

COEUR D'ALENE BANCORP

Dear Shareholders,

We are pleased to present to you the 2024 financial results and operational highlights for Coeur d'Alene Bancorp. Despite the challenges posed by a dynamic economic landscape, we have navigated through the year with resilience, determination, and a strategic focus on sustaining growth while maintaining financial stability.

Financial Performance Overview:

Coeur d'Alene Bancorp reported a net income of \$1,475,207 or \$0.78 per share, compared to \$2,118,568 or \$1.12 per share for the previous year. The decline in earnings was anticipated due to continued high deposit and borrowing costs, coupled with increased overhead in an effort to achieve our long-term growth goals.

Despite the slight decline in earnings, we are encouraged by the robust loan demand, with growth of 12.6% during the year, contributing significantly to offsetting increased funding costs and added operational expenses. Deposit costs remained elevated for most of 2024 with some relief coming in the fourth quarter, positively affecting our NIM in Q4.

Operational Highlights:

In line with our strategic growth goals, we opened a loan production office in Spokane Valley early in 2024 with the goal of growing commercial loans in the greater Spokane market. We leased a full-service branch location in the 5 Mile area and began working with the landlord to renovate and complete tenant improvements. We were able to open the branch for business in January 2025. We are optimistic about the opportunities presented by this expansion and remain committed to serving the evolving needs of the region.

Financial Strength and Outlook:

Coeur d'Alene Bancorp maintains a solid financial foundation, characterized by robust capital levels and outstanding asset quality metrics. Our total assets were \$241.4 million as of December 31, 2024, a slight increase over the previous year, with a net book value per share of \$12.36. Our return on average assets (ROAA) for 2024 was 0.62%, while the return on average equity (ROAE) was 6.77%.

We anticipate a continued stable local economy in 2025 with continued loan and deposit growth. As rate pressure continues to ease, our net interest margin should expand, having a positive effect on net income. We continue to seek expansion opportunities in the inland northwest to capitalize on market consolidation. Furthermore, our consistent performance has enabled us to declare a cash dividend for the third consecutive year, underscoring our commitment to enhancing shareholder value.

In conclusion, I would like to express my gratitude to our shareholders, customers, and employees for their continued support and dedication. As we embark on the journey ahead, we remain steadfast in our commitment to driving sustainable growth, delivering exceptional customer experiences, and creating long-term value for all stakeholders.

Sincerely,

Wes Veach
President/CEO