## Bank7 Corp. Announces 4Q and Full Year 2019 Earnings

OKLAHOMA CITY, Jan. 30, 2020 /PRNewswire/ -- Bank7 Corp. (NASDAQ: BSVN) ("the Company"), the parent company of Oklahoma City-based Bank7 (the "Bank"), today reported unaudited results for the fiscal quarter and year endedDecember 31, 2019. "The fourth quarter was another good quarter for Bank7 and we are particularly pleased with our robust loan growth, the continuation of excellent credit quality, and our ability to maintain a strong net interest margin, especially in a declining interest rate environment," said Thomas L. Travis, President and CEO of the Company. "Additionally, for the full year, we are very pleased that our pro forma pre-tax income increased by $\$ 1$ million, or $4.05 \%$. This was achieved in spite of incurring costs associated with launching into two new markets and modernizing our Oklahoma City branch and headquarters."

On September 5, 2019, our largest shareholders, the Haines Family Trusts, contributed approximately $6.5 \%$ of their shares to the Company. Subsequently, the Company immediately issued those shares to certain executive officers, which was charged as compensation expense through the income statement of the Company. This previously announced transaction was recorded as a one-time, non-cash expense; however, because the shares were simultaneously contributed to the Company by the Haines Family Trusts, the transaction had a virtual net-zero impact to shareholders' equity.

Excluding the one-time, extraordinary expense related to the stock transfer outlined above, net income would have been $\$ 20.0$ million and for the year ending December 31, 2019. Illustrated below is a reconciliation of pro forma net income through the year ended December 31, 2019.

|  | For the Year Ended December 31, |  |  |  | \$ Change |  | \% Change |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | 2019 |  |  |  |  |  |
| (Dollars in thousands) |  |  |  |  |  |  |  |
| Pro Forma Net Income |  |  |  |  |  |  |  |
| Total Interest Income | \$ | 51,709 | \$ | 46,800 | \$ | 4,909 | 10.49 |
| Total Interest Expense |  | 9,516 |  | 7,169 |  | 2,347 | 32.73 |
| Net Interest Margin |  | 42,193 |  | 39,631 |  | 2,562 | 6.47 |
| Provision for Loan Losses | \$ |  | \$ | 200 | \$ | (200) |  |
| Total Noninterest Income | \$ | 1,284 | \$ | 1,331 | \$ | (47) | (3.51) |
| Total Noninterest Expense | \$ | 28,432 | \$ | 14,966 | \$ | 13,466 | 89.98 |
| Stock Transfer Compensation Expense (1) |  | $(11,796)$ |  | - |  | $(11,796)$ |  |
| Pro Forma Noninterest Expense |  | 16,636 |  | 14,966 |  | 1,670 | 11.16 |
| Pro Forma Pre-Tax Income | \$ | 26,842 | \$ | 25,796 | \$ | 1,046 | 4.05 |
| Pro Forma Income Tax Expense | \$ | 6,836 | \$ | 5,719 | \$ | 1,117 | 19.53 |
| Pro Forma Net After-Tax Income | \$ | 20,006 | \$ | 20,077 | \$ | (71) | (0.36) |

(1) Compensation expense includes $\$ 168,000$ in payroll taxes.

## Additional Highlights

For the three months ended December 31, 2019 compared to three months ended December 31, 2018:

- Interest income on loans, including loan fee income, totaled $\$ 12.3$ million, a $4.33 \%$ increase
- Average loans of $\$ 692.3$ million, a $15.3 \%$ increase

For the year ended December 31, 2019 compared to the year ended December 31, 2018:

- Yield on average earning assets, including loan fee income, of 6.55\%, an increase of 1.10\%
- Interest income on loans, including loan fee income, totaled $\$ 48.2$ million, a $8.86 \%$ increase
- Average loans of $\$ 636.3$ million, a $8.98 \%$ increase
- Total loans of 699.5 million, a 18.14 increase
- Core deposits of $\$ 678.1$ million, a $10.24 \%$ increase

Both the Bank's and the Company's capital levels continue to be significantly above the minimum levels required to be designated as "well-capitalized" for regulatory purposes. At December 31, 2019 the Tier 1 leverage ratio, Tier 1 risk based capital ratio, and total risk-based capital ratios were $11.65 \%, 14.28 \%$, and $15.42 \%$ respectively for the Bank. At December 31, 2019 the Tier 1 leverage ratio, Tier 1 risk based capital ratio, and total risk-based capital ratios were 11.49\%, 14.06\%, and $15.20 \%$ respectively for the Company on a consolidated basis. Designation as a well-capitalized institution under
regulations does not constitute a recommendation or endorsement by bank regulators.
Pre-tax, pre-provision net income is defined as income before taxes and provision for loan losses. We believe the most directly comparable GAAP financial measure is income before taxes. Disclosure of this measure enables you to compare our operations to those of other banking companies before consideration of taxes and provision expense, which some investors may consider to be a more appropriate comparison given our S Corporation status prior to September 2018. We calculate our tax-adjusted net income, return on average assets, and return on average equity, and per share amounts by using a combined C Corporation effective tax rate for federal and state income taxes of 45.5\% and 22.2\% in 2019 and 2018, respectively. This calculation illustrates only the change from our status as a S Corporation into a C Corporation and does not give effect to any other transaction. However, we acknowledge that our non-GAAP financial measures have a number of limitations. As such, you should not view these disclosures as a substitute for results determined in accordance with GAAP, and they are not necessarily comparable to non-GAAP financial measures that other banking companies use. Other banking companies may use names similar to those we use for non-GAAP financial measures we disclose, but may calculate them differently. You should understand how we and other companies each calculate their non-GAAP financial measures when making comparisons. The following reconciliation table provides a more detailed analysis of these nonGAAP financial measures:
(Dollars in thousands, except
per share data)
Loan interest income
(excluding loan fees)
Total loan interest income,
including loan fee income
Loan fee income
Loan interest income
excluding loan fee income
Average total loans
Yield on loans (including loan
fee income)
Yield on loans (excluding loan
fee income)
Net interest margin
(excluding loan fees)
Net interest income
Loan fee income
Net interest income
excluding loan fees
Average earning assets
Net interest margin
(including loan fee income)
Net interest margin
(excluding loan fee income)
Pre-tax, pre-provision net
earnings
Net income before income

Net income before income taxes
Plus: Provision (reversal of) for loan losses
Pre-tax, pre-provision net earnings

## Adjusted provision for income tax

Net income before income taxes
Total effective adjusted tax rate
Adjusted provision for income taxes

Tax-adjusted net income
Net income before income taxes

6,358
\$
6,753
\$
15,045
\$
25,797
Adjusted provision for income

| Three months ended December 31, |  |  |  |  | For the Year ended December 31, |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 2019 |  | 2018 |  |  | 2019 |  |  | 2018 |  |
| \$ | $\begin{array}{r} 12,299 \\ (944) \\ \hline \end{array}$ | \$ | $\begin{aligned} & 11,789 \\ & (1,229) \\ & \hline \end{aligned}$ |  | \$ | $\begin{aligned} & 48,200 \\ & (4,443) \\ & \hline \end{aligned}$ |  | \$ | $\begin{aligned} & 44,279 \\ & (5,121) \\ & \hline \end{aligned}$ |
| \$ | 11,355 | \$ | 10,560 |  | \$ | 43,757 |  | \$ | 39,158 |
| \$ | 692,286 | \$ | 600,400 |  | \$ | 636,274 |  | \$ | 583,821 |
|  | 7.05 |  | 7.79 | \% |  | 7.58 | \% |  | 7.58 |
|  | 6.51 |  | 6.98 | \% |  | 6.88 | \% |  | 6.71 |
| \$ | $\begin{array}{r} 10,658 \\ (944) \\ \hline \end{array}$ | \$ | $\begin{aligned} & 10,530 \\ & (1,229) \\ & \hline \end{aligned}$ |  | \$ | $\begin{aligned} & 43,193 \\ & (4,443) \\ & \hline \end{aligned}$ |  | \$ | $\begin{aligned} & 39,631 \\ & (5,121) \\ & \hline \end{aligned}$ |
| \$ | 9,714 | \$ | 9,301 |  | \$ | 37,750 |  | \$ | 34,510 |
| \$ | 837,252 | \$ | 760,869 |  | \$ | 789,009 |  | \$ | 721,935 |
|  | 5.05 |  | 5.49 | \% |  | 5.35 | \% |  | 5.49 |
|  | 4.60 |  | 4.85 | \% |  | 4.78 | \% |  | 4.78 |
| \$ | 6,358 | \$ | $\begin{array}{r} 6,753 \\ (100) \end{array}$ |  | \$ | 15,045 |  | \$ | $\begin{array}{r} 25,797 \\ (200) \end{array}$ |
| \$ | 6,358 | \$ | 6,853 |  | \$ | 15,045 |  | \$ | 25,997 |
| \$ | 6,358 | \$ | 6,753 |  | \$ | 15,045 |  | \$ | 25,797 |
|  | 29.6 |  | 17.7 | \% |  | 45.5 | \% |  | 22.2 |
| \$ | 1,879 | \$ | 1,192 |  | \$ | 6,844 |  | \$ | 5,720 |
| \$ | 6,358 | \$ | 6,753 |  | \$ | 15,045 |  | \$ | 25,797 |


| \$ |  | 4,479 | \$ | 5,59\%3 | \$ 6,884 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |

\$ 20,679

Tax-adjusted ratios and per share data
Tax-adjusted net income (numerator)

Average assets
(denominator)
Tax-adjusted return on average assets

Average shareholders' equity (denominator)
Tax-adjusted return on average shareholders' equity

Average tangible common equity (denominator)
Tax-adjusted return on average tangible common equity

Weighted average common shares outstanding basic (denominator)
Tax-adjusted net income per common share--basic

Weighted average common shares outstanding diluted (denominator)
Tax-adjusted net income per common share--diluted
Pro forma weighted average common shares outstanding basic (denominator)
Pro Forma tax-adjusted net income per common share-basic

Pro forma weighted average common shares outstanding diluted (denominator)
Pro forma tax-adjusted net income per common share-diluted

## Tangible assets

Total assets
Less: Goodwill and intangibles
Tangible assets

## Tangible shareholders' equity

Total shareholders' equity
Less: Goodwill and
intangibles
Tangible shareholders' equity

## Tangible shareholders'

 equityTangible shareholders' equity (numerator)
Tangible assets
(denominator)
Tangible common equity to tangible assets

|  | $10,059,208$ |
| :--- | ---: |
| $\$$ | 0.45 |
|  |  |
|  | $10,206,931$ |
| $\$$ | 0.46 |
|  |  |
|  | $10,205,229$ |
|  |  |
| $\$$ | 0.46 |


|  | $10,322,193$ |
| :--- | ---: |
| $\$$ | 0.54 |


|  | $10,147,311$ |
| :--- | ---: |
| $\$$ | 0.81 |


|  | $8,237,638$ |
| :--- | ---: |
| $\$$ | 2.44 |

$\qquad$
$\$ \quad 1.96$

10,192,930
$\$ \quad 1.96$

|  |  |  |  |
| :--- | ---: | :--- | ---: |
| $\$$ | 866,392 |  | $\$ 70,511$ |
|  |  |  | $7,789)$ |
|  |  |  | $(1,995)$ |
|  | 864,603 |  | $\$ 08,516$ |


| $\$$ | 100,126 |  | $\$$ | 88,467 |
| :--- | ---: | :--- | :--- | :--- |
|  |  |  |  |  |
|  | $(1,789)$ |  |  |  |
|  |  |  | $(1,995)$ |  |
|  |  | 98,337 |  |  |
|  |  |  | 86,472 |  |



| $\$$ | 98,337 |  | $\$$ | 86,472 |
| :--- | ---: | :--- | ---: | ---: |
| $\$$ | 864,603 |  | $\$$ | 768,516 |
|  | 11.37 | $\%$ |  | 11.25 |
|  |  |  |  |  |

End of period common shares
outstanding

| outstanding |  | $10,057,506$ |  | $10,187,500$ |  |
| :--- | ---: | ---: | ---: | ---: | ---: |
| Book value per share | $\$$ | 9.96 | $\$$ | 8.68 |  |
| Tangible book value per <br> share | $\$$ | 9.78 | $\$$ | 8.49 |  |
| Total shareholders' equity to <br> total assets |  | 11.56 | $\%$ |  | 11.48 |

Net Interest Margin Excluding Loan Fee Income
For the Three Months Ended December 3,1

| For the Three Months Ended December 3,1 |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 2019 |  |  | 2018 |  |  |
| Average Balance | Interest Income/ Expense | Average Yield/ Rate | Average Balance | Interest Income/ Expense | Average Yield/ Rate |
|  |  | (Dollars | usands) |  |  |


Funding sources:
Interest-bearing
liabilities:
Deposits:
Transaction
accounts
Total interestbearing deposits Other borrowings Total interestbearing liabilities

| $\begin{array}{r} \$ \quad 314,106 \\ 213,716 \end{array}$ | $\begin{aligned} & 1,133 \\ & 1,205 \end{aligned}$ | $\begin{aligned} & 1.43 \\ & 2.24 \end{aligned}$ | \% | \$ | $\begin{aligned} & 259,614 \\ & 196,696 \end{aligned}$ | $\begin{array}{r} 1,155 \\ 899 \end{array}$ | $\begin{aligned} & 1.77 \\ & 1.81 \end{aligned}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 527,822 | 2,338 | 1.76 |  |  | 456,310 | 2,054 | 1.79 |
| - | - | 0.00 |  |  | - | - | - |
| 527,822 | 2,338 | 1.76 |  |  | 456,310 | 2,054 | 1.79 |

Noninterest-bearing liabilities:
Noninterest-bearing deposits
Other noninterestbearing liabilities Total noninterestbearing liabilities Shareholders' equity
Total liabilities and shareholders' equity

| $\$ 845,510$ |
| :--- |

Net interest income including loan fee income
Net interest spread including loan fee income ${ }^{(4)}$
Net interest margin including loan fee income

$$
\$ \quad 9,714
$$

$\$ \quad 9,301$

|  | Net Interest Margin With Loan Fee Income |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | For the Three Months Ended December 31, |  |  |  |  |  |  |  |  |  |  |  |
|  | 2019 |  |  |  |  |  | 2018 |  |  |  |  |  |
|  |  | verage Balance | Interest Income/ Expense |  | Average Yield/ Rate |  |  | verage alance |  | terest come/ pense | Average Yield/ Rate |  |
|  |  |  |  |  | (Dollars in thousands) |  |  |  |  |  |  |  |
| Interest-earning <br> assets: |  |  |  |  |  |  |  |  |  |  |  |  |
| Short-term |  |  |  |  |  |  |  |  |  |  |  |  |
| investments ${ }^{(1)}$ | \$ | 143,604 | \$ | 674 | 1.80 | \% | \$ | 159,215 | \$ | 795 | 1.98 | \% |
| Investment |  |  |  |  |  |  |  |  |  |  |  |  |
| securities ${ }^{(2)}$ |  | 1,073 |  | 23 | 8.50 |  |  | 1,055 |  | - | 0.00 |  |
| Loans held for sale |  | 289 |  | - | 0.00 |  |  | 199 |  | - | 0.00 |  |
| Total loans ${ }^{(3)}$ |  | 692,286 |  | 12,299 | 7.05 |  |  | 600,400 |  | 11,789 | 7.79 |  |
| Total interestearning assets |  | 837,252 |  | 12,996 | 6.16 |  |  | 760,869 |  | 12,584 | 6.56 |  |
| Noninterest-earning |  |  |  |  |  |  |  |  |  |  |  |  |
| assets |  | 8,258 |  |  |  |  |  | 8,301 |  |  |  |  |
| Total assets |  | 845,510 |  |  |  |  |  | 769,170 |  |  |  |  |
| Funding sources: |  |  |  |  |  |  |  |  |  |  |  |  |
| Interest-bearing |  |  |  |  |  |  |  |  |  |  |  |  |
| liabilities: |  |  |  |  |  |  |  |  |  |  |  |  |
| Deposits: |  |  |  |  |  |  |  |  |  |  |  |  |
| Transaction |  |  |  |  |  |  |  |  |  |  |  |  |
| accounts | \$ | 314,106 |  | 1,133 | 1.43 | \% | \$ | 259,614 |  | 1,155 | 1.77 | \% |
| Time deposits |  | 213,716 |  | 1,205 | 2.24 |  |  | 196,696 |  | 899 | 1.81 |  |
| Total interest- |  |  |  |  |  |  |  |  |  |  |  |  |
| bearing deposits |  | 527,822 |  | 2,338 | 1.76 |  |  | 456,310 |  | 2,054 | 1.79 |  |
| Other borrowings |  | - |  | - | 0.00 |  |  | - |  | - | 0.00 |  |
| Total interest- |  |  |  |  |  |  |  |  |  |  |  |  |
| bearing liabilities |  | 527,822 |  | 2,338 | 1.76 |  |  | 456,310 |  | 2,054 | 1.79 |  |
| Noninterest-bearing |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Noninterest-bearing |  |  |  |  |  |  |  |  |  |  |  |  |
| Other noninterest- |  |  |  |  |  |  |  |  |  |  |  |  |
| bearing liabilities |  | 4,011 |  |  |  |  |  | 5,354 |  |  |  |  |
| Total noninterest- |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| equity |  | 102,691 |  |  |  |  |  | 85,790 |  |  |  |  |
| Total liabilities and shareholders' |  |  |  |  |  |  |  |  |  |  |  |  |
| equity | \$ | 845,510 |  |  |  |  | \$ | 769,170 |  |  |  |  |
| Net interest income excluding loan fee |  |  |  |  |  |  |  |  |  |  |  |  |
| Net interest spread |  |  |  |  |  |  |  |  |  |  |  |  |
| excluding loan fee |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  | 4.40 | \% |  |  |  |  | 4.78 | \% |
| Net interest margin excluding loan fee |  |  |  |  |  |  |  |  |  |  |  |  |
| income |  |  |  |  | 5.05 | \% |  |  |  |  | 5.49 | \% |

(1) Includes income and average balances for fed funds sold, interest-earning deposits in banks and other miscellaneous interest-earning assets.
(2) Includes income and average balances for FHLB and FRB stock.
(3) Non-accrual loans are included in loans.
(4) Net interest spread is the average yield on interest-earning assets minus the average rate on interest-bearing liabilities.

Net Interest Margin Excluding Loan Fee Income

| For the Year Ended December 31, |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 2019 |  |  | 2018 |  |  |
| Average Balance | Interest Income/ Expense | Average Yield/ Rate | Average Balance | Interest Income/ Expense | Average Yield/ Rate |

Interest-earning assets:
Short-term

| investments ${ }^{(1)}$ | \$ | 151,434 | \$ | 3,459 | 2.28 | \% | \$ | 136,880 | \$ | 2,521 | 1.84 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Investment |  |  |  |  |  |  |  |  |  |  |  |
| securities ${ }^{(2)}$ |  | 1,065 |  | 50 | 4.69 |  |  | 1,052 |  | - | 0.00 |
| Loans held for sale |  | 236 |  | - | 0.00 |  |  | 182 |  | - | 0.00 |
| Total loans ${ }^{(3)}$ |  | 636,274 |  | 43,757 | 6.88 |  |  | 583,821 |  | 39,158 | 6.71 |
| Total interestearning assets |  | 789,009 |  | 47,266 | 5.99 |  |  | 721,935 |  | 41,679 | 5.77 |
| Noninterest-earning assets |  | 9,519 |  |  |  |  |  | 8,629 |  |  |  |
| Total assets | \$ | 798,528 |  |  |  |  | \$ | 730,564 |  |  |  |

Funding sources:
Interest-bearing
liabilities:
Deposits:
Transaction

| accounts Time deposits | $\begin{array}{r} \$ 295,576 \\ \\ 208,375 \\ \hline \end{array}$ | $\begin{array}{r} 5,057 \\ 4,459 \\ \hline \end{array}$ | $\begin{array}{r} 1.71 \\ 2.14 \\ \hline \end{array}$ | $\begin{array}{r} \$ \quad 240,881 \\ 220,023 \\ \hline \end{array}$ | $\begin{array}{r} 3,584 \\ 3,410 \\ \hline \end{array}$ | $\begin{aligned} & 1.49 \\ & 1.55 \\ & \hline \end{aligned}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Total interestbearing deposits | 503,951 | 9,516 | 1.89 | 460,904 | 6,994 | 1.52 |
| Other borrowings | - | - | 0.00 | 3,652 | 175 | 4.79 |
| Total interestbearing liabilities | 503,951 | 9,516 | 1.89 | 464,556 | 7,169 | 1.54 |

Noninterest-bearing liabilities:
Noninterest-bearing deposits

192,562
$\qquad$
197,147
97,430
\$ 798,528

183,750
4,110
187,860
78,148
$\$ \quad 730,564$
\$ 34,510
$4.10 \%$
4.23 \%
4.78 \%
(1) Includes income and average balances for fed funds sold, interest-earning deposits in banks and other miscellaneous interest-earning assets.
(2) Includes income and average balances for FHLB and FRB stock.
(3) Non-accrual loans are included in loans.
(4) Net interest spread is the average yield on interest-earning assets minus the average rate on interest-bearing liabilities.

|  | 2019 |  |  |  |  |  | 2018 |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Average Balance |  | Interest Income/ Expense |  | Average Yield/ Rate |  | Average Balance |  | Interest Income/ Expense |  | Average Yield/ Rate |  |
|  |  |  |  |  | (Dollars |  |  | ands) |  |  |  |  |
| Interest-earning assets: | assets: |  |  |  |  |  |  |  |  |  |  |  |
| Short-term |  |  |  |  |  |  |  |  |  |  |  |  |
| investments ${ }^{(1)}$ | \$ | 151,434 | \$ | 3,459 | 2.28 | \% | \$ | 136,880 | \$ | 2,521 | 1.84 | \% |
| Investment |  |  |  |  |  |  |  |  |  |  |  |  |
| securities ${ }^{(2)}$ |  | 1,065 |  | 50 | 4.69 |  |  | 1,052 |  | - | 0.00 |  |
| Loans held for sale |  | 236 |  | - | 0.00 |  |  | 182 |  | - | 0.00 |  |
| Total loans ${ }^{(3)}$ |  | 636,274 |  | 48,200 | 7.58 |  |  | 583,821 |  | 44,279 | 7.58 |  |
| Total interestearning assets |  | 789,009 |  | 51,709 | 6.55 |  |  | 721,935 |  | 46,800 | 6.48 |  |
| Noninterest-earning assets |  | 9,519 |  |  |  |  |  | 8,629 |  |  |  |  |
| Total assets |  | 798,528 |  |  |  |  |  | 730,564 |  |  |  |  |
| Funding sources: |  |  |  |  |  |  |  |  |  |  |  |  |
| Interest-bearing |  |  |  |  |  |  |  |  |  |  |  |  |
| liabilities: |  |  |  |  |  |  |  |  |  |  |  |  |
| Deposits: |  |  |  |  |  |  |  |  |  |  |  |  |
| Transaction |  |  |  |  |  |  |  |  |  |  |  |  |
| accounts | \$ | 295,576 |  | 5,057 | 1.71 | \% | \$ | 240,881 |  | 3,584 | 1.49 | \% |
| Time deposits |  | 208,375 |  | 4,459 | 2.14 |  |  | 220,023 |  | 3,410 | 1.55 |  |
| Total interest- |  |  |  |  |  |  |  |  |  |  |  |  |
| bearing deposits |  | 503,951 |  | 9,516 | 1.89 |  |  | 460,904 |  | 6,994 | 1.52 |  |
| Other borrowings |  | - |  | - | 0.00 |  |  | 3,652 |  | 175 | 4.79 |  |
| Total interest- |  |  |  |  |  |  |  |  |  |  |  |  |
| bearing liabilities |  | 503,951 |  | 9,516 | 1.89 |  |  | 464,556 |  | 7,169 | 1.54 |  |
| Noninterest-bearing |  |  |  |  |  |  |  |  |  |  |  |  |
| liabilities: |  |  |  |  |  |  |  |  |  |  |  |  |
| Noninterest-bearing |  |  |  |  |  |  |  |  |  |  |  |  |
| Other noninterest- |  |  |  |  |  |  |  |  |  |  |  |  |
| bearing liabilities |  | 4,585 |  |  |  |  |  | 4,110 |  |  |  |  |
| Total noninterest- |  |  |  |  |  |  |  |  |  |  |  |  |
| Shareholders' |  |  |  |  |  |  |  |  |  |  |  |  |
| equity |  | 97,430 |  |  |  |  |  | 78,148 |  |  |  |  |
| Total liabilities and shareholders' |  |  |  |  |  |  |  |  |  |  |  |  |
| equity | \$ | 798,528 |  |  |  |  | \$ | 730,564 |  |  |  |  |
| Net interest income |  |  |  |  |  |  |  |  |  |  |  |  |
| including loan fee |  |  |  |  |  |  |  |  |  |  |  |  |
| income |  |  | \$ | 42,193 |  |  |  |  | \$ | 39,631 |  |  |
| Net interest spread |  |  |  |  |  |  |  |  |  |  |  |  |
| including loan fee |  |  |  |  |  |  |  |  |  |  |  |  |
| income ${ }^{(4)}$ |  |  |  |  | 4.67 | \% |  |  |  |  | 4.94 | \% |
| Net interest margin |  |  |  |  |  |  |  |  |  |  |  |  |
| including loan fee |  |  |  |  |  |  |  |  |  |  |  |  |
| income |  |  |  |  | 5.35 | \% |  |  |  |  | 5.49 | \% |

(1) Includes income and average balances for fed funds sold, interest-earning deposits in banks and other miscellaneous interest-earning assets.
(2) Includes income and average balances for FHLB and FRB stock.
(3) Non-accrual loans are included in loans.
(4) Net interest spread is the average yield on interest-earning assets minus the average rate on interest-bearing liabilities.

## Bank7 Corp.

Consolidated Balance Sheets

Restets in thousands, except per share data

Cash and due from banks
Interest-bearing time deposits in other banks Loans, net
Loans held for sale
Premises and equipment, net
Nonmarketable equity securities
Foreclosed assets held for sale
Goodwill and intangibles
Interest receivable and other assets
Total assets

## Liabilities and Shareholders' Equity

Deposits
Noninterest-bearing
Interest-bearing
Total deposits
Income taxes payable
Interest payable and other liabilities
Total liabilities
Common stock
Additional paid-in capital
Retained earnings
Accumulated Other Comprehensive Income
Total shareholders' equity
Total liabilities and shareholders' equity

| Unaudited as of |  |
| :--- | :--- |
| December 31 $\quad$ September 30 |  |

$\frac{\text { December 31, }}{2018}$

| \$ | 117,128 | \$ | 110,594 | \$ | 128,090 |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | 30,147 |  | 31,890 |  | 31,759 |
|  | 699,458 |  | 666,755 |  | 592,078 |
|  | 1,031 |  | - |  | 512 |
|  | 9,624 |  | 8,395 |  | 7,753 |
|  | 1,100 |  | 1,072 |  | 1,055 |
|  |  |  | 77 |  | 110 |
|  | 1,789 |  | 1,840 |  | 1,995 |
|  | 6,115 |  | 6,198 |  | 7,159 |
| \$ | 866,392 | \$ | 826,821 | \$ | 770,511 |


| \$ | $\begin{array}{r} 219,221 \\ 538,262 \\ \hline \end{array}$ | \$ | $\begin{array}{r} 202,989 \\ 519,145 \\ \hline \end{array}$ | \$ | $\begin{array}{r} 201,159 \\ 474,743 \\ \hline \end{array}$ |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | 757,483 |  | 722,134 |  | 675,902 |
|  | 8,783 |  | 4,072 |  | $\begin{aligned} & 1,913 \\ & 4,229 \end{aligned}$ |
|  | 766,266 |  | 726,206 |  | 682,044 |
|  | 101 |  | 101 |  | 102 |
|  | 92,391 |  | 92,353 |  | 80,275 |
|  | 7,610 |  | 8,161 |  | 8,090 |
|  | 24 |  |  |  |  |
|  | 100,126 |  | 100,615 |  | 88,467 |
| \$ | 866,392 | \$ | 826,821 | \$ | 770,511 |

Bank7 Corp.
Consolidated Statements of Income
Unaudited as of

## Quarter Ended

| Quarter Ended |  | Year Ended |  |  |
| :---: | :---: | :---: | :---: | :---: |
| 2019 | 2018 |  | 2019 |  |

Dollars in thousands, except per share data
Interest
Income
Loans,

| including fees | \$ | 12,299 | \$ | 12,179 | \$ | 11,789 | \$ | 48,200 | \$ | 44,279 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Interest- |  |  |  |  |  |  |  |  |  |  |
| bearing time deposits in |  |  |  |  |  |  |  |  |  |  |
| other banks |  | 295 |  | 500 |  | 150 |  | 1,709 |  | 588 |
| Interestbearing deposits in |  |  |  |  |  |  |  |  |  |  |
| other banks |  | 402 |  | 392 |  | 645 |  | 1,800 |  | 1,933 |
| Total interest income |  | 12,996 |  | 13,071 |  | 12,584 |  | 51,709 |  | 46,800 |
| Interest |  |  |  |  |  |  |  |  |  |  |
| Expense |  |  |  |  |  |  |  |  |  |  |
| Deposits |  | 2,338 |  | 2,471 |  | 2,054 |  | 9,516 |  | 6,994 |
| Other |  |  |  |  |  |  |  |  |  |  |

Expense
Other

December 31

September 30
December 31
December 31 December 31
-
December 31
December 31
December

anaighted
average
common
shares
outstanding -
basic
$10,057,506$
10,149,007
$10,187,500$
$10,145,032$
$8,105,856$
Weighted
average
common
shares
outstanding -
diluted
$10,059,208$
$10,161,778$
$10,322,193$
$10,147,311$
8,237,638

## About Bank7 Corp.

We are Bank7 Corp., a bank holding company headquartered in Oklahoma City, Oklahoma. Through our wholly-owned subsidiary, Bank7, we operate nine locations in Oklahoma, the Dallas/Fort Worth, Texas metropolitan area and Kansas. We are focused on serving business owners and entrepreneurs by delivering fast, consistent and well-designed loan and deposit products to meet their financing needs. We intend to grow organically by selectively opening additional branches in our target markets as well as pursue strategic acquisitions.

## Conference call

Bank7 Corp. has scheduled a conference call to discuss its fourth quarter and full year 2019 results, which will be broadcast live over the Internet, on Thursday, January 30 at 4:30 p.m. Eastern Time. To participate in the call, dial 1-888-348-6421, or access it live over the Internet at https://www.webcaster4.com/Webcast/Page/2179/32829. For those not able to participate in the live call, an archive of the webcast will be available at
https://www.webcaster4.com/Webcast/Page/2179/32829 shortly after the call for 1 year.

## Cautionary Statements Regarding Forward-Looking Information

This communication contains a number of forward-looking statements. These forward-looking statements reflect Bank7 Corp.'s current views with respect to, among other things, future events and Bank7 Corp.'s financial performance. Any statements about Bank7 Corp.'s 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 Bank7 Corp. or any other person that the future plans, estimates or expectations contemplated by Bank7 Corp. will be achieved.

These forward-looking statements are subject to significant uncertainties because they are based upon: the amount and timing of future changes in interest rates, market behavior, and other economic conditions; future laws, regulations, and accounting principles; changes in regulatory standards and examination policies, and a variety of other matters. These other matters include, among other things, the direct and indirect effect of economic conditions on interest rates, credit quality, loan demand, liquidity, and monetary and supervisory policies of banking regulators. Bank7 Corp. has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that Bank7 Corp. believes may affect its financial condition, results of operations, business strategy and financial needs. Bank7 Corp.'s 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. If one or more events related to these or other risks or uncertainties materialize, or if Bank7 Corp.'s underlying assumptions prove to be incorrect, actual results may differ materially from what Bank7 Corp. anticipates. 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 Bank7 Corp. undertakes 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.

## About Non-GAAP Financial Measures

This communication includes certain non-GAAP financial measures, including tax-adjusted net income, tax-adjusted earnings per share, tax-adjusted return on average assets and tax-adjusted return on average shareholders' equity. These non-GAAP financial measures and any other non-GAAP financial measures that we discuss in this presentation should not be considered in isolation, and should be considered as additions to, and not substitutes for or superior to, measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. For example, other companies may calculate nonGAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of Bank7 Corp.'s non-GAAP financial measures as tools for comparison. See the table above in this communication for a reconciliation of the non-GAAP financial measures used in (or conveyed orally during) this
communication to their most directly comparable GAAP financial measures.

## Contact:

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## SOURCE Bank7 Corp.

https://ir.bank7.com/2020-01-30-Bank7-Corp-Announces-4Q-and-Full-Year-2019-Earnings

