



Equity Bancshares, Inc. Second Quarter Results Include Strong Organic Loan Growth, Company to Acquire St. Joseph Bank Locations, Expanding Missouri Network

July 19, 2021

Annualized organic non-PPP loan growth contributes to \$1.03 per diluted share, Company will acquire three Security Bank of KC branch locations in St. Joseph, Missouri

WICHITA, Kan., July 19, 2021 (GLOBE NEWSWIRE) -- Equity Bancshares, Inc. (NASDAQ: EQBK), ("Equity", "the Company", "we", "us", "our"), the Wichita-based holding company of Equity Bank, reported net income of \$15.2 million and \$1.03 per diluted share for the second quarter ended June 30, 2021.

"Our Equity Bank team had an excellent quarter serving our customers, expanding our delivery channels and adding shareholder value. Exclusive of the Paycheck Protection Program, we organically grew gross loans by \$81.8 million, an annualized rate of 14.75%, through the focused efforts of our sales and operational teams," said Brad S. Elliott, Chairman and CEO of Equity. "A key component of our results is growth in our core deposit customer base, with new banking products contributing to a \$1.1 million increase in service fee revenue, as well as the continued addition of trust and wealth management customer relationships."

Equity customers successfully had \$99.7 million of Paycheck Protection Program ("PPP") loans forgiven during the quarter, resulting in the recognition of fee income totaling \$5.7 million in the three-month period ended June 30, 2021. At June 30, 2021, the total unrecognized fee income associated with PPP loans was \$10.7 million. Through two rounds of PPP, Equity originated more than \$610.0 million in PPP loans.

Further driving results this quarter was customer and relationship growth within Equity Trust and Wealth Management and Equity's consumer deposit base, expansion of non-interest income with Equity's debit card platform and increased transaction activity within our deposit customer base.

The Company has announced its expansion into St. Joseph, Missouri, with a definitive branch purchase and assumption agreement to acquire the assets and assume the deposits of three bank locations from Security Bank of Kansas City ("Security"), a subsidiary of Valley View Financial Co. ("Valley") of Overland Park, Kansas. Equity anticipates closing the transaction in the fourth quarter of 2021.

"We are pleased with the opportunity to offer Equity Bank products and services to customers in Northwest Missouri, and St. Joseph is a great fit within our network," said Mr. Elliott. "We have been able to grow loans, fee income and our core deposit base effectively in Western Missouri with a focus on local community banking and we believe this approach will serve customers well in our new St. Joseph region."

"Our recent merger announcement with American State Bancshares, Inc. is a great cultural fit for us as well as an expansion of our Kansas market, and our teams have worked diligently alongside one another. We remain on target for a closing and conversion of data systems in early October," said Mr. Elliott. "I thank everyone on both the Equity and American State Bancshares, Inc. teams for their collaboration and hard work to make sure we continue to deliver excellent customer service while increasing shareholder value."

Notable Items:

- Quarter over quarter, service fee revenue, including deposit services, mortgage banking, trust and wealth and insurance services increased to \$6.4 million from \$5.3 million, or 20.77%.
- The Company authorized a second stock repurchase program in the third quarter of 2020 totaling 800,000 shares. During the quarter ended June 30, 2021, the Company repurchased 73,070 shares at a weighted average cost of \$28.94 per share, totaling \$2.1 million. At the end of the quarter, capacity of 180,687 shares remained under the current repurchase program.
- Additional information attained on the assets purchased through the Almena State Bank ("Almena") transaction indicated a more positive outcome than originally expected, resulting in a net reduction in reserves on the balance sheet and an increase in gain on acquisition of \$663 thousand during the quarter.
- During the quarter ended June 30, 2021, there was a release of allowance for credit losses of \$1.7 million as compared to a release of \$5.8 million in the quarter ended March 31, 2021. The release in the second quarter was driven primarily by improvement in assets specifically assessed for impairment as asset quality improved quarter over quarter.

Equity's Balance Sheet Highlights:

- Total loans held for investment of \$2.82 billion at June 30, 2021, as compared to total loans held for investment of \$2.80 billion at March 31, 2021. The periodic change included organic loan production of \$81.8 million, or 14.75%.
- Total deposits of \$3.69 billion at June 30, 2021, as compared to \$3.63 billion at March 31, 2021. Checking, savings and money market accounts were \$3.03 billion at June 30, 2021, relative to \$3.05 billion at March 31, 2021. Included in the periodic change was a \$20.2 million increase in non-interest-bearing deposits. As compared to December 31, 2020, the Bank has increased non-interest-bearing deposits by \$200.9 million, or 25.38%.
- The allowance for credit losses as of June 30, 2021, was \$51.8 million, or 1.84% of total loans and 2.04% of total loans excluding PPP assets.

Acquisition of Three Bank Locations in St. Joseph, Missouri

Equity will operate each of the three Security locations in St. Joseph as Equity Bank locations following completion of the acquisition, expected in December of 2021. Joshua J. Means, President of Western Missouri, will oversee the St. Joseph community bank locations. Equity will operate a total of 16 locations in Missouri, including the three Security locations, eight bank locations in legacy Western Missouri communities and five bank locations on the Missouri side of the Kansas City metropolitan area.

In Equity's Western Missouri region, notable for communities like Warrensburg, Sedalia and Higginsville, deposits as of June 30, 2018, were \$478.4 million, compared to \$614.8 million as of June 30, 2021. Total loans in Equity's Western Missouri region were \$147.0 million as of June 30, 2018, compared to \$218.3 million as of June 30, 2021, growing by 48.5% during the three-year period.

"Each of our Missouri locations delivers outstanding service to our consumer, mortgage and business customers and we expect St. Joseph to serve as a key market for us in Northwest Missouri. Josh Means and his regional leadership team have helped our local banks grow in loans, fee income and deposits, one relationship at a time," said Mr. Elliott. "We are pleased to welcome talented community bankers to our Equity team and to offer St. Joseph-area consumers enhanced commercial and business banking solutions."

Equity announced in May its merger with American State Bancshares, Inc. ("ASBI"), the holding company of American State Bank, a \$779 million bank with headquarters in Wichita, Kansas, and 17 locations in its Kansas footprint. Equity expects to complete the merger with ASBI in October 2021. Pro forma Equity Bank, including ASBI and Security deposits and locations, will comprise more than 70 locations throughout our four-state footprint and hold more than \$5 billion in assets.

Pursuant to the terms of the Branch Purchase and Assumption Agreement, between Equity Bank and Security, Equity will acquire certain loans and other branch-related assets and assume certain deposits and other liabilities associated with the Security branches.

Financial Results for the Quarter Ended June 30, 2021

Net income allocable to common stockholders was \$15.2 million, or \$1.03 per diluted share, for the three months ended June 30, 2021, as compared to \$15.1 million, or \$1.02 per diluted share, for the three months ended March 31, 2021, an increase of \$91 thousand. This second quarter increase was attributable to a net interest income increase of \$2.9 million and a non-interest income increase of \$2.4 million, partially offset by a \$4.1 million decrease in reversal of provision for credit losses, a \$925 thousand increase in non-interest expense and a \$144 thousand increase in provision for income taxes.

Net Interest Income

Net interest income was \$34.6 million for the three months ended June 30, 2021, as compared to \$31.8 million for the three months ended March 31, 2021, an increase of \$2.9 million, or 9.0%. The increase in net interest income was primarily driven by a 15-basis point increase in the average yield earned on interest-earning assets, to 3.88% for the quarter ended June 30, 2021, from 3.73% for the quarter ended March 31, 2021. In addition, there was a 6-basis point decrease in average rate paid on interest-bearing liabilities, to 0.52% for the quarter ended June 30, 2021, from 0.58% for the quarter ended March 31, 2021. The cost of interest-bearing deposits declined by 5 basis points to 0.31% for the three months ended June 30, 2021 from 0.36% in the previous quarter primarily attributed to the reduction in the cost of time deposits, that slipped 19 basis points between the quarters.

Provision for Credit Losses

During the three months ended June 30, 2021, there was a net release of \$1.7 million in the allowance for credit losses recognized through the provision for credit losses as compared to a net release of \$5.8 million provision for credit losses for the three months ended March 31, 2021. For the three months ended June 30, 2021, we had net charge-offs of \$567 thousand as compared to \$65 thousand for the three months ended March 31, 2021. The release in the second quarter was driven primarily by improvement in assets individually evaluated for impairment as asset quality improved quarter over quarter.

Non-Interest Income

Total non-interest income was \$9.1 million for the three months ended June 30, 2021, as compared to \$6.7 million for the three months ended March 31, 2021, or \$8.4 million excluding the \$663 thousand net gain on the purchase and assumption of Almena State Bank. Other non-interest income was \$2.1 million, an increase of \$774 thousand, or 60.0%, from the quarter ended March 31, 2021. The increase in other non-interest income was primarily due to income of \$917 thousand related to the reversal of potential repurchase obligation on acquired assets as Equity was able to improve our position on those assets during the quarter.

During the quarter, service fee revenue, including deposit services, mortgage banking, trust and wealth management, credit cards and insurance increased to \$6.4 million from \$5.3 million during the first quarter. The growth was driven by increasing balances, transaction activity and relationship development within our trust and wealth management business line.

Non-Interest Expense

Total non-interest expense for the quarter ended June 30, 2021, was \$25.8 million as compared to \$24.9 million for the quarter ended March 31, 2021. The \$925 thousand change is primarily attributed to an increase of \$811 thousand in data processing expense, as deposit accounts and activity have increased so too has the associated expense. The periodic increase also included \$308 thousand in merger expense.

Asset Quality

As of June 30, 2021, Equity's allowance for credit losses to total loans was 1.84%, as compared to 1.99% at March 31, 2021. Exclusive of PPP assets, the reserve to total loans was 2.04% as of June 30, 2021 as compared to 2.33% at March 31, 2021. Nonperforming assets were \$66.7 million as of June 30, 2021, or 1.56% of total assets, compared to \$70.1 million at March 31, 2021, or 1.67% of total assets. Total classified assets, including loans rated special mention or worse, other real estate owned and other repossessed assets were \$103.1 million, or 23.11% of regulatory capital, down from \$112.6 million, or 26.45% of regulatory capital as of March 31, 2021.

Regulatory Capital

The Company's ratio of common equity tier 1 capital to risk-weighted assets was 12.4%, the total capital to risk-weighted assets was 16.7% and the total leverage ratio was 8.9% at June 30, 2021. At December 31, 2020, the Company's common equity tier 1 capital to risk-weighted assets ratio was 12.8%, the total capital to risk-weighted assets ratio was 17.4% and the total leverage ratio was 9.3%. The Company's subsidiary, Equity Bank, had a ratio of common equity tier 1 capital to risk-weighted assets of 14.4%, a ratio of total capital to risk-weighted assets of 15.6% and a total leverage ratio of 9.9% at June 30, 2021. At December 31, 2020, Equity Bank's ratio of common equity tier 1 capital to risk-weighted assets was 14.5%, the ratio of total capital to risk-weighted assets was 15.7% and the total leverage ratio was 10.1%.

Non-GAAP Financial Measures

In addition to evaluating the Company's results of operations in accordance with accounting principles generally accepted in the United States of America ("GAAP"), management periodically supplements this evaluation with an analysis of certain non-GAAP financial measures that are intended to provide the reader with additional perspectives on operating results, financial condition and performance trends, while facilitating comparisons with the performance of other financial institutions. Non-GAAP financial measures are not a substitute for GAAP measures, rather, they should be read and used in conjunction with the Company's GAAP financial information.

The efficiency ratio is used as a common measure by banks as a comparable metric to understand the Company's expense structure relative to its total revenue; in other words, for every dollar of total revenue recognized, how much of that dollar is expended. To improve the comparability of the ratio to our peers, non-core items are excluded. To improve transparency and acknowledging that banks are not consistent in their definition of the efficiency ratio, we include our calculation of this non-GAAP measure.

Return on average assets before income tax provision, provision for loan losses and goodwill impairment is a measure that the Company uses to understand fundamental operating performance before these expenses. Used as a ratio relative to average assets, we believe it demonstrates the "core" performance and can be viewed as an alternative measure of how efficiently the Company services its asset base. Used as a ratio relative to average equity, it can function as an alternative measure of the Company's earnings performance in relationship to its equity.

Tangible common equity and related measures are non-GAAP financial measures that exclude the impact of intangible assets, net of deferred taxes, and their related amortization. These financial measures are useful for evaluating the performance of a business consistently, whether acquired or developed internally. Return on average tangible common equity is used by management and readers of our financial statements to understand how efficiently the Company is deploying its common equity. Companies that are able to demonstrate more efficient use of common equity are more likely to be viewed favorably by current and prospective investors.

The Company believes that disclosing these non-GAAP financial measures is both useful internally and is expected by our investors and analysts in order to understand the overall performance of the Company. Other companies may calculate and define their non-GAAP financial measures and supplemental data differently. A reconciliation of GAAP financial measures to non-GAAP measures and other performance ratios, as adjusted, are included in Table 8 in the following press release tables.

Conference Call and Webcast

Equity Chairman and Chief Executive Officer, Brad Elliott, and Executive Vice President and Chief Financial Officer, Eric Newell, will hold a conference call and webcast to discuss the 2021 second quarter results on Tuesday, July 20, 2021, at 10:00 a.m. eastern time, 9:00 a.m. central time.

Investors, news media and other participants should register for the call or audio webcast at investor.equitybank.com. On Tuesday, July 20, 2021, participants may also dial into the call toll-free at (844) 534-7311 from anywhere in the U.S. or (574) 990-1419 internationally, using conference ID no. 9999830.

Participants are encouraged to dial into the call or access the webcast approximately 10 minutes prior to the start time. Presentation slides to pair with the call or webcast will be posted one hour prior to the call at investor.equitybank.com.

A replay of the call and webcast will be available two hours following the close of the call until July 27, 2021, accessible at (855) 859-2056 with conference ID no. 9999830 at investor.equitybank.com.

About Equity Bancshares, Inc.

Equity Bancshares, Inc. is the holding company for Equity Bank, offering a full range of financial solutions, including commercial loans, consumer banking, mortgage loans, trust and wealth management services and treasury management services, while delivering the high-quality, relationship-based customer service of a community bank. Equity's common stock is traded on the NASDAQ Global Select Market under the symbol "EQBK." Learn more at www.equitybank.com.

Important Additional Information

The information contained herein does not constitute an offer to sell or a solicitation of an offer to buy any securities or a solicitation of any vote or approval.

In connection with the proposed transaction, Equity filed with the Securities and Exchange Commission ("SEC") a registration statement on Form S-4 to register the shares of Equity common stock to be issued to ASBI stockholders. The registration statement included a proxy statement/prospectus, which will be sent to the stockholders of ASBI seeking their approval of the proposed transaction.

WE URGE INVESTORS AND SECURITY HOLDERS TO READ THE REGISTRATION STATEMENT ON FORM S-4, THE PROXY STATEMENT/PROSPECTUS INCLUDED WITHIN THE REGISTRATION STATEMENT ON FORM S-4 AND ANY OTHER RELEVANT DOCUMENTS TO BE FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED TRANSACTION BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT EQUITY, ASB AND THE PROPOSED TRANSACTION.

The documents filed by Equity with the SEC may be obtained free of charge at Equity's investor relations website at investor.equitybank.com or at the SEC's website at www.sec.gov. Alternatively, these documents, when available, can be obtained free of charge from Equity upon written request to Equity Bancshares, Inc., Attn: Investor Relations, 7701 East Kellogg Drive, Suite 300, Wichita, Kansas 67207 or by calling (316) 612-6000.

Participants in the Transaction

Equity, ASBI and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from ASBI's stockholders in connection with the proposed transaction under the rules of the SEC. Information about the directors and executive officers of Equity is set forth in the proxy statement for Equity's 2021 annual meeting of stockholders filed with the SEC on Schedule 14A on March 18, 2021, and Equity's annual report on Form 10-K for the year ended December 31, 2020 filed with the SEC on March 9, 2021. Free copies of these documents may be obtained free of charge as described in the preceding paragraph. Additional information regarding the interests of these participants and other persons who may be deemed participants in the transaction may be obtained by reading the proxy statement/prospectus regarding the proposed transaction when it becomes available.

No Offer or Solicitation

This press release shall not constitute an offer to sell, a solicitation of an offer to sell, or the solicitation or an offer to buy any securities. There will be no sale of securities in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirement of Section 10 of the Securities Act of 1933, as amended.

Special Note Concerning Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements reflect the current views of Equity's management with respect to, among other things, future events and Equity's financial performance. These statements are often, but not always, made through the use of words or phrases such as "may," "should," "could," "predict," "potential," "believe," "will likely result," "expect," "continue," "will," "anticipate," "seek," "estimate," "intend," "plan," "project," "forecast," "goal," "target," "would" and "outlook," or the negative variations of those words or other comparable words of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about Equity's industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond Equity's control. Accordingly, Equity cautions you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict. Although Equity believes that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. Factors that could cause actual results to differ materially from Equity's expectations include COVID-19 related impacts; competition from other financial institutions and bank holding companies; the effects of and changes in trade, monetary and fiscal policies and laws, including interest rate policies of the Federal Reserve Board; changes in the demand for loans; fluctuations in value of collateral and loan reserves; inflation, interest rate, market and monetary fluctuations; changes in consumer spending, borrowing and savings habits; and acquisitions and integration of acquired businesses; and similar variables. The foregoing list of factors is not exhaustive.

For discussion of these and other risks that may cause actual results to differ from expectations, please refer to "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" in Equity's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 9, 2021, and any updates to those risk factors set forth in Equity's subsequent Quarterly Reports on Form 10-Q or Current Reports on Form 8-K. If one or more events related to these or other risks or uncertainties materialize, or if Equity's underlying assumptions prove to be incorrect, actual results may differ materially from what Equity anticipates. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and Equity does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. New risks and uncertainties arise from time to time, such as COVID-19, and it is not possible for us to predict those events or how they may affect us. In addition, Equity cannot assess the impact of each factor on Equity's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. All forward-looking statements, expressed or implied, included in this press release are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that Equity or persons acting on Equity's behalf may issue.

Investor Contact:

Chris Navratil
SVP, Finance
Equity Bancshares, Inc.
(316) 612-6014
cnavratil@equitybank.com

Media Contact:

John J. Hanley
SVP, Senior Director of Marketing
Equity Bancshares, Inc.
(816) 505-4063
jhanley@equitybank.com

Unaudited Financial Tables

- **Table 1.** Consolidated Statements of Income
- **Table 2.** Quarterly Consolidated Statements of Income
- **Table 3.** Consolidated Balance Sheets
- **Table 4.** Selected Financial Highlights
- **Table 5.** Year-To-Date Net Interest Income Analysis
- **Table 6.** Quarter-To-Date Net Interest Income Analysis

- **Table 7.** Quarter-Over-Quarter Net Interest Income Analysis
- **Table 8.** Non-GAAP Financial Measures

TABLE 1. CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
(Dollars in thousands, except per share data)

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Interest and dividend income				
Loans, including fees	\$ 33,810	\$ 32,627	\$ 64,811	\$ 67,003
Securities, taxable	3,523	4,017	7,322	8,637
Securities, nontaxable	717	880	1,441	1,846
Federal funds sold and other	268	409	556	1,004
Total interest and dividend income	38,318	37,933	74,130	78,490
Interest expense				
Deposits	2,025	3,899	4,435	10,763
Federal funds purchased and retail repurchase agreements	26	24	48	55
Federal Home Loan Bank advances	80	552	145	1,727
Federal Reserve Bank discount window	—	6	—	6
Bank stock loan	—	306	—	415
Subordinated debt	1,557	255	3,113	538
Total interest expense	3,688	5,042	7,741	13,504
Net interest income	34,630	32,891	66,389	64,986
Provision (reversal) for credit losses	(1,657)	12,500	(7,413)	22,440
Net interest income after provision (reversal) for credit losses	36,287	20,391	73,802	42,546
Non-interest income				
Service charges and fees	2,169	1,365	3,765	3,391
Debit card income	2,679	2,201	5,029	4,244
Mortgage banking	848	831	1,783	1,421
Increase in value of bank-owned life insurance	676	481	1,277	963
Net gain on acquisition	663	—	585	—
Net gains (losses) from securities transactions	—	4	17	12
Other	2,065	850	3,356	1,007
Total non-interest income	9,100	5,732	15,812	11,038
Non-interest expense				
Salaries and employee benefits	12,769	12,695	25,491	26,199
Net occupancy and equipment	2,327	2,119	4,695	4,354
Data processing	3,474	2,763	6,137	5,426
Professional fees	999	943	2,072	2,310
Advertising and business development	799	403	1,481	1,099
Telecommunications	512	390	1,092	877
FDIC insurance	425	414	840	931
Courier and postage	327	353	696	737
Free nationwide ATM cost	513	327	985	747
Amortization of core deposit intangibles	1,030	974	2,064	1,776
Loan expense	181	287	419	521
Other real estate owned	(468)	269	(463)	577
Merger expenses	460	—	612	—
Other	2,458	2,000	4,566	4,141
Total non-interest expense	25,806	23,937	50,687	49,695
Income (loss) before income tax	19,581	2,186	38,927	3,889
Provision for income taxes	4,415	497	8,686	942
Net income (loss) and net income (loss) allocable to common stockholders	\$ 15,166	\$ 1,689	\$ 30,241	\$ 2,947
Basic earnings (loss) per share	\$ 1.06	\$ 0.11	\$ 2.10	\$ 0.19
Diluted earnings (loss) per share	\$ 1.03	\$ 0.11	\$ 2.06	\$ 0.19
Weighted average common shares	14,356,958	15,209,483	14,410,328	15,298,590
Weighted average diluted common shares	14,674,838	15,304,009	14,704,240	15,449,517

TABLE 2. QUARTERLY CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
(Dollars in thousands, except per share data)

	As of and for the three months ended				
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Interest and dividend income					
Loans, including fees	\$ 33,810	\$ 31,001	\$ 35,383	\$ 32,278	\$ 32,627
Securities, taxable	3,523	3,799	3,408	3,476	4,017
Securities, nontaxable	717	724	913	923	880
Federal funds sold and other	268	288	285	405	409
Total interest and dividend income	38,318	35,812	39,989	37,082	37,933
Interest expense					
Deposits	2,025	2,410	2,755	3,064	3,899
Federal funds purchased and retail repurchase agreements	26	22	25	25	24
Federal Home Loan Bank advances	80	65	94	471	552
Federal Reserve Bank discount window	—	—	—	—	6
Bank stock loan	—	—	—	—	306
Subordinated debt	1,557	1,556	1,556	1,415	255
Total interest expense	3,688	4,053	4,430	4,975	5,042
Net interest income	34,630	31,759	35,559	32,107	32,891
Provision (reversal) for credit losses	(1,657)	(5,756)	1,000	815	12,500
Net interest income after provision (reversal) for credit losses	36,287	37,515	34,559	31,292	20,391
Non-interest income					
Service charges and fees	2,169	1,596	1,759	1,706	1,365
Debit card income	2,679	2,350	2,401	2,491	2,201
Mortgage banking	848	935	855	877	831
Increase in value of bank-owned life insurance	676	601	489	489	481
Net gain on acquisition	663	(78)	2,145	—	—
Net gains (losses) from securities transactions	—	17	(1)	—	4
Other	2,065	1,291	852	922	850
Total non-interest income	9,100	6,712	8,500	6,485	5,732
Non-interest expense					
Salaries and employee benefits	12,769	12,722	14,053	13,877	12,695
Net occupancy and equipment	2,327	2,368	2,206	2,224	2,119
Data processing	3,474	2,663	2,748	2,817	2,763
Professional fees	999	1,073	1,095	877	943
Advertising and business development	799	682	801	598	403
Telecommunications	512	580	510	486	390
FDIC insurance	425	415	797	360	414
Courier and postage	327	369	338	366	353
Free nationwide ATM cost	513	472	423	439	327
Amortization of core deposit intangibles	1,030	1,034	1,044	1,030	974
Loan expense	181	238	161	107	287
Other real estate owned	(468)	5	1,600	133	269
Merger expenses	460	152	299	—	—
Goodwill impairment	—	—	—	104,831	—
Other	2,458	2,108	2,385	2,690	2,000
Total non-interest expense	25,806	24,881	28,460	130,835	23,937
Income (loss) before income tax	19,581	19,346	14,599	(93,058)	2,186
Provision for income taxes (benefit)	4,415	4,271	2,111	(2,653)	497
Net income (loss) and net income (loss) allocable to common stockholders	\$ 15,166	\$ 15,075	\$ 12,488	\$ (90,405)	\$ 1,689
Basic earnings (loss) per share	\$ 1.06	\$ 1.04	\$ 0.85	\$ (6.01)	\$ 0.11
Diluted earnings (loss) per share	\$ 1.03	\$ 1.02	\$ 0.84	\$ (6.01)	\$ 0.11
Weighted average common shares	14,356,958	14,464,291	14,760,810	15,040,407	15,209,483
Weighted average diluted common shares	14,674,838	14,734,083	14,934,058	15,040,407	15,304,009

TABLE 3. CONSOLIDATED BALANCE SHEETS (Unaudited)
(Dollars in thousands)

June 30, 2021	March 31, 2021	December 31,	September 30,	June 30, 2020
------------------	-------------------	-----------------	------------------	------------------

			<u>2020</u>	<u>2020</u>	
ASSETS					
Cash and due from banks	\$ 138,869	\$ 136,190	\$ 280,150	\$ 65,534	\$ 178,045
Federal funds sold	452	498	548	305	245
Cash and cash equivalents	139,321	136,688	280,698	65,839	178,290
Interest-bearing time deposits in other banks	—	249	249	499	2,248
Available-for-sale securities	1,041,614	998,100	871,827	798,576	177,228
Held-to-maturity securities ⁽¹⁾	—	—	—	—	662,522
Loans held for sale	6,183	8,609	12,394	9,053	4,802
Loans, net of allowance for credit losses ⁽²⁾	2,763,227	2,740,215	2,557,987	2,691,626	2,772,256
Other real estate owned, net	10,861	10,559	11,733	8,727	7,374
Premises and equipment, net	90,876	90,322	89,412	86,087	87,055
Bank-owned life insurance	103,321	102,645	77,044	76,555	76,066
Federal Reserve Bank and Federal Home Loan Bank stock	18,454	15,174	16,415	32,545	31,832
Interest receivable	15,064	16,655	15,831	18,110	19,598
Goodwill	31,601	31,601	31,601	31,601	136,432
Core deposit intangibles, net	13,993	15,023	16,057	17,101	18,131
Other	33,701	30,344	32,108	29,252	31,435
Total assets	<u>\$ 4,268,216</u>	<u>\$ 4,196,184</u>	<u>\$ 4,013,356</u>	<u>\$ 3,865,571</u>	<u>\$ 4,205,269</u>
LIABILITIES AND STOCKHOLDERS' EQUITY					
Deposits					
Demand	\$ 992,565	\$ 972,364	\$ 791,639	\$ 693,967	\$ 756,613
Total non-interest-bearing deposits	992,565	972,364	791,639	693,967	756,613
Savings, NOW and money market	2,035,496	2,074,261	2,029,097	1,816,307	1,800,132
Time	659,494	587,905	626,854	623,344	690,522
Total interest-bearing deposits	2,694,990	2,662,166	2,655,951	2,439,651	2,490,654
Total deposits	3,687,555	3,634,530	3,447,590	3,133,618	3,247,267
Federal funds purchased and retail repurchase agreements	47,184	40,339	36,029	46,295	51,557
Federal Home Loan Bank advances	9,208	9,926	10,144	167,862	344,900
Subordinated debt	87,908	87,788	87,684	87,537	55,575
Contractual obligations	4,469	4,856	5,189	5,478	5,571
Interest payable and other liabilities	18,897	20,930	19,071	22,609	20,633
Total liabilities	3,855,221	3,798,369	3,605,707	3,463,399	3,725,503
Commitments and contingent liabilities					
Stockholders' equity					
Common stock	176	175	174	174	174
Additional paid-in capital	389,394	387,939	386,820	386,017	384,955
Retained earnings	68,625	53,459	50,787	38,299	128,704
Accumulated other comprehensive income, net of tax	13,450	12,019	19,781	21,074	3,390
Employee stock loans	—	—	(43)	(43)	(43)
Treasury stock	(58,650)	(55,777)	(49,870)	(43,349)	(37,414)
Total stockholders' equity	412,995	397,815	407,649	402,172	479,766
Total liabilities and stockholders' equity	<u>\$ 4,268,216</u>	<u>\$ 4,196,184</u>	<u>\$ 4,013,356</u>	<u>\$ 3,865,571</u>	<u>\$ 4,205,269</u>
(1) Fair market value of held-to-maturity securities	\$ —	\$ —	\$ —	\$ —	\$ 689,206
(2) Allowance for credit losses	51,834	55,525	33,709	34,087	34,078

TABLE 4. SELECTED FINANCIAL HIGHLIGHTS (Unaudited)
(Dollars in thousands, except per share data)

	As of and for the three months ended				
	June 30,	March 31,	December	September	June 30,
	2021	2021	31, 2020	30, 2020	2020
Loans Held-For-Investment by Type					
Commercial real estate	\$ 1,261,214	\$ 1,218,537	\$ 1,188,696	\$ 1,188,329	\$ 1,191,336
Commercial and industrial	732,126	820,736	734,495	857,244	883,355
Residential real estate	503,110	438,503	381,958	402,242	442,486
Agricultural real estate	129,020	134,944	133,693	127,349	129,080
Agricultural	97,912	93,764	94,322	83,084	89,040
Consumer	91,679	89,256	58,532	67,465	71,037

Total loans held-for-investment	2,815,061	2,795,740	2,591,696	2,725,713	2,806,334
Allowance for credit losses	(51,834)	(55,525)	(33,709)	(34,087)	(34,078)
Net loans held-for-investment	<u>\$ 2,763,227</u>	<u>\$ 2,740,215</u>	<u>\$ 2,557,987</u>	<u>\$ 2,691,626</u>	<u>\$ 2,772,256</u>

Asset Quality Ratios

Allowance for credit losses on loans to total loans	1.84 %	1.99 %	1.30 %	1.25 %	1.21 %
Past due or nonaccrual loans to total loans	2.09 %	2.30 %	1.99 %	2.12 %	1.88 %
Nonperforming assets to total assets	1.56 %	1.67 %	1.36 %	1.55 %	1.37 %
Nonperforming assets to total loans plus other real estate owned	2.36 %	2.50 %	2.10 %	2.19 %	2.05 %
Classified assets to bank total regulatory capital	23.11 %	26.45 %	25.50 %	18.35 %	20.81 %

Selected Average Balance Sheet Data (QTD Average)

Investment securities	\$ 986,986	\$ 947,453	\$ 814,114	\$ 802,525	\$ 877,308
Total gross loans receivable	2,853,145	2,736,918	2,692,223	2,758,680	2,806,865
Interest-earning assets	3,964,633	3,891,140	3,647,730	3,679,168	3,786,629
Total assets	4,231,439	4,143,752	3,910,628	4,041,187	4,159,336
Interest-bearing deposits	2,656,052	2,690,159	2,551,219	2,430,407	2,487,187
Borrowings	171,658	139,360	172,730	377,158	384,727
Total interest-bearing liabilities	2,827,710	2,829,519	2,723,949	2,807,565	2,871,914
Total deposits	3,624,950	3,577,625	2,960,791	3,145,810	3,257,631
Total liabilities	3,827,400	3,748,114	3,501,056	3,558,099	3,675,731
Total stockholders' equity	404,039	395,638	409,572	483,088	483,605
Tangible common equity*	356,705	347,262	355,025	329,039	327,411

Performance ratios

Return on average assets (ROAA) annualized	1.44 %	1.48 %	1.27 %	(8.90)%	0.16 %
Return on average assets before income tax, provision for loan losses and goodwill impairment*	1.70 %	1.33 %	1.59 %	1.24 %	1.42 %
Return on average equity (ROAE) annualized	15.06 %	15.45 %	12.13 %	(74.45)%	1.40 %
Return on average equity before income tax, provision for loan losses and goodwill impairment*	17.79 %	13.93 %	15.15 %	10.37 %	12.21 %
Return on average tangible common equity (ROATCE) annualized*	17.98 %	18.57 %	14.93 %	(108.31)%	3.03 %
Return on average tangible common equity adjusted for goodwill impairment*	17.98 %	18.57 %	14.93 %	12.01 %	3.03 %
Yield on loans annualized	4.75 %	4.59 %	5.23 %	4.65 %	4.68 %
Cost of interest-bearing deposits annualized	0.31 %	0.36 %	0.43 %	0.50 %	0.63 %
Cost of total deposits annualized	0.22 %	0.27 %	0.37 %	0.39 %	0.48 %
Net interest margin annualized	3.50 %	3.31 %	3.88 %	3.47 %	3.49 %
Efficiency ratio*	58.85 %	64.18 %	67.19 %	67.38 %	61.98 %
Non-interest income / average assets	0.86 %	0.66 %	0.86 %	0.64 %	0.55 %
Non-interest expense / average assets	2.45 %	2.44 %	2.90 %	12.88 %	2.31 %

Capital Ratios

Tier 1 Leverage Ratio	8.88 %	8.73 %	9.30 %	8.76 %	8.52 %
Common Equity Tier 1 Capital Ratio	12.41 %	12.53 %	12.82 %	12.76 %	12.02 %
Tier 1 Risk Based Capital Ratio	12.93 %	13.08 %	13.37 %	13.32 %	12.57 %
Total Risk Based Capital Ratio	16.73 %	17.02 %	17.35 %	17.35 %	15.33 %
Total stockholders' equity to total assets	9.68 %	9.48 %	10.16 %	10.40 %	11.41 %
Tangible common equity to tangible assets*	8.68 %	8.44 %	9.05 %	9.23 %	8.00 %
Book value per common share	\$ 28.76	\$ 27.66	\$ 28.04	\$ 27.08	\$ 31.53
Tangible book value per common share*	\$ 25.51	\$ 24.34	\$ 24.68	\$ 23.72	\$ 21.29
Tangible book value per diluted common share*	\$ 24.98	\$ 23.87	\$ 24.32	\$ 23.57	\$ 21.13

* The value noted is considered a Non-GAAP financial measure. For a reconciliation of Non-GAAP financial measures, see Table 8. Non-GAAP Financial Measures

TABLE 5. YEAR-TO-DATE NET INTEREST INCOME ANALYSIS (Unaudited)

(Dollars in thousands)

	For the six months ended			For the six months ended		
	June 30, 2021			June 30, 2020		
	Average Outstanding Balance	Interest Income/Expense	Average Yield/Rate ⁽³⁾⁽⁴⁾	Average Outstanding Balance	Interest Income/Expense	Average Yield/Rate ⁽³⁾⁽⁴⁾
Interest-earning assets						
Loans ⁽¹⁾						
Commercial and industrial	\$ 814,895	\$ 20,962	5.19 %	\$ 712,115	\$ 16,258	4.59 %
Commercial real estate	981,482	22,873	4.70 %	923,625	25,134	5.47 %
Real estate construction	254,807	4,531	3.59 %	260,530	6,413	4.95 %
Residential real estate	430,123	9,093	4.26 %	481,716	10,156	4.24 %
Agricultural real estate	136,366	3,384	5.00 %	134,098	4,046	6.07 %
Agricultural	94,596	2,062	4.40 %	87,892	2,576	5.89 %
Consumer	83,083	1,906	4.63 %	66,128	2,420	7.36 %
Total loans	2,795,352	64,811	4.68 %	2,666,104	67,003	5.05 %
Securities						
Taxable securities	863,801	7,322	1.71 %	763,992	8,637	2.27 %
Nontaxable securities	103,529	1,441	2.81 %	128,616	1,846	2.89 %
Total securities	967,330	8,763	1.83 %	892,608	10,483	2.36 %
Federal funds sold and other	165,408	556	0.68 %	94,234	1,004	2.14 %
Total interest-earning assets	\$ 3,928,090	74,130	3.81 %	\$ 3,652,946	78,490	4.32 %
Interest-bearing liabilities						
Savings, NOW and money market deposits	\$ 2,073,658	1,865	0.18 %	\$ 1,739,527	4,048	0.47 %
Time deposits	599,353	2,570	0.86 %	769,820	6,715	1.75 %
Total interest-bearing deposits	2,673,011	4,435	0.33 %	2,509,347	10,763	0.86 %
FHLB advances	23,911	145	1.22 %	283,231	1,727	1.23 %
Other borrowings	131,687	3,161	4.84 %	86,784	1,014	2.35 %
Total interest-bearing liabilities	\$ 2,828,609	7,741	0.55 %	\$ 2,879,362	13,504	0.94 %
Net interest income		\$ 66,389			\$ 64,986	
Interest rate spread			3.26 %			3.38 %
Net interest margin ⁽²⁾			3.41 %			3.58 %

(1) Average loan balances include nonaccrual loans.

(2) Net interest margin is calculated by dividing annualized net interest income by average interest-earning assets for the period.

(3) Tax exempt income is not included in the above table on a tax-equivalent basis.

(4) Actual unrounded values are used to calculate the reported yield or rate disclosed. Accordingly, recalculations using the amounts in thousands as disclosed in this report may not produce the same amounts.

TABLE 6. QUARTER-TO-DATE NET INTEREST INCOME ANALYSIS (Unaudited)

(Dollars in thousands)

	For the three months ended			For the three months ended		
	June 30, 2021			June 30, 2020		
	Average Outstanding Balance	Interest Income/Expense	Average Yield/Rate ⁽³⁾⁽⁴⁾	Average Outstanding Balance	Interest Income/Expense	Average Yield/Rate ⁽³⁾⁽⁴⁾
Interest-earning assets						
Loans ⁽¹⁾						
Commercial and industrial	\$ 826,647	\$ 11,729	5.69 %	\$ 868,302	\$ 8,378	3.88 %
Commercial real estate	991,033	11,433	4.63 %	934,186	12,192	5.25 %
Real estate construction	253,947	2,352	3.71 %	253,672	2,837	4.50 %
Residential real estate	465,525	4,642	4.00 %	467,246	4,854	4.18 %
Agricultural real estate	131,906	1,687	5.13 %	130,533	1,955	6.02 %
Agricultural	94,407	1,024	4.35 %	87,830	1,266	5.80 %
Consumer	89,680	943	4.22 %	65,096	1,145	7.07 %
Total loans	2,853,145	33,810	4.75 %	2,806,865	32,627	4.68 %
Securities						

Taxable securities	887,983	3,523	1.59 %	753,332	4,017	2.14 %
Nontaxable securities	99,003	717	2.90 %	123,976	880	2.86 %
Total securities	986,986	4,240	1.72 %	877,308	4,897	2.25 %
Federal funds sold and other	124,502	268	0.86 %	102,456	409	1.61 %
Total interest-earning assets	<u>\$ 3,964,633</u>	<u>38,318</u>	3.88 %	<u>\$ 3,786,629</u>	<u>37,933</u>	4.03 %
Interest-bearing liabilities						
Savings, NOW and money market deposits	\$ 2,068,319	895	0.17 %	\$ 1,754,280	923	0.21 %
Time deposits	587,733	1,130	0.77 %	732,907	2,976	1.63 %
Total interest-bearing deposits	2,656,052	2,025	0.31 %	2,487,187	3,899	0.63 %
FHLB advances	37,656	80	0.86 %	270,785	552	0.82 %
Other borrowings	134,002	1,583	4.74 %	113,942	591	2.09 %
Total interest-bearing liabilities	<u>\$ 2,827,710</u>	<u>3,688</u>	0.52 %	<u>\$ 2,871,914</u>	<u>5,042</u>	0.71 %
Net interest income		<u>\$ 34,630</u>			<u>\$ 32,891</u>	
Interest rate spread			<u>3.36 %</u>			<u>3.32 %</u>
Net interest margin ⁽²⁾			<u>3.50 %</u>			<u>3.49 %</u>

(1) Average loan balances include nonaccrual loans.

(2) Net interest margin is calculated by dividing annualized net interest income by average interest-earning assets for the period.

(3) Tax exempt income is not included in the above table on a tax-equivalent basis.

TABLE 7. QUARTER-OVER-QUARTER NET INTEREST INCOME ANALYSIS (Unaudited)
(Dollars in thousands)

	For the three months ended			For the three months ended		
	June 30, 2021			March 31, 2021		
	Average Outstanding Balance	Interest Income/Expense	Average Yield/Rate ⁽³⁾⁽⁴⁾	Average Outstanding Balance	Interest Income/Expense	Average Yield/Rate ⁽³⁾⁽⁴⁾
Interest-earning assets						
Loans ⁽¹⁾						
Commercial and industrial	\$ 826,647	\$ 11,729	5.69 %	\$ 803,012	\$ 9,234	4.66 %
Commercial real estate	991,033	11,433	4.63 %	971,825	11,441	4.77 %
Real estate construction	253,947	2,352	3.71 %	255,677	2,178	3.45 %
Residential real estate	465,525	4,642	4.00 %	394,329	4,452	4.58 %
Agricultural real estate	131,906	1,687	5.13 %	140,875	1,696	4.88 %
Agricultural	94,407	1,024	4.35 %	94,787	1,037	4.44 %
Consumer	89,680	943	4.22 %	76,413	963	5.11 %
Total loans	2,853,145	33,810	4.75 %	2,736,918	31,001	4.59 %
Securities						
Taxable securities	887,983	3,523	1.59 %	839,349	3,799	1.84 %
Nontaxable securities	99,003	717	2.90 %	108,104	724	2.72 %
Total securities	986,986	4,240	1.72 %	947,453	4,523	1.94 %
Federal funds sold and other	124,502	268	0.86 %	206,769	288	0.56 %
Total interest-earning assets	<u>\$ 3,964,633</u>	<u>38,318</u>	3.88 %	<u>\$ 3,891,140</u>	<u>35,812</u>	3.73 %
Interest-bearing liabilities						
Savings, NOW and money market deposits	\$ 2,068,319	895	0.17 %	\$ 2,079,057	971	0.19 %
Time deposits	587,733	1,130	0.77 %	611,102	1,439	0.96 %
Total interest-bearing deposits	2,656,052	2,025	0.31 %	2,690,159	2,410	0.36 %
FHLB advances	37,656	80	0.86 %	10,013	65	2.63 %
Other borrowings	134,002	1,583	4.74 %	129,347	1,578	4.96 %
Total interest-bearing liabilities	<u>\$ 2,827,710</u>	<u>3,688</u>	0.52 %	<u>\$ 2,829,519</u>	<u>4,053</u>	0.58 %
Net interest income		<u>\$ 34,630</u>			<u>\$ 31,759</u>	
Interest rate spread			<u>3.36 %</u>			<u>3.15 %</u>
Net interest margin ⁽²⁾			<u>3.50 %</u>			<u>3.31 %</u>

(1) Average loan balances include nonaccrual loans.

(2) Net interest margin is calculated by dividing annualized net interest income by average interest-earning assets for the period.

(3) Tax exempt income is not included in the above table on a tax-equivalent basis.

TABLE 8. NON-GAAP FINANCIAL MEASURES (Unaudited)

(Dollars in thousands, except per share data)

	As of and for the three months ended				
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Income before income taxes	\$ 19,581	\$ 19,346	\$ 14,599	\$ (93,058)	\$ 2,186
Add: goodwill impairment	—	—	—	104,831	—
Less: tax effect	4,415	4,271	2,111	2,652	497
Adjusted income	<u>\$ 15,166</u>	<u>\$ 15,075</u>	<u>\$ 12,488</u>	<u>\$ 9,121</u>	<u>\$ 1,689</u>
Weighted average common shares outstanding	14,356,958	14,464,291	14,760,810	15,040,407	15,209,483
Effect of weighted average dilutive shares assuming positive net income	317,880	269,792	173,248	82,804	94,526
Weighted average diluted shares	<u>14,674,838</u>	<u>14,734,083</u>	<u>14,934,058</u>	<u>15,123,211</u>	<u>15,304,009</u>
Diluted earnings per share adjusted for goodwill impairment	<u>\$ 1.03</u>	<u>\$ 1.02</u>	<u>\$ 0.84</u>	<u>\$ 0.60</u>	<u>\$ 0.11</u>
Total stockholders' equity	\$ 412,995	\$ 397,815	\$ 407,649	\$ 402,172	\$ 479,766
Less: goodwill	31,601	31,601	31,601	31,601	136,432
Less: core deposit intangibles, net	13,993	15,023	16,057	17,101	18,131
Less: mortgage servicing asset, net	—	—	—	1	2
Less: naming rights, net	1,109	1,119	1,130	1,141	1,152
Tangible common equity	<u>\$ 366,292</u>	<u>\$ 350,072</u>	<u>\$ 358,861</u>	<u>\$ 352,328</u>	<u>\$ 324,049</u>
Common shares issued at period end	14,360,172	14,383,913	14,540,556	14,853,487	15,218,301
Diluted common shares outstanding at period end	<u>14,664,603</u>	<u>14,668,287</u>	<u>14,756,378</u>	<u>14,945,282</u>	<u>15,334,144</u>
Book value per common share	<u>\$ 28.76</u>	<u>\$ 27.66</u>	<u>\$ 28.04</u>	<u>\$ 27.08</u>	<u>\$ 31.53</u>
Tangible book value per common share	<u>\$ 25.51</u>	<u>\$ 24.34</u>	<u>\$ 24.68</u>	<u>\$ 23.72</u>	<u>\$ 21.29</u>
Tangible book value per diluted common share	<u>\$ 24.98</u>	<u>\$ 23.87</u>	<u>\$ 24.32</u>	<u>\$ 23.57</u>	<u>\$ 21.13</u>
Total assets	\$ 4,268,216	\$ 4,196,184	\$ 4,013,356	\$ 3,865,571	\$ 4,205,269
Less: goodwill	31,601	31,601	31,601	31,601	136,432
Less: core deposit intangibles, net	13,993	15,023	16,057	17,101	18,131
Less: mortgage servicing asset, net	—	—	—	1	2
Less: naming rights, net	1,109	1,119	1,130	1,141	1,152
Tangible assets	<u>\$ 4,221,513</u>	<u>\$ 4,148,441</u>	<u>\$ 3,964,568</u>	<u>\$ 3,815,727</u>	<u>\$ 4,049,552</u>
Total stockholders' equity to total assets	<u>9.68%</u>	<u>9.48%</u>	<u>10.16%</u>	<u>10.40%</u>	<u>11.41%</u>
Tangible common equity to tangible assets	<u>8.68%</u>	<u>8.44%</u>	<u>9.05%</u>	<u>9.23%</u>	<u>8.00%</u>
Total average stockholders' equity	\$ 404,039	\$ 395,638	\$ 409,572	\$ 483,088	\$ 483,605
Less: average intangible assets	47,334	48,376	54,547	154,049	156,194
Average tangible common equity	<u>\$ 356,705</u>	<u>\$ 347,262</u>	<u>\$ 355,025</u>	<u>\$ 329,039</u>	<u>\$ 327,411</u>
Net income (loss) allocable to common stockholders	\$ 15,166	\$ 15,075	\$ 12,488	\$ (90,405)	\$ 1,689
Add: goodwill impairment	—	—	—	104,831	—
Less: tax effect of goodwill impairment	—	—	—	5,305	—
Adjusted net income (loss) plus goodwill impairment	<u>15,166</u>	<u>15,075</u>	<u>12,488</u>	<u>9,121</u>	<u>1,689</u>
Amortization of intangible assets	1,041	1,045	1,055	1,043	986
Less: tax effect of intangible assets amortization	219	219	222	234	207
Adjusted net income (loss) allocable to common stockholders	<u>\$ 15,988</u>	<u>\$ 15,901</u>	<u>\$ 13,321</u>	<u>\$ 9,930</u>	<u>\$ 2,468</u>
Return on total average stockholders' equity (ROAE) annualized	<u>15.06%</u>	<u>15.45%</u>	<u>12.13%</u>	<u>(74.45)%</u>	<u>1.40%</u>
Return on average tangible common equity (ROATCE) annualized	<u>17.98%</u>	<u>18.57%</u>	<u>14.93%</u>	<u>(108.31)%</u>	<u>3.03%</u>
Adjusted return on average tangible common equity	<u>17.98%</u>	<u>18.57%</u>	<u>14.93%</u>	<u>12.01%</u>	<u>3.03%</u>

Non-interest expense	\$ 25,806	\$ 24,881	\$ 28,460	\$ 130,835	\$ 23,937
Less: merger expense	460	152	299	—	—
Less: goodwill impairment	—	—	—	104,831	—
Non-interest expense, excluding merger expense and goodwill impairment	\$ 25,346	\$ 24,729	\$ 28,161	\$ 26,004	\$ 23,937
Net interest income	\$ 34,630	\$ 31,759	\$ 35,559	\$ 32,107	\$ 32,891
Non-interest income	9,100	6,712	8,500	6,485	5,732
Less: net gain on acquisition	663	(78)	2,145	—	—
Less: net gains (losses) from securities transactions	—	17	(1)	—	4
Non-interest income, excluding gains (losses) from securities transactions	\$ 8,437	\$ 6,773	\$ 6,356	\$ 6,485	\$ 5,728
Net interest income plus non-interest income, excluding net gain on acquisition and net gains (losses) from securities transactions	\$ 43,067	\$ 38,532	\$ 41,915	\$ 38,592	\$ 38,619
Non-interest expense less goodwill impairment to net interest income plus non-interest income	59.01 %	64.67 %	64.60 %	67.38 %	61.98 %
Efficiency ratio	58.85 %	64.18 %	67.19 %	67.38 %	61.98 %
Net income (loss) allocable to common stockholders	\$ 15,166	\$ 15,075	\$ 12,488	\$ (90,405)	\$ 1,689
Add: income tax provision	4,415	4,271	2,111	(2,653)	497
Add: provision (reversal) of credit losses	(1,657)	(5,756)	1,000	815	12,500
Add: goodwill impairment	—	—	—	104,831	—
Adjusted net income	\$ 17,924	\$ 13,590	\$ 15,599	\$ 12,588	\$ 14,686
Total average assets	\$ 4,231,439	\$ 4,143,752	\$ 3,910,628	\$ 4,041,187	\$ 4,159,336
Total average stockholders' equity	\$ 404,039	\$ 395,638	\$ 409,572	\$ 483,088	\$ 483,605
Return on average assets (ROAA) annualized	1.44 %	1.48 %	1.27 %	(8.90) %	0.16 %
Adjusted return on average assets	1.70 %	1.33 %	1.59 %	1.24 %	1.42 %
Adjusted return on average equity	17.79 %	13.93 %	15.15 %	10.37 %	12.21 %



Source: Equity Bancshares, Inc.