



Northeast Bank Reports First Quarter Results and Declares Dividend

October 28, 2025 at 4:40 PM EDT

PORTLAND, Maine, Oct. 28, 2025 (GLOBE NEWSWIRE) -- Northeast Bank (the "Bank") (NASDAQ: NBN), a Maine-based bank, today reported net income of \$22.5 million, or \$2.67 per diluted common share, for the quarter ended September 30, 2025, compared to net income of \$17.1 million, or \$2.11 per diluted common share, for the quarter ended September 30, 2024.

The Board of Directors declared a cash dividend of \$0.01 per share, payable on November 25, 2025, to shareholders of record as of November 11, 2025.

"We delivered solid results this quarter, reflecting the underlying strength of our franchise and the quality of our people," said Rick Wayne, Chief Executive Officer. "We are reporting earnings of \$2.67 per diluted common share, a return on average equity of 17.6%, and a return on average assets of 2.1%. Our diversified business model and interest rate neutral balance sheet continue to generate consistent earnings, regardless of the interest rate environment. Lending activity remained strong with quarterly originations and purchases of \$278.4 million. Looking forward, our capital levels will provide us flexibility to respond to future growth opportunities."

As of September 30, 2025, total assets were \$4.17 billion, a decrease of \$107.6 million, or 2.5%, from total assets of \$4.28 billion as of June 30, 2025.

1. The following table highlights the changes in the loan portfolio, including loans held for sale, for the quarter ended September 30, 2025:

	Loan Portfolio Changes			
	September 30, 2025	June 30, 2025	Change (\$)	Change (%)
	(Dollars in thousands)			
National Lending Purchased	\$ 2,406,506	\$ 2,375,157	\$ 31,349	1.32%
National Lending Originated	1,213,111	1,251,768	(38,657)	(3.09%)
SBA National	128,347	144,974	(16,627)	(11.47%)
Community Banking	17,652	18,258	(606)	(3.32%)
Total	<u>\$ 3,765,616</u>	<u>\$ 3,790,157</u>	<u>\$ (24,541)</u>	<u>(0.65%)</u>

Loans generated by the Bank's National Lending Division for the quarter ended September 30, 2025 totaled \$278.4 million, which consisted of \$144.6 million of purchased loans at an average price of 94.7% of unpaid principal balance, and \$133.8 million of originated loans. Loans generated by the Bank's Small Business Administration ("SBA") Division for the quarter ended September 30, 2025 totaled \$42.0 million.

An overview of the Bank's National Lending Division portfolio follows:

	National Lending Portfolio					
	Three Months Ended September 30,					
	2025			2024		
	Purchased	Originated	Total	Purchased	Originated	Total
	(Dollars in thousands)					
Loans purchased or originated during the period:						
Unpaid principal balance	\$ 152,690	\$ 133,818	\$ 286,508	\$ 807,733	\$ 126,893	\$ 934,626
Initial net investment basis (1)	144,600	133,818	278,417	732,893	126,893	859,786
Loan returns during the period:						
Yield	8.16%	8.63%	8.32%	8.83%	9.31%	9.00%
Total Return on Purchased Loans (2)	8.21%	N/A	8.21%	8.84%	N/A	8.84%
Total loans as of period end:						
Unpaid principal balance	\$ 2,578,040	\$ 1,213,111	\$ 3,791,151	\$ 2,644,390	\$ 1,011,374	\$ 3,655,764
Net investment basis	2,406,506	1,213,111	3,619,617	2,420,883	1,011,374	3,432,257

(1) Initial net investment basis on purchased loans is the initial amortized cost basis net of initial allowance for credit losses (credit mark).

(2) The total return on purchased loans represents scheduled accretion, accelerated accretion, gains (losses) on real estate owned, release of allowance for credit losses on purchased loans, and other noninterest income recorded during the period divided by the average invested balance on an annualized basis. The total return on purchased loans does not include the effect of purchased loan charge-offs or recoveries during the period. Total return on purchased loans is considered a non-GAAP financial measure. See reconciliation in below table entitled "Total Return on Purchased Loans."

2. Deposits decreased by \$125.2 million, or 3.7%, from June 30, 2025. The decrease was primarily attributable to decreases in time deposits of \$67.3 million, or 3.0%, compared to the prior year. The significant drivers in the change in time deposits was a decrease in brokered time deposits, which decreased \$125.2 million, partially offset by an increase in Community Banking Division time deposits, which increased by \$38.0 million compared to June 30, 2025.

3. Federal Home Loan Bank ("FHLB") advances decreased by \$3.4 million, or 1.1%, from June 30, 2025. The decrease was attributable to maturities on outstanding advances and net paydowns on amortizing advances.

4. Shareholders' equity increased by \$19.4 million, or 3.9%, from June 30, 2025, primarily due to net income of \$22.5 million in the quarter, partially offset by the cancellation of restricted stock to cover tax obligations on restricted stock vests, which had a \$3.1 million impact on shareholders' equity.

Net income increased by \$5.4 million to \$22.5 million for the quarter ended September 30, 2025, compared to net income of \$17.1 million for the quarter ended September 30, 2024.

1. Net interest and dividend income before provision for credit losses increased by \$9.2 million to \$48.2 million for the quarter ended September 30, 2025, compared to \$39.0 million for the quarter ended September 30, 2024. The increase was primarily due to the following:

- o An increase in interest income earned on loans of \$12.3 million, primarily due to higher average balances in the National Lending Division and SBA portfolios, partially offset by lower rates earned across the portfolios; and
- o An increase in interest income earned on short-term investments of \$1.4 million, due to higher average balances, partially offset by lower rates earned; partially offset by,
- o An increase in deposit interest expense of \$4.7 million, primarily due to higher average balances, partially offset by lower rates on interest-bearing deposits.

The following table summarizes interest income and related yields recognized on the loan portfolios:

	Interest Income and Yield on Loans					
	Three Months Ended September 30,					
	2025			2024		
	Average Balance (1)	Interest Income	Yield	Average Balance (1)	Interest Income	Yield
(Dollars in thousands)						
Community Banking	\$ 17,856	\$ 303	6.73%	\$ 22,409	\$ 370	6.55%
SBA National	131,952	3,434	10.32%	59,745	2,419	16.06%
National Lending:						
Originated	1,214,157	26,425	8.63%	997,397	23,408	9.31%
Purchased	2,311,209	47,518	8.16%	1,758,801	39,141	8.83%
Total National Lending	3,525,366	73,943	8.32%	2,756,198	62,549	9.00%
Total	\$ 3,675,174	\$ 77,680	8.39%	\$ 2,838,352	\$ 65,338	9.13%

(1) Includes loans held for sale.

The components of total income on purchased loans are set forth in the table below entitled "Total Return on Purchased Loans." When compared to the quarter ended September 30, 2024, transactional income increased by \$334 thousand for the quarter ended September 30, 2025, and regularly scheduled interest and accretion increased by \$8.3 million, primarily due to the increase in average balances. The total return on purchased loans for the quarter ended September 30, 2025 was 8.2%, a decrease from 8.8% for the quarter ended September 30, 2024. The following table details the total return on purchased loans:

	Total Return on Purchased Loans			
	Three Months Ended September 30,			
	2025		2024	
	Income	Return (1)	Income	Return (1)
(Dollars in thousands)				
Regularly scheduled interest and accretion	\$ 45,440	7.80%	\$ 37,160	8.38%
Transactional income:				
Release of allowance for credit losses on purchased loans	301	0.05%	64	0.01%
Accelerated accretion and loan fees	2,078	0.36%	1,981	0.45%
Total transactional income	2,379	0.41%	2,045	0.46%
Total	\$ 47,819	8.21%	\$ 39,205	8.84%

(1) The total return on purchased loans represents scheduled accretion, accelerated accretion, gains (losses) on real estate owned, release of allowance for credit losses on purchased loans, and other noninterest income recorded during the period divided by the average invested balance on an annualized basis. The total return on purchased loans does not include the effect of purchased loan charge-offs or recoveries during the period. Total return on purchased loans is considered a non-GAAP financial measure.

2. Provision for credit losses decreased by \$857 thousand reflecting a credit of \$435 thousand for the quarter ended September 30, 2025, compared to a provision of \$422 thousand for the quarter ended September 30, 2024. The decrease was primarily related to the decrease in the overall loan balance during the quarter.
3. Noninterest income increased by \$564 thousand for the quarter ended September 30, 2025, compared to the quarter ended September 30, 2024, primarily due to an increase in gain on sale of SBA loans of \$807 thousand, due to the change in cost structure of our arrangement with Newity LLC. There were sales of \$58.4 million in SBA loans during the quarter ended September 30, 2025 as compared to sales of \$63.1 million during the quarter ended September 30, 2024.
4. Noninterest expense increased by \$4.2 million for the quarter ended September 30, 2025, compared to the quarter ended September 30, 2024, primarily due to the following:
- An increase in salaries and employee benefits expense of \$1.5 million, primarily due to increases in regular, stock and incentive compensation expense;
 - An increase in professional fees due of \$342 thousand, primarily related to increased legal and audit costs; and
 - An increase in loan expense of \$2.1 million, primarily related to increased expenses in connection with the origination of SBA loans.
5. Income tax expense increased by \$1.0 million to \$8.9 million, or an effective tax rate of 28.3%, for the quarter ended September 30, 2025, compared to income tax expense of \$7.9 million, or an effective tax rate of 31.6%, for the quarter ended September 30, 2024. The decrease in effective tax rate is primarily due to changes in state tax law.

As of September 30, 2025, nonperforming assets totaled \$35.1 million, or 0.8% of total assets, compared to \$37.2 million, or 0.9% of total assets, as of June 30, 2025.

As of September 30, 2025, past due loans totaled \$28.8 million, or 0.8% of total loans, compared to past due loans totaling \$30.1 million, or 0.8% of total loans, as of June 30, 2025.

As of September 30, 2025, the Bank's Tier 1 leverage capital ratio was 12.2%, compared to 11.6% at June 30, 2025, and the Bank's Total risk-based capital ratio was 15.1% at September 30, 2025, compared to 14.7% at June 30, 2025. Capital ratios increased primarily due increased retained earnings.

Investor Call Information

Rick Wayne, Chief Executive Officer, Richard Cohen, Chief Financial Officer, Santino Delmolino, Corporate Controller, and Pat Dignan, Chief Operating Officer and Chief Credit Officer, of Northeast Bank, will host a **conference call to discuss first quarter financial results and business outlook at 10:00 a.m. Eastern Time on Wednesday, October 29th**. To access the conference call by phone, please go to this link ([Phone Registration](#)), and you will be provided with dial in details. The call will be available via live webcast, which can be viewed by accessing the Bank's website at www.northeastbank.com and clicking on the About Us - Investor Relations section. To listen to the webcast, attendees are encouraged to visit the website at least 15 minutes early to register, download and install any necessary audio software. Please note there will also be a slide presentation that will accompany the webcast. This presentation is also available in the Investor Relations section of the Bank's website at www.northeastbank.com. For those who cannot listen to the live broadcast, a replay will be available online for one year at www.northeastbank.com.

About Northeast Bank

Northeast Bank (NASDAQ: NBN) is a bank headquartered in Portland, Maine. We offer personal and business banking services to the Maine market via seven branches. Our National Lending Division purchases and originates commercial loans on a nationwide basis and our SBA division originates government-guaranteed SBA loans on a nationwide basis. ableBanking, a division of Northeast Bank, offers online savings products to consumers nationwide. Information regarding Northeast Bank can be found at www.northeastbank.com.

Non-GAAP Financial Measures

In addition to results presented in accordance with generally accepted accounting principles ("GAAP"), this press release contains certain non-GAAP financial measures, including tangible common shareholders' equity, tangible book value per share, total return on purchased loans, and efficiency ratio. The Bank's management believes that the supplemental non-GAAP information is utilized by regulators and market analysts to evaluate a company's financial condition and therefore, such information is useful to investors. These disclosures should not be viewed as a substitute for financial results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names.

Forward-Looking Statements

Statements in this press release that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and are intended to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. We may also make forward-looking statements in other documents we file with the Federal Deposit Insurance Corporation ("FDIC"), in our annual reports to our shareholders, in press releases and other written materials, and in oral statements made by our officers, directors, or employees. You can identify forward-looking statements by the use of the words "believe," "expect," "anticipate," "intend," "estimate," "assume," "outlook," "will," "should," and other expressions that predict or indicate future events and trends and which do not relate to historical matters. Although the Bank believes that these forward-looking statements are based on reasonable estimates and assumptions, they are not guarantees of future performance and are subject to known and unknown risks, uncertainties, contingencies, and other factors. You should not place undue reliance on our forward-looking statements. You should exercise caution in interpreting and relying on forward-looking statements because they are subject to significant risks, uncertainties, and other factors which are, in some cases, beyond the Bank's control.

The Bank's actual results could differ materially from those expressed or implied by such the forward-looking statements as a result of, among other factors: changes in interest rates and real estate values; changes in employment levels, and general business and economic conditions on a national basis and in the local markets in which the Bank operates; changes in customer behavior due to changing business and economic conditions (including the impact of tariffs, inflation, and concerns about liquidity) or legislative or regulatory initiatives; the possibility that future credit losses are higher than currently expected due to changes in economic assumptions, customer behavior, or adverse economic developments; turbulence in the capital and debt markets; competitive pressures from other financial institutions; changes in loan defaults and charge-off rates; changes in the value of securities and other assets, adequacy of credit loss reserves, or deposit levels necessitating increased borrowing to fund loans and investments; changes in, and evolving interpretations of, existing and future laws, rules, and regulations; operational risks including, but not limited to, cybersecurity, fraud, natural disasters, climate change, and future pandemics; the risk that the Bank may not be successful in the implementation of its business strategy; the risk that intangibles recorded in the Bank's financial statements will become impaired; changes in assumptions used in making such forward-looking statements; and the other risks and uncertainties detailed in the Bank's Annual Report on Form 10-K, as updated in the Bank's Quarterly Reports on Form 10-Q and other filings submitted to the FDIC. These statements speak only as of the date of this release and the Bank does not undertake any obligation to update or revise any of these forward-looking statements to reflect events or circumstances occurring after the date of this release or to reflect the occurrence of unanticipated events.

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NORTHEAST BANK

BALANCE SHEETS

(Unaudited)

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

	September 30, 2025	June 30, 2025
Assets		
Cash and due from banks	\$ 2,356	\$ 2,908
Short-term investments	339,460	410,711
Total cash and cash equivalents	341,816	413,619
Available-for-sale debt securities, at fair value	8,118	15,308
Equity securities, at fair value	7,514	7,396
Total securities	15,632	22,704
SBA loans held for sale	12,664	33,768
Loans:		
Commercial real estate	2,791,809	2,733,794
Commercial and industrial	849,626	903,278
Residential real estate	111,384	119,158
Consumer	133	159
Total loans	3,752,952	3,756,389
Less: Allowance for credit losses	46,713	47,930
Loans, net	3,706,239	3,708,459
Premises and equipment, net	24,186	24,704
Real estate owned and other possessed collateral, net	1,279	560
Federal Home Loan Bank stock, at cost	15,118	15,295
Loan servicing rights, net	662	699
Bank-owned life insurance	18,621	19,329
Accrued interest receivable	17,325	16,897
Other assets	17,896	23,034
Total assets	\$ 4,171,438	\$ 4,279,068
Liabilities and Shareholders' Equity		
Deposits:		
Demand	\$ 157,217	\$ 159,274
Savings and interest checking	839,675	880,016
Money market	77,176	92,716
Time	2,176,319	2,243,594
Total deposits	3,250,387	3,375,600
Federal Home Loan Bank advances	316,801	320,191
Lease liability	18,616	19,044
Other liabilities	71,987	69,947

Total liabilities	3,657,791	3,784,782
Commitments and contingencies		
Shareholders' equity		
Preferred stock, \$1.00 par value, 1,000,000 shares authorized; no shares issued and outstanding at September 30, 2025 and June 30, 2025	—	—
Voting common stock, \$1.00 par value, 25,000,000 shares authorized; 8,562,960 and 8,525,362 shares issued and outstanding at September 30, 2025 and June 30, 2025, respectively	8,563	8,525
Non-voting common stock, \$1.00 par value, 3,000,000 shares authorized; No shares issued and outstanding at September 30, 2025 and June 30, 2025	—	—
Additional paid-in capital	95,586	98,728
Retained earnings	409,493	387,035
Accumulated other comprehensive income (loss)	5	(2)
Total shareholders' equity	513,647	494,286
Total liabilities and shareholders' equity	\$ 4,171,438	\$ 4,279,068

NORTHEAST BANK
STATEMENTS OF INCOME

(Unaudited)

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

	Three Months Ended September 30,	
	2025	2024
Interest and dividend income:		
Interest and fees on loans	\$ 77,680	\$ 65,338
Interest on available-for-sale securities	180	595
Other interest and dividend income	5,347	3,921
Total interest and dividend income	83,207	69,854
Interest expense:		
Deposits	31,331	26,590
Federal Home Loan Bank advances	3,461	4,030
Obligation under capital lease agreements	223	234
Total interest expense	35,015	30,854
Net interest and dividend income before provision for credit losses	48,192	39,000
(Credit) provision for credit losses	(435)	422
Net interest and dividend income after provision for credit losses	48,627	38,578
Noninterest income:		
Fees for other services to customers	346	443
Gain on sales of SBA loans	4,138	3,331
Net unrealized gain on equity securities	52	189
Bank-owned life insurance income	124	124
Correspondent fee income	12	30
Other noninterest income	11	2
Total noninterest income	4,683	4,119
Noninterest expense:		
Salaries and employee benefits	12,682	11,183
Occupancy and equipment expense	1,146	1,078
Professional fees	1,095	753
Data processing fees	1,653	1,487
Marketing expense	123	136
Loan acquisition and collection expense	3,349	1,293
FDIC insurance expense	294	331
Other noninterest expense	1,548	1,424
Total noninterest expense	21,890	17,685
Income before income tax expense	31,420	25,012
Income tax expense	8,879	7,906

Net income	\$	<u>22,541</u>	\$	<u>17,106</u>
Weighted-average shares outstanding:				
Basic		8,272,801		7,886,148
Diluted		8,430,980		8,108,688
Earnings per common share:				
Basic	\$	2.72	\$	2.17
Diluted		2.67		2.11
Cash dividends declared per common share	\$	0.01	\$	0.01

NORTHEAST BANK

AVERAGE BALANCE SHEETS AND ANNUALIZED YIELDS

(Unaudited)

(Dollars in thousands)

Three Months Ended September 30,						
2025			2024			
Average Balance	Interest Income/Expense	Average Yield/Rate	Average Balance	Interest Income/Expense	Average Yield/Rate	
Assets:						
Interest-earning assets:						
Investment securities	\$ 18,135	\$ 180	3.94%	\$ 55,413	\$ 595	4.26%
Loans (1) (2) (3)	3,675,174	77,680	8.39%	2,838,352	65,338	9.13%
Federal Home Loan Bank stock	15,185	285	7.45%	16,465	330	7.95%
Short-term investments (4)	454,491	5,062	4.42%	245,542	3,591	5.80%
Total interest-earning assets	4,162,985	83,207	7.93%	3,155,772	69,854	8.78%
Cash and due from banks	2,086			2,112		
Other non-interest earning assets	38,420			94,071		
Total assets	<u>\$ 4,203,491</u>			<u>\$ 3,251,955</u>		
Liabilities & Shareholders' Equity:						
Interest-bearing liabilities:						
NOW accounts	\$ 648,545	\$ 6,208	3.80%	\$ 563,730	\$ 6,380	4.49%
Money market accounts	87,731	495	2.24%	148,687	1,267	3.38%
Savings accounts	210,579	1,505	2.84%	178,581	1,557	3.46%
Time deposits	2,175,202	23,123	4.22%	1,389,832	17,386	4.96%
Total interest-bearing deposits	3,122,057	31,331	3.98%	2,280,830	26,590	4.63%
Federal Home Loan Bank advances	316,077	3,461	4.34%	362,594	4,030	4.41%
Lease liability	18,765	223	4.71%	20,018	234	4.64%
Total interest-bearing liabilities	3,456,899	35,015	4.02%	2,663,442	30,854	4.60%
Non-interest bearing liabilities:						
Demand deposits and escrow accounts	169,767			175,161		
Other liabilities	69,968			26,175		
Total liabilities	3,696,634			2,864,778		
Shareholders' equity	506,857			387,177		
Total liabilities and shareholders' equity	<u>\$ 4,203,491</u>			<u>\$ 3,251,955</u>		
Net interest income		<u>\$ 48,192</u>			<u>\$ 39,000</u>	
Interest rate spread			3.91%			4.18%
Net interest margin (5)			4.59%			4.90%
Cost of funds (6)			3.83%			4.31%

(1) Interest income and yield are stated on a fully tax-equivalent basis using the statutory tax rate.

(2) Includes loans held for sale.

(3) Nonaccrual loans are included in the computation of average, but unpaid interest has not been included for purposes of determining interest income.

(4) Short-term investments include FHLB overnight deposits and other interest-bearing deposits.

(5) Net interest margin is calculated as net interest income divided by total interest-earning assets.

(6) Cost of funds is calculated as total interest expense divided by total interest-bearing liabilities plus demand deposits and escrow accounts.

NORTHEAST BANK

SELECTED FINANCIAL HIGHLIGHTS AND OTHER DATA

(Unaudited)

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

	Three Months Ended				
	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024
Net interest income	\$ 48,192	\$ 53,931	\$ 45,951	\$ 48,490	\$ 39,000
(Credit) provision for credit losses	(435)	3,469	2,908	1,944	422
Noninterest income	4,683	8,768	6,619	5,949	4,119
Noninterest expense	21,890	21,495	20,143	19,066	17,685
Net income	22,541	25,216	18,681	22,440	17,106
Weighted-average common shares outstanding:					
Basic	8,272,801	8,233,002	8,216,746	8,044,345	7,886,148
Diluted	8,430,980	8,413,895	8,394,964	8,197,568	8,108,688
Earnings per common share:					
Basic	\$ 2.72	\$ 3.06	\$ 2.27	\$ 2.79	\$ 2.17
Diluted	2.67	3.00	2.23	2.74	2.11
Dividends declared per common share	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
Return on average assets	2.13%	2.38%	1.86%	2.24%	2.09%
Return on average equity	17.64%	20.74%	16.47%	21.14%	17.53%
Net interest rate spread (1)	3.91%	4.49%	3.96%	4.21%	4.18%
Net interest margin (2)	4.59%	5.10%	4.62%	4.88%	4.90%
Efficiency ratio (non-GAAP) (3)	41.40%	34.28%	38.32%	35.02%	41.01%
Noninterest expense to average total assets	2.07%	2.03%	2.00%	1.90%	2.16%
Average interest-earning assets to average interest-bearing liabilities	120.43%	119.07%	118.64%	118.24%	118.48%

	As of:				
	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024
Nonperforming loans:					
Total originated portfolio	\$ 10,817	\$ 10,587	\$ 12,552	\$ 12,809	\$ 15,342
Total purchased portfolio	22,976	24,424	19,680	17,257	21,830
Total nonperforming loans	33,793	35,011	32,232	30,066	37,172
Real estate owned and other repossessed collateral, net	1,279	560	1,200	1,200	-
Total nonperforming assets	\$ 35,072	\$ 35,571	\$ 33,432	\$ 31,266	\$ 37,172

Past due loans to total loans	0.77%	0.80%	0.91%	0.85%	0.89%
Nonperforming loans to total loans	0.90%	0.93%	0.86%	0.84%	1.06%
Nonperforming assets to total assets	0.84%	0.83%	0.79%	0.77%	0.94%
Allowance for credit losses to total loans	1.24%	1.28%	1.23%	1.25%	1.25%
Allowance for credit losses to nonperforming loans	138.23%	136.90%	142.79%	148.92%	117.40%
Net charge-offs	\$ 1,887	\$ 1,723	\$ 2,082	\$ 869	\$ 1,604
Commercial real estate loans to total capital (4)	470.01%	486.07%	521.47%	542.12%	604.38%
Net loans to deposits	114.02%	109.86%	112.10%	112.52%	110.70%
Purchased loans to total loans	64.12%	63.23%	65.33%	66.63%	69.11%

Equity to total assets	12.31%	11.55%	11.06%	10.88%	9.96%
Common equity tier 1 capital ratio	13.86%	13.44%	12.72%	12.66%	11.45%
Total risk-based capital ratio	15.11%	14.69%	13.97%	13.91%	12.70%
Tier 1 leverage capital ratio	12.21%	11.64%	11.45%	11.16%	12.06%
Total shareholders' equity	\$ 513,647	\$ 494,286	\$ 467,516	\$ 444,101	\$ 392,557
Less: Preferred stock	-	-	-	-	-
Common shareholders' equity	513,647	494,286	467,516	444,101	392,557
Less: Intangible assets	-	-	-	-	-
Tangible common shareholders' equity (non-GAAP)	<u>\$ 513,647</u>	<u>\$ 494,286</u>	<u>\$ 467,516</u>	<u>\$ 444,101</u>	<u>\$ 392,557</u>
Common shares outstanding	8,562,960	8,525,362	8,525,362	8,492,856	8,212,026
Book value per common share	\$ 59.98	\$ 57.98	\$ 54.84	\$ 52.29	\$ 47.80
Tangible book value per share (non-GAAP) (5)	59.98	57.98	54.84	52.29	47.80

(1) The net interest rate spread represents the difference between the weighted-average yield on interest-earning assets and the weighted-average cost of interest-bearing liabilities for the period.

(2) The net interest margin represents net interest income as a percent of average interest-earning assets for the period.

(3) The efficiency ratio represents noninterest expense divided by the sum of net interest income (before the credit loss provision) plus noninterest income.

(4) For purposes of calculating this ratio, commercial real estate includes all non-owner occupied commercial real estate loans defined as such by regulatory guidance, including all land development and construction loans.

(5) Tangible book value per share represents total shareholders' equity less the sum of preferred stock and intangible assets divided by common shares outstanding.

For More Information:

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