



October 29, 2024

Dear Shareholder:

We are pleased to share our third-quarter results and to announce an increase in our semi-annual stock dividend. Below are the key highlights for the quarter.

- Balance sheet growth continues to be a challenge this year, with our loan and deposit balances fluctuating throughout the year. Total assets, total loans, and total deposits are down slightly from December 31, 2023 (please see attached). We have successfully concentrated our efforts on attracting new relationships this year, and while our balance sheet may not fully reflect this success yet, we are encouraged by expected growth during the fourth quarter.
- On a more positive note, our net interest margin, loan quality metrics, and net income have all shown solid improvement this year. Net income totaled \$8.5 million for the nine months ending September 30, 2024, compared to \$7.3 million for the same period last year. Additionally, our net interest margin has risen above 3.0%, and our loan quality metrics have improved, resulting in a reduction in our loan loss provision expense.
- As a result of our earnings growth and continued strong capital position, the board has approved an increase in our semi-annual dividend. Shareholders of record on November 1, 2024, will receive \$1.30 per share, up from \$1.20 per share paid in May, 2024. The total dividend paid this year will be \$2.50 per share, up from \$2.30 paid last year.

We would like to express our gratitude to our clients, shareholders, and dedicated employees for their continued support of our bank.

Sincerely,

Richard J. Brunner
Chairman and CEO

Carol A. Savage
Chief Operating Officer

Robert D. Shamy
President