

FOR IMMEDIATE RELEASE

PRESS RELEASE

Avidbank Holdings, Inc. Announces Net Income for the Fourth Quarter of 2023

SAN JOSE, CA (Accesswire) – 01/22/24 – Avidbank Holdings, Inc. (OTC Pink: AVBH) announced net income for the fourth quarter of 2023 of \$303,000, or \$0.04 per diluted share, compared to \$5.4 million, or \$0.72 per diluted share, for the third quarter of 2023 and \$8.4 million, or \$1.13 per diluted share, for the fourth quarter of 2022. Adjusted net income⁽¹⁾ totaled \$4.9 million, or \$0.65 per diluted share for the fourth quarter of 2023.

Fourth Quarter 2023 Highlights

- Book value per share was \$21.27, an increase of \$2.44, or 13%, from September 30, 2023 and an increase of \$3.28, or 18%, from December 31, 2022.
- Loans increased \$70.7 million, or 17% annualized, from September 30, 2023, and \$186.4 million, or 12%, from December 31, 2022.
- Average deposits increased \$26.5 million, or 6% annualized, from the third quarter of 2023.
- Taxable equivalent net interest margin ⁽¹⁾ was 3.47% in the fourth quarter of 2023, compared to 3.34% in the third quarter of 2023.
- Annualized net charge-offs to average loans totaled 0.0% for the fourth and third quarters of 2023 and 0.01% for the full year 2023.
- Nonperforming assets to total assets was 0.06% as of December 31, 2023, compared to 0.70% on September 30, 2023, following the fourth quarter sale of the \$14.1 million foreclosed real estate property.

Profitability Improvement Initiatives

- Sold \$35.8 million in available-for-sale securities for a loss of \$5.4 million. The securities had a book yield of 1.74% and an estimated average life of 5.5 years. The expected recovery of this loss is approximately 4.1 years.
- Initiated the surrender of \$21.2 million in bank-owned life insurance (“BOLI”) policies, resulting in tax expense of \$478,000. Proceeds from the surrender of BOLI are expected to be received in the first half of 2024. The pre-tax yield on this BOLI was 3.25%.
- Completed the sale of the \$14.1 million foreclosed real estate property in the fourth quarter of 2023 for a loss of \$165,000.
- Completed a reduction in staff of seven employees resulting in annual cost savings of approximately \$1.2 million and fourth quarter 2023 severance expense of \$324,000.
- The proceeds from the foreclosed property sale, securities sale, and BOLI surrender will reduce Avidbank’s reliance on wholesale funding by approximately \$71 million.

“We are pleased with the diversified loan growth, improved net interest margin, and continued strong asset quality in the fourth quarter. Although deposit levels ended the year lower than expected, our deposit pipeline remains robust. We are optimistic that our growth in deposits will be strong as we move into 2024,” said Mark Mordell, Chairman and Chief Executive Officer.

“We took several important steps in the fourth quarter of 2023 to improve our profitability in 2024. This included the resolution of our foreclosed real estate property, selling approximately 10 percent of our investment portfolio, initiating the surrender of a portion of our BOLI portfolio, and the difficult decision of reducing the size of our work force. These steps impacted fourth quarter net income by approximately \$5 million but will improve profitability in 2024. Most importantly, these actions will reduce our reliance on wholesale funding, which is imperative as we execute our strategic plan for 2024 to strengthen our balance sheet and improve our performance metrics,” added Mr. Mordell.

(1) A Non-GAAP performance measure. We provide detailed reconciliations in the “Non-GAAP Performance and Financial Measures Reconciliation” table.

Avidbank Holdings, Inc. Fourth Quarter 2023 Financial Results Press ReleaseIncome Statement

Taxable equivalent net interest income⁽¹⁾ totaled \$18.3 million for the fourth quarter of 2023, an increase of \$942,000, or 5%, from the third quarter of 2023, and a decrease of \$3.6 million, or 16%, from the fourth quarter of 2022. The taxable equivalent net interest margin was 3.47% in the fourth quarter of 2023, an increase of 13 basis points compared to the third quarter of 2023, and a decrease of 94 basis points compared to the fourth quarter of 2022. The increase in taxable equivalent net interest income and net interest margin compared to the prior quarter was primarily driven by an overall increase in loan yields and balances. The decrease in taxable equivalent net interest margin compared to the same period one year ago was primarily driven by an increase in high-cost short-term borrowings replacing lower-cost deposits, interest bearing deposits replacing no-cost demand deposits, and an overall increase in deposit costs, partially offset by an increase in loan yields and average loan balances.

The yield on loans in the fourth quarter of 2023 was 7.25%, an increase of 21 basis points from the third quarter of 2023 and an increase of 92 basis points from the fourth quarter of 2022. The overall increase in loan yields compared to prior periods was primarily due to increases in interest rates, primarily the Prime rate.

The cost of deposits in the fourth quarter of 2023 was 2.71%, an increase of 19 basis points from the third quarter of 2023 and an increase of 181 basis points from the fourth quarter of 2022. The cost of interest-bearing deposits in the fourth quarter of 2023 was 3.80% compared to 3.66% in the third quarter of 2023 and 1.59% in the fourth quarter of 2022.

The provision for credit losses was \$1.27 million in the fourth quarter of 2023, compared to \$120,000 in the third quarter of 2023 and \$993,000 in the fourth quarter of 2022. The provision increased in the current quarter primarily due to loan growth of \$70.7 million in the fourth quarter of 2023, compared to \$19.6 million in the third quarter of 2023. The provision for credit losses in the fourth quarter of 2023 included a \$1.33 million provision for loan losses offset by a \$(65,000) provision for unfunded commitments.

Noninterest income was \$(4.45) million in the fourth quarter of 2023 compared to \$1.2 million in the third quarter of 2023 and \$1.3 million in the fourth quarter of 2022. The fourth quarter of 2023 included a \$5.40 million loss on sale of securities, a \$165,000 loss on the sale of a foreclosed property, and a loss of \$116,000 from changes in the fair value of fund investments.

Noninterest expense totaled \$11.6 million for the fourth quarter of 2023, an increase of \$654,000 compared to the third quarter of 2023. Salaries and benefits expense for the fourth quarter of 2023 included severance charges of \$324,000. There were 143 full-time equivalent employees on December 31, 2023, compared to 147 on September 30, 2023.

Balance Sheet

Total assets were \$2.23 billion as of December 31, 2023 compared to \$2.20 billion at September 30, 2023, and \$2.13 billion at December 31, 2022. Cash and cash equivalents were \$81.4 million on December 31, 2023, compared to \$80.0 million on September 30, 2023, and \$47.3 million on December 31, 2022.

Period end loans on December 31, 2023, totaled \$1.74 billion, an increase of \$70.7 million, or 17% annualized, from September 30, 2023, and an increase of \$186.4 million, or 12%, from December 31, 2022. The growth in loans during the fourth quarter of 2023 included an increase of \$27.3 million in commercial loans and \$22.7 million in construction loans, and \$10.8 million in multi-family commercial real estate loans. Quarterly average loans for the fourth quarter of 2023 increased \$58.6 million, or 4%, from the third quarter of 2023 and \$248.7 million, or 17%, from the fourth quarter of 2022.

The allowance for credit losses on loans was \$19.1 million on December 31, 2023, representing an increase of \$1.3 million from September 30, 2023. The allowance for credit losses on loans to total loans was 1.10% on December 31, 2023, compared to 1.07% on September 30, 2023. Nonperforming loans to total loans was 0.08% on December 31, 2023, unchanged from September 30, 2023.

Investment securities were \$325.3 million as of December 31, 2023, compared to \$345.6 million on September 30, 2023, and \$444.7 million at December 31, 2022. In the fourth quarter of 2023, we sold \$35.8 million of securities for a loss of \$5.4 million. During the first quarter of 2023, we sold \$25 million in available for sale mortgage-backed securities and all \$32 million in held to maturity municipal securities.

Period end deposits were \$1.65 billion on December 31, 2023, a decrease of \$53.9 million, or 3%, from September 30, 2023. The change in deposits during the fourth quarter of 2023 included a \$17.8 million decrease in non-interest bearing deposits. Quarterly average deposits for the fourth quarter of 2023 were \$1.71 billion, an increase of \$26.5 million from the third quarter of 2023 and a decrease of \$174 million from the fourth quarter of 2022.

(1) A Non-GAAP performance measure. We provide detailed reconciliations in the "Non-GAAP Performance and Financial Measures Reconciliation" table.

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Short-term borrowings on December 31, 2023, totaled \$360.0 million, an increase of \$60.0 million, or 20%, compared to September 30, 2023. The short-term borrowings on December 31, 2023 included \$224.0 million in borrowings from the Bank Term Funding Program (BTFP).

Book value per share was \$21.27 on December 31, 2023, an increase of \$2.44 compared to \$18.83 on September 30, 2023. Total shareholders' equity totaled \$165.3 million on December 31, 2023, an increase of \$19.7 million compared to September 30, 2023. This included a decrease in accumulated other comprehensive loss of \$19.0 million.

About Avidbank

Avidbank Holdings, Inc. (OTC Pink: AVBH), headquartered in San Jose, California, offers innovative financial solutions and services. We specialize in commercial & industrial lending, venture lending, structured finance, asset-based lending, sponsor finance, fund finance, and real estate construction and commercial real estate lending. Avidbank provides a different approach to banking. We do what we say.

Non-GAAP Financial Measures

This news release contains certain non-GAAP (Generally Accepted Accounting Principles) financial measures in addition to results presented in accordance with GAAP. Management has presented these non-GAAP financial measures in this earnings release because it believes that they provide useful and comparative information to assess trends in the Company's current quarter and year-to-date results and facilitate comparison of our performance with the performance of our peers. Where applicable, the Company has also presented comparable earnings information using GAAP financial measures. These non-GAAP measures have inherent limitations, are not required to be uniformly applied and are not audited. They should not be considered in isolation or as a substitute for operating results determined in accordance with GAAP. These non-GAAP measures may not be comparable to similarly titled measures reported by other companies.

Forward-Looking Statements

This news release contains statements that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts, and generally include the words "believes," "plans," "intends," "expects," "opportunity," "anticipates," "targeted," "continue," "remain," "will," "should," "may," or words of similar meaning. While we believe that our forward-looking statements and the assumptions underlying them are reasonably based, such statements and assumptions, are, by their nature subject to risks and uncertainties, and thus could later prove to be inaccurate or incorrect. Accordingly, actual results could materially differ from forward-looking statements for a variety of reasons, including, but not limited to local, regional, national and international economic conditions and events and the impact they may have on us and our customers, and in particular in our market areas; ability to attract deposits and other sources of liquidity; oversupply of property inventory and deterioration in values of California real estate, both residential and commercial; a prolonged slowdown or decline in construction activity; changes in the financial performance and/or condition of our borrowers; changes in the level of nonperforming assets and charge-offs; the cost or effect of acquisitions we may make; the effect of changes in laws and regulations (including laws, regulations and judicial decisions concerning financial reform, capital requirements, taxes, banking, securities, employment, executive compensation, insurance, and information security) with which we and our subsidiaries must comply; changes in estimates of future reserve requirements and minimum capital requirements based upon the periodic review thereof under relevant regulatory and accounting requirements; ability to adequately underwrite for our asset based and corporate finance lending business lines; our ability to raise capital; inflation, interest rate, securities market and monetary fluctuations; cyber-security threats including loss of system functionality or theft or loss of data; political instability; acts of war or terrorism, or natural disasters, such as earthquakes, or the effects of a pandemic; destabilization in international economies resulting from the European sovereign debt crisis; the timely development and acceptance of new banking products and services and perceived overall value of these products and services by users; changes in consumer spending, borrowing and savings habits; technological changes; the ability to increase market share, retain customers and control expenses; ability to retain and attract key management and personnel; changes in the competitive environment among financial and bank holding companies and other financial service providers; continued volatility in the credit and equity markets and its effect on the general economy; the effect of changes in accounting policies and practices, as may be adopted by the regulatory agencies, as well as the Public Company Accounting Oversight Board, the Financial Accounting Standards Board and other accounting standard setters; changes in our organization, management, compensation and benefit plans, and our ability to retain or expand our management team; the costs and effects of legal and regulatory developments including the resolution of legal proceedings or regulatory or other governmental inquiries and the results of regulatory examinations or reviews; our success at managing the risks involved in the foregoing items. We do not undertake, and specifically disclaim any obligation to update any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of such statements except as required by law.

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AVIDBANK HOLDINGS, INC.

Selected Financial Data (Unaudited)

(in thousands, except share and per share amounts)

| | 2023 | | | | 2022 | For the twelve months ended | |
|--|----------------|---------------|----------------|---------------|----------------|-----------------------------|-------------|
| | Fourth Quarter | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | December 31, | |
| | | | | | | 2023 | 2022 |
| INCOME HIGHLIGHTS | | | | | | | |
| Net income | \$ 303 | \$ 5,408 | \$ 4,726 | \$ 6,364 | \$ 8,415 | \$ 16,801 | \$ 25,023 |
| Loss on sale of securities, net of tax | 3,888 | – | – | 595 | 295 | 4,483 | 295 |
| Severance, net of income tax | 233 | – | – | – | – | 233 | – |
| BOLI surrender tax expense | 478 | – | – | – | – | 478 | – |
| Adjusted net income ⁽¹⁾ | \$ 4,902 | \$ 5,408 | \$ 4,726 | \$ 6,959 | \$ 8,710 | \$ 21,995 | \$ 25,318 |
| PER SHARE DATA | | | | | | | |
| Basic earnings per share | \$ 0.04 | \$ 0.74 | \$ 0.65 | \$ 0.87 | \$ 1.16 | \$ 2.29 | \$ 3.68 |
| Diluted earnings per share | 0.04 | 0.72 | 0.63 | 0.85 | 1.13 | 2.24 | 3.60 |
| Diluted earnings per share - adjusted ⁽¹⁾ | 0.65 | 0.72 | 0.63 | 0.93 | 1.17 | 2.94 | 3.64 |
| Book value per share | 21.27 | 18.83 | 19.55 | 19.57 | 17.99 | 21.27 | 17.99 |
| PERFORMANCE MEASURES | | | | | | | |
| Return on average assets | 0.05% | 0.99% | 0.87% | 1.19% | 1.61% | 0.77% | 1.21% |
| Return on average assets - adjusted | 0.89% | 0.99% | 0.87% | 1.30% | 1.67% | 1.01% | 1.22% |
| Return on average equity | 0.81% | 14.01% | 12.32% | 17.87% | 25.48% | 11.20% | 18.42% |
| Taxable equivalent net interest margin | 3.47% | 3.34% | 3.39% | 3.92% | 4.41% | 3.53% | 3.78% |
| Efficiency ratio | 83.68% | 58.75% | 56.05% | 55.21% | 45.42% | 61.90% | 51.80% |
| Average loans to average deposits | 99.41% | 97.49% | 97.57% | 88.70% | 76.98% | 95.75% | 70.12% |
| CAPITAL | | | | | | | |
| Tier 1 leverage ratio | 9.77% | 9.84% | 9.55% | 9.33% | 9.46% | 9.77% | 9.46% |
| Common equity tier 1 capital ratio | 9.88% | 9.95% | 9.88% | 10.14% | 9.82% | 9.88% | 9.82% |
| Tier 1 risk-based capital ratio | 9.88% | 9.95% | 9.88% | 10.14% | 9.82% | 9.88% | 9.82% |
| Total risk-based capital ratio | 11.86% | 11.89% | 11.87% | 12.16% | 11.76% | 11.86% | 11.76% |
| Tangible common equity ratio | 7.41% | 6.61% | 6.83% | 6.95% | 6.45% | 7.41% | 6.45% |
| SHARES OUTSTANDING | | | | | | | |
| Number of common shares outstanding | 7,770,439 | 7,731,404 | 7,712,278 | 7,703,748 | 7,645,428 | 7,770,439 | 7,645,428 |
| Average common shares outstanding - basic | 7,344,693 | 7,327,197 | 7,321,246 | 7,299,006 | 7,281,343 | 7,323,172 | 6,801,330 |
| Average common shares outstanding - diluted | 7,543,616 | 7,511,373 | 7,457,906 | 7,452,254 | 7,432,670 | 7,490,779 | 6,952,758 |
| ASSET QUALITY | | | | | | | |
| Allowance for credit losses to total loans | 1.22% | 1.19% | 1.20% | 1.18% | 1.09% | 1.22% | 1.09% |
| Nonperforming assets to total assets | 0.06% | 0.70% | 0.70% | 0.66% | 0.67% | 0.06% | 0.67% |
| Nonperforming loans to total loans | 0.08% | 0.08% | 0.94% | 0.91% | 0.92% | 0.08% | 0.92% |
| Net charge-offs to average loans ⁽²⁾ | 0.00% | 0.00% | 0.03% | 0.00% | 0.00% | 0.01% | 0.01% |
| AVERAGE BALANCES | | | | | | | |
| Loans, net of deferred loan fees | \$1,698,690 | \$1,640,080 | \$1,589,372 | \$1,555,207 | \$1,450,014 | \$1,621,283 | \$1,321,177 |
| Investment securities | 337,808 | 365,244 | 382,860 | 443,870 | 459,057 | 382,108 | 472,371 |
| Total assets | 2,191,198 | 2,168,443 | 2,171,559 | 2,164,441 | 2,072,887 | 2,173,969 | 2,072,989 |
| Deposits | 1,708,789 | 1,682,329 | 1,628,975 | 1,753,295 | 1,883,640 | 1,693,195 | 1,884,233 |
| Shareholders' equity | 148,723 | 153,099 | 153,877 | 144,402 | 131,046 | 150,045 | 135,841 |

(1) A Non-GAAP performance measure. We provide detailed reconciliations in the "Non-GAAP Performance and Financial Measures Reconciliation" table.

(2) Annualized

Avidbank Holdings, Inc. Fourth Quarter 2023 Financial Results Press Release

AVIDBANK HOLDINGS, INC.
Consolidated Balance Sheets (Unaudited)
(in thousands)

| | December 31, 2023 | September 30, 2023 | June 30, 2023 | March 31, 2023 | December 31, 2022 |
|--|----------------------|-----------------------|---------------------|---------------------|----------------------|
| Assets | | | | | |
| Cash and due from banks | \$ 9,754.00 | \$ 21,157 | \$ 33,849 | \$ 19,452 | \$ 17,435 |
| Due from Federal Reserve Bank and interest-bearing deposits in banks | 71,642 | 58,885 | 70,364 | 114,615 | 29,853 |
| Total cash and cash equivalents | 81,396 | 80,042 | 104,213 | 134,067 | 47,288 |
| Investment securities - available for sale | 325,320 | 345,547 | 371,753 | 386,947 | 412,993 |
| Investment securities - held to maturity | - | - | - | - | 31,671 |
| Total investment securities | 325,320 | 345,547 | 371,753 | 386,947 | 444,664 |
| Loans, net of deferred loan fees | 1,740,647 | 1,669,914 | 1,650,265 | 1,564,501 | 1,554,222 |
| Allowance for loan losses | (19,131) | (17,800) | (17,636) | (16,389) | (16,481) |
| Loans, net of allowance for loan losses | 1,721,516 | 1,652,114 | 1,632,629 | 1,548,112 | 1,537,741 |
| Bank owned life insurance | 12,315 | 33,440 | 33,202 | 32,972 | 32,747 |
| Premises and equipment, net | 3,297 | 3,558 | 3,774 | 4,037 | 4,163 |
| Other real estate owned | - | 14,095 | - | - | - |
| Accrued interest receivable and other assets | 86,992 | 73,104 | 62,234 | 63,916 | 66,665 |
| Total assets | \$ 2,230,836 | \$ 2,201,900 | \$ 2,207,805 | \$ 2,170,051 | \$ 2,133,268 |
| Liabilities and Shareholders' Equity | | | | | |
| Deposits: | | | | | |
| Non-interest-bearing demand | \$ 472,517 | \$ 490,289 | \$ 593,246 | \$ 605,093 | \$ 765,079 |
| Interest-bearing checking | 740,902 | 784,757 | 717,116 | 335,410 | 41,701 |
| Money market and savings | 298,117 | 322,983 | 316,991 | 563,097 | 948,731 |
| Time | 46,676 | 30,880 | 46,794 | 61,645 | 67,724 |
| Brokered | 96,117 | 79,291 | 74,566 | 52,823 | - |
| Total deposits | 1,654,329 | 1,708,200 | 1,748,713 | 1,618,068 | 1,823,235 |
| Subordinated debt, net | 21,906 | 21,881 | 21,855 | 21,830 | 21,805 |
| Short-term borrowings | 360,000 | 300,000 | 264,000 | 359,000 | 130,000 |
| Accrued interest payable and other liabilities | 29,289 | 26,250 | 22,432 | 20,414 | 20,690 |
| Total liabilities | 2,065,524 | 2,056,331 | 2,057,000 | 2,019,312 | 1,995,730 |
| Shareholders' Equity | | | | | |
| Common stock | 104,499 | 104,018 | 103,420 | 102,718 | 102,359 |
| Retained earnings | 109,688 | 109,386 | 103,979 | 99,252 | 93,824 |
| Accumulated other comprehensive (loss) | (48,875) | (67,835) | (56,594) | (51,231) | (58,645) |
| Total shareholders' equity | 165,312 | 145,569 | 150,805 | 150,739 | 137,538 |
| Total liabilities and shareholders' equity | \$ 2,230,836 | \$ 2,201,900 | \$ 2,207,805 | \$ 2,170,051 | \$ 2,133,268 |

Avidbank Holdings, Inc. Fourth Quarter 2023 Financial Results Press Release

**AVIDBANK HOLDINGS, INC.
Consolidated Statements of Income (Unaudited)**

(in thousands, except share and per share amounts)

| | Three Months Ended | | | | | Year-to-Date | |
|--|--------------------|-------------------|------------------|-------------------|------------------|------------------|------------------|
| | Dec. 31, 2023 | Sept. 30, 2023 | June 30, 2023 | March 31, 2023 | Dec. 31, 2022 | 2023 | 2022 |
| Interest and fees on loans | \$ 31,078 | \$ 29,125 | \$ 26,713 | \$ 25,577 | \$ 23,160 | \$ 112,494 | \$ 71,813 |
| Interest on investment securities | 1,979 | 2,009 | 2,058 | 2,612 | 2,751 | 8,658 | 9,877 |
| Other interest income | 654 | 662 | 1,196 | 628 | 526 | 3,140 | 1,342 |
| Total interest income | 33,711 | 31,796 | 29,967 | 28,817 | 26,437 | 124,292 | 83,032 |
| Deposit interest expense | 11,692 | 10,704 | 7,989 | 6,030 | 4,269 | 36,414 | 7,513 |
| Interest on short-term borrowings | 3,467 | 3,480 | 4,189 | 2,673 | 114 | 13,808 | 239 |
| Interest on long-term debt | 300 | 300 | 300 | 300 | 300 | 1,201 | 1,201 |
| Total interest expense | 15,459 | 14,484 | 12,478 | 9,003 | 4,683 | 51,423 | 8,953 |
| Net interest income | 18,252 | 17,312 | 17,489 | 19,814 | 21,754 | 72,869 | 74,079 |
| Provision for credit losses | 1,266 | 120 | 1,471 | 185 | 993 | 3,042 | 3,510 |
| Net interest income after provision for credit losses | 16,986 | 17,192 | 16,018 | 19,629 | 20,761 | 69,827 | 70,569 |
| Service charges and bank fees | 613 | 560 | 545 | 490 | 599 | 2,209 | 2,617 |
| Foreign exchange income | 210 | 53 | 66 | 83 | 61 | 411 | 254 |
| Federal Home Loan Bank dividends | 172 | 171 | 185 | 163 | 118 | 690 | 367 |
| Income from bank owned life insurance | 201 | 238 | 230 | 225 | 224 | 894 | 871 |
| Gain/(loss) on sale of securities | (5,399) | – | – | (815) | (404) | (6,214) | (404) |
| Warrant and success fee income | 15 | 8 | – | – | 119 | 23 | 281 |
| Other investment income | (116) | 142 | 37 | (6) | 521 | 56 | 605 |
| Loss on sale of ORE | (165) | – | – | – | – | (165) | – |
| Other income | 19 | 62 | 24 | 28 | 17 | 134 | 79 |
| Total noninterest income | (4,450) | 1,234 | 1,087 | 168 | 1,255 | (1,962) | 4,670 |
| Salaries and benefit expenses | 8,137 | 7,460 | 7,021 | 7,954 | 7,592 | 30,572 | 29,102 |
| Occupancy and equipment expenses | 986 | 1,002 | 1,005 | 961 | 911 | 3,954 | 3,652 |
| Data processing | 499 | 538 | 477 | 528 | 456 | 2,041 | 1,737 |
| Regulatory assessments | 403 | 478 | 555 | 226 | 221 | 1,663 | 1,816 |
| Legal and professional fees | 531 | 483 | 394 | 431 | 364 | 1,839 | 1,290 |
| Other operating expenses | 994 | 935 | 960 | 933 | 906 | 3,824 | 3,193 |
| Total noninterest expense | 11,550 | 10,896 | 10,412 | 11,033 | 10,450 | 43,893 | 40,790 |
| Income before income taxes | 986 | 7,530 | 6,693 | 8,764 | 11,566 | 23,972 | 34,449 |
| Provision for income taxes | 683 | 2,122 | 1,967 | 2,400 | 3,151 | 7,171 | 9,426 |
| Net income | \$ 303 | \$ 5,408 | \$ 4,726 | \$ 6,364 | \$ 8,415 | \$ 16,801 | \$ 25,023 |
| Basic earnings per common share | \$ 0.04 | \$ 0.74 | \$ 0.65 | \$ 0.87 | \$ 1.16 | \$ 2.29 | \$ 3.68 |
| Diluted earnings per common share | 0.04 | 0.72 | 0.63 | 0.85 | 1.13 | 2.24 | 3.60 |
| Weighted average shares - basic | 7,344,693 | 7,327,197 | 7,321,246 | 7,299,006 | 7,281,343 | 7,323,172 | 6,801,330 |
| Weighted average shares - diluted | 7,543,616 | 7,511,373 | 7,457,906 | 7,452,254 | 7,432,670 | 7,490,779 | 6,952,758 |

Avidbank Holdings, Inc. Fourth Quarter 2023 Financial Results Press Release

AVIDBANK HOLDINGS, INC.

Average Balance Sheets and Net Interest Margin Analysis (Unaudited)

(dollars in thousands; taxable equivalent)

| | Three months ended | | | | | |
|---|---------------------|-------------------------|-----------------|---------------------|-------------------------|-----------------|
| | December 31, 2023 | | | September 30, 2023 | | |
| | Average Balance | Interest Income/Expense | Yields or Rates | Average Balance | Interest Income/Expense | Yields or Rates |
| Assets | | | | | | |
| Interest earning assets: | | | | | | |
| Loans (1) | \$ 1,700,094 | \$ 31,078 | 7.25% | \$ 1,641,475 | \$ 29,125 | 7.04% |
| Fed funds sold/interest bearing deposits | 47,906 | 654 | 5.34% | 48,350 | 662 | 5.36% |
| Investment securities | | | | | | |
| Taxable investment securities | 337,021 | 1,971 | 2.32% | 365,244 | 2,009 | 2.18% |
| Non-taxable investment securities (2) | 787 | 10 | 5.04% | — | — | 0.00% |
| Total investment securities | 337,808 | 1,981 | 2.33% | 365,244 | 2,009 | 2.18% |
| Total interest-earning assets | 2,085,808 | 33,713 | 6.41% | 2,055,069 | 31,796 | 6.14% |
| Noninterest-earning assets: | | | | | | |
| Cash and due from banks | 12,528 | | | 22,556 | | |
| All other assets (3) | 92,862 | | | 90,818 | | |
| Total assets | \$ 2,191,198 | | | \$ 2,168,443 | | |
| Liabilities and Shareholders' Equity | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| Deposits | | | | | | |
| Demand | \$ 766,856 | \$ 7,650 | 3.96% | \$ 748,016 | \$ 7,306 | 3.88% |
| Money market and savings | 305,240 | 2,218 | 2.88% | 296,865 | 2,193 | 2.93% |
| Time | 29,787 | 252 | 3.36% | 41,455 | 264 | 2.53% |
| Brokered | 119,605 | 1,572 | 5.21% | 75,420 | 941 | 4.95% |
| Total interest-bearing deposits | 1,221,488 | 11,692 | 3.80% | 1,161,756 | 10,704 | 3.66% |
| Short-term borrowings | 281,457 | 3,467 | 4.89% | 285,326 | 3,480 | 4.84% |
| Subordinated debt | 21,893 | 300 | 5.44% | 21,867 | 300 | 5.44% |
| Total interest-bearing liabilities | 1,524,838 | 15,459 | 4.02% | 1,468,949 | 14,484 | 3.91% |
| Noninterest-bearing liabilities: | | | | | | |
| Demand deposits | 487,301 | | | 520,573 | | |
| Accrued expenses and other liabilities | 30,336 | | | 25,822 | | |
| Shareholders' equity | 148,723 | | | 153,099 | | |
| Total liabilities and shareholders' equity | \$ 2,191,198 | | | \$ 2,168,443 | | |
| Net interest spread | | | 2.39% | | | 2.23% |
| Net interest income and margin (4) | | \$ 18,254 | 3.47% | | \$ 17,312 | 3.34% |
| Non-taxable equivalent net interest margin | | | 3.47% | | | 3.34% |
| Cost of deposits | \$ 1,708,789 | \$ 11,692 | 2.71% | \$ 1,682,329 | \$ 10,704 | 2.52% |

(1) Nonperforming loans are included in average loan balances. No adjustment has been made for these loans in the calculation of yields. Interest income on loans includes net amortization of deferred loan fees / (costs) of \$449 thousand and \$441 thousand, respectively.

(2) Interest income on tax-exempt securities has been increased to reflect comparable interest on taxable securities. The rate used was 21%, reflecting the statutory federal income tax rate.

(3) Average allowance for loan losses of \$17.8 million and \$17.6 million, respectively, is included as a contra asset.

(4) Net interest margin is net interest income divided by total interest-earning assets.

Avidbank Holdings, Inc. Fourth Quarter 2023 Financial Results Press Release

AVIDBANK HOLDINGS, INC.

Average Balance Sheets and Net Interest Margin Analysis (Unaudited)

(dollars in thousands; taxable equivalent)

| | Three months ended | | | | | |
|---|---------------------|-------------------------|-----------------|---------------------|-------------------------|-----------------|
| | December 31, 2023 | | | December 31, 2022 | | |
| | Average Balance | Interest Income/Expense | Yields or Rates | Average Balance | Interest Income/Expense | Yields or Rates |
| Assets | | | | | | |
| Interest earning assets: | | | | | | |
| Loans (1) | \$ 1,700,094 | \$ 31,078 | 7.25% | \$ 1,451,724 | \$ 23,160 | 6.33% |
| Fed funds sold/interest bearing deposits | 47,906 | 654 | 5.34% | 52,321 | 526 | 3.99% |
| Investment securities | | | | | | |
| Taxable investment securities | 337,021 | 1,971 | 2.32% | 428,520 | 2,481 | 2.30% |
| Non-taxable investment securities (2) | 787 | 10 | 5.04% | 30,537 | 345 | 4.48% |
| Total investment securities | 337,808 | 1,981 | 2.32% | 459,057 | 2,826 | 2.44% |
| Total interest-earning assets | 2,085,808 | 33,713 | 6.41% | 1,963,102 | 26,512 | 5.36% |
| Noninterest-earning assets: | | | | | | |
| Cash and due from banks | 12,528 | | | 25,494 | | |
| All other assets (3) | 92,862 | | | 84,291 | | |
| Total assets | \$ 2,191,198 | | | \$ 2,072,887 | | |
| Liabilities and Shareholders' Equity | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| Deposits | | | | | | |
| Demand | \$ 766,856 | \$ 7,650 | 3.96% | \$ 44,344 | \$ 60 | 0.54% |
| Money market and savings | 305,240 | 2,218 | 2.88% | 953,665 | 4,027 | 1.68% |
| Time | 29,787 | 252 | 3.36% | 70,409 | 182 | 1.03% |
| Brokered | 119,605 | 1,572 | 5.21% | – | – | – |
| Total interest-bearing deposits | 1,221,488 | 11,692 | 3.80% | 1,068,418 | 4,269 | 1.59% |
| Short-term borrowings | 281,457 | 3,467 | 4.89% | 11,772 | 114 | 3.84% |
| Subordinated debt | 21,893 | 300 | 5.44% | 21,792 | 300 | 5.46% |
| Total interest-bearing liabilities | 1,524,838 | 15,459 | 4.02% | 1,101,982 | 4,683 | 1.69% |
| Noninterest-bearing liabilities: | | | | | | |
| Demand deposits | 487,301 | | | 815,222 | | |
| Accrued expenses and other liabilities | 30,336 | | | 24,637 | | |
| Shareholders' equity | 148,723 | | | 131,046 | | |
| Total liabilities and shareholders' equity | \$ 2,191,198 | | | \$ 2,072,887 | | |
| Net interest spread | | | 2.39% | | | 3.67% |
| Net interest income and margin (4) | | \$ 18,254 | 3.47% | | \$ 21,829 | 4.41% |
| Non-taxable equivalent net interest margin | | | 3.47% | | | 4.40% |
| Cost of deposits | \$ 1,708,789 | \$ 11,692 | 2.71% | \$ 1,883,640 | \$ 4,269 | 0.90% |

(1) Nonperforming loans are included in average loan balances. No adjustment has been made for these loans in the calculation of yields. Interest income on loans includes net amortization of deferred loan fees / (costs) of \$449 thousand and \$556 thousand, respectively.

(2) Interest income on tax-exempt securities has been increased to reflect comparable interest on taxable securities. The rate used was 21%, reflecting the statutory federal income tax rate.

(3) Average allowance for loan losses of \$17.6 million and \$15.6 million, respectively, is included as a contra asset.

(4) Net interest margin is net interest income divided by total interest-earning assets.

Avidbank Holdings, Inc. Fourth Quarter 2023 Financial Results Press Release

**AVIDBANK HOLDINGS, INC.
Average Balance Sheets and Net Interest Margin Analysis (Unaudited)**

(dollars in thousands; taxable equivalent)

| | Twelve months ended | | | | | |
|---|---------------------|--------------------------------|-----------------------|---------------------|--------------------------------|-----------------------|
| | December 31, 2023 | | | December 31, 2022 | | |
| | Average Balance | Interest Income/ Expense | Yields or Rates | Average Balance | Interest Income/ Expense | Yields or Rates |
| Assets | | | | | | |
| Interest earning assets: | | | | | | |
| Loans (1) | \$ 1,622,731 | \$ 112,494 | 6.93% | \$ 1,322,969 | \$ 71,813 | 5.43% |
| Fed funds sold/interest bearing deposits | 61,331 | 3,140 | 5.12% | 166,665 | 1,342 | 0.81% |
| Investment securities | | | | | | |
| Taxable investment securities | 374,638 | 8,387 | 2.24% | 453,805 | 9,230 | 2.03% |
| Non-taxable investment securities (2) | 7,470 | 343 | 4.59% | 18,566 | 820 | 4.42% |
| Total investment securities | 382,108 | 8,730 | 2.28% | 472,371 | 10,050 | 2.13% |
| Total interest-earning assets | 2,066,170 | 124,364 | 6.02% | 1,962,005 | 83,205 | 4.24% |
| Noninterest-earning assets: | | | | | | |
| Cash and due from banks | 20,375 | | | 37,221 | | |
| All other assets (3) | 87,424 | | | 73,763 | | |
| Total assets | \$ 2,173,969 | | | \$ 2,072,989 | | |
| Liabilities and Shareholders' Equity | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| Deposits | | | | | | |
| Demand | \$ 524,591 | \$ 19,548 | 3.73% | \$46,468 | \$ 129 | 0.28% |
| Money market and savings | 461,352 | 12,226 | 2.65% | 867,419 | 6,656 | 0.77% |
| Time | 46,318 | 937 | 2.02% | 86,865 | 669 | 0.77% |
| Brokered | 73,179 | 3,703 | 5.06% | 12,688 | 59 | 0.47% |
| Total interest-bearing deposits | 1,105,440 | 36,414 | 3.29% | 1,013,440 | 7,513 | 0.74% |
| Short-term borrowings | 282,596 | 13,808 | 4.89% | 8,515 | 239 | 2.81% |
| Subordinated debt | 21,855 | 1,201 | 5.50% | 21,698 | 1,201 | 5.54% |
| Total interest-bearing liabilities | 1,409,891 | 51,423 | 3.65% | 1,043,653 | 8,953 | 0.86% |
| Noninterest-bearing liabilities: | | | | | | |
| Demand deposits | 587,755 | | | 870,793 | | |
| Accrued expenses and other liabilities | 26,278 | | | 22,702 | | |
| Shareholders' equity | 150,045 | | | 135,841 | | |
| Total liabilities and shareholders' equity | \$ 2,173,969 | | | \$ 2,072,989 | | |
| Net interest spread | | | 2.37% | | | 3.38% |
| Net interest income and margin (4) | | \$ 72,941 | 3.53% | | \$ 74,252 | 3.78% |
| Non-taxable equivalent net interest margin | | | 3.53% | | | 3.78% |
| Cost of deposits | \$ 1,693,195 | \$ 36,414 | 2.15% | \$ 1,884,233 | \$ 7,513 | 0.40% |

(1) Nonperforming loans are included in average loan balances. No adjustment has been made for these loans in the calculation of yields. Interest income on loans includes amortization of deferred loan fees / (costs) of \$1.9 million and \$2.2 million, respectively.

(2) Interest income on tax-exempt securities has been increased to reflect comparable interest on taxable securities. The rate used was 21%, reflecting the statutory federal income tax rate.

(3) Average allowance for loan losses of \$17.2 million and \$14.2 million, respectively, is included as a contra asset.

(4) Tax equivalent net interest income divided by total interest-earning assets.

Avidbank Holdings, Inc. Fourth Quarter 2023 Financial Results Press Release

AVIDBANK HOLDINGS, INC.
Loans and Credit Data (Unaudited)
(dollars in thousands)

| | Dec. 31, 2023 | Sept. 30, 2023 | June 30, 2023 | March 31, 2023 | Dec. 31, 2022 | Current Quarter Change | Year over Year Change |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|------------------------------|-----------------------------|
| Commercial loans | \$ 758,552 | \$ 731,206 | \$ 716,355 | \$ 642,826 | \$ 700,022 | \$ 27,346 | \$ 58,530 |
| Commercial real estate | | | | | | | |
| Multi-family | 194,981 | 184,147 | 193,014 | 188,411 | 169,048 | 10,834 | 25,933 |
| Owner Occupied | 139,059 | 135,950 | 132,078 | 137,118 | 128,790 | 3,109 | 10,269 |
| Non-Owner Occupied | 393,809 | 386,629 | 376,467 | 350,730 | 314,284 | 7,180 | 79,525 |
| Construction and land | 237,124 | 214,474 | 215,865 | 233,162 | 227,869 | 22,650 | 9,255 |
| Residential | 16,816 | 17,311 | 16,220 | 11,969 | 13,394 | (495) | 3,422 |
| Total real estate loans | 981,789 | 938,511 | 933,644 | 921,390 | 853,385 | 43,278 | 128,404 |
| Other loans | 306 | 197 | 266 | 285 | 815 | 109 | (509) |
| Total loans | <u>\$ 1,740,647</u> | <u>\$ 1,669,914</u> | <u>\$ 1,650,265</u> | <u>\$ 1,564,501</u> | <u>\$ 1,554,222</u> | <u>\$ 70,733</u> | <u>\$ 186,425</u> |
| Allowance for Credit Losses on Loans | | | | | | | |
| Balance, beginning of quarter | \$ 17,800 | \$ 17,636 | \$ 16,389 | \$ 16,481 | \$ 15,488 | | |
| Adoption of ASU 2016-13 | - | - | - | (249) | - | | |
| Provision for loan losses | 1,331 | 164 | 1,347 | 157 | 993 | | |
| Charge-offs | - | - | (100) | - | - | | |
| Recoveries | - | - | - | - | - | | |
| Balance, end of quarter | <u>\$ 19,131</u> | <u>\$ 17,800</u> | <u>\$ 17,636</u> | <u>\$ 16,389</u> | <u>\$ 16,481</u> | | |
| Allowance for Credit Losses on Unfunded Commitments | | | | | | | |
| Balance, beginning of quarter | \$ 2,125 | \$ 2,169 | \$ 2,045 | \$ 449 | \$ 422 | | |
| Adoption of ASU 2016-13 | - | - | - | 1,568 | - | | |
| Provision for unfunded commitments | (65) | (44) | 124 | 28 | 27 | | |
| Balance, end of quarter | <u>\$ 2,060</u> | <u>\$ 2,125</u> | <u>\$ 2,169</u> | <u>\$ 2,045</u> | <u>\$ 449</u> | | |
| Total allowance for credit losses - loans and unfunded commitments | <u>\$ 21,191</u> | <u>\$ 19,925</u> | <u>\$ 19,805</u> | <u>\$ 18,434</u> | <u>\$ 16,930</u> | | |
| Provision for credit losses under CECL | | | | | | | |
| Provision for loan losses | \$ 1,331 | \$ 164 | \$ 1,347 | \$ 157 | \$ 993 | | |
| Provision for unfunded commitments ⁽¹⁾ | (65) | (44) | 124 | 28 | - | | |
| Total provision for credit losses | <u>\$ 1,266</u> | <u>\$ 120</u> | <u>\$ 1,471</u> | <u>\$ 185</u> | <u>\$ 993</u> | | |
| Nonperforming Assets | | | | | | | |
| Loans accounted for on a non-accrual basis | \$ 1,378 | \$ 1,385 | \$ 15,485 | \$ 14,240 | \$ 14,245 | | |
| Loans past due 90 days or more and still accruing | - | - | - | - | - | | |
| Nonperforming loans | 1,378 | 1,385 | 15,485 | 14,240 | 14,245 | | |
| Other real estate owned | - | 14,095 | - | - | - | | |
| Nonperforming assets | <u>\$ 1,378</u> | <u>\$ 15,480</u> | <u>\$ 15,485</u> | <u>\$ 14,240</u> | <u>\$ 14,245</u> | | |
| Nonperforming Loans by Type: | | | | | | | |
| Commercial | \$ 1,378 | \$ 1,385 | \$ 1,390 | \$ 145 | \$ 150 | | |
| Commercial real estate loans | - | - | - | - | - | | |
| Construction and land | - | - | 14,095 | 14,095 | 14,095 | | |
| Total Nonperforming loans | <u>\$ 1,378</u> | <u>\$ 1,385</u> | <u>\$ 15,485</u> | <u>\$ 14,240</u> | <u>\$ 14,245</u> | | |
| Asset Quality Ratios | | | | | | | |
| Allowance for loan losses to total loans | 1.10% | 1.07% | 1.07% | 1.05% | 1.06% | | |
| Allowance for credit losses to total loans | 1.22% | 1.19% | 1.20% | 1.18% | 1.09% | | |
| Allowance for loan losses to nonperforming loans | 1388.32% | 1285.20% | 113.89% | 115.09% | 115.70% | | |
| Nonperforming assets to total assets | 0.06% | 0.70% | 0.70% | 0.66% | 0.67% | | |
| Nonperforming loans to total loans | 0.08% | 0.08% | 0.94% | 0.91% | 0.92% | | |
| Net quarterly charge-offs to average loans ⁽²⁾ | 0.00% | 0.00% | 0.03% | 0.00% | 0.00% | | |

(1) Prior to the adoption of ASU 2016-13, the provision for unfunded commitments was included in other expense and totaled \$27 thousand for the fourth quarter of 2022.

(2) Annualized

Avidbank Holdings, Inc. Fourth Quarter 2023 Financial Results Press Release

AVIDBANK HOLDINGS, INC.

Deposits (Unaudited)

(dollars in thousands)

| | Dec. 31, | Sept. 30, | June 30, | March 31, | Dec. 31, | Current | Year over |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------|
| Period End Deposits | 2023 | 2023 | 2023 | 2023 | 2022 | Quarter | Year |
| | | | | | | Change | Change |
| Non-interest-bearing demand | \$ 472,517 | \$ 490,289 | \$ 593,246 | \$ 605,093 | \$ 765,079 | \$ (17,772) | \$ (292,562) |
| Interest-bearing checking | 740,902 | 784,757 | 717,116 | 335,410 | 41,701 | (43,855) | 699,201 |
| Money market and savings | 298,117 | 322,983 | 316,991 | 563,097 | 948,731 | (24,866) | (650,614) |
| Time | 46,676 | 30,880 | 46,794 | 61,645 | 67,724 | 15,796 | (21,048) |
| Brokered | 96,117 | 79,291 | 74,566 | 52,823 | – | 16,826 | 96,117 |
| Total deposits | <u>\$ 1,654,329</u> | <u>\$ 1,708,200</u> | <u>\$ 1,748,713</u> | <u>\$ 1,618,068</u> | <u>\$ 1,823,235</u> | <u>\$ (53,871)</u> | <u>\$ (168,906)</u> |
| | | | | | | | |
| Average Deposits | Dec. 31, | Sept. 30, | June 30, | March 31, | Dec. 31, | Current | Year over |
| | 2023 | 2023 | 2023 | 2023 | 2022 | Quarter | Year |
| | | | | | | Change | Change |
| Non-interest-bearing demand | \$ 487,301 | \$ 520,573 | \$ 621,603 | \$ 724,894 | \$ 815,222 | \$ (33,272) | \$ (327,921) |
| Interest-bearing checking | 766,856 | 748,016 | 486,367 | 87,198 | 44,344 | 18,840 | 722,512 |
| Money market and savings | 305,240 | 296,865 | 389,036 | 862,195 | 953,665 | 8,375 | (648,425) |
| Time | 29,787 | 41,455 | 48,650 | 65,830 | 70,409 | (11,668) | (40,622) |
| Brokered | 119,605 | 75,420 | 83,319 | 13,178 | – | 44,185 | 119,605 |
| Total deposits | <u>\$ 1,708,789</u> | <u>\$ 1,682,328</u> | <u>\$ 1,628,975</u> | <u>\$ 1,753,295</u> | <u>\$ 1,883,640</u> | <u>\$ 26,461</u> | <u>\$ (174,851)</u> |

Avidbank Holdings, Inc. Fourth Quarter 2023 Financial Results Press Release

AVIDBANK HOLDINGS, INC.

Non-GAAP performance and Financial Measures Reconciliation (Unaudited)

(in thousands, except share and per share amounts)

| | 2023 | | | | 2022 | For the twelve months ended | |
|---|-------------------|------------------|-------------------|------------------|-------------------|-----------------------------|------------------|
| | Fourth Quarter | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | December 31, | |
| | | | | | | 2023 | 2022 |
| Non-GAAP adjusted net income reconciliation | | | | | | | |
| Net income - GAAP | \$ 303 | \$ 5,408 | \$ 4,726 | \$ 6,364 | \$ 8,415 | \$ 16,801 | \$ 25,023 |
| Loss on sale of securities, net of income tax | 3,888 | – | – | 595 | 295 | 4,483 | 295 |
| Severance, net of income tax | 233 | – | – | – | – | 233 | – |
| BOLI surrender tax expense | 478 | – | – | – | – | 478 | – |
| Adjusted net income (non-GAAP) | <u>\$ 4,902</u> | <u>\$ 5,408</u> | <u>\$ 4,726</u> | <u>\$ 6,959</u> | <u>\$ 8,710</u> | <u>\$ 21,995</u> | <u>\$ 25,318</u> |
| Non-GAAP adjusted net income reconciliation | | | | | | | |
| Net income - GAAP | \$ 303 | \$ 5,408 | \$ 4,726 | \$ 6,364 | \$ 8,415 | \$ 16,801 | \$ 25,023 |
| Loss on sale of securities | 5,399 | – | – | 815 | 404 | 6,214 | 404 |
| Tax impact of loss on sale of securities | (1,511) | – | – | (220) | (109) | (1,731) | (109) |
| Severance | 324 | – | – | – | – | 324 | – |
| Tax impact of severance | (91) | – | – | – | – | (91) | – |
| BOLI surrender tax expense | 478 | – | – | – | – | 478 | – |
| Adjusted net income (non-GAAP) | <u>\$ 4,902</u> | <u>\$ 5,408</u> | <u>\$ 4,726</u> | <u>\$ 6,959</u> | <u>\$ 8,710</u> | <u>\$ 21,995</u> | <u>\$ 25,318</u> |
| Non-GAAP adjusted diluted earnings per share reconciliation | | | | | | | |
| Diluted earnings per share - GAAP | \$ 0.04 | \$ 0.72 | \$ 0.63 | \$ 0.85 | \$ 1.13 | \$ 2.24 | \$ 3.60 |
| Loss on sale of securities, net of income tax | 0.52 | – | – | 0.08 | 0.04 | 0.60 | 0.04 |
| Severance, net of income tax | 0.03 | – | – | – | – | 0.03 | – |
| BOLI surrender tax expense | 0.06 | – | – | – | – | 0.06 | – |
| Diluted earnings per share - adjusted (non-GAAP) | <u>\$ 0.65</u> | <u>\$ 0.72</u> | <u>\$ 0.63</u> | <u>\$ 0.93</u> | <u>\$ 1.17</u> | <u>\$ 2.94</u> | <u>\$ 3.64</u> |
| Non-GAAP adjusted return on average assets reconciliation | | | | | | | |
| Net income - GAAP | \$ 303 | \$ 5,408 | \$ 4,726 | \$ 6,364 | \$ 8,415 | \$ 16,801 | \$ 25,023 |
| Average total assets | 2,191,198 | 2,168,443 | 2,171,559 | 2,164,441 | 2,072,887 | 2,173,969 | 2,072,989 |
| Return on average assets - GAAP | <u>0.05%</u> | <u>0.99%</u> | <u>0.87%</u> | <u>1.19%</u> | <u>1.61%</u> | <u>0.77%</u> | <u>1.21%</u> |
| Adjusted net income (non-GAAP) | \$ 4,902 | \$ 5,408 | \$ 4,726 | \$ 6,959 | \$ 8,710 | \$ 21,995 | \$ 25,318 |
| Average total assets | 2,191,198 | 2,168,443 | 2,171,559 | 2,164,441 | 2,072,887 | 2,173,969 | 2,072,989 |
| Return on average assets - adjusted (non-GAAP) | <u>0.89%</u> | <u>0.99%</u> | <u>0.87%</u> | <u>1.30%</u> | <u>1.67%</u> | <u>1.01%</u> | <u>1.22%</u> |
| Non-GAAP taxable equivalent net interest income reconciliation | | | | | | | |
| Net interest income - GAAP | \$ 18,252 | \$ 17,312 | \$ 17,489 | \$ 19,814 | \$ 21,754 | \$ 72,869 | \$ 74,079 |
| Taxable equivalent adjustment | 2 | – | – | 70 | 75 | 72 | 173 |
| Net interest income - taxable equivalent (non-GAAP) | <u>\$ 18,254</u> | <u>\$ 17,312</u> | <u>\$ 17,489</u> | <u>\$ 19,884</u> | <u>\$ 21,829</u> | <u>\$ 72,941</u> | <u>\$ 74,252</u> |
| Non-GAAP taxable equivalent net interest margin reconciliation | | | | | | | |
| Net interest margin - GAAP | 3.47% | 3.34% | 3.39% | 3.91% | 4.40% | 3.53% | 3.78% |
| Impact of taxable equivalent adjustment | – | – | – | 0.01 | 0.01 | – | – |
| Net interest margin - taxable equivalent (non-GAAP) | <u>3.47%</u> | <u>3.34%</u> | <u>3.39%</u> | <u>3.92%</u> | <u>4.41%</u> | <u>3.53%</u> | <u>3.78%</u> |