

Report of Independent Auditors  
and Consolidated Financial Statements

**Lewis & Clark Bancorp and Subsidiaries**

December 31, 2024 and 2023

## **Table of Contents**

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	<b>Page</b>
<b>Report of Independent Auditors</b>	<b>1</b>
<b>Consolidated Financial Statements</b>	
Consolidated Balance Sheets	5
Consolidated Statements of Operations	6
Consolidated Statements of Comprehensive Income	7
Consolidated Statements of Changes in Stockholders' Equity	8
Consolidated Statements of Cash Flows	9
Notes to Consolidated Financial Statements	11
<b>Supplementary Information</b>	
Consolidating Schedule – Balance Sheet	38
Consolidating Schedule – Income Statement	39

## **Report of Independent Auditors**

The Board of Directors and Stockholders  
Lewis & Clark Bancorp

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the consolidated financial statements of Lewis & Clark Bancorp and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations, comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Lewis & Clark Bancorp and Subsidiaries as of December 31, 2024 and 2023, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lewis & Clark Bancorp and Subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lewis & Clark Bancorp and Subsidiaries' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lewis & Clark Bancorp and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lewis & Clark Bancorp and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Schedule – Balance Sheet and Consolidating Schedule – Income Statement are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*Baker Tilly US, LLP*

Everett, Washington

June 24, 2025

## **Consolidated Financial Statements**

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**Lewis & Clark Bancorp and Subsidiaries**  
**Consolidated Balance Sheets**  
(dollars in thousands)  
**December 31, 2024 and 2023**

	2024	2023
<b>ASSETS</b>		
Cash and due from banks	\$ 26,072	\$ 43,970
Federal funds sold	2,181	25,775
Total cash and cash equivalents	28,253	69,745
Investment securities available for sale, at fair value (amortized cost of \$142,574 and \$149,730, respectively)	136,912	141,137
Equity securities and other investments, at cost	4,686	1,683
Loans, net of allowance of \$1,884 and \$2,166	151,230	155,609
Fixed assets, net of accumulated depreciation	6,655	6,826
Cash surrender value of bank-owned life insurance, net	10,999	10,671
Accrued interest receivable and other assets	4,790	5,743
Goodwill and intangible assets, net of accumulated amortization	619	619
Total assets	\$ 344,144	\$ 392,033
<b>LIABILITIES</b>		
Deposits		
Noninterest-bearing demand	\$ 60,691	\$ 58,451
Interest-bearing demand	46,138	65,612
Money market and savings accounts	113,667	126,049
Time deposits	16,796	19,307
Total deposits	237,292	269,419
Subordinated debentures, net	6,981	6,956
Borrowings	65,000	80,000
Accrued interest payable and other liabilities	1,822	4,753
Total liabilities	311,095	361,128
<b>COMMITMENTS AND CONTINGENCIES (Notes 11 and 13)</b>		
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, no par value, 10,000,000 shares authorized; 1,076,234 and 1,073,167 shares issued, respectively; and 1,062,357 and 1,073,167 shares outstanding at December 31, 2024 and 2023, respectively	36,255	36,229
Treasury stock at cost, 60,400 shares at December 31, 2024 and 2023	(1,983)	(1,983)
Accumulated other comprehensive loss, net of tax	(4,134)	(6,273)
Retained earnings	2,911	2,932
Total stockholders' equity	33,049	30,905
Total liabilities and stockholders' equity	\$ 344,144	\$ 392,033

See accompanying notes.

**Lewis & Clark Bancorp and Subsidiaries**  
**Consolidated Statements of Operations**  
(in thousands, except per-share amounts)  
**Years Ended December 31, 2024 and 2023**

	2024	2023
<b>INTEREST INCOME</b>		
Interest and fees on loans	\$ 10,639	\$ 10,312
Interest on investment securities	4,561	2,928
Interest on balances due from banks	2,617	2,523
Total interest income	<u>17,817</u>	<u>15,763</u>
<b>INTEREST EXPENSE</b>		
Interest on deposits	4,866	3,747
Interest on borrowings	4,250	3,788
Total interest expense	<u>9,116</u>	<u>7,535</u>
Net interest income before provision for credit losses	8,701	8,228
<b>RECAPTURE OF CREDIT LOSSES</b>	<u>(153)</u>	<u>-</u>
Net interest income after provision for credit losses	<u>8,854</u>	<u>8,228</u>
<b>NONINTEREST INCOME</b>		
Deposit service charges and other fee income	435	429
Change in cash surrender value of bank-owned life insurance	311	344
Loss on sale of available-for-sale securities	-	(3,181)
Other noninterest income	1,385	1,217
Total noninterest income	<u>2,131</u>	<u>(1,191)</u>
<b>NONINTEREST EXPENSE</b>		
Salaries and employee benefits	6,532	6,273
Professional fees	1,518	1,280
Data processing	796	656
Occupancy and equipment	445	454
Amortization expense	-	68
Insurance	154	222
Software license and maintenance	294	239
Other noninterest expenses	1,247	1,306
Total noninterest expense	<u>10,986</u>	<u>10,498</u>
<b>INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES</b>	(1)	(3,461)
<b>INCOME TAX (BENEFIT)</b>	<u>(60)</u>	<u>(858)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ 59</u>	<u>\$ (2,603)</u>
<b>BASIC EARNINGS (LOSS) PER COMMON SHARE</b>	<u>\$ 0.06</u>	<u>\$ (2.45)</u>
<b>DILUTED EARNINGS (LOSS) PER COMMON SHARE</b>	<u>\$ 0.06</u>	<u>\$ (2.45)</u>

See accompanying notes.

**Lewis & Clark Bancorp and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
(in thousands, except per-share amounts)  
**Years Ended December 31, 2024 and 2023**

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	2024	2023
Net income (loss)	\$ 59	\$ (2,603)
Other comprehensive income		
Loss on sale of available-for-sale securities	-	(2,322)
Unrealized holding gain on investment securities available for sale, net of taxes of \$791 and \$367, respectively	2,139	5,636
Total other comprehensive income	2,139	3,314
Comprehensive income	\$ 2,198	\$ 711

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See accompanying notes.

**Lewis & Clark Bancorp and Subsidiaries**  
**Consolidated Statements of Changes in Stockholders' Equity**  
**(dollars in thousands)**  
**Years Ended December 31, 2024 and 2023**

	Common Stock		Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Stockholders' Equity
	Shares	Amount				
BALANCE, December 31, 2022	1,073,167	\$ 36,203	\$ 5,696	\$ (9,587)	\$ (1,983)	\$ 30,329
Net loss	-	-	(2,603)	-	-	(2,603)
Cash dividends paid (\$0.15 per share)	-	-	(161)	-	-	(161)
Other comprehensive income, net	-	-	-	3,314	-	3,314
Stock-based compensation	-	26	-	-	-	26
BALANCE, December 31, 2023	1,073,167	36,229	2,932	(6,273)	(1,983)	30,905
Net income	-	-	59	-	-	59
Cash dividends paid (\$0.075 per share)	-	-	(80)	-	-	(80)
Other comprehensive income, net	-	-	-	2,139	-	2,139
Restricted stock awards	3,067	-	-	-	-	-
Stock-based compensation	-	26	-	-	-	26
BALANCE, December 31, 2024	<u>1,076,234</u>	<u>\$ 36,255</u>	<u>\$ 2,911</u>	<u>\$ (4,134)</u>	<u>\$ (1,983)</u>	<u>\$ 33,049</u>

See accompanying notes.

**Lewis & Clark Bancorp and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
(in thousands)  
**Years Ended December 31, 2024 and 2023**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss)	\$ 59	\$ (2,603)
Adjustments to reconcile net loss to net cash from operating activities		
Accretion of discounts on securities	(126)	(263)
Amortization of intangible assets	-	68
Accretion of discount on loans	-	(12)
Depreciation and amortization of fixed assets	252	272
Amortization of deferred loan fees	(290)	(348)
Amortization of debt issuance costs	25	25
Recapture of credit losses	(153)	-
Stock-based compensation	26	26
Loss on sale of available-for-sale securities	-	3,181
Impairment charge on equity securities	28	53
Loss on disposal of fixed assets	-	6
Change in cash surrender value of bank-owned life insurance, net	(328)	(281)
Deferred income tax benefit	(125)	(997)
Changes in cash and cash equivalents due to changes in certain assets and liabilities		
Accrued interest receivable and other assets	285	(448)
Accrued interest payable and other liabilities	(2,931)	3,054
Net cash (used in) from operating activities	<u>(3,278)</u>	<u>1,733</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equity securities and other investments	(3,054)	(578)
Proceeds from redemption/sale of equity securities	23	1,281
Purchase of investment securities available for sale	-	(62,835)
Proceeds from maturities, sales of investment securities available for sale	7,283	74,447
Net change in loans	4,822	14,112
Purchase of fixed assets, net	(81)	(134)
Net cash from investing activities	<u>8,993</u>	<u>26,293</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net change in demand deposit, money market, and savings accounts	(29,616)	(23,698)
Net change in time deposits	(2,511)	(9,887)
Proceeds from borrowings	65,000	1,750
Repayment of borrowings	(80,000)	57,250
Cash dividends paid	(80)	(161)
Net cash (used in) from financing activities	<u>(47,207)</u>	<u>25,254</u>

See accompanying notes.

**Lewis & Clark Bancorp and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
(in thousands)  
**Years Ended December 31, 2024 and 2023**

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	<u>2024</u>	<u>2023</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	\$ (41,492)	\$ 53,280
CASH AND CASH EQUIVALENTS, beginning of period	<u>69,745</u>	<u>16,465</u>
CASH AND CASH EQUIVALENTS, end of period	<u>\$ 28,253</u>	<u>\$ 69,745</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid in cash	<u>\$ 11,841</u>	<u>\$ 4,609</u>
Cash paid for income taxes	<u>\$ 126</u>	<u>\$ 99</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES		
Change in fair value of investment securities available for sale, net of taxes	<u>\$ 2,139</u>	<u>\$ 3,314</u>

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See accompanying notes.

# **Lewis & Clark Bancorp and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **(dollars in thousands, except per-share amounts)**

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#### **Note 1 – Organization and Summary of Significant Accounting Policies**

**Organization and nature of operations** – Lewis & Clark Bancorp (Lewis & Clark Bancorp) is a bank holding company headquartered in Oregon City, Oregon, which owns 100% of Lewis & Clark Bank (the Bank), an Oregon state-chartered community bank headquartered in Oregon City, Oregon, and BankEvo LLC (BankEvo) (collectively “the Bancorp”). The Bank provides banking services to businesses and individuals in the Portland metropolitan area, with emphasis on Clackamas County and Central and East Multnomah County, and also serves businesses and individuals in and around Clatsop County. The Bank also serves businesses and individuals beyond its geographic footprint through contractual relationships with select market-facing channel partners as part of its strategic partnerships division. BankEvo provides services to the Bank to assist with the strategic partnerships division. The Bank owns 100% of LCB Investments, Inc., and Columbia Property Holdings, LLC, whose activities are immaterial.

The Bancorp is subject to regulation by certain federal and state agencies and undergoes periodic examination by these regulatory authorities.

**Basis of financial statement presentation** – The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and with prevailing practices within the banking industry. In preparing such consolidated financial statements, management is required to make certain estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the balance sheet and the reported amounts of revenues and expenses for the reporting period. Actual results could differ significantly from those estimates. Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for credit losses, including individually evaluated loans, and the fair value of investment securities.

**Basis of consolidation** – The consolidated financial statements include the accounts of the Lewis & Clark Bancorp and its wholly owned subsidiaries, the Bank and BankEvo. All material intercompany balances and transactions have been eliminated in consolidation.

**Cash and cash equivalents** – Cash and cash equivalents include cash and due from banks, temporary investments such as federal funds sold, and interest-bearing balances due from other banks. Cash and cash equivalents generally have a maturity of 90 days or less. The Federal Reserve did not have any reserve requirements at December 31, 2024 and 2023.

**Certificates of deposit with other banks** – Certificates of deposit with other banks have an original maturity greater than 90 days and are carried at cost.

**Investment securities** – The Bancorp is required to specifically identify its investment securities as trading, available for sale, or held to maturity.

**Lewis & Clark Bancorp and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**(dollars in thousands, except per-share amounts)**

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Investments are classified in the trading category if the Bancorp's intention is to hold the investment principally for the purpose of realizing short-term gains during periods of 90 days or less. Such investments are carried at fair value and changes in fair value are recognized in earnings during the period in which they arise. The Bancorp held no investments in this trading category during 2024 or 2023. Securities are classified as available for sale if the Bancorp intends to hold those debt securities for an indefinite period of time, but not necessarily to maturity. Any decision to sell a security classified as available for sale would be based on various factors such as (1) changes in market interest rates and related changes in the prepayment risk, (2) needs for liquidity, (3) changes in the availability of and the yield on alternative instruments, and (4) changes in funding sources and terms. Unrealized holding gains and losses, net of tax, on available-for-sale securities are reported as other comprehensive income and carried as accumulated comprehensive income or loss within stockholders' equity until realized.

Investments for which the Bancorp has the positive intent and ability to hold until maturity are classified as held to maturity and carried at amortized cost. The Bancorp held no investments in the held-to-maturity category during 2024 or 2023.

Premiums and discounts arising from the purchase of investment securities are recognized in interest income using the effective interest method. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

*Allowance for credit losses on available-for-sale (AFS) securities* – For available-for-sale securities in an unrealized loss position, management first assesses whether it intends to sell, or is more likely than not to be required to sell, the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through income. For debt securities available for sale that do not meet the aforementioned criteria, the Bancorp evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost basis.

The Bancorp did not recognize any allowance for credit losses (ACL) on its AFS investment securities portfolio during the year 2024. Unrealized losses relate to changes in interest rates subsequent to purchase and are not attributable to credit. On December 31, 2024, the Bancorp had not initiated any sales of AFS securities, nor did it have an intent to sell any identified securities with unrealized losses, and it does not believe it is more likely than not it would be required to sell such securities before recovery of their amortized cost basis.

**Equity securities** – At December 31, 2024 and 2023, the Bancorp held Data Center, Inc. (DCI), stock of \$160, as an equity security with a par value of \$1 per share, and is carried utilizing the cost method. The security is not marketable.

**Lewis & Clark Bancorp and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**(dollars in thousands, except per-share amounts)**

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At December 31, 2024 and 2023, the Bancorp held Federal Home Loan Bank (FHLB) stock of \$3,163 and \$221, respectively, as a restricted equity security with a par value of \$100 per share and carried at cost, which approximates fair value. As a member of the FHLB system, the Bancorp is required to maintain a minimum investment level in FHLB stock based on specific percentages of the Bancorp's outstanding mortgages, total assets, and FHLB advances.

At December 31, 2024 and 2023, the Bancorp held \$101 of stock in United Bankers' Bank. At December 31, 2024 and 2023, the Bancorp held Independent Bankers Financial Corporation (IBFC) stock of \$100 as a restricted equity security. As a financial institution customer of IBFC, the Bancorp has access to a federal funds line of credit and correspondent banking relationship with The Independent Bankers Bank, a subsidiary of IBFC.

At December 31, 2024 and 2023, the Bancorp held interests in various equity-based investments totaling \$1,163 and \$1,101, respectively. The investments are not marketable and do not have a readily determinable fair value. The Bancorp accounts for these investments under the cost method. Management periodically evaluates equity securities for impairment. The Bancorp considers the future recoverability of its investment as the primary basis for determining impairment. Factors that impact the recoverability of the investment include, among other things, the ability of the Bancorp to redeem its investment in future periods, or transfer the investment to another institution at its carrying value. Management's determination of whether these investments are impaired is based on its assessment of the ultimate recoverability of cost rather than by recognizing temporary declines in value. The determination of whether a decline affects the ultimate recoverability of cost is influenced by criteria such as (1) the significance of any decline in net assets of the issuer as compared to the capital stock amount for the issuer and the length of time this situation has persisted, (2) commitments by the issuer to make payments required by law or regulation and the level of such payments in relation to the operating performance of the issuer, (3) the impact of legislative and regulatory changes on institutions and, accordingly, the customer base of the issuer, and (4) the liquidity position of the issuer.

**Loans held for sale** – Loans originated and intended for sale in the secondary market are carried at the lower of cost or estimated market value in the aggregate. Sales are made with no recourse. At December 31, 2024 and 2023, no loans were held for sale.

**Loans and allowance for credit losses on loans** – Loans are stated at the amount of unpaid principal, net of an allowance for credit losses, net unearned income or cost, and premiums or discounts (if any). Interest on loans is calculated using the simple-interest method on daily balances of the principal amount outstanding. Loan origination fees and certain direct origination costs are capitalized and recognized as an adjustment to the yield of the related loan. Unamortized net loan origination fees are recognized into income when the loan is extinguished.

Loans are classified as nonaccrual if the collection of principal and interest is doubtful. Generally, this occurs when a loan is past due as to maturity or payment of principal or interest by 90 days or more, unless such loans are well secured and in the process of collection. If a loan or portion thereof is partially charged off, the loan is classified as nonaccrual. Loans that are less than 90 days past due may also be classified as nonaccrual if repayment in full of principal and/or interest is in doubt.

**Lewis & Clark Bancorp and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**(dollars in thousands, except per-share amounts)**

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When a loan is classified as nonaccrual, all uncollected accrued interest is reversed out of interest income and the accrual of interest income is terminated. Generally, any cash payments are applied as a reduction of principal outstanding. In cases where the future collectability of the principal balance in full is expected, interest income may be recognized on a cash basis. A loan may be restored to accrual status when the borrower's financial condition improves so that full collection of principal is considered likely.

The allowance for credit losses on loans is a valuation account that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the loans. Loans are charged off against the allowance when management believes the uncollectibility of a loan balance is confirmed and recoveries are credited to the allowance when received. In the case of recoveries, amounts may not exceed the aggregate of amounts previously charged off.

Management utilizes relevant available information, from internal and external sources, relating to past events, current conditions, historical loss experience, and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. Adjustments to historical loss information are made for differences in the current loan-specific risk characteristics such as differences in underwriting standards, portfolio mix, delinquency levels, or term, as well as for changes in environmental conditions, such as changes in unemployment rates, property values, or other relevant factors.

Accrued interest receivable is excluded from the estimate of credit losses for loans.

The allowance for credit losses is measured on a collective (pool) basis when similar risk characteristics exist. The Bancorp has identified the following portfolio segments and measures the allowance for credit losses using the following methods: the average charge off method for real estate, commercial and industrial, consumer, and other.

Loans that do not share risk characteristics are evaluated on an individual basis. Loans evaluated individually are not also included in the collective evaluation. When management determines foreclosure is probable or when the borrower is experiencing financial difficulty at the reporting date and repayment is expected to be provided substantially through the operation or sale of the collateral, expected credit losses are based on the fair value of the collateral at the reporting date, adjusted for selling costs.

*Contractual term* – Expected credit losses are estimated over the contractual term of loans, adjusted for expected prepayments when appropriate. The contractual term excludes expected extensions, renewals, and modifications unless either of the following applies: management has a reasonable expectation at the reporting date or an extension or renewal option are included in the original or modified contract at the reporting date and are not unconditionally cancellable by the Bancorp.

## **Lewis & Clark Bancorp and Subsidiaries** **Notes to Consolidated Financial Statements** **(dollars in thousands, except per-share amounts)**

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*Allowance for credit losses on off-balance-sheet credit exposures* – The Bancorp estimates expected credit losses over the contractual period in which the Bancorp is exposed to credit risk via a contractual obligation to extend credit unless that obligation is unconditionally cancellable by the Bancorp. The allowance for credit losses on off-balance-sheet credit exposure is adjusted through a provision for credit loss expense. The estimate includes consideration of the likelihood that funding will occur, and an estimate of expected credit losses on commitments expected to be funded over its estimated life. The estimate utilizes the same factors and assumptions as the allowance for credit losses on loans and is applied at the same collective pool level.

**Fixed assets** – Fixed assets are stated at cost, less accumulated depreciation and amortization. Depreciation is provided over the estimated useful lives of buildings, furniture, fixtures, and equipment on a straight-line basis. Depreciable life of the building is 30 years, while the depreciable lives of the furniture, fixtures, and equipment range from three to seven years. Land is not depreciated. Leasehold improvements are amortized over the life of the related lease or the life of the related asset, whichever is shorter. The costs of maintenance and repairs are expensed as they are incurred. Expenditures for major renovations and betterments of the Bancorp's fixed assets are capitalized.

Management reviews long-lived and intangible assets any time that a change in circumstance indicates that the carrying amount of these assets may not be recoverable. Recoverability of these assets is determined by comparing the carrying value of the asset to the forecasted undiscounted cash flows of the operation associated with the asset. If the evaluation of the forecasted cash flows indicates that the carrying value of the asset is not recoverable, the asset is written down to fair value.

**Cash surrender value of bank-owned life insurance** – The Bancorp holds life insurance contracts covering certain executives and employees. The cash surrender values of the contracts reflect the Bancorp's investment in the recorded assets, net of surrender charges. Holding gains and losses related to the contracts are included in earnings as gains or losses in the period in which they arise.

**Goodwill and intangible assets** – Goodwill represents the excess of the purchase consideration over the fair value of net assets acquired in connection with the Bancorp's acquisitions using the acquisition method of accounting. Goodwill is not amortized but is periodically evaluated for impairment under the provisions of ASC Topic 350, *Intangibles—Goodwill and Other* (ASC 350). The Bancorp had \$23 of trademarks and \$596 of goodwill as of December 31, 2024 and 2023.

**Advertising expenses** – Advertising costs are generally expensed as incurred. Advertising costs recognized as expenses were \$82 and \$109 for 2024 and 2023, respectively.

**Business segments** – The Bancorp has one reportable operating segment: banking. The banking segment derives its revenues through the Bank, whose operations involve the delivery of loan and deposit products to customers. The Bancorp manages the business activities on a consolidated basis.

The Bancorp's chief operating decision maker ("CODM") is its Chief Executive Officer, who reviews financial information presented on a consolidated basis. The CODM assesses performance for the operating segment and decides how to allocate resources based on net income that also is reported on the income statement as consolidated net income. The measure of segment assets is reported on the balance sheet as total consolidated assets.

## **Lewis & Clark Bancorp and Subsidiaries** **Notes to Consolidated Financial Statements** **(dollars in thousands, except per-share amounts)**

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These financial metrics are used by the CODM to make key operating decisions, such as determination of the rate at which the Bancorp seeks to grow, loan and deposit pricing, and the allocation of budget for non-interest expenses. Net income is used to monitor budget versus actual results. Discrete financial information is not available other than on a Bancorp-wide basis.

**Income taxes** – Income taxes are accounted for using the asset and liability method. Under this method, a deferred tax asset or liability is determined based on the enacted tax rates that will be in effect when the differences between the financial statement carrying amounts and tax basis of existing assets and liabilities are expected to be reported in the Bancorp’s income tax returns. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are established to reduce the net carrying amount of deferred tax assets if it is determined to be more likely than not that all or some portion of the deferred tax asset will not be realized. Conversely, valuation allowances are reversed at such time there is sufficient evidence to support the likelihood that the net deferred tax asset will be utilized to offset future taxable income.

The Bancorp recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

The Bancorp also recognizes interest and penalties related to income tax matters as noninterest expense. There were no interest or penalties accrued for the year ended December 31, 2024. The Bancorp does not anticipate that the amount of unrecognized tax benefits will significantly increase or decrease in the next 12 months. The Bancorp files tax returns with the Internal Revenue Service (IRS), the Oregon Department of Revenue, Virginia Department of Taxation, Florida Department of Revenue, and Texas Tax, which are subject to examination by the taxing authorities for years 2021 and later.

**Stock-based compensation** – The Bancorp has a stock-based compensation plan that provides for the granting of stock options and restricted stock awards to eligible employees and directors. The Bancorp records compensation expense for all share-based payment awards made to employees and directors. The Bancorp expenses share based payment awards based on the grant date fair value of the option or award over the requisite service period (generally the vesting period). For employees, compensation cost related to stock options and restricted stock awards are charged to salaries and employee benefits. For board members, compensation cost related to stock options and restricted stock awards are charged to professional services.

The fair value of each option grant is estimated as of the grant date using the Black–Scholes option-pricing model with assumptions pertaining to stock volatility, expected term, risk-free interest rates, and anticipated forfeitures. The fair value of restricted stock awards is based on the market value of the Bancorp’s stock on the date of grant.

**Comprehensive income** – Recognized revenue, expenses, gains, and losses are included in net income. Certain changes in assets and liabilities, such as unrealized gains and losses on available-for-sale securities, are reported on a cumulative basis, net of tax effects, as a separate component of equity on the balance sheets. Changes in such items, along with net income, are components of comprehensive income.

## **Lewis & Clark Bancorp and Subsidiaries**

### **Notes to Consolidated Financial Statements**

**(dollars in thousands, except per-share amounts)**

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**Earnings per common share** – Basic earnings per common share is computed by dividing net income by the weighted-average number of common shares outstanding during the period. Diluted earnings per common share is computed by dividing net income by the sum of the weighted-average number of shares outstanding plus the dilutive effect of stock options and restricted stock.

The Bancorp has two forms of outstanding common stock: common stock and unvested restricted stock awards. Holders of unvested restricted stock awards receive nonforfeitable dividends at the same rate as common stockholders and they both share equally in undistributed earnings. The computed basic and diluted earnings per common share are calculated using the two-class method. The two-class method did not have a material impact on the earnings per share amounts.

**Off-balance-sheet financial instruments** – The Bancorp holds no derivative financial instruments. However, in the ordinary course of business, the Bancorp enters into off-balance-sheet financial instruments consisting of commitments to extend credit, commercial letters of credit, and standby letters of credit. These financial instruments are recorded in the consolidated financial statements when they are funded or related fees are incurred or received.

**Business combinations** – The Bancorp accounts for business combinations under the acquisition method of accounting. The Bancorp recognizes the fair value of the assets acquired and liabilities assumed as of the date of acquisition, with any excess of the fair value of consideration provided over the fair value of the identifiable net tangible and intangible assets acquired recorded as goodwill. Transaction costs are expensed as incurred. The results of operations of the acquired business are included in the consolidated statements of operations from the effective date of the acquisition, which is the date control is obtained.

**Fair value of assets and liabilities** – Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The Bancorp determines fair value based upon quoted prices when available or through the use of alternative approaches, such as matrix or model pricing, when market quotes are not readily accessible or available. The valuation techniques used are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Bancorp's market assumptions. These two types of inputs create the following fair value hierarchy:

**Level 1** – Quoted prices in active markets for identical assets or liabilities.

**Level 2** – Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

**Level 3** – Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available. The Bancorp's own data used to develop unobservable inputs shall be adjusted for market consideration when reasonably available.

**Lewis & Clark Bancorp and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**(dollars in thousands, except per-share amounts)**

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The Bancorp used the following methods and significant assumptions to estimate fair value for its assets measured and carried at fair value in the consolidated financial statements on either a recurring or nonrecurring basis:

*Investment securities available for sale* – The fair value measurements consider observable data that may include dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, live trading levels, trade execution data, market consensus prepayment speeds, credit information, and the bond's terms and conditions, among other things. When market quotes are not readily accessible or available, alternative approaches are utilized, such as matrix or model pricing.

*Collateral-dependent loans* – Loans that have been classified as collateral-dependent are loans where substantially all repayment of the loan is expected to come from the operation of or eventual liquidation of the collateral. Collateral-dependent loans are evaluated individually for purposes of determining the allowance for credit losses, which is determined based on the estimated fair value of the collateral. Estimates for costs to sell are included in the determination of the ACL when liquidation of the collateral is anticipated. In cases where the loan is well-secured and the estimated value of the collateral exceeds the amortized cost of the loan, no ACL is recorded.

The following methods were used to estimate the fair value of all other financial instruments not recognized on the basis of fair value in the accompanying consolidated balance sheets:

*Cash and cash equivalents* – The carrying amounts of cash and short-term instruments approximate their fair value.

*Time deposits with other financial institutions* – Fair value for time certificates with other banks are based on the market values for comparable investments.

*Equity securities* – The Bancorp measures equity securities without readily determinable fair values at cost less impairment (if any).

*Loans* – For variable rate loans, including loans held for sale, that reprice frequently and have no significant change in credit risk, fair values are considered to approximate carrying values. Fair values for certain mortgage loans (for example, one-to-four family residential) and consumer loans are based on quoted market prices of similar loans sold in conjunction with securitization transactions, adjusted for differences in loan characteristics. Fair values for fixed-rate commercial real estate and commercial loans are estimated using discounted cash flow analysis, using interest rates currently being offered for loans with similar terms to borrowers of similar credit quality.

*Deposit liabilities* – The carrying amounts of variable rate fixed-term money market accounts and certificates of deposit (CDs) approximate their fair values at the reporting date. Fair values for fixed-rate CDs are estimated using a discounted cash flow calculation that applies interest rates currently being offered on certificates to a schedule of aggregated expected monthly maturities for time deposits.

*Borrowings and subordinated debentures* – The fair values disclosed for borrowings are determined based on contractual repayments discounted based on current borrowing rates for similar instruments.

**Lewis & Clark Bancorp and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**(dollars in thousands, except per-share amounts)**

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*Off-balance-sheet instruments* – The Bancorp’s off-balance-sheet instruments include unfunded commitments to extend credit and standby letters of credit. The fair value of these instruments is not considered practicable to estimate because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs.

**Subsequent events** – Subsequent events are events or transactions that occur after the balance sheet date but before consolidated financial statements are issued. The Bancorp recognizes in its consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the consolidated financial statements. The Bancorp’s consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet, but arose after the balance sheet date and before the consolidated financial statements are available to be issued. See Note 18 for subsequent events.

The Bancorp has evaluated subsequent events through June 24, 2025, the date the consolidated financial statements were available to be issued.

**Lewis & Clark Bancorp and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
(dollars in thousands, except per-share amounts)

**Note 2 – Investment Securities**

The amortized cost and estimated fair value of investment securities available for sale are as follows:

	December 31, 2024				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses on Securities	Estimated Fair Value
Corporate subordinated note	\$ 1,500	\$ -	\$ (124)	\$ -	\$ 1,376
Mortgage-backed securities and collateralized mortgage obligations	56,501	94	(988)	-	55,607
U.S. Treasury securities	59,804	-	(2,583)	-	57,221
Agency securities	24,769	-	(2,061)	-	22,708
	<u>\$ 142,574</u>	<u>\$ 94</u>	<u>\$ (5,756)</u>	<u>\$ -</u>	<u>\$ 136,912</u>
	December 31, 2023				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses on Securities	Estimated Fair Value
Corporate subordinated note	\$ 1,500	\$ -	\$ (225)	\$ -	\$ 1,275
Mortgage-backed securities and collateralized mortgage obligations	63,180	-	(1,630)	-	61,550
U.S. Treasury securities	59,602	-	(4,186)	-	55,416
Agency securities	25,448	-	(2,552)	-	22,896
	<u>\$ 149,730</u>	<u>\$ -</u>	<u>\$ (8,593)</u>	<u>\$ -</u>	<u>\$ 141,137</u>

At December 31, 2024, the Bancorp had no investment securities in a loss position for less than 12 months and 18 investment securities in an unrealized loss position for greater than 12 months. At December 31, 2023, the Bancorp had 15 investment securities in a loss position for less than 12 months and 11 investment securities in an unrealized loss position for greater than 12 months. The Bancorp evaluated the unrealized losses and determined that the declines in value were temporary and related to the change in market interest rates since the date of purchase.

There are \$87,461 and \$13,788 in investment securities pledged to secure borrowings with the FHLB and Federal Reserve Discount Window at December 31, 2024, respectively. There are \$89,186 in investment securities pledged to secure borrowings with the Federal Reserve Discount Window and Bank Term Funding Program at December 31, 2023.

**Lewis & Clark Bancorp and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**(dollars in thousands, except per-share amounts)**

Gross unrealized losses and fair value by length of time that the individual investments have been in a continuous unrealized loss position at December 31, 2024 and 2023, are as follows:

December 31, 2024

	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Corporate subordinated note	\$ -	\$ -	\$ 1,376	\$ (124)	\$ 1,376	\$ (124)
Mortgage-backed securities and collateralized mortgage obligations	-	-	32,054	(988)	32,054	(988)
U.S. Treasury securities	-	-	57,221	(2,583)	57,221	(2,583)
Agency securities	-	-	22,708	(2,061)	22,708	(2,061)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,359</u>	<u>\$ (5,756)</u>	<u>\$ 113,359</u>	<u>\$ (5,756)</u>

December 31, 2023

	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Corporate subordinated note	\$ -	\$ -	\$ 1,275	\$ (225)	\$ 1,275	\$ (225)
Mortgage-backed securities and collateralized mortgage obligations	53,844	(478)	7,706	(1,152)	61,550	(1,630)
U.S. Treasury securities	-	-	55,416	(4,186)	55,416	(4,186)
Agency securities	3,603	(33)	19,293	(2,519)	22,896	(2,552)
	<u>\$ 57,447</u>	<u>\$ (511)</u>	<u>\$ 83,690</u>	<u>\$ (8,082)</u>	<u>\$ 141,137</u>	<u>\$ (8,593)</u>

The amortized cost and estimated fair value of investment securities available for sale as of December 31, 2024, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Available-for-Sale Securities	
	Amortized Cost	Estimated Fair Value
Due in one year or less	\$ 29,825	\$ 28,923
Due after one year through five years	46,805	43,797
Due after five years through ten years	20,149	19,305
Due after ten years	45,795	44,887
	<u>\$ 142,574</u>	<u>\$ 136,912</u>

**Lewis & Clark Bancorp and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
(dollars in thousands, except per-share amounts)

**Note 3 – Loans, Net of Allowance for Credit Losses and Unearned Income**

The loan portfolio consists of the following major loan types as of December 31, which includes loan premiums or discounts upon acquisition:

	2024	2023
Real estate		
Construction and land development	\$ 13,142	\$ 10,611
Commercial and multi-family residential	111,512	119,061
Single-family residential	7,390	7,936
Commercial and industrial	19,260	18,944
Consumer and other	2,169	1,658
	153,473	158,210
Allowance for credit losses	(1,884)	(2,166)
Unearned income	(359)	(435)
Loans, net of allowance for credit losses and unearned income	\$ 151,230	\$ 155,609

Loans with an unpaid principal balance outstanding of \$85,131 and \$92,804 were pledged to secure borrowings with the FHLB at December 31, 2024 and 2023, respectively.

The following tables represent the activity in the allowance for credit losses by loan category as of and for the years ended December 31, 2024 and 2023:

	December 31, 2024					
	Construction and Land Development	Commercial and Multi-Family Residential	Single-Family Residential	Commercial and Industrial	Consumer and Other	Total
Allowance for credit losses						
Beginning balance	\$ 64	\$ 1,844	\$ 87	\$ 171	\$ -	\$ 2,166
Provision/recapture	(26)	(221)	(14)	108	-	(153)
Charge-offs	-	-	-	(129)	-	(129)
Recoveries	-	-	-	17	-	17
Transfers	(1)	(13)	(1)	(2)	-	(17)
Ending balance	\$ 37	\$ 1,610	\$ 72	\$ 165	\$ -	\$ 1,884

	December 31, 2023					
	Construction and Land Development	Commercial and Multi-Family Residential	Single-family Residential	Commercial and Industrial	Consumer and Other	Total
Allowance for credit losses						
Beginning balance	\$ 149	\$ 1,524	\$ 51	\$ 604	\$ -	\$ 2,328
Provision/recapture	(75)	432	43	(400)	-	-
Charge-offs	-	-	-	(17)	-	(17)
Recoveries	-	-	-	1	-	1
Transfers	(10)	(112)	(7)	(17)	-	(146)
Ending balance	\$ 64	\$ 1,844	\$ 87	\$ 171	\$ -	\$ 2,166

**Lewis & Clark Bancorp and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**(dollars in thousands, except per-share amounts)**

Past-due loans are loans for which principal and interest were not paid timely according to the contractual payment date. Loans are classified as nonaccrual if the collection of principal and interest is doubtful. The following tables represent loans past due along with loans on nonaccrual status by loan category at December 31, 2024 and 2023:

		December 31, 2024						
		30–59 Days Past Due	60–89 Days Past Due	90 Days or More Past Due	Total Past Due	Current	Total Loans	Nonaccrual
Real estate								
	Construction and land development	\$ -	\$ -	\$ -	\$ -	\$ 13,142	\$ 13,142	\$ -
	Commercial and multi-family residential	-	-	-	-	111,512	111,512	-
	Single-family residential	-	-	-	-	7,390	7,390	-
	Commercial and industrial	-	-	-	-	19,260	19,260	-
	Consumer and other	83	38	-	121	2,048	2,169	-
	<b>Total</b>	<b>\$ 83</b>	<b>\$ 38</b>	<b>\$ -</b>	<b>\$ 121</b>	<b>\$ 153,352</b>	<b>\$ 153,473</b>	<b>\$ -</b>

  

		December 31, 2023						
		30–59 Days Past Due	60–89 Days Past Due	90 Days or More Past Due	Total Past Due	Current	Total Loans	Nonaccrual
Real estate								
	Construction and land development	\$ -	\$ -	\$ -	\$ -	\$ 10,611	\$ 10,611	\$ -
	Commercial and multi-family residential	-	-	-	-	119,061	119,061	-
	Single-family residential	-	-	-	-	7,936	7,936	-
	Commercial and industrial	-	-	-	-	18,944	18,944	-
	Consumer and other	67	40	19	126	1,532	1,658	-
	<b>Total</b>	<b>\$ 67</b>	<b>\$ 40</b>	<b>\$ 19</b>	<b>\$ 126</b>	<b>\$ 158,084</b>	<b>\$ 158,210</b>	<b>\$ -</b>

The Bancorp's risk rating methodology assigns risk ratings ranging from 1 to 10, where a higher rating represents higher risk. The assignment of a risk rating is done on the individual loan basis. Loans are graded from inception and on a continuing basis until the debt is repaid.

The 10 risk rating categories can generally be described by the following groupings:

**Pass** – Credit exposure in this category ranges between the highest credit quality (1) to watch (6). These loans are protected by collateral and have adequate sources of repayment.

**Special Mention** – Special Mention assets have potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the asset at some future date. Special Mention assets are not adversely classified and do not expose the Bancorp to sufficient risk to warrant an adverse classification.

**Substandard** – Assets classified Substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Assets so classified must have a well-defined weakness or weaknesses. They are characterized by the distinct possibility that the Bancorp will sustain some loss, if the deficiencies are not corrected.

**Doubtful** – Assets classified Doubtful have all the weaknesses inherent in those classified Substandard, with the added characteristic of weakness that makes collection or liquidation in full, on the basis of currently existing facts, condition, and values, highly questionable and improbable. The actual asset, net of charge off, is typically classified Substandard, depending on the risk exposure of the remaining balance.

**Lewis & Clark Bancorp and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**(dollars in thousands, except per-share amounts)**

Loss – The portion of an asset classified Loss is considered uncollectible and of such little value that continuance as bankable assets, without establishment of a specific valuation allowance or charge off, is not warranted. This classification does not necessarily mean that an asset has absolutely no recovery or salvage value, but rather, it is not practical or likely appropriate to defer writing off a basically worthless asset (or portion) even though partial recovery may be affected in the future. There is little or no prospect for near-term improvement and no realistic strengthening action of significance pending. The actual asset, net of charge off, is typically classified Substandard depending on the risk exposure of the remaining balance.

Loans with a risk rating of Special Mention to Loss are considered by the Bancorp as Classified loans.

The following tables represent risk rating classification by loan type at December 31, 2024 and 2023:

	December 31, 2024						Total
	Term Loans Amortized Cost Basis by Origination Year						
	2024	2023	2022	2021	2020	Prior	
Construction and land development							
Pass	\$ 11,571	\$ 1,096	\$ -	\$ -	\$ -	\$ 475	\$ 13,142
Classified	-	-	-	-	-	-	-
Total construction and land development	<u>11,571</u>	<u>1,096</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>475</u>	<u>13,142</u>
Commercial and multi-family residential							
Pass	4,553	3,640	8,095	11,049	11,321	72,854	111,512
Classified	-	-	-	-	-	-	-
Total commercial and multi-family residential	<u>4,553</u>	<u>3,640</u>	<u>8,095</u>	<u>11,049</u>	<u>11,321</u>	<u>72,854</u>	<u>111,512</u>
Single-family residential							
Pass	-	1,228	687	2,209	554	2,712	7,390
Classified	-	-	-	-	-	-	-
Total single-family residential	<u>-</u>	<u>1,228</u>	<u>687</u>	<u>2,209</u>	<u>554</u>	<u>2,712</u>	<u>7,390</u>
Commercial and industrial							
Pass	2,407	562	3,976	1,465	4,541	4,809	17,760
Classified	600	900	-	-	-	-	1,500
Total commercial and industrial	<u>3,007</u>	<u>1,462</u>	<u>3,976</u>	<u>1,465</u>	<u>4,541</u>	<u>4,809</u>	<u>19,260</u>
Consumer and other							
Pass	2,169	-	-	-	-	-	2,169
Classified	-	-	-	-	-	-	-
Total consumer and other	<u>2,169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,169</u>
Total loans							
Pass	20,700	6,526	12,758	14,723	16,416	80,850	151,973
Classified	600	900	-	-	-	-	1,500
Total	<u>\$ 21,300</u>	<u>\$ 7,426</u>	<u>\$ 12,758</u>	<u>\$ 14,723</u>	<u>\$ 16,416</u>	<u>\$ 80,850</u>	<u>\$ 153,473</u>

**Lewis & Clark Bancorp and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**(dollars in thousands, except per-share amounts)**

	December 31, 2023						Total
	Term Loans Amortized Cost Basis by Origination Year						
	2023	2022	2021	2020	2019	Prior	
Construction and land development							
Pass	\$ 5,335	\$ 4,833	\$ -	\$ 390	\$ -	\$ 53	\$ 10,611
Classified	-	-	-	-	-	-	-
Total construction and land development	5,335	4,833	-	390	-	53	10,611
Commercial and multi-family residential							
Pass	4,774	10,281	12,769	11,421	9,465	63,603	112,313
Classified	-	-	-	-	711	6,037	6,748
Total commercial and multi-family residential	4,774	10,281	12,769	11,421	10,176	69,640	119,061
Single-family residential							
Pass	1,367	696	1,940	596	-	3,337	7,936
Classified	-	-	-	-	-	-	-
Total single-family residential	1,367	696	1,940	596	-	3,337	7,936
Commercial and industrial							
Pass	1,898	4,945	1,648	4,755	1,804	3,532	18,582
Classified	-	-	-	-	151	461	612
Total commercial and industrial	1,898	4,945	1,648	4,755	1,955	3,993	19,194
Consumer and other							
Pass	1,656	-	-	-	-	2	1,658
Classified	-	-	-	-	-	-	-
Total consumer and other	1,656	-	-	-	-	2	1,658
Total loans							
Pass	14,780	20,755	16,357	17,162	11,269	70,527	150,850
Classified	-	-	-	-	862	6,498	7,360
Total	<u>\$ 14,780</u>	<u>\$ 20,755</u>	<u>\$ 16,357</u>	<u>\$ 17,162</u>	<u>\$ 12,131</u>	<u>\$ 77,025</u>	<u>\$ 158,210</u>

There were no individually evaluated loans classified as modified loans for borrowers experiencing financial difficulty as of December 31, 2024 and 2023. There were no loans modified within the previous 12 months for which there was a payment default during the years ended December 31, 2024 and 2023, and there were no loans modified for borrowers experiencing financial difficulty during the years ended December 31, 2024 and 2023.

**Lewis & Clark Bancorp and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
(dollars in thousands, except per-share amounts)

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**Note 4 – Fixed Assets**

The composition of fixed assets as of December 31 is summarized as follows:

	2024	2023
Land	\$ 2,828	\$ 2,828
Building	4,749	4,753
Leasehold improvements	49	118
Furniture, fixtures, and equipment	945	910
Total fixed assets	8,571	8,609
Less accumulated depreciation and amortization	(1,916)	(1,783)
Fixed assets, net of accumulated depreciation	\$ 6,655	\$ 6,826

Depreciation and amortization expense was \$252 and \$278 for the years ended December 31, 2024 and 2023, respectively.

**Note 5 – Accrued Interest Receivable and Other Assets**

The composition of accrued interest receivable and other assets as of December 31 is summarized as follows:

	2024	2023
Accrued interest receivable	\$ 915	\$ 972
Prepaid expenses	564	597
Deferred income tax assets, net	2,874	3,540
Other assets	437	634
	\$ 4,790	\$ 5,743

**Note 6 – Time Deposits**

Time certificates of deposit of \$250 or greater totaled to \$4,365 and \$3,807 as of December 31, 2024 and 2023, respectively.

**Lewis & Clark Bancorp and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**(dollars in thousands, except per-share amounts)**

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At December 31, 2024, scheduled maturities of all time certificates of deposit are as follows:

Years Ending December 31,	
2025	\$ 12,729
2026	2,497
2027	600
2028	127
2029	843
Thereafter	-
	<hr/>
	<u>\$ 16,796</u>

**Note 7 – Lines of Credit, Subordinated Debt, and Borrowing Agreements**

The Bancorp had federal funds line-of-credit agreements with three financial institutions as of December 31, 2024. The maximum borrowings available under these lines totaled \$13,200 as of December 31, 2024, and are subject to renewal on an annual basis. These lines are unsecured and are intended to support short-term liquidity needs, and the agreements may restrict consecutive day usage. There were no balances outstanding under federal fund lines of credit as of December 31, 2024 or 2023.

The Bancorp, as a member of the FHLB of Des Moines, has entered into an “Advances, Security and Deposit Agreement,” which provides a credit arrangement with the FHLB. Borrowings under the credit arrangement are collateralized by pledged loans. At December 31, 2024 and 2023, the Bancorp’s maximum borrowing capacity with the FHLB was \$132,893 and \$56,265, respectively, which provided the Bancorp with \$67,893 and \$53,240, respectively, in excess borrowing capacity. As of December 31, 2024 and 2023, the Bancorp had letters of credit in the amount of \$3,486 and \$3,025, respectively, with the FHLB used to secure public funds as required by law or regulation. As of December 31, 2024, the Bancorp had \$65,000 of borrowings outstanding with a rate of 4.5% and maturing in June 2025. As of December 31, 2023, the Bancorp had no FHLB borrowings outstanding.

On March 12, 2023, the Federal Reserve established the Bank Term Funding Program (BTFP) to make available additional funding to eligible depository institutions to help assure banks have the ability to meet the needs of all their depositors. The program was intended to be an additional source of liquidity against high quality securities valued at par, eliminating the Bancorp’s need to quickly sell securities in times of stress. The BTFP offered loans of up to one year in length to banks pledging U.S. treasuries, agency debt and mortgage-backed securities, and other qualifying assets as collateral. The BTFP program was terminated during the year ended December 31, 2024. As of December 31, 2023, the Bancorp had \$80,000 outstanding.

On September 30, 2020, the Bancorp issued \$7,000 in fixed-to-floating subordinated debentures that mature on September 30, 2030. The subordinated debentures bear a fixed interest rate of 6.00% until September 30, 2025, and a floating interest rate equal to a benchmark rate, which is expected to be the three-month Secured Overnight Financing Rate plus 587.5 basis points, thereafter until maturity. The transaction resulted in debt issuance costs of approximately \$128 that is amortized on a straight-line basis over five years. The Bancorp amortized \$25 in 2024 and 2023 and there was \$19 remaining at December 31, 2024.

**Lewis & Clark Bancorp and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**(dollars in thousands, except per-share amounts)**

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As of December 31, 2024, the liability outstanding of the subordinated debentures, net of unamortized debt issuance costs, was \$6,981. The Bancorp may, at its option, redeem the debentures, in whole or in part, on a semi-annual basis beginning on September 30, 2025, subject to prior approval by the Federal Reserve, if such approval is required at that time. The subordinated notes qualify as Tier 2 capital for regulatory purposes.

**Note 8 – Income Taxes**

The income tax (benefit) expense consists of the following:

	2024	2023
Current payable		
Federal	\$ -	\$ (21)
State	65	160
	65	139
Deferred tax expense (benefit)		
Federal	(71)	(729)
State	(54)	(268)
	(125)	(997)
(Benefit) Provision for income taxes	\$ (60)	\$ (858)

The provision for current income taxes is different from that computed by applying the statutory rates for the years ended December 31, 2024 and 2023, as follows:

	2024		2023	
Federal tax at statutory rates	\$ (1)	21.00%	\$ (727)	21.00%
State income taxes, net of federal effect	4	-214.60%	(141)	4.07%
Nondeductible expenses	25	-1486.63%	27	-0.77%
Nontaxable income	(86)	5196.95%	(76)	2.20%
Other	(2)	128.13%	59	-1.69%
	\$ (60)	3644.85%	\$ (858)	24.80%

**Lewis & Clark Bancorp and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**(dollars in thousands, except per-share amounts)**

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Deferred income taxes represent the tax effect of differences in timing between financial statement income and taxable income. The net deferred tax assets, recorded among other assets, in the accompanying consolidated balance sheets as of December 31 include the following components:

	2024	2023
Deferred tax assets		
Allowance for credit losses	\$ 476	\$ 514
Net operating loss	1,042	925
Lease liability	9	17
Accrued benefits	141	204
Stock-based compensation	45	45
Unfunded loan commitment allowance	54	49
Unrealized loss on available-for-sale securities	1,539	2,317
Other	65	48
Total deferred tax assets	3,371	4,119
Deferred tax liabilities		
Accumulated depreciation	(260)	(326)
Loan origination costs	(166)	(165)
Right-of-use asset	(8)	(16)
Prepaid expenses	(63)	(61)
Passthrough investments	-	(11)
Total deferred tax liabilities	(497)	(579)
Net deferred tax asset	\$ 2,874	\$ 3,540

Management determined, based upon the Bancorp's future projections that the deferred tax assets will be realized, and determined that no valuation allowance is necessary at December 31, 2024 or 2023.

At December 31, 2024 and 2023, the Bancorp had federal net operating loss carryforwards of approximately \$3,894 and \$3,479, respectively. These net operating loss carryforwards offset up to 80% of the federal taxable income and do not expire.

**Lewis & Clark Bancorp and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
(dollars in thousands, except per-share amounts)

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**Note 9 – Earnings per Share**

The following table illustrates the computations of basic and diluted earnings per share for the years ended December 31, 2024 and 2023:

	Net Income (Numerator)	Weighted- Average Shares (Denominator)	Per-Share Amount
December 31, 2024			
Basic earnings per share	<u>59</u>	<u>1,062,358</u>	<u>\$ 0.06</u>
Effect of dilutive restricted shares	<u></u>	<u>11,674</u>	<u>(0.01)</u>
Diluted earnings per share	<u>59</u>	<u>1,074,032</u>	<u>\$ 0.05</u>
December 31, 2023			
Basic and diluted loss per share	<u>(2,603)</u>	<u>1,062,355</u>	<u>\$ (2.45)</u>

Anti-dilutive shares are 0 and 10,812 for December 31, 2024 and 2023, respectively.

**Note 10 – Transactions with Related Parties**

Certain directors, executive officers, and principal stockholders are customers of and have had banking transactions with the Bancorp. Such transactions were made in the ordinary course of business on substantially the same terms and conditions, including interest rates and collateral, as those prevailing at the same time for comparable transactions with other customers, and did not, in the opinion of management, involve more than normal credit risk or present other unfavorable features.

During 2024 and 2023, there were no new loans made to related parties. As of December 31, 2024 and 2023, there were no related party loans outstanding. The Bancorp held related party deposits of \$1,041 and \$1,802 at December 31, 2024 and 2023, respectively.

**Note 11 – Financial Instruments with Off-Balance-Sheet Risk**

In the normal course of business to meet the financing needs of its customers, the Bancorp becomes a party to financial instruments with off-balance-sheet risk. These financial instruments include commitments to extend credit and the issuance of letters of credit. These instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated balance sheets. The contract amounts of those instruments reflect the extent of involvement the Bancorp has in particular classes of financial instruments.

The Bancorp's exposure to credit loss, in the event of nonperformance by the other party to the financial instrument for commitments to extend credit and letters of credit, is represented by the contractual amount of those instruments. The Bancorp uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments.

**Lewis & Clark Bancorp and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**(dollars in thousands, except per-share amounts)**

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Commitments to extend credit are agreements to lend to customers, as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since some of the commitments are expected to expire without being drawn upon, total commitment amounts do not necessarily represent future cash requirements. The amount of collateral obtained, if deemed necessary by the Bancorp upon extension of credit, is based on management's credit evaluation of the counterparty. Collateral held varies but may include accounts receivable, inventory, property and equipment, and income-producing properties.

Letters of credit written are conditional commitments issued by the Bancorp to guarantee the performance of a customer to a third party. Those guarantees are primarily issued to support private borrowing arrangements. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. The Bancorp may hold cash, marketable securities, or real estate as collateral supporting those commitments for which collateral is deemed necessary.

The notional amount of the Bancorp's financial instruments with off-balance-sheet risk as of December 31, 2024 and 2023, consisted of commitments to extend credit totaling \$28,260 and \$27,013, respectively, and letters of credit totaling \$100 and \$200, respectively.

The Bancorp provides custodial services to various clients of an unaffiliated fintech, including the maintenance of omnibus accounts held at unaffiliated insured depository institutions. These omnibus accounts represent aggregated individual accounts owned by the clients of the fintech. The Bancorp does not have the use of the funds and has no ability to direct the funds. As of December 31, 2024 and 2023, the Bancorp acted in this capacity for \$7,887,428 and \$7,011,430, respectively, of such omnibus accounts on behalf of clients of unaffiliated fintech. These funds are not included in the Bancorp's balance sheet, as the Bancorp does not have control over the funds and they are considered deposits of other insured depository institutions. However, the Bancorp acknowledges its custodial responsibilities and any associated liabilities or risks in relation to these accounts.

**Note 12 – Concentrations of Credit Risk**

The Bancorp maintains balances in correspondent bank accounts that, at times, may exceed federally insured limits. Management believes that its risk of loss associated with such balances is minimal due to the financial strength of the correspondent banks. The Bancorp has not experienced any losses in its correspondent bank accounts.

A majority of the Bancorp's loans and commitments have been granted to customers in the Bancorp's market area. The distribution of commitments to extend credit is expected to approximate the distribution of loans outstanding. Concentrations of credit by type of loan are set forth in Note 3. The Bancorp's loan policies do not allow the extension of credit to any single borrower or group of related borrowers in excess of the Bancorp's legal lending limit, as defined in state banking regulations.

**Lewis & Clark Bancorp and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**(dollars in thousands, except per-share amounts)**

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**Note 13 – Commitments and Contingencies**

**Operating leases** – The Bancorp leases one location in Astoria, Oregon, under an operating lease agreement that expires on December 31, 2025. The Bancorp also leases certain office equipment under operating lease agreements through 2027. Future minimum lease payments for all noncancelable operating leases are as follows:

Year Ending December 31,		
2025	\$	53
2026		9
2027		5
2028		-
2029		-
		<hr/>
Total	\$	<u>67</u>

Total rental expense associated with branch premises and office equipment was approximately \$41 and \$51 for the years ended December 31, 2024 and 2023, respectively.

Total rental income from subleasing was \$96 and \$100 for the years ended December 31, 2024 and 2023, respectively. The Bank has commitments from tenants under operating leases for \$8 per month through July 2025.

**Legal contingencies** – The Bancorp, in the ordinary course of business, may become a defendant in certain claims and legal actions. In the opinion of management, after consultation with legal counsel, there are no matters or potential claims presently known to the Bancorp that are expected to have a material adverse effect on the financial condition or results of operations of the Bancorp.

**Other commitments** – BankEvo entered into a Series A-1 Preferred Stock Purchase Agreement dated February 23, 2023 with a third party, to which BankEvo agreed to purchase 7,986,668 Series A-1 Shares at a price of \$0.301 per share with a total cash investment of \$2,400, payable in eight quarterly installments. BankEvo has invested a total of \$1,800 under this agreement through December 31, 2024. Upon certain regulatory requirements met by Bancorp, the third party will also issue 253,452 warrants to purchase common stock, which has not yet occurred at December 31, 2024.

Of the \$1,800 invested as of December 31, 2024, 998,332 shares were issued for \$300. This amount is classified as equity investments and accounted for as a cost method investment using the measurement alternative election under ASC 321, *Investments – Equity Securities*. The remaining \$1,500 were invested through convertible promissory notes and are classified as loans at December 31, 2024.

**Lewis & Clark Bancorp and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**(dollars in thousands, except per-share amounts)**

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**Severance agreements** – Certain executives of the Bancorp are subject to an employment agreement that requires a payment upon a change in control or certain other events, as defined in the agreement. The payment is based upon a multiple of the executive’s compensation. As none of the events contemplated by these agreements were considered probable at the consolidated balance sheet date, no amounts have been accrued.

**Note 14 – Stock-Based Compensation Plan**

The Bancorp has a stock-based compensation plan that provides for the granting of stock options and restricted stock awards to eligible employees and directors. All options under the plan are exercisable at purchase prices, which approximate the fair value of the Bancorp’s common stock on the date of grant. Option exercise prices, number of shares granted to recipients, and durations for stock options are determined and approved by the Board of Directors.

There was no stock option activity for the year ended December 31, 2024.

The following table summarizes the restricted stock award activity for the years ended December 31, 2024 and 2023:

	Number of Shares	Weighted Average Per Share Grant Date Fair Value
	<u>          </u>	<u>          </u>
Unvested shares, December 31, 2023	10,812	\$ 24.00
Granted	3,067	26.00
Vested	-	-
Forfeited	-	-
	<u>          </u>	<u>          </u>
Unvested shares, December 31, 2024	<u>13,879</u>	<u>\$ 24.44</u>

The total fair value of restricted stock awards vested in 2024 and 2023 were \$0. As of December 31, 2024, unrecognized compensation expense related to unvested restricted stock awards was approximately \$110 and is expected to be recognized over a weighted-average period of 3.71 years.

Under the terms of the plan, holders of shares of unvested restricted stock have all the rights of a stockholder, including voting, dividend, and liquidation rights with respect to shares that have been issued and delivered.

**Lewis & Clark Bancorp and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**(dollars in thousands, except per-share amounts)**

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**Note 15 – Defined Contribution Plan and Other Compensation Arrangements**

The Bancorp sponsors a defined contribution and profit-sharing plan under the provisions of Section 401(k) of the IRC, whereby eligible employees may defer a portion of their gross wages. Employees eligible to participate in the plan must be at least 18 years of age and may contribute up to the maximum allowable by IRS statute. The Bancorp makes matching contributions of 100% of elective deferrals up to 4% of compensation, and makes discretionary profit-sharing contributions to the plan based on approval of the Board of Directors. Matching contributions vest immediately. Bancorp matching contributions during 2024 and 2023 were approximately \$222 and \$196, respectively. Discretionary contributions vest over a period of five years. The Bancorp did not make discretionary contributions for the years ended December 31, 2024 and 2023.

The Bancorp sponsors a nonqualified deferred compensation plan for one executive officer. Amounts are earned annually under a performance-based formula. Amounts are due upon termination, death, or disability. The Bancorp made \$34 and \$27 contributions to the plan during the years ended December 31, 2024 and 2023, respectively. The liability associated with the plan was \$465 and \$464 as of December 31, 2024 and 2023, respectively.

**Note 16 – Regulatory Matters**

The Bank is subject to various regulatory capital requirements administered by federal and state banking agencies. Failure to meet minimum requirements can initiate certain mandatory—and possibly additional discretionary—actions by regulators that, if undertaken, could have a direct material effect on a bank’s consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, banks must meet specific capital guidelines that involve quantitative measures of the bank’s assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. Capital amounts and classification are also subject to qualitative judgments by regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the following table) of total capital, Tier 1 capital, and common equity Tier 1 to risk-weighted assets, and of Tier 1 capital to average assets (as defined in the regulations).

As of the most recent notification from its regulatory agencies, the Bank was categorized as well-capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since that notification that management believes have changed the Bank’s regulatory capital category to which it is subject. Management believes, as of December 31, 2024, that the Bank meets all capital adequacy requirements to which it is subject.

The Bank is required to establish a “conservation buffer,” consisting of a common equity Tier 1 capital amount equal to 2.5% of risk-weighted assets. An institution that does not meet the conservation buffer requirement will be subject to restrictions on certain activities, including payment of dividends, stock repurchases, and discretionary bonuses to executive officers. At December 31, 2024 and 2023, the conservation buffer was 2.5% in excess of the minimum capital requirement of 6.5%, for a minimum common equity Tier 1 capital percentage of 9%, to prevent the foregoing restrictive provisions.

**Lewis & Clark Bancorp and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**(dollars in thousands, except per-share amounts)**

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Lewis & Clark Bancorp is a bank holding company registered with the Federal Reserve Board (FRB). Bank holding companies are subject to capital adequacy requirements of the FRB under the Bank Holding Company Act of 1956, as amended, and the regulations of the FRB. For a bank holding company with less than \$3.0 billion in assets, the capital guidelines apply on a bank-only basis, and the FRB expects the holding company's subsidiary bank to be well-capitalized under the prompt corrective action provisions.

The Bank's capital amounts and ratios as of December 31, 2024 and 2023, are as follows:

	Actual		Capital Adequacy Purposes		To Be Well-Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of December 31, 2024						
Total capital to risk-weighted assets	\$ 42,710	22.18%	\$ 15,404	>8.0%	\$ 19,255	>10.0%
Tier 1 capital to risk-weighted assets	40,770	21.17%	11,553	>6.0%	15,404	>8.0%
Tier 1 common to risk-weighted assets	40,770	21.17%	8,665	>4.5%	12,516	>6.5%
Tier 1 capital to average assets	40,770	11.20%	14,555	>4.0%	18,194	>5.0%
As of December 31, 2023						
Total capital to risk-weighted assets	\$ 42,166	21.98%	\$ 16,204	>8.0%	\$ 20,254	>10.0%
Tier 1 capital to risk-weighted assets	44,512	20.82%	12,153	>6.0%	16,204	>8.0%
Tier 1 common to risk-weighted assets	44,512	20.82%	9,114	>4.5%	13,165	>6.5%
Tier 1 capital to average assets	44,512	10.96%	15,394	>4.0%	19,242	>5.0%

**Note 17 – Fair Values of Assets and Liabilities**

Recurring assets are initially measured at fair value and are required to be remeasured at fair value in the consolidated financial statements at each reporting date. Assets measured on a nonrecurring basis are assets that, due to an event or circumstance, were required to be remeasured at fair value after initial recognition in the consolidated financial statements at some time during the reporting period.

**Lewis & Clark Bancorp and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**(dollars in thousands, except per-share amounts)**

The following tables disclose the estimated fair value and the related carrying value of all of the Bancorp's financial assets and liabilities at December 31, 2024 and 2023:

	2024			
	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial assets</b>				
Cash and cash equivalents	\$ 26,072	\$ 26,072	\$ -	\$ -
Federal funds sold	2,181	2,181	-	-
Investment securities available for sale, at fair value	136,912	-	136,912	-
Loans	153,473	-	-	150,525
<b>Financial liabilities</b>				
Time deposits	\$ 16,796	\$ -	\$ -	\$ 16,539
Borrowings	65,000	-	-	65,067
Subordinated notes, net	6,981	-	-	6,481
2023				
	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial assets</b>				
Cash and cash equivalents	\$ 43,970	\$ 43,970	\$ -	\$ -
Federal funds sold	25,775	25,775	-	-
Investment securities available for sale, at fair value	141,137	-	141,137	-
Loans	158,210	-	-	152,251
<b>Financial liabilities</b>				
Time deposits	\$ 19,307	\$ -	\$ -	\$ 19,177
Borrowings	80,000	-	-	80,000
Subordinated notes, net	6,956	-	-	6,481

Assets measured on a recurring basis included investment securities, which are carried at fair value.

Assets measured on a nonrecurring basis included equity securities of \$863 and \$1,100 at December 31, 2024 and 2023, respectively, which are measured at cost less impairment (if any). Impairment of \$28 and \$53 was recognized during the years ended December 31, 2024 and 2023, respectively.

**Note 18 – Subsequent Events**

On April 7, 2025, Lewis & Clark Bancorp and the Bank entered into a Purchase and Assumption Agreement with Marion and Polk Schools Credit Union (MAPS), whereby MAPS will purchase substantially all of the assets of the Bank and will assume substantially all of the liabilities of the Bank.

In 2025, the Bancorp began winding down certain strategic partnerships. As a result of this, channel partner deposits decreased by approximately \$30,000 through June 2025.

## **Supplementary Information**

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**Lewis & Clark Bancorp and Subsidiaries**  
**Consolidating Schedule – Balance Sheet**  
(dollars in thousands, except per-share amounts)

	December 31, 2024				
	Lewis & Clark Bank	BankEvo	Lewis & Clark Bancorp	Elim	Consolidated
<b>ASSETS</b>					
Cash and due from banks	\$ 26,072	\$ 287	\$ 845	\$ (1,132)	\$ 26,072
Federal funds sold	2,181	-	-	-	2,181
Total cash and cash equivalents	28,253	287	845	(1,132)	28,253
Investment securities available for sale	136,912	-	-	-	136,912
Equity securities and other investments	4,259	-	427	-	4,686
Investment in subsidiaries	-	-	37,509	(37,509)	-
Loans, net of allowance	149,872	-	1,358	-	151,230
Fixed assets, net of accumulated depreciation	6,655	-	-	-	6,655
Cash surrender value of bank-owned life insurance, net	10,999	-	-	-	10,999
Accrued interest receivable and other assets	4,662	70	96	(38)	4,790
Goodwill and intangible assets, net of accumulated amortization	615	4	-	-	619
Total assets	<u>\$ 342,227</u>	<u>\$ 361</u>	<u>\$ 40,235</u>	<u>\$ (38,679)</u>	<u>\$ 344,144</u>
<b>LIABILITIES</b>					
Deposits					
Noninterest-bearing demand	\$ 61,823	\$ -	\$ -	\$ (1,132)	\$ 60,691
Interest-bearing demand	46,138	-	-	-	46,138
Money market and savings accounts	113,667	-	-	-	113,667
Time deposits	16,796	-	-	-	16,796
Total deposits	238,424	-	-	(1,132)	237,292
Subordinated debentures, net	-	-	6,981	-	6,981
Borrowings	65,000	-	-	-	65,000
Accrued interest payable and other liabilities	1,540	117	203	(38)	1,822
Total liabilities	<u>304,964</u>	<u>117</u>	<u>7,184</u>	<u>(1,170)</u>	<u>311,095</u>
<b>COMMITMENTS AND CONTINGENCIES (Notes 11 and 13)</b>					
<b>STOCKHOLDERS' EQUITY</b>					
Common stock, no par value	31,560	1,400	36,255	(32,960)	36,255
Treasury stock at cost	-	-	(1,983)	-	(1,983)
Accumulated other comprehensive loss, net of tax	(4,134)	-	(4,134)	4,134	(4,134)
Retained earnings	9,837	(1,156)	2,913	(8,683)	2,911
Total stockholders' equity	<u>37,263</u>	<u>244</u>	<u>33,051</u>	<u>(37,509)</u>	<u>33,049</u>
Total liabilities and stockholders' equity	<u>\$ 342,227</u>	<u>\$ 361</u>	<u>\$ 40,235</u>	<u>\$ (38,679)</u>	<u>\$ 344,144</u>

**Lewis & Clark Bancorp and Subsidiaries**  
**Consolidating Schedule – Income Statement**  
**(dollars in thousands, except per-share amounts)**

	For the year ended December 31, 2024				
	Lewis & Clark Bank	BankEvo	Lewis & Clark Bancorp	Elim	Consolidated
<b>INTEREST INCOME</b>					
Interest and fees on loans	\$ 10,639	\$ -	\$ -	\$ -	\$ 10,639
Interest on investment securities	4,561	-	-	-	4,561
Interest on balances due from banks	2,617	-	-	-	2,617
Total interest income	17,817	-	-	-	17,817
<b>INTEREST EXPENSE</b>					
Interest on deposits	4,866	-	-	-	4,866
Other interest expense	3,805	-	445	-	4,250
Total interest expense	8,671	-	445	-	9,116
Net interest income before provision for credit losses	9,146	-	(445)	-	8,701
(RECAPTURE OF) PROVISION FOR CREDIT LOSSES	(295)	-	142	-	(153)
Net interest income after (recapture of) provision for credit losses	9,441	-	(587)	-	8,854
<b>NONINTEREST INCOME</b>					
Deposit service charges and other fee income	435	-	-	-	435
Change in cash surrender value of bank-owned life insurance	311	-	-	-	311
Loss on sale of available-for-sale securities	-	-	-	-	-
Other noninterest income	736	653	866	(870)	1,385
Total noninterest income	1,482	653	866	(870)	2,131
<b>NONINTEREST EXPENSE</b>					
Salaries and employee benefits	5,863	411	258	-	6,532
Professional fees	1,260	64	194	-	1,518
Data processing	796	-	-	-	796
Occupancy and equipment	443	2	-	-	445
Amortization expense	-	-	-	-	-
Insurance	154	-	-	-	154
Software license and maintenance	278	16	-	-	294
Other noninterest expenses	1,160	22	65	-	1,247
Total noninterest expense	9,954	515	517	-	10,986
(LOSS) INCOME BEFORE PROVISION FOR INCOME TAXES	969	138	(238)	(870)	(1)
(BENEFIT) PROVISION FOR INCOME TAXES	187	50	(297)	-	(60)
<b>NET INCOME</b>	<u>\$ 782</u>	<u>\$ 88</u>	<u>\$ 59</u>	<u>\$ (870)</u>	<u>\$ 59</u>