



FOR IMMEDIATE RELEASE

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**Mountain Commerce Bancorp, Inc. Announces Second Quarter 2024 Results
And Quarterly Cash Dividend**

Knoxville, Tennessee, July 22, 2024 – Mountain Commerce Bancorp, Inc. (the “Company”) (OTCQX: MCBI), the holding company for Mountain Commerce Bank (the “Bank”), today announced results and related data as of and for the three and six months ended June 30, 2024.

The Company also announced today that its Board of Directors declared a quarterly cash dividend of \$0.05 per common share, its fifteenth consecutive quarterly dividend. The dividend is payable on September 2, 2024 to shareholders of record as of the close of business on August 5, 2024.

Management Commentary

William E. “Bill” Edwards, III, President and Chief Executive Officer of the Company, commented as follows:

“The second quarter of 2024 appears to have been a turning point for the Company’s net interest margin, which improved from 1.66% in the first quarter of 2024 to 2.00% in the second quarter of 2024, and finished the quarter at 2.08% for the month of June, 2024. Net interest income represents approximately 90% of the Company’s revenue and is a key driver of the Company’s earnings. Our recent results from our deposit pricing initiatives suggest that our cost of deposit trends have reversed course during the first quarter of 2024, and we are anticipating continued improvement in our net interest margin for the remainder of 2024 and into the start of 2025. We are pleased that our average yield on taxable loans continues to increase, rising 11 bp to 5.77% from 5.66% in the first quarter of 2024 and 49 bp from the same quarter a year ago. Equally as important, the Company’s cost of funds declined 22bp from 3.92% in the first quarter of 2024 to 3.70% in the current quarter, although still elevated from 3.23% in the second quarter of 2023. We continue to experience excellent asset quality with non-performing assets to total assets of 0.08%, no properties in real estate owned, and an allowance to non-performing loans coverage ratio of nearly 9x. Liquidity remained strong as of June 30, 2024 with available funding sources more than \$50 million in excess of our level of uninsured and uncollateralized deposits. During this time of lower net interest income, we remain very focused on controlling noninterest expenses which declined to 1.36% of average assets during the second quarter of 2024 from 1.47% in the same quarter of 2023, which we believe is among the lowest in our peer group. Our dividend for the quarter remains unchanged from the prior quarter as we continue to manage our tangible book value and ensure that we have adequate capital for future growth.

Construction of our Johnson City financial center was completed and this new facility opened for business on schedule on July 1, 2024. This location, which has significant I-26 visibility, is a major upgrade from our single existing branch in this market, and we believe the opening of this location will aid in our efforts to significantly grow our Johnson City and TriCities deposit market share.”

Highlights

The following tables highlight the trends that the Company believes are most relevant to understanding the performance of the Company as of and for the three and six months ended June 30, 2024. As further detailed in Appendix A and Appendix C to this press release, adjusted results (which are non-GAAP financial measures), reflect adjustments for realized and unrealized investment gains and losses, gains and losses from the sale of fixed assets, the provision for or recovery of credit losses, and the impact of material one-time fraud losses or recoveries. See Appendix B to this press release for more information on the Company’s tax equivalent net interest margin. All financial information in this press release is unaudited.

		For the Three Months Ended June 30, (Dollars in thousands, except per share data)			
		2024		2023	
		GAAP	Adjusted (1)	GAAP	Adjusted (1)
Net income	\$	2,324	1,966	\$ 2,459	2,202
Diluted earnings per share	\$	0.37	0.31	\$ 0.39	0.35
Return on average assets (ROAA)		0.53%	0.44%	0.59%	0.53%
Return on average equity		7.46%	6.31%	8.13%	7.28%
Noninterest expense to average assets		1.36%	1.36%	1.47%	1.47%
Net interest margin (tax equivalent)		2.00%	2.00%	2.09%	2.09%
Pre-tax, pre-provision earnings (1)	\$		2,448	\$	2,315
Pre-tax, pre-provision ROAA (1)			0.55%		0.55%

(1) Represents a non-GAAP financial measure. See Appendix A to this press release for more information.

		For the Six Months Ended June 30,			
		(Dollars in thousands, except per share data)			
		2024		2023	
		GAAP	Adjusted (1)	GAAP	Adjusted (1)
Net income	\$	3,839	3,071	\$ 4,817	5,258
Diluted earnings per share	\$	0.61	0.49	\$ 0.77	0.84
Return on average assets (ROAA)		0.86%	0.69%	0.58%	0.63%
Return on average equity		12.40%	9.92%	8.02%	8.75%
Noninterest expense to average assets		1.33%	1.33%	1.47%	1.47%
Net interest margin (tax equivalent)		1.80%	1.80%	2.32%	2.32%
Pre-tax, pre-provision earnings (1)	\$		3,866	\$	5,852
Pre-tax, pre-provision ROAA (1)			0.87%		0.71%

(1) Represents a non-GAAP financial measure. See Appendix A to this press release for more information.

	As of and for the		As of and for the		As of and for the
	3 Months Ended		3 Months Ended		12 Months Ended
	June 30,		March 31,		December 31,
	2024		2024		2023
(Dollars in thousands, except share data)					
Asset Quality					
Non-performing loans	\$ 1,381		\$ 805		\$ 1,607
Real estate owned	\$ -		\$ -		\$ -
Non-performing assets	\$ 1,381		\$ 805		\$ 1,607
Non-performing loans to total loans	0.09%		0.06%		0.11%
Non-performing assets to total assets	0.08%		0.04%		0.09%
Year-to-date net charge-offs (recoveries)	\$ (243)		\$ (230)		\$ 459
Allowance for credit losses to non-performing loans	889.86%		1559.38%		811.08%
Allowance for credit losses to total loans	0.83%		0.86%		0.90%
Other Data					
Cash dividends declared	\$ 0.050		\$ 0.080		\$ 0.640
Shares outstanding	6,373,998		6,376,660		6,352,725
Book and tangible book value per share (2)	\$ 19.83		\$ 19.46		\$ 19.33
Accumulated other comprehensive income (loss) (AOCI) per share	(2.57)		(2.55)		(2.56)
Book and tangible book value per share, excluding AOCI (1) (2)	22.39		\$ 22.01		\$ 21.89
Closing market price per common share	\$ 16.87		\$ 18.25		\$ 18.50
Closing price to book value ratio	85.08%		93.79%		95.71%
Tangible common equity to tangible assets ratio	7.06%		6.88%		7.07%
Bank regulatory leverage ratio	9.31%		9.15%		9.45%
(1) As further detailed in Appendix A and Appendix C to this press release, this is a non-GAAP financial measure					
(2) The Company does not have any intangible assets					

Five Quarter Trends

		For the Three Months Ended					
		(Dollars in thousands, except per share data)					
		2024			2023		
		June 30	March 31	December 31	September 30	June 30	
		GAAP	GAAP	GAAP	GAAP	GAAP	
Net income (loss)	\$	2,324	\$ 1,515	\$ (376)	\$ 2,473	\$ 2,459	
Diluted earnings (loss) per share	\$	0.37	\$ 0.24	\$ (0.06)	\$ 0.40	\$ 0.39	
Return on average assets (ROAA)		0.53%	0.34%	-0.09%	0.58%	0.59%	
Return on average equity		7.46%	4.92%	-1.25%	8.19%	8.13%	
Noninterest expense to average assets		1.36%	1.30%	1.48%	1.34%	1.47%	
Net interest margin (tax equivalent)		2.00%	1.66%	1.98%	2.08%	2.09%	
		2024			2023		
		June 30	March 31	December 31	September 30	June 30	
		Adjusted (1)	Adjusted (2)	Adjusted (2)	Adjusted (2)	Adjusted (1)	
Net income	\$	1,966	\$ 1,104	\$ 1,244	\$ 2,405	\$ 2,202	
Diluted earnings per share	\$	0.31	\$ 0.18	\$ 0.20	\$ 0.39	\$ 0.35	
Return on average assets (ROAA)		0.44%	0.25%	0.29%	0.56%	0.53%	
Return on average equity		6.31%	3.59%	4.13%	7.97%	7.28%	
Noninterest expense to average assets		1.36%	1.30%	1.48%	1.34%	1.47%	
Net interest margin (tax equivalent)		2.00%	1.66%	1.98%	2.08%	2.09%	
Pre-tax, pre-provision earnings	\$	2,448	\$ 1,418	\$ 1,182	\$ 2,684	\$ 2,315	
Pre-tax, pre-provision ROAA		0.55%	0.32%	0.27%	0.63%	0.55%	
(1) Represents a non-GAAP financial measure. See Appendix A to this press release for more information.							
(2) Represents a non-GAAP financial measure. See Appendix C to this press release for more information.							

Net Interest Income

Net interest income decreased \$0.05 million, or 0.6%, from \$7.83 million for the three months ended June 30, 2023 to \$7.79 million for the same period in 2024. The change between the periods was primarily the net result of the following factors:

- Average interest-earning assets grew \$73.4 million, or 4.6%, from \$1.591 billion to \$1.664 billion, driven primarily by increases in loans.
- Average net interest-earning assets declined \$47.5 million, or 14.5%, from \$329.0 million to \$281.4 million, due primarily to a \$28.1 million decrease in noninterest bearing deposits and a \$22.9 million increase in noninterest earning assets – primarily resulting from higher levels of fixed assets which are discussed below.
- The average rate paid on interest-bearing liabilities increased 44 bp from 3.93% to 4.37%, while the average rate earned on interest-earning assets increased 42 bp from 5.21% to 5.63%, resulting in a decrease in tax-equivalent net interest margin from 2.09% to 2.00%.

Net interest income decreased \$3.0 million, or 17.5%, from \$17.2 million for the six months ended June 30, 2023 to \$14.2 million for the same period in 2024. The change between the periods was primarily the net result of the following factors:

- Average interest-earning assets grew \$121.3 million, or 7.7%, from \$1.580 billion to \$1.701 billion, driven primarily by increases in loans.
- Average net interest-earning assets declined \$29.5 million, or 8.9%, from \$333.4 million to \$303.9 million, due primarily to a \$38.4 million decrease in noninterest bearing deposits and a \$4.3 million increase in noninterest earning assets – primarily resulting from higher levels of fixed assets which are discussed below.
- The average rate paid on interest-bearing liabilities increased 97 bp from 3.51% to 4.48%, while the average rate earned on interest-earning assets increased 39 bp from 5.09% to 5.48%, resulting in a decrease in tax-equivalent net interest margin from 2.32% to 1.80%.

Rate Sensitivity

The Company has the following loans subject to repricing of interest rates as of June 30, 2024:

	Prime	SOFR	Treasury	Total
\$	188,558	97,860	21,370	307,788

The Federal Reserve has increased the Federal Funds interest rate by 525 bp since December 31, 2021. Since that time, the Company has experienced the following cumulative impacts on its loan yields and deposit costs:

	Cumulative Beta	
	Loan Yields	Deposit Costs
Mar 31, 2022	128.0%	0.0%
Jun 30, 2022	32.0%	5.3%
Sep 30, 2022	24.7%	14.3%
Dec 31, 2022	25.4%	30.6%
Mar 31, 2023	26.1%	43.8%
Jun 30, 2023	27.8%	55.0%
Sep 30, 2023	30.7%	57.5%
Dec 31, 2023	33.5%	62.3%
Mar 31, 2024	33.9%	67.6%
Jun 30, 2024	36.0%	65.1%

Effective October 1, 2023, the Company entered into a \$150 million notional amount pay-fixed swap with a term of 3 years whereby the Company pays a fixed rate of 4.69% and receives the SOFR Compound rate. This swap has been accounted for as a fair value hedge of fixed-rate loans and should improve the Company's exposure to interest rates in a rising rate environment. The Company currently receives approximately \$1.0 million per year in net proceeds from the swap.

Provision For Credit Losses

A provision for (recovery of) credit losses of (\$0.5) million and \$0.6 million was recognized for the three months ended June 30, 2024 and 2023, respectively. A provision for (recovery of) credit losses of (\$1.0) million and \$0.02 million was recognized for the six months ended June 30, 2024 and 2023, respectively. The Company continues to experience near historically low levels of problem assets and charge-offs which, when combined with favorable economic factors, has resulted in minimal or negative provisions in recent periods.

Noninterest Income

The following summarizes changes in the Company's noninterest income for the periods indicated:

(In thousands)	Three Months Ended June 30		
	2024	2023	Change
Service charges and fees	\$ 371	393	(22)
Bank owned life insurance	55	46	9
Realized gain (loss) on sale of investment securities available for sale	(8)	1	(9)
Realized and unrealized loss on equity securities	(7)	(214)	207
Gain (loss) on sale of loans	29	10	19
Gain on sale of fixed assets	-	-	-
Wealth management	217	170	47
Swap fees	-	173	(173)
Limited partnership distributions	-	-	-
Other	15	39	(24)
Total noninterest income	\$ 672	618	54

Noninterest income increased to \$0.7 million in the second quarter of 2024 from \$0.6 million in the same quarter of 2023. The following factors had an impact on noninterest income during these periods:

- Realized and unrealized losses on equity securities improved by \$0.2 million from the second quarter of 2023 as a result of the sale of the majority of the Company's equity securities during the fourth quarter of 2023.
- The Company recognized a \$0.2 million decrease in swap fees from the second quarter of 2023 due to a decline in the Company's lending volume. The Bank receives a fee for delivering the swap to a third party with our borrower as counterparty to the swap, but does not maintain a contractual obligation for the swap other than in the event of a default.

(In thousands)	Six Months Ended June 30		
	2024	2023	Change
Service charges and fees	\$ 753	768	(15)
Bank owned life insurance	110	92	18
Realized gain (loss) on sale of investment securities available for sale	69	(9)	78
Realized and unrealized loss on equity securities	(27)	(731)	704
Gain on sale of loans	26	13	13
Gain on sale of fixed assets	30	69	(39)
Wealth management	418	321	97
Swap fees	51	220	(169)
Limited partnership distributions	-	-	-
Other	24	37	(13)
Total noninterest income	\$ 1,454	780	674

Noninterest income increased to \$1.5 million for the six months ended June 30, 2024 from \$0.8 million in the same period of 2023. The following factors had an impact on noninterest income during these periods:

- Realized and unrealized losses on equity securities improved by \$0.7 million from the six months ended June 30, 2023 as a result of the sale of the majority of the Company's equity securities during the fourth quarter of 2023.
- The Company recognized a \$0.2 million decrease in swap fees from the six months ended June 30, 2023 due to a decline in the Company's lending volume. The Bank receives a fee for delivering the swap to a third party, but does not maintain a contractual obligation for the swap other than in the event of a default.

Noninterest Expense

The following summarizes changes in the Company's noninterest expense for the periods indicated:

(In thousands)	Three Months Ended June 30		
	2024	2023	Change
Compensation and employee benefits	\$ 3,005	3,396	(391)
Occupancy	643	558	85
Furniture and equipment	269	184	85
Data processing	608	544	64
FDIC insurance	364	353	11
Office	180	205	(25)
Advertising	102	154	(52)
Professional fees	551	324	227
Other noninterest expense	295	424	(129)
Total noninterest expense	\$ 6,017	6,142	(125)

Noninterest expense declined \$0.1 million, or 2.0%, from \$6.1 million in the second quarter of 2023 to \$6.0 million in the same period of 2024. The following factors had an impact on changes in noninterest expense during these periods:

- Compensation and employee benefits expense decreased \$0.4 million, or 11.5%, due primarily to a decrease in incentive accruals and a decline in FTE employees from 115 to 107, offset, in part, by merit increases and an increase in benefit costs.
- Professional fees increased \$0.2 million, or 70%, due to a change in the timing of recognizing certain auditing, regulatory and legal costs.

(In thousands)		Six Months Ended June 30		
		2024	2023	Change
Compensation and employee benefits	\$	5,997	6,659	(662)
Occupancy		1,231	1,173	58
Furniture and equipment		514	376	138
Data processing		1,054	1,061	(7)
FDIC insurance		747	587	160
Office		346	407	(61)
Advertising		202	267	(65)
Professional fees		1,150	903	247
Other noninterest expense		577	744	(167)
Total noninterest expense	\$	11,818	12,177	(359)

Noninterest expense declined \$0.4 million, or 2.9%, from \$12.2 million in the first six months of 2023 to \$11.8 million in the same period of 2024. The following factors had an impact on changes in noninterest expense during these periods:

- Compensation and employee benefits decreased \$0.6 million, or 9.9%, due primarily to a decrease in incentive accruals and a decline in FTE employees from 115 to 107, offset, in part, by merit increases and an increase in benefit costs.
- Furniture and equipment expense increased \$0.1 million, or 36.7%, due primarily to increased depreciation expense for the West Knoxville financial center, which opened for business during the fourth quarter of 2023.
- FDIC insurance increased \$0.2 million, or 27.2%, due to an increase in average assets and the quarterly multiplier used to calculate the assessment.
- Professional fees increased \$0.2 million, or 27.4%, due to a change in the timing of recognizing certain auditing, regulatory and legal costs.

Income Taxes

The effective tax rates of the Company were as follows for the periods indicated

Three Months Ended June 30		Six Months Ended June 30	
2024	2023	2024	2023
21.14%	14.50%	20.58%	17.32%

The Company's tax rates for the three and six months ended June 30, 2023 were unusually low due to the recognition of tax credits on certain loans for state tax purposes. The Company's tax rates for the three and six months ended June 30, 2024 reflect a more normalized tax rate. The Company's marginal tax rate of 26.14% is favorably impacted by certain sources of non-taxable income including bank-owned life insurance (BOLI), tax-free loans, and investments in tax-free municipal securities.

Balance Sheet

Total assets increased \$52.7 million, or 3.0%, from \$1.738 billion at December 31, 2023 to \$1.790 billion at June 30, 2024. The change was primarily driven by the following factors:

- Cash and cash equivalents increased \$45.5 million, or 66.0%, due to a decrease in new loan volumes and an increased focus on core deposit growth.
- Available for sale investment security balances decreased \$13.2 million, or 10.1%, primarily due to the sale of approximately \$8.0 million of securities during the first quarter of 2024 and principal paydowns.

The following summarizes the composition of the Company's available for sale investment securities portfolio (at fair value) as of June 30, 2024 and December 31, 2023:

	June 30, 2024		December 31, 2023	
	Estimated	Net	Estimated	Net
	Fair	Unrealized	Fair	Unrealized
	Value	Gain (Loss)	Value	Gain (Loss)
(in thousands)				
Agency MBS / CMO	\$ 12,163	(2,085)	12,870	(1,853)
Agency multifamily (non-guaranteed)	7,046	(835)	8,944	(897)
Agency floating rate	7,593	28	16,919	(41)
Business Development Companies	3,395	(367)	3,420	(345)
Corporate	23,774	(2,678)	23,801	(2,673)
Municipal	26,078	(7,107)	26,465	(6,790)
Non-agency MBS / CMO	37,000	(9,139)	37,805	(9,489)
	\$ 117,048	(22,182)	130,224	(22,088)

Non-agency MBS/CMO have an average credit-enhancement of approximately 31% as of June 30, 2024. Municipal securities are generally rated AA or higher.

- The Company did not have any securities classified as held-to-maturity as of June 30, 2024 and December 31, 2023.
- Loans receivable increased \$19.3 million, or 1.3%, from \$1.453 billion at December 31, 2023 to \$1.472 billion at June 30, 2024. The Company is actively managing its exposure to commercial real estate

and has a regulatory commercial real estate concentration of 322% of total risk-based capital as of June 30, 2024. The following summarizes changes in loan balances over the last five quarters:

	June 30,	March 31,	December 31,	September 30,	June 30,
	2024	2024	2023	2023	2023
(in thousands)					
Residential construction	\$ 18,859	29,716	33,881	39,824	40,309
Other construction	79,309	84,967	89,388	82,288	73,183
Farmland	9,539	9,684	8,614	8,699	9,381
Home equity	53,670	48,059	48,118	45,839	43,992
Residential	459,572	449,894	452,957	446,215	434,780
Multi-family	115,530	115,065	109,859	112,786	111,988
Owner-occupied commercial	244,344	239,010	234,289	229,879	217,778
Non-owner occupied commercial	356,914	335,634	329,204	317,651	324,883
Commercial & industrial	124,712	134,397	137,076	142,685	134,188
PPP Program	119	137	154	191	884
Consumer	9,562	8,779	9,331	9,572	12,732
	\$ 1,472,130	1,455,342	1,452,871	1,435,629	1,404,098

The following summarizes the industry components of the Company's non-owner occupied commercial real estate loans as of June 30, 2024. Office loans are primarily comprised of low-rise office space.

	Loan	% of Total
	Balance	Loans
Hotels	\$ 73,514	5.0%
Retail	68,534	4.7%
Office	33,038	2.2%
Marina	31,421	2.1%
Campground	30,101	2.0%
Medical	28,539	1.9%
Mini-storage	23,893	1.6%
Warehouse	22,491	1.5%
Vacation Rentals	16,947	1.2%
Car Wash	13,298	0.9%
Entertainment	9,047	0.6%
Restaurant	4,926	0.3%
Other	1,165	0.1%
	\$ 356,914	24.2%

- Premises and equipment increased \$6.3 million, or 12.0%, from December 31, 2023 to June 30, 2024 primarily due to costs incurred for the construction of the new 23,000 sf Johnson City combined financial/corporate center which opened for business on July 1, 2024. The following summarizes costs incurred and remaining to be incurred with respect to this project as of June 30, 2024:

	Costs Incurred	Maximum Remaining Expenditures
	(in thousands)	
\$	19,746	3,344

- Total deposits increased \$82.7 million, or 5.6%, from \$1.472 billion at December 31, 2023 to \$1.555 billion at June 30, 2024. An increase in non-interest bearing transaction and NOW and money market accounts during the first six months of 2024 offset a decline in savings accounts and retail time deposits and was further used to reduce wholesale time deposits and increase liquidity.

The following summarizes changes in deposit balances over the last five quarters:

		June 30,	March 31,	December 31,	September 30,	June 30,
		2024	2024	2023	2023	2023
(in thousands)						
Non-interest bearing transaction	\$	285,446	247,262	243,750	270,299	322,003
NOW and money market		415,772	421,139	271,208	250,920	266,777
Savings		227,282	266,168	248,576	258,110	260,741
Retail time deposits		378,944	381,110	392,638	382,708	355,367
		1,307,444	1,315,679	1,156,172	1,162,037	1,204,888
Wholesale time deposits		247,329	272,932	315,862	246,716	212,988
Total deposits	\$	1,554,773	1,588,611	1,472,034	1,408,753	1,417,876

The following summarizes the composition of wholesale time deposits as of June 30, 2024:

Type	Principal	Rate	Maturity	Original Term
(in thousands)				
Brokered CD	46,673	5.15%	May, 2025	1 Yr
Brokered CD	555	4.75%	Dec, 2025	2 Yr
Brokered CD	39,721	4.80%	Mar, 2026	2 Yr
Brokered CD	10,579	4.75%	Mar, 2026	2 Yr
Brokered CD	48,551	4.50%	Dec, 2026	3 Yr
Brokered CD	44,201	4.75%	Apr, 2027	3 Yr
Qwickrate	57,049	5.32%	Through Dec 15, 2026	2.5 Yrs or Less
	\$ 247,329	4.92%		

- FHLB borrowings decreased \$30.0 million from December 31, 2023 to June 30, 2024, and increased \$20.0 million from March 31, 2024 to June 30, 2024, and consisted of the following at June 30, 2024:

	Amounts (000's)	Original Term	Current Rate	Maturity Date
\$	20,000	2 weeks	5.44%	07/03/24
	10,000	1 month	5.44%	07/23/24
	15,000	3 months	5.50%	08/26/24
	25,000	6 months	5.46%	09/11/24
\$	70,000		5.46%	

- Total equity increased \$3.6 million, or 2.9%, from \$122.8 million at December 31, 2023 to \$126.4 million at June 30, 2024. The following summarizes the components of the change in total shareholders' equity and tangible book value per share for the six months ended June 30, 2024:

		Total	Tangible
		Shareholders'	Book Value
		Equity	Per Share
(In thousands)			
December 31, 2023	\$	122,787	19.33
Net income		3,839	0.61
Dividends paid		(829)	(0.13)
Stock compensation		720	0.11
Share repurchases		(30)	(0.00)
Change in fair value of investments available for sale		(94)	(0.01)
June 30, 2024	\$	126,393	19.83 *
* Sum of the individual components may not equal the total			

The Company's tangible equity to tangible assets ratio remained steady at 7.06% at June 30, 2024 from 7.07% at December 31, 2023, but was up from 6.88% at March 31, 2024, as the Company continues to manage its growth and dividend levels in light of current income levels. The Company and Bank both remain well capitalized at June 30, 2024, with the Bank maintaining a regulatory leverage ratio of 9.31% at June 30, 2024.

Share Repurchases

The Company has an active authorization to repurchase up to \$5 million of shares through March 31, 2025. No shares were repurchased during the six months ended June 30, 2024.

Asset Quality

Non-performing loans to total loans decreased to 0.09% at June 30, 2024 from 0.11% at December 31, 2023. Non-performing assets to total assets decreased to 0.08% at June 30, 2024 from 0.09% at December 31, 2023. Other real estate owned balances remained at \$0 at both June 30, 2024 and December 31, 2023. Net recoveries of \$0.2 million were recognized during the six months ended June 30, 2024, compared to net charge-offs of \$0.5 million during the year ended December 31, 2023. The allowance for credit losses to total loans declined to 0.83% at June 30, 2024 from 0.90% at December 31, 2023 due primarily to the payoff in full of a \$0.7 million loan which was fully-reserved as of December 31, 2023 and an improvement in modeled economic projections. Coverage of non-performing loans by the allowance for credit losses was nearly 9 to 1 at June 30, 2024 compared to 8 to 1 at December 31, 2023, but declined from 15 to 1 as of March 31, 2024 due to an increase in nonperforming loans from \$0.8 million to \$1.4 million.

Non-GAAP Financial Measures

Statements included in this press release include non-GAAP financial measures and should be read along with the accompanying tables in Appendix A and Appendix C, which provide a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures. This press release and the accompanying tables discuss financial measures such as adjusted net income, adjusted diluted

earnings per share, adjusted return on average assets, adjusted return on average equity, and adjusted noninterest expense to average assets ratio, which are all non-GAAP financial measures. We also present in this press release and the accompanying tables pre-tax, pre-provision earnings, pre-tax, pre-provision return on average assets, and book and tangible book value per share excluding AOCI, which are also non-GAAP financial measures. We believe that such non-GAAP financial measures are useful because they enhance the ability of investors and management to evaluate and compare the Company's operating results from period to period in a meaningful manner. Non-GAAP financial measures should not be considered as an alternative to any measure of performance calculated pursuant to GAAP, nor are they necessarily comparable to non-GAAP financial measures that may be presented by other companies. Investors should consider the Company's performance and financial condition as reported under GAAP and all other relevant information when assessing the performance or financial condition of the Company. Non-GAAP financial measures have limitations as analytical tools, and investors should not consider them in isolation or as a substitute for analysis of the Company's results or financial condition as reported under GAAP.

Forward-Looking Statements

This press release contains forward-looking statements. The words "expect," "intend," "should," "may," "could," "believe," "suspect," "anticipate," "seek," "plan," "estimate" and similar expressions are intended to identify such forward-looking statements, but other statements not based on historical fact may also be considered forward-looking. Such forward-looking statements involve known and unknown risks and uncertainties that include, without limitation, (i) deterioration in the financial condition of our borrowers, including as a result of continued elevated interest rates, persistent inflationary pressures and challenging economic conditions, resulting in significant increases in credit losses and provisions for those losses; (ii) fluctuations or differences in interest rates on loans or deposits from those that we are modeling or anticipating, including as a result of our inability to better match deposit rates with the changes in the short-term rate environment, or that affect the yield curve; (iii) deterioration in the real estate market conditions in our market areas; (iv) our ability to grow and retain low cost core deposits and retain large, uninsured deposits including during times when we are seeking to limit the rates we pay on deposits or uncertainty exists in the financial services sector; v) the impact of increased competition with other financial institutions, including pricing pressures, and the resulting impact on our results, including as a result of compression to our net interest margin; (vi) the deterioration of the economy in our market areas, including the negative impact of inflationary pressures and other challenging economic conditions on our customers and their businesses; (vii) the ability to grow and retain lower-cost core deposits, including during times when uncertainty exists in the financial services sector; (viii) our ability to meet our liquidity needs without having to liquidate investment securities that we own while those securities are in an unrealized loss position as a result of the elevated rate environment, or increase the rates we pay on deposits or increase our levels of non-core deposits to levels that cause our net interest margin to further decline; (ix) significant downturns in the business of one or more large customers; (x) effectiveness of our asset management activities in improving, resolving or liquidating lower quality assets; (xi) our inability to maintain the historical, long-term growth rate of our loan portfolio; (xii) risks of expansion into new geographic or product markets; (xiii) the possibility of increased compliance and operational costs as a result of increased regulatory oversight; (xiv) our inability to comply with regulatory capital requirements, including those resulting from changes to capital calculation methodologies and required capital maintenance levels; (xv) the ineffectiveness of our hedging strategies, or the unexpected

counterparty failure or failure of the underlying hedges; (xvi) changes in state or Federal regulations, policies, or legislation applicable to banks and other financial service providers, including regulatory or legislative developments arising out of current unsettled conditions in the economy; (xvii) changes in capital levels and loan underwriting, credit review or loss reserve policies associated with economic conditions, examination conclusions, or regulatory developments; (xviii) inadequate allowance for credit losses; (xix) results of regulatory examinations; (xx) the vulnerability of our network and online banking portals, and the systems of parties with whom we contract or do business with, to unauthorized access, computer viruses, phishing schemes, spam attacks, human error, natural disasters, power loss and other security breaches; (xxi) loss of key personnel; and (xxii) adverse results (including costs, fines, reputational harm and/or other negative effects) from current or future litigation, examinations or other legal and/or regulatory actions. These risks and uncertainties may cause our actual results or performance to be materially different from any future results or performance expressed or implied by such forward-looking statements. Our future operating results depend on a number of factors which were derived utilizing numerous assumptions that could cause actual results to differ materially from those projected in forward-looking statements.

About Mountain Commerce Bancorp, Inc. and Mountain Commerce Bank

Mountain Commerce Bancorp, Inc. is the holding company for Mountain Commerce Bank. The Company's shares of common stock trade on the OTCQX under the symbol "MCBI".

Mountain Commerce Bank is a state-chartered financial institution headquartered in Knoxville, TN. The Bank traces its history back over a century and serves Middle and East Tennessee through 7 branches located in Brentwood, Erwin, Johnson City (2), Bearden / Knoxville, West Knoxville and Unicoi. The Bank focuses on responsive relationship banking of small and medium-sized businesses, professionals, affluent individuals, and those who value the personal service and attention that only a community bank can offer. For further information, please visit us at www.mcb.com.

Mountain Commerce Bancorp, Inc. and Subsidiaries
Condensed Consolidated Statements of Income
(Amounts in thousands, except share data)

	Three Months Ended			Six Months Ended	
	June 30,	March 31,	June 30,	June 30,	June 30,
	2024	2024	2023	2024	2023
Interest income					
Loans	\$ 20,542	19,846	17,560	\$ 40,388	33,921
Investment securities - taxable	1,112	1,323	1,302	2,435	2,613
Investment securities - tax exempt	29	29	38	58	77
Dividends and other	1,133	1,326	1,302	2,459	2,339
	<u>22,816</u>	<u>22,524</u>	<u>20,202</u>	<u>45,340</u>	<u>38,950</u>
Interest expense					
Savings	1,859	2,078	1,587	3,937	3,142
Interest bearing transaction accounts	4,175	3,648	2,706	7,823	5,025
Time certificates of deposit of \$250,000 or more	4,302	4,860	3,811	9,162	6,474
Other time deposits	3,569	3,653	1,988	7,222	3,002
Total deposits	<u>13,905</u>	<u>14,239</u>	<u>10,092</u>	<u>28,144</u>	<u>17,643</u>
Senior debt	405	405	389	810	637
Subordinated debt	164	164	164	328	329
FHLB & FRB advances	549	1,279	1,718	1,828	3,093
	<u>15,023</u>	<u>16,087</u>	<u>12,363</u>	<u>31,110</u>	<u>21,702</u>
Net interest income	7,793	6,437	7,839	14,230	17,248
Provision for (recovery of) credit losses	(499)	(469)	(561)	(968)	26
Net interest income after provision for (recovery of) credit losses	8,292	6,906	8,400	15,198	17,222
Noninterest income					
Service charges and fees	371	382	393	753	768
Bank owned life insurance	55	55	46	110	92
Realized gain (loss) on sale of investment securities available for sale	(8)	77	1	69	(9)
Realized and unrealized loss on equity securities	(7)	(20)	(214)	(27)	(731)
Gain (loss) on sale of loans	29	(3)	10	26	13
Gain on sale of fixed assets	-	30	-	30	69
Wealth management	217	201	170	418	321
Swap fees	-	51	173	51	220
Other	15	9	39	24	37
	<u>672</u>	<u>782</u>	<u>618</u>	<u>1,454</u>	<u>780</u>
Noninterest expense					
Compensation and employee benefits	3,005	2,992	3,396	5,997	6,659
Occupancy	643	588	558	1,231	1,173
Furniture and equipment	269	245	184	514	376
Data processing	608	446	544	1,054	1,061
FDIC insurance	364	383	353	747	587
Office	180	166	205	346	407
Advertising	102	100	154	202	267
Professional fees	551	599	324	1,150	903
Other noninterest expense	295	282	424	577	744
	<u>6,017</u>	<u>5,801</u>	<u>6,142</u>	<u>11,818</u>	<u>12,177</u>
Income before income taxes	2,947	1,887	2,876	4,834	5,826
Income taxes	623	372	417	995	1,009
Net income	\$ 2,324	1,515	2,459	\$ 3,839	4,817
Earnings per common share:					
Basic	\$ 0.37	0.24	0.39	\$ 0.61	0.77
Diluted	\$ 0.37	0.24	0.39	\$ 0.61	0.77
Weighted average common shares outstanding:					
Basic	6,264,564	6,251,792	6,232,306	6,258,178	6,226,577
Diluted	6,270,308	6,264,626	6,239,575	6,267,261	6,239,761

Mountain Commerce Bancorp, Inc. and Subsidiaries						
Condensed Consolidated Balance Sheets						
(Amounts in thousands)						
		June 30,		March 31,		December 31,
		2024		2024		2023
Assets						
Cash and due from banks	\$	19,122	\$	12,176	\$	21,193
Interest-earning deposits in other banks		95,238		127,961		47,688
Cash and cash equivalents		114,360		140,137		68,881
Investments available for sale		117,048		120,295		130,224
Equity securities		1,884		1,875		1,882
Premises and equipment held for sale		3,762		3,762		3,762
Loans receivable		1,472,130		1,455,342		1,452,871
Allowance for credit losses		(12,289)		(12,553)		(13,034)
Net loans receivable		1,459,841		1,442,789		1,439,837
Premises and equipment, net		58,676		56,182		52,397
Accrued interest receivable		5,707		5,657		5,479
Bank owned life insurance		10,078		10,023		9,968
Restricted stock		4,563		6,224		8,145
Deferred tax assets, net		8,562		8,832		9,101
Other assets		5,940		7,337		8,094
Total assets	\$	1,790,421	\$	1,803,113	\$	1,737,770
Liabilities and Shareholders' Equity						
Noninterest-bearing	\$	285,446	\$	247,262	\$	243,750
Interest-bearing		1,021,998		1,068,417		912,422
Wholesale		247,329		272,932		315,862
Total deposits		1,554,773		1,588,611		1,472,034
FHLB borrowings		70,000		50,000		100,000
Senior debt, net		18,000		20,000		20,000
Subordinated debt, net		9,946		9,932		9,917
Accrued interest payable		3,142		1,968		2,258
Post-employment liabilities		3,350		3,383		3,414
Other liabilities		4,817		5,134		7,360
Total liabilities		1,664,028		1,679,028		1,614,983
Total shareholders' equity		126,393		124,085		122,787
Total liabilities and shareholders' equity	\$	1,790,421	\$	1,803,113	\$	1,737,770

Appendix A - Reconciliation of Non-GAAP Financial Measures

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	(Dollars in thousands, except per share data)		(Dollars in thousands, except per share data)	
	2024	2023	2024	2023
Adjusted Net Income				
Net income (GAAP)	\$ 2,324	2,459	\$ 3,839	4,817
Realized (gain) loss on sale of investment securities	8	(1)	(69)	9
Unrealized loss on equity securities	7	214	27	731
Gain on sale of fixed assets	-	-	(30)	(69)
Provision for (recovery of) credit losses	(499)	(561)	(968)	26
Fraud loss (recovery)	-	-	-	(100)
Tax effect of adjustments	126	91	272	(156)
Adjusted net income (Non-GAAP)	\$ 1,966	2,202	\$ 3,071	5,258
Adjusted Diluted Earnings Per Share				
Diluted earnings per share (GAAP)	\$ 0.37	0.39	\$ 0.61	0.77
Realized (gain) loss on sale of investment securities	0.00	(0.00)	(0.01)	0.00
Unrealized loss on equity securities	0.00	0.03	0.00	0.12
Gain on sale of fixed assets	-	-	(0.00)	(0.01)
Provision for (recovery of) credit losses	(0.08)	(0.09)	(0.15)	0.00
Fraud loss (recovery)	-	-	-	(0.02)
Tax effect of adjustments	0.02	0.01	0.04	(0.03)
Adjusted diluted earnings per share (Non-GAAP)	\$ 0.31	0.35	\$ 0.49	0.84
Adjusted Return on Average Assets				
Return on average assets (GAAP)	0.53%	0.59%	0.86%	0.58%
Realized (gain) loss on sale of investment securities	0.00%	0.00%	-0.02%	0.00%
Unrealized loss on equity securities	0.00%	0.05%	0.01%	0.09%
Gain on sale of fixed assets	0.00%	0.00%	-0.01%	-0.01%
Provision for (recovery of) credit losses	-0.11%	-0.13%	-0.22%	0.00%
Fraud loss (recovery)	0.00%	0.00%	0.00%	-0.01%
Tax effect of adjustments	0.03%	0.02%	0.06%	-0.02%
Adjusted return on average assets (Non-GAAP)	0.44%	0.53%	0.69%	0.63%
Adjusted Return on Average Equity				
Return on average equity (GAAP)	7.46%	8.13%	12.40%	8.02%
Realized (gain) loss on sale of investment securities	0.03%	0.00%	-0.22%	0.01%
Unrealized loss on equity securities	0.02%	0.71%	0.09%	1.22%
Gain on sale of fixed assets	0.00%	0.00%	-0.10%	-0.11%
Provision for (recovery of) credit losses	-1.60%	-1.86%	-3.13%	0.04%
Fraud loss (recovery)	0.00%	0.00%	0.00%	-0.17%
Tax effect of adjustments	0.41%	0.30%	0.88%	-0.26%
Adjusted return on average equity (Non-GAAP)	6.31%	7.28%	9.92%	8.75%

Appendix A - Reconciliation of Non-GAAP Financial Measures, Continued				
	Three Months Ended		Six Months Ended	
	June 30		June 30	
	(Dollars in thousands, except per share data)		(Dollars in thousands, except per share data)	
	2024	2023	2024	2023
Adjusted Noninterest Expense to Average Assets				
Noninterest expense to average assets (GAAP)	1.36%	1.47%	1.33%	1.47%
Fraud loss (recovery)	0.00%	0.00%	0.00%	0.01%
Adjusted noninterest expense to average assets (Non-GAAP)	1.36%	1.47%	1.33%	1.47%
Pre-tax, Pre-Provision Earnings				
Net income (GAAP)	\$ 2,324	2,459	\$ 3,839	4,817
Income taxes	623	417	995	1,009
Provision for (recovery of) credit losses	(499)	(561)	(968)	26
Pre-tax, pre-provision earnings (non-GAAP)	\$ 2,448	2,315	\$ 3,866	5,852
Pre-tax, Pre-Provision Return on Average Assets (ROAA)				
Return on average assets (GAAP)	0.53%	0.59%	\$ 0.86%	0.58%
Income taxes	0.14%	0.10%	0.11%	0.12%
Provision for (recovery of) credit losses	-0.11%	-0.13%	-0.11%	0.00%
Pre-tax, pre-provision return on average assets (non-GAAP)	0.55%	0.55%	\$ 0.87%	0.71%
Book and Tangible Book Value Per Share, excluding AOCI				
Book and tangible book value per share (GAAP)	\$ 19.83	19.00		
Impact of AOCI per share	2.57	2.78		
Book and tangible book value per share, excluding AOCI (non-GAAP)	\$ 22.39	21.78		

Appendix B - Tax Equivalent Net Interest Margin Analysis

	For the Three Months Ended June 30,						
	2024			2023			
	Average		Yield /	Average		Yield /	
	Outstanding	Interest	Rate	Outstanding	Interest	Rate	
	Balance		Rate	Balance		Rate	
(Dollars in thousands)							
Interest-earning Assets:							
Loans - taxable, including loans held for sale	\$ 1,431,221	20,542	5.77%	\$ 1,334,047	17,560	5.28%	
Loans - imputed tax credits (2)	29,057	488	6.75%	27,219	458	6.75%	
Investments - taxable	115,022	1,112	3.89%	136,877	1,302	3.82%	
Investments - tax exempt (1)	4,136	37	3.57%	5,424	48	3.56%	
Interest earning deposits	79,124	964	4.90%	72,699	1,073	5.92%	
Other investments, at cost	5,581	169	12.18%	14,436	229	6.36%	
Total interest-earning assets	1,664,141	23,312	5.63%	1,590,702	20,670	5.21%	
Noninterest earning assets	105,434			82,560			
Total assets	\$ 1,769,575			\$ 1,673,262			
Interest-bearing liabilities:							
Interest-bearing transaction accounts	\$ 139,641	1,368	3.94%	\$ 96,827	957	3.96%	
Savings accounts	241,012	1,859	3.10%	270,025	1,587	2.36%	
Money market accounts	281,763	2,807	4.01%	192,829	1,749	3.64%	
Retail time deposits	378,057	4,218	4.49%	329,820	3,304	4.02%	
Wholesale time deposits	251,649	3,653	5.84%	206,411	2,495	4.85%	
Total interest bearing deposits	1,292,122	13,905	4.33%	1,095,912	10,092	3.69%	
Senior debt	19,000	405	8.57%	20,000	389	7.80%	
Subordinated debt	9,942	164	6.63%	9,886	164	6.65%	
Federal Home Loan Bank & FRB advances	61,649	549	3.58%	135,935	1,718	5.07%	
Total interest-bearing liabilities	1,382,713	15,023	4.37%	1,261,733	12,363	3.93%	
Noninterest-bearing deposits	251,882			280,011			
Other noninterest-bearing liabilities	10,331			10,602			
Total liabilities	1,644,926			1,552,346			
Total shareholders' equity	124,649			120,916			
Total liabilities and shareholders' equity	\$ 1,769,575			\$ 1,673,262			
Tax-equivalent net interest income		8,289			8,307		
Net interest-earning assets (3)	\$ 281,428			\$ 328,969			
Average interest-earning assets to interest-bearing liabilities	120%			126%			
Tax-equivalent net interest rate spread (4)	1.26%			1.28%			
Tax equivalent net interest margin (5)	2.00%			2.09%			
(1) Tax exempt investments are calculated assuming a 21% federal tax rate							
(2) Reflects the tax equivalent yield of a 5% state tax credit assuming a 26% federal and state tax rate							
(3) Net interest-earning assets represents total interest-earning assets less total interest-bearing liabilities							
(4) Tax-equivalent net interest rate spread represents the difference between the tax equivalent yield on average interest-earning assets and the cost of average interest-bearing liabilities.							
(5) Tax equivalent net interest margin represents tax equivalent net interest income divided by average total interest-earning assets							

Appendix B - Tax Equivalent Net Interest Margin Analysis

	For the Six Months Ended June 30,						
	2024			2023			
	Average		Yield /	Average		Yield /	
	Outstanding		Rate	Outstanding	Interest	Rate	
	Balance	Interest		Balance	Interest	Rate	
(Dollars in thousands)							
Interest-earning Assets:							
Loans, including loans held for sale	\$ 1,450,308	40,388	5.60%	\$ 1,316,414	33,921	5.20%	
Loans - imputed tax credits (2)	29,249	982	6.75%	26,670	893	6.75%	
Investments - taxable	120,701	2,435	4.06%	137,778	2,613	3.82%	
Investments - tax exempt (1)	4,210	73	3.51%	5,420	97	3.63%	
Interest earning deposits	90,010	2,091	4.67%	81,224	1,930	4.79%	
Other investments, at cost	6,467	369	11.47%	12,142	409	6.79%	
Total interest-earning assets	1,700,945	46,338	5.48%	1,579,647	39,863	5.09%	
Noninterest earning assets	75,360			79,669			
Total assets	\$ 1,776,305			\$ 1,659,316			
Interest-bearing liabilities:							
Interest-bearing transaction accounts	\$ 127,310	2,445	3.86%	\$ 99,536	1,745	3.54%	
Savings accounts	249,582	3,937	3.17%	303,856	3,142	2.09%	
Money market accounts	258,567	5,379	4.18%	196,940	3,280	3.36%	
Retail time deposits	387,383	8,520	4.42%	269,402	4,988	3.73%	
Wholesale time deposits	270,816	7,863	5.84%	200,395	4,487	4.52%	
Total interest bearing deposits	1,293,658	28,144	4.37%	1,070,129	17,642	3.32%	
Senior debt	19,500	810	8.35%	15,714	637	8.17%	
Subordinated debt	9,934	328	6.64%	9,879	329	6.72%	
Federal Home Loan Bank & FRB advances	73,956	1,828	4.97%	150,503	3,093	4.14%	
Total interest-bearing liabilities	1,397,048	31,110	4.48%	1,246,225	21,701	3.51%	
Noninterest-bearing deposits	244,137			282,495			
Other noninterest-bearing liabilities	11,252			10,414			
Total liabilities	1,652,437			1,539,134			
Total shareholders' equity	123,868			120,182			
Total liabilities and shareholders' equity	\$ 1,776,305			\$ 1,659,316			
Tax-equivalent net interest income		15,228			18,162		
Net interest-earning assets (3)	\$ 303,897			\$ 333,422			
Average interest-earning assets to interest-bearing liabilities	122%			127%			
Tax-equivalent net interest rate spread (4)	1.00%			1.58%			
Tax equivalent net interest margin (5)	1.80%			2.32%			

(1) Tax exempt investments are calculated assuming a 21% federal tax rate

(2) Reflects the tax equivalent yield of a 5% state tax credit assuming a 26% federal and state tax rate

(3) Net interest-earning assets represents total interest-earning assets less total interest-bearing liabilities

(4) Tax-equivalent net interest rate spread represents the difference between the tax equivalent yield on average interest-earning assets and the cost of average interest-bearing liabilities.

(5) Tax equivalent net interest margin represents tax equivalent net interest income divided by average total interest-earning assets

Appendix C - Reconciliation of Prior Period Non-GAAP Financial Measures

Three Months Ended				
(Dollars in thousands, except per share data)				
March 31, 2024				
December 31, 2023				
September 30, 2023				
Adjusted Net Income				
Net income (loss) (GAAP)	\$	1,515	(376)	2,473
Realized (gain) loss on sale of investment securities		(77)	666	-
Unrealized loss on equity securities		20	90	50
(Gain) loss on sale of fixed assets		(30)	55	269
Provision for (recovery of) credit losses		(469)	1,382	(411)
Tax effect of adjustments		145	(573)	24
Adjusted net income (Non-GAAP)	\$	1,104	1,244	2,405
Adjusted Diluted Earnings Per Share				
Diluted earnings (loss) per share (GAAP)	\$	0.24	(0.06)	0.40
Realized (gain) loss on sale of investment securities		(0.01)	0.11	-
Unrealized loss on equity securities		-	0.01	0.01
(Gain) loss on sale of fixed assets		-	0.01	0.04
Provision for (recovery of) credit losses		(0.07)	0.22	(0.07)
Tax effect of adjustments		0.02	(0.09)	0.00
Adjusted diluted earnings per share (Non-GAAP)	\$	0.18	0.20	0.39
Adjusted Return on Average Assets				
Return on average assets (GAAP)		0.34%	-0.09%	0.58%
Realized (gain) loss on sale of investment securities		-0.02%	0.15%	0.00%
Unrealized loss on equity securities		0.00%	0.02%	0.01%
(Gain) loss on sale of fixed assets		-0.01%	0.01%	0.06%
Provision for (recovery of) credit losses		-0.11%	0.32%	-0.10%
Tax effect of adjustments		0.03%	-0.13%	0.01%
Adjusted return on average assets (Non-GAAP)		0.25%	0.29%	0.56%
Adjusted Return on Average Equity				
Return on average equity (GAAP)		4.92%	-1.25%	8.19%
Realized (gain) loss on sale of investment securities		-0.25%	2.21%	0.00%
Unrealized loss on equity securities		0.06%	0.30%	0.17%
(Gain) loss on sale of fixed assets		-0.10%	0.18%	0.89%
Provision for (recovery of) credit losses		-1.52%	4.59%	-1.36%
Tax effect of adjustments		0.47%	-1.90%	0.08%
Adjusted return on average equity (Non-GAAP)		3.58%	4.13%	7.97%

Appendix C - Reconciliation of Prior Period Non-GAAP Financial Measures, Continued				
		Three Months Ended		
		(Dollars in thousands, except per share data)		
		March 31, 2024	December 31, 2023	September 30, 2023
Adjusted Noninterest Expense to Average Assets				
Noninterest expense to average assets (GAAP)		1.30%	1.48%	1.34%
Adjusted noninterest expense to average assets (Non-GAAP)		1.30%	1.48%	1.34%
Pre-tax Pre-Provision Earnings				
Net income (loss) (GAAP)	\$	1,515	(376)	2,473
Income taxes		372	176	622
Provision for (recovery of) credit losses		(469)	1,382	(411)
Pre-tax Pre-provision earnings (non-GAAP)	\$	1,418	1,182	2,684
Pre-tax Pre-Provision Return on Average Assets (ROAA)				
Return on average assets (GAAP)	\$	0.34%	-0.09%	0.58%
Income taxes		0.08%	0.04%	0.15%
Provision for (recovery of) credit losses		-0.11%	0.32%	-0.10%
Pre-tax Pre-provision return on average assets (non-GAAP)	\$	0.31%	0.27%	0.63%
Book and Tangible Book Value Per Share, excluding AOCI				
Book and tangible book value per share (GAAP)	\$	19.46	19.33	18.78
Impact of AOCI per share		2.55	2.56	3.28
Book and tangible book value per share, excluding AOCI (non-GAAP)	\$	22.01	21.89	22.06