News Release
For Immediate Release

VILLAGE BANK AND TRUST FINANCIAL CORP. REPORTS EARNINGS FOR THE SECOND QUARTER OF 2024

Midlothian, Virginia, July 24, 2024. Village Bank and Trust Financial Corp. (the "Company") (Nasdaq symbol: VBFC), parent company of Village Bank (the "Bank"), today reported unaudited results for the second quarter of 2024. Net income for the second quarter of 2024 was $1,653,000, or $1.11 per fully diluted share, compared to net income for the second quarter of 2023 of $1,239,000, or $0.83 per fully diluted share. For the six months ended June 30, 2024, net income was $3,425,000, or $2.29 per fully diluted share, compared to net income for the six months ended June 30, 2023, of $2,779,000, or $1.87 per fully diluted share.

Jay Hendricks, President and CEO, commented, "We are pleased with the Company's performance during the second quarter. Asset repricing and stabilizing funding cost are supporting net interest margin and helping to offset continued weakness in the mortgage environment."

"The commercial bank grew loans, excluding student loans, 2.73% and deposits 1.39% during the second quarter 2024. While we anticipate continued pressure on our funding base, increasing loan yields and disciplined management of our deposit mix and cost will support our net interest margin the remainder of the year. Our focus remains on core relationship growth, disciplined management of our funding mix and costs, navigating the weak mortgage environment and remaining vigilant on credit quality."

Operating Results

The following table presents quarterly results for the indicated periods (in thousands):

GAAP Operating Results by Segment					
	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Pre-tax earnings (loss) by segment					
Commercial banking	$ 2,255	$ 2,134	$ 2,410	$ (3,019)	$ 1,816
Mortgage banking	(193)	87	(316)	(288)	(303)
Income (loss) before income tax expense (benefit)	2,062	2,221	2,094	(3,307)	1,513
Commercial banking income tax expense (benefit)	449	431	468	(693)	338
Mortgage banking income tax expense (benefit)	(40)	18	(66)	(61)	(64)
Net income (loss)	$ 1,653	$ 1,772	$ 1,692	$ (2,553)	$ 1,239

Three months ended June 30, 2024 vs. three months ended June 30, 2023.

The Commercial Banking Segment recorded net income of $1,806,000 for Q2 2024 compared to net income of $1,478,000 for Q2 2023.

The following are variances of note for the three months ended June 30, 2024 compared to the three months ended June 30, 2023:

- Net interest margin ("NIM") expanded by 23 basis points to 3.75% for Q2 2024 compared to 3.52% for Q2 2023. The expansion was driven by the following:
    - The yield on our earning assets increased by 94 basis points, 5.60% for Q2 2024 compared to 4.66% for Q2 2023. The increase in our yield on earning assets continues to be a result of improvement in our earning asset mix as well as the impact of the rise in interest rates during 2023 and 2024. We expect to see continued improvement in the yield on earning assets because of higher yielding loan growth combined with the amortization of lower yielding assets.
    - The increased yield on earnings assets was partially offset by the cost of interest-bearing liabilities increasing by 109 basis points to 2.95% for Q2 2024 compared to 1.86% for Q2 2023. The increase in our cost of interest bearing liabilities has been driven by an increase in the rate paid on variable rate debt and market pressures on deposit rates. The rate paid on money market deposit accounts increased 137 basis points to 3.16% for Q2 2024 compared to 1.79% for Q2 2023, and the rate paid on time deposits increased 199 basis points to 3.55% for Q2 2024 compared to 1.56% for Q2 2023. The increase in the rate on time deposits was impacted heavily by the addition of $20.0 million in brokered time deposits at a weighted average rate of 4.89% during the three months ended March 31, 2024. While we expect there will be continued pressure on our funding base, we are seeing the velocity of those increases slowing down as of June 30, 2024.
    - While the rate paid on interest bearing liabilities increased by 109 basis points for Q2 2024 as compared to Q2 2023, overall cost of funds increased by 76 basis points, 1.93% for Q2 2024 vs. 1.17% for Q2 2023. The lower increase in cost of funds was driven by our strong non-interest bearing deposits level, which remains near 37% of our deposit base.
- The Company did not record a provision for credit losses for the three months ended June 30, 2024. The lack of a provision for credit losses was driven primarily by the recognition of a net-recovery of previously charged-off loans of $107,000 during the period and was supported by stable local economic conditions and credit quality remaining strong during the period. While current economic challenges due to higher inflation and the speed at which interest rates have risen remain a risk to credit quality, we believe our current level of allowance for credit losses is sufficient.
- The Commercial Banking Segment posted noninterest income of $881,000 for Q2 2024 compared to $879,000 for Q2 2023.
- The Commercial Banking Segment posted noninterest expense of $5,100,000 for Q2 2024 compared to $5,086,000 for Q2 2023. Efforts to control expenses resulted in a minimal increase in expenses from Q2 2023.

The Mortgage Banking Segment posted a net loss of $153,000 for Q2 2024 compared to a net loss of $239,000 for Q2 2023. The lower loss is a result of efforts to expand revenue opportunities, control expenses, and improve gross margins on loans sold.

Six months ended June 30, 2024 vs. six months ended June 30, 2023.

The Commercial Banking Segment posted net income of $3,509,000 for the six months ended June 30, 2024 compared to $3,336,000 for the six months ended June 30, 2023.

The following are variances of note for the six months ended June 30, 2024 compared to the six months ended June 30, 2023:

- NIM expanded by 7 basis points to 3.73% for the six months ended June 30, 2024 compared to 3.66% for the six months ended June 30, 2023. The expansion was driven by the following:
    - The yield on our earning assets increased by 92 basis points, 5.51% for the six months ended June 30, 2024 compared to 4.59% for the six months ended June 30, 2023. The increase in our yield on earning assets continues to be a result of improvement in our earning asset mix as well as the impact of the rise in interest rates during 2023 and 2024. We expect to see continued improvement in the yield on earning assets because of higher yielding loan growth combined with the amortization of lower yielding assets.
    - The increased yield on earnings assets was partially offset by the cost of interest-bearing liabilities increasing by 130 basis points to 2.85% for the six months ended June 30, 2024 compared to 1.55% for the six months ended June 30, 2023. The increase in our cost of funds was driven by an increase in the rate paid on variable rate debt and market pressures on deposit rates. The rate paid on money market deposit accounts increased 163 basis points to 3.05% for the six months ended June 30, 2024 compared to 1.42% for the six months ended June 30, 2023, and the rate paid on time deposits increased 218 basis points to 3.39% for the six months ended June 30, 2024 compared to 1.21% for the six months ended June 30, 2023. The increase in the rate on time deposits was impacted heavily by the addition of $20.0 million in brokered time deposits at a weighted average rate of 4.89% during the three months ended March 31, 2024. While we expect there will be continued pressure on our funding base, we are seeing the velocity of those increases slowing down as of June 30, 2024.
    - While the rate paid on interest bearing liabilities increased by 130 basis points for the six months ended June 30, 2024, overall cost of funds increased by 89 basis points, 1.86% for the six months ended June 30, 2024 vs. 0.97% for the six months ended June 30, 2023. The lower increase in cost of funds was driven by our strong non-interest bearing deposits level, which remained near 37% of our deposit base.
- The Commercial Banking Segment recorded a provision for credit losses of $150,000 for the six months ended June 30, 2024, compared to no provision expense for the six months ended June 30, 2023. The provision for credit losses was driven by loan growth during the period and was supported by stable macroeconomic conditions and credit quality remaining strong. While current economic challenges due to higher inflation and the speed at which interest rates have risen remain a risk to credit quality, we believe our current level of allowance for credit losses is sufficient.

- The Commercial Banking Segment posted noninterest income of $1,676,000 for the six months ended June 30, 2024 compared to $1,701,000 for the six months ended June 30, 2023. The decrease in noninterest income was driven by lower service and charge fee income.

- The Commercial Banking Segment posted noninterest expense of $9,915,000 for the six months ended June 30, 2024 compared to $9,965,000 for the six months ended June 30, 2023. The decrease in expense was the result of efforts to control expenses, which included efforts to reduce fraud losses from check and debit card fraud.

The Mortgage Banking Segment posted a net loss of $84,000 for the six months ended June 30, 2024 compared to a net loss of $557,000 for the six months ended June 30, 2023. The lower loss was impacted by the fair value of forward sales commitments associated with the Mortgage Banking Segments loans held for sale and interest rate lock commitments being adjusted, during the three months ended March 31, 2024, to properly reflect the timing of income recognition in the life cycle of the interest rate lock commitments and loans held for sale, which resulted in a $233,900 increase to net income for the period, and efforts to expand revenue opportunities, control expenses, and improve gross margins on loans sold.

Financial Highlights

Metric	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Consolidated				
Return on average equity[(1)]	9.63 %	7.70 %	10.06 %	8.81 %
Return on average assets[(1)]	0.88 %	0.67 %	0.93 %	0.76 %
Commercial Banking Segment				
Return on average equity[(1)]	10.52 %	9.19 %	10.30 %	10.58 %
Return on average assets[(1)]	0.97 %	0.80 %	0.95 %	0.92 %
Net interest income to average assets	3.47 %	3.26 %	3.45 %	3.40 %
Provision for credit losses to average assets	— %	— %	0.04 %	— %
Noninterest income to average assets	0.47 %	0.48 %	0.45 %	0.47 %
Noninterest expense to average assets	2.73 %	2.75 %	2.68 %	2.74 %
Mortgage Banking Segment				
Return on average equity[(1)]	(0.89)%	(1.49)%	(0.25)%	(1.77)%
Return on average assets[(1)]	(0.08)%	(0.13)%	(0.02)%	(0.15)%
Net income before tax to average assets	(0.10)%	(0.16)%	(0.03)%	(0.19)%

[(1)] *Annualized.*

Loans and Asset Quality

The following table provides the composition of our gross loan portfolio at the end of periods indicated (in thousands):

Loans Outstanding					
Loan Type	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
C&I + Owner occupied commercial real estate	$ 226,146	$ 214,029	$ 208,869	$ 204,697	$ 206,358
Nonowner occupied commercial real estate	181,229	183,786	167,924	164,629	167,958
Acquisition, development and construction	49,147	43,514	47,495	56,260	50,938
Total commercial loans	456,522	441,329	424,288	425,586	425,254
Consumer/Residential	130,285	129,631	128,532	117,014	106,532
Student	14,156	15,782	17,923	18,923	20,285
Other	4,445	4,596	4,265	4,578	4,099
Total loans	$ 605,408	$ 591,338	$ 575,008	$ 566,101	$ 556,170

Total loans increased by $14,070,000, or 2.38%, from Q1 2024, and increased by $49,238,000 or 8.85%, from Q2 2023.

- The commercial loan portfolio increased by $15,193,000, or 3.44%, from Q1 2024 and increased by $31,268,000, or 7.35%, from Q2 2023. Growth in the portfolio was driven by building new relationships and expanding core relationships.

- The consumer/residential loan portfolio grew by $654,000, or 0.50%, from Q1 2024 and increased by $23,753,000, or 22.30%, from Q2 2023. The growth from Q2 2023 was driven by growth in 1-4 family residential loans, which was primarily in purchase money adjustable-rate mortgages and home equity loans.

Asset quality

Asset quality remains strong, but we remain vigilant in monitoring our portfolio segments for impacts associated with higher rates. The Bank's period-end asset quality metrics continue to compare favorably to our peers as follows:

Asset Quality Metrics

	Village					Peer Group
Metric	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2024[1]
Allowance for Credit Losses on Loans/Total Loans	0.61%	0.60%	0.59%	0.59%	0.58%	1.11%
Allowance for Credit Losses on Loans/Nonperforming Loans	950.13%	1272.03%	1176.12%	1120.23%	1139.05%	213.34%
Net Charge-offs (recoveries) to Average Loans[2]	(0.07%)	(0.01%)	(0.00%)	(0.11%)	(0.00%)	0.05%
Nonperforming Loans/Loans (excluding Guaranteed Loans)	0.07%	0.05%	0.06%	0.06%	0.06%	0.42%
Nonperforming Assets/Bank Total Assets	0.05%	0.04%	0.04%	0.04%	0.04%	0.22%

[1] Source - S&P Global data for VA Banks <$1 Billion in assets as of March 31, 2024.
[2] Annualized.

As of June 30, 2024, the Allowance for Credit Losses ("ACL") was $4.00 million and included an allowance for credit losses on loans of $3.68 million and a reserve for unfunded commitments of $319,700. As of June 30, 2023, the ACL was $3.53 million and included an allowance for credit losses on loans of $3.26 million and a reserve for unfunded commitments of $277,000.

The Company did not record a provision for credit losses for the three months ended June 30, 2024. The lack of a provision for credit losses was driven primarily by the recognition of a net-recovery of previously charged-off loans of $107,000 during the period and was supported by stable local economic conditions and credit quality remaining strong during the period.

Non-performing loans as a percentage of loans were consistent, 0.07% at June 30, 2024 compared to 0.06% at June 30, 2023.

The Company did not record a provision for credit losses for unfunded commitments for the three months ended June 30, 2024, which was driven by a stable balance in the total commitments outstanding at June 30, 2024.

The allowance for credit losses on loans to total loans ratio at the Company is 0.61% compared to the peer average of 1.11%, management considers this level of allowance sufficient and appropriate based on the current asset quality and assessment of the Company's loan portfolio.

While current economic challenges due to higher inflation and the speed at which interest rates rose remain a risk to credit quality, we believe our current level of allowance for credit losses is sufficient.

Deposits

The following table provides the composition of our deposits at the end of the periods indicated (in thousands):

Deposits Outstanding					
Deposit Type	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Noninterest-bearing demand	$ 236,063	$ 230,118	$ 247,624	$ 243,390	$ 249,059
Interest checking	73,305	78,739	76,289	81,779	88,330
Money market	217,147	207,640	195,249	210,439	196,603
Savings	33,892	35,238	39,633	42,367	44,378
Time deposits	68,505	68,534	46,550	48,799	50,012
Total deposits	$ 628,912	$ 620,269	$ 605,345	$ 626,774	$ 628,382

Total deposits increased by $8,643,000, or 1.39%, from Q1 2024, and increased by $530,000, or 0.08%, from Q2 2023. Variances of note are as follows:

- Noninterest bearing demand account balances increased $5,945,000 from Q1 2024 and decreased $12,996,000 from Q2 2023, and represented 37.54% of total deposits compared to 37.10% as of Q1 2024 and 39.63% as of Q2 2023. The increase in noninterest bearing demand deposits from Q1 2024 was driven by growth in new relationships and seasonal increases in business accounts. The decrease in noninterest bearing demand deposits from Q2 2023 was driven by a combination of consumers and businesses drawing down balances due to higher costs associated with continued pressure from inflation and some migration to higher yielding products.

- Low-cost relationship deposits (i.e., interest checking, money market, and savings) balances increased $2,727,000 or 0.85%, from Q1 2024 and decreased $4,967,000, or 1.51%, from Q2 2023. The increase in low-cost relationship deposits from Q1 2024 was the result of seasonal relationship growth as well as some deposits moving from non-interest bearing to interest bearing. The decrease in low-cost relationship deposits from Q2 2023 was driven by the same factors as non-interest bearing.

- Time deposits decreased by $29,000, or 0.04%, from Q1 2024 and increased by $18,493,000, or 36.98%, from Q2 2023. The increase from Q2 2023 was the result of the Commercial Bank Segment issuing $20.0 million in brokered time deposits, at a weighted average rate of 4.89%, during the six months ended June 30, 2024 to supplement the noninterest-bearing reduction.

Capital

Shareholders' equity at June 30, 2024 was $70,142,000 compared to $64,014,000 at June 30, 2023, which resulted in a tangible common equity ratio of 9.38% and 8.48%, as of June 30, 2024 and June 30, 2023, respectively. The $6,128,000 increase in shareholders' equity during the twelve months ended June 30, 2024, was primarily due to the recognition of net income of $2,564,000, from June 30, 2023 to June 30, 2024, and the $4,303,000 decrease in accumulated other comprehensive loss. The decrease in accumulated other comprehensive loss was primarily attributed to the impact of the balance sheet repositioning that occurred during the three months ended September 30, 2023, which resulted in a pre-tax loss of approximately $4,986,000.

The Bank continues to maintain a strong, well-capitalized position. The following table presents the regulatory capital ratios for the Bank at the end of the periods indicated:

Bank Regulatory Capital Ratios					
Ratios	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Common equity tier 1	13.44%	13.51%	13.86%	13.58%	14.36%
Tier 1	13.44%	13.51%	13.86%	13.58%	14.36%
Total capital	14.06%	14.13%	14.49%	14.19%	14.96%
Tier 1 leverage	11.33%	11.36%	11.14%	10.74%	11.18%

About Village Bank and Trust Financial Corp.

Village Bank and Trust Financial Corp. was organized under the laws of the Commonwealth of Virginia as a bank holding company whose activities consist of investment in its wholly-owned subsidiary, Village Bank. Village Bank is a full-service Virginia-chartered community bank headquartered in Midlothian, Virginia with deposits insured by the Federal Deposit Insurance Corporation ("FDIC"). The Bank has nine branch offices. Village Bank and its wholly-owned subsidiary, Village Bank Mortgage Corporation, offer a complete range of financial products and services, including commercial loans, consumer credit, mortgage lending, checking and savings accounts, certificates of deposit, and 24-hour banking.

Forward-Looking Statements

In addition to historical information, this press release may contain forward-looking statements. For this purpose, any statement that is not a statement of historical fact may be deemed to be a forward-looking statement. These forward-looking statements may include statements regarding profitability, liquidity, allowance for credit losses, interest rate sensitivity, market risk, growth strategy and financial and other goals. Forward-looking statements often use words such as "believes," "expects," "plans," "may," "will," "should," "projects," "contemplates," "anticipates," "forecasts," "intends" or other words of similar meaning. You can also identify them by the fact that they do not relate strictly to historical or current facts. Forward-looking statements are subject to numerous assumptions, risks and uncertainties, and actual results could differ materially from historical results or those anticipated by such statements.

There are many factors that could have a material adverse effect on the operations and future prospects of the Company including, but not limited to:

- changes in assumptions underlying the establishment of allowances for credit losses, and other estimates;
- the risks of changes in interest rates on levels, composition and costs of deposits, loan demand, and the values and liquidity of loan collateral, securities, and interest sensitive assets and liabilities;
- the ability to maintain adequate liquidity by retaining deposit customers and secondary funding sources, especially if the Company's or banking industry's reputation becomes damaged;
- the effects of future economic, business and market conditions;
- legislative and regulatory changes, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and other changes in banking, securities, and tax laws and regulations and their application by our regulators, and changes in scope and cost of FDIC insurance and other coverages;
- our inability to maintain our regulatory capital position;
- the Company's computer systems and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance, or other disruptions despite security measures implemented by the Company;
- changes in market conditions, specifically declines in the residential and commercial real estate market, volatility and disruption of the capital and credit markets, and soundness of other financial institutions with which we do business;
- risks inherent in making loans such as repayment risks and fluctuating collateral values;
- changes in operations of Village Bank Mortgage Corporation as a result of the activity in the residential real estate market;
- exposure to repurchase loans sold to investors for which borrowers failed to provide full and accurate information on or related to their loan application or for which appraisals have not been acceptable or when the loan was not underwritten in accordance with the loan program specified by the loan investor;

- governmental monetary and fiscal policies;
- geopolitical conditions, including acts or threats of terrorism and/or military conflicts, or actions taken by the U.S. or other governments in response to acts or threats of terrorism and/or military conflicts, negatively impacting business and economic conditions in the U.S. and abroad;
- changes in accounting policies, rules and practices;
- reliance on our management team, including our ability to attract and retain key personnel;
- competition with other banks and financial institutions, and companies outside of the banking industry, including those companies that have substantially greater access to capital and other resources;
- demand, development and acceptance of new products and services;
- problems with technology utilized by us;
- the occurrence of significant natural disasters, including severe weather conditions, floods, health related issues, and other catastrophic events;
- changing trends in customer profiles and behavior; and
- other factors described from time to time in our reports filed with the Securities and Exchange Commission ("SEC").

Additional factors that could cause actual results to differ materially from those expressed in the forward-looking statements are discussed in the Company's reports (such as our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K) filed with the SEC and available on the SEC's Web site at www.sec.gov.

For further information contact Donald M. Kaloski, Jr., Executive Vice President and CFO at 804-897-3900 or dkaloski@villagebank.com.

Financial Highlights
(Dollars in thousands, except per share amounts)

	June 30 2024	March 31 2024	December 31, 2023	September 30, 2023	June 30, 2023
	(Unaudited)	*(Unaudited)*	*	*(Unaudited)*	*(Unaudited)*
Balance Sheet Data					
Total assets	$ 747,726	$ 746,872	$ 736,616	$ 727,504	$ 754,655
Investment securities	83,124	82,784	105,585	104,046	132,235
Loans held for sale	8,236	7,019	4,983	5,425	6,887
Loans, net	606,086	592,088	575,811	566,802	556,916
Allowance for credit losses	(3,681)	(3,574)	(3,423)	(3,353)	(3,256)
Deposits	628,912	620,269	605,345	626,774	628,382
Borrowings	44,464	54,464	59,464	34,464	59,464
Shareholders' equity	70,142	68,358	67,556	63,685	64,014
Book value per share	$ 46.91	$ 45.72	$ 45.25	$ 42.89	$ 43.08
Total shares outstanding	1,495,160	1,495,251	1,492,879	1,484,837	1,485,813
Asset Quality Ratios					
Allowance for credit losses on loans to:					
Loans, net of deferred fees and costs	0.61%	0.60%	0.59%	0.59%	0.58%
Nonperforming loans	950.13%	1272.03%	1176.12%	1120.23%	1139.05%
Net charge-offs (recoveries) to average loans[(1)]	(0.07%)	(0.01%)	0.00%	(0.11%)	0.00%
Nonperforming assets to total assets	0.05%	0.04%	0.04%	0.04%	0.04%
Bank Capital Ratios					
Common equity tier 1	13.44%	13.51%	13.86%	13.58%	14.36%
Tier 1	13.44%	13.51%	13.86%	13.58%	14.36%
Total capital	14.06%	14.13%	14.49%	14.19%	14.96%
Tier 1 leverage	11.33%	11.36%	11.14%	10.74%	11.18%

	Three Months Ended				
	June 30 2024	March 31 2024	December 31, 2023	September 30, 2023	June 30, 2023
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
Selected Operating Data					
Interest income	$ 9,869	$ 9,335	$ 9,130	$ 8,462	$ 8,099
Interest expense	3,259	2,939	2,445	2,348	1,975
Net interest income before provision for credit losses	6,610	6,396	6,685	6,114	6,124
Provision for credit losses	—	150	50	—	—
Noninterest income (loss)	1,391	1,604	1,156	(3,669)	1,221
Noninterest expense	5,939	5,629	5,697	5,752	5,832
Income (loss) before income tax expense (benefit)	2,062	2,221	2,094	(3,307)	1,513
Income tax expense (benefit)	409	449	402	(754)	274
Net income (loss)	$ 1,653	$ 1,772	$ 1,692	$ (2,553)	$ 1,239
Earnings (loss) per share					
Basic	$ 1.11	$ 1.19	$ 1.14	$ (1.72)	$ 0.83
Diluted	$ 1.11	$ 1.19	$ 1.14	$ (1.72)	$ 0.83
Performance Ratios					
Return on average assets[(1)]	0.88%	0.97%	0.91%	(1.36)%	0.67%
Return on average equity[(1)]	9.63%	10.50%	10.45%	(15.82)%	7.70%
Net interest margin[(1)]	3.75%	3.72%	3.83%	3.46%	3.52%

** Derived from audited consolidated financial statements.*
(1) Annualized.

Financial Highlights
(Dollars in thousands, except per share amounts)

	Six Months Ended	
	June 30 2024 *(Unaudited)*	June 30 2023 *(Unaudited)*
Selected Operating Data		
Interest income	$ 19,204	$ 15,682
Interest expense	6,198	3,193
Net interest income before provision for (recovery of) credit losses	13,006	12,489
Provision for (recovery of) credit losses	150	—
Noninterest income (loss)	2,994	2,478
Noninterest expense	11,567	11,589
Income before income tax expense	4,283	3,378
Income tax expense	858	599
Net income	$ 3,425	$ 2,779
Earnings per share		
Basic	$ 2.29	$ 1.87
Diluted	$ 2.29	$ 1.87
Performance Ratios		
Return on average assets	0.92%	0.76%
Return on average equity	10.06%	8.81%
Net interest margin	3.73%	3.67%