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DELTA REPORT

10-Q

BSVN - BANK7 CORP.

10-Q - SEPTEMBER 30, 2024 COMPARED TO 10-Q - JUNE 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	582
CHANGES	307
DELETIONS	131
ADDITIONS	144

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2024 September 30, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from____to____

Commission file number: **001-38656**

BANK7 CORP.

(Exact name of registrant as specified in its charter)

Oklahoma	**20-0764349**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
1039 N.W. 63rd Street, Oklahoma City, Oklahoma	**73116-7361**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (405) 810-8600

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, $0.01 par value per Share	BSVN	The NASDAQ Global Select Market System

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an "emerging growth company". See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES ☐ NO ☒

As of August 8, 2024 November 5, 2024, the registrant had 9,337,760 9,343,185 shares of common stock, par value $0.01, outstanding.

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Forward-Looking Statements

This Form 10-Q contains forward-looking statements. These forward-looking statements reflect our current views with respect to, among other things, future events and our financial performance. Any statements about our expectations, beliefs, plans, predictions, forecasts, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as "anticipate," "believes," "can," "could," "may," "predicts," "potential," "should," "will," "estimate," "plans," "projects," "continuing," "ongoing," "expects," "intends" and similar words or phrases. Any or all of the forward-looking statements in (or conveyed orally regarding) this presentation may turn out to be inaccurate. The inclusion of or reference to forward-looking information in this presentation should not be regarded as a representation by us or any other person that the future plans, estimates or expectations contemplated by us will be achieved. We have based these forward-looking statements largely on its current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. Our actual results could differ materially from those anticipated in such forward-looking statements as a result of risks, uncertainties and assumptions that are difficult to predict. Factors that could cause such differences are discussed in the section titled "Risk Factors" in our most recent Annual Report on Form 10-K, and may be discussed from time to time in our other SEC filings, including our Quarterly Reports. If one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from what we anticipate. You are cautioned not to place undue reliance on forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made and we undertake no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, except as may be required by law. All forward-looking statements herein are qualified by these cautionary statements.

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Bank7 Corp.
Unaudited Condensed Consolidated Balance Sheets
(Dollar amounts in thousands, except par value)

Assets	June 30, 2024 (unaudited)	December 31, 2023	September 30, 2024 (unaudited)	December 31, 2023
Cash and due from banks	$ 210,105	$ 181,042	$ 186,720	$ 181,042
Interest-bearing time deposits in other banks	12,202	17,679	8,715	17,679
Available-for-sale debt securities	66,284	169,487	65,160	169,487
Loans, net of allowance for credit losses of $17,772 and $19,691 at June 30, 2024 and December 31, 2023, respectively	1,334,317	1,341,148		

Loans, net of allowance for credit losses of $17,873 and $19,691 at September 30, 2024 and December 31, 2023, respectively			1,419,671	1,341,148
Loans held for sale	-	718	-	718
Premises and equipment, net	16,736	14,942	17,126	14,942
Nonmarketable equity securities	1,275	1,283	1,278	1,283
Core deposit intangibles	938	1,031	907	1,031
Goodwill	8,458	8,458	8,458	8,458
Income taxes receivable	358	-		
Interest receivable and other assets	32,240	35,878	32,407	35,878
Total assets	$ 1,682,913	$ 1,771,666	$ 1,740,442	$ 1,771,666
Liabilities and Shareholders' Equity				
Deposits				
Noninterest-bearing	$ 350,324	$ 482,349	$ 322,480	$ 482,349
Interest-bearing	1,130,993	1,109,042	1,201,736	1,109,042
Total deposits	1,481,317	1,591,391	1,524,216	1,591,391
Income taxes payable	-	302	427	302
Interest payable and other liabilities	10,790	9,647	11,637	9,647
Total liabilities	1,492,107	1,601,340	1,536,280	1,601,340
Shareholders' equity				
Common stock, $0.01 par value; 50,000,000 shares authorized; shares issued and outstanding: 9,253,038 and 9,197,696 at June 30, 2024 and December 31, 2023, respectively	93	92		
Common stock, $0.01 par value; 50,000,000 shares authorized; shares issued and outstanding: 9,341,267 and 9,197,696 at September 30, 2024 and December 31, 2023, respectively			93	92
Additional paid-in capital	98,570	97,417	100,760	97,417
Retained earnings	97,891	78,962	107,426	78,962
Accumulated other comprehensive loss	(5,748)	(6,145)	(4,117)	(6,145)
Total shareholders' equity	190,806	170,326	204,162	170,326
Total liabilities and shareholders' equity	$ 1,682,913	$ 1,771,666	$ 1,740,442	$ 1,771,666

See accompanying notes to Consolidated Financial Statements

Bank7 Corp.

Unaudited Condensed Consolidated Statements of Comprehensive Income

(Dollar amounts in thousands, except per share data)

	Three months ended June 30,		Six months ended June 30,		Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Interest Income								
Loans, including fees	$ 28,926	$ 26,885	$ 59,043	$ 52,237	$ 30,791	$ 28,880	$ 89,834	$ 81,117
Interest-bearing time deposits in other banks	246	62	499	111	177	159	675	270
Debt securities, taxable	951	701	1,963	1,407	303	699	2,266	2,106
Debt securities, tax-exempt	71	85	144	172	69	81	214	253
Other interest and dividend income	2,242	2,309	4,074	3,495	2,148	1,903	6,221	5,398
Total interest income	32,436	30,042	65,723	57,422	33,488	31,722	99,210	89,144
Interest Expense								
Deposits	11,204	9,544	22,481	16,918	12,271	10,976	34,752	27,894

Total interest expense	11,204	9,544	22,481	16,918	12,271	10,976	34,752	27,894
Net Interest Income	21,232	20,498	43,242	40,504	21,217	20,746	64,458	61,250
Provision for Credit Losses	-	1,011	-	1,485	-	4,159	-	5,645
Net Interest Income After Provision for Credit Losses	21,232	19,487	43,242	39,019	21,217	16,587	64,458	55,605
Noninterest Income								
Mortgage lending income	78	112	129	166	103	6	233	172
Loss on sales, prepayments, and calls of available-for-sale debt securities	-	(7)	-	(8)	(4)	(7)	(4)	(15)
Service charges on deposit accounts	260	199	509	434	233	213	742	647
Other	2,827	490	4,536	874	3,345	795	7,881	1,668
Total noninterest income	3,165	794	5,174	1,466	3,677	1,007	8,852	2,472
Noninterest Expense								
Salaries and employee benefits	5,118	4,709	10,407	9,389	5,333	4,910	15,740	14,299
Furniture and equipment	324	251	554	500	258	254	813	755
Occupancy	613	599	1,273	1,318	711	662	1,985	1,980
Data and item processing	481	469	939	856	498	424	1,437	1,280
Accounting, marketing and legal fees	264	179	364	478	218	14	582	491
Regulatory assessments	336	339	723	734	261	279	984	1,013
Advertising and public relations	83	52	229	200	129	74	358	273
Travel, lodging and entertainment	131	110	183	171	87	85	270	255
Other	1,792	669	3,606	1,381	1,903	688	5,507	2,068
Total noninterest expense	9,142	7,377	18,278	15,027	9,398	7,390	27,676	22,414
Income Before Taxes	15,255	12,904	30,138	25,458	15,496	10,204	45,634	35,663
Income tax expense	3,731	3,158	7,326	6,105	3,719	2,351	11,045	8,457
Net Income	$ 11,524	$ 9,746	$ 22,812	$ 19,353	$ 11,777	$ 7,853	$ 34,589	$ 27,206
Earnings per common share - basic	$ 1.25	$ 1.06	$ 2.47	$ 2.12	$ 1.26	$ 0.86	$ 3.73	$ 2.97
Earnings per common share - diluted	1.23	1.05	2.44	2.09	1.24	0.85	3.68	2.94
Weighted average common shares outstanding - basic	9,250,332	9,153,077	9,235,176	9,150,022	9,323,622	9,158,027	9,264,616	9,152,788
Weighted average common shares outstanding - diluted	9,367,247	9,247,101	9,343,047	9,256,450	9,498,318	9,273,595	9,402,214	9,262,003
Other comprehensive income (loss)								
Unrealized gains (losses) on securities, net of tax benefit of $123 and $0 for the three months ended June 30, 2024 and 2023, respectively; net of tax expense of $123 and $554 for the six months ended June 30, 2024 and 2023, respectively	$ (59)	$ (1,169)	$ 397	$ 586				
Reclassification adjustment for realized losses included in net income net of tax of $0 and $2 for the three months ended June 30, 2024 and 2023, respectively; $0 and $2 for the six months ended June 30, 2024 and 2023, respectively	-	5	-	6				
Unrealized gains (losses) on securities, net of tax expense of $515 and tax benefit of $485 for the three months ended September 30, 2024 and 2023, respectively; net of tax expense of $638 and $70 for the nine months ended September 30, 2024 and 2023, respectively					$ 1,628	$ (372)	$ 2,025	$ 214

Reclassification adjustment for realized losses included in net income net of tax of $1 and $2 for the three months ended September 30, 2024 and 2023, respectively; $1 and $4 for the nine months ended September 30, 2024 and 2023, respectively					3	5	3	11
Other comprehensive income (loss)	$ (59)	$ (1,164)	$ 397	$ 592	$ 1,631	$ (367)	$ 2,028	$ 225
Comprehensive Income	$ 11,465	$ 8,582	$ 23,209	$ 19,945	$ 13,408	$ 7,486	$ 36,617	$ 27,431

See accompanying notes to Consolidated Financial Statements

Bank7 Corp.

Unaudited Condensed Consolidated Statements of Shareholders' Equity

(Dollar amounts in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Common Stock (Shares)								
Balance at beginning of period	9,238,206	9,151,977	9,197,696	9,131,973	9,253,038	9,154,934	9,197,696	9,131,973
Exercise of employee stock options	14,750	2,125	19,001	13,862	87,819	13,124	106,820	26,986
Shares issued for restricted stock units	125	875	51,636	14,109	625	26,625	52,261	40,734
Shares acquired and canceled	(43)	(43)	(15,295)	(5,010)	(215)	(9,708)	(15,510)	(14,718)
Balance at end of period	9,253,038	9,154,934	9,253,038	9,154,934	9,341,267	9,184,975	9,341,267	9,184,975
Common Stock (Amount)								
Balance at beginning of period	$ 92	$ 92	$ 92	$ 91	$ 93	$ 92	$ 92	$ 91
Shares issued for restricted stock units	1	-	1	1	-	-	1	1
Balance at end of period	$ 93	$ 92	$ 93	$ 92	$ 93	$ 92	$ 93	$ 92
Additional Paid-in Capital								
Balance at beginning of period	$ 97,669	$ 95,841	$ 97,417	$ 95,263	$ 98,570	$ 96,498	$ 97,417	$ 95,263
Shares purchased and retired for restricted stock units	(1)	(1)	(418)	(133)	(7)	(231)	(425)	(367)
Exercise of stock options	265	37	330	241	1,576	236	1,906	480
Stock-based compensation expense	637	621	1,241	1,127	621	565	1,862	1,692
Balance at end of period	$ 98,570	$ 96,498	$ 98,570	$ 96,498	$ 100,760	$ 97,068	$ 100,760	$ 97,068
Retained Earnings								
Balance at beginning of period	$ 88,310	$ 65,620	$ 78,962	$ 58,049	$ 97,891	$ 73,901	$ 78,962	$ 58,049
Net income	11,524	9,746	22,812	19,353	11,777	7,853	34,589	27,206
Cumulative effect of change in accounting principle, net of tax of $178	-	-	-	(572)	-	-	-	(572)
Cash dividends declared ($0.21 and $0.16 per share for three months ended June 30, 2024 and 2023, respectively; $0.42 and $0.32 per share for the six months ended June 30, 2024 and 2023, respectively)	(1,943)	(1,465)	(3,883)	(2,929)				
Cash dividends declared ($0.24 and $0.21 per share for three months ended September 30, 2024 and 2023, respectively; $0.66 and $0.53 per share for the nine months ended September 30, 2024 and 2023, respectively)					(2,242)	(1,929)	(6,125)	(4,858)
Balance at end of period	$ 97,891	$ 73,901	$ 97,891	$ 73,901	$ 107,426	$ 79,825	$ 107,426	$ 79,825
Accumulated Other Comprehensive Loss								
Balance at beginning of period	$ (5,689)	$ (7,547)	$ (6,145)	$ (9,303)	$ (5,748)	$ (8,711)	$ (6,145)	$ (9,303)
Comprehensive income (loss)	(59)	(1,164)	397	592	1,631	(367)	2,028	225

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Balance at end of period	$ (5,748)	$ (8,711)	$ (5,748)	$ (8,711)	$ (4,117)	$ (9,078)	$ (4,117)	$ (9,078)
Total Shareholders' equity	$ 190,806	$ 161,780	$ 190,806	$ 161,780	$ 204,162	$ 167,907	$ 204,162	$ 167,907

See accompanying notes to Consolidated Financial Statements

Bank7 Corp.
Unaudited Condensed Consolidated Statements of Cash Flows
(Dollar Amounts in thousands)

	Six Months Ended June 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
Operating Activities				
Net income	$ 22,812	$ 19,353	$ 34,589	$ 27,206
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	557	650	811	973
Provision for credit losses	-	1,485	-	5,645
(Accretion)Amortization of premiums and discounts on securities	(936)	183	(866)	278
Gain on sales of loans	(129)	(166)	(233)	(172)
Net loss on sale of available-for-sale debt securities	-	8	4	15
Stock-based compensation expense	1,241	1,127	1,862	1,692
Gain on sale of premises and equipment	(107)	-	(123)	(77)
Cash receipts from the sale of loans originated for sale	8,752	5,120	13,994	5,985
Cash disbursements for loans originated for sale	(7,905)	(5,362)	(13,043)	(6,956)
Deferred income tax expense(benefit)	497	(389)	111	(1,633)
Changes in				
Interest receivable and other assets	2,981	(2,027)	3,043	(1,392)
Interest payable and other liabilities	829	149	1,805	1,403
Net cash provided by operating activities	28,592	20,131	41,954	32,967
Investing Activities				
Maturities of interest-bearing time deposits in other banks	8,973	3,488	15,223	5,228
Purchases of interest-bearing time deposits in other banks	(3,496)	(8,469)	(6,259)	(16,936)
Maturities, prepayments and calls of available-for-sale debt securities	188,536	4,198	191,732	6,029
Purchases of available-for-sale debt securities	(83,877)	-	(83,877)	-
Net change in loans	6,510	(5,859)	(78,844)	(122,242)
Purchases of premises and equipment	(2,278)	(2,225)	(2,891)	(2,602)
Proceeds from sale of premises and equipment	127	-	143	78
Change in nonmarketable equity securities	8	(29)	5	(42)
Net cash provided by (used in) investing activities	114,503	(8,896)	35,232	(130,487)
Financing Activities				
Net change in deposits	(110,074)	78,926	(67,175)	162,172
Cash distributions	(3,871)	(2,929)	(5,815)	(4,391)
Shares purchased and retired for restricted stock units	(418)	(133)	(425)	(367)
Net settlement of stock options	330	241	1,906	480
Common stock issued for restricted stock units	1	1	1	1
Net cash provided by (used in) financing activities	(114,032)	76,106	(71,508)	157,895
Net Increase in Cash and Due from Banks	29,063	87,341	5,678	60,375
Cash and Due from Banks, Beginning of Period	181,042	109,115	181,042	109,115

Cash and Due from Banks, End of Period	$ 210,105	$ 196,456	$ 186,720	$ 169,490
Supplemental Disclosure of Cash Flows Information				
Interest paid	$ 22,481	$ 16,118	$ 34,701	$ 26,899
Income taxes paid	$ 7,531	$ 7,048	$ 10,872	$ 10,612
Dividends declared and not paid	$ 1,943	$ 1,465	$ 2,242	$ 1,929
Measurement period goodwill adjustment	$ -	$ (146)	$ -	$ (146)

See accompanying notes to Consolidated Financial Statements

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Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Bank7 Corp. (the “Company”) is a bank holding company whose principal activity is the ownership and management of its wholly owned subsidiary, Bank7 (the “Bank”). The Bank is primarily engaged in providing a full range of banking and financial services to individual and corporate customers located in Oklahoma, Texas, and Kansas. The Bank is subject to competition from other financial institutions. The Company is subject to the regulation of certain federal agencies and undergoes periodic examinations by those regulatory authorities.

Basis of Presentation

The accompanying unaudited interim condensed consolidated financial statements contained herein reflect all adjustments which are, in the opinion of management, necessary to provide a fair statement of the financial position, results of operations, and cash flows of the Company for the interim periods presented. All such adjustments are of a normal and recurring nature. The There have been no significant changes in the accounting policies of the Company since December 31, 2023, the date of the most recent annual report. The condensed consolidated balance sheet of the Company as of December 31, 2023 has been derived from the audited consolidated balance sheet of the Company as of that date. Certain information and notes normally included in the Company’s annual financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. The information contained in the financial statements and footnotes included in Company’s annual report for the year ended December 31, 2023, should be referred to in connection with these unaudited interim consolidated financial statements. Operating results for the interim periods disclosed herein are not necessarily indicative of the results that may be expected for a full year or any future period.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company, the Bank and its two subsidiaries, 1039 NW 63rd, LLC, which holds real estate utilized by the Bank, and Giddings Production, LLC, which is engaged in the production of oil, natural gas and natural liquid (“NGL”) reserves in Texas.All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for credit losses, valuation of other real estate owned, income taxes, goodwill and intangibles and fair values of financial instruments.

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Recent Accounting Pronouncements

Standards Not Yet Adopted:

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (“ASU 2023-09”), primarily focused on income tax disclosures regarding effective tax rates and cash income taxes paid. ASU 2023-09 requires public business entities, on an annual basis, to disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than 5 percent of the amount computed by multiplying pretax income by the applicable statutory income tax rate). ASU 2023-09 is effective for fiscal years, and interim periods within those fiscal years beginning after December 15, 2024, with early adoption permitted. The adoption of ASU 2023-09 is not expected to have a material impact on the Company's operations, financial position or disclosures.

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("ASU 2023-07"), which expands reportable segment disclosure requirements through enhanced disclosures about significant segment expenses. The amendments in this update introduce a new requirement to disclose significant segment expenses regularly provided to the chief operating decision maker, extend certain annual disclosures to interim periods, clarify that single reportable segment entities must apply Topic 280 in its entirety, permit more than one measure of segment profit or loss to be reported under certain conditions and require disclosure of the title and position of the chief operating decision maker. ASU 2023-07 is effective for public business entities for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The adoption of ASU 2023-07 is not expected to have a material impact on the Company's operations, financial position or disclosures.

Note 2: Recent Events, Including Mergers and Acquisitions

Acquisition

On October 31, 2023, the Company entered into an asset purchase and sale agreement, effective September 1, 2023, to acquire proven oil and natural gas properties from HB2 Origination, LLC, which consisted of nine wells in formations in four counties in Texas for $15.4 million in cash. On November 17, 2023, the transaction closed for a total purchase price of $15.1 million, after closing adjustments. As a part of the purchase, the Company assumed asset retirement obligations of $0.4 million that were included in "interest payable and other liabilities" on the consolidated balance sheets as of December 31, 2023. The acquisition was considered an asset acquisition and did not meet the definition of a business under ASC 805, Business Combinations. Additionally, transaction costs of $1.4 million were capitalized into oil and gas properties related to this acquisition. The purchase price and related asset retirement obligations were allocated based on the relative fair values of the assets acquired and $1.7 million was allocated to proved leasehold costs while the remaining $15.4 million was allocated to "interest receivable and other assets" on the consolidated balance sheets.

As of June 30, 2024 September 30, 2024, the Company had oil and gas assets and related receivables of $13.6 million included in "interest receivable and other assets" on the consolidated balance sheets and assets retirement obligations and oil and gas related liabilities of $761,000 $804,000 included in "interest payable and other liabilities" on the consolidated balance sheets.

As of December 31, 2023, the Company had oil and gas assets and related receivables of $16.8 million included in "interest receivable and other assets" on the consolidated balance sheets and assets retirement obligations and oil and gas related liabilities of $1.3 million included in "interest payable and other liabilities" on the consolidated balance sheets.

For the three months ended June 30, 2024 September 30, 2024, the Company had oil and gas related revenues of $2.4 million $2.9 million included in "Other" noninterest income on the consolidated statements of comprehensive income, and oil and gas related expenses of $1.1 million $1.2 million included in "Other" noninterest expense on the consolidated statements of comprehensive income.

For the six nine months ended June 30, 2024 September 30, 2024, the Company had oil and gas related revenues of $3.8 million $6.7 million included in "Other" noninterest income on the consolidated statements of comprehensive income, and oil and gas related expenses of $2.3 million $3.5 million included in "Other" noninterest expense on the consolidated statements of comprehensive income.

Note 3: Restriction on Cash and Due from Banks

On March 26, 2020, the Federal Reserve Board reduced reserve requirement ratios to zero percent, effectively eliminating reserve requirements for all depository institutions. There was no reserve requirement as of June 30, 2024 September 30, 2024.

Note 4: Earnings per Share

Basic earnings per common share represents the amount of earnings for the period available to each share of common stock outstanding during the reporting period. Basic EPS is computed based upon net income divided by the weighted average number of common shares outstanding during the year.

Diluted EPS represents the amount of earnings for the period available to each share of common stock outstanding including common stock that would have been outstanding assuming the issuance of common shares for all dilutive potential common shares outstanding during each reporting period. Diluted EPS is computed based upon net income divided by the weighted average number of common shares outstanding during each period, adjusted for the effect of dilutive potential common shares, such as restricted stock awards and nonqualified stock options, calculated using the treasury stock method.

The following table shows the computation of basic and diluted earnings per share:

	As of and for the three months ended June 30,		As of and for the six months ended June 30,		As of and for the three month	
	2024	2023	2024	2023	2024	
(Dollars in thousands, except per share amounts)						
Numerator						

Net income	$ 11,524	$ 9,746	$ 22,812	$ 19,353	$ 11,777
Denominator					
Weighted-average shares outstanding for basic earnings per share	9,250,332	9,153,077	9,235,176	9,150,022	9,323,622
Dilutive effect of stock compensation (1)	116,915	94,024	107,871	106,428	174,696
Denominator for diluted earnings per share	9,367,247	9,247,101	9,343,047	9,256,450	9,498,318
Earnings per common share					
Basic	$ 1.25	$ 1.06	$ 2.47	$ 2.12	$ 1.26
Diluted	$ 1.23	$ 1.05	$ 2.44	$ 2.09	$ 1.24

(1) The following have not been included in diluted earnings per share because to do so would have been antidilutive for the periods presented: Nonqualified stock options outstanding of 2,000 0 and 5,000 for the three month periods ended June 30, 2024 September 30, 2024 and 2023, respectively, and 2,000 0 and 5,000 for the six nine month periods ended September June 30, 2024 and 2023, respectively; Restricted stock units of 0 and 156,186 113,000 for the three month periods ended June September 30, 2024 and 2023, respectively, and 50,000 0 and 156,186 for the six nine month periods ended June September 30, 2024 and 2023, respectively.

Note 5: Debt Securities

The following table summarizes the amortized cost and fair value of debt securities available-for-sale at June 30, 2024 September 30, 2024 and December 31, 2023 and the corresponding amounts of gross unrealized gains and losses recognized in accumulated other comprehensive income (loss):

(in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses
Available-for-sale as of June 30, 2024							
Available-for-sale as of September 30, 2024							
U.S. Federal agencies	$ 84	$ -	$ (2)	$ 82	$ 73	$ -	$ (1)
Mortgage-backed securities(1)(2)	36,501	-	(3,968)	32,533	35,559	-	(2,723)
State and political subdivisions	25,668	-	(1,640)	24,028	23,352	-	(1,197)
U.S. Treasuries	6,025	-	(762)	5,263	6,023	-	(549)
Corporate debt securities	5,500	-	(1,122)	4,378	5,500	-	(877)
Total available-for-sale	73,778	-	(7,494)	66,284	70,507	-	(5,347)
Total debt securities	73,778	-	(7,494)	66,284	70,507	-	(5,347)

(in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale as of December 31, 2023				
U.S. Federal agencies	$ 138	$ -	$ (3)	$ 135
Mortgage-backed securities(1)(2)	38,465	-	(3,963)	34,502
State and political subdivisions	27,368	-	(1,512)	25,856
U.S. Treasuries	106,030	-	(1,373)	104,657
Corporate debt securities	5,500	-	(1,163)	4,337
Total available-for-sale	177,501	-	(8,014)	169,487
Total debt securities	177,501	-	(8,014)	169,487

(1) All of our mortgage-backed securities and collateralized mortgage obligations are issued and/or guaranteed by U.S. government agencies or U.S. government-sponsored entities.

(2) Included in amortized cost of mortgage-backed securities is $23.48 million $22.67 million and $24.80 million of residential mortgage-backed securities and $13.02 million $12.89 million and $13.67 million of commercial mortgage-backed securities as of June 30, 2024 September 30, 2024 and December 31, 2023, respectively.

The amortized cost and estimated fair value of investment securities at June 30, 2024 September 30, 2024 and December 31, 2023, by contractual maturity, are shown below. The expected life of mortgage-backed securities will differ from contractual maturities because borrowers may have the right to call or prepay the underlying mortgage loans with or without call or prepayment penalties.

(in thousands)	**Amortized Cost**	**Fair Value**	**Amortized Cost**	**Fair Value**
Available-for-sale as of June 30, 2024				
Available-for-sale as of September 30, 2024				
Due in one year or less	$ 4,742	$ 4,694	$ 3,977	$ 3,929
Due after one year through five years	16,527	15,399	15,617	14,863
Due after five years through ten years	15,846	13,516	15,354	13,532
Due after ten years	162	142	-	-
Mortgage-backed securities	36,501	32,533	35,559	32,836
Total available-for-sale	73,778	66,284	70,507	65,160

(in thousands)	**Amortized Cost**	**Fair Value**
Available-for-sale as of December 31, 2023		
Due in one year or less	$ 105,944	$ 105,186
Due after one year through five years	15,654	14,675
Due after five years through ten years	17,276	14,980
Due after ten years	162	144
Mortgage-backed securities	38,465	34,502
Total available-for-sale	177,501	169,487

There were no holdings of securities of issuers in an amount greater than 10% of stockholders' stockholders' equity at June 30, 2024 September 30, 2024.

The following table presents a summary of realized gains and losses from the sale, prepayment and call of debt securities:

	Three Months Ended June 30,		**Six Months Ended June 30,**		**Three Months Ended September 30,**		**Nine Months Ended September 30,**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
(in thousands)								
Proceeds from sales, maturities, prepayments and calls	$ 86,214	$ 1,784	$ 188,536	$ 4,198	$ 3,196	$ 1,831	$ 191,732	$ 6,029
Gross realized losses on sales, prepayments and calls	-	(7)	-	(8)	$ (4)	$ (7)	$ (4)	$ (15)
Total realized (losses), net	$ -	$ (7)	$ -	$ (8)				

The following table details book value of pledged securities as of June 30, 2024 September 30, 2024 and December 31, 2023:

(in thousands)	**June 30, 2024**	**December 31, 2023**	**September 30, 2024**	**December 31, 2023**
Book value of pledged securities	$ 19,928	$ 121,283	$ 19,267	$ 121,283

The following table details gross unrealized losses and fair values of investment securities aggregated by investment category and length of time that the individual securities have been in a continuous unrealized loss position at June 30, 2024 September 30, 2024 and December 31, 2023. As of June 30, 2024 September 30, 2024, the Company had the ability and intent to hold the debt securities classified as available-for-sale for a period of time sufficient for a recovery of cost. The unrealized losses are due to increases in market interest rates over the yields available at the time the underlying debt securities were purchased or acquired. The fair value of those debt securities having unrealized losses is expected to recover as the securities approach their maturity date or repricing date, or if market yields for such investments decline. Management has no intent or requirement to sell before the recovery of the unrealized loss; therefore, no impairment loss was realized in the Company's consolidated statements of comprehensive income.

	Less than Twelve Months		**Twelve Months or Longer**		**Total**		**Less than Twelve Months**	
	Fair Value	**Gross Unrealized Losses**	**Fair Value**	**Gross Unrealized Losses**	**Fair Value**	**Gross Unrealized Losses**	**Fair Value**	**Gross Unrealize Losses**
(in thousands)								

Available-for-sale as of June 30, 2024								
Available-for-sale as of September 30, 2024								
U.S. Federal agencies	$ -	$ -	$ 82	$ (2)	$ 82	$ (2)	$ -	$
Mortgage-backed securities	-	-	32,533	(3,968)	32,533	(3,968)	-	
State and political subdivisions[1]	171	(4)	23,857	(1,636)	24,028	(1,640)	170	
U.S. Treasuries	-	-	5,263	(762)	5,263	(762)	-	
Corporate debt securities (2)	-	-	4,378	(1,122)	4,378	(1,122)	-	
Total available-for-sale	$ 171	$ (4)	$ 66,113	$ (7,490)	$ 66,284	$ (7,494)	$ 170	$

	Less than Twelve Months		Twelve Months or Longer		Total		Less than Twelve Months	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealize Losses
(in thousands)								
Available-for-sale as of December 31, 2023								
U.S. Federal agencies	$ -	$ -	$ 135	$ (3)	$ 135	$ (3)	$ -	$
Mortgage-backed securities	-	-	34,502	$ (3,963)	34,502	(3,963)	-	
State and political subdivisions[1]	1,160	(5)	24,696	$ (1,507)	25,856	(1,512)	1,160	(
U.S. Treasuries	-	-	104,657	$ (1,373)	104,657	(1,373)	-	
Corporate debt securities (2)	-	(195)	4,337	$ (968)	4,337	(1,163)	-	(19
Total available-for-sale	$ 1,160	$ (200)	$ 168,327	$ (7,814)	$ 169,487	$ (8,014)	$ 1,160	$ (20

(1) Of our state and political subdivision securities $21.13 million with a fair value of $19.98 million and $22.84 million are rated BBB+ or better and $2.89 million $2.17 million and $3.02 million are not rated as of June 30, 2024 September 30, 2024 and December 31, 2023, respectively.

(2) Our corporate debt securities are not rated.

Note 6: Loans and Allowance for Credit Losses

A summary of loans at June September 30, 2024 and December 31, 2023, are as follows (dollars in thousands):

	June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Construction & development	$ 160,055	$ 137,206	$ 157,374	$ 137,206
1 - 4 family real estate	115,917	100,576	115,497	100,576
Commercial real estate - other	510,986	518,622	536,070	518,622
Total commercial real estate	$ 786,958	$ 756,404	$ 808,941	$ 756,404
Commercial & industrial	487,147	526,185	547,430	526,185
Agricultural	64,838	66,495	69,171	66,495
Consumer	15,080	14,517	14,308	14,517
Gross loans	1,354,023	1,363,601	1,439,850	1,363,601
Less allowance for credit losses	(17,772)	(19,691)	(17,873)	(19,691)
Less deferred loan fees	(1,934)	(2,762)	(2,306)	(2,762)
Net loans	$ 1,334,317	$ 1,341,148	$ 1,419,671	$ 1,341,148

Included in the commercial & industrial loan balances are $0 and $2.0 million of loans that were originated under the SBA PPP program as of June 30, 2024 September 30, 2024 and December 31, 2023, respectively.

Allowance for Credit Losses Methodology

On January 1, 2023, the Company adopted ASU 2016-13, which replaces the incurred loss methodology for determining its provision for credit losses and allowance for credit losses with an expected loss methodology that is referred to as the CECL model. Upon adoption, the allowance for credit losses was increased by $250,000 and $500,000 for loans and unfunded commitments, respectively, with no impact to the consolidated statement of income.

The following table presents, by portfolio segment, the activity in the allowance for credit losses for the three months ended SeptemberJune 30, 2024 and 2023 (dollars in thousands):

	Construction & Development	1 - 4 Family Real Estate	Commercial Real Estate - Other	Commercial & Industrial	Agricultural	Consumer	Total	Construction & Development	1 - 4 Family Real Estate	Comm Real E Oth
June 30, 2024										
September 30, 2024										
Loans										
Balance, beginning of period	$ 1,417	$ 1,271	$ 6,889	$ 9,242	$ 628	$ 249	$ 19,696	$ 1,810	$ 1,491	$
Charge-offs	-	-	-	(2,000)	-	-	(2,000)	-	-	
Recoveries	-	-	-	73	3	-	76	-	-	
Net (charge-offs) recoveries	-	-	-	(1,927)	3	-	(1,924)	-	-	
Provision (credit) for credit losses	393	220	23	(714)	67	11	-	(158)	(113)	
Balance, end of period	$ 1,810	$ 1,491	$ 6,912	$ 6,601	$ 698	$ 260	$ 17,772	$ 1,652	$ 1,378	$
Unfunded Commitments										
Balance, beginning of period	$ 158	$ 4	$ 8	$ 280	$ 11	$ 3	$ 464	$ 154	$ 6	$
Provision (credit) for credit losses	(4)	2	2	(2)	2	-	-	23	(2)	
Balance, end of period	$ 154	$ 6	$ 10	$ 278	$ 13	$ 3	$ 464	$ 177	$ 4	$
Total allowance for Credit Losses reserve for unfunded commitments	$ 1,964	$ 1,497	$ 6,922	$ 6,879	$ 711	$ 263	$ 18,236			
Total allowance for credit losses and reserve for unfunded commitments								$ 1,829	$ 1,382	$
Total Provision for Credit Losses	$ 389	$ 222	$ 25	$ (716)	$ 69	$ 11	$ -	$ (135)	$ (115)	$

	Construction & Development	1 - 4 Family Real Estate	Commercial Real Estate - Other	Commercial & Industrial	Agricultural	Consumer	Total	Construction & Development	1 - 4 Family Real Estate	Com Real C
June 30, 2023										
September 30, 2023										
Loans										
Balance, beginning of period	$ 1,739	$ 1,038	$ 5,704	$ 6,055	$ 734	$ 182	$ 15,452	$ 1,592	$ 1,116	$
Charge-offs	-	-	-	-	(7)	(5)	(12)	-	-	
Recoveries	-	-	-	-	-	2	2	-	-	
Net (charge-offs) recoveries	-	-	-	-	(7)	(3)	(10)	-	-	
Provision (credit) for credit losses	(147)	78	385	657	(126)	88	935	(111)	30	
Balance, end of period	$ 1,592	$ 1,116	$ 6,089	$ 6,712	$ 601	$ 267	$ 16,377	$ 1,481	$ 1,146	$
Unfunded Commitments										
Balance, beginning of period	$ 171	$ 4	$ 24	$ 274	$ 25	$ 2	$ 500	$ 227	$ 4	$
Provision (credit) for credit losses	56	-	(10)	31	(1)	-	76	(69)	-	
Balance, end of period	$ 227	$ 4	$ 14	$ 305	$ 24	$ 2	$ 576	$ 158	$ 4	$

	Construction & Development	1 - 4 Family Real Estate	Commercial Real Estate - Other	Commercial & Industrial	Agricultural	Consumer	Total	Construction & Development	1 - 4 Family Real Estate	
Total allowance for credit losses and reserve for unfunded commitments	$ 1,819	$ 1,120	$ 6,103	$ 7,017	$ 625	$ 269	$ 16,953	$ 1,639	$ 1,150	$
Total Provision for Credit Losses	$ (91)	$ 78	$ 375	$ 688	$ (127)	$ 88	$ 1,011	$ (180)	$ 30	$

The following table presents, by portfolio segment, the activity in the allowance for credit losses for the six nine months ended June September 30, 2024 and 2023 (dollars in thousands):

	Construction & Development	1 - 4 Family Real Estate	Commercial Real Estate - Other	Commercial & Industrial	Agricultural	Consumer	Total	Construc Develop
June 30, 2024								
September 30, 2024								
Loans								
Balance, beginning of period	$ 1,417	$ 1,271	$ 6,889	$ 9,237	$ 628	$ 249	$ 19,691	$
Charge-offs	-	-	-	(2,000)	-	-	(2,000)	
Recoveries	-	-	-	78	3	-	81	
Net (charge-offs) recoveries	-	-	-	(1,922)	3	-	(1,919)	
Provision (credit) for credit losses	393	220	23	(714)	67	11	-	
Balance, end of period	$ 1,810	$ 1,491	$ 6,912	$ 6,601	$ 698	$ 260	$ 17,772	$
Unfunded Commitments								
Balance, beginning of period	$ 158	$ 4	$ 8	$ 280	$ 11	$ 3	$ 464	$
Provision (credit) for credit losses	(4)	2	2	(2)	2	-	-	
Balance, end of period	$ 154	$ 6	$ 10	$ 278	$ 13	$ 3	$ 464	$
Total Allowance for Credit Losses reserve for unfunded commitments	$ 1,964	$ 1,497	$ 6,922	$ 6,879	$ 711	$ 263	$ 18,236	
Total Allowance for Credit Losses								$
Total Provision for Credit Losses	$ 389	$ 222	$ 25	$ (716)	$ 69	$ 11	$ -	$

	Construction & Development	1 - 4 Family Real Estate	Commercial Real Estate - Other	Commercial & Industrial	Agricultural	Consumer	Total	Construction & Development	1 - 4 Family Real Estate	Commercial Real Estate - Other
June 30, 2023										
September 30, 2023										
Loans										
Balance, beginning of period	$ 1,889	$ 890	$ 5,080	$ 5,937	$ 765	$ 173	$ 14,734	$ 1,889	$ 890	$
Impact of CECL adoption	44	(138)	(168)	716	(149)	(55)	250	44	(138)	
Charge-offs	-	-	-	-	(7)	(16)	(23)	-	-	
Recoveries	-	-	-	-	2	5	7	-	-	
Net (charge-offs) recoveries	-	-	-	-	(5)	(11)	(16)	-	-	
Provision (credit) for credit losses	(341)	364	1,177	59	(10)	160	1,409	(452)	394	
Balance, end of period	$ 1,592	$ 1,116	$ 6,089	$ 6,712	$ 601	$ 267	$ 16,377	$ 1,481	$ 1,146	$
Unfunded Commitments										
Balance, beginning of period	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$
Impact of CECL adoption	171	4	24	274	25	2	500	171	4	
Provision (credit) for credit losses	56	-	(10)	31	(1)	-	76	(13)	-	
Balance, end of period	$ 227	$ 4	$ 14	$ 305	$ 24	$ 2	$ 576	$ 158	$ 4	$

Total Allowance for Credit Losses	$ 1,819	$ 1,120	$ 6,103	$ 7,017	$ 625	$ 269	$ 16,953	$ 1,639	$ 1,150	$
Total Provision for Credit Losses	$ (285)	$ 364	$ 1,167	$ 90	$ (11)	$ 160	$ 1,485	$ (465)	$ 394	$

Internal Risk Categories

Each loan segment is made up of loan categories possessing similar risk characteristics.

Risk characteristics applicable to each segment of the loan portfolio are described as follows:

Real Estate – The real estate portfolio consists of residential and commercial properties loans. Residential loans are generally secured by owner occupied 1–4 family residences. Repayment of these loans is primarily dependent on the personal income and credit rating of the borrowers. Credit risk in these loans can be impacted by economic conditions within the Company's market areas that might impact either property values or a borrower's personal income. Risk is mitigated by the fact that the loans are of smaller individual amounts and spread over a large number of borrowers. Commercial real estate loans in this category typically involve larger principal amounts and are repaid primarily from the cash flow of a borrower's principal business operation, the sale of the real estate or income independent of the loan purpose. Credit risk in these loans is driven by the creditworthiness of a borrower, property values, the local economy and other economic conditions impacting a borrower's business or personal income.

Commercial & Industrial – The commercial portfolio includes loans to commercial customers for use in financing working capital needs, equipment purchases and expansions. The loans in this category are repaid primarily from the cash flow of a borrower's principal business operation. Credit risk in these loans is driven by creditworthiness of a borrower and the economic conditions that impact the cash flow stability from business operations.

Agricultural – Loans secured by agricultural assets are generally made for the purpose of acquiring land devoted to crop production, cattle or poultry or the operation of a similar type of business on the secured property. Sources of repayment for these loans generally include income generated from operations of a business on the property, rental income or sales of the property. Credit risk in these loans may be impacted by crop and commodity prices, the creditworthiness of a borrower, and changes in economic conditions which might affect underlying property values and the local economies in the Company's market areas.

Consumer – The consumer loan portfolio consists of various term and line of credit loans such as automobile loans and loans for other personal purposes. Residential loans in this category are generally secured by owner occupied 1–4 family residences. Repayment for these types of loans will come from a borrower's income sources that are typically independent of the loan purpose. Credit risk is driven by consumer economic factors, such as unemployment and general economic conditions in the Company's market area and the creditworthiness of a borrower.

Loan grades are numbered 1 through 4. Grade of 1, or Pass, is considered satisfactory. The grades of 2 and 3, or Watch and Special Mention, respectively, represent loans of lower quality and are considered criticized. Grade of 4, or Substandard, refers to loans that are classified.

- **Grade 1 (Pass)** – These loans generally conform to Bank policies, and are characterized by policy conforming advance rates on collateral, and have well-defined repayment sources. In addition, these credits are extended to borrowers and/or guarantors with a strong balance sheet and either substantial liquidity or a reliable income history.

- **Grade 2 (Watch)** – These loans are still considered "Pass" credits; however, various factors such as industry stress, material changes in cash flow or financial conditions, or deficiencies in loan documentation, or other risk issues determined by the Lending Officer, Commercial Loan Committee, (CLC), or Credit Quality Committee (CQC) warrant a heightened sense and frequency of monitoring.

- **Grade 3 (Special Mention)** – These loans must have observable weaknesses or evidence of imprudent handling or structural issues. The weaknesses require close attention and the remediation of those weaknesses is necessary. No risk of probable loss exists. Credits in this category are expected to quickly migrate to a "2" or a "4" as this is viewed as a transitory loan grade.

- **Grade 4 (Substandard)** – These loans are not adequately protected by the sound worth and debt service capacity of the borrower, but may be well secured. They have defined weaknesses relative to cash flow, collateral, financial condition, or other factors that might jeopardize repayment of all of the principal and interest on a timely basis. There is the possibility that a future loss will occur if weaknesses are not remediated.

The Company evaluates the definitions of loan grades and the allowance for credit losses methodology on an ongoing basis. No changes were made to either during the period ended June 30, 2024 September 30, 2024.

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Notes to Unaudited Condensed Consolidated Financial Statements

The following tables presents the amortized cost of the Company's loan portfolio with the gross charge-offs for the three nine months ended by year of origination based on internal rating category as of June 30, 2024 September 30, 2024, and for the twelve months ended by year of origination based on internal rating category as of December 31, 2023 (dollars in thousands): .

As of June 30, 2024	**2024**	**2023**	**2022**	**2021**	**2020**	**Prior**	**Revolving Loans Amortized Cost Basis**	**Total**			
As of September 30, 2024									**2024**	**2023**	**2022**
Construction & development											
Grade											
1 (Pass)	$ 40,711	$ 8,877	$ 2,157	$ 1,507	$ 171	$ 135	$ 105,934	$ 159,492	$ 37,691	$ 7,703	$ 2,101
2 (Watch)	-	-	-	-	-	-	-	-	-	-	-
3 (Special Mention)	563	-	-	-	-	-	-	563	1,822	-	-
4 (Substandard)	-	-	-	-	-	-	-	-	-	-	-
Total construction & development	41,274	8,877	2,157	1,507	171	135	105,934	160,055	39,513	7,703	2,101
Current-period gross charge-offs	-	-	-	-	-	-	-	-	-	-	-
1 - 4 family real estate											
Grade											
1 (Pass)	35,921	38,419	17,979	10,995	3,833	2,070	6,700	115,917	42,077	33,254	15,666
2 (Watch)	-	-	-	-	-	-	-	-	-	-	-
3 (Special Mention)	-	-	-	-	-	-	-	-	-	-	-
4 (Substandard)	-	-	-	-	-	-	-	-	-	-	-
Total 1 - 4 family real estate	35,921	38,419	17,979	10,995	3,833	2,070	6,700	115,917	42,077	33,254	15,666
Current-period gross charge-offs	-	-	-	-	-	-	-	-	-	-	-
Commercial real estate - other											
Grade											
1 (Pass)	76,892	185,325	150,552	19,921	20,278	5,597	51,243	509,808	120,484	156,295	140,661
2 (Watch)	-	-	-	-	-	-	-	-	7,505	-	-
3 (Special Mention)	-	-	-	-	-	1,064	-	1,064	-	721	-
4 (Substandard)	-	-	-	-	-	114	-	114	3,029	-	-
Total Commercial real estate - other	76,892	185,325	150,552	19,921	20,278	6,775	51,243	510,986	131,018	157,016	140,661
Current-period gross charge-offs	-	-	-	-	-	-	-	-	-	-	-
Commercial and industrial											
Grade											
1 (Pass)	70,619	107,458	49,877	13,968	1,426	4,137	226,448	473,933	118,291	94,102	45,343
2 (Watch)	-	-	-	-	-	-	3,709	3,709	-	-	-
3 (Special Mention)	-	-	-	-	-	-	885	885	558	-	-
4 (Substandard)	7,350	1,270	-	-	-	-	-	8,620	5,670	89	-
Total Commercial and industrial	77,969	108,728	49,877	13,968	1,426	4,137	231,042	487,147	124,519	94,191	45,343
Current-period gross charge-offs	-	2,000	-	-	-	-	-	2,000	-	2,000	-
Agriculuiral											
Grade											
1 (Pass)	23,270	7,104	4,996	6,796	3,829	1,311	17,532	64,838	26,602	6,922	4,845
2 (Watch)	-	-	-	-	-	-	-	-	-	-	-
3 (Special Mention)	-	-	-	-	-	-	-	-	-	-	-
4 (Substandard)	-	-	-	-	-	-	-	-	-	-	-
Total agriculural	23,270	7,104	4,996	6,796	3,829	1,311	17,532	64,838	26,602	6,922	4,845
Current-period gross charge-offs	-	-	-	-	-	-	-	-	-	-	-
Consumer											
Grade											
1 (Pass)	3,878	2,666	1,024	1,596	2,338	2,241	1,337	15,080	3,933	2,261	915
2 (Watch)	-	-	-	-	-	-	-	-	-	-	-

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3 (Special Mention)	-	-	-	-	-	-	-	-	-	-	-
4 (Substandard)	-	-	-	-	-	-	-	-	58	-	-
Total consumer	3,878	2,666	1,024	1,596	2,338	2,241	1,337	15,080	3,991	2,261	915
Current-period gross charge-offs	-	-	-	-	-	-	-	-	-	-	-
Total loans held for investment	$ 259,204	$ 351,119	$ 226,585	$ 54,783	$ 31,875	$ 16,669	$ 413,788	$ 1,354,023	$ 367,720	$ 301,347	$ 209,531
Total current-period gross charge-offs	$ -	$ 2,000	$ -	$ -	$ -	$ -	$ -	$ 2,000	$ -	$ 2,000	$ -

As of December 31, 2023	2023	2022	2021	2020	2019	Prior	Revolving Loans Amortized Cost Basis	Total
Construction & development								
Grade								
1 (Pass)	$ 26,915	$ 2,266	$ 3,182	$ 201	$ 98	$ 44	$ 103,711	$ 136,417
2 (Watch)	-	-	-	-	-	-	-	-
3 (Special Mention)	563	-	-	-	-	-	226	789
4 (Substandard)	-	-	-	-	-	-	-	-
Total construction & development	27,478	2,266	3,182	201	98	44	103,937	137,206
Current-period gross charge-offs	-	-	-	-	-	-	-	-
1 - 4 family real estate								
Grade								
1 (Pass)	48,275	22,573	13,305	3,928	1,808	1,069	9,618	100,576
2 (Watch)	-	-	-	-	-	-	-	-
3 (Special Mention)	-	-	-	-	-	-	-	-
4 (Substandard)	-	-	-	-	-	-	-	-
Total 1 - 4 family real estate	48,275	22,573	13,305	3,928	1,808	1,069	9,618	100,576
Current-period gross charge-offs	-	-	-	-	-	-	-	-
Commercial real estate - other								
Grade								
1 (Pass)	187,086	153,764	32,641	36,278	2,613	4,043	86,370	502,795
2 (Watch)	-	-	-	-	-	-	-	-
3 (Special Mention)	14,612	-	-	-	-	1,089	-	15,701
4 (Substandard)	-	-	-	-	-	126	-	126
Total Commercial real estate - other	201,698	153,764	32,641	36,278	2,613	5,258	86,370	518,622
Current-period gross charge-offs	-	-	-	-	-	-	-	-
Commercial and industrial								
Grade								
1 (Pass)	162,156	59,265	38,093	2,777	1,706	4,059	217,377	485,433
2 (Watch)	-	-	-	-	-	-	4,094	4,094
3 (Special Mention)	4,151	-	-	-	-	-	1,616	5,767
4 (Substandard)	20,660	7,937	98	8	-	-	2,188	30,891
Total Commercial and industrial	186,967	67,202	38,191	2,785	1,706	4,059	225,275	526,185
Current-period gross charge-offs	16,500	-	-	-	-	-	-	16,500
Agriculural								
Grade								
1 (Pass)	9,283	5,789	23,205	4,283	927	1,104	21,904	66,495
2 (Watch)	-	-	-	-	-	-	-	-
3 (Special Mention)	-	-	-	-	-	-	-	-
4 (Substandard)	-	-	-	-	-	-	-	-
Total agriculural	9,283	5,789	23,205	4,283	927	1,104	21,904	66,495

Current-period gross charge-offs	-	7	-	-	-	-	-	7
Consumer								
Grade								
1 (Pass)	4,415	1,545	2,171	2,554	663	1,819	1,270	14,437
2 (Watch)	-	-	-	-	-	-	-	-
3 (Special Mention)	-	-	-	-	-	-	-	-
4 (Substandard)	-	-	-	-	-	80	-	80
Total consumer	4,415	1,545	2,171	2,554	663	1,899	1,270	14,517
Current-period gross charge-offs	17	-	-	-	-	-	-	17
Total loans held for investment	$ 478,116	$ 253,139	$ 112,695	$ 50,029	$ 7,815	$ 13,433	$ 448,374	$ 1,363,601
Total current-period gross charge-offs	$ 16,517	$ 7	$ -	$ -	$ -	$ -	$ -	$ 16,524

Aged Analysis of Past Due Loans Receivable

The following table presents the Company's loan portfolio aging analysis of the recorded investment in loans as of June September 30, 2024 and December 31, 2023 (dollars in thousands):

	Past Due						Total Loans	Past Due				
	30–59 Days	60–89 Days	Greater than 90 Days	Total	Current	Total Loans	> 90 Days & Accruing	30–59 Days	60–89 Days	Greater than 90 Days	Total	C
June 30, 2024												
September 30, 2024												
Construction & development	$ -	$ -	$ -	$ -	$ 160,055	$ 160,055	$ -	$ -	$ -	$ -	$ -	$
1 - 4 family real estate	9	-	-	9	115,908	115,917	-	-	-	-	-	
Commercial real estate - other	722	-	-	722	510,264	510,986	-	1,938	4,476	721	7,135	
Commercial & industrial	130	4,117	2,368	6,615	480,532	487,147	-	9	-	28	37	
Agricultural	-	-	-	-	64,838	64,838	-	-	-	-	-	
Consumer	25	-	-	25	15,055	15,080	-	46	-	58	104	
Total	$ 886	$ 4,117	$ 2,368	$ 7,371	$ 1,346,652	$ 1,354,023	$ -	$ 1,993	$ 4,476	$ 807	$ 7,276	$ 1
December 31, 2023												
Construction & development	$ -	$ -	$ -	$ -	$ 137,206	$ 137,206	$ -	$ -	$ -	$ -	$ -	$
1 - 4 family real estate	-	-	-	-	100,576	100,576	-	-	-	-	-	
Commercial real estate - other	-	-	-	-	518,622	518,622	-	-	-	-	-	
Commercial & industrial(1)	472	10,969	9,946	21,387	504,798	526,185	9,946	472	10,969	9,946	21,387	
Agricultural	-	-	-	-	66,495	66,495	-	-	-	-	-	
Consumer(2)	-	27	80	107	14,410	14,517	80	-	27	80	107	
Total	$ 472	$ 10,996	$ 10,026	$ 21,494	$ 1,342,107	$ 1,363,601	$ 10,026	$ 472	$ 10,996	$ 10,026	$ 21,494	$ 1

(1) The $9.95 million that is greater than 90 days past due as of December 31, 2023, primarily consists of a single borrower that is well collateralized and for which collection is being diligently pursued.

(2) The $80,000 that is greater than 90 days past due as of December 31, 2023, consists of a single borrower that is well secured and for which collection is being diligently pursued.

Nonaccrual Loans

The following table presents information regarding nonaccrual loans as of June September 30, 2024 and December 31, 2023 (dollars in thousands):

	With an Allowance	No Allowance	Total Non-Accrual Loans	Related Allowance	With an Allowance	No Allowance	Total Non-Accrual Loans	Related Allowance
June 30, 2024								
September 30, 2024								
Construction & development	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1 - 4 Family Real Estate	-	-	-	-	-	-	-	-
Commercial Real Estate - other	-	114	114	-	-	3,138	3,138	-
Commercial & industrial	126	6,486	6,612	126	117	3,697	3,814	117
Agricultural	-	-	-	-	-	-	-	-
Consumer	-	-	-	-	-	-	-	-
Total	$ 126	$ 6,600	$ 6,726	$ 126	$ 117	$ 6,835	$ 6,952	$ 117

	With an Allowance	No Allowance	Total Non-Accrual Loans	Related Allowance
December 31, 2023				
Construction & development	$ -	$ -	$ -	$ -
1 - 4 Family Real Estate	-	-	-	-
Commercial Real Estate - other	-	126	126	-
Commercial & industrial	10,255	8,560	18,815	2,147
Agricultural	-	-	-	-
Consumer	-	-	-	-
Total	$ 10,255	$ 8,686	$ 18,941	$ 2,147

Collateral Dependent Loans

A loan is considered collateral-dependent when the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral. During the three months ended June September 30, 2024 and 2023, no material amount of interest income was recognized on collateral-dependent loans subsequent to their classification as collateral-dependent. At a minimum, the estimated value of the collateral for loan equals the current book value.

The following table summarizes collateral-dependent gross loans held for investment by collateral type and the related specific allocation as follows (dollars in thousands):

	Collateral Type					Collateral Type				
	Real Estate	Business Assets	Other Assets	Total	Specific Allocation	Real Estate	Business Assets	Other Assets	Total	Specific Allocation
June 30, 2024										
September 30, 2024										
Construction & development	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1 - 4 Family Real Estate	-	-	-	-	-	-	-	-	-	-
Commercial Real Estate - other	-	114	-	114	-	3,029	110	-	3,139	-
Commercial & industrial	6,155	2,368	-	8,523	30	-	5,669	-	5,669	28
Agricultural	-	-	-	-	-	-	-	-	-	-
Consumer	-	-	-	-	-	-	82	-	82	-
Total	$ 6,155	$ 2,482	$ -	$ 8,637	$ 30	$ 3,029	$ 5,861	$ -	$ 8,890	$ 28

	Collateral Type				
	Real Estate	Business Assets	Other Assets	Total	Specific Allocation
December 31, 2023					

Construction & development	$ -	$ -	$ -	$ -	$ -
1 - 4 Family Real Estate	-	-	-	-	-
Commercial Real Estate - other	126	-	-	126	-
Commercial & industrial	-	20,848	9,932	30,780	2,038
Agricultural	-	-	-	-	-
Consumer	27	-	80	107	-
Total	$ 153	$ 20,848	$ 10,012	$ 31,013	$ 2,038

Loan Modifications to Troubled Borrowers

As part of the Company's ongoing risk management practices, the Company attempts to work with borrowers when necessary to extend or modify loan terms to better align with their current ability to repay. Modifications could include extension of the maturity date, reductions of the interest rate, reduction or forgiveness of accrued interest, or principal forgiveness. Combinations of these modifications may also be made for individual loans. Extensions and modifications to loans are made in accordance with internal policies and guidelines which conform to regulatory guidance. Principal reductions may be made in limited circumstances, typically for specific commercial loan workouts, and in the event of borrower bankruptcy. Each occurrence is unique to the borrower and is evaluated separately.

Troubled loans are considered those in which the borrower is experiencing financial difficulty. The assessment of whether a borrower is experiencing financial difficulty can be subjective in nature and management's judgment may be required in making this determination. The Company may determine that a borrower is experiencing financial difficulty if the borrower is currently in default on any of its debt, or if it is probable that a borrower may default in the foreseeable future absent a modification. Many aspects of a borrower's financial situation are assessed when determining whether they are experiencing financial difficulty.

Modifications to Borrowers Experiencing Financial Difficulty

The following table presents
During the amortized cost basis at three and nine months ended September 30, 2024, the end of the reporting period of Company modified no loans modified to borrowers experiencing financial difficulty, disaggregated by class of financing receivable difficulty.

During the three and type of modification made, as well as nine months ended September 30, 2023, the financial effect of the modifications made as of June 30, 2024. There were no loans Company modified a single commercial loan to borrowers a borrower who was experiencing financial difficulty, as which included a term extension and payment of June 30, 2023 principal and interest deferral until the sale of collateral. The loan had a period-end amortized cost basis of $26.6 million and represented 4.64% of the commercial and industrial class of loans at September 30, 2023.

	Term Extension and Payment Deferral		
	Amortized Cost Basis	% of Total Class	Financial Effect
June 30, 2024			**(Dollars in thousands)**
Construction & development	$ -	- %	
1 - 4 Family Real Estate	-	-	
Commercial Real Estate - other	-	-	
Commercial & industrial	1,122	0.2	Extended the maturity of loan by four months, and payment of principal and interest deferred until the sale of collateral
Agricultural	-	-	
Consumer	-	-	
Total	$ 1,122	0.2 %	

The Company closely monitors the performance of the loans that are modified to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts.

The following table depicts Company had one modified loan over the performance past 12 months to borrowers experiencing financial difficulty. The pre-modification balance of loans that have the loan was $33.4 million. The loan subsequently defaulted resulting in a charge-off of $18.5 million. As of September 30, 2024, this loan has been modified in the last 12 months (dollars in thousands):

	Current	30-89 Days Past Due	90+ Days Past Due	Non-Accruing
June 30, 2024				
Construction & development	$ -	$ -	$ -	$ -
1 - 4 Family Real Estate	-	-	-	-
Commercial Real Estate - other	-	-	-	-
Commercial & industrial	-	-	-	1,122
Agricultural	-	-	-	-
Consumer	-	-	-	-
Total	$ -	$ -	$ -	$ 1,122

fully resolved.

Note 7: Shareholders' Equity

On October 28, 2021, the Company adopted a Repurchase Plan (the "RP") that authorizes the repurchase of up to 750,000 shares of the Company's stock. Stock repurchases under the RP take place pursuant to a Rule 10b5-1 Plan with pricing and purchasing parameters established by management. The RP expired on October 28, 2023. There were no share repurchases under this plan. On October 30, 2023, the Company adopted a new Repurchase Plan (the "New RP") that authorizes the repurchase of up to 750,000 shares of the Company's stock. Stock repurchases under the New RP will take place pursuant to a Rule 10b5-1 Plan with pricing and purchasing parameters established by management. There were no repurchases under this plan as of June 30, 2024 September 30, 2024.

A summary of the activity under the RP is as follows:

	Six Months Ended June 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Number of shares repurchased	-	-	-	-
Average price of shares repurchased	$ -	$ -	$ -	$ -
Shares remaining to be repurchased	750,000	750,000	750,000	750,000

The Company and Bank are subject to risk-based capital guidelines issued by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and Bank must meet specific capital guidelines that involve quantitative measures of assets, liabilities and certain off-balance-sheet items as calculated under GAAP, regulatory reporting requirements and regulatory capital standards. The Company's and Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors. Furthermore, the Company's and the Bank's regulators could require adjustments to regulatory capital not reflected in these financial statements.

Quantitative measures established by regulation to ensure capital adequacy require the Company and Bank to maintain minimum amounts and ratios (set forth in the following table) of total, Tier I, and Common Equity capital (as defined in the regulations) to risk-weighted assets (as defined) and of Tier I capital (as defined) to average assets (as defined). Management believes, as of June 30, 2024 September 30, 2024, that the Company and Bank meet all capital adequacy requirements to which it is subject and maintains capital conservation buffers that allow the Company and Bank to avoid limitations on capital distributions, including dividend payments and certain discretionary bonus payments to certain executive officers.

As of June 30, 2024 September 30, 2024, the most recent notification from the Federal Deposit Insurance Corporation (FDIC) categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Bank must maintain capital ratios as set forth in the table below. There are no conditions or events since that notification that management believes have changed the Bank's category.

The Company's and Bank's actual capital amounts and ratios are presented in the following table as of June 30, 2024 September 30, 2024 and December 31, 2023 (dollars in thousands):

Actual	Minimum Capital Requirements	With Capital Conservation Buffer

	Actual		Minimum Capital Requir
	Amount	Ratio	Amount
As of June September 30, 2024			
Total capital to risk-weighted assets			
Company	$ 205,120 217,253	14.28 14.11 %	$ 114,925 123,143
Bank	205,067 217,213	14.29 14.12 %	114,843 123,063
Tier I capital to risk-weighted assets			
Company	187,160 198,916	13.03 12.92 %	86,194 92,358
Bank	187,119 198,876	13.03 12.93 %	86,132 92,297
CET I capital to risk-weighted assets			
Company	187,160 198,916	13.03 12.92 %	64,645 69,268
Bank	187,119 198,876	13.03 12.93 %	64,599 69,223
Tier I capital to average assets			
Company	187,160 198,916	11.12 11.64 %	67,322 68,362
Bank	187,119 198,876	11.12 11.64 %	67,322 68,362
As of December 31, 2023			
Total capital to risk-weighted assets			
Company	$ 185,171	12.74 %	$ 116,251
Bank	185,118	12.75 %	116,169
Tier I capital to risk-weighted assets			
Company	166,982	11.49 %	87,188
Bank	166,942	11.50 %	87,127
CET I capital to risk-weighted assets			
Company	166,982	11.49 %	65,391
Bank	166,942	11.50 %	65,345
Tier I capital to average assets			
Company	166,982	9.50 %	70,318
Bank	166,942	9.50 %	70,318

The federal banking agencies require that banking organizations meet several risk-based capital adequacy requirements. The curre
“Basel Committee”). The Basel Committee is a committee of central banks and bank supervisors/regulators from the major industri
ensure that banking organizations have adequate capital given the risk levels of assets and off-balance sheet financial instruments.

The Basel III Capital Rules require the Bank and the Company to comply with four minimum capital standards: a Tier 1 leverage rati
calculation of all types of regulatory capital is subject to definitions, deductions and adjustments specified in the regulations.

The Basel III Capital Rules also require a “capital conservation buffer” of 2.5% above the regulatory minimum risk-based capital re
ratios. Banking institutions with a ratio of CET1 to risk-weighted assets below the effective minimum (4.5% plus the capital conserva
of the shortfall.

As of June 30, 2024 September 30, 2024, the Company’s and the Bank’s capital ratios exceeded the minimum capital adequacy guid

The Bank is subject to certain restrictions on the amount of dividends that it may declare without prior regulatory approval. At June 3

Note 8: Related-Party Transactions

At June 30, 2024 September 30, 2024 and December 31, 2023, the Company had loans outstanding to executive officers, directors,

The Bank leases office and retail banking space in Oklahoma City and Woodward, Oklahoma from Central Park on Lincoln, LLC an
June 30, 2024 September 30, 2024 and 2023, respectively and $130,000 $205,000 and $121,000 $186,000 for the six nine months
affiliates.

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Note 9: Employee Benefits

401(k) Savings Plan

The Company has a retirement savings 401(k) plan covering substantially all employees. Employees may contribute up to the
2024 September 30, 2024 and 2023 totaled $233,000 $98,000 and $209,000, $93,000, respectively. Employer contributions charged

Stock-Based Compensation

The Company adopted an equity incentive plan (the "Incentive Plan") in September 2018. The Incentive Plan permits the grant of re
Plan for the three months ended June 30, 2024 September 30, 2024 and 2023 totaled $637,000 $621,000 and $621,000, $565,000,
$1.1 million $1.7 million, respectively. There were 628,742 633,117 shares available for future grants as of June 30, 2024 September

The Company grants to employees and directors restricted stock units (RSUs) which vest ratably over one, three, four, five, or eight
considered fixed awards as the number of shares and fair value are known at the date of grant and the fair value at the grant date is

The Company uses newly issued shares for granting RSUs and stock options.

The following table is a summary of the stock option activity under the Incentive Plan (dollar amounts in thousands, except per share

Six Months Ended June 30, 2024
Nine Months Ended September 30, 2024
Outstanding at December 31, 2023
Options Granted
Options Exercised
Options Forfeited
Outstanding at June 30, 2024
Exercisable at June 30, 2024
Outstanding at September 30, 2024
Exercisable at September 30, 2024

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The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model and is based on ce

There were no new grants for the three nine months ended June 30, 2024 September 30, 2024 and 2023.

The following table summarizes share information about RSUs for the six nine months ended June 30, 2024 September 30, 2024 an

Six Months Ended June 30, 2024
Nine Months Ended September 30, 2024
Outstanding at December 31, 2023
Shares granted
Shares vested
Shares forfeited

End of the period balance

Six Months Ended June 30, 2023

Nine Months Ended September 30, 2023

Outstanding at December 31, 2022

Shares granted

Shares vested

Shares forfeited

End of the period balance

As of June 30, 2024September 30, 2024, there was approximately $6.1 million$52,000 of unrecognized compensation expense re
and/or unexercised stock options. RSUs. The stock option expense is expected to be recognized over a weighted average period of

As of June 30, 2023,September 30, 2023, there was approximately $5.5 million $201,000 of unrecognized compensation expense re
and/or unexercised stock options. RSUs. The stock option expense is expected to be recognized over a weighted average period of

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Note 10: Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market p
three levels of inputs that may be used to measure fair value:

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

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in m

Level 3 Unobservable inputs supported by little or no market activity and significant to the fair value of the assets or liabilities

Recurring Measurements

Assets and liabilities measured at fair value on a recurring basis include the following:

Available-for-sale debt securities: Debt securities classified as available-for-sale, as discussed in Note 5, are reported at fair va
measurements consider observable data that may include dealer quotes, market spreads, cash flows, the U. S. Treasury yield curv
things.

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Nonrecurring Measurements

The following table presents the fair value measurement of assets measured at fair value on a nonrecurring basis and the level withi

June 30, 2024

Collateral-dependent loans

September 30, 2024

Asset retirement obligations

December 31, 2023

Collateral-dependent loans

Asset retirement obligations

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a nonrecurring basis
within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

Collateral-Dependent Loans, Net of Allowance for Credit Losses

The estimated fair value of collateral-dependent loans is based on fair value, less estimated cost to sell. Collateral-dependent loans

The Company considers engineering reports or appraisals as the starting point for determining fair value and then considers other
collateral-dependent and subsequently as deemed necessary by executive management and loan administration. Values are reviev
estimated cost to sell if repayment or satisfaction of the loan is dependent on the sale of the collateral.

Asset retirement obligations

Asset retirement obligations related to the plugging and abandonment of oil and natural gas properties and are classified within the L

The fair value of the asset retirement obligations is measured using expected future cash outflows discounted at the Company's cre
asset retirement obligations are numerous assumptions and judgments including the ultimate settlement amounts, inflation facto
assumptions impact the fair value of the existing asset retirement obligations liability, a corresponding adjustment is made to the oil a

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Unobservable (Level 3) Inputs

The following table presents quantitative information about unobservable inputs used in recurring and nonrecurring Level 3 fair value

	Fair Value		Valuation Technique	
June 30, 2024				
Collateral-dependent loans	$	1,122	Estimated cash to be received pending resolution of bankruptcy proceedings	Estimated c
September 30, 2024				
Asset retirement obligations		281	Expected present value	Plugging an
December 31, 2023				
Collateral-dependent loans	$	16,370	Estimated cash to be received pending resolution of bankruptcy proceedings	Estimated c
Asset retirement obligations		361	Expected present value	Plugging an

The following table presents estimated fair values of the Company's financial instruments not recorded at fair value at June 30, 2024

	Carrying Amount		
June 30, 2024			
September 30, 2024			
Financial Assets			
Cash and due from banks	$	210,105	$
Interest-bearing time deposits in other banks		12,202	
Loans, net of allowance		1,334,317	
Nonmarketable equity securities		1,275	
Interest receivable and other assets		32,240	
Financial Liabilities			
Deposits	$	1,481,317	$
Interest payable and other liabilities		10,790	
December 31, 2023			
Financial Assets			
Cash and due from banks	$	181,042	$
Interest-bearing time deposits in other banks		17,679	

Loans, net of allowance		1,341,148
Loans held for sale		718
Nonmarketable equity securities		1,283
Interest receivable and other assets		35,878
Financial Liabilities		
Deposits	$	1,591,391
Interest payable and other liabilities		9,647

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The following methods were used to estimate the fair value of all other financial instruments recognized in the accompanying consoli

Cash and Due from Banks, Interest-Bearing Time Deposits in Other Banks, Nonmarketable Equity Securities, Interest Recei

The carrying amount approximates fair value.

Loans and Mortgage Loans Held for Sale

The Company determines fair value of loans by using exit market assumptions including factors such as liquidity, credit quality and ri ratings and for the same remaining maturities. Loans with similar characteristics were aggregated for purposes of the calculations.

Deposits

Deposits include demand deposits, savings accounts, NOW accounts and certain money market deposits. The carrying amount a similar remaining maturities.

Commitments to Extend Credit, Lines of Credit and Standby Letters of Credit

The fair values of unfunded commitments are estimated using the fees currently charged to enter into similar agreements, taking into fees currently charged for similar agreements or on the estimated cost to terminate or otherwise settle the obligations with the count 2024 September 30, 2024 and December 31, 2023.

Interest Receivable and Other Assets

Interest receivable and other assets include prepaid expenses, right-of-use lease assets, interest receivable on loans, deferred tax a value. For the determination of fair value of oil and gas assets, see discussion in the December 31, 2023 Form 10-K, Note 1, *Summa*

Interest Payable and Other Liabilities

Interest payable and other liabilities include unfunded commitment liabilities, lease liabilities, interest payable on deposits, dividends accrued liabilities carrying amount approximates fair value. For the determination of fair value of oil and gas liabilities, see discussior

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Note 11: Financial Instruments with Off-Balance Sheet Risk

The Company is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing r credit risk in excess of the amount recognized in the accompanying consolidated balance sheets. The following summarizes those fi

Commitments to extend credit
Financial and performance standby letters of credit

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in total commitments to extend credit amounts do not necessarily represent future cash requirements. The Company evaluates each cu

credit evaluation of the customer. Standby letters of credit are irrevocable conditional commitments issued by the Company to gu
customers.

On January 1, 2023, the Company adopted ASU 2016-13, see Note (6). Upon adoption, the Company estimated an allowance
commitments totaled $464,000 at June 30, 2024 September 30, 2024 and December 31, 2023.

Note 12: Significant Estimates and Concentrations

GAAP requires disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Estimates related

As of June 30, 2024 September 30, 2024, hospitality loans were 21% 20% of gross total loans with outstanding balances of $282.1
million and unfunded commitments of $62.5 million $45.9 million.

The Company evaluates goodwill for potential goodwill impairment on an annual basis or more often based on consideration if a
2024 September 30, 2024, goodwill of $8.5 million was recorded on the consolidated balance sheet.

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ITEM 2.Management's Discussion and Analysis of Financial Condition and Results of Operations

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our cons

Unless the context indicates otherwise, references in this management's discussion and analysis to "we", "our", "we," "our," and "us,"

General

We are Bank7 Corp., a bank holding company headquartered in Oklahoma City, Oklahoma. Through our wholly-owned subsidiary,
delivering fast, consistent and well-designed loan and deposit products to meet their financing needs. We intend to grow organically

As a bank holding company, we generate most of our revenue from interest income on loans and from short-term investments. Th
earnings per share, capital ratios, efficiency ratio (calculated by dividing noninterest expense by the sum of net interest income on a

Q2 Q3 2024 Overview

We reported total loans of $1.35 billion $1.44 billion as of June 30, 2024 September 30, 2024, an increase of $75.8 million $44.8
million $69.4 million, or 1.8% 4.4%, as compared to June 30, 2023 September 30, 2023.

Pre-tax net income was $15.3 million $15.5 million, an increase of $2.4 million $5.3 million, or 18.2% 51.9%, for the three months en
million, an increase of $4.7 million $10.0 million, or 18.4% 28.0%, for the six nine months ended June 30, 2024 September 30, 2024 a

Return on average assets and return on average equity was 2.74% 2.73% and 25.02% 23.67%, respectively for the three months e
average equity was 2.66% 2.68% and 25.41% 24.79%, respectively for the six nine months ended June 30, 2024 September 30, 202
was 37.72% 37.87% as compared to 34.28% 33.61% for the same period in 2023. Our efficiency ratio for the six nine months ended

The provision for credit losses for the three months ended June 30, 2024 September 30, 2024 decreased $1.0 million $4.2 million, o
million or 100.0%, as compared to the same period in 2023. The provision expense for the six nine months ended June 30, 2023 Se
single loan customer that filed for bankruptcy, and as a result, we recorded an additional allowance for credit losses of $3.0 million.

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Results of Operations

Three Months Ended June 30, 2024 September 30, 2024 and June 30, 2023 September 30, 2023

Net Interest Income and Net Interest Margin. The following table presents, for the periods indicated, information about: (i) weighted a
expense on interest-bearing liabilities, and the resultant average rates; (iii) net interest income; and (iv) the net interest margin.

Fo
2024

	Average Balance	Interest Income/ Expense
Interest-Earning Assets:		
Short-term investments	$ 173,502	$ 2,488
Debt securities, taxable	106,457	951
Debt securities, tax exempt(1)	17,252	71
Loans held for sale	355	-
Total loans(2)	1,354,985	28,926
Total interest-earning assets	1,652,551	32,436
Noninterest-earning assets	38,722	
Total assets	$ 1,691,273	
Funding sources:		
Interest-bearing liabilities:		
Deposits:		
Transaction accounts	$ 851,751	8,293
Time deposits	247,452	2,911
Total interest-bearing deposits	1,099,203	11,204
Total interest-bearing liabilities	$ 1,099,203	11,204
Noninterest-bearing liabilities:		
Noninterest-bearing deposits	$ 394,010	
Other noninterest-bearing liabilities	12,778	
Total noninterest-bearing liabilities	406,788	
Shareholders' equity	185,282	
Total liabilities and shareholders' equity	$ 1,691,273	
Shareholders’ equity		
Total liabilities and shareholders’ equity		
Net interest income		$ 21,232
Net interest spread		
Net interest margin		

(1) Taxable-equivalent yield of 2.19% 2.13% as of June 30, 2024 September 30, 2024, applying a 24.5% 24.0% effective tax ra

(2) Average loan balances include monthly average nonaccrual loans of $11.8 million $7.4 million and $7.3 million $41.2 millior

For the second third quarter of 2024 compared to the second third quarter of 2023:

- Interest income on total loans totaled $28.9 million $30.8 million, an increase of $2.0 million $1.9 million or 7.59% 6.6%, du
- Yields on our interest-earning assets totaled 7.87% 7.92%, an increase of 48 basis points which was attributable to higher
- Net interest margin for the second third quarter of 2024 was 5.15% 5.02% compared to 5.04% 4.87% for the second third q

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	Fo	
	2024	
	Average Balance	Interest Income/ Expense
Interest-Earning Assets:		
Short-term investments	$ 174,787	$ 4,573
Debt securities, taxable	129,963	1,963
Debt securities, tax exempt(1)	17,761	144

Loans held for sale		297	-
Total loans(2)		1,362,339	59,043
Total interest-earning assets		1,685,147	65,723
Noninterest-earning assets		39,246	
Total assets	$	1,724,393	
Funding sources:			
Interest-bearing liabilities:			
Deposits:			
Transaction accounts	$	848,764	16,489
Time deposits		256,212	5,992
Total interest-bearing deposits		1,104,976	22,481
Total interest-bearing liabilities		1,104,976	22,481
Noninterest-bearing liabilities:			
Noninterest-bearing deposits		426,696	
Other noninterest-bearing liabilities		12,218	
Total noninterest-bearing liabilities		438,914	
Shareholders' equity		180,503	
Total liabilities and shareholders' equity	$	1,724,393	
Shareholders' equity			
Total liabilities and shareholders' equity			
Net interest income			$ 43,242
Net interest spread			
Net interest margin			

(1) Taxable-equivalent yield of 2.15% as of June 30, 2024 September 30, 2024, applying a 24.3% 24.2% effective tax rate

(2) Average loan balances include monthly average nonaccrual loans of $17.2 million $13.9 million and $7.3 million $41.2 milli

For the first six nine months of 2024 compared to the same period in 2023:

- Interest income on total loans totaled $59.0 million $89.8 million, an increase of $6.8 million $8.7 million or 13.03% 10.7%,
- Yields on our interest-earning assets totaled 7.82% 7.85%, an increase of 61 56 basis points which was attributable to hi points; and
- Net interest margin for the second quarter first nine months of 2024 was 5.15% 5.10% compared to 5.09% 5.01% for the se
- Cost of 2023. total interest-bearing deposits totaled 4.10%, an increase of 62 basis points which was attributable to higher

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Increases and decreases in interest income and interest expense result from changes in average balances, or volume, of interest interest income during the period shown. Information is provided with respect to (i) effects on interest income attributable to changes

Increase (decrease) in interest income:
Short-term investments
Debt securities
Total loans
Total increase (decrease) in interest income
Increase (decrease) in interest expense:

Deposits:
Transaction accounts
Time deposits
Total interest-bearing deposits
Total increase (decrease) in interest expense

Increase (Decrease) in net interest income

Increase (decrease) in interest income:
Short-term investments
Debt securities
Total loans
Total increase (decrease) in interest income

Increase (decrease) in interest expense:
Deposits:
Transaction accounts
Time deposits
Total interest-bearing deposits
Total increase (decrease) in interest expense

Increase (Decrease) in net interest income

(1) Variances attributable to both volume and rate are allocated on a consistent basis between rate and volume based on the a

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Securities

Our investment portfolio consists entirely of securities classified as available for sale. available-for-sale. As a result, the carrying valu
shareholders' equity.

We evaluate our available for sale available-for-sale securities portfolio on a quarterly basis for potential credit-related losses. We as
allowance for credit losses is recognized. If the fair value is less than the amortized cost basis, we review the factors to determine
basis, the difference between fair value and amortized cost is impaired and is recognized through earnings. For debt securities w
earnings, with a corresponding entry to an allowance for credit losses, and the noncredit portion is recognized through accumulated

The following table summarizes the maturity distribution schedule with corresponding weighted average taxable equivalent yielc
maturities. The Company manages its debt securities portfolio for liquidity, as a tool to execute its asset/liability management strateg

	As of June 30, 2024					
	Within One Year		After One Year But Within Five Years		After Five Years But Within Ten Years	
	Amount	Yield *	Amount	Yield *	Amount	Yield *
Available-for-sale					(Dollars in thousands)	
U.S. Federal agencies	$ -	0.00 %	$ 82	2.84 %	$ -	0.00 %
Mortgage-backed securities	2,212	1.20	7,808	1.37	2,034	1.41
State and political subdivisions	4,694	0.92	12,560	1.37	6,632	1.55
U.S. Treasuries	-	-	2,757	1.04	2,506	1.12

Corporate debt securities	-	-	-	-	4,378	3.36
Total	$ 6,906	1.01 %	$ 23,207	1.33 %	$ 15,550	2.01 %
Percentage of total	10.42 %		35.01 %		23.46 %	

*Yield is on a taxable-equivalent basis using 21% tax rate

Provision for Credit Losses

Credit risk is inherent in the business of making loans. We establish an Allowance for credit losses ("Allowance") through charges t
are dependent upon many factors, including loan growth, net charge-offs, changes in the composition of the loan portfolio, delinquen

For the three months ended June 30, 2024 September 30, 2024 compared to the three months ended June 30, 2023 September

- The provision for credit losses decreased from $1.0 million $4.2 million to $0; and
- The allowance as a percentage of gross loans increased decreased by 3 24 basis points to 1.31% 1.24%.

For the six nine months ended June 30, 2024 September 30, 2024 compared to the six nine months ended June 30, 2023 Septer

- The provision for credit losses decreased from $1.5 million $5.6 million to $0; and
- The allowance as a percentage of gross loans increased decreased by 3 24 basis points to 1.31% 1.24%.

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Noninterest Income

The following table sets forth the major components of our noninterest income for the three months ended June 30, 2024 September

Noninterest income:
Mortgage lending income
Loss on sales of available-for-sale debt securities
Service charges on deposit accounts
Other income and fees
Total noninterest income

Noninterest income for the three months ended June 30, 2024 September 30, 2024 was $3.2 million $3.7 million compared to $794,(
of oil and gas assets acquired during the fourth quarter of 2023, see Note 2 of the financial statements.

Noninterest income:	
Mortgage lending income	$
Loss on sales of available-for-sale debt securities	
Service charges on deposit accounts	
Other income and fees	
Total noninterest income	$

The following table sets forth the major components of our noninterest income for the nine months ended September 30, 2024 and 2

Noninterest income:	
Mortgage lending income	$
Loss on sales of available-for-sale debt securities	
Service charges on deposit accounts	
Other income and fees	
Total noninterest income	$

Noninterest income for the six nine months ended June 30, 2024 September 30, 2024 was $5.2 million $8.9 million compared to $
operation of oil and gas assets acquired during the fourth quarter of 2023, see Note 2 of the financial statements.

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Noninterest Expense

The following table sets forth the major components of our noninterest expense for the three months ended June 30, 2024 Septembe

Noninterest expense:
Salaries and employee benefits
Furniture and equipment
Occupancy
Data and item processing
Accounting, marketing, and legal fees
Regulatory assessments
Advertising and public relations
Travel, lodging and entertainment
Other expense
Total noninterest expense

Noninterest expense for the three months ended June 30, 2024 September 30, 2024 was $9.1 million $9.4 million compared to $7.4
gas assets acquired during the fourth quarter of 2023, see Note 2 of the financial statements.

Noninterest expense:	
Salaries and employee benefits	$
Furniture and equipment	
Occupancy	
Data and item processing	
Accounting, marketing, and legal fees	
Regulatory assessments	
Advertising and public relations	
Travel, lodging and entertainment	
Other expense	
Total noninterest expense	$

The following table sets forth the major components of our noninterest expense for the nine months ended September 30, 2024 and

Noninterest expense:	
Salaries and employee benefits	$
Furniture and equipment	
Occupancy	
Data and item processing	
Accounting, marketing, and legal fees	
Regulatory assessments	
Advertising and public relations	
Travel, lodging and entertainment	
Other expense	
Total noninterest expense	$

Noninterest expense for the six nine months ended June 30, 2024 September 30, 2024 was $18.3 million $27.7 million compared to
operation of oil and gas assets acquired during the fourth quarter of 2023, see Note 2 of the financial statements.

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Financial Condition

The following discussion of our financial condition compares June 30, 2024 September 30, 2024 and December 31, 2023.

Total Assets

Total assets decreased $88.8 million $31.2 million, or 5.0% 1.8%, to $1.68 billion $1.74 billion as of June 30, 2024 September 30, 202

Loan Portfolio

The following table presents the balance and associated percentage of each major category in our loan portfolio as of June 30, 2024

Construction & development
1-4 family real estate
Commercial real estate - other
Total commercial real estate
Commercial & industrial
Agricultural
Consumer
Gross loans
Less: unearned income, net
Total Loans, net of unearned income
Less: Allowance for credit losses
Net loans

Our loans represent the largest portion of our earning assets. The quality and diversification of the loan portfolio is an important co
billion, respectively.

We have established internal concentration limits in the loan portfolio for Commercial Real Estate (CRE) loans, hospitality loans, en
determine debt service capabilities, and we further stress test the customer's debt service capability under higher interest rate scer

financial condition, should that occur.

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The following tables show the contractual maturities of our gross loans as of the periods below:

	As of June 30, 2024					
	Due in One Year or Less		Due after One Year Through Five Years		Due after Five Years Through Fifteen Years	
	Fixed Rate	Adjustable Rate	Fixed Rate	Adjustable Rate	Fixed Rate	Adjustable Rate
	(Dollars in thousands)					
Construction & development	$ 13,229	$ 69,279	$ 2,351	$ 73,726	$ -	$ 1,470
1-4 family real estate	11,261	17,189	47,633	29,739	91	5,091
Commercial real estate - other	45,087	67,141	142,669	226,301	159	20,220
Total commercial real estate	69,577	153,609	192,653	329,766	250	26,781
Commercial & industrial	25,124	257,303	16,594	174,528	2,869	10,123
Agricultural	19,036	3,787	12,260	26,847	-	910
Consumer	2,083	-	6,130	126	490	3,468
Gross loans	$ 115,820	$ 414,699	$ 227,637	$ 531,267	$ 3,609	$ 41,282

	As of December 31, 2023					
	Due in One Year or Less		Due after One Year Through Five Years		Due after Five Years Through Fifteen Years	
	Fixed Rate	Adjustable Rate	Fixed Rate	Adjustable Rate	Fixed Rate	Adjustable Rate
	(Dollars in thousands)					
Construction & development	$ 11,431	$ 70,040	$ 8,970	$ 44,935	$ -	$ 1,438
1-4 family real estate	13,628	13,015	41,602	21,451	26	5,443
Commercial real estate - other	50,251	65,120	152,250	219,260	129	21,283
Total commerical real estate	75,310	148,175	202,822	285,646	155	28,164
Commercial & industrial	20,389	263,564	41,520	186,776	3,276	10,041
Agricultural	13,250	22,615	13,935	13,032	-	810
Consumer	2,170	14	5,490	121	595	3,604
Gross loans	$ 111,119	$ 434,368	$ 263,767	$ 485,575	$ 4,026	$ 42,619

Allowance for Credit and Lease Losses

The allowance is based on management's estimate of potential losses inherent in the loan portfolio. In the opinion of management future additions to the allowance may be necessary based on changes in economic conditions. In addition, various regulatory age system to determine risk potential in loans is utilized together with the results of internal credit reviews.

To determine the adequacy of the allowance, the loan portfolio is broken into segments based on loan type. Historical loss experier updated based on the composition of the specific loan segment. Other considerations include volumes and trends of delinquencies, concentrations of credit risk and the experience and abilities of our lending personnel.

The allowance was $17.8 million $17.9 million at June 30, 2024 September 30, 2024, compared to $19.7 million at December 31, 20:

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The following table provides an analysis of the activity in our allowance for the periods indicated:

Balance at beginning of the period
Impact of CECL adoption
Provision for credit losses for loans
Charge-offs:
Construction & development
1-4 family real estate
Commercial real estate - other
Commercial & industrial
Agricultural
Consumer
Total charge-offs
Recoveries:
Construction & development
1-4 family real estate
Commercial real estate - other
Commercial & industrial
Agricultural
Consumer
Total recoveries
Net recoveries (charge-offs)
Balance at end of the period
Net recoveries (charge-offs) to average loans

While the entire allowance is available to absorb losses from any and all loans, the following table represents management's allocati

Construction & development
1-4 family real estate
Commercial real estate - Other
Commercial real estate - other
Commercial & industrial
Agricultural
Consumer
Total

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Nonperforming Assets

Loans are considered delinquent when principal or interest payments are past due 30 days or more. Delinquent loans may remain o of interest on loans is discontinued when principal or interest payments are past due 90 days or when, in the opinion of managemen current period interest income. Income on a nonaccrual loan is subsequently recognized only to the extent that cash is received an and interest is probable.

Real estate we acquire as a result of foreclosure or by deed-in-lieu of foreclosure is classified as other real estate owned, or OREO,

The following table presents information regarding nonperforming assets as of the dates indicated.

Nonaccrual loans(1)
Accruing loans 90 or more days past due
Total nonperforming assets
Ratio of nonperforming loans to total loans
Ratio of nonaccrual loans to total loans
Ratio of allowance for credit losses to total loans
Ratio of allowance for credit losses to nonaccrual loans
Ratio of nonperforming assets to total assets

(1) Includes $1.12 million of loans modified to borrowers experiencing financial difficulty, see

(1) Included in the nonaccrual loans balance are $0 and $10.12 million of loans modified to borrows experiencing financial difficulty

The following tables present an aging analysis of loans as of the dates indicated.

	As of Ju			
	Loans 30-59 days past due	Loans 60-89 days past due	Loans 90+ days past due	Loans days past accru
				(Dollars in
Construction & development	$ -	$ -	$ -	$
1-4 family real estate	9	-	-	
Commercial real estate	722	-	-	
Commercial real estate - other				
Commercial & industrial	130	4,117	2,368	
Agricultural	-	-	-	
Consumer	25	-	-	
Total	$ 886	$ 4,117	$ 2,368	$

	Loans 30-59 days past due	Loans 60-89 days past due	Lo
Construction & development	$ -	$ -	$
1-4 family real estate	-	-	
Commercial real estate - other	-	-	
Commercial & industrial	472	10,969	
Agricultural	-	-	
Consumer	-	27	
Total	$ 472	$ 10,996	$

	Loans 30-59 days past due	Loans 60-89 days past due	Lo
Construction & development	$ -	$ -	$
1-4 family real estate	-	-	
Commercial real estate	-	-	
Commercial & industrial	472	10,969	
Agricultural	-	-	
Consumer	-	27	
Total	$ 472	$ 10,996	$

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In addition to the past due and nonaccrual criteria, we also evaluate loans according to our internal risk grading system. Loans are s

Pass: These loans generally conform to Bank policies, are characterized by policy-conforming advance rates on collateral, and ha income history.

Watch: These loans are still considered “Pass” credits; however, various factors such as industry stress, material changes in cash f warrant a heightened sense and frequency of monitoring.

Special mention: These loans have observable weaknesses or evidence of imprudent handling or structural issues. The weaknesses or “Substandard” as this is viewed as a transitory loan grade.

Substandard: These loans are not adequately protected by the sound worth and debt service capacity of the borrower, but may be interest on a timely basis. There is the possibility that a future loss will occur if weaknesses are not remediated.

Outstanding loan balances categorized by internal risk grades as of the periods indicated are summarized as follows:

	Pass	
Construction & development	$ 159,492	$
1-4 family real estate	115,917	
Commercial real estate - Other	509,808	
Commercial real estate - other		
Commercial & industrial	473,933	
Agricultural	64,838	
Consumer	15,080	
Total	$ 1,339,068	$

	Pass	
Construction & development	$ 136,417	$
1-4 family real estate	100,576	
Commercial real estate - Other	502,795	
Commercial real estate - other		
Commercial & industrial	485,433	
Agricultural	66,495	
Consumer	14,437	
Total	$ 1,306,153	$

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Deposits

We gather deposits primarily through our twelve branch locations and online through our website. We offer a variety of deposit pro bearing demand deposit accounts through loan production cross-selling, customer referrals, marketing efforts and various involveme funds are placed into multiple deposit accounts, each in an amount under the standard FDIC insurance maximum of $250,000, and p

Total deposits as of June 30, 2024 September 30, 2024 and December 31, 2023 were $1.48 billion $1.52 billion and $1.59 billion, res

Uninsured deposits are defined as the portion of deposit accounts in U.S. offices that exceed the FDIC insurance limit and amounts were $344.6 million and $448.7 million at September 30, 2024 and December 31, 2023, respectively, as calculated per regulatory gu

The following table sets forth deposit balances by certain categories as of the dates indicated and the percentage of each deposit ca

Noninterest-bearing demand	$
Interest-bearing transaction deposits	
Savings deposits	
Time deposits (less than $250,000)	
Time deposits ($250,000 or more)	
Total interest-bearing deposits	
Total deposits	$

The following tables set forth the maturity of time deposits as of the dates indicated below:

	Three Months
Time deposits (less than $250,000)	$ 44,945
Time deposits ($250,000 or more)	11,109
Total time deposits	$ 56,054

	Three Months
Time deposits (less than $250,000)	$ 52,423
Time deposits ($250,000 or more)	30,807
Total time deposits	$ 83,230

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Liquidity

Liquidity refers to our ability to meet the cash flow requirements of depositors and borrowers, while at the same time meeting our ope
that will meet all short-term and long-term cash requirements. We manage our liquidity position to meet the daily cash flow needs of

Our liquidity position is supported by the management of liquid assets and access to alternative sources of funds. Our liquid assets i
correspondent banks and FHLB advances.

Our short-term and long-term liquidity requirements are primarily met through cash flow from operations, redeployment of prepaying
necessary to meet additional liquidity requirements on either a short-term or long-term basis.

As of June 30, 2024 September 30, 2024, we had no unsecured fed funds lines with correspondent depository institutions, with no co
June 30, 2024 September 30, 2024 and $159.2 million as of December 31, 2023, and we had access to approximately $367.7 millior

Capital Requirements

The Bank is subject to various regulatory capital requirements administered by the federal and state banking regulators. Failure to m
effect on our financial statements. Under capital adequacy guidelines and the regulatory framework for "prompt corrective action" (de
regulatory accounting policies. The capital amounts and classifications are subject to qualitative judgments by the federal banking re
and ratios of Common Equity Tier 1 ("CET1") capital, Tier 1 capital, total capital to risk-weighted assets, and Tier 1 capital to average

As of June 30, 2024 September 30, 2024, the Bank was in compliance with all applicable regulatory requirements and categorized a
would change this classification. The table below presents our applicable capital requirements, as well as our capital ratios as of Jun
the dates reflected in the tables below.

Basel III Capital Rules

Under the Basel III Capital Rules, in order to avoid limitations on capital distributions, including dividend payments and certain dis
requirements. As of June 30, 2024 September 30, 2024, the Company and the Bank met all capital adequacy requirements under th

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	Actual		
	Amount	Ratio	
As of September 30, 2024			
Total capital (to risk-weighted assets)			
Company	$ 217,253	14.11 %	$
Bank	217,213	14.12 %	
Tier 1 capital (to risk-weighted assets)			
Company	198,916	12.92 %	
Bank	198,876	12.93 %	
CET 1 capital (to risk-weighted assets)			
Company	198,916	12.92 %	
Bank	198,876	12.93 %	
Tier 1 capital (to average assets)			
Company	198,916	11.64 %	
Bank	198,876	11.64 %	

	Actual		
	Amount	Ratio	
As of June 30, 2024			
Total capital (to risk-weighted assets)			
Company	$ 205,120	14.28 %	$
Bank	205,067	14.29 %	
Tier 1 capital (to risk-weighted assets)			
Company	187,160	13.03 %	
Bank	187,119	13.03 %	
CET 1 capital (to risk-weighted assets)			
Company	187,160	13.03 %	
Bank	187,119	13.03 %	
Tier 1 capital (to average assets)			
Company	187,160	11.12 %	
Bank	187,119	11.12 %	

	Actual		
	Amount	Ratio	
As of December 31, 2023			
Total capital (to risk-weighted assets)			
Company	$ 185,171	12.74 %	$
Bank	185,118	12.75 %	

Tier 1 capital (to risk-weighted assets)		
Company	166,982	11.49 %
Bank	166,942	11.50 %
CET 1 capital (to risk-weighted assets)		
Company	166,982	11.49 %
Bank	166,942	11.50 %
Tier 1 capital (to average assets)		
Company	166,982	9.50 %
Bank	166,942	9.50 %

Shareholders' equity provides a source of permanent funding, allows for future growth and provides a cushion to withstand unfores
$170.3 million as of December 31, 2023.

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Contractual Obligations

The following tables contain supplemental information regarding our total contractual obligations as of June 30, 2024 September 30,

	Within One Year
Deposits without a stated maturity	$ 1,231,348
Time deposits	240,928
Operating lease commitments	553
Total contractual obligations	$ 1,472,829

Deposits without a stated maturity	$
Time deposits	
Operating lease commitments	
Total contractual obligations	$

We believe that we will be able to meet our contractual obligations as they come due through the maintenance of adequate cash l
borrowing mechanisms for both short-term and long-term liquidity needs.

Off-Balance Sheet Arrangements

We are a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of ou
interest rate risk in excess of the amount recognized in the consolidated balance sheet. The contractual or notional amounts of those

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in
expire without being drawn upon, the total commitment amount does not necessarily represent future cash requirements. We evalu
credit evaluation of the counterparty. The Company also estimates a reserve for potential losses associated with off-balance sheet c
interest expense in the consolidated statement of income.

In determining the reserve for unfunded lending commitments, a process similar to the one used for the allowance is employed. Bas
for losses.

Standby letters of credit are conditional commitments issued by the Company to guarantee the performance of the customer to a thi

The following table summarizes commitments as of the dates presented.

Commitments to extend credit
Standby letters of credit
Total

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Critical Accounting Policies and Estimates

Our accounting and reporting policies conform to GAAP and conform to general practices within the industry in which we oper
assumptions and judgments affect the amounts reported in the financial statements and accompanying notes. These estimates, a
estimates, assumptions and judgments reflected in the financial statement. In particular, management has identified several account

The following is a discussion of the critical accounting policies and significant estimates that we believe require us to make the most

Allowance for Credit Losses

The allowance is based on management's estimate of probable losses inherent in the loan portfolio. In the opinion of management
future additions to the allowance may be necessary based on changes in economic conditions and changes in the composition of t
the allowance, a comprehensive loan grading system to determine risk potential in loans is utilized together with the results of interna

To determine the adequacy of the allowance, the loan portfolio is broken into pools based on loan type and risk characteristics. H
evaluated and updated based on the composition of the specific loan pool. Other considerations include volumes and trends of delin
conditions, concentrations of credit risk and the experience and abilities of our lending personnel. In addition to the pool evaluations
necessary. Specific allowances may also be established for loans whose outstanding balances are below the $250,000 threshold wh

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Goodwill and Intangibles

Intangible assets totaled $938,000 $907,000 and goodwill, net of accumulated amortization, totaled $8.5 million as of June 30, 2024

Goodwill resulting from a business combination represents the excess of the fair value of the consideration transferred over the fair
present. If the implied fair value of goodwill is lower than its carrying amount, a goodwill impairment is indicated and goodwill is writt

Other intangible assets consist of core deposit intangible assets and are amortized on a straight-line basis based on an estimated us

Income Taxes

We file a consolidated income tax return. Deferred taxes are recognized under the balance sheet method based upon the future tax
when the related temporary differences are expected to be realized.

The amount of accrued current and deferred income taxes is based on estimates of taxes due or receivable from taxing authorities
tax credits, other taxes and temporary differences. Changes periodically occur in the estimates due to changes in tax rates, tax law
judgment and consideration of numerous subjective factors.

Management performs an analysis of our tax positions annually and believes it is more likely than not that all of its tax positions will b

Fair Value of Financial Instruments

ASC Topic 820, Fair Value Measurement, defines fair value as the price that would be received to sell a financial asset or paid to t
value of assets and liabilities is dependent upon the availability of quoted market prices or observable market parameters. For f
observable market prices and parameters are not available, management judgment is necessary to estimate fair value. In addition, c
Debt securities that are being held for indefinite periods of time and are not intended to sell, are classified as available for sale and a
net of income tax.

The Company reviews its portfolio of debt securities in an unrealized loss position at least quarterly. The Company first assesses w
securities amortized cost basis is written down to fair value as a current period expense. If either of the above criteria is not met, th
period of time the security has been in an unrealized loss position, and performance of any underlying collateral and adverse conditi

The estimates of fair values of debt securities and other financial instruments are based on a variety of factors. In some cases, fair v
timing of estimated future cash flows and assumed discount rates reflecting varying degrees of risk. Accordingly, the fair values may

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ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Sensitivity and Market Risk

As a financial institution, our primary component of market risk is interest rate volatility. Our financial management policy provides m historically managed our sensitivity position within our established guidelines.
Fluctuations in interest rates will ultimately impact both the level of income and expense recorded on most of our assets and liabi economic losses due to future interest rate changes. These economic losses can be reflected as a loss of future net interest income same time maximizing income.

We manage our exposure to interest rates by structuring our balance sheet in the ordinary course of business. We do not enter ir operations, we are not subject to foreign exchange or commodity price risk. We do not own any trading assets.

Our exposure to interest rate risk is managed by the Asset/Liability Committee, or the ALCO Committee, in accordance with polic interest rate risk, the ALCO Committee considers the impact on earnings and capital on the current outlook on interest rates, po sensitivity of assets and liabilities to interest rate changes, the book and market values of assets and liabilities, commitments to or commercial deposit activity. Management employs methodologies to manage interest rate risk, which include an analysis of relations

We use interest rate risk simulation models and shock analyses to test the interest rate sensitivity of net interest income and fair va average lives of non-maturity deposit accounts are based on decay assumptions and are incorporated into the model. We utilize thi inherently uncertain and, as a result, the model cannot precisely measure future net interest income or precisely predict the impact changes as well as changes in market conditions and the application and timing of various management strategies.

On a quarterly basis, we run various simulation models including a static balance sheet and dynamic growth balance sheet. These models, rates are shocked instantaneously and ramped rates change over a 12-month and 24-month horizon based upon paralle simulation involves analysis of interest income and expense under various changes in the shape of the yield curve. Our internal po period should not decline by more than 10% for a -100 basis point shift, 5% for a 100 basis point shift, 10% for a 200 basis point shif

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The following table summarizes the simulated change in net interest income and fair value of equity over a 12-month horizon as of th

	Ju
Change in Interest Rates (Basis Points)	Percent Change in Net Interest Income
+400	16.27%
+300	12.65%
+200	9.08%
+100	5.45%
Base	1.52%
-100	-3.05%

The results are primarily due to behavior of demand, money market and savings deposits during such rate fluctuations. We have fo model and is generally not fully reflected in a gap analysis. The assumptions incorporated into the model are inherently uncertain ar results will differ from the model's simulated results due to timing, magnitude and frequency of interest rate changes as well as chan

Impact of Inflation

Our consolidated financial statements and related notes included elsewhere in this Form 10-Q have been prepared in accordance w time due to inflation or recession.

Unlike many industrial companies, substantially all of our assets and liabilities are monetary in nature. As a result, interest rates
magnitude as the prices of goods and services. However, other operating expenses do reflect general levels of inflation.

ITEM 4. Controls and Procedures

ITEM 4. Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the ef
and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how w
controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclo

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) unde
controls.

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PART II

ITEM 1. Legal Proceedings

ITEM 1. Legal Proceedings

From time to time, we are a party to legal actions that are routine and incidental to our business. Given the nature, scope and com
information security and anti-money laundering and anti-terrorism laws, we, like all banking organizations, are subject to heighten
proceedings exist, either individually or in the aggregate, which, if determined adversely, would have a material adverse effect on ou

ITEM 1A. Risk Factors

ITEM 1A. Risk Factors

In addition to the other information set forth in this Report, we refer you to Item 1A. "Risk Factors" of our Annual Report on Form 10
Annual Report on Form 10-K for the year ended December 31, 2023.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

On October 28, 2021, the Company adopted a Repurchase Plan (the "RP") that authorizes the repurchase of up to 750,000 shares
expired on October 28, 2023. There were no share repurchases under this plan. On October 30, 2023, the Company adopted a nev
to a Rule 10b5-1 Plan with pricing and purchasing parameters established by management. The Company may repurchase shares
assessment of alternative uses of capital, stock trading price, general market conditions and regulatory factors. The stock repurcha
common stock repurchased under these plans will be retired subsequent to acquisition. During the six nine months ended June 30, 2

ITEM 3. Defaults Upon Senior Securities

ITEM 3. Defaults Upon Senior Securities

None

ITEM 4. Mine Safety Disclosures

ITEM 4. Mine Safety Disclosures

None

ITEM 5. Other Information

ITEM 5. Other Information

During the three nine months ended June 30, 2024 September 30, 2024, none of our officers or directors adopted or terminated a Ru

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ITEM 6. Exhibits

ITEM 6. Exhibits

31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted p
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act as adopted pu
32.1*	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-O
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (Formatted as Inline XBRL and contained in Exhibit 101)

* This exhibit is furnished herewith and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise sub

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its b

		BANK7 CORP.
DATED:	August 8, November 5, 2024	By: /s/ Thomas L. Trav Thomas L. Travis Vice Chairman and Chief Exe
DATED:	August 8, 2024 November 5, 2024	By: /s/ Kelly J. Harris Kelly J. Harris Executive Vice President and

---

CERT
UNDE

1. I have re

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact n

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all m

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and proced registrant and we have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed u particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be de accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclu

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the re registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over finar

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the regi

Date: August 8, 2024

CERT
UNDE

1. I have reviewed this quarterly report on Form 10-Q of Bank7 Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact n

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all m

4. The registrant's registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls 15(f)) for the registrant and we have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed u particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be de accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's registrant’s disclosure controls and procedures and presented in this repo

d) Disclosed in this report any change in the registrant's registrant’s internal control over financial reporting that occurre reasonably likely to materially affect, the registrant's registrant’s internal control over financial reporting; and

5. The registrant's registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal con functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the regi

Date: November 5, 2024

CERT
UNDE

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c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our concl

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the re registrant’s internal control over financial reporting; and

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b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the regi

Date: August 8, 2024November 5, 2024

CERTIFICATION OF PRIN
UNDER 18 U.S.C. § 1350 FU

In connection with the Quarterly Report of Bank7 Corp. (the “Company”) on Form 10-Q for the period ended on June 30, 2024Sep hereby certifies, pursuant to 18 U.S.C. § 1350, as enacted by Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge the Report fairly presents, in all ma

Date: August 8, 2024November 5, 2024

DISCLAIMER

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AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME
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