



Statement of Condition

September 30, 2026

TriCity Bankshares Corporation 

Dividend Announcement

The Board of Directors declared a dividend of \$0.20 per share payable on November 12, 2026, to shareholders as of the record date of November 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 September 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)				
	Nine Months Ended		Three Months Ended	
	9.30.26	9.30.25	9.30.26	9.30.25
Interest Income	\$63,969,811	\$58,389,950	\$21,797,626	\$21,125,330
Interest Expense	\$13,056,961	\$13,178,158	\$4,236,559	\$4,391,957
Net Interest Income	\$50,912,850	\$45,211,792	\$17,561,067	\$16,733,373
Non-Interest Income	\$11,092,724	\$11,449,278	\$3,819,535	\$4,102,040
Less: Provision for Credit Losses	\$2,071,880	\$250,000	\$2,071,880	-
Non-Interest Expense	\$47,053,761	\$43,808,116	\$16,058,306	\$15,883,567
Income Before Income Taxes	\$12,879,932	\$12,602,954	\$3,250,415	\$4,951,846
Income Tax Expense	\$1,949,912	\$1,984,831	\$403,137	\$813,868
Net Income	\$10,930,020	\$10,618,123	\$2,847,278	\$4,137,978
Net Income Per Common Share	\$1.23	\$1.19	\$0.32	\$0.46
Dividends Per Common Share	\$0.60	\$0.54	\$0.20	\$0.18

BALANCE SHEET SEPTEMBER 30, 2026 & 2025 (unaudited)					
Assets	2026	2025	Liabilities & Equity	2026	2025
Cash & Due from Banks	\$152,075,292	\$216,925,546	Non-Interest Bearing Deposits	\$424,529,073	\$430,413,948
Federal Funds Sold	\$2,364,745	\$2,399,651	Interest Bearing Deposits	\$1,336,133,302	\$1,306,106,561
Security Investments	\$476,495,104	\$474,990,787	Total Deposits	\$1,760,662,375	\$1,736,520,509
Total Loans	\$1,219,856,436	\$1,152,031,820	Borrowings	\$693,000	\$693,000
Allowance for Credit Losses	\$(16,185,235)	\$(14,327,186)	Lease Liability	\$10,817,834	\$11,540,318
Net Loans	\$1,203,671,201	\$1,137,704,634	Other Liabilities	\$4,756,116	\$10,129,191
Bank Premises & Equipment	\$21,053,779	\$19,554,761	Total Liabilities	\$1,776,929,325	\$1,758,883,018
Right of Use Lease Asset	\$10,817,834	\$11,540,318	Common Stock	\$8,904,915	\$8,904,915
Cash Surrender Value of Life Insurance	\$55,289,781	\$48,506,367	Additional Paid-in Capital	\$26,543,470	\$26,543,470
Other Assets	\$31,968,109	\$27,051,014	Unrealized Loss on Security Investments	\$(47,830,853)	\$(36,656,940)
			Retained Earnings	\$189,188,988	\$180,998,615
Total Assets	\$1,953,735,845	\$1,938,673,078	Total Stockholders' Equity	\$176,806,520	\$179,790,060
			Total Liabilities & Equity	\$1,953,735,845	\$1,938,673,078

Management Comments

The Corporation posted net income of \$10.9 million for the first nine months of 2026, an increase of \$0.3 million or 2.9%, compared to the first nine months of 2025. Earnings per share increased to \$1.23 for the first nine months of 2026 compared to \$1.19 for the first nine months of 2025.

Net interest income before the provision for credit loss was \$50.9 million for the first nine months of 2026, an increase of \$5.7 million or 12.6%, compared to the first nine months of 2025. The growth was comprised of an increase of \$2.5 million in interest income on security investments, an increase of \$1.8 million in interest income on loans, and an increase of \$1.2 million in interest income on amounts held at the Federal Reserve and other banks.

Non-interest income for the first nine months of 2026 was \$11.1 million, a decrease of \$0.4 million or 3.1%, compared to the first nine 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, investment services income, and CSV of life insurance.

A provision for credit losses of \$2.1 million was recorded in first nine months of 2026 compared to a \$0.25 million provision in the first nine 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 nine months of 2026 was \$47.1 million, an increase of \$3.2 million or 7.4% compared to 2025. The increase was primarily attributable to an increase in salaries and employee benefits of \$2.3 million, an increase in loss on sales of securities of \$0.8 million, an increase in data processing expense of \$0.5 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 \$29.7 million in securities were sold for a loss of \$1.87 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 nine months of 2026 was \$1.9 million, a decrease of less than \$0.1 million, or 1.8%, compared to the first nine months of 2025. The Corporation's total assets as of September 30, 2026, were \$1.95 billion, an increase of \$15.1 million compared to September 30, 2025. The increase was

primarily due to a \$6.8 million increase in cash surrender value of life insurance and other net activity. Cash and cash equivalents decreased by \$64.9 million or 29.6%. Investments in securities increased by \$1.5 million, driven primarily by a book value increase of \$14.3 million offset by a decrease in fair market value of \$12.7 million. Investment principal reduction and maturities were replaced with investment purchases of \$125 million. Net loans increased by \$66 million or 5.8%. The Corporation has maintained core deposits year over year with an increase of \$24.1 million, or 1.4% primarily driven by an increase in savings and NOW deposits of \$30.3 million, offset by a decrease in demand deposits of \$5.9 million.

Total shareholders' equity for GAAP purposes was \$176.8 million as of September 30, 2026, a decrease of \$3 million, or 1.7% compared to September 30, 2025. The decrease resulted from an \$11.2 million decrease in the unrealized market value of the security investment portfolio net of deferred taxes, offset by an \$8.2 million increase in retained earnings, net of dividends paid of \$6.8 million, during the twelve-month period. 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 \$216.5 million as of September 30, 2025, to \$224.6 million as of September 30, 2026, an increase of 3.8%.