

January 17, 2022

Coeur d'Alene Bancorp Announces Its Fourth Quarter and Year to Date 2021 Results

Coeur d'Alene, Idaho: Coeur d'Alene Bancorp (OTC Pink: CDAB), the parent company of bankcda, is pleased to announce its results for the fourth quarter 2021 and Year to Date 2021.

Coeur d'Alene Bancorp, today reported net income for fourth quarter 2021 of \$413,091 compared to \$433,810 in the linked quarter and \$554,076 for fourth quarter 2020. Net income for twelve months ended December 31, 2021 totaled \$1,775,330 or \$0.94 per share, compared to \$1,291,283 or \$0.69 per share, for twelve months ended 2020. All results are unaudited.

As of December 31, 2021 total consolidated assets were \$247.6 million, an increase of \$57.3 million or 30.1% compared to December 31, 2020 due to increased deposits and investments, offset by a decline in gross loans from PPP forgiveness. Total investment in debt securities increased \$37.5 million ending the quarter at \$93.9 million. Total loans decreased \$5.99 million during the year primarily due to \$9.9 million in PPP forgiveness. As of December 31, 2021, ten PPP loans totaling \$650,600 remain on our balance sheet which we anticipate receiving forgiveness by end of first quarter.

"2021 presented many successes and a few challenges with asset growth of 30.1% and record net income \$1.77 million a 37% increase over prior year. Growth in net income for 2021 was driven by a 17.7% increase in non-interest income primarily made up of a 34% increase in interchange revenue. Although PPP was a significant contributor to income the last two years, revenue related to PPP loans declined slightly in 2021 and is exhausted as of end of year. Non-interest expense decreased 8.44% over prior year and 3.28% net of one times expense associated to our core conversion. Unprecedented deposit growth combined with historically low interest rates continue to put pressure on our net interest margin. We continue to increase our investment portfolio in an effort to increase interest income versus maintain cash balances. Our liquidity position is strong and our balance sheet remains asset sensitive which should allow for increased interest income in a rising rate environment.

A strong local economy has led unprecedented customer liquidity, creating a difficult lending environment. During 2021 we originated loans of \$45.2 million with \$2.86 million in growth, net of PPP, a 3.63% increase over prior year. We continue to focus our effort on growing our loan portfolio and were able hire two commercial lenders in the fourth quarter with the anticipation of hiring additional lending staff in 2022". Said Wes Veach, President and Chief Executive Officer.

Financial Highlights:

- Diluted earnings per share of \$0.93 for twelve months ended 2021 versus \$0.68 per share for twelve months ended 2020.
- Net book value per share increased to \$11.43 compared to \$11.00 from one year ago and decreased \$.05 from \$11.48 per share for the linked quarter.
- Annualized return on average asset (ROAA) was 0.78% and annualized return on average equity (ROAE) was 8.42% for twelve months ended 2021, compared to 0.77% and 6.74% for twelve months ended 2020, respectively.

- Total assets ended the year at \$247.6 million compared to \$190.3 million as of December 31, 2020, an increase of 30.1%. Total assets increased \$7.6 million, or 3.2%, during the fourth quarter 2021.
- Gross loans were \$82.3 million at quarter end, versus \$88.5 million at December 31, 2020, and \$83.97 million at September 30, 2021. Gross loans net of PPP ended the quarter at \$81.6 million compared to \$78.7 million at December 31, 2020.
- Total deposits were \$219.6 million versus \$167.7 million at December 31, 2020, and \$211.6 million at September 30, 2021.
- For the twelve months ended 2021, net interest margin was 2.39%, including SBA PPP loans, and 2.43%, excluding PPP loans; compared to 3.28% and 3.52% for the twelve months ended 2020, respectively.
- Asset quality remains strong with nonperforming loans to Tier 1 capital of 0.75% at December 31, 2021.
- Continue to be FIVE Star-rated from Bauer Financial, which is their highest rating.

Coeur d'Alene Bancorp, parent company of bankcda, is headquartered in Coeur d'Alene, Idaho with branches in Coeur d'Alene, Hayden, Post Falls, and Kellogg.

For more information, visit www.bankcda.com or contact Wes Veach at 208-415-5006.

**Balance Sheet Overview
(Unaudited)**

| | <u>Dec 31, 2021</u> | <u>Dec 31, 2020</u> |
|---|-----------------------|-----------------------|
| Assets: | | |
| Cash and due from banks | \$ 63,441,524 | \$ 37,449,866 |
| Securities available for sale, at fair value | 93,885,621 | 56,392,216 |
| Net loans | 80,487,356 | 86,477,766 |
| Other assets | 9,817,622 | 10,020,071 |
| Total assets | <u>\$ 247,632,123</u> | <u>\$ 190,339,919</u> |
| Liabilities and Shareholders' Equity: | | |
| Total deposits | \$ 219,618,049 | \$ 167,668,048 |
| Borrowings | 235,765 | 298,265 |
| Capital lease liability | 491,523 | 561,518 |
| Other liabilities | 5,701,678 | 1,089,168 |
| Shareholders' Equity | 21,585,108 | 20,722,920 |
| Total liabilities and shareholders' equity | <u>\$ 247,632,123</u> | <u>\$ 190,339,919</u> |
| Ratios: | | |
| Return on average assets | 0.78% | 0.77% |
| Return on average equity | 8.42% | 6.74% |
| Community bank leverage ratio ⁽¹⁾ | 9.93% | 10.04% |
| Community bank leverage ratio | 8.35% | 10.28% |
| Net interest margin (YTD) ⁽¹⁾ | 2.39% | 3.28% |
| Net interest margin without PPP (YTD) ⁽¹⁾ | 2.43% | 3.52% |
| Efficiency ratio (YTD) ⁽¹⁾ | 65.47% | 74.37% |
| Nonperforming assets to tier 1 capital ⁽¹⁾ | 0.75% | 1.38% |
| Nonperforming assets to total assets | 0.08% | 0.14% |
| Nonperforming assets to tier 1 capital | 0.90% | 1.35% |

⁽¹⁾ Denotes bank-only ratios

**Income Statement Overview
(Unaudited)**

| | For the three months ended | | For the twelve months ended | |
|--------------------------------|-----------------------------------|---------------------|------------------------------------|---------------------|
| | Dec 31, 2021 | Dec 31, 2020 | Dec 31, 2021 | Dec 31, 2020 |
| Interest income | \$ 1,391,727 | \$ 1,327,053 | \$ 5,392,467 | \$ 5,389,478 |
| Interest expense | 119,121 | 55,248 | 356,466 | 266,706 |
| Net interest income | 1,272,607 | 1,271,805 | 5,036,002 | 5,122,772 |
| Loan loss provision | - | 60,000 | - | 160,500 |
| Noninterest income | 346,102 | 662,211 | 1,728,511 | 1,468,354 |
| Salaries and employee benefits | 622,462 | 636,889 | 2,401,212 | 2,516,235 |
| Occupancy expense | 150,837 | 137,476 | 565,980 | 553,973 |
| Other noninterest expense | 362,190 | 438,633 | 1,516,145 | 1,826,316 |
| Income before income taxes | 483,220 | 661,019 | 2,281,176 | 1,534,102 |
| Income tax expense | 70,129 | 106,943 | 505,846 | 242,818 |
| Net income | <u>\$ 413,091</u> | <u>\$ 554,076</u> | <u>\$ 1,775,330</u> | <u>\$ 1,291,283</u> |