Contact:
Alexander G. Babey, President and Chief Executive Officer
Robert W. DeRossett, Chief Financial Officer
Mid-Southern Bancorp, Inc.
812-883-2639

MID-SOUTHERN BANCORP, INC.
REPORTS RESULTS OF OPERATIONS FOR THE SECOND QUARTER ENDED JUNE 30, 2024

Salem, Indiana—July 22, 2024. Mid-Southern Bancorp, Inc. (the "Company") (OTCQX: MSVB), the holding company for Mid-Southern Savings Bank, FSB (the "Bank"), reported net income for the second quarter ended June 30, 2024 of $400,000, or $0.14 per diluted share, compared to net income $400,000, or $0.14 per diluted share, for the same period in 2023. For the six months ended June 30, 2024, the Company reported net income of $367,000 or $0.13 per diluted share compared to $740,000 or $0.27 per diluted share for the same period in 2023.

Income Statement Review

Net interest income after provision for credit losses increased $71,000, or 3.7%, for the quarter ended June 30, 2024 to $2.0 million as compared to the quarter ended June 30, 2023. Total interest income decreased $13,000, or 0.5%, when comparing the two periods, due to decreases in the average balances of those assets, partially offset by increases in the yields of interest-earning assets. The average balance of interest-earning assets decreased to $240.5 million for the 2024 quarter from $266.8 million for the 2023 quarter, due primarily to decreases in lower loans receivable and investment securities, partially offset by increases in interest-bearing deposits with banks. The average yield on interest-earning assets and tax-equivalent yield on interest-earning assets(1) increased to 4.31% and 4.44%, respectively, for the quarter ended June 30, 2024 from 3.90% and 4.06%, respectively, for the quarter ended June 30, 2023, due primarily to higher yields from loans, investment securities, and interest-bearing deposits with banks. Total interest expense decreased $34,000, or 4.9%, when comparing the two periods due to a lower average balance of interest-bearing liabilities, partially offset by an increase in the average cost of interest-bearing liabilities. The average cost of interest-bearing liabilities increased to 1.48% for the quarter ended June 30, 2024 from 1.36% for the same period in 2023. The average balance of interest-bearing liabilities decreased to $176.9 million for the quarter ended June 30, 2024 from $201.9 million for the same period in 2023, due primarily to decreases in average deposit accounts and average borrowings. The Company recorded a net recapture of credit losses on loans of $83,000 and a net provision for credit losses on unfunded loan commitments of $17,000 for the quarter ended June 30, 2024 compared to a net recapture of credit losses on loans of $15,000 and a net recapture of credit losses on unfunded loan commitments of $1,000 for the same period in 2023. As a result of the changes in interest-earning assets and interest-bearing liabilities, the net interest rate spread increased to 2.83% while the net interest rate spread on a tax-equivalent basis(1) increased to 2.96%, for the quarter ended June 30, 2024 from 2.54% and 2.70%, respectively, for the quarter ended June 30, 2023. The net interest margin and net interest margin on a tax-equivalent basis(1) increased to 3.22% and 3.35%, respectively, for the quarter ended June 30, 2024 from 2.87% and 3.03% for the quarter ended June 30, 2023.

Net interest income after provision for credit losses increased $252,000, or 6.7%, for the six months ended June 30, 2024 to $4.0 million as compared to the six months ended June 30, 2023. Total interest income increased $297,000, or 5.8%, when comparing the two periods, due to increases in the yields of interest-earning assets, partially offset by decreases in the average balances of those assets. The average yield on interest-earning assets and tax-equivalent yield on interest-earning assets(2) increased to 4.26% and 4.39%, respectively, for the six months ended June 30, 2024 from 3.79% and 3.96%, respectively, for the six months ended June 30, 2023, due primarily to higher yields from loans, investment securities, and interest-bearing deposits with banks. The average balance of interest-earning assets decreased to $252.9 million for the six months ended June 30, 2024 from $268.1 million for the six months ended June 30, 2023, due primarily to decreases in lower loans receivable and investment securities, partially offset by increases in interest-bearing deposits with banks. Total interest expense increased $213,000, or 16.3%, when comparing the two periods due to an increase in the average cost of interest-bearing liabilities, partially offset by a lower average balance of interest-bearing liabilities. The average cost of interest-bearing liabilities increased to 1.61% for the six months ended June 30, 2024 from 1.29% for the same period in 2023. The average balance of interest-bearing liabilities decreased to $188.9 million for the

(1) Refer to "Non-GAAP Financial Measures" below and to "Reconciliation of Non-GAAP Financial Measures" at the end of this Earnings Release for more information and for a reconciliation of this non-GAAP financial measure to the nearest GAAP financial measure.
(2) Refer to "Non-GAAP Financial Measures" below and to "Reconciliation of Non-GAAP Financial Measures" at the end of this Earnings Release for more information and for a reconciliation of this non-GAAP financial measure to the nearest GAAP financial measure.

six months ended June 30, 2024 from $203.6 million for the same period in 2023, due primarily to decreases in average deposit accounts and average borrowings. The Company recorded a net recapture of credit losses on loans of $146,000 and a net provision for credit losses on unfunded loan commitments of $14,000 for the six months ended June 30, 2024 compared to a net provision for credit losses on loans of $63,000 and a net recapture of credit losses on unfunded loan commitments of $27,000 for the same period in 2023. As a result of the changes in interest-earning assets and interest-bearing liabilities, the net interest rate spread and net interest rate spread on a tax-equivalent basis(1) increased to 2.65% and 2.78%, respectively, for the six months ended June 30, 2024 from 2.50% and 2.67%, respectively, for the six months ended June 30, 2023. The net interest margin and net interest margin on a tax-equivalent basis(1) increased to 3.05% and 3.19%, respectively, for the six months ended June 30, 2024 from 2.82% and 2.98% for the six months ended June 30, 2023.

Noninterest income decreased $42,000, or 13.6%, for the quarter ended June 30, 2024 as compared to the same period in 2023, due primarily to reductions in brokered loan fees of $14,000, ATM and debit card fee income of $12,000 and deposit account service charges of $9,000.

Noninterest income decreased $198,000, or 35.9%, for the six months ended June 30, 2024 as compared to the same period in 2023, due primarily to a net loss on the sale of investment securities available for sale of $149,000 and reductions in brokered loan fees of $17,000, ATM and debit card fee income of $16,000 and deposit account service charges of $8,000.

Noninterest expense decreased $3,000, or 0.2%, for the quarter ended June 30, 2024 as compared to the quarter ended June 30, 2023. The decrease was due primarily to decreases in stockholders' meeting expenses of $50,000, directors' compensation of $24,000, compensation and benefits of $20,000 and other expenses of $45,000, partially offset by increased professional fees of $110,000, occupancy and equipment expenses of $13,000 and data processing expenses of $9,000.

Noninterest expense increased $453,000, or 12.7%, for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023. The increase was due primarily to increases in professional fees of $580,000, data processing expenses of $44,000, occupancy and equipment expenses of $19,000 and deposit insurance premiums of $7,000, partially offset by lower stockholders' meeting expenses of $67,000, directors' compensation of $46,000, compensation and benefits of $32,000 and other expenses of $53,000.

The Company recorded an income tax expense of $41,000 for the quarter ended June 30, 2024, compared to an income tax expense of $9,000 for the same period in 2023. For the six months ended June 30, 2024, the Company recorded an income tax benefit of $54,000 compared to an income tax benefit of $28,000 for the six months ended June 30, 2023.

Balance Sheet Review

Total assets as of June 30, 2024 were $237.5 million compared to $269.0 million at December 31, 2023. The decrease in total assets was primarily due to decreases in investment securities of $24.2 million and net loans of $7.1 million. Investment securities decreased due primarily to the sale of $16.2 million of available-for-sale investment securities, $6.5 million in scheduled principal payments, call and maturities of available-for-sale investment securities, and a $1.4 million unrealized loss on available-for-sale investment securities. Net loans decreased $7.1 million, due primarily to decreases of $3.8 million in commercial business loans, $3.7 million in one-to-four family residential loans and $1.9 million in commercial real estate loans, partially offset by increases of $1.5 million in construction loans and $512,000 in multi-family residential loans, and a $146,000 decrease in the allowance for credit losses on loans. Total liabilities, comprised mostly of deposits, decreased $31,000 to $202.3 million as of June 30, 2024. The decrease was due primarily to a $25.0 million decrease in borrowings, a $2.5 million decrease in interest-bearing deposits and a $2.1 million decrease in noninterest-bearing deposits.

Credit Quality

Non-performing loans decreased to $307,000 at June 30, 2024 compared to $591,000 at December 31, 2023, or 0.2% and 0.4% of total loans at June 30, 2024 and December 31, 2023, respectively. At June 30, 2024, $208,000, or 67.7% of non-performing loans, were current on their loan payments. No foreclosed real estate was owned at June 30, 2024 and December 31, 2023.

Based on management's analysis of the allowance for credit losses, the Company recorded a net recapture of credit losses on loans of $83,000 for the quarter ended June 30, 2024 compared to a net recapture of $15,000 recorded for the year-earlier quarter in 2023. The recapture for the 2024 quarter was due primarily to a decrease in the overall loan portfolio balance along with changes in the loan portfolio mix during the quarter. The Company recorded a net provision for credit losses on unfunded loan commitments of $17,000 for the 2024 quarter compared to a net recapture of $1,000 recorded for the 2023 quarter. The provision is due primarily to an increase in unfunded loan commitments during the current quarter. The Company recognized net charge-offs of $2,000 for the quarter ended June 30, 2024 compared to net recoveries of $20,000 for the same period in 2023.

The Company recorded a net recapture of credit losses on loans of $146,000 for the six months ended June 30, 2024 compared to a net provision of $63,000 recorded for the year-earlier period in 2023. The Company recorded a net provision for credit losses on unfunded loan commitments of $14,000 for the six months ended June 30, 2024 compared to a net recapture of $27,000 recorded for the year-earlier period in 2023. The allowance for credit losses on loans totaled $2.0 million at June 30, 2024 and $2.2 million at December 31, 2023, representing 1.5% of total loans at both June 30, 2024 and December 31, 2023, respectively. The allowance for credit losses on loans represented 663.8% of non-performing loans at June 30, 2024, compared to 369.5% at December 31, 2023.

Capital

The Bank elected to use the Community Bank Leverage Ratio ("CBLR"). A bank or savings institution electing to use the CBLR is generally considered to be well-capitalized and to have met the risk-based and leverage capital requirements of the capital regulations if it has a leverage ratio greater than 9.0%. To be eligible to elect to use the CBLR, the bank or savings institution also must have total consolidated assets of less than $10 billion, off-balance sheet exposures of 25.0% or less of its total consolidated assets, and trading assets and trading liabilities of 5.0% or less of its total consolidated assets, all as of the end of the most recent quarter.

As permitted by the interim final rule issued on March 27, 2020 by the federal banking regulatory agencies, the Company elected the option to delay the impact on regulatory capital related to the adoption of ASC 326, which was implemented by the Company on January 1, 2023. The initial impact of adoption of ASC 326 will be phased out of the regulatory capital calculations over a three-year period, with 75% recognized in year one, 50% recognized in year two and 25% recognized in year three.

At June 30, 2024, the Bank was considered well-capitalized under applicable federal regulatory capital guidelines with a CBLR of 17.3%.

The Company's stockholders' equity decreased to $35.2 million at June 30, 2024, from $36.0 million at December 31, 2023. The decrease was due primarily to accumulated other comprehensive loss, net of tax, of $1.0 million during the six-month period related to unrealized losses on available-for-sale securities, partially offset by net income of $367,000, net of $330,000 in dividends. There were no share repurchases during the six months ended June 30, 2024, and a total of 173,097 shares remain authorized for future purchases under the current stock repurchase plan.

Non-GAAP Financial Measures

The Company's accounting and reporting policies conform to generally accepted accounting principles ("GAAP") in the United States and prevailing practices in the banking industry. However, certain non-GAAP measures are used by management to supplement the evaluation of the Company's performance. Whenever a non-GAAP financial measure is presented, the differences between the non-GAAP financial measure and the most directly comparable financial measure in accordance with GAAP are presented and reconciled. The following non-GAAP financial measures presented are defined below.

Net interest income (tax-equivalent basis), yield on interest-earning assets (tax-equivalent basis), net interest rate spread (tax-equivalent basis) and net interest margin (tax-equivalent basis). These measures include the effects of taxable-equivalent adjustments using a federal income tax rate effective during the relevant year to increase tax-exempt interest income to a tax-equivalent basis. Interest income earned on certain assets is completely or partially exempt from federal income tax. As such, these tax-exempt instruments typically yield lower returns than taxable investments. Net interest income (tax-equivalent basis) is a non-GAAP measure that adjusts for the tax-favored status of net interest income from certain loans and investments and is not permitted under GAAP in the consolidated statements of income. We believe this measure to be the preferred industry measurement of net interest income, and that it enhances comparability of net interest income arising from taxable and tax-exempt sources. The most directly comparable financial measure calculated in accordance with GAAP is net interest income. Yield on interest-earning assets (tax-equivalent basis) is the ratio of interest income earned from interest-earning assets, adjusted on a tax-equivalent basis, and average interest-earning assets. The yield for investment securities is based on amortized cost and does not give effect to changes in fair value that are reflected in Accumulated Other Comprehensive Income / Loss ("AOCI"). The most directly comparable financial measure in accordance with GAAP is yield on interest-earning assets. Net interest rate spread (tax-equivalent basis) is the difference in the average yield on average earning assets on a tax-equivalent basis and the average rate paid on average interest-bearing liabilities. The most directly comparable financial measure calculated in accordance with GAAP is net interest rate spread. Net interest margin (tax-equivalent basis) is the ratio of net interest income (tax-equivalent basis) to average earning assets. The most directly comparable financial measure in accordance with GAAP is net interest margin.

Book value per share excluding Accumulated Other Comprehensive Income / Loss. We calculate book value per share excluding AOCI as total stockholders' equity at the end of the relevant period, less AOCI, divided by the outstanding number of our common shares at the end of each period. The most directly comparable GAAP financial measure is book value per share. We provide the book value per share excluding AOCI in addition to those defined by banking regulators because we believe it is important to evaluate the balance sheet both before and after the effects of unrealized amounts associated with mark-to-market adjustments on available-for-sale investment securities.

Tangible book value per share. Tangible book value per share is a non-GAAP financial measure. We calculate tangible book value per share as total stockholders' equity at the end of the relevant period, less goodwill and other intangible assets, divided by the outstanding number of our common shares at the end of each period. The most directly comparable GAAP financial measure is book value per share. We had no goodwill or other intangible assets as of any of the dates indicated. As a result, tangible book value per share is the same as book value per share as of each of the dates indicated. We provide the tangible book value per share in addition to those defined by banking regulators because of its widespread use by investors as a means to evaluate capital adequacy.

These non-GAAP financial measures should not be considered alternatives to GAAP-basis financial statements, and other bank holding companies may define these non-GAAP measures or similar measures differently.

Refer to "Reconciliation of Non-GAAP Financial Measures" below.

About Mid-Southern Bancorp, Inc. and Mid-Southern Savings Bank, FSB

Mid-Southern Bancorp, Inc. is the holding company of Mid-Southern Savings Bank, FSB, which is a federally chartered savings bank headquartered in Salem, Indiana, approximately 40 miles northwest of Louisville, Kentucky. The Bank conducts business from its main office in Salem and through its branch offices located in Mitchell and Orleans, Indiana and loan production offices located in New Albany, Indiana and Louisville, Kentucky.

Cautionary Note Regarding Forward-Looking Statements

This press release contains certain forward-looking statements. Such forward-looking statements may be identified by reference to a future period or periods, or by the use of forward-looking terminology, such as "estimate," "project," "believe," "intend," "anticipate," "plan," "seek," "expect," "will," "may," "continue," or similar terms or variations on those terms, or the negative of those terms. Forward-looking statements, by their nature, are subject to risks and uncertainties. Certain factors that could cause actual results to differ materially from expected results include changes to the real estate and economic environment, particularly in the market areas in which the Bank operates; increased competitive pressures; changes in the interest rate environment; general economic conditions or conditions within the securities markets; and legislative and regulatory changes affecting financial institutions, including regulatory compliance costs and capital requirements that could adversely affect the business in which the Company and the Bank are engaged.

The factors listed above could materially affect the Company's financial performance and could cause the Company's actual results for future periods to differ materially from any opinions or statements expressed with respect to future periods in any current statements.

Except as required by applicable law, the Company does not undertake and specifically declines any obligation to publicly release the result of any revisions which may be made to any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events. When considering forward-looking statements, you should keep in mind these risks and uncertainties. You should not place undue reliance on any forward-looking statement, which speaks only as of the date made.

MID-SOUTHERN BANCORP, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share information) (Unaudited)

	June 30, 2024	December 31, 2023
ASSETS		
Cash and due from banks	$ 1,521	$ 1,074
Interest-bearing deposits with banks	12,420	12,602
Cash and cash equivalents	13,941	13,676
Securities available for sale, at fair value	74,194	98,376
Securities held to maturity	9	11
Loans, net of allowance for credit losses of $2,038 and $2,184, respectively	137,489	144,589
Federal Home Loan Bank stock, at cost	269	748
Premises and equipment	1,990	2,081
Accrued interest receivable:		
Loans	506	516
Securities	571	762
Cash value of life insurance	3,912	3,884
Other assets	4,569	4,342
Total Assets	$ 237,450	$ 268,985
LIABILITIES		
Deposits:		
Noninterest-bearing	$ 24,442	$ 26,570
Interest-bearing	173,801	176,340
Total deposits	198,243	202,910
Borrowings	3,200	28,200
Accrued interest payable	404	1,133
Accrued expenses and other liabilities	439	754
Total Liabilities	202,286	232,997
COMMITMENTS AND CONTINGENCIES	—	—
STOCKHOLDERS' EQUITY		
Preferred stock, 1,000,000 shares authorized, $0.01 par value, no shares issued and outstanding	—	—
Common stock, 30,000,000 shares authorized, $0.01 par value, 3,565,430 shares issued and 2,885,039 shares outstanding (2,885,039 at December 31, 2023)	36	36
Additional paid-in-capital	30,879	30,851
Retained earnings, substantially restricted	25,273	25,236
Accumulated other comprehensive loss	(9,904)	(8,895)
Unearned ESOP shares	(1,337)	(1,391)
Unearned stock compensation plan	(189)	(255)
Treasury stock, at cost - 680,391 shares (680,391 at December 31, 2023)	(9,594)	(9,594)
Total Stockholders' Equity	35,164	35,988
Total Liabilities and Stockholders' Equity	$ 237,450	$ 268,985

MID-SOUTHERN BANCORP, INC.
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share information) (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
INTEREST INCOME				
Loans, including fees	$ 1,918	$ 1,870	$ 3,829	$ 3,591
Investment securities:				
Mortgage-backed securities	194	189	393	379
Municipal tax exempt	293	393	627	806
Other debt securities	70	115	171	230
Federal Home Loan Bank dividends	7	21	18	48
Interest-bearing deposits with banks and time deposits	109	16	346	33
Total interest income	2,591	2,604	5,384	5,087
INTEREST EXPENSE				
Deposits	615	398	1,206	744
Borrowings	38	289	317	566
Total interest expense	653	687	1,523	1,310
Net interest income	1,938	1,917	3,861	3,777
Provision for (recapture of) credit losses on loans	(83)	(15)	(146)	63
Provision for (recapture of) credit losses on unfunded loan commitments	17	(1)	14	(27)
Net interest income after provision for (recapture of) credit losses	2,004	1,933	3,993	3,741
NONINTEREST INCOME				
Deposit account service charges	80	89	172	180
Brokered loan fees	5	19	17	34
Net loss on sales of securities available for sale	—	—	(176)	(27)
Increase in cash value of life insurance	15	14	29	28
Net gain on disposal of foreclosed real estate	—	7	—	7
ATM and debit card fee income	155	167	290	306
Other income	11	12	22	24
Total noninterest income	266	308	354	552
NONINTEREST EXPENSE				
Compensation and benefits	913	933	1,792	1,824
Occupancy and equipment	166	153	333	314
Data processing	230	221	476	432
Professional fees	239	129	878	298
Loss on disposal of premises and equipment	—	—	1	—
Directors' compensation	66	90	133	179
Stockholders' meeting expense	26	76	27	94
Supervisory examinations	11	8	23	23
Deposit insurance premiums	27	30	57	50
Marketing and business development	26	22	48	48
Other expenses	125	170	266	319
Total noninterest expense	1,829	1,832	4,034	3,581
Income before income taxes	441	409	313	712
Income tax expense (benefit)	41	9	(54)	(28)
Net Income	$ 400	$ 400	$ 367	$ 740
Earnings per common share:				
Basic	$ 0.14	$ 0.14	$ 0.13	$ 0.27
Diluted	$ 0.14	$ 0.14	$ 0.13	$ 0.27
Weighted average common shares outstanding:				
Basic	2,731,222	2,703,389	2,729,872	2,702,066
Diluted	2,739,512	2,704,744	2,732,392	2,702,984

MID-SOUTHERN BANCORP, INC.
CONSOLIDATED FINANCIAL HIGHLIGHTS
(Dollars in thousands, except per share information) (Unaudited)

INVESTMENT SECURITIES	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
June 30, 2024				
Securities available for sale:				
Mortgage-backed securities:				
Agency MBS	$ 11,342	$ —	$ 1,756	$ 9,586
Agency CMO	18,800	—	3,059	15,741
	30,142	—	4,815	25,327
Other debt securities:				
U.S. Treasury securities	1,450	—	19	1,431
U.S. Government agency obligations	1,974	—	193	1,781
Municipal obligations	53,810	—	8,155	45,655
	57,234	—	8,367	48,867
Total securities available for sale	$ 87,376	$ —	$ 13,182	$ 74,194
Securities held to maturity:				
Mortgage-backed securities:				
Agency MBS	$ 9	$ —	$ —	$ 9
Total securities held to maturity	$ 9	$ —	$ —	$ 9
December 31, 2023				
Securities available for sale:				
Mortgage-backed securities:				
Agency MBS	$ 11,966	$ —	$ 1,585	$ 10,381
Agency CMO	19,588	—	3,073	16,515
	31,554	—	4,658	26,896
Other debt securities:				
U.S. Treasury securities	9,851	—	175	9,676
U.S. Government agency obligations	1,980	—	178	1,802
Municipal obligations	66,831	117	6,946	60,002
	78,662	117	7,299	71,480
Total securities available for sale	$ 110,216	$ 117	$ 11,957	$ 98,376
Securities held to maturity:				
Mortgage-backed securities:				
Agency MBS	$ 11	$ —	$ —	$ 11
Total securities held to maturity	$ 11	$ —	$ —	$ 11

LOANS	June 30, 2024	December 31, 2023
Real estate mortgage loans:		
One-to-four family residential	$ 62,670	$ 66,352
Multi-family residential	10,538	10,026
Construction	5,354	3,806
Commercial real estate	49,844	51,793
Commercial business loans	9,498	13,306
Consumer loans	1,807	1,665
Total loans	139,711	146,948
Deferred loan origination fees and costs, net	(184)	(175)
Allowance for credit losses on loans	(2,038)	(2,184)
Loans, net	$ 137,489	$ 144,589

MID-SOUTHERN BANCORP, INC.
CONSOLIDATED FINANCIAL HIGHLIGHTS
(Dollars in thousands, except per share information) (Unaudited)

Other financial data:	**June 30, 2024**	**December 31, 2023**
Investment securities effective duration:		
Securities available for sale	7.04	5.50
Securities held to maturity	0.71	0.70
Book value per share [1]	12.19	12.47
Book value per share excluding AOCI [2]	15.62	15.56
Tangible book value per share [3]	12.19	12.47
Non-performing assets:		
Nonaccrual loans	307	591
Accruing loans past due 90 days or more	—	—
Foreclosed real estate	—	—

	Three Months Ended June 30,		**Six Months Ended June 30,**	
Performance ratios:	**2024**	**2023**	**2024**	**2023**
Cash dividends per share	$ 0.06	$ 0.06	$ 0.12	$ 0.12
Return on average assets (annualized)	0.67 %	0.60 %	0.29 %	0.56 %
Return on average stockholders' equity (annualized)	4.64 %	4.64 %	2.11 %	4.34 %
Net interest margin (tax-equivalent basis) [4]	3.35 %	3.03 %	3.19 %	2.98 %
Net interest rate spread (tax-equivalent basis) [4]	2.96 %	2.70 %	2.78 %	2.67 %
Efficiency ratio	83.0 %	82.3 %	95.7 %	82.7 %
Average interest-earning assets to average interest-bearing liabilities	136.0 %	132.1 %	133.9 %	131.7 %
Average stockholders' equity to average assets	14.5 %	13.0 %	13.9 %	12.8 %
Stockholders' equity to total assets at end of period			14.8 %	12.8 %

Capital ratios: [5]	**June 30, 2024**	**December 31, 2023**
Community Bank Leverage Ratio	17.3 %	15.4 %

Asset quality ratios:	**June 30, 2024**	**December 31, 2023**
Allowance for credit losses on loans as a percent of total loans	1.5 %	1.5 %
Allowance for credit losses on loans as percent of non-performing loans	663.8 %	369.5 %
Net charge-offs (recoveries) to average outstanding loans during the period (annualized)	0.0 %	0.0 %
Non-performing loans as a percent of total loans	0.2 %	0.4 %
Non-performing assets as a percent of total assets	0.1 %	0.2 %

(1) - We calculate book value per share as total stockholders' equity at the end of the relevant period divided by the outstanding number of our common shares at the end of each period.

(2) - Book value per share excluding Accumulated Other Comprehensive Income / Loss ("AOCI") is a non-GAAP financial measure. We calculate book value per share excluding AOCI as total stockholders' equity at the end of the relevant period, less AOCI, divided by the outstanding number of our common shares at the end of each period. The most directly comparable GAAP financial measure is book value per share. We provide the book value per share excluding AOCI in addition to those defined by banking regulators because we believe it is important to evaluate the balance sheet both before and after the effects of unrealized amounts associated with mark-to-market adjustments on available-for-sale investment securities. Refer to "Reconciliation of Non-GAAP Financial Measures" below.

(3) - Tangible book value per share is a non-GAAP financial measure. We calculate tangible book value per share as total stockholders' equity at the end of the relevant period, less goodwill and other intangible assets, divided by the outstanding number of our common shares at the end of each period. The most directly comparable GAAP financial measure is book value per share. We had no goodwill or other intangible assets as of any of the dates indicated. As a result, tangible book value per share is the same as book value per share as of each of the dates indicated. We provide the tangible book value per share in addition to those defined by banking regulators because of its widespread use by investors as a means to evaluate capital adequacy.

(4) - Net interest margin on a tax-equivalent basis and net interest rate spread on a tax-equivalent basis are non-GAAP financial measures. We calculate these measures on a tax-equivalent basis to adjust for the tax-favored status of interest income from loans and investments and believe these measures are the preferred industry measurement and enhance comparability of interest income arising from taxable and tax-exempt sources. Net interest margin on a tax-equivalent basis is net interest income on a tax-equivalent basis divided by average interest-earning assets. The most directly comparable financial measure calculated in accordance with GAAP is net interest margin. Net interest rate spread on a tax-equivalent basis is the difference in the yield on average interest-earning assets on a tax-equivalent basis and the average rate paid on average interest-bearing liabilities. The yield for investment securities is based on amortized cost and does not give effect to changes in fair value that are reflected in AOCI. The most directly comparable financial measure calculated in accordance with GAAP is net interest rate spread. The most directly comparable financial measures calculated in accordance with GAAP is net interest margin and net interest rate spread. Refer to "Reconciliation of Non-GAAP Financial Measures" below.

(5) - Effective January 1, 2020, the Bank elected to use the CBLR, as provided by the Economic Growth, Regulatory Relief, and Consumer Protection Act (the "Act"). The Act contains a number of provisions extending regulatory relief to banks and savings institutions and their holding companies. A bank or savings institution that elects to use the CBLR will generally be considered well-capitalized and to have met the risk-based and leverage capital requirements of the capital regulations if it has a leverage ratio greater than 9.0%.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

Book value per share excluding AOCI:	**June 30, 2024**	**December 31, 2023**
Stockholders' equity	$ 35,164	$ 35,988
Adjustments:		
Accumulated other comprehensive income (loss)	(9,904)	(8,895)
Stockholders' equity excluding AOCI	$ 45,068	$ 44,883
Common stock shares outstanding	2,885,039	2,885,039
Book value per share	$ 12.19	$ 12.47
Less: effect of accumulated other comprehensive income (loss)	(3.43)	(3.09)
Book value per share excluding AOCI	$ 15.62	$ 15.56

Net interest income, yield on interest-earning assets, net interest rate spread, net interest margin (tax-equivalent basis):	**Three Months Ended June 30,**		**Six Months Ended June 30,**	
	2024	**2023**	**2024**	**2023**
Net interest income (GAAP)	$ 1,938	$ 1,917	$ 3,861	$ 3,777
Tax-equivalent adjustments: (1)				
Loans	1	2	4	6
Tax-exempt investment securities	78	105	167	214
Net interest income (tax-equivalent basis)	$ 2,017	$ 2,024	$ 4,032	$ 3,997
Average interest-earning assets (2)	$ 240,532	$ 266,819	$ 252,878	$ 268,144
Yield on interest-earning assets (2)	4.31 %	3.90 %	4.26 %	3.79 %
Yield on interest-earning assets (tax-equivalent basis) (2)	4.44 %	4.06 %	4.39 %	3.96 %
Net interest rate spread (2)	2.83 %	2.54 %	2.65 %	2.50 %
Net interest rate spread (tax-equivalent basis) (2)	2.96 %	2.70 %	2.78 %	2.67 %
Net interest margin (2)	3.22 %	2.87 %	3.05 %	2.82 %
Net interest margin (tax-equivalent basis) (2)	3.35 %	3.03 %	3.19 %	2.98 %

(1) - Tax-exempt income has been adjusted to a tax-equivalent basis using the federal marginal tax rate of 21% for 2024 and 2023.

(2) - Investment securities are based on amortized cost and do not give effect to changes in fair value that are reflected in AOCI.