

## BOARD OF DIRECTORS

**John C. Dormire**  
**Dickson K. Forbes**  
**Robert E. Kelly, Jr.**  
**Larry D. Loperfito**  
**Nelson L. Person**  
**Karen A. Stanford**

Apollo Bancorp, Inc. common stock is traded Over-the-Counter on OTC Pink under the symbol APLO. Recent trades and current bid-ask prices may be viewed at: [otcm Markets.com](https://otcm Markets.com)

Apollo Bancorp, Inc. also serves as its own stock transfer agent.

# THIRD QUARTER REPORT

SEPTEMBER 30, 2023

## OFFICERS

**Nelson L. Person**  
President and Chief Executive Officer

**T. J. Backus**  
Vice President, Lending

**Julia M. Holmes**  
Vice President,  
Risk Management and Secretary

**Robert J. Kopec**  
Vice President, Residential Lending

**Christopher Martin**  
Vice President and Chief Banking Officer

**Kirk S. Montgomery**  
Vice President,  
Operations and Chief Information Officer

**Michelle M. Arbster**  
Controller

**Sara J. Copeland**  
Assistant Vice President, Loan Operations

**Joyce M. Corbin**  
Assistant Secretary/Assistant Treasurer

**Richard A. Dixon**  
Assistant Vice President,  
Information Technology

**Autumn Vorpe-Seyler**  
Assistant Vice President,  
Retail Banking and Consumer Lending

## LOCATIONS

**Main Office**  
201 North Warren Avenue  
Apollo, PA 15613

**Second Street Drive Thru**  
312 North Second Street  
Apollo, PA 15613

**Allegheny Township Office**  
501 Hyde Park Road  
Leechburg, PA 15656

**North Apollo Office**  
2113 River Road  
North Apollo, PA 15673

**North Washington Office**  
697 Sportsman Drive  
Apollo, PA 15613

**Spring Church Office**  
1696 State Route 56  
Spring Church, PA 15686

**Loan Office**  
1250 Freeport Road  
Pittsburgh, PA 15238

**724.478.3151**  
**apollotrust.com**



APOLLO BANCORP, INC.

## Third Quarter Report • September 30, 2023

### Apollo Bancorp, Inc.

#### Consolidated Balance Sheets (unaudited)

	September 30, 2023	December 31, 2022
<b>ASSETS</b>		
Cash and due from banks	\$ 4,404,947	\$ 5,607,846
Investment securities available for sale, at fair value	12,546,386	16,099,616
Loans	169,007,073	155,048,052
Less allowance for credit losses	(1,210,612)	(1,190,258)
Net loans	167,796,461	153,857,794
Premises and equipment, net	1,927,309	1,871,666
Bank owned life insurance	5,479,171	2,359,255
Accrued interest and other assets	3,677,395	2,918,164
<b>TOTAL ASSETS</b>	<b>\$ 195,831,669</b>	<b>\$ 182,714,341</b>
<b>LIABILITIES</b>		
Deposits	\$ 155,218,216	\$ 156,786,646
Short-term borrowings	15,400,000	1,500,000
Accrued interest and other liabilities	2,744,673	2,291,732
<b>TOTAL LIABILITIES</b>	<b>173,362,888</b>	<b>160,578,378</b>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, par value \$2; 2,000,000 shares authorized; 600,000 shares issued; 519,952 and 519,952 shares outstanding	1,200,000	1,200,000
Capital surplus	3,615,097	3,615,097
Retained earnings	23,021,578	22,592,397
Accumulated other comprehensive loss	(2,001,514)	(1,905,151)
Treasury stock, at cost (80,048 and 80,048 shares)	(3,366,380)	(3,366,380)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>22,468,781</b>	<b>22,135,963</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 195,831,669</b>	<b>\$ 182,714,341</b>

### Apollo Bancorp, Inc.

#### Consolidated Statements of Income (unaudited)

	Nine Months Ended September 30,	
	2023	2022
<b>INTEREST AND DIVIDEND INCOME</b>		
Interest and fees on loans	\$ 5,548,122	\$ 4,539,828
Interest on deposits	63,041	92,975
Interest on investment securities	407,319	487,316
Dividend income	24,929	6,430
Total interest and dividend income	6,043,410	5,126,549
<b>INTEREST EXPENSE</b>		
Deposits	144,506	90,645
Short-term borrowings	476,595	-
Total interest expense	621,101	90,645
<b>NET INTEREST INCOME</b>	<b>5,422,309</b>	<b>5,035,904</b>
Provision for credit losses	68,236	-
<b>NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES</b>	<b>5,354,073</b>	<b>5,035,904</b>
<b>NONINTEREST INCOME</b>		
Service charges on deposit accounts	734,064	727,216
Fiduciary income	92,648	191,440
Bank owned life insurance	119,916	38,738
Other	51,106	58,826
Total noninterest income	997,734	1,016,219
<b>NONINTEREST EXPENSE</b>		
Compensation and employee benefits	2,838,266	2,402,646
Premises and equipment	872,011	796,372
Other	1,148,254	1,123,168
Total noninterest expense	4,858,531	4,322,186
Income before income tax expense	1,493,275	1,729,938
Income tax expense	215,174	289,802
<b>NET INCOME</b>	<b>\$ 1,278,101</b>	<b>\$ 1,440,135</b>
<b>EARNINGS PER SHARE</b>	<b>\$ 2.46</b>	<b>\$ 2.78</b>
<b>DIVIDENDS PER SHARE</b>	<b>\$ 1.65</b>	<b>\$ 1.62</b>
<b>AVERAGE SHARES OUTSTANDING</b>	<b>519,952</b>	<b>518,693</b>
<b>ACTUAL SHARES OUTSTANDING</b>	<b>519,952</b>	<b>519,952</b>

## Financial Highlights (unaudited)

Balance Sheet	September 30, 2023	December 31, 2022
Assets	\$ 195,831,669	\$ 182,714,341
Loans	169,007,073	155,048,052
Deposits	155,218,216	156,786,646
Equity	22,468,781	22,135,963
<b>Earnings</b>		
(Ratios are annualized)	Nine Months Ended September 30, 2023	September 30, 2022
Net income	\$ 1,278,101	\$ 1,440,135
Return on average assets	0.90%	1.03%
Return on average equity	7.59%	8.57%

Dear Shareholders:

Net income for the quarter ended September 30, 2023 totaled \$475,000, or \$0.91 per share. This represented a decrease compared with net income of \$539,000, or \$1.04 per share, reported for the third quarter of 2022. The change in earnings was primarily due to a \$62,000 increase in net interest income offset by a \$144,000 increase in noninterest expense. Steady lending resulted in \$2.6 million portfolio growth during the third quarter of 2023, but higher wholesale funding expense reduced the net interest spread.

Net income year to date September 30, 2023 totaled \$1,278,000 compared with \$1,440,000 reported for the same period in 2022. Higher interest rates and loan growth throughout the current and previous years notably increased net interest income by \$386,000 year to date compared with 2022. However, the aforementioned spread tightening was quite evident during the third quarter.

Increasing expenses in personnel, technology and facilities throughout the current and previous years have been necessary due to inflation and competitive considerations. However, the core driver of profitability, which is net interest income, continued to grow despite higher funding expense from short-term borrowings.

Earnings per share totaled \$2.46 and generated 0.90% return on average assets and 7.59% return on equity for the nine months ended September 30, 2023. A dividend of \$0.55 per share for the third quarter was paid October 2.

My sincere thanks and congratulations are extended to longtime employee Rich Dixon on his retirement. His loyalty, likeability and sense of humor have made the bank an outstanding place to work for many individuals. Please do not hesitate to contact me if you have any questions.

Sincerely,

Nelson L. Person  
President & CEO