

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 7, 2023

**FINWARD BANCORP**

(Exact name of registrant as specified in its charter)

Indiana  
(State or other jurisdiction of incorporation)

001-40999  
(Commission File Number)

35-1927981  
(IRS Employer Identification No.)

9204 Columbia Avenue  
Munster, Indiana 46321  
(Address of principal executive offices) (Zip Code)

(219) 836-4400  
(Registrant's telephone number, including area code)

N/A  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	FNWD	The NASDAQ Stock Market, LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 7.01.****Regulation FD Disclosure**

Finward Bancorp (the “Bancorp”) will present financial and other information to investors at the 2023 Raymond James U.S. Bank Conference in Chicago, Illinois. The slides for the presentation are attached as Exhibit 99.1 to this report and are incorporated by reference into this Item 7.01. This information is furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section. The filing of this report shall not be deemed an admission as to the materiality of any information in the report that is required to be disclosed solely by reason of Regulation FD.

***Forward-Looking Statements***

This press release may contain forward-looking statements regarding the financial performance, business prospects, growth and operating strategies of the Bancorp. For these statements, the Bancorp claims the protections of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Statements in this communication should be considered in conjunction with the other information available about the Bancorp, including the information in the filings the Bancorp makes with the SEC. Forward-looking statements provide current expectations or forecasts of future events and are not guarantees of future performance. The forward-looking statements are based on management’s expectations and are subject to a number of risks and uncertainties. Forward-looking statements are typically identified by using words such as “anticipate,” “estimate,” “project,” “intend,” “plan,” “believe,” “will” and similar expressions in connection with any discussion of future operating or financial performance.

Although management believes that the expectations reflected in such forward-looking statements are reasonable, actual results may differ materially from those expressed or implied in such statements. Risks and uncertainties that could cause actual results to differ materially include: difficulties and delays in integrating Finward’s and Royal’s businesses or fully realizing cost savings and other benefits; business disruption following the merger; changes in asset quality and credit risk; the inability to sustain revenue and earnings growth; changes in interest rates, market liquidity, and capital markets, as well as the magnitude of such changes, which may reduce net interest margins; inflation; further deterioration in the market value of securities held in the Bancorp’s investment securities portfolio, whether as a result of macroeconomic factors or otherwise; customer acceptance of the Bancorp’s products and services; customer borrowing, repayment, investment, and deposit practices; customer disintermediation; the introduction, withdrawal, success, and timing of business initiatives; competitive conditions; the inability to realize cost savings or revenues or to implement integration plans and other consequences associated with mergers, acquisitions, and divestitures; economic conditions; and the impact, extent, and timing of technological changes, capital management activities, and other actions of the Federal Reserve Board and legislative and regulatory actions and reforms. Additional factors that could cause actual results to differ materially from those expressed in the forward-looking statements are discussed in Finward’s reports (such as the Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K) filed with the SEC and available at the SEC’s Internet website ([www.sec.gov](http://www.sec.gov)). All subsequent written and oral forward-looking statements concerning matters attributable to Finward or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. Except as required by law, Finward does not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date the forward-looking statement is made.

In addition to the above factors, we also caution that the actual amounts and timing of any future common stock dividends or share repurchases will be subject to various factors, including our capital position, financial performance, capital impacts of strategic initiatives, market conditions, and regulatory and accounting considerations, as well as any other factors that our Board of Directors deems relevant in making such a determination. Therefore, there can be no assurance that we will repurchase shares or pay any dividends to holders of our common stock, or as to the amount of any such repurchases or dividends.

**Item 9.01.****Financial Statements and Exhibits.**

(d) Exhibits.

99.1 [Slide presentation for the Annual Meeting on September 7, 2023.](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: September 7, 2023

By: /s/ Peymon S. Torabi  
Name: Peymon S. Torabi  
Title: Executive Vice President, Chief  
Financial Officer and Treasurer

September 2023



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A NASDAQ Traded Company  
Symbol: FNWD  
September 2023

# Important Information

## Forward-Looking Statements

This presentation may contain forward-looking statements regarding the financial performance, business prospects, growth and operating strategies of Finward Bancorp ("FNWD"). For these statements, FNWD claims the protections of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Statements in this communication should be considered in conjunction with the other information available about FNWD, including the information in the filings FNWD makes with the Securities and Exchange Commission ("SEC"). Forward-looking statements provide current expectations or forecasts of future events and are not guarantees of future performance. The forward-looking statements are based on management's expectations and are subject to a number of risks and uncertainties. Forward-looking statements are typically identified by using words such as "anticipate," "estimate," "project," "intend," "plan," "believe," "will" and similar expressions in connection with any discussion of future operating or financial performance.

Although management believes that the expectations reflected in such forward-looking statements are reasonable, actual results may differ materially from those expressed or implied in such statements. Risks and uncertainties that could cause actual results to differ materially include: current financial conditions within the banking industry, including the effects of recent failures of other financial institutions, liquidity levels, and responses by the Federal Reserve Board, Department of the Treasury, and the Federal Deposit Insurance Corporation to address these issues; changes in asset quality and credit risk; the inability to sustain revenue and earnings growth; changes in interest rates, market liquidity, and capital markets, as well as the magnitude of such changes, which may reduce net interest margins; inflation; further deterioration in the market value of securities held in FNWD's investment securities portfolio, whether as a result of macroeconomic factors or otherwise; customer acceptance of FNWD's products and services; customer borrowing, repayment, investment, and deposit practices; customer disintermediation; the introduction, withdrawal, success, and timing of business initiatives; competitive conditions; the inability to realize cost savings or revenues or to implement integration plans and other consequences associated with mergers, acquisitions, and divestitures; economic conditions; and the impact, extent, and timing of technological changes, capital management activities, and other actions of the Federal Reserve Board and legislative and regulatory actions and reforms. Additional factors that could cause actual results to differ materially from those expressed in the forward-looking statements are discussed in FNWD's reports (such as the Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K) filed with the SEC and available at the SEC's Internet website ([www.sec.gov](http://www.sec.gov)). All subsequent written and oral forward-looking statements concerning matters attributable to FNWD or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. Except as required by law, FNWD does not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date the forward-looking statement is made.

In addition to the above factors, we also caution that the actual amounts and timing of any future common stock dividends or share repurchases will be subject to various factors, including our capital position, financial performance, capital impacts of strategic initiatives, market conditions, and regulatory and accounting considerations, as well as any other factors that our Board of Directors deems relevant in making such a determination. Therefore, there can be no assurance that we will repurchase shares or pay any dividends to holders of our common stock, or as to the amount of any such repurchases or dividends.

## Disclosures Regarding Non-GAAP Measures

This presentation refers to certain financial measures that are identified as non-GAAP. FNWD believes that these non-GAAP measures are helpful to investors to better understand FNWD's assets, earnings, and shareholders' equity at the date of this presentation. This supplemental information should not be considered in isolation or as a substitute for the related GAAP measures. See the attached table at the end of this presentation for a reconciliation of the non-GAAP measures identified herein and their most comparable GAAP measures.

# Finward Outlook



## Track Record of Expanding the Peoples Bank Franchise

- Community-focused across desirable markets in Northwest Indiana and well-diversified into Chicagoland area
- Have grown the bank from \$693 million to \$2.2 billion in assets over the last 10 years (10.9% CAGR)
- Demonstrated successful acquisition and integration of five banks and thrifts since 2014
- Strong deposit and lending presence in core markets



## Internal Focus to Strengthen the Business

- Actively managing customer relationships to help improve asset quality
- Improving key productivity measures
- Leveraging Salesforce to improve customer acquisition
- Initial stages of deploying AI



## Positioned for Opportunities

- Management goal is to build capital and increase returns while positioning for different economic and interest rate outcomes going forward
- Evaluating opportunities to optimize the balance sheet, improve capital, and improve earnings quality

# Overview of Finward Bancorp

## Company Overview

- Finward serves as the holding company for Peoples Bank, a 113-year-old bank headquartered in Munster, Indiana
- Community bank with meaningful presence in the Chicago city market and Chicagoland suburban market
- Committed to our core values of **Stability, Integrity, Community** and **Excellence**
- Diversified into Illinois via three successfully integrated acquisitions
- Diversified fee income through mortgage, treasury, and wealth management segments

## Primary Business Segments

### Community Banking

- Indiana state-chartered commercial bank organized in 1910
- 26 full-service retail locations across Indiana and Illinois
- 16-person business banking team
- Full-service mortgage banking capabilities

### Wealth Management

- Estate & retirement planning
- Corporate fiduciary business
- Advisory & brokerage
- IRA & Keogh accounts
- \$387M of assets under care
- Continued growth in revenue

## Branch Map








## Financial Highlights

\$ in Millions	2021	2022	Q1-23	Q2-23
Total Assets	\$1,621	\$2,070	\$2,099	\$2,161
Total Gross Loans	\$967	\$1,514	\$1,521	\$1,534
Total Deposits	\$1,434	\$1,775	\$1,806	\$1,795
Total Equity	\$157	\$136	\$140	\$137
NPAs / Assets	0.51%	0.94%	1.02%	0.62%
NCO / Avg Loans	-0.06%	-0.03%	-0.00%	-0.04%
NIM (FTE) <sup>(1)</sup>	3.51%	3.74%	3.23%	3.13%
ROAA	0.95%	0.74%	0.43%	0.45%
ROAE	9.61%	10.47%	6.42%	6.74%
Full Time Employees	263	304	295	283



(1) Tax adjusted net interest margin (a non-GAAP measure)

# Executive Management Team

Officer	Years of Industry Experience	Year Started at Finward Bancorp	Position with Company
 Benjamin J. Bochnowski	13	2010	Chairman & Chief Executive Officer
 Robert T. Lowry	38	1985	Executive VP & Chief Operating Officer
 Todd M. Scheub	30	1996	Executive VP, Chief Revenue Officer & Peoples Bank President
 Peymon S. Torabi	20	2003	Executive VP & Chief Financial Officer
 David Kwait	12	2011	Senior VP & Chief Risk Officer
 Jill Washington	22	2021	Senior VP & Chief People Officer

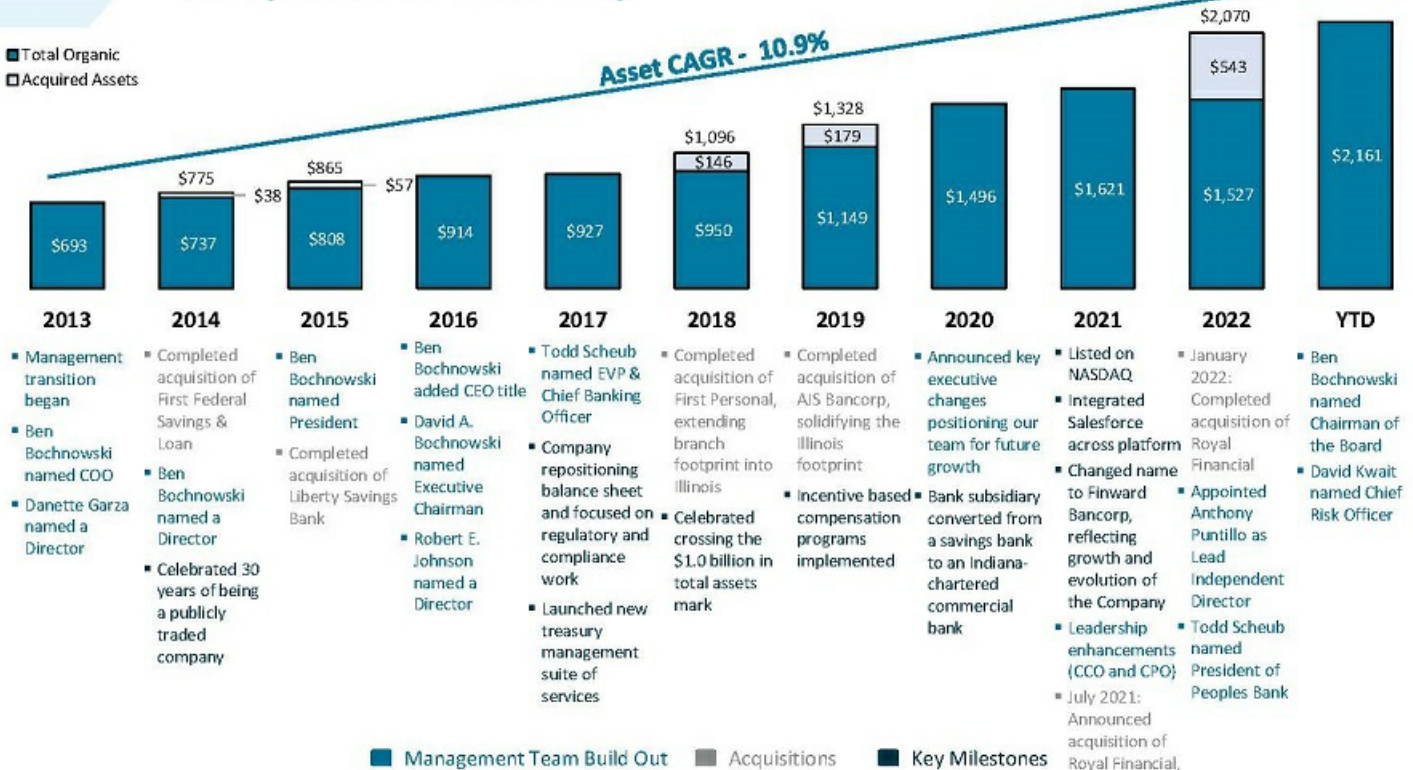
- **Multi-generational leadership team with decades of combined experience working together**
- **Seasoned banking team with deep ties to core operating markets**
- **Culture of ownership, with incentives and stock guidelines to align performance and risk management**



# Corporate History

■ Total Organic  
 ■ Acquired Assets

Asset CAGR - 10.9%



- 2013**
  - Management transition began
  - Ben Bochnowski named COO
  - Danette Garza named a Director
- 2014**
  - Completed acquisition of First Federal Savings & Loan
  - Ben Bochnowski named a Director
  - Celebrated 30 years of being a publicly traded company
- 2015**
  - Ben Bochnowski named President
  - Completed acquisition of Liberty Savings Bank
- 2016**
  - Ben Bochnowski added CEO title
  - David A. Bochnowski named Executive Chairman
  - Robert E. Johnson named a Director
- 2017**
  - Todd Scheub named EVP & Chief Banking Officer
  - Company repositioning balance sheet and focused on regulatory and compliance work
  - Launched new treasury management suite of services
- 2018**
  - Completed acquisition of First Personal, extending branch footprint into Illinois
  - Celebrated crossing the \$1.0 billion in total assets mark
- 2019**
  - Completed acquisition of AIS Bancorp, solidifying the Illinois footprint
  - Incentive based compensation programs implemented
- 2020**
  - Announced key executive changes positioning our team for future growth
  - Bank subsidiary converted from a savings bank to an Indiana-chartered commercial bank
- 2021**
  - Listed on NASDAQ
  - Integrated Salesforce across platform
  - Changed name to Finward Bancorp, reflecting growth and evolution of the Company
  - Leadership enhancements (CCO and CPO)
  - July 2021: Announced acquisition of Royal Financial, Inc., expanding Illinois footprint
- 2022**
  - January 2022: Completed acquisition of Royal Financial
  - Appointed Anchory Puntillo as Lead Independent Director
  - Todd Scheub named President of Peoples Bank
- YTD**
  - Ben Bochnowski named Chairman of the Board
  - David Kwait named Chief Risk Officer

■ Management Team Build Out ■ Acquisitions ■ Key Milestones

Note: Total assets as of December 31 for each period and June 30 for Q2-23.  
 Note: Dollars are in millions



# Net Interest Margin

## Net Interest Margin (\$ Millions)



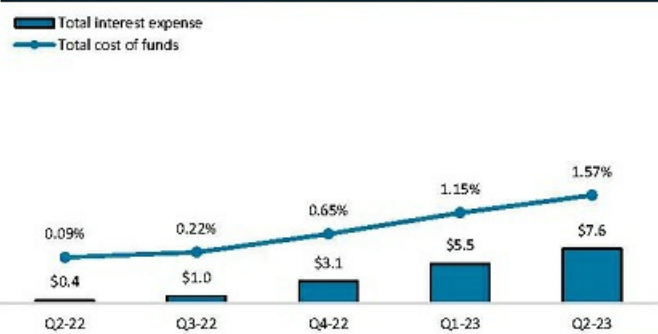
## Total Interest Income (\$ Millions)



## Margin Outlook

- The tax-adjusted net interest margin (a non-GAAP measure) for the six months ended June 30, 2023, was 3.13%, compared to 3.63% for the six months ended June 30, 2022
- The decreased net interest margin is primarily the result of the increase in short-term interest rates relative to long-term interest rates
- While further federal funds rate increases may continue to constrain the margin in the near-term, the bank is actively evaluating various alternatives to limit further pressure while maintaining the benefits of securities portfolio valuation upside from potential rate cuts

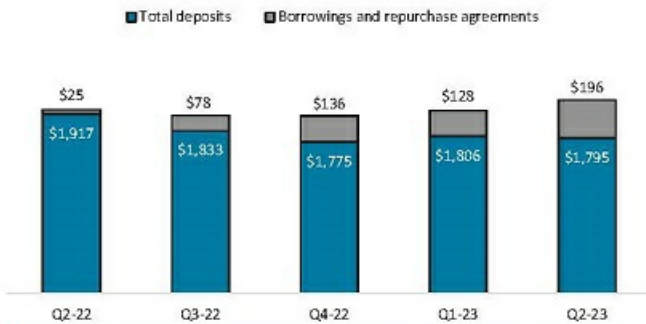
## Total Cost of Funds (\$ Millions)



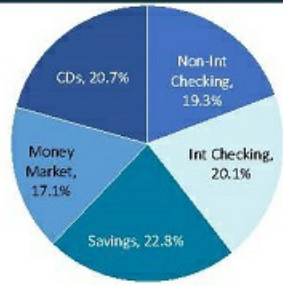
(1) Tax adjusted net interest margin (a non-GAAP measure, see reconciliation in the appendix of this presentation)

# Funding

## Total Interest-Bearing Liabilities (\$ millions)

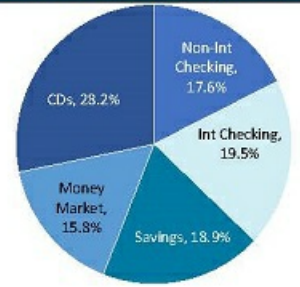


## Q2-22 Total Deposits



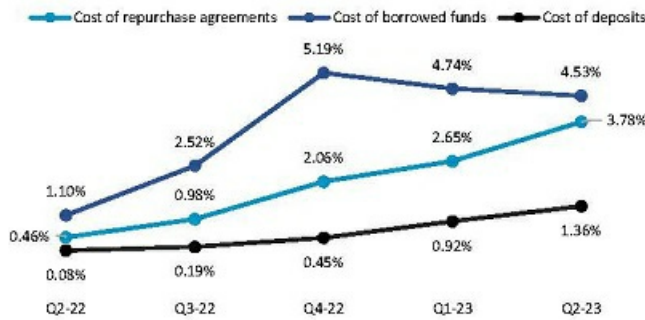
Q2-22 Total Deposits = \$1,917

## Q2-23 Total Deposits



Q2-23 Total Deposits = \$1,795

## Cost of Interest-Bearing Liabilities

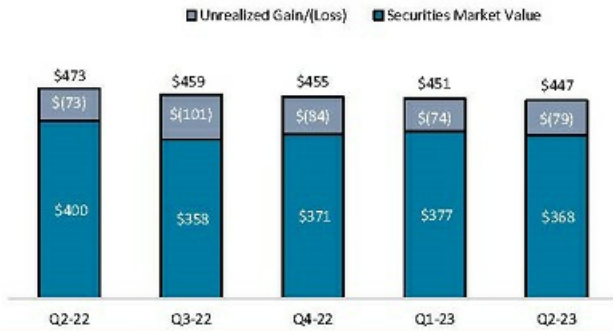


## Funding and Available Borrowing Capacity

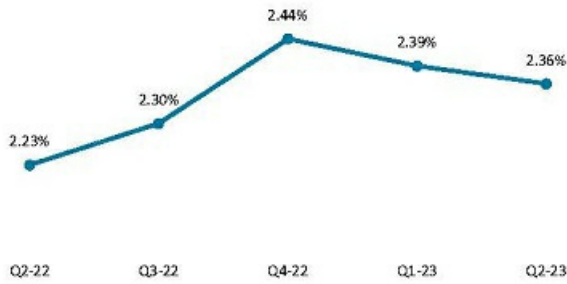
- Total deposits have grown \$20 million during the six months ended June 30, 2023, however the deposit mix has been shifting from core funds to certificates of deposit
  - As of June 30, 2023, core deposits totaled \$1.3 billion, compared to \$1.4 billion on December 31, 2022, a decrease of \$121.5 million
  - On June 30, 2023, balances for certificates of deposit totaled \$504.7 million, compared to \$363.1 million on December 31, 2022, an increase of \$141.6 million
- The Bancorp has available liquidity of \$693 million including borrowings capacity from the FHLB and Federal Reserve facilities
- As of June 30, 2023, 71% of deposits are fully FDIC insured, and another 9% are further backed by the Indiana Public Deposit Insurance Fund

# Securities

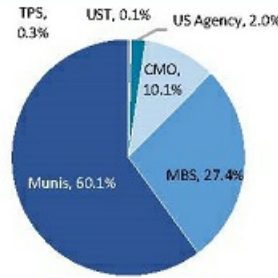
## Total Securities (\$ millions)



## Yield on Securities

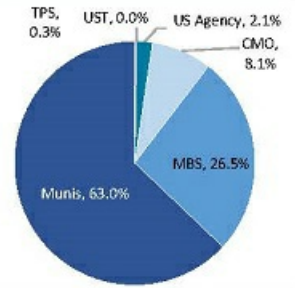


## Q2-22 Securities



Q2-22 Total Securities = \$400

## Q2-23 Securities

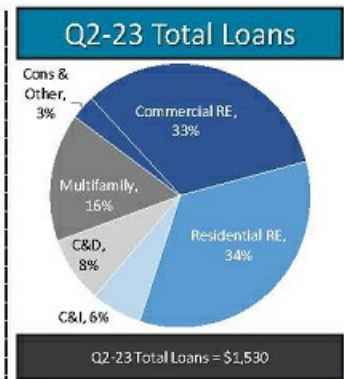
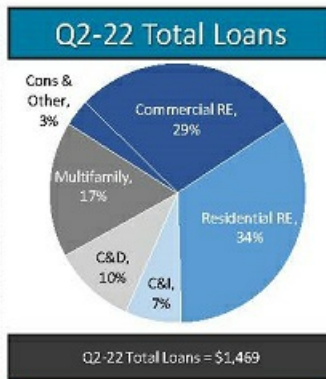
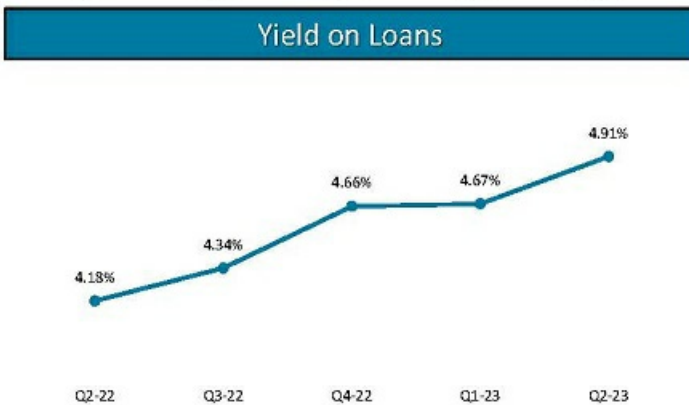
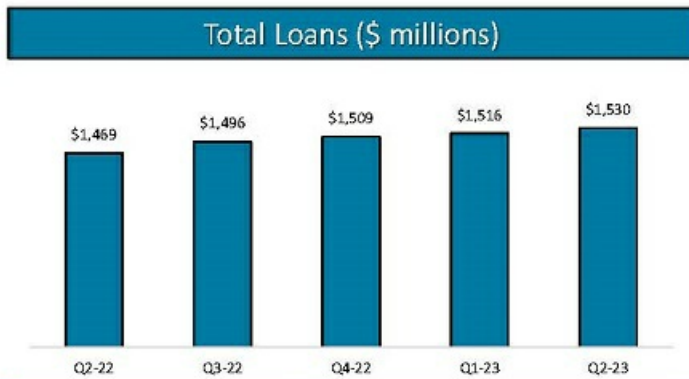


Q2-23 Total Securities = \$368

## Unrealized Losses on the Securities Portfolio

- Excluding Community Reinvestment Act investments, the bank has not purchased additional securities since June 30, 2022
- Management is actively monitoring the securities portfolio for opportunities to reposition where possible and free up liquidity
- The bank continues to maintain the entire portfolio as available for sale to provide maximum transparency and flexibility
- Accumulated other comprehensive losses were \$60.2 million as of June 30, 2023, compared to \$64.3 million on December 31, 2022, a decrease of \$4.1 million

# Total Loans



### Organic Loan Growth

- The Bank's aggregate loan portfolio totaled \$1.53 billion on June 30, 2023, compared to \$1.51 billion on December 31, 2022, an increase of \$20.5 million or 1.4%
- During the six months ended June 30, 2023, the Bank originated \$136.9 million in new commercial loans, compared to \$196.9 million during the six months ended June 30, 2022

### Gain on Sale of Loans

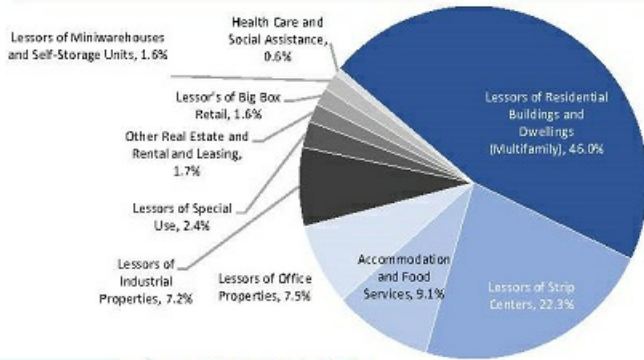
- Lack of existing housing inventory and increases in mortgage rates have slowed the sale of fixed rate mortgage loans into the secondary market
- Gains from the sale of loans for the six months ended June 30, 2023, totaled \$537 thousand, down from \$898 thousand for the six months ended June 30, 2022

# Commercial Loans

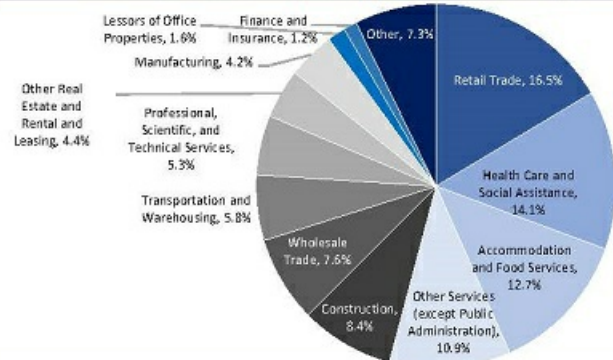
## Strong Commercial Loan Portfolio

- Well diversified commercial loan portfolio
- Less than 1% of multifamily is non-performing
- Non-performing multifamily loans as a percentage of total multifamily loans is 0.60% as of June 30, 2023, compared to 2.81% as of December 31, 2022

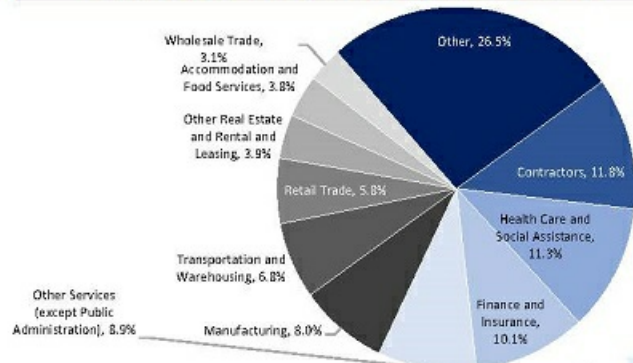
## CRE Non-Owner Occupied (\$526.5 Million)



## CRE Owner Occupied (\$215.9 Million)



## Commercial & Industrial (\$95.8 Million)



# Asset Quality

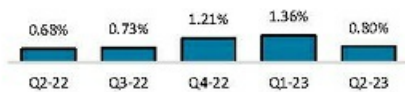
## CECL Impact

- On January 1, 2023, the Bancorp adopted ASU No. 2016-13 resulting in an implementation entry of \$8.3 million, increasing the allowance for credit loss (ACL) by \$5.2 million and unfunded commitment liability of \$3.1 million, and also resulting in retained earnings decreasing \$6.1 million and generating a deferred tax asset of \$2.2 million
- The majority of the implementation entry is related to including acquired loan portfolios in the model and the addition of using economic forecasts in estimating future losses
- In addition, \$1.0 million of non-accretable credit loan discounts on purchase credit impaired loans now classified as purchase credit deteriorated were reallocated to the ACL

## Non-Performing Assets and ACL Coverage

- At June 30, 2023, non-performing loans totaled \$12.3 million, compared to \$18.4 million at December 31, 2022, a decrease of \$6.1 million or 32.9%
- The Bank's ratio of non-performing loans to total loans was 0.80% at June 30, 2023, compared to 1.21% at December 31, 2022 due to sales or refinancing of collateral
- As of June 30, 2023, the Bank owns nine out of market participation loans totaling \$20.3 million that are all performing as expected

### NPL / Total Loans



### ACL / NPL

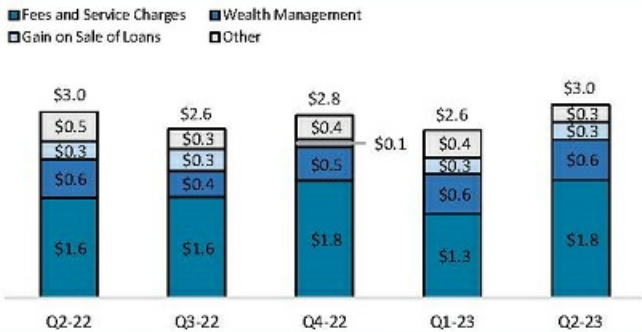


### ACL / Loans Outstanding

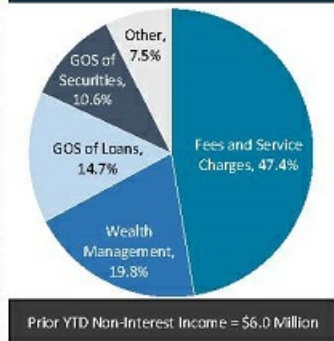


# Diversified Sources of Fee Income

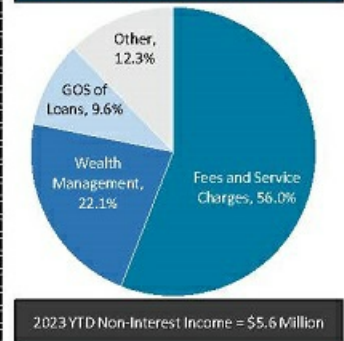
## Non-Interest Income Business



## NII Breakout Prior YTD



## NII Breakout 2023 YTD



## Wealth Management (Assets Under Management)



## Non-Interest Income Business

- Mortgage banking, service income, wealth management, swap fee, and other noninterest income streams have grown organically
- During the six months ended June 30, 2023, the Bank grew fees and service charges by \$279 thousand, or 9.7%, compared to the six months ended June 30, 2022
- During the six months ended June 30, 2023, the Bank developed two new wealth management relationships leading to a \$34 million increase in assets under management
- Lack of existing housing inventory and increase in mortgage rates have slowed the sale of fixed rate mortgage loans into the secondary market

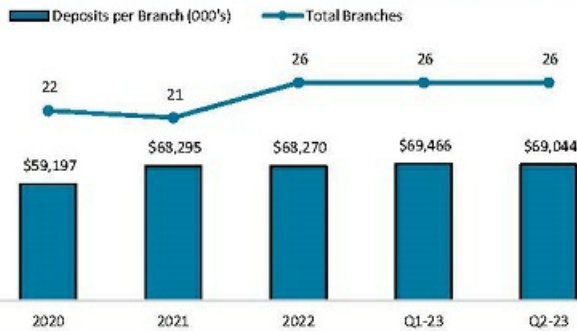


Note: All dollar (\$) figures in millions



# Focused Expense Management

## Total Branches



## Average Assets to FTE



## Non-Interest Expense Ratio



## Focused Expense Management

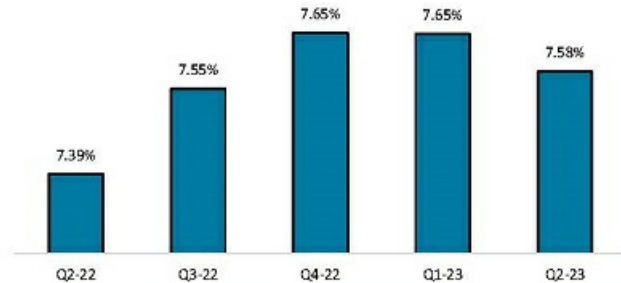
- During the six months ended June 30, 2023, the Bank sold two branches held for sale, resulting in a gain of \$276 thousand
- Each branch closure and sale is expected to result in approximately \$250 thousand in operational expense reduction, excluding personnel expenses
- All cost reduction goals associated with the acquisition of Royal have been achieved and fully integrated
- Management continues to look for efficiency in personnel and has netted a reduction of 21 full time equivalents, or 7%, through the six months ended June 30, 2023

# Capital Levels

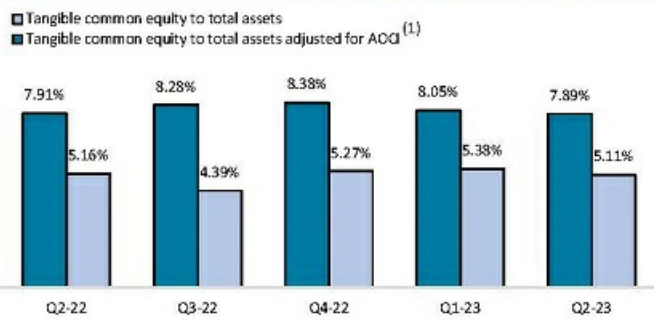
## Tangible Book Value per Diluted Share



## Tier 1 Bank Capital



## Tangible Common Equity to Total Assets



## Capital Adequacy

- As of June 30, 2023, the Bank's tier 1 capital to adjusted average assets ratio totaled 7.6%, which is within all regulatory capital requirements, and continues to be considered well capitalized
- Tangible common equity to total assets was 5.11% on June 30, 2023, down from 5.27% as of December 31, 2022
- The decrease in tangible common equity to total assets and the bank-level Tier 1 capital was primarily the result of growth in average assets
- Management continues to evaluate various alternatives to better optimize the balance sheet and capital levels

<sup>(1)</sup> Tangible book value per diluted share adjusted for AOCI (a non-GAAP measure, see reconciliation in the appendix of this presentation)

**THANK YOU**



# APPENDIX



# Non-GAAP Reconciliation

Table 1 - Reconciliation of the Non-GAAP Performance Measures

(Dollars in thousands) (unaudited)	Three Months Ended,					Six Months Ended	
	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	June 30, 2023	June 30, 2022
<b>Calculation of tangible common equity</b>							
Total stockholder's equity	\$ 136,750	\$ 139,736	\$ 136,393	\$ 118,023	\$ 136,654	\$ 136,750	\$ 136,654
Goodwill	(22,395)	(22,395)	(22,395)	(22,615)	(22,615)	(22,395)	(22,615)
Other intangibles	(4,015)	(4,402)	(4,794)	(5,188)	(5,588)	(4,015)	(5,588)
Tangible common equity	\$ 110,340	\$ 112,939	\$ 109,204	\$ 90,220	\$ 108,451	\$ 110,340	\$ 108,451
<b>Calculation of tangible common equity adjusted for accumulated other comprehensive loss (income)</b>							
Tangible common equity	\$ 110,340	\$ 112,939	\$ 109,204	\$ 90,220	\$ 108,451	\$ 110,340	\$ 108,451
Accumulated other comprehensive loss (income)	60,185	55,895	64,300	79,839	57,781	60,185	57,781
Tangible common equity adjusted for accumulated other comprehensive loss (income)	\$ 170,525	\$ 168,834	\$ 173,504	\$ 170,059	\$ 166,232	\$ 170,525	\$ 166,232
<b>Calculation of tangible book value per share</b>							
Tangible common equity	\$ 110,340	\$ 112,939	\$ 109,204	\$ 90,220	\$ 108,451	\$ 110,340	\$ 108,451
Shares outstanding	4,303,766	4,304,026	4,298,401	4,297,900	4,296,949	4,303,766	4,296,949
Tangible book value per diluted share	\$ 25.64	\$ 26.24	\$ 25.41	\$ 20.99	\$ 25.24	\$ 25.64	\$ 25.24
<b>Calculation of tangible book value per diluted share adjusted for accumulated other comprehensive loss (income)</b>							
Tangible common equity adjusted for accumulated other comprehensive loss (income)	\$ 170,525	\$ 168,834	\$ 173,504	\$ 170,059	\$ 166,232	\$ 170,525	\$ 166,232
Diluted average common shares outstanding	4,303,766	4,304,026	4,298,401	4,297,900	4,296,949	4,303,766	4,296,949
Tangible book value per diluted share adjusted for accumulated other comprehensive loss (income)	\$ 39.62	\$ 39.23	\$ 40.36	\$ 39.57	\$ 38.69	\$ 39.62	\$ 38.69
<b>Calculation of tangible common equity to total assets</b>							
Tangible common equity	\$ 110,340	\$ 112,939	\$ 109,204	\$ 90,220	\$ 108,451	\$ 110,340	\$ 108,451
Total assets	2,161,218	2,098,592	2,070,339	2,052,986	2,101,485	2,134,808	2,101,485
Tangible common equity to total assets	5.11%	5.38%	5.27%	4.39%	5.16%	5.17%	5.16%
<b>Calculation of tangible common equity to total assets adjusted for accumulated other comprehensive loss (income)</b>							
Tangible common equity adjusted for accumulated other comprehensive loss (income)	\$ 170,525	\$ 168,834	\$ 173,504	\$ 170,059	\$ 166,232	\$ 170,525	\$ 166,232
Total assets	2,161,218	2,098,592	2,070,339	2,052,986	2,101,485	2,161,218	2,101,485
Tangible common equity to total assets adjusted for accumulated other comprehensive loss (income)	7.89%	8.05%	8.38%	8.28%	7.91%	7.89%	7.91%
<b>Calculation of tax adjusted net interest margin</b>							
Net interest income	\$ 14,039	\$ 14,668	\$ 16,809	\$ 17,507	\$ 17,298	\$ 28,707	\$ 32,833
Tax adjusted interest on securities and loans	748	756	791	817	930	1,504	1,896
Adjusted net interest income	14,787	15,424	17,600	18,324	18,228	30,211	34,729
Total average earning assets	1,950,774	1,908,647	1,886,596	1,910,722	1,927,664	1,929,826	1,874,835
Tax adjusted net interest margin	3.03%	3.23%	3.23%	3.84%	3.78%	3.13%	3.70%
<b>Efficiency ratio</b>							
Total non-interest expense	\$ 13,995	\$ 14,227	\$ 15,645	\$ 15,010	\$ 15,176	\$ 28,222	\$ 31,445
Total revenue	17,045	17,276	19,648	20,137	20,194	34,321	38,873
Efficiency ratio	82.11%	82.35%	79.63%	74.54%	75.15%	82.23%	80.89%