Statement of Condition

June 30, 2026

TriCity Bankshares Corporation

Dividend Announcement

The Board of Directors declared a dividend of $0.20 per share payable on August 6, 2026, to shareholders as of the record date of July 27, 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 June 30, 2026.

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

INCOME STATEMENT (unaudited)

	Six Months Ended		Three Months Ended	
	6.30.26	**6.30.25**	**6.30.26**	**6.30.25**
Interest Income	$42,172,185	$37,264,620	$21,186,204	$18,902,870
Interest Expense	$8,820,402	$8,786,201	$4,306,356	$4,271,612
Net Interest Income	$33,351,783	$28,478,419	$16,879,848	$14,631,258
Non-Interest Income	$7,273,189	$7,347,238	$3,766,730	$3,785,601
Less: Provision for Credit Losses	-	$250,000	-	$250,000
Non-Interest Expense	$30,995,455	$27,924,549	$15,548,705	$14,508,379
Income Before Income Taxes	$9,629,517	$7,651,108	$5,097,873	$3,658,480
Income Tax Expense	$1,758,967	$1,254,626	$929,821	$586,651
Change in Tax Law	$(212,192)	$(83,663)	$(93,016)	$(77,987)
Total Income Tax Expense	$1,546,775	$1,170,963	$836,805	$508,664
Net Income	$8,082,742	$6,480,145	$4,261,068	$3,149,816
Net Income Per Common Share	$0.91	$0.73	$0.48	$0.35
Dividends Per Common Share	$0.38	$0.36	$0.20	$0.18

BALANCE SHEET JUNE 30, 2026 & 2025 (unaudited)

Assets	2026	2025	Liabilities & Equity	2026	2025
Cash & Due from Banks	$187,436,473	$134,950,387	Non-Interest Bearing Deposits	$422,189,422	$400,805,110
Federal Funds Sold	$2,268,367	$2,034,257	Interest Bearing Deposits	$1,323,104,040	$1,263,751,517
Security Investments	$497,642,180	$462,227,089	**Total Deposits**	**$1,745,293,462**	**$1,664,556,627**
Total Loans	**$1,164,388,226**	**$1,157,487,969**	Borrowings	$693,000	$693,000
Allowance for Credit Losses	$(14,107,340)	$(14,433,515)	Lease Liability	$10,962,019	$11,419,629
Net Loans	$1,150,280,886	$1,143,054,454	Other Liabilities	$3,522,162	$3,388,365
Bank Premises & Equipment	$20,900,787	$19,712,396	**Total Liabilities**	**$1,760,470,643**	**$1,680,057,621**
Right of Use Lease Asset	$10,962,019	$11,419,629	Common Stock	$8,904,915	$8,904,915
Cash Surrender Value of Life Insurance	$49,855,386	$48,104,401	Additional Paid-in Capital	$26,543,470	$26,543,470
Other Assets	$29,662,951	$28,894,934	Unrealized Loss on Security Investments	$(35,032,672)	$(43,571,982)
			Retained Earnings	$188,122,693	$178,463,523
Total Assets	**$1,949,009,049**	**$1,850,397,547**	**Total Stockholders' Equity**	$188,538,406	$170,339,926
			Total Liabilities & Equity	**$1,949,009,049**	**$1,850,397,547**

Management Comments

The Corporation posted net income of $8.1 million for the first six months of 2026, an increase of $1.6 million or 24.7%, compared to the first six months of 2025. Earnings per share increased to $0.91 for the first six months of 2026 compared to $0.73 for the first six months of 2025.

Net interest income before the provision for credit loss was $33.4 million for the first six months of 2026, an increase of $4.9 million or 17.1%, compared to the first six months of 2025. The growth was comprised of an increase of $1.8 million in interest income on loans, an increase of $1.6 million in interest income on amounts held at the Federal Reserve and other banks, and an increase of $1.5 million in interest income on security investments.

Non-interest income for the first six months of 2026 was $7.3 million, a decrease of $0.1 million or 1%, compared to the first six months of 2025. The decline was comprised of a decrease in merchant services income, service charges on deposits and other non-interest income, slightly offset by an increase in mortgage banking income and an increase in CSV of life insurance.

No provision for credit losses was recorded in first six months of 2026 compared to a $0.25 million provision in the first six months of 2025. 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 the first six months of 2026 was $31 million, an increase of $3.1 million or 11% compared to 2025. The increase was primarily attributable to an increase in salaries and employee benefits of $1.5 million, an increase in loss on sales of securities of $0.7 million, an increase in data processing expense of $0.4 million, and other net activity. During the year, the Corporation executed loss trades within its security portfolio to take advantage of higher interest rates. A total of about $16.1 million in securities were sold for a loss of $1.2 million and immediately reinvested in 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 the first six months of 2026 was $1.5 million, an increase of less than $0.4 million, or 32.1%, compared to the first six months of 2025.

The Corporation's total assets as of June 30, 2026, were $1.95 billion, an increase of $98.6 million compared to June 30, 2025. The increase was primarily due to a $52.7 million increase in cash and cash equivalents. Investments in securities increased by $35.4 million, driven partly by an increase in fair market value of $11.3 million. Net loans increased by $7.2 million or 0.6%. The Corporation has maintained core deposits year over year with an increase of $80.7 million, or 4.9% primarily driven by an increase in savings and NOW deposits of $45.2 million.

Total shareholders' equity for GAAP purposes was $188.5 million as of June 30, 2026, an increase of $18.2 million, or 10.7% compared to June 30, 2025. The increase resulted from a $9.7 million increase in retained earnings, net of dividends paid of $6.6 million, during the twelve-month period, and an increase of $8.5 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 $213.9 million as of June 30, 2025, to $223.6 million as of June 30, 2026, an increase of 4.5%