



River City Bank Reports Third Quarter 2026 Results and Announces a Quarterly Cash Dividend

October 23, 2026

SACRAMENTO, Calif.--(BUSINESS WIRE)--Oct. 23, 2026-- River City Bank (Nasdaq: RCBC) ("the Bank") reported net income of \$30.6 million or \$2.16 per share for the quarter ended September 30, 2026, which compares to \$19.7 million, or \$1.36 per share, for the same period in 2025. Net income was \$68.2 million or \$4.75 per share for the nine months ended September 30, 2026, which compares to \$47.4 million, or \$3.24 per share, for the nine months ended September 30, 2025. The Bank's earnings for the quarter ended September 30, 2026 resulted in a 21.06% return on average equity and a 1.92% return on average assets. The Bank's book value per share rose 14% to \$42.32 as of September 30, 2026 from \$37.04 per share as of September 30, 2025.

In August 2026, the Bank successfully completed its initial public offering ("IPO") and its shares began trading on the Nasdaq Capital Market under the RCBC ticker symbol. The secondary offering consisted solely of existing shares held by two of the Bank's long-time shareholders associated with the family of the Bank's founder, Jon Kelly, and no new shares were issued by the Bank. The IPO was a major milestone in the Bank's history, increased the Bank's visibility within the public capital markets, and provided liquidity for shareholders, while establishing a publicly traded market value for its common stock.

Third Quarter Highlights

Performance and operating highlights for the Bank for the periods noted below included the following:

	For the Three Months Ended		
	September 30, 2026	June 30, 2026	September 30, 2025
	(\$ in thousands, except per share data)		
Return on average assets ("ROAA")	1.92%	1.28%	1.43%
Adjusted ROAA ⁽¹⁾	1.15%	1.14%	1.51%
Return on average equity ("ROAE")	21.06%	13.92%	15.06%
Adjusted ROAE ⁽¹⁾	12.63%	12.31%	15.92%
Efficiency ratio	19.43%	29.44%	29.39%
Core pre-tax, pre-provision ("PTPP") income ⁽¹⁾	\$ 29,294	\$ 25,433	\$ 28,391
Net income	\$ 30,609	\$ 19,616	\$ 19,684
Earnings per share	\$ 2.16	\$ 1.37	\$ 1.36
Adjusted EPS ⁽¹⁾	\$ 1.29	\$ 1.21	\$ 1.43
Book value per share	\$ 42.32	\$ 40.58	\$ 37.04
Weighted average shares outstanding	14,190,307	14,341,273	14,517,644
Common shares outstanding at end of period	13,962,925	13,994,875	14,247,800

⁽¹⁾ See the section entitled "Non-GAAP Reconciliation" for a reconciliation of these non-GAAP financial measures.

- Net income increased to \$30.6 million, or \$2.16 per share, for the third quarter of 2026, as compared to \$19.6 million, or \$1.37 per share, for the preceding quarter and \$19.7 million, or \$1.36 per share, for the same period in the prior year. This significant increase in the current quarter was primarily due to a \$17.1 million mark-to-market ("MTM") gain related to certain interest rate swaps. The MTM gain was due to the increase in U.S. Treasury rates during the third quarter of 2026. Management believes that core PTPP income⁽¹⁾, which also removes the MTM gains and losses is a better metric to evaluate the Bank's core earnings. Core PTPP income increased 15% to \$29.3 million for the third quarter of 2026 as compared to \$25.4 million for the trailing quarter and increased 3% from \$28.4 million for the same quarter in the prior year.
- Average loans increased by \$108 million (2% growth) compared to the trailing quarter and by \$363 million (8% growth) compared to the same period in the prior year, reflecting continued organic loan growth.
- Average deposits for the third quarter of 2026 increased by \$158 million (3% growth) compared to the trailing quarter and by \$766 million (16% growth) compared to the same period in the prior year, supporting the Bank's loan growth and liquidity position.
- As of September 30, 2026, the Bank had zero non-performing loans, virtually no delinquent loans (0.00% of total loans), no loans more than 90 days past due and still accruing interest, no other real estate owned ("OREO"), and the Bank's Allowance for Credit Losses for Loans ("ACL") was 2.30% of total loans. Due to the loan growth, the Bank recorded a \$3.7 million provision for credit losses (loans and unfunded commitments) for the three months ended September 30, 2026, compared to \$1.5 million provision in the trailing quarter and a \$644,000 reversal of provision for the same period in the

prior year. The ACL to total loans ratio was unchanged at September 30, 2026 from the prior quarter end at 2.30%.

- The Bank continued to maintain an exceptional efficiency ratio by industry standards at 19.4% for the third quarter of 2026, compared to 29.4% in both the trailing quarter and the third quarter of 2025. Even excluding the \$17.1 million MTM gain on undesignated interest rate swaps, the Bank's adjusted efficiency ratio⁽¹⁾ was 27.7% compared to 31.9% in the trailing quarter and 28.2% for the same period in the prior year.
- Net interest margin ("NIM") – The Bank's NIM was 2.39% and 2.34% for the three months ended September 30, 2026 and June 30, 2026. The modest increase in the current quarter was due to slightly higher yields on interest-earning assets because of the increase in U.S. Treasury rates and a 0.03% reduction in cost of funds.

⁽¹⁾ See the section entitled "Non-GAAP Reconciliation" for a reconciliation of these non-GAAP financial measures.

"This quarter was quite exceptional in the Bank's 53-year history due to our IPO and listing on the Nasdaq. We believe that becoming a public company will enable us to further enhance shareholder value, which has always been management's and the Board's "North Star". The Bank also delivered solid core operating results in the third quarter of 2026, as evidenced by the operating metrics and continued compounding of book value per share," said Steve Fleming, President and Chief Executive Officer. "In addition, the Bank grew loans by 3.7% over the prior quarter-end and credit quality remains pristine as we have not suffered any material losses on loans originated since the current management team took over in 2008."

Mr. Fleming also noted, "The Bank recognized a \$17.1 million MTM gain related to its undesignated interest rate swaps. The Bank systematically enters interest rate swaps to mitigate interest rate risk and all swaps are entered into for economic and risk management purposes (regardless of accounting treatment). Approximately 16% of the Bank's interest rate swaps are undesignated as of September 30, 2026, and until these interest rate swaps are designated as a hedge to specific assets or liabilities, the MTM fluctuations (positive and negative) will flow through the income statement." Given the hedging purpose of the swaps, Bank management does not view the MTM gains and losses to be indicative of the Bank's core operating performance. As such, for the purposes of disclosure in this earnings release, the Bank has shown several important metrics which remove this non-core component of net income such as earnings per share, return on average equity, return on average asset, and operating efficiency.

Brian Killeen, Chief Financial Officer said, "The Bank continues to perform at a high level, as reflected in the following key metrics: return on average equity, return on average assets, and operating efficiency. We view operational efficiency as a competitive advantage, contributing to sustained profitability and growth in shareholder value. Despite the increase in U.S. Treasury rates during the current quarter, the Bank's high quality, short duration investment securities portfolio continued to perform well with a relatively low unrealized loss position of 1.5% as of September 30, 2026."

Summary Results

Three months ended September 30, 2026, as compared to three months ended September 30, 2025

	For the Three Months Ended		Variance	
	September 30, 2026	September 30, 2025	\$	%
	(\$ in thousands, except per share data)			
Interest income	\$ 77,045	\$ 71,751	\$ 5,294	7.4%
Interest expense	39,199	34,656	4,543	13.1%
Net interest income	37,846	37,095	751	2.0%
Provision for (reversal of) credit losses	3,718	(644)	4,362	NM
Net interest income after provision for (reversal of) credit losses	34,128	37,739	(3,611)	(9.6)%
Net changes in the fair value of derivatives	17,149	(1,568)	18,717	NM
Noninterest income, excluding net changes in the fair value of derivatives	2,651	2,460	191	7.8%
Noninterest expense	11,203	11,164	39	0.3%
Income before taxes	42,725	27,467	15,258	55.6%
Provision for income taxes	12,116	7,783	4,333	55.7%
Net income	\$ 30,609	\$ 19,684	\$ 10,925	55.5%
Earnings per share	\$ 2.16	\$ 1.36	\$ 0.80	58.8%
ROAA	1.92%	1.43%	0.49%	34.3%
ROAE	21.06%	15.06%	6.00%	39.8%
Efficiency ratio	19.43%	29.39%	(9.96)%	(33.9)%

The Bank's net income was \$30.6 million for the three months ended September 30, 2026, as compared to \$19.7 million for the three months ended September 30, 2025. The primary items of note are as follows:

- Interest income increased by \$5.3 million as average interest-earning assets increased by \$853 million, due to the Bank's strong deposit growth.
- Interest expense increased by \$4.5 million due to \$785 million growth in the average balance of interest-bearing deposits, partially offset by a 0.23% decrease in the cost of interest-bearing deposits as compared to the same quarter in the prior year.
- Provision for credit losses increased by \$4.4 million due to loan growth and adjustments associated with qualitative factors in the ACL calculation.
- The MTM adjustment associated with interest rate swaps yet to be designated into a hedge relationship increased by \$18.7 million to a \$17.1 million MTM gain compared to \$1.6 million MTM loss in the same quarter of the prior year. This was caused by the significant increase in U.S. Treasury rates during the current quarter.
- Noninterest income, excluding net changes in the fair value of derivatives, remained relatively stable compared to the prior year quarter. During the third quarter of 2026, the Bank recognized a \$553,000 gain related to sale of Visa shares received through Visa's B Shares tender offer, which was largely offset by lower net amounts received on undesignated derivatives, as the average Secured Overnight Financing Rate ("SOFR") declined period over period.

Three months ended September 30, 2026, as compared to three months ended June 30, 2026

	For the Three Months Ended		Variance	
	September 30, 2026	June 30, 2026	\$	%
	(\$ in thousands, except per share data)			
Interest income	\$ 77,045	\$ 73,544	\$ 3,501	4.8%
Interest expense	39,199	38,007	1,192	3.1%
Net interest income	37,846	35,537	2,309	6.5%
Provision for credit losses	3,718	1,518	2,200	144.9%
Net interest income after provision for credit losses	34,128	34,019	109	0.3%
Net changes in the fair value of derivatives	17,149	3,178	13,971	439.6%
Noninterest income, excluding net changes in the fair value of derivatives	2,651	1,833	818	44.6%
Noninterest expense	11,203	11,937	(734)	(6.1)%
Income before taxes	42,725	27,093	15,632	57.7%
Provision for income taxes	12,116	7,477	4,639	62.0%
Net income	\$ 30,609	\$ 19,616	\$ 10,993	56.0%
Earnings per share	\$ 2.16	\$ 1.37	0.79	57.7%
ROAA	1.92%	1.28%	0.64%	50.0%
ROAE	21.06%	13.92%	7.14%	51.3%
Efficiency ratio	19.43%	29.44%	(10.01)%	(34.0)%

The Bank's net income was \$30.6 million for the three months ended September 30, 2026, as compared to \$19.6 million for the three months ended June 30, 2026. The primary items of note are as follows:

- Interest income increased by \$3.5 million, primarily due to a \$108 million increase in average balances of loans and a \$93 million increase in average balances of cash and investment securities.
- Interest expense increased by \$1.2 million due to \$76 million growth in average interest-bearing liabilities balances, as compared to the prior quarter.
- Provision for credit losses increased by \$2.2 million reflecting increased loan origination during the current quarter.
- Noninterest expense decreased by \$734,000, primarily reflecting lower stock compensation expense and a decline in professional service expenses following the completion of the Bank's IPO in August 2026 as compared to the prior quarter.

Nine months ended September 30, 2026, as compared to nine months ended September 30, 2025

	For the Nine Months Ended		Variance	
	September 30, 2026	September 30, 2025	\$	%
	(\$ in thousands, except per share data)			
Interest income	\$ 222,551	\$ 208,299	\$ 14,252	6.8%
Interest expense	114,152	104,478	9,674	9.3%
Net interest income	108,399	103,821	4,578	4.4%
Provision for (reversal of) credit losses	6,748	(768)	7,516	NM

	As of		Variance	
	September 30, 2026	June 30, 2026	\$	%
	(\$ in thousands)			
Total assets	\$ 6,381,595	\$ 6,042,514	\$ 339,081	5.6%
Total loans	4,849,645	4,678,130	171,515	3.7%
Total investments	1,021,630	1,003,538	18,092	1.8%
Total deposits	5,613,774	5,374,670	239,104	4.4%

Total shareholders' equity	590,870	567,881	22,989	4.0%
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Total loans increased by \$172 million during the quarter ended September 30, 2026. Loan originations totaled approximately \$238 million for the quarter ended September 30, 2026.

Deposit balances increased by \$239 million during the quarter ended September 30, 2026, reflecting continued growth in deposit levels within the Bank's existing client base. As of September 30, 2026, the Bank had no wholesale funding.

Shareholders' equity increased \$23 million to \$591 million as of September 30, 2026 when compared to \$568 million as of June 30, 2026. The increase was driven primarily by the current quarter net income, less \$1.6 million of share repurchases during the quarter ended September 30, 2026. The Bank's capital ratios remain healthy and well above the regulatory definition for being Well Capitalized with a Tier 1 Leverage Ratio of 9.39% and a Total Risk-Based Capital Ratio of 14.61% as of September 30, 2026.

Asset Quality Ratios

	September 30, 2026	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025
ACL/Total loans	2.30%	2.30%	2.29%	2.24%	2.27%
Delinquent loans/Total loans	0.00%	0.03%	0.02%	0.02%	0.00%
Non-performing loans/Total loans	0.00%	0.00%	0.00%	0.00%	0.00%
Year-to-date net charge-off ratio	0.00%	0.00%	0.00%	0.00%	0.00%

As of September 30, 2026, the Bank had no OREO or non-performing loans and there were no charge-offs during the quarter. The Bank's allowance for credit losses was \$112 million as of September 30, 2026, as compared to \$104 million as of December 31, 2025.

Provision for Income Taxes

The Bank's effective tax rate was 28.0% and 28.7% for the nine months ended September 30, 2026 and 2025, respectively. Differences between the Bank's effective tax rate and applicable federal and state (primarily California) blended statutory rate of approximately 29.4% are primarily due to the proportion of excess benefit from restricted share instruments vesting, the benefits of tax credits, and changes in the Bank's apportionment of taxable income in certain states.

Dividend Announcement

The Bank's board of directors has approved a cash dividend of \$0.05 per common share to shareholders of record as of November 3, 2026, and payable on November 17, 2026.

ABOUT RIVER CITY BANK:

With more than five decades of operating history, River City Bank has built a reputation for relationship-focused service, disciplined growth, and specialized expertise across commercial banking, commercial real estate, clean energy, public sector banking, and other key industries. River City Bank is the largest independent bank in the Sacramento region, with an office in San Francisco and a focus on the Western United States. The Bank remains committed to delivering concierge banking solutions and exceptional client service. Please visit <http://www.rivercitybank.com>. Member FDIC. Equal Housing Lender.

FORWARD-LOOKING STATEMENTS

The statements contained herein that are not historical facts are forward-looking statements based on management's current expectations and beliefs concerning future developments and their potential effects on us. These forward-looking statements reflect our current views with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as "may," "might," "should," "could," "predict," "potential," "believe," "expect," "continue," "will," "anticipate," "seek," "estimate," "intend," "plan," "projection," "goal," "target," "aim," "would," "annualized" and "outlook," or the negative version of those words or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions, estimates and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements.

The financial results reported in this document are preliminary and unaudited.

Condensed Financial Data (Unaudited)

Income Statement Data

	For the Three Months Ended			For the Nine Months Ended	
	September 30, 2026	June 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(\$ in thousands)				
Interest income	\$ 77,045	\$ 73,544	\$ 71,751	\$ 222,551	\$ 208,299
Interest expense	39,199	38,007	34,656	114,152	104,478
Net interest income	37,846	35,537	37,095	108,399	103,821
Provision for (reversal of) credit losses	3,718	1,518	(644)	6,748	(768)
Net interest income after provision for (reversal of) credit losses	34,128	34,019	37,739	101,651	104,589
Service charges on deposit accounts	205	215	201	623	588
Check card revenue	164	164	172	486	526
Net payments received on undesignated derivatives	962	909	1,523	2,806	4,217
Net changes in the fair value of derivatives	17,149	3,178	(1,568)	22,056	(12,013)
Real estate lease income	158	162	74	482	204
FHLB dividends	390	187	327	1,337	981
Gain (loss) on investment securities, net	553	(42)	(17)	70	(109)
Other noninterest income	219	238	180	708	579
Total noninterest income	19,800	5,011	892	28,568	(5,027)
Salaries and employee benefits	7,259	7,646	7,155	23,165	21,826
Occupancy and equipment	614	594	636	1,848	1,862
Data processing	975	983	920	2,879	2,714
Federal deposit insurance	725	720	600	2,120	1,850
Other noninterest expense	1,630	1,994	1,853	5,573	4,835
Total noninterest expense	11,203	11,937	11,164	35,585	33,087
Income before taxes	42,725	27,093	27,467	94,634	66,475
Provision for income taxes	12,116	7,477	7,783	26,463	19,074
Net income	\$ 30,609	\$ 19,616	\$ 19,684	\$ 68,171	\$ 47,401

Net Interest Income and Net Interest Margin

	For the Three Months Ended						September 30, 2025		
	September 30, 2026			June 30, 2026			Average Balance	Interest & Fees	Yield/Rate
	Average Balance	Interest & Fees	Yield/Rate	Average Balance	Interest & Fees	Yield/Rate	Average Balance	Interest & Fees	Yield/Rate
Interest-earning assets	(tax-equivalent basis, \$ in thousands)								
Interest-earning deposits in banks	\$ 503,504	\$ 4,812	3.79%	\$ 512,960	\$ 4,747	3.71%	\$ 347,324	\$ 3,692	4.22%
Investment securities (TE)	1,039,178	9,853	3.76%	936,585	8,723	3.74%	704,617	7,129	4.01%
Loans	4,751,505	62,384	5.21%	4,643,971	60,082	5.19%	4,388,772	60,939	5.51%
Total interest-earning assets	6,294,187	77,049	4.86%	6,093,516	73,552	4.84%	5,440,713	71,760	5.23%
Total noninterest-earning assets	28,460			33,786			19,058		
Total average assets	\$6,322,647			\$6,127,302			5,459,771		
Interest-bearing liabilities									
Interest-bearing transaction accounts	2,503,785	21,072	3.34%	2,460,332	20,460	3.34%	1,903,561	16,992	3.54%
Money market accounts	1,424,742	11,612	3.23%	1,438,964	11,586	3.23%	991,303	8,135	3.26%
Savings deposits	83,877	105	0.50%	85,313	103	0.48%	94,127	120	0.51%

Time deposits	626,991	5,903	3.74%	603,903	5,572	3.70%	865,494	9,146	4.19%
Interest-bearing deposits	4,639,395	38,692	3.31%	4,588,512	37,721	3.30%	3,854,485	34,393	3.54%
Borrowings	—	—	0.00%	6	—	0.00%	272	3	4.38%
Other interest-bearing liabilities	105,870	507	1.90%	81,171	286	1.41%	68,691	260	1.50%
Total interest-bearing liabilities	\$4,745,265	\$ 39,199	3.28%	\$4,669,689	\$ 38,007	3.26%	\$3,923,448	\$ 34,656	3.50%
Noninterest-bearing liabilities									
Noninterest-bearing deposits	976,345			869,041			994,758		
Other noninterest-bearing liabilities	24,486			23,466			23,027		
Total noninterest-bearing liabilities	1,000,831			892,507			1,017,785		
Total average liabilities	5,746,096			5,562,196			4,941,233		
Shareholders' equity	576,551			565,106			518,538		
Total liabilities and shareholders' equity	\$6,322,647			\$6,127,302			\$5,459,771		
Net interest income		\$ 37,850			\$ 35,545			\$ 37,104	
NIM			2.39%			2.34%			2.71%
Cost of funds	\$5,721,610	\$ 39,199	2.72%	\$5,538,730	\$ 38,007	2.75%	\$4,918,206	\$ 34,656	2.80%
Cost of deposits	\$5,615,740	\$ 38,692	2.73%	\$5,457,553	\$ 37,721	2.77%	\$4,849,243	\$ 34,393	2.81%

For the Nine Months Ended

	September 30, 2026			September 30, 2025		
	Average Balance	Interest & Fees	Yield/ Rate	Average Balance	Interest & Fees	Yield/ Rate
	<i>(tax-equivalent basis, \$ in thousands)</i>					
Interest-earning assets						
Interest-earning deposits in banks	\$ 561,727	\$ 15,576	3.71%	\$ 317,690	\$ 10,024	4.22%
Investment securities (TE)	890,388	25,183	3.78%	697,985	21,533	4.12%
Loans	4,663,615	181,809	5.21%	4,334,188	176,763	5.45%
Total interest-earning assets	6,115,730	222,568	4.87%	5,349,863	208,320	5.21%
Total noninterest-earning assets	28,096			20,827		
Total average assets	\$ 6,143,826			\$ 5,370,690		
Interest-bearing liabilities						
Interest-bearing transaction accounts	2,429,350	60,883	3.35%	1,878,704	50,591	3.60%
Money market accounts	1,398,282	33,974	3.25%	974,703	24,173	3.32%
Savings deposits	85,952	315	0.49%	97,138	364	0.50%
Time deposits	640,820	18,038	3.76%	863,253	27,755	4.30%
Interest-bearing deposits	4,554,404	113,210	3.32%	3,813,798	102,883	3.61%
Borrowings	94	3	4.27%	1,745	59	4.52%
Other interest-bearing liabilities	82,851	939	1.52%	91,815	1,536	2.24%
Total interest-bearing liabilities	\$ 4,637,349	\$ 114,152	3.29%	\$ 3,907,358	\$ 104,478	3.57%
Noninterest-bearing liabilities						
Noninterest-bearing deposits	916,135			933,214		
Other noninterest-bearing liabilities	24,071			24,170		
Total noninterest-bearing liabilities	940,206			957,384		
Total average liabilities	5,577,555			4,864,742		
Shareholders' Equity	566,271			505,948		

Total liabilities and shareholders' equity	\$ 6,143,826			\$ 5,370,690		
Net interest income		\$ 108,416			\$ 103,842	
NIM			2.37%			2.60%
Cost of funds	\$ 5,553,484	\$ 114,152	2.75%	\$ 4,840,572	\$ 104,478	2.89%
Cost of deposits	\$ 5,470,539	\$ 113,210	2.77%	\$ 4,747,012	\$ 102,883	2.90%

Balance Sheet Data

Assets	September 30, 2026	June 30, 2026 (\$ in thousands)	September 30, 2025
Cash and due from financial institutions	\$ 485,870	\$ 353,369	\$ 339,406
Investment securities	1,021,630	1,003,538	689,296
Loans by type:			
Commercial real estate - owner occupied	160,628	161,637	160,216
Commercial real estate - non-owner occupied	4,234,190	4,060,364	3,849,474
Construction and land development	56,162	41,763	15,250
Residential real estate	190,158	191,404	193,291
Commercial and industrial	135,176	154,676	170,377
Consumer	9,644	9,089	9,636
Agricultural	63,687	59,197	39,614
Total gross loans	4,849,645	4,678,130	4,437,858
Less: Net deferred loan fees & hedged loan MTM	(118,184)	(69,389)	(48,976)
Less: Allowance for credit losses - loans	(111,749)	(107,826)	(100,771)
Net loans	4,619,712	4,500,915	4,288,111
Accrued interest receivable	25,197	22,815	24,861
Premise and equipment, net	10,534	10,712	10,406
Deferred tax assets, net	31,291	28,791	25,370
Derivatives	149,283	84,278	58,939
Other assets	38,078	38,096	38,515
Total assets	\$ 6,381,595	\$ 6,042,514	\$ 5,474,904
Liabilities and shareholders' equity			
Deposits:			
Noninterest-bearing demand deposits	\$ 901,373	\$ 825,271	\$ 883,675
Money market accounts	1,531,100	1,416,955	1,064,377
Interest-bearing transaction accounts	2,488,396	2,428,866	2,002,239
Savings deposits	84,811	84,606	92,738
Time deposits	608,094	618,972	818,107
Total deposits	5,613,774	5,374,670	4,861,136
Accrued interest payable	3,582	2,952	5,484
Borrowings	—	—	—
Cash collateral held related to derivatives	149,590	81,970	62,480
Other liabilities	23,779	15,041	18,104
Total liabilities	5,790,725	5,474,633	4,947,204
Shareholders' equity	590,870	567,881	527,700
Total liabilities and shareholders' equity	\$ 6,381,595	\$ 6,042,514	\$ 5,474,904

Capital Ratios

	September 30, 2026	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025
Tier 1 leverage ratio	9.39%	9.22%	9.35%	9.40%	9.54%
Common equity tier 1 capital ratio	13.34%	13.18%	13.14%	12.75%	12.58%

Tier 1 risk-based capital ratio	13.34%	13.18%	13.14%	12.75%	12.58%
Total risk-based capital ratio	14.61%	14.44%	14.41%	14.02%	13.85%

Non-GAAP Reconciliation

In addition to results presented in accordance with generally accepted accounting principles in the United States of America (GAAP), this press release contains non-GAAP financial measures. Management has presented these non-GAAP financial measures in this press release because management believes that they provide useful and comparative information to assess trends in the Bank's core operations. However, the non-GAAP financial measures are supplemental and are not a substitute for any analysis based on GAAP. Where applicable, comparable earnings information using GAAP financial measures is also presented. Because not all companies use the same calculations, our presentation may not be comparable to other similarly titled measures as calculated by other companies. For a reconciliation of the non-GAAP financial measures, see the table below:

Core Pre-Tax, Pre-Provision Income

This figure is defined as net interest income, plus noninterest income, less the change in the fair value of derivatives, less noninterest expense. The purpose of this non-GAAP financial measure is to remove the market volatility that can be included in the change in the fair value of derivatives that do not have fair value hedge accounting treatment (undesignated), which is a component of noninterest income. We hedge our interest rate risk through interest rate derivatives and a portion of the gain/loss on derivatives is reflected in our income statement. In addition, this measure is shown before the provision for credit losses and income tax expense. We believe that this non-GAAP financial measure provides a clearer picture of our operational earnings.

	For the Three Months Ended			For the Nine Months Ended	
	September 30, 2026	June 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(\$ in thousands)				
Net interest income	\$ 37,846	\$ 35,537	\$ 37,095	\$ 108,399	\$ 103,821
Noninterest income	19,800	5,011	892	28,568	(5,027)
Non-core item:					
Less change in the fair value of derivatives	17,149	3,178	(1,568)	22,056	(12,013)
Core noninterest income	2,651	1,833	2,460	6,512	6,986
Less noninterest expense	11,203	11,937	11,164	35,585	33,087
Core pre-tax, pre-provision income	<u>\$ 29,294</u>	<u>\$ 25,433</u>	<u>\$ 28,391</u>	<u>\$ 79,326</u>	<u>\$ 77,720</u>

Adjusted Efficiency Ratio

This non-GAAP financial measure is defined as noninterest expense divided by the sum of net interest income and core noninterest income, where core noninterest income excludes the impact of changes in the fair value of undesignated interest rate swaps.

	For the Three Months Ended			For the Nine Months Ended	
	September 30, 2026	June 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(\$ in thousands)				
Total noninterest expense (A)	\$ 11,203	\$ 11,937	\$ 11,164	\$ 35,585	\$ 33,087
Net interest income (B)	37,846	35,537	37,095	108,399	103,821
Noninterest income (C)	\$ 19,800	\$ 5,011	\$ 892	\$ 28,568	\$ (5,027)
Less change in the fair value of derivatives	17,149	3,178	(1,568)	22,056	(12,013)
Core noninterest income (D)	<u>\$ 2,651</u>	<u>\$ 1,833</u>	<u>\$ 2,460</u>	<u>\$ 6,512</u>	<u>\$ 6,986</u>
Efficiency Ratio (A)/(B +C)	19.43%	29.44%	29.39%	25.98%	33.49%
Adjusted Efficiency Ratio (A)/(B+D)	27.66%	31.94%	28.22%	30.97%	29.86%

Adjusted EPS

This figure is defined as adjusted net income divided by weighted average shares outstanding. Adjusted net income is calculated

as reported net income excluding the after-tax impact of changes in the fair value of undesignated interest rate swaps.

	For the Three Months Ended			For the Nine Months Ended	
	September 30, 2026	June 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(\$ in thousands)				
Net income	\$ 30,609	\$ 19,616	\$ 19,684	\$ 68,171	\$ 47,401
Non-core item:					
Change in the fair value of derivatives	17,149	3,178	(1,568)	22,056	(12,013)
Tax Effect	(4,887)	(906)	447	(6,286)	3,424
Change in the fair value of derivatives, net	12,262	2,272	(1,121)	15,770	(8,589)
Adjusted net income	18,347	17,344	20,805	52,401	55,990
Weighted average shares outstanding	14,190,307	14,341,273	14,517,644	14,348,514	14,610,286
Adjusted EPS	\$ 1.29	\$ 1.21	\$ 1.43	\$ 3.65	\$ 3.83

Adjusted ROAA and ROAE

These figures are defined as adjusted net income divided by average assets and adjusted net income divided by average shareholders' equity. Adjusted net income is calculated as reported net income excluding the after-tax impact of changes in the fair value of undesignated interest rate swaps.

	For the Three Months Ended			For the Nine Months Ended	
	September 30, 2026	June 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(\$ in thousands)				
Adjusted net income	18,347	17,344	20,805	52,401	55,990
Adjusted ROAA	1.15%	1.14%	1.51%	1.14%	1.39%
Adjusted ROAE	12.63%	12.31%	15.92%	12.37%	14.80%

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