



Statement of Condition

December 31, 2025

TriCity Bankshares Corporation 

Dividend Announcement

The Board of Directors declared a dividend of \$0.18 per share payable on February 12, 2026, to shareholders as of the record date of February 2, 2026.

The Corporation has a long history of maintaining capital ratios in excess of the levels required to be considered well capitalized and maintained that position through December 31, 2025.

The Board will continue to monitor earnings, on-going regulatory requirements, economic outlooks and other factors when approving future dividends.

INCOME STATEMENT (unaudited)				
	Twelve Months Ended		Three Months Ended	
	12.31.25	12.31.24	12.31.25	12.31.24
Interest Income	\$79,398,771	\$76,725,735	\$21,008,822	\$19,310,188
Interest Expense	\$17,653,551	\$23,588,442	\$4,475,393	\$5,316,241
Net Interest Income	\$61,745,220	\$53,137,293	\$16,533,429	\$13,993,947
Non-Interest Income	\$15,042,654	\$17,116,116	\$3,752,357	\$4,312,179
Less: Provision for Credit Losses	\$250,000	\$(425,000)	-	\$(300,000)
Non-Interest Expense	\$59,189,526	\$56,871,445	\$15,540,390	\$15,517,832
Income Before Income Taxes	\$17,348,348	\$13,806,964	\$4,745,396	\$3,088,294
Income Tax Expense	\$2,983,972	\$2,470,398	\$858,196	\$860,893
Change in Tax Law	\$(281,836)	\$(390,584)	\$(140,891)	\$(279,302)
Total Income Tax Expense	\$2,702,136	\$2,079,814	\$717,305	\$581,591
Net Income	\$14,646,212	\$11,727,150	\$4,028,091	\$2,506,703
Net Income Per Common Share	\$1.64	\$1.32	\$0.45	\$0.28
Dividends Per Common Share	\$0.72	\$0.72	\$0.18	\$0.18

BALANCE SHEET DECEMBER 31, 2025 & 2024 (unaudited)					
Assets	2025	2024	Liabilities & Equity	2025	2024
Cash & Due from Banks	\$249,262,029	\$150,501,120	Non-Interest Bearing Deposits	\$413,240,202	\$393,321,685
Federal Funds Sold	\$2,120,889	\$1,966,188	Interest Bearing Deposits	\$1,390,933,706	\$1,344,812,597
Security Investments	\$495,011,282	\$476,198,208	Total Deposits	\$1,804,173,908	\$1,738,134,282
Total Loans	\$1,165,718,112	\$1,177,751,681	Borrowings	\$693,000	-
Allowance for Credit Losses	\$(14,332,578)	\$(14,157,647)	Lease Liability	\$11,393,337	\$11,532,624
Net Loans	\$1,151,385,534	\$1,163,594,034	Other Liabilities	\$3,596,725	\$3,928,386
Bank Premises & Equipment	\$20,169,523	\$20,337,755	Total Liabilities	\$1,819,856,970	\$1,753,595,292
Right of Use Lease Asset	\$11,393,337	\$11,532,624	Common Stock	\$8,904,915	\$8,904,915
Cash Surrender Value of Life Insurance	\$48,944,196	\$47,237,774	Additional Paid-in Capital	\$26,543,470	\$26,543,470
Other Assets	\$26,480,060	\$35,782,322	Unrealized Loss on Security Investments	\$(33,962,324)	\$(57,082,797)
			Retained Earnings	\$183,423,819	\$175,189,145
Total Assets	\$2,004,766,850	\$1,907,150,025	Total Stockholders' Equity	\$184,909,880	\$153,554,733
			Total Liabilities & Equity	\$2,004,766,850	\$1,907,150,025

Management Comments

The Corporation posted net income of \$14.6 million for year-end 2025, an increase of \$2.9 million or 24.9%, compared to year-end 2024. Earnings per share increased to \$1.64 for year-end 2025 compared to \$1.32 for year-end 2024.

Net interest income before the provision for (recapture of) credit loss was \$61.7 million for year-end 2025, an increase of \$8.6 million or 16.2%, compared to year-end 2024. The growth was comprised of a decrease of \$6.4 million in interest paid on short-term borrowings and increase on interest income from loans of \$5 million; offset by a decrease of \$0.9 million in interest income on amounts held at the Federal Reserve and other banks, a decrease of \$1.5 million in interest income on security investments, and an increase of \$0.5 million in interest paid on deposits.

Non-interest income for year-end 2025 was \$15 million, a decrease of \$2.1 million or 12.1%, compared to year-end 2024. The decline was comprised of a decrease in gain on sale of premises and equipment of \$1.1 million, a decrease in death benefits from bank owned life insurance of \$0.3 million, a decrease in debit card interchange income of \$0.3 million, a decrease in ATM fees of \$0.2 million, and a decrease in service charges on deposits of \$0.2 million.

A provision of \$0.25 million in credit losses was recorded in year-end 2025, an increase of \$0.68 million compared to year-end 2024. The Corporation will continue to closely monitor loan portfolio activity and local market economic conditions as part of the analysis of the overall allowance for credit losses.

Non-interest expense during year-end 2025 was \$59.2 million, an increase of \$2.3 million or 4.1% compared to 2024. The increase was primarily attributable to an increase in salaries and employee benefits of \$2.4 million, an increase of \$1.2 million in other expense, an increase in net occupancy cost of \$0.5 million, an increase in furniture and equipment expenses of \$0.5 million, an increase in data processing expense of \$0.7 million, and other net activity, partially offset by a decrease in professional fees of \$0.6 million and a decrease in loss on the sale of securities of \$2.5 million. The Corporation executed a loss trade within its security portfolio to take advantage of higher interest rates. Year to date a total of about \$29.5 million in securities were sold for a loss of \$2.3 million and reinvested in about \$29.5 million of new securities at higher rates. The Corporation will benefit from an immediate pickup in interest income. Further loss trades are undetermined but will be evaluated by management on an ongoing basis.

Income tax expense during year-end 2025 was \$2.7 million, an increase of \$0.6 million, or 29.9%, compared to year-end 2024.

The Corporation's total assets as of December 31, 2025, were \$2 billion, an increase of \$97.6 million compared to December 31, 2024. Investments in securities increased by \$18.8 million. Net loans decreased by \$12.2 million or 1%. Cash and amounts due from the Federal Reserve and other banks increased by \$98.8 million compared to year-end 2024. The corporation has maintained core deposits year over year with an increase of \$66 million, or 3.8%, driven by an increase in CD's of \$25.1 million and an increase in demand, transaction and saving deposits of \$40.1 million.

Total tangible shareholders' equity was \$184.9 million as of December 31, 2025, an increase of \$31.4 million, or 20.4% compared to December 31, 2024. The increase resulted from an \$8.2 million increase in retained earnings, net of dividends paid of \$6.4 million, during the twelve-month period and an increase of \$23.1 million in the unrealized market value of the security investment portfolio net of deferred taxes. The Corporation's Tier One Capital, the primary regulatory measure of strong capital, excludes unrealized gain or loss on the security investment portfolio, and it increased from \$210.6 million as of December 31, 2024, to \$218.9 million as of December 31, 2025, an increase of 3.9%.