

Third Quarter Report • September 30, 2024

Apollo Bancorp, Inc.

Consolidated Balance Sheets (unaudited)

	September 30, 2024	December 31, 2023
ASSETS		
Cash and due from banks	\$ 4,115,162	\$ 2,869,920
Investment securities available for sale, at fair value	12,011,927	12,880,656
Loans	173,627,206	171,849,322
Less allowance for credit losses	(1,310,613)	(1,235,496)
Net loans	172,316,593	170,613,826
Premises and equipment, net	1,803,143	1,884,934
Bank owned life insurance	5,663,416	5,524,360
Accrued interest and other assets	4,641,036	4,643,978
TOTAL ASSETS	\$ 200,551,277	\$ 198,417,674
LIABILITIES		
Deposits	\$ 146,026,338	\$ 145,025,036
Short-term borrowings	27,100,000	27,150,000
Accrued interest and other liabilities	3,737,443	3,000,690
TOTAL LIABILITIES	176,863,781	175,175,726
STOCKHOLDERS' EQUITY		
Common stock, par value \$2; 2,000,000 shares authorized; 600,000 shares issued; 519,952 and 519,952 shares outstanding	1,200,000	1,200,000
Capital surplus	3,615,097	3,615,097
Retained earnings	23,527,925	23,156,868
Accumulated other comprehensive loss	(1,289,146)	(1,363,637)
Treasury stock, at cost (80,048 and 80,048 shares)	(3,366,380)	(3,366,380)
TOTAL STOCKHOLDERS' EQUITY	23,687,496	23,241,948
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 200,551,277	\$ 198,417,674

Apollo Bancorp, Inc.

Consolidated Statements of Income (unaudited)

	Nine Months Ended September 30,	
	2024	2023
INTEREST AND DIVIDEND INCOME		
Interest and fees on loans	\$ 6,363,777	\$ 5,548,122
Interest on deposits	35,912	63,040
Interest on investment securities	322,732	407,319
Dividend income	81,966	24,929
Total interest and dividend income	6,804,387	6,043,410
INTEREST EXPENSE		
Deposits	357,590	144,506
Short-term borrowings	1,156,323	476,595
Total interest expense	1,513,913	621,101
NET INTEREST INCOME	5,290,474	5,422,309
Provision for credit losses	80,965	68,236
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	5,209,509	5,354,073
NONINTEREST INCOME		
Service charges on deposit accounts	729,014	734,064
Fiduciary income	-	92,648
Bank owned life insurance	139,056	119,916
Other	219,405	51,106
Total noninterest income	1,087,475	997,734
NONINTEREST EXPENSE		
Compensation and employee benefits	2,764,723	2,838,266
Premises and equipment	844,304	872,011
Other	1,253,689	1,148,254
Total noninterest expense	4,862,716	4,858,531
Income before income tax expense	1,434,268	1,493,276
Income tax expense	189,692	215,174
NET INCOME	\$ 1,244,576	\$ 1,278,102
EARNINGS PER SHARE	\$ 2.39	\$ 2.46
DIVIDENDS PER SHARE	\$ 1.68	\$ 1.65
AVERAGE SHARES OUTSTANDING	519,952	519,952
ACTUAL SHARES OUTSTANDING	519,952	519,952

Financial Highlights (unaudited)

Balance Sheet	September 30, 2024	December 31, 2023
Assets	\$ 200,551,277	\$ 198,417,674
Loans	173,627,206	171,849,322
Deposits	146,026,338	145,025,036
Equity	23,687,496	23,241,948
Earnings		
(Ratios are annualized)	Nine Months Ended September 30, 2024	September 30, 2023
Net income	\$ 1,244,576	\$ 1,278,102
Return on average assets	0.83%	0.90%
Return on average equity	7.10%	7.59%

Dear Shareholders:

Net income for the quarter ended September 30, 2024 totaled \$428,000, or \$0.82 per share. This represented a decrease compared with net income of \$475,000, or \$0.91 per share, reported for the third quarter of 2023. The change in earnings was primarily due to a \$74,000 increase in provision for credit losses and a \$68,000 increase in noninterest expense offset by an \$85,000 increase in noninterest income.

Net income for the nine months ended September 30, 2024 totaled \$1,245,000 compared with \$1,278,000 reported for the same period in 2023. Loan interest income has increased \$816,000 due to higher interest rates, but interest expense also increased \$893,000 mostly due to short-term borrowings, and to a lesser extent, certificates of deposit. Loan production has been modestly steady with growth just over 1% in 2024. With recent easing of monetary policy by the Federal Reserve, lower funding costs are anticipated with resulting loan demand still to be determined.

Overhead expenses in personnel, technology and facilities have been stable this year with efficiencies and lower inflation, while operational improvements and product enhancements continue to keep the bank competitive with larger institutions. Risk monitoring remains a priority with strong credit quality and asset-liability management as well as strengthening business continuity resiliency.

Earnings per share totaled \$2.39 and generated 0.83% return on average assets and 7.10% return on equity for the nine months ended September 30, 2024. A dividend of \$0.56 per share for the third quarter was paid October 1. Please do not hesitate to contact me if you have any questions.

Sincerely,

Nelson L. Person
President & CEO