

January 13, 2023

Coeur d'Alene Bancorp Announces Its Fourth 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 fourth quarter 2022 and the year ended December 31, 2022.

Coeur d'Alene Bancorp today reported net income for the fourth quarter 2022 of \$825,017 compared to \$694,540 in the linked quarter and \$413,091 for the fourth quarter 2021. Net income for the 12 months ended December 31, 2022, totaled \$2,164,328 or \$1.14 per share, compared to \$1,775,330 or \$0.94 per share, for the 12 months ended December 31, 2021. All results are unaudited.

As of December 31, 2022, total consolidated assets were \$244.5 million, a decrease of \$3.1 million or 1.3%, compared to December 31, 2021. The decrease in total assets was the result of unrealized losses on investment increasing \$8.1 million during 2022. Total investment in debt securities increased \$16.6 million during the year, ending the year at \$110.5 million. Total loans increased \$25.0 million during the year, ending the year at \$107.3 million. Total deposits increased \$3.0 million during the year, to end at \$222.6 million, an increase of 1.4%.

Shareholder equity was \$9.19 per share at December 31, 2022, up from \$8.63 at September 30, 2022, and down from \$11.43 at December 31, 2021. The negative variance as compared to December 31, 2021, was due to changes in the unrealized holding loss on securities available for sale resulting from higher market interest rates and lowering tangible book value by \$2.24 per share in 2022.

The board of directors Coeur d'Alene Bancorp declared a cash dividend of \$0.29 per share on December 14, 2022. The dividend will be paid on January 17, 2023, to shareholders of record on December 30, 2022.

"We had a successful year with earnings of \$2.16 million, a 22% increase over prior year, and loan growth of 30%. Our strong liquidity position allowed us to benefit from rising rates while maintaining a low cost of funds. Like many of our peer banks we experienced deposit run-off during the fourth quarter, but still maintain solid liquidity. Our investment portfolio remains short with a duration of 2.2 years which we expect will allow us to reposition our portfolio into higher yielding assets prior to rates moving down. Although we anticipate 2023 to be a challenging year to achieve asset growth while trying to control funding costs, we expect that loan growth and investment purchases made in 2022 will provide the opportunity for improved earnings in 2023." Said Wes Veach, President and Chief Executive Officer.

"Based on our overall financial condition, and solid capital levels, outstanding asset quality metrics, including the possibility of augmenting net interest income from probable further FOMC rate hikes, we believe we are well positioned to withstand the negative impacts associated with a slowing economy," said Veach. "In addition, our financial strength and improved earnings has allowed the payment of our first cash dividend in three years."

Financial Highlights:

- Diluted earnings per share of \$1.14 for the 12 months ended December 31, 2022, versus \$0.94 per share for the 12 months ended December 31, 2021.
- Net book value per share decreased to \$9.19 compared to \$11.43 at December 31, 2021, and increased \$0.56 from \$8.63 at the end of the linked quarter.
- Annualized return on average asset (ROAA) was 0.85% and annualized return on average equity (ROAE) was 11.97% for the 12 months ended December 31, 2022, compared to 0.78% and 8.42% for the 12 months ended December 31, 2021, respectively.
- Total assets ended the year at \$244.5 million compared to \$247.6 million as of December 31, 2021, a decrease of 1.3%. Total assets decreased \$17.8 million, or 6.8%, during the fourth quarter 2022.
- Gross loans were \$107.3 million at quarter-end versus \$82.3 million at December 31, 2021, and \$98.9 million at September 30, 2022.
- Total deposits were \$222.6 million at quarter-end versus \$219.6 million at December 31, 2021, and \$241.5 million at September 30, 2022.
- For the 12 months ended December 31, 2022, net interest margin was 2.79% compared to 2.39%, or 2.43% excluding PPP loans, for the 12 months ended December 31, 2021.
- Asset quality remains strong with nonperforming assets to Tier 1 capital of 0.27% at December 31, 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.

Coeur d'Alene Bancorp, parent company of bankcda, is headquartered in Coeur d'Alene, Idaho. bankcda has 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.

Forward-Looking Statements

This press release contains, among other things, certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, statements preceded by, followed by, or that include the words "may," "could," "should," "would," "believe," "anticipate," "estimate," "expect," "intend," "plan," "projects," "outlook" or similar expressions. These statements are based upon the current belief and expectations of the Coeur d'Alene Bancorp's management team and are subject to significant risks and uncertainties that are subject to change based on various factors (many of which are beyond Coeur d'Alene Bancorp's control). Although Coeur d'Alene Bancorp believes that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove to be inaccurate. Therefore, Coeur d'Alene Bancorp can give no assurance that the results contemplated in the forward-looking statements will be realized. The inclusion of this forward-looking information should not be construed as a representation by Coeur d'Alene Bancorp or any other person that the future events, plans, or expectations contemplated by Coeur d'Alene Bancorp will be achieved.

All subsequent written and oral forward-looking statements attributable to Coeur d'Alene Bancorp or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. Coeur d'Alene Bancorp does not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date the forward-looking statements are made, except as required by law.

**Balance Sheet Overview
(Unaudited)**

	<u>Dec 31, 2022</u>	<u>Dec 31, 2021</u>	<u>Sep 30, 2022</u>
Assets:			
Cash and due from banks	\$ 18,371,277	\$ 63,441,524	\$ 44,723,533
Securities available for sale, at fair value	110,519,021	93,885,621	110,436,851
Net loans	105,345,227	80,487,356	97,050,969
Other assets	10,260,762	9,817,622	10,097,748
Total assets	<u>\$ 244,496,287</u>	<u>\$ 247,632,123</u>	<u>\$ 262,309,102</u>
Liabilities and Shareholders' Equity:			
Total deposits	\$ 222,596,015	\$ 219,618,049	\$ 241,511,812
Borrowings	-	235,765	-
Capital lease liability	420,493	491,523	438,198
Other liabilities	4,096,477	5,701,678	4,032,436
Shareholders' Equity	17,383,302	21,585,108	16,326,655
Total liabilities and shareholders' equity	<u>\$ 244,496,287</u>	<u>\$ 247,632,123</u>	<u>\$ 262,309,102</u>
Ratios:			
Return on average assets	0.85%	0.78%	0.70%
Return on average equity	11.97%	8.42%	9.63%
Community bank leverage ratio ⁽¹⁾	10.48%	9.93%	10.14%
Community bank leverage ratio	9.06%	8.35%	8.55%
Net interest margin (YTD) ⁽¹⁾	2.79%	2.39%	2.60%
Net interest margin without PPP (YTD) ⁽¹⁾	2.79%	2.43%	2.60%
Efficiency ratio (YTD) ⁽¹⁾	61.90%	65.47%	64.16%
Nonperforming assets to tier 1 capital ⁽¹⁾	0.27%	0.75%	0.38%
Nonperforming assets to total assets	0.03%	0.08%	0.04%
Nonperforming assets to tier 1 capital	0.31%	0.90%	0.45%

⁽¹⁾ Denotes bank-only ratios

**Income Statement Overview
(Unaudited)**

	For the three months ended		For the twelve months ended	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Interest income	\$ 2,271,029	\$ 1,391,727	\$ 7,315,571	\$ 5,392,467
Interest expense	233,173	119,121	608,015	356,466
Net interest income	2,037,856	1,272,607	6,707,556	5,036,002
Loan loss provision	-	-	-	-
Noninterest income	218,052	346,102	916,745	1,728,511
Salaries and employee benefits	718,447	622,462	2,591,523	2,401,212
Occupancy expense	151,277	150,837	600,584	565,980
Other noninterest expense	444,823	362,190	1,713,145	1,516,145
Income before income taxes	941,361	483,220	2,719,049	2,281,176
Income tax expense	116,345	70,129	554,720	505,846
Net income	<u>\$ 825,017</u>	<u>\$ 413,091</u>	<u>\$ 2,164,328</u>	<u>\$ 1,775,330</u>