

October 12, 2022

Coeur d'Alene Bancorp Announces Its Third Quarter and Year to Date 2022 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 third quarter 2022 and year to date 2022.

Coeur d'Alene Bancorp today reported net income for third quarter 2022 of \$694,540 or \$0.37 per share compared to \$433,810 or \$0.23 per share for third quarter 2021 and \$413,517 or \$0.22 per share in the linked quarter. Net income for nine months ended September 30, 2022, totaled \$1,339,312 or \$0.71 per share, compared to \$1,362,239 or \$0.72 per share, for nine months ended 2021. All results are unaudited.

As of September 30, 2022, total consolidated assets increased 4.4% during the quarter, ending at \$262.3 million; and increased 9.3% from \$240.0 million at September 30, 2021. Gross loans increased 2.5% ending the quarter at \$98.89 million, and increased 17.8% from \$83.97 million at September 30, 2021, primarily in the 1-4 family real estate, owner occupied commercial real estate, and commercial and industrial portfolios. Total investment in debt securities increased \$5.9 million ending the quarter at \$110.4 million net of unrealized losses of \$7.8 million. Core deposits grew 10.85% during the quarter and represent 100% of total deposits. Shareholder equity was \$8.63 at September 30, 2022, down from \$9.13 at June 30, 2022 and \$11.48 at September 30, 2021. These decreases are primarily due to an increase in the unrealized holding loss on securities available for sale resulting from higher market interest rates, impacting tangible book value by \$2.80 per share during 2022.

Financial Highlights:

- Diluted earnings per share \$0.70 for nine months ended 2022 versus \$0.71 per share for nine months ended 2021.
- Net book value per share decreased to \$8.63 compared to \$11.48 from one year ago and \$9.13 per share for the linked quarter.
- Annualized return on average asset (ROAA) was 0.70% and annualized return on average equity (ROAE) was 9.63% for nine months ended 2022, compared to 0.82% and 8.61% for nine months ended 2021, respectively.
- Total assets ended the quarter at \$262.3 million compared to \$240.0 million as of September 30, 2021, an increase of 9.3%.
- Gross loans were \$98.89 million at quarter end, versus \$83.97 million at September 30, 2021, and \$96.46 million at June 30, 2022.
- Total deposits were \$241.5 million at quarter end, versus \$211.6 million at September 30, 2021, and \$228.9 million at June 30, 2022.
- For the first nine months of 2022, net interest margin was 2.60% compared to 2.45% for the first nine months of 2021.
- Asset quality remains strong with nonperforming loans to Tier 1 capital of 0.45% at September 30, 2022.
- Continue to be FIVE Star-rated from Bauer Financial, which is their highest rating.

- We continue to exceed the minimum community bank leverage ratio.

“We knew moving into 2022 that earnings were going to be under pressure due to minimal PPP revenue and compressed margins from our strong liquidity position. However, we are well positioned for the rising rate environment, allowing us to benefit from continued rate increases the last six months. Our liquidity position has allowed for improvement in the net interest margin which increased to 2.96% for the third quarter. We increased deposit rates at the time of the last federal reserve increase and anticipate continued increases to maintain our current deposit levels. At the end of the quarter our unrealized loss on securities available for sale was 6.51% of book value or \$7.8 million. While we have increased our bond portfolio, the duration remains short at 2.49 years.” Said Wes Veach, President and Chief Executive Officer.

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.bank or contact Wes Veach at 208-415-5006.

**Balance Sheet Overview
(Unaudited)**

	<u>Sep 30, 2022</u>	<u>Sep 30, 2021</u>	<u>Jun 30, 2022</u>
Assets:			
Cash and due from banks	\$ 44,723,533	\$ 68,430,651	\$ 41,883,707
Securities available for sale, at fair value	110,436,851	79,706,106	104,527,719
Net loans	97,050,969	82,019,388	94,652,225
Other assets	10,097,748	9,889,826	10,104,680
Total assets	<u>\$ 262,309,102</u>	<u>\$ 240,045,971</u>	<u>\$ 251,168,332</u>
Liabilities and Shareholders' Equity:			
Total deposits	\$ 241,511,812	\$ 211,624,231	\$ 228,889,682
Borrowings	-	251,390	204,515
Capital lease liability	438,198	509,154	455,993
Other liabilities	4,032,436	5,986,914	4,347,959
Shareholders' Equity	16,326,655	21,674,282	17,270,182
Total liabilities and shareholders' equity	<u>\$ 262,309,102</u>	<u>\$ 240,045,971</u>	<u>\$ 251,168,332</u>
Ratios:			
Return on average assets	0.70%	0.82%	0.51%
Return on average equity	9.63%	8.61%	6.75%
Community bank leverage ratio ⁽¹⁾	10.14%	10.13%	10.06%
Community bank leverage ratio	8.55%	8.53%	8.46%
Net interest margin (YTD) ⁽¹⁾	2.60%	2.45%	2.37%
Net interest margin without PPP (YTD) ⁽¹⁾	2.60%	2.51%	2.38%
Efficiency ratio (YTD) ⁽¹⁾	64.16%	64.95%	70.57%
Nonperforming assets to tier 1 capital ⁽¹⁾	0.38%	0.88%	0.51%
Nonperforming assets to total assets	0.04%	0.09%	0.05%
Nonperforming assets to tier 1 capital	0.45%	1.05%	0.60%

⁽¹⁾ Denotes bank-only ratios

**Income Statement Overview
(Unaudited)**

	For the three months ended		For the nine months ended	
	Sep 30, 2022	Sep 30, 2021	Sep 30, 2022	Sep 30, 2021
Interest income	\$ 2,021,153	\$ 1,375,123	\$ 5,044,542	\$ 4,000,740
Interest expense	140,435	55,347	374,842	167,023
Net interest income	1,880,718	1,319,777	4,669,700	3,833,717
Loan loss provision	-	-	-	-
Noninterest income	240,777	467,811	698,693	1,382,409
Salaries and employee benefits	608,424	599,445	1,873,076	1,778,750
Occupancy expense	145,675	139,241	449,307	415,143
Other noninterest expense	434,848	452,066	1,268,321	1,224,278
Income before income taxes	932,547	596,837	1,777,688	1,797,956
Income tax expense	238,007	163,027	438,376	435,717
Net income	<u>\$ 694,540</u>	<u>\$ 433,810</u>	<u>\$ 1,339,312</u>	<u>\$ 1,362,239</u>