	\$ 80,358	\$ 74,318	\$ 74,962
ROAE (GAAP)	12.20%	8.70%	9.61%	9.85%	11.31%
PTPP(1) ROAE (non-GAAP)	16.58%	13.59%	13.66%	16.68%	15.81%

(1) Pre-tax, pre-provision

(2) Annualized on a 30/360 basis

ROAA non-GAAP is calculated as PTPP / Average Assets and then annualized. ROAE non-GAAP is calculated as PTPP / Average Common Equity and then annualized.
Source: Internal company documents and documents filed with SEC.

RECONCILIATION OF NON-GAAP DISCLOSURES

Non-GAAP Measures and Ratio Reconciliation (Unaudited)

(dollars in thousands except per share amounts)

	For the Year Ended December 31,				
	2023	2022	2021	2020	2019
Net Income					
Net earnings (GAAP)	\$ 8,708	\$ 9,681	\$ 8,347	\$ 4,458	\$ 3,542
Plus: credit loss expense	1,450	890	(104)	2,850	1,131
Plus: income taxes	2,740	3,056	2,517	1,295	1,092
PTPP ⁽¹⁾ net earnings (non-GAAP)	<u>\$ 12,898</u>	<u>\$ 13,627</u>	<u>\$ 10,760</u>	<u>\$ 8,603</u>	<u>\$ 5,765</u>
Earnings per Share (EPS)					
Weighted average common shares, diluted	3,251,080	3,193,774	3,142,482	3,134,124	3,159,635
EPS, diluted (GAAP)	\$ 2.68	\$ 3.03	\$ 2.66	\$ 1.42	\$ 1.12
PTPP ⁽¹⁾ EPS, diluted (non-GAAP)	\$ 3.97	\$ 4.27	\$ 3.42	\$ 2.74	\$ 1.82
Return on Average Assets (ROAA)					
Average assets	\$ 815,813	\$ 852,272	\$ 751,576	\$ 595,363	\$ 456,797
ROAA (GAAP)	1.07%	1.14%	1.11%	0.75%	0.78%
PTPP ⁽¹⁾ ROAA (non-GAAP)	1.58%	1.60%	1.43%	1.45%	1.26%
Return on Average Equity (ROAE)					
Average equity	\$ 73,094	\$ 65,549	\$ 65,179	\$ 57,386	\$ 53,172
ROAE (GAAP)	11.91%	14.77%	12.81%	7.77%	6.66%
PTPP ⁽¹⁾ ROAE (non-GAAP)	17.65%	20.79%	16.51%	14.99%	10.84%

(1) Pre-tax, pre-provision

Source: Internal company documents and documents filed with SEC.

RECONCILIATION OF NON-GAAP DISCLOSURES

Non-GAAP Measures and Ratio Reconciliation (Unaudited)

(dollars in thousands except per share amounts)

	For the Year Ended December 31,				
	2023	2022	2021	2020	2019
Adjusted Average Loan Yield:					
Net loans, excluding loans held for sale	\$ 646,127	\$ 588,715	\$ 490,198	\$ 476,661	\$ 337,710
Less PPP loans	(36)	(191)	(15,172)	(66,774)	-
Adjusted net loans, excluding loans held for sale and PPP (non-GAAP)	\$ 646,091	\$ 588,524	\$ 475,026	\$ 409,887	\$ 337,710
Average loans, excluding loans held for sale	\$ 613,059	\$ 537,304	\$ 480,606	\$ 429,802	\$ 309,350
Less average PPP loans	(108)	(3,061)	(50,315)	(55,529)	-
Adjusted average loans, excluding loans held for sale and PPP (non-GAAP)	\$ 612,951	\$ 534,243	\$ 430,291	\$ 374,273	\$ 309,350
Interest on loans, excluding loans held for sale	\$ 34,938	\$ 25,803	\$ 22,598	\$ 19,553	\$ 15,884
Less interest income and earned fee income on PPP loans	(2)	(776)	(3,358)	(1,725)	-
Adjusted interest on loans, excluding loans held for sale and PPP (non-GAAP)	\$ 34,936	\$ 25,027	\$ 19,240	\$ 17,828	\$ 15,884
Average loan yield, excluding loans held for sale (GAAP)	5.70%	4.80%	4.70%	4.55%	5.13%
Adjusted average loan yield, excluding loans held for sale and PPP (non-GAAP)	5.70%	4.68%	4.47%	4.76%	5.13%

Source: Internal company documents and documents filed with SEC.