



PRESS RELEASE

FOR IMMEDIATE RELEASE

For More Information Contact:

Cheri Walz, Chief Financial Officer
720-764-9090
cwalz@solerabank.com

January 31, 2022

Solera National Bancorp Announces 2021 Fourth Quarter and Year-End Financial Results

LAKEWOOD, Colo., January 31, 2022 (ACCESSWIRE) -- Solera National Bancorp, Inc. (OTC:SLRK) ("Company"), the holding company for Solera National Bank ("Bank"), a business-focused bank primarily serving the Denver metropolitan area, today reported financial results for the three and twelve months ended December 31, 2021.

Highlights for the quarter and twelve-months ended December 31, 2021 include:

- Pre-tax, pre-provision income grew 66% year-over-year to \$16.2 million for the twelve months ended December 31, 2021, compared to \$9.8 million for the twelve months ended December 31, 2020.
- Net income increased 89% year over year to \$11.1 million for the twelve months ended December 31, 2021, compared to \$5.9 million for the year ended December 31, 2020.
- Cost of funds remained low for the year ended December 2021 at 15 basis points for the fourth quarter of 2021 and 17 basis points year-to-date 2021; this is a 47%, or 15 basis point, improvement over the 32 basis points cost of funds for the twelve-months ended December 31, 2021.
- The Company's efficiency ratio decreased to 35.66% for the year ended December 2021 compared to 41.16% for the year ended December 31, 2020.
- Traditional gross loans were at \$419.6 million for the year ended December 31, 2021, a 55% increase from \$271.1 million for the twelve-months ended December 31, 2020.
- Noninterest-bearing deposits rose 19%, or \$73.9 million, quarter-over-quarter and \$228.9 million, or 97%, year-over-year ending December 31, 2021 at \$464.1 million.
- Asset quality remains strong with criticized assets at 4.32% of total assets and nonperforming assets at 1.02% of total assets as of December 31, 2021.
- Return on average assets increased by 1.26 basis points to 2.86% for the year ended December 2021 compared to 1.63% for the year ended December 2020.
- Return on average equity increased by 114% to 28.56% year-over-year.

For the three months ended December 31, 2021, the Company reported net income of \$2.6 million, or \$0.61 per share, compared to \$3.4 million, or \$0.79 per share, for the third quarter of 2021 and \$1.9 million, or \$0.43 per share, for the three months ended December 31, 2020. The year ended December 31, 2021 with net income of \$11.1 million, or \$2.58 per share, compared to \$5.9 million, or \$1.42 per share, for the year ended December 31, 2020.

Cheri Walz, CFO, commented: *"We ended the year with the same momentum as our growth in the third quarter. Our fourth-quarter results were not only driven by an increase in loans but also from adding record levels of noninterest-bearing deposits. Our Bank is very focused on maintaining strong asset quality and we will continue to do so as we grow. Additionally, our efficient operations helped us to control overhead expenses which also contributes to the favorable results we continue to see."*

Total assets ended at \$651.2 million for the twelve months ended December 31, 2021, an increase of 50% compared to total assets of \$435.8 million as of December 31, 2020. Total deposits were \$587.9 million at December 31, 2021, an increase of 54% compared to total deposits of \$382.1 million at December 31, 2020. Net loans were \$462.2 million at December 31, 2021, an increase of 37% from net loans of \$337.7 million at December 31, 2020. After adjusting for



NATIONAL BANCORP, INC.

Paycheck Protection Program Loans, net loans were \$412.8 million at December 31, 2021, an increase of 55% from \$265.5 million at December 31, 2020. At December 31, 2021, the Bank had \$49.4 million in Paycheck Protection Program loans, net, as compared to \$72.1 million at December 31, 2020. The loans are considered short-term and are paid off by the Small Business Administration as the borrower(s) qualify for forgiveness. The outstanding balance of Paycheck Protection Program loans is expected to continue declining through the remainder of next year.

About Solera National Bancorp, Inc.

Solera National Bancorp, Inc. was incorporated in 2006 to organize and serve as the holding company for Solera National Bank, which opened for business in September 2007. Solera National Bank is a community bank serving the needs of emerging businesses and real estate investors. At the core of Solera National Bank is welcoming, attentive and respectful customer service, a focus on supporting a diverse economy, and a passion to serve our community through service, education and volunteerism. For more information, please visit <https://www.solerabank.com/>

This press release contains statements that may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The statements contained in this release, which are not historical facts and that relate to future plans or projected results of Solera National Bancorp, Inc. and its wholly owned subsidiary, Solera National Bank, are forward-looking statements. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected, anticipated or implied. We undertake no obligation to update or revise any forward-looking statement. Readers of this release are cautioned not to put undue reliance on forward-looking statements.

****FINANCIAL TABLES FOLLOW****



NATIONAL BANCORP, INC.

SOLERA NATIONAL BANCORP, INC.					
CONSOLIDATED BALANCE SHEETS					
(unaudited)					
(\$000s)	<u>12/31/2021</u>	<u>9/30/2021</u>	<u>6/30/2021</u>	<u>3/31/2021</u>	<u>12/31/2020</u>
ASSETS					
Cash and due from banks	\$ 4,124	\$ 2,714	\$ 2,525	\$ 2,418	\$ 4,384
Federal funds sold	12,000	15,000	2,700	2,000	6,200
Interest-bearing deposits with banks	1,251	1,267	880	828	807
Investment securities, available-for-sale	130,199	82,588	73,308	74,074	52,877
Investment securities, held-to-maturity	10,500	10,423	10,421	10,420	10,418
FHLB and Federal Reserve Bank stocks, at cost	2,853	1,626	2,330	2,766	1,322
Paycheck Protection Program (PPP) loans, gross	50,901	68,901	97,172	135,102	73,705
Net deferred (fees)/expenses, PPP loans	(1,493)	(2,165)	(3,118)	(3,781)	(1,520)
Net PPP loans	49,408	66,736	94,054	131,321	72,185
Traditional loans, gross	419,638	355,636	328,633	307,304	271,184
Net deferred (fees)/expenses, traditional loans	(422)	(846)	(688)	(850)	(782)
Allowance for loan and lease losses	(6,452)	(5,633)	(5,500)	(5,500)	(4,900)
Net traditional loans	412,764	349,157	322,445	300,954	265,502
Premises and equipment, net	18,830	12,939	13,019	13,093	13,155
Accrued interest receivable	2,756	2,334	2,080	2,444	1,886
Bank-owned life insurance	5,042	5,015	4,989	4,963	4,937
Other assets	1,450	2,086	3,241	5,839	2,119
TOTAL ASSETS	\$ 651,177	\$ 551,885	\$ 531,992	\$ 551,120	\$ 435,792
LIABILITIES AND STOCKHOLDERS' EQUITY					
Noninterest-bearing demand deposits	\$ 464,050	\$ 390,138	\$ 334,620	\$ 272,288	\$ 235,172
Interest-bearing demand deposits	11,071	12,809	15,979	15,487	12,576
Savings and money market deposits	93,937	66,444	89,223	107,202	83,399
Time deposits	18,860	19,678	27,647	50,207	50,999
Total deposits	587,918	489,069	467,469	445,184	382,146
Accrued interest payable	36	36	41	54	50
Short-term borrowings	-	—	4,735	34,133	—
Long-term FHLB borrowings	4,000	4,000	4,000	4,000	4,000
Accounts payable and other liabilities	294	2,804	1,589	18,828	1,566
TOTAL LIABILITIES	592,248	495,909	477,834	502,199	387,762
Common stock	43	43	43	43	43
Additional paid-in capital	38,748	38,748	38,748	38,668	38,518
Retained earnings	19,809	17,185	13,786	10,722	8,718
Accumulated other comprehensive (loss) gain	329	—	1,581	(512)	751
TOTAL STOCKHOLDERS' EQUITY	58,929	55,976	54,158	48,921	48,030
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 651,177	\$ 551,885	\$ 531,992	\$ 551,120	\$ 435,792



NATIONAL BANCORP, INC.

SOLERA NATIONAL BANCORP, INC.							
CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)							
	Three Months Ended					Twelve Months Ended	
	12/31/2021	9/30/2021	6/30/2021	3/31/2021	12/31/2020	12/31/2021	12/31/2020
(\$000s, except per share data)							
Interest and dividend income							
Interest and fees on traditional loans	\$ 4,426	\$ 3,498	\$ 3,298	\$ 3,005	\$ 2,792	\$ 14,227	\$ 10,470
Interest and fees on PPP loans	821	1,152	1,259	986	1,027	4,218	2,069
Investment securities	876	614	647	533	411	2,670	1,502
Dividends on bank stocks	19	17	29	26	15	91	62
Other		5	3	3	3	11	108
Total interest income	\$ 6,142	\$ 5,286	\$ 5,236	\$ 4,553	\$ 4,248	\$ 21,217	\$ 14,211
Interest expense							
Deposits	189	192	200	174	187	755	955
FHLLB & Fed borrowings	20	17	33	31	18	101	87
Total interest expense	209	209	233	205	205	856	1,042
Net interest income	5,933	5,077	5,003	4,348	4,043	20,361	13,169
Provision for loan and lease losses	837	149	5	605	782	1,596	2,147
Net interest income after provision for loan and lease losses	5,096	4,928	4,998	3,743	3,261	18,765	11,022
Noninterest income							
Customer service and other fees	264	250	353	206	135	1,073	422
Other income	118	118	114	114	115	464	448
Gain on sale of loan	—	—	—	—	84	—	84
Gain on sale of securities	278	1,392	462	48	316	2,180	1,476
Total noninterest income	660	1,760	929	368	650	3,717	2,430
Noninterest expense							
Employee compensation and benefits	1,189	1,279	1,085	811	891	4,364	3,576
Occupancy	174	175	165	155	106	669	420
Professional fees	115	92	65	56	34	328	163
Other general and administrative	665	695	603	484	383	2,447	1,619
Total noninterest expense	2,143	2,241	1,918	1,506	1,414	7,808	5,778
Net Income Before Taxes	\$ 3,613	\$ 4,447	\$ 4,009	\$ 2,605	\$ 2,497	\$ 14,674	\$ 7,674
Income Tax Expense	990	1,048	945	601	649	3,584	1,740
Net Income	\$ 2,623	\$ 3,399	\$ 3,064	\$ 2,004	\$ 1,848	\$ 11,090	\$ 5,934
Income Per Share	0.61	\$ 0.79	\$ 0.71	\$ 0.47	\$ 0.43	\$ 2.58	\$ 1.42
Tangible Book Value Per Share	13.70	\$ 13.02	\$ 12.60	\$ 11.40	\$ 11.23	\$ 13.02	\$ 11.23
WA Shares outstanding	4,299,953	4,299,953	4,298,634	4,291,286	4,276,953	4,297,216	4,184,786
Pre-Tax Pre-Provision Income	4,450	\$ 4,596	\$ 4,014	\$ 3,210	\$ 3,279	\$ 16,270	\$ 9,821
Net Interest Margin	4.05%	3.92 %	3.88 %	3.79 %	4.04 %	3.92 %	3.74 %
Cost of Funds	0.15%	0.17 %	0.19 %	0.19 %	0.22 %	0.17 %	0.32 %
Efficiency Ratio	33.94%	41.16 %	35.06 %	32.26 %	32.94 %	35.66 %	41.16 %
Return on Average Assets	1.74%	2.51 %	2.26 %	1.62 %	1.76 %	2.86 %	1.63 %
Return on Average Equity	18.26%	24.69 %	23.78 %	16.54 %	15.73 %	28.56 %	13.51 %
Community Bank Leverage Ratio (CBLR)	9.5%	10.3 %	9.6 %	10.1 %	11.3 %	9.5 %	11.3 %
Asset Quality:							
Non-performing loans to gross loans	1.58%	1.89 %	2.07 %	0.31 %	0.36 %		
Non-performing assets to total assets	1.02%	1.22 %	1.28 %	0.17 %	0.22 %		
Allowance for loan losses to gross traditional loans	1.54%	1.58 %	1.67 %	1.79 %	1.81 %		
Criticized loans/assets:							
Special mention	17,745	\$ 7,734	\$ 7,018	\$ 6,665	\$ 7,730		
Substandard: Accruing	3,766	4,729	4,772	10,666	10,709		
Substandard: Nonaccruing	6,630	6,710	6,796	955	970		
Doubtful	-	—	—	—	—		
Total criticized loans	28,141	\$ 19,173	\$ 18,586	\$ 18,286	\$ 19,409		
Other real estate owned	-	—	—	—	—		
Investment securities	-	—	—	—	—		
Total criticized assets	28,141	\$ 19,173	\$ 18,586	\$ 18,286	\$ 19,409		
Criticized assets to total assets	4.32%	3.47%	3.49%	3.32%	4.45%		