

**Marquette National Corporation and Subsidiaries**  
**Consolidated Financial Statements**  
**(Unaudited)**  
**June 30, 2024**

**Marquette National Corporation and Subsidiaries**  
**Financial Highlights**  
**(Unaudited)**

*(in thousands, except share and per share data)*

---

**Balance Sheet**

	<u>6/30/24</u>	<u>12/31/23</u>	<b>Percent Change</b>
Total assets	\$2,196,255	\$2,142,039	3%
Total loans, net	1,406,621	1,410,345	0%
Total deposits	1,748,837	1,709,750	2%
Total stockholders' equity	168,937	159,053	6%
Shares outstanding	4,380,744	4,381,162	0%
Book value per share	\$38.56	\$36.30	6%
Tangible book value per share	\$30.49	\$28.24	8%

---

**Operating Results**

	<b>Six Months Ended June 30,</b> <u>2024</u>	<u>2023</u>	<b>Percent Change</b>
Net interest income	\$22,486	\$25,660	-12%
Provision for credit losses	1,894	70	*
Realized securities gains (loss), net	1,261	(28)	*
Unrealized holding gains on equity securities and exchange traded funds	16,294	11,147	46%
Other income	8,264	7,628	8%
Other expense	28,533	28,129	1%
Income tax expense	4,645	4,176	11%
Net income	13,233	12,032	10%
Basic earnings per share	\$3.02	\$2.76	10%
Weighted average shares outstanding	4,381,037	4,366,222	0%
Cash dividends declared per share	\$0.56	\$0.56	0%
Comprehensive income	\$12,348	\$12,988	-5%

---

\* Not meaningful

**Marquette National Corporation and Subsidiaries**  
**Consolidated Balance Sheets**  
**(Unaudited)**  
*(in thousands, except share data)*

	<u>6/30/24</u>	<u>12/31/23</u>
<b>Assets</b>		
Cash and due from banks	\$ 34,395	\$ 29,517
Interest-bearing deposits with banks	152,196	131,048
Total cash and cash equivalents	<u>186,591</u>	<u>160,565</u>
Debt securities available for sale, at fair value (amortized cost of \$422,330 and \$405,670)	373,962	358,540
Debt securities held to maturity, at cost	1,460	1,463
Equity securities and exchange traded funds, at fair value	69,799	52,710
Federal Home Loan Bank and Federal Reserve Bank stock, at cost	7,921	7,851
Loans held for sale	1,528	2,294
Loans	1,422,722	1,424,611
Less: Allowance for credit losses	<u>(16,101)</u>	<u>(14,266)</u>
Loans, net	1,406,621	1,410,345
Premises and equipment, net	45,714	46,245
Bank owned life insurance	50,921	50,309
Goodwill	35,348	35,348
Other real estate owned	4,854	497
Accrued interest receivable and other assets	<u>11,536</u>	<u>15,872</u>
<b>Total assets</b>	<u><u>\$ 2,196,255</u></u>	<u><u>\$ 2,142,039</u></u>
<b>Liabilities</b>		
Deposits		
Noninterest-bearing	\$ 333,480	\$ 323,673
Interest-bearing	1,415,357	1,386,077
Total deposits	<u>1,748,837</u>	<u>1,709,750</u>
Securities sold under agreements to repurchase	111,097	108,170
Borrowed funds	92,000	92,000
Junior subordinated notes issued to capital trusts	56,702	56,702
Accrued interest payable and other liabilities	<u>18,682</u>	<u>16,364</u>
<b>Total liabilities</b>	<u>2,027,318</u>	<u>1,982,986</u>
<b>Stockholders' Equity</b>		
Preferred stock: \$.01 par value; shares authorized: 150,000		
at June 30, 2024 and December 31, 2023; shares issued: none at		
June 30, 2024 and December 31, 2023	-	-
Common stock: \$.01 par value; shares authorized: 6,000,000 at		
June 30, 2024 and December 31, 2023; shares issued: 4,380,744 at		
June 30, 2024 and 4,381,162 at December 31, 2023	44	44
Surplus	38,736	38,740
Retained earnings	164,735	153,962
Deferred compensation	1,466	1,277
Accumulated other comprehensive loss, net of tax	(34,578)	(33,693)
Less: Treasury stock, at cost, 46,025 shares in 2024 and 49,817 shares in 2023	<u>(1,466)</u>	<u>(1,277)</u>
<b>Total stockholders' equity</b>	<u>168,937</u>	<u>159,053</u>
<b>Total liabilities and stockholders' equity</b>	<u><u>\$ 2,196,255</u></u>	<u><u>\$ 2,142,039</u></u>

See accompanying notes to unaudited consolidated financial statements.

**Marquette National Corporation and Subsidiaries**  
**Consolidated Statements of Income**  
**(Unaudited)**

*(in thousands, except share and per share data)*

	<b>Six Months Ended June 30,</b>	
	<b><u>2024</u></b>	<b><u>2023</u></b>
<b>Interest and Dividend Income</b>		
Loans, including fees:		
Taxable	\$ 31,552	\$ 30,408
Exempt from federal income tax	1	2
Securities:		
Taxable	3,912	3,749
Exempt from federal income tax	176	333
Dividends	275	268
Federal Home Loan Bank and Federal Reserve Bank stock	362	215
Federal funds sold and interest-bearing deposits with banks	3,452	894
<b>Total interest income and dividends</b>	<u>39,730</u>	<u>35,869</u>
<b>Interest Expense</b>		
Deposits	11,477	5,266
Securities sold under agreements to repurchase	1,761	1,281
Borrowed funds	1,998	1,872
Junior subordinated notes issued to capital trusts	2,008	1,790
<b>Total interest expense</b>	<u>17,244</u>	<u>10,209</u>
<b>Net interest income</b>	22,486	25,660
Provision for credit losses	1,894	70
<b>Net interest income after provision for credit losses</b>	<u>20,592</u>	<u>25,590</u>
<b>Other Income</b>		
Service charges on deposit accounts	2,410	2,412
Income from trust services	936	977
Mortgage banking revenue, net	467	390
Wealth management product fees	1,001	997
Income from bank owned life insurance	1,408	747
Realized securities gains (loss), net	1,261	(28)
Unrealized holding gains on equity securities and exchange traded funds	16,294	11,147
Other operating income	2,042	2,105
<b>Total other income</b>	<u>25,819</u>	<u>18,747</u>
<b>Other Expense</b>		
Salaries and employee benefits	14,301	13,819
Net occupancy expense	3,610	3,566
Equipment expense	561	607
Other real estate owned expense, net	106	3
Data processing expense	2,554	2,414
Professional and legal services	1,185	1,132
Advertising and promotion expenses	492	558
FDIC insurance premiums	726	704
Other operating expenses	4,998	5,326
<b>Total other expense</b>	<u>28,533</u>	<u>28,129</u>
<b>Income before income taxes</b>	17,878	16,208
Income tax expense	4,645	4,176
<b>Net income</b>	<u>\$ 13,233</u>	<u>\$ 12,032</u>
Basic earnings per share	\$ 3.02	\$ 2.76
Weighted average shares outstanding	4,381,037	4,366,222

*See accompanying notes to unaudited consolidated financial statements.*

**Marquette National Corporation and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**(Unaudited)**  
*(in thousands)*

	<b>Six Months Ended June 30,</b>	
	<b><u>2024</u></b>	<b><u>2023</u></b>
<b>Net income</b>	<u>\$ 13,233</u>	<u>\$ 12,032</u>
<b>Other comprehensive income (loss):</b>		
Unrealized holding gains (loss) on debt securities arising during the period	(1,237)	1,305
Related tax effect	<u>352</u>	<u>(372)</u>
Unrealized gains (loss) on debt securities, net of tax	<u>(885)</u>	<u>933</u>
Reclassification adjustment for realized debt securities net loss during the period	-	(32)
Related tax effect	<u>-</u>	<u>9</u>
Net after tax reclassification adjustment	<u>-</u>	<u>(23)</u>
<b>Other comprehensive income (loss), net of tax</b>	<u>(885)</u>	<u>956</u>
<b>Comprehensive income</b>	<u><u>\$ 12,348</u></u>	<u><u>\$ 12,988</u></u>

*See accompanying notes to unaudited consolidated financial statements.*

# Marquette National Corporation and Subsidiaries

## Consolidated Statements of Changes in Stockholders' Equity

(Unaudited)

(in thousands, except share data)

	Common		Retained	Deferred	Accumulated Other Comprehensive	Treasury	
	<u>Stock</u>	<u>Surplus</u>	<u>Earnings</u>	<u>Compensation</u>	<u>(Loss)</u>	<u>Stock</u>	<u>Total</u>
<b>Balance, January 1, 2024</b>	<b>\$44</b>	<b>\$38,740</b>	<b>\$153,962</b>	<b>\$1,277</b>	<b>(\$33,693)</b>	<b>(\$1,277)</b>	<b>\$159,053</b>
Net income	-	-	13,233	-	-	-	13,233
Other comprehensive (loss), net of tax	-	-	-	-	(885)	-	(885)
Cash dividends declared on common stock	-	-	(2,453)	-	-	-	(2,453)
Cost of common shares repurchased (418 shares of common stock reverting to authorized unissued status)	-	(4)	(7)	-	-	-	(11)
Deferred compensation	-	-	-	189	-	(189)	-
<b>Balance, June 30, 2024</b>	<b>\$44</b>	<b>\$38,736</b>	<b>\$164,735</b>	<b>\$1,466</b>	<b>(\$34,578)</b>	<b>(\$1,466)</b>	<b>\$168,937</b>

*See accompanying notes to unaudited consolidated financial statements.*

**Marquette National Corporation and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**(Unaudited)**  
*(in thousands)*

	<b>Six Months Ended June 30,</b>	
	<b><u>2024</u></b>	<b><u>2023</u></b>
<b>Operating Activities</b>		
Net income	\$ 13,233	\$ 12,032
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred loan fees and costs, net	245	210
Premium amortization on securities, net	710	947
Provision for credit losses	1,894	70
Origination of loans held for sale	(22,408)	(19,988)
Proceeds from sale of loans originated for sale	23,641	16,716
Gain on sale of loans originated for sale	(467)	(390)
Earnings on bank owned life insurance	(1,399)	(747)
Realized securities (gains) losses, net	(1,261)	28
Unrealized holding (gains) on equity securities and exchange traded funds	(16,294)	(11,147)
Unrealized holding (gains) losses on equity options	707	-
Write down of premises transferred to other real estate owned	-	1,149
Depreciation and amortization	1,356	1,418
Loss (gain) on sale or disposal of premises and equipment	(6)	9
Gain on sales of other real estate owned	(13)	-
Deferred income tax benefit (expense)	(4,713)	(3,310)
Decrease in accrued interest receivable and other assets	4,267	3,860
Increase in accrued interest payable and other liabilities	6,107	3,372
<b>Net cash provided by operating activities</b>	<b><u>5,599</u></b>	<b><u>4,229</u></b>
<b>Investing Activities</b>		
Securities:		
Proceeds from maturities, pay downs and calls	21,242	24,439
Proceeds from sales	6,495	5,578
Purchases	(44,639)	(7,021)
Purchase of Federal Home Loan Bank stock	(71)	(397)
Net increase in loans	(3,270)	(18,151)
Proceeds from death benefit on bank-owned life insurance	795	-
Purchases of premises and equipment	(756)	(1,190)
Proceeds from sales of other real estate owned	511	-
Proceeds from sales of equity options	570	-
<b>Net cash (used in) provided by investing activities</b>	<b><u>(19,123)</u></b>	<b><u>3,258</u></b>
<b>Financing Activities</b>		
Net increase in deposits	39,087	20,567
Net increase in securities sold under agreements to repurchase	2,927	5,734
Net increase in borrowed funds	-	1,000
Cash dividends paid on common stock	(2,453)	(2,443)
Issuance of common stock	-	835
Repurchase of common stock	(11)	(54)
<b>Net cash provided by financing activities</b>	<b><u>39,550</u></b>	<b><u>25,639</u></b>
<b>Net increase in cash and cash equivalents</b>	<b><u>26,026</u></b>	<b><u>33,126</u></b>
<b>Cash and cash equivalents at beginning of period</b>	<b><u>160,565</u></b>	<b><u>53,852</u></b>
<b>Cash and cash equivalents at end of period</b>	<b><u>\$ 186,591</u></b>	<b><u>\$ 86,978</u></b>
<b>Supplemental disclosures:</b>		
Interest paid	\$ 16,557	\$ 9,090
Income taxes paid	-	(100)
<b>Supplemental schedule of non-cash investing and financing activities:</b>		
Loans transferred to other real estate owned	\$ 4,855	\$ -
Common stock cash dividends declared and unpaid	1,227	1,227

*See accompanying notes to unaudited consolidated financial statements.*

**Marquette National Corporation and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**

**NOTE 1 – General**

The unaudited consolidated financial statements of Marquette National Corporation and Subsidiaries (the "Company") have been prepared in accordance with United States generally accepted accounting principles ("GAAP") for interim financial information. Accordingly, they do not include all the information and footnotes required by GAAP for annual year-end financial statements.

All adjustments consisting of normal recurring accruals which are, in the opinion of management, necessary for fair presentation of the interim consolidated financial statements have been included and fairly and accurately present the financial position, results of operations and cash flows of the Company. These financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Company's Consolidated Financial Statements for the year ended December 31, 2023. Operating results for the six months ended June 30, 2024, are not necessarily indicative of the results that may be expected for the year ending December 31, 2024.