

# MORRIS STATE BANCSHARES, INC. AND SUBSIDIARIES

Consolidating Balance Sheet  
June 30, 2024

**MORRIS**  
BANK

	June 30, 2024 <i>(Unaudited)</i>	March 31, 2024 <i>(Unaudited)</i>	Change	% Change	June 30, 2023 <i>(Unaudited)</i>	Change	% Change
<b>ASSETS</b>							
Cash and due from banks	\$ 43,688,884	\$ 67,354,916	\$ (23,666,032)	-35.14%	\$ 49,157,915	\$ (5,469,031)	-11.13%
Federal funds sold	14,624,710	3,746,408	10,878,302	290.37%	16,908,217	(2,283,507)	-13.51%
Total cash and cash equivalents	<u>58,313,594</u>	<u>71,101,324</u>	<u>(12,787,730)</u>	<u>-17.99%</u>	<u>66,066,132</u>	<u>(7,752,538)</u>	<u>-11.73%</u>
Interest-bearing time deposits in other banks	100,000	100,000	-	0.00%	100,000	-	0.00%
Securities available for sale, at fair value	7,669,642	7,845,095	(175,453)	-2.24%	-	7,669,642	0.00%
Securities held to maturity, at cost (net of CECL Reserve)	227,532,821	231,758,455	(4,225,634)	-1.82%	253,917,288	(26,384,467)	-10.39%
Federal Home Loan Bank stock, restricted, at cost	1,027,800	1,029,600	(1,800)	-0.17%	1,494,300	(466,500)	-31.22%
Loans, net of unearned income	1,081,790,223	1,060,755,992	21,034,231	1.98%	1,024,348,931	57,441,292	5.61%
Less: allowance for credit losses	(14,109,191)	(14,236,149)	126,958	-0.89%	(13,912,231)	(196,960)	1.42%
Loans, net	<u>1,067,681,032</u>	<u>1,046,519,843</u>	<u>21,161,189</u>	<u>2.02%</u>	<u>1,010,436,700</u>	<u>57,244,332</u>	<u>5.67%</u>
Bank premises and equipment, net	13,051,972	13,112,437	(60,465)	-0.46%	13,528,556	(476,584)	-3.52%
ROU assets for operating lease, net	945,268	1,035,712	(90,444)	-8.73%	1,327,882	(382,614)	-28.81%
Goodwill	9,361,704	9,361,704	-	0.00%	9,361,704	-	0.00%
Intangible assets, net	1,508,214	1,594,101	(85,887)	-5.39%	1,851,765	(343,551)	-18.55%
Other real estate and foreclosed assets	43,408	38,558	4,850	12.58%	3,749,267	(3,705,859)	-98.84%
Accrued interest receivable	6,421,999	5,964,911	457,088	7.66%	5,224,150	1,197,849	22.93%
Cash surrender value of life insurance	14,915,967	14,813,139	102,828	0.69%	14,516,332	399,635	2.75%
Other assets	21,721,225	25,151,653	(3,430,428)	-13.64%	23,327,101	(1,605,876)	-6.88%
<b>Total Assets</b>	<u>\$ 1,430,294,646</u>	<u>\$ 1,429,426,532</u>	<u>\$ 868,114</u>	<u>0.06%</u>	<u>\$ 1,404,901,177</u>	<u>25,393,469</u>	<u>1.81%</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>							
Deposits:							
Non-interest bearing	\$ 298,997,994	\$ 302,810,356	\$ (3,812,362)	-1.26%	\$ 318,451,205	(19,453,211)	-6.11%
Interest bearing	914,360,430	904,181,606	10,178,824	1.13%	858,291,311	56,069,119	6.53%
	<u>1,213,358,424</u>	<u>1,206,991,962</u>	<u>6,366,462</u>	<u>0.53%</u>	<u>1,176,742,516</u>	<u>36,615,908</u>	<u>3.11%</u>
Other borrowed funds	18,998,904	27,169,934	(8,171,030)	-30.07%	45,113,982	(26,115,078)	-57.89%
Lease liability for operating lease	945,268	1,035,712	(90,444)	-8.73%	1,327,882	(382,614)	-28.81%
Accrued interest payable	1,730,280	1,419,439	310,841	21.90%	580,607	1,149,673	198.01%
Accrued expenses and other liabilities	9,038,821	10,830,616	(1,791,795)	-16.54%	11,359,139	(2,320,318)	-20.43%
<b>Total liabilities</b>	<u>1,244,071,697</u>	<u>1,247,447,663</u>	<u>(3,375,966)</u>	<u>-0.27%</u>	<u>1,235,124,126</u>	<u>8,947,571</u>	<u>0.72%</u>
Shareholders' Equity:							
Common stock	10,688,223	10,645,509	42,714	0.40%	10,645,374	42,849	0.40%
Paid in capital surplus	34,729,351	34,349,749	379,602	1.11%	33,015,191	1,714,160	5.19%
Retained earnings	132,061,494	133,038,717	(977,223)	-0.73%	117,637,067	14,424,427	12.26%
Current year earnings	10,213,197	4,890,818	5,322,379	108.82%	8,911,726	1,301,471	14.60%
Accumulated other comprehensive income (loss)	1,648,392	1,811,160	(162,768)	-8.99%	2,302,605	(654,213)	-28.41%
Treasury Stock, at cost 83,142	(3,117,708)	(2,757,084)	(360,624)	13.08%	(2,734,912)	(382,796)	14.00%
<b>Total shareholders' equity</b>	<u>186,222,949</u>	<u>181,978,869</u>	<u>4,244,080</u>	<u>2.33%</u>	<u>169,777,051</u>	<u>16,445,898</u>	<u>9.69%</u>
<b>Total Liabilities and Shareholders' Equity</b>	<u>\$ 1,430,294,646</u>	<u>\$ 1,429,426,532</u>	<u>868,114</u>	<u>0.06%</u>	<u>\$ 1,404,901,177</u>	<u>25,393,469</u>	<u>1.81%</u>

# MORRIS STATE BANCSHARES, INC. AND SUBSIDIARIES

## Consolidating Statement of Income for the Three Months Ended



	June 30, 2024 <i>(Unaudited)</i>	March 31, 2024 <i>(Unaudited)</i>	Change	% Change	June 30, 2023 <i>(Unaudited)</i>	Change	% Change
<b>Interest and Dividend Income:</b>							
Interest and fees on loans	\$ 17,879,134	\$ 17,124,889	\$ 754,245	4.40%	\$ 15,361,766	\$ 2,517,368	16.39%
Interest income on securities	1,837,396	1,970,394	(132,998)	-6.75%	2,099,593	(262,197)	-12.49%
Income on federal funds sold	156,184	168,129	(11,945)	-7.10%	106,490	49,694	46.67%
Income on time deposits held in other banks	590,205	408,412	181,793	44.51%	267,047	323,158	121.01%
Other interest and dividend income	64,639	75,848	(11,209)	-14.78%	66,236	(1,597)	-2.41%
Total interest and dividend income	<u>20,527,558</u>	<u>19,747,672</u>	<u>779,886</u>	<u>3.95%</u>	<u>17,901,132</u>	<u>2,626,426</u>	<u>14.67%</u>
<b>Interest Expense:</b>							
Deposits	6,568,679	6,339,843	228,836	3.61%	4,290,251	2,278,428	53.11%
Interest on other borrowed funds	389,629	445,278	(55,649)	-12.50%	574,301	(184,672)	-32.16%
Interest on federal funds purchased	--	--	--	0.00%	705	(705)	0.00%
Total interest expense	<u>6,958,308</u>	<u>6,785,121</u>	<u>173,187</u>	<u>2.55%</u>	<u>4,865,257</u>	<u>2,093,051</u>	<u>43.02%</u>
Net interest income before provision for loan losses	13,569,250	12,962,551	606,699	4.68%	13,035,875	533,375	4.09%
Less-provision for credit losses	272,419	4,501	267,918	5952.41%	(141,187)	413,606	-292.95%
Net interest income after provision for credit losses	<u>13,296,831</u>	<u>12,958,050</u>	<u>338,781</u>	<u>2.61%</u>	<u>13,177,062</u>	<u>119,769</u>	<u>0.91%</u>
<b>Noninterest Income:</b>							
Service charges on deposit accounts	535,847	491,568	44,279	9.01%	533,273	2,574	0.48%
Other service charges, commissions and fees	397,787	362,692	35,095	9.68%	376,266	21,521	5.72%
Gain on sales of foreclosed assets	--	700	(700)	-100.00%	--	--	0.00%
Gain on sales of premises and equipment	141	--	--	--	--	141	0.00%
Increase in CSV of life insurance	102,828	101,516	1,312	1.29%	92,372	10,456	11.32%
Other income	355,155	251,361	103,794	41.29%	106,051	249,104	234.89%
Total noninterest income	<u>1,391,758</u>	<u>1,207,837</u>	<u>183,921</u>	<u>15.23%</u>	<u>1,107,962</u>	<u>283,796</u>	<u>25.61%</u>
<b>Noninterest Expense:</b>							
Salaries and employee benefits	4,650,704	4,861,534	(210,830)	-4.34%	3,889,461	761,243	19.57%
Occupancy and equipment expenses, net	536,330	545,126	(8,796)	-1.61%	570,746	(34,416)	-6.03%
Loss on sales and calls of securities	265	--	265	--	--	265	--
Loss on sales of foreclosed assets	--	--	--	--	5,816	(5,816)	--
Other expenses	3,860,188	3,716,219	143,969	3.87%	3,681,617	178,571	4.85%
Total noninterest expense	<u>9,047,487</u>	<u>9,122,879</u>	<u>(75,392)</u>	<u>-0.83%</u>	<u>8,147,640</u>	<u>899,847</u>	<u>11.04%</u>
<b>Income Before Income Taxes</b>	5,641,102	5,043,008	598,094	11.86%	6,137,384	(496,282)	-8.09%
Provision for income taxes	318,723	152,190	166,533	-109.42%	1,329,595	(1,010,872)	-76.03%
<b>Net Income</b>	<u>\$ 5,322,379</u>	<u>\$ 4,890,818</u>	<u>431,561</u>	<u>8.82%</u>	<u>\$ 4,807,789</u>	<u>514,590</u>	<u>10.70%</u>
<b>Earnings per common share:</b>							
Basic	<u>\$ 0.50</u>	<u>\$ 0.46</u>	<u>0.04</u>	<u>8.70%</u>	<u>\$ 0.45</u>	<u>0.05</u>	<u>11.11%</u>
Diluted	<u>\$ 0.50</u>	<u>\$ 0.46</u>	<u>0.04</u>	<u>8.70%</u>	<u>\$ 0.45</u>	<u>0.05</u>	<u>11.11%</u>

Per share amounts for each period have been adjusted to reflect the April 22, 2024 4-for-1 stock dividend.

# MORRIS STATE BANCSHARES, INC. AND SUBSIDIARIES

## Selected Financial Information



	June 30, 2024 (Unaudited)	March 31, 2024 (Unaudited)	June 30, 2023 (Unaudited)
Dollars in thousand, except per share data			
<b>Per Share Data</b>			
Basic Earnings per Common Share	\$ 0.50	\$ 0.46	\$ 0.45
Diluted Earnings per Common Share	0.50	0.46	0.45
Dividends per Common Share	0.092	0.092	0.088
Book Value per Common Share	17.56	17.20	16.05
Tangible Book Value per Common Share	16.53	16.17	14.99
Average Diluted Shared Outstanding	10,611,811	10,602,289	10,585,884
End of Period Common Shares Outstanding	10,605,080	10,624,932	10,583,263
<b>Annualized Performance Ratios (Bank Only)</b>			
Return on Average Assets	1.73%	1.55%	1.60%
Return on Average Equity	13.12%	11.74%	12.79%
Equity/Assets	13.18%	13.09%	12.45%
Yield on Earning Assets	5.99%	5.87%	5.38%
Cost of Funds	2.16%	2.09%	1.47%
Net Interest Margin	4.06%	3.99%	4.04%
Efficiency Ratio	57.97%	61.48%	54.37%
<b>Credit Metrics</b>			
Allowance for Loan Losses to Total Loans	1.30%	1.34%	1.36%
Adversely Classified Assets to Tier 1 Capital plus Allowance for Loan Losses	6.04%	5.22%	6.41%

Per share amounts for each period have been adjusted to reflect the April 22, 2024 4-for-1 stock dividend.