STUDIO

FINANCIAL HOLDINGS INC

August 3, 2026

Studio Financial Holdings, Inc. (OTC: STBK) reports growth in revenue and improved operating efficiency; second quarter net income of $2.1 million, earnings per weighted average common share of $0.29.

A Message from the CEO

Dear Shareholders,

I am pleased to share that Studio Bank has now marked eight years of operation — a milestone that gives us tremendous pride and, more importantly, a moment to reflect on the progress we have made. As we close the first half of 2026, I believe this quarter's results speak to the organizational maturity and momentum our team has built, along with our advancement toward key profitability milestones.

Our total revenue for the second quarter grew to $10.6 million, representing a 9.42% increase over the same quarter last year, while total noninterest expense grew by only 2.36% over that same period. Further, our Q2 2026 adjusted pre-provision net revenue (“PPNR”)[1] was $2.9 million, representing a 121.7% increase from Q2 2025 — evidence that our core earnings engine continues to strengthen. The result is a meaningfully improved efficiency ratio of 73.3% and adjusted efficiency ratio[1,3] of 71.6%, down from a Q2 2025 efficiency ratio of 78.4% and adjusted efficiency ratio[1,3] of 85.1%. This is a clear signal that the disciplined investments we made throughout 2025 are now paying off. Last year was intentionally a year of investment — in people, in systems, and in infrastructure. This year, we are realizing the returns on those investments, and our motto for the year — "Locked in." — describes exactly where our team's focus remains.

Alongside our improved profitability, we continued to grow the core components of our balance sheet in a meaningful way. Total loans held for investment grew $5.2 million quarter-over-quarter, or 2.05% annualized, and $211.6 million, or 26.1%, year-over-year, reflecting continued demand in the markets we serve. On the funding side, we ended the second quarter with total deposits of $1.16 billion, representing growth of $304.6 million, or 35.4%, year-over-year. Particularly encouraging is the continued momentum in noninterest-bearing deposits, which grew $18.3 million quarter-over-quarter, or 44.5% annualized, reaching $183.8 million at quarter end — a 26.5% increase from the second quarter 2025. Noninterest-bearing deposit growth remains one of our most closely watched indicators of relationship depth, and we remain encouraged by the trajectory.

Beyond the financials, this quarter also brought several organizational milestones. We are proud to announce that Studio Bank became a member of the Federal Reserve System and is now supervised as a state member bank. This transition reflects our ongoing commitment to safe and sound banking practices and positions us well for the future. Further, at our recent Annual Meeting of Shareholders, shareholders re-elected a class of directors to serve new three-year terms. Their re-election reflects the continued confidence our shareholders place in the Board's stewardship of the Company and our long-term strategy. Additionally, we established a subsidiary to manage certain investment securities — a strategic move we believe will enhance our flexibility, governance and oversight, and overall profitability going forward.

Looking ahead, our team remains fully aligned and "locked in" on expanding client relationships, providing an outstanding client experience, continuously improving efficiency, and delivering sustainable shareholder value. With Nashville and Chattanooga continuing to attract new residents, businesses, and jobs at a remarkable pace, we believe the runway ahead for Studio Bank is long and wide, and we intend to seize the opportunity! As always, we are grateful for your continued trust and partnership.

Sincerely,

Aaron J. Dorn, Chairman of the Board,
President and Chief Executive Officer

(1)This is a non-GAAP financial measure. Reconciliations of all non-GAAP financial measures from the most comparable GAAP measures are disclosed herein under the header “Non-GAAP Reconciliations”.
(2) Comparisons are on a quarter-over-quarter basis, unless otherwise noted.
(3) Tax-equivalent

Second Quarter Highlights[2]

This quarterly update for Q2 2026 provides a summary of consolidated financial results for Studio Financial Holdings, Inc. and its wholly owned subsidiary, Studio Bank ("the Bank" or together, "the Company") as of and for the quarter ended June 30, 2026.

Deposits and Funding	• Total deposits of $1.16 billion, down $17.6 million and up $304.6 million or 35.4% year-over-year growth • Noninterest-bearing deposits of $183.8 million • Cost of deposits of 2.64%; Cost of funds of 2.86%
Loans and Credit Quality	• Total loans held for investment ("HFI") of $1.02 billion, up $5.2 million or 2.05% annualized and $211.6 million or 26.1% year-over-year • Provisions for credit losses of $0.3 million; Allowance for credit losses ("ACL") to total loans HFI of 1.17% • Annualized net recoveries of $0.1 million or 0.04% of average loans • Nonperforming loans to total loans HFI of 1.04%
Revenue	• Net interest income[3] of $9.5 million • NIM[3] of 2.91%; Bank-only NIM[3] of 3.15% • Noninterest income of $1.4 million
Operations	• Noninterest expense of $7.8 million • Efficiency ratio of 73.3% and adjusted efficiency ratio[1,3] of 71.6%
Return Profile	• Net income of $2.1 million • Earnings per weighted average share of $0.29 • PPNR[1] of $2.8 million • Return on average equity of 9.54% • Return on average assets of 0.62%
Capital	• Tier 1 common equity (bank level) to risk-weighted assets of 11.5% • Total common equity to assets of 6.66%
Notable Items	• Interest income includes a reversal of $0.6 million in previously-accrued interest income related to transition of one relationship to nonaccrual status

Results of Operations[2]

For the second quarter of 2026, the Company achieved net income of $2.1 million, representing $0.29 per weighted average common share compared to $1.1 million, representing $0.16 per weighted average common share in the previous quarter. For the first half of 2026, the Company recorded net income of $3.2 million, representing $0.45 per weighted average common share compared to $3.0 million in the first half of 2025, representing $0.42 per weighted average common share, (or $2.2 million and $0.31 on an adjusted basis[1]).

Deposits and Funding:

Deposit momentum continues on an average balance basis with notable noninterest-bearing deposit growth.

- Total deposits were $1.16 billion. Following the strong deposit growth of $115.4 million experienced in the prior quarter, deposits at the end of the second quarter were down $17.6 million due primarily to a large anticipated transfer of funds at the end of the quarter, all within the normal course of business.
- Average total deposits were $1.18 billion, up $69.1 million or 6.25%.
- Noninterest-bearing deposits were $183.8 million, an increase of $18.3 million representing 44.5% annualized growth.
- Total cost of deposits of 2.64%, down 4 basis points from 2.68%.
- Loans HFI to deposit ratio of 87.9%, up from 86.1%.

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(2) Comparisons are on a quarter-over-quarter basis, unless otherwise noted.
(3) Tax-equivalent

Loans:

Controlled loan growth driven by 1-4 family residential real estate and owner-occupied commercial real estate.

- Total loans HFI were $1.02 billion, up $5.2 million or 2.05% annualized, including 1-4 family residential growth of $12.7 million and owner-occupied commercial real estate growth of $5.3 million, which was partially offset by a decrease from paydowns in commercial and industrial of $11.9 million.
- Average loans HFI were $1.01 billion, up $22.9 million.
- Total unfunded commitments were $234.0 million, up $17.9 million or 8.3%.

Credit Quality:

Overall credit quality remains strong despite decline in credit metrics isolated to one relationship.

- Provisions for credit losses of $0.3 million compared to $1.3 million.
- ACL to total loans HFI of 1.17%, up from 1.15%.
- Annualized net recoveries of $0.1 million or 0.04% of average loans compared to charge-off's of 0.14%.
- Nonperforming assets of $14.3 million or 1.06% of total assets, up 61 basis points from 0.45% primarily due to the nonaccrual relationship previously mentioned, which made up 43 basis points of this increase.

Net Interest Income and Net Interest Margin:

Net interest margin remains steady excluding the nonaccrual interest reversal.

- Net interest income[3] of $9.5 million, up from $9.4 million, driven by growth in average loans HFI partially offset by nonaccural interest income reversal of $0.6 million and average deposit growth.
- NIM[3] of 2.91%, down 19 basis points from 3.10%; Bank-only NIM[3] of 3.15%, down 20 basis points from 3.35%. Excluding the nonaccrual interest reversal, both Bank-only and consolidated company NIM[3] would have been 18 basis points higher than reported.
- Loan yield of 6.13%, down 26 basis points from 6.39%. Excluding the impact of the nonaccrual interest reversal, the loan yield would have been 23 basis points higher.
- Cost of deposits was 2.64%, down 4 basis points from 2.68%, and cost of funds was 2.86%, down 4 basis points from 2.90%.

Noninterest Income and Noninterest Expense:

Expansion of noninterest income and continued expense discipline demonstrates improved efficiency.

- Total noninterest income was $1.4 million, up 13.1% from $1.2 million.
- Mortgage fee income was $0.6 million, an increase of 34.0% from $0.4 million due to increased sales volume.
- Total noninterest expense was $7.8 million, a slight improvement from $7.9 million, a result of decreases in professional fees, salaries and employee benefits and other miscellaneous charges.
- Adjusted efficiency ratio[1,3] of 71.6%, an improvement from 73.7%.

Supplemental Information

Interested parties are encouraged to visit the Company's investor relations website, which contains a library of prior annual reports and quarterly financial information. The website can be found at https://www.studiobank.com/investor-relations. The website also contains additional important shareholder information, including a link to the Bank's regulatory reports, stock transfer agent contact information, and stock listing details.

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A NOTE ABOUT OUR COMPANY'S SECURITIES AND FORWARD-LOOKING STATEMENTS

Studio Financial Holdings, Inc. is the bank holding company parent of our wholly-owned bank subsidiary, Studio Bank, headquartered in Nashville, Tennessee. The common stock of Studio Financial Holdings, Inc. is not listed on a national securities exchange and is not registered with the U.S. Securities and Exchange Commission. Our common stock is quoted under the symbol "STBK" on the OTC PINK operated by OTC Markets Group, Inc., which is an inter-dealer automated quotation system for equity securities that is not a national securities exchange. This alternative trading system (referred to as an "ATS") displays quotes from broker-dealers for the price per share of many over-the-counter ("OTC") securities, including our company's common stock. "Market makers" and other broker-dealers who buy and sell OTC securities can use this platform to publish their bid and ask quotation prices. For our stock price to be quoted, there must be at least one broker-dealer willing to quote our stock on OTC Link® ATS. More information is accessible via the OTC Markets website at www.otcmarkets.com.

This quarterly update letter may contain "forward-looking statements" about Studio Financial Holdings, Inc., Studio Bank, and/or the consolidated financial institution that involve inherent risks and uncertainties. Forward-looking statements typically refer to our statements and discussions in this quarterly update letter relating to the financial condition, results of operations, plans, objectives, future performance and business of Studio Financial Holdings, Inc. and/or our combined company (as well as our underlying assumptions), including statements preceded by, followed by or that include the words or phrases such as "believes," "expects," "anticipates," "plans," "trend," "objective," "continue," "remain" or similar expressions or future or conditional verbs such as "will," "would," "should," "could," "might," "can," "may" or similar expressions. There are a number of important factors that could cause future results to differ materially from historical performance and these forward-looking statements. Factors that might cause such a difference include, but are not limited to: (1) general economic conditions and weakening in the economy are less favorable than expected, specifically the real estate market, either nationally or in the southeastern United States and our market areas; (2) deteriorating credit quality; (3) political developments, health emergencies, wars or other hostilities that may disrupt or increase volatility in securities markets or other economic conditions; (4) changes in the interest rate environment that may have the effect of reducing interest margins; (5) prepayment speeds, loan origination and sale volumes, charge-offs and credit loss provisions; (6) our ability to maintain required capital levels and adequate sources of funding and liquidity; (7) changes and trends in the banking industry generally and technology changes instituted by us, our competitors, and our counterparties, including artificial intelligence; (8) competitive pressures among depository institutions; (9) effects of critical accounting policies and judgments; (10) changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board or other regulatory agencies; (11) legislative or regulatory changes or actions, or significant litigation, adversely affecting our financial institution or the lines of business in which we are engaged; (12) our ability to attract and retain key personnel; (13) the ability of the holding company to receive dividends from its bank subsidiary; (14) the potentially dilutive effect of future acquisitions (if any) on current shareholders' ownership of our holding company; (15) our ability to secure confidential information through the use of computer systems and telecommunications networks and our ability to effectively address and withstand technology disruptions on our part or on the part of our vendors and customers; and (16) the impact of reputational risk created by these developments within our financial institution (or within the larger banking industry) on such matters as business generation and retention, funding, and liquidity. Neither Studio Financial Holdings, Inc. nor Studio Bank undertakes any obligation to release revisions to these forward-looking statements or reflect events or circumstances after the date of this quarterly update letter.

NON-GAAP FINANCIAL MEASURES

In addition to results presented in accordance with generally accepted accounting principles in the United States of America ("GAAP"), this quarterly update letter includes certain non-GAAP financial measures, including adjusted net income, adjusted earnings per weighted average common share ("EPS"), adjusted pre-provision net revenue ("PPNR"), adjusted noninterest income, adjusted noninterest expense, adjusted revenue (tax-equivalent), adjusted efficiency ratio, adjusted return on average assets ("ROAA"), adjusted return on average equity ("ROAE"), adjusted pre-provision return on average common equity, which exclude the after-tax impact of items we believe to be non-recurring, infrequent, or not indicative of our core operating results. These items may include, but are not limited to, certain gains and/or charges that the Company is unable to accurately predict when these items will be incurred or, when incurred, the amount thereof. The presentation of this non-GAAP financial information is not intended to be considered in isolation or as a substitute for any measure prepared in accordance with GAAP. Because non-GAAP financial measures presented in this quarterly update are not measurements determined in accordance with GAAP and are susceptible to varying calculations, these non-GAAP financial measures, as presented, may not be comparable to other similarly titled measures presented at other companies. Management uses these non-GAAP financial measures to facilitate making period-to-period comparisons and comparisons to internally prepared projections and believes they provide a meaningful indication of the Company's operating performance.

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Selected Unaudited Financial Information

(*Dollars in Thousands, Except Share Data*)

	As of or for the Quarter Ended					As of or For the Six Months Ended June 30,	
	Jun 2026	Mar 2026	Dec 2025	Sep 2025	Jun 2025	2026	2025
Selected Statement of Income Data							
Net interest income	$ 9,253	$ 9,266	$ 9,047	$ 8,260	$ 7,352	$ 18,519	$ 14,414
Net interest income (tax-equivalent)	9,492	9,438	9,208	8,310	7,402	18,930	14,513
Provisions for credit losses	317	1,278	873	858	319	1,595	522
Total noninterest income	1,377	1,218	1,287	1,737	2,363	2,595	3,500
Total noninterest expense	7,794	7,852	7,164	7,619	7,614	15,646	13,824
Net income	2,097	1,127	2,280	1,174	1,570	3,224	3,008
Adjusted net income(1)	2,111	1,127	2,217	1,042	756	3,238	2,194
Adjusted pre-provision net revenue(1)	2,853	2,632	3,107	2,207	1,287	5,485	3,276
Per Common Share Data							
Weighted average common shares outstanding	7,177,083	7,160,974	7,135,084	7,136,583	7,128,089	7,169,073	7,106,644
Period end number of shares	7,175,722	7,177,910	7,135,131	7,135,842	7,134,289	7,175,722	7,134,289
Earnings per weighted average common share	$ 0.29	$ 0.16	$ 0.32	$ 0.16	$ 0.22	$ 0.45	$ 0.42
Adjusted earnings per weighted average share(1)	$ 0.29	$ 0.16	$ 0.31	$ 0.15	$ 0.11	$ 0.45	$ 0.31
Book value per common share	$ 12.48	$ 11.94	$ 11.95	$ 11.42	$ 11.12	$ 12.48	$ 11.12
Selected Balance Sheet Data							
Investment securities	$ 197,925	$ 161,803	$ 164,477	$ 161,942	$ 161,119	$ 197,925	$ 161,119
Loans held for investment, net of unearned income	1,022,824	1,017,622	950,509	875,068	811,196	1,022,824	811,196
Allowance for credit losses on loans held for investment	(12,011)	(11,707)	(10,740)	(10,105)	(9,286)	(12,011)	(9,286)
Total assets	1,345,078	1,357,035	1,244,143	1,263,860	1,077,955	1,345,078	1,077,955
Total deposits	1,163,788	1,181,435	1,065,989	1,085,634	859,225	1,163,788	859,225
Total shareholders' equity	89,566	85,682	85,261	81,465	79,312	89,566	79,312
Selected Financial Ratios							
Return on average assets	0.62 %	0.35 %	0.71 %	0.41 %	0.59 %	0.49 %	0.58 %
Adjusted return on average assets(1)	0.62 %	0.35 %	0.69 %	0.37 %	0.28 %	0.49 %	0.42 %
Adjusted pre-provision return on average assets(1)	0.84 %	0.83 %	0.97 %	0.78 %	0.48 %	0.84 %	0.63 %
Return on average common equity	9.54 %	5.25 %	10.8 %	5.77 %	7.98 %	7.42 %	7.76 %
Adjusted return on average common equity(1)	9.60 %	5.25 %	10.5 %	5.12 %	3.84 %	7.45 %	5.66 %
Efficiency ratio	73.3 %	74.9 %	69.3 %	76.2 %	78.4 %	74.1 %	77.2 %
Adjusted efficiency ratio (tax-equivalent basis)(1)	71.6 %	73.7 %	68.7 %	76.8 %	85.1 %	72.6 %	80.4 %
Loans HFI to deposits ratio	87.9 %	86.1 %	89.2 %	80.6 %	94.4 %	87.9 %	94.4 %
Net interest margin (NIM) (tax equivalent basis)	2.91 %	3.10 %	2.99 %	3.02 %	2.88 %	3.00 %	2.88 %
Net interest margin (tax equivalent basis) (Bank level)	3.15 %	3.35 %	3.23 %	3.22 %	3.02 %	3.25 %	3.01 %
Yield on interest-earning assets (tax equivalent basis)	5.66 %	5.89 %	5.89 %	6.08 %	6.01 %	5.77 %	5.96 %
Cost of interest-bearing liabilities	3.34 %	3.34 %	3.53 %	3.80 %	3.85 %	3.34 %	3.78 %
Cost of total deposits	2.64 %	2.68 %	2.82 %	2.97 %	3.12 %	2.66 %	3.08 %
Cost of funds	2.86 %	2.90 %	3.02 %	3.22 %	3.29 %	2.88 %	3.25 %
Credit Quality Ratios							
Allowance for credit losses to total loans HFI	1.17 %	1.15 %	1.13 %	1.15 %	1.14 %	1.17 %	1.14 %
Annualized net (recoveries) charge-offs as a percentage of average loans HFI	(0.04)%	0.14 %	0.11 %	0.01 %	0.09 %	0.05 %	0.05 %
Nonperforming loans HFI as a percentage of loans HFI	1.04 %	0.24 %	0.46 %	0.32 %	0.35 %	1.04 %	0.35 %
Nonperforming assets as a percentage of total assets	1.06 %	0.45 %	0.53 %	0.48 %	0.54 %	1.06 %	0.54 %
Capital Ratios							
Total common shareholders' equity to assets	6.66 %	6.31 %	6.85 %	6.45 %	7.36 %	6.66 %	7.36 %
Tier 1 leverage (Bank level)	9.5 %	9.8 %	9.8 %	10.8 %	9.7 %	9.5 %	9.7 %
Tier 1 risk-based capital (Bank level)	11.5 %	11.5 %	11.9 %	12.5 %	11.6 %	11.5 %	11.6 %
Total risk-based capital (Bank level)	12.6 %	12.7 %	13.1 %	13.7 %	12.8 %	12.6 %	12.8 %
Common equity Tier 1 (Bank level)	11.5 %	11.5 %	11.9 %	12.5 %	11.6 %	11.5 %	11.6 %
Selected Nonfinancial Data							
Full time equivalent employees	107	110	109	110	110	107	110

(1)This is a non-GAAP financial measure. Reconciliations of all non-GAAP financial measures from the most comparable GAAP measures are disclosed herein under the header “Non-GAAP Reconciliations”.

Consolidated Unaudited Statements of Income

(*Dollars in Thousands*)

	Quarter ended					Percentage Change	
	Jun 2026	Mar 2026	Dec 2025	Sep 2025	Jun 2025	Jun 2026 vs. Mar 2026	Jun 2026 vs. Jun 2025
Interest income							
Interest on loans held for investment	$ 15,019	$ 15,134	$ 14,500	$ 13,766	$ 12,599	-0.76%	19.2%
Fees on loans held for investment	494	490	459	388	426	0.82%	16.0%
Mortgage loans held for sale	16	12	9	12	16	33.3%	0.00%
Investment securities - taxable	1,098	1,051	1,265	1,611	1,619	4.47%	-32.2%
Investment securities - tax-exempt	676	486	454	141	142	39.1%	376.1%
Other interest-bearing balances	893	587	1,262	752	571	52.1%	56.4%
Total interest income	18,196	17,760	17,949	16,670	15,373	2.45%	18.4%
Interest expense							
Deposits:							
Interest-bearing demand	3,114	2,649	2,605	2,969	2,799	17.6%	11.3%
Savings and money market	3,625	3,652	4,057	2,981	2,787	-0.74%	30.1%
Time deposits - customer	227	233	340	377	367	-2.58%	-38.1%
Time deposits - wholesale	761	761	756	550	812	0.00%	-6.28%
Total interest expense on deposits	7,727	7,295	7,758	6,877	6,765	5.92%	14.2%
Federal Home Loan Bank advances	441	444	426	997	909	-0.68%	-51.5%
Long-term debt	775	755	718	534	343	2.65%	125.9%
Other borrowings	—	—	—	2	4	— %	-100.0%
Total interest expense	8,943	8,494	8,902	8,410	8,021	5.29%	11.5%
Net interest income	9,253	9,266	9,047	8,260	7,352	-0.14%	25.9%
Provision for credit losses on loans held for investment	207	1,315	885	843	392	-84.3%	-47.2%
Provision for credit losses on unfunded commitments	110	(37)	(12)	15	(73)	-397.3%	-250.7%
Net interest income after provision for credit losses	8,936	7,988	8,174	7,402	7,033	11.9%	27.1%
Noninterest income							
Service charges and fees on deposits	365	320	349	321	308	14.1%	18.5%
Net gains on sale of loans	607	453	481	363	662	34.0%	-8.31%
Bank owned life insurance income	304	298	255	243	1,051	2.01%	-71.1%
Gain from securities, net	—	—	—	309	—	— %	— %
Other noninterest income	101	147	202	501	342	-31.3%	-70.5%
Total noninterest income	1,377	1,218	1,287	1,737	2,363	13.1%	-41.7%
Total revenue	*10,630*	*10,484*	*10,334*	*9,997*	*9,715*	1.39%	9.42%
Noninterest expense							
Salaries and employee benefits	5,180	5,246	4,913	5,044	4,987	-1.26%	3.87%
Occupancy and equipment	405	457	378	382	361	-11.4%	12.2%
Data processing	602	516	642	532	522	16.7%	15.3%
Professional fees	293	368	284	393	419	-20.4%	-30.1%
Advertising	214	201	174	206	148	6.47%	44.6%
Other noninterest expense	1,100	1,064	773	1,062	1,177	3.38%	-6.54%
Total noninterest expense	7,794	7,852	7,164	7,619	7,614	-0.74%	2.36%
Income before income taxes	2,519	1,354	2,297	1,520	1,782	86.0%	41.4%
Income taxes	422	227	17	346	212	85.9%	99.1%
Net income	$ 2,097	$ 1,127	$ 2,280	$ 1,174	$ 1,570	86.1%	33.6%

Consolidated Unaudited Statements of Income
(Dollars in Thousands)

	Six Months Ended June 30,		Percentage Change
	2026	2025	Jun 2026 vs. Jun 2025
Interest income			
Interest on loans held for investment	$ 30,153	$ 24,354	23.8%
Fees on loans held for investment	984	775	27.0%
Mortgage loans held for sale	28	29	-3.45%
Investment securities - taxable	2,149	3,328	-35.4%
Investment securities - tax-exempt	1,162	281	313.5%
Other interest-bearing balances	1,480	1,185	24.9%
Total interest income	35,956	29,952	20.0%
Interest expense			
Deposits:			
Interest-bearing demand	5,763	5,424	6.25%
Savings and money market	7,277	5,504	32.2%
Time deposits - customer	460	734	-37.3%
Time deposits - wholesale	1,522	1,678	-9.30%
Total interest expense on deposits	15,022	13,340	12.6%
Federal Home Loan Bank advances	885	1,506	-41.2%
Long-term debt	1,530	686	123.0%
Other borrowings	—	6	-100.0%
Total interest expense	17,437	15,538	12.2%
Net interest income	18,519	14,414	28.5%
Provision for credit losses on loans held for investment	1,522	450	238.2%
Provision for credit losses on unfunded commitments	73	72	1.39%
Net interest income after provision for credit losses	16,924	13,892	21.8%
Noninterest income			
Service charges and fees on deposits	685	589	16.3%
Net gains on sale of loans	1,060	1,107	-4.25%
Bank owned life insurance income	602	1,291	-53.4%
Other noninterest income	248	513	-51.7%
Total noninterest income	2,595	3,500	-25.9%
Total revenue	*21,114*	*17,914*	*17.9%*
Noninterest expense			
Salaries and employee benefits	10,426	8,990	16.0%
Occupancy and equipment	862	746	15.5%
Data processing	1,118	1,029	8.65%
Professional fees	661	719	-8.07%
Advertising	415	308	34.7%
Other noninterest expense	2,164	2,032	6.50%
Total noninterest expense	15,646	13,824	13.2%
Income before income taxes	3,873	3,568	8.55%
Income taxes	649	560	15.9%
Net income	$ 3,224	$ 3,008	7.18%

Consolidated Unaudited Balance Sheets

(*Dollars in Thousands*)

	As of					Percentage change	
	Jun 2026	Mar 2026	Dec 2025	Sep 2025	Jun 2025	Quarterly Jun 2026 vs. Mar 2026	Annual Jun 2026 vs. Jun 2025
Assets							
Cash and cash equivalents	$ 60,019	$ 115,929	$ 72,225	$ 161,928	$ 56,828	-193.4%	5.62%
Investments:							
Available-for-sale, at fair value	159,973	123,258	125,404	122,298	120,827	119.5%	32.4%
Held-to-maturity, net of allowance for credit losses	37,952	38,545	39,073	39,644	40,292	-6.17%	-5.81%
Restricted stock, at cost	8,781	4,447	4,569	5,528	7,891	390.9%	11.3%
Mortgage loans held for sale	8,796	7,369	4,133	3,374	3,868	77.7%	127.4%
Loans held for investment, net of unearned income	1,022,824	1,017,622	950,509	875,068	811,196	2.05%	26.1%
Allowance for credit losses	(12,011)	(11,707)	(10,740)	(10,105)	(9,286)	10.4%	29.3%
Loans held for investment, net	1,010,813	1,005,915	939,769	864,963	801,910	1.95%	26.1%
Bank owned life insurance	29,446	29,143	28,845	23,589	23,346	4.17%	26.1%
Premises and equipment, net	1,368	1,462	1,549	1,428	1,424	-25.8%	-3.93%
Operating lease right-of-use assets	4,839	5,015	5,213	3,587	2,783	-14.1%	73.9%
Accrued interest receivable	4,957	5,707	4,827	5,268	4,244	-52.7%	16.8%
Other real estate owned	3,635	3,639	2,254	3,193	2,931	-0.44%	24.0%
Other assets	14,499	16,606	16,282	29,060	11,611	-50.9%	24.9%
Total assets	$1,345,078	$1,357,035	$1,244,143	$1,263,860	$1,077,955	-3.53%	24.8%
Liabilities							
Deposits:							
Noninterest-bearing demand	$ 183,813	$ 165,470	$ 152,572	$ 172,661	$ 145,291	44.5%	26.5%
Interest-bearing:							
Interest-bearing demand	562,269	435,371	342,694	307,861	316,622	116.9%	77.6%
Savings and money market	320,638	484,010	473,798	497,200	313,712	-135.4%	2.21%
Time deposits - customer	28,311	27,862	28,236	39,766	37,567	6.46%	-24.6%
Time deposits - wholesale	68,757	68,722	68,689	68,146	46,033	0.20%	49.4%
Total deposits	1,163,788	1,181,435	1,065,989	1,085,634	859,225	-5.99%	35.4%
Federal Home Loan Bank advances	40,000	40,000	40,000	40,000	110,000	0.00%	-63.6%
Long-term debt	39,110	39,085	39,080	39,127	19,846	0.26%	97.1%
Operating lease liabilities	5,640	5,853	6,017	4,382	3,579	-14.6%	57.6%
Accrued expenses and other liabilities	6,974	4,980	7,796	13,252	5,993	160.6%	16.4%
Total liabilities	1,255,512	1,271,353	1,158,882	1,182,395	998,643	-5.00%	25.7%
Shareholders' equity							
Common stock	75,683	75,491	75,258	75,048	74,817	1.02%	1.16%
Retained earnings	17,307	15,210	14,083	11,803	10,629	55.3%	62.8%
Accumulated other comprehensive loss	(3,424)	(5,019)	(4,080)	(5,386)	(6,134)	-127.5%	-44.2%
Total shareholders' equity	89,566	85,682	85,261	81,465	79,312	18.2%	12.9%
Total liabilities & shareholders' equity	$1,345,078	$1,357,035	$1,244,143	$1,263,860	$1,077,955	-3.53%	24.8%

Non-GAAP Reconciliations

(*Dollars in Thousands, Except Share Data*)

	Quarter ended					Six Months Ended June 30,	
	Jun 2026	Mar 2026	Dec 2025	Sep 2025	Jun 2025	2026	2025
Adjusted net income and earnings per share:							
Income before taxes	$ 2,519	$ 1,354	$ 2,297	$ 1,520	$ 1,782	$ 3,873	$ 3,568
Less cash life insurance benefit*	—	—	—	—	814	—	814
Less gain from securities, net	—	—	—	309	—	—	—
Less (loss) gain on sale or write-downs of other real estate owned and other assets	(17)	—	63	3	—	(17)	—
Plus loss on debt extinguishment	—	—	—	141	—	—	—
Adjusted pre-tax net income	2,536	1,354	2,234	1,349	968	3,890	2,754
Adjusted income tax expense	425	227	17	307	212	652	560
Adjusted net income	$ 2,111	$ 1,127	$ 2,217	$ 1,042	$ 756	$ 3,238	$ 2,194
Weighted average common shares outstanding	7,177.083	7,160.974	7,135.084	7,136.583	7,128.089	7,169.073	7,106.644
Earnings per weighted average common share	$ 0.29	$ 0.16	$ 0.32	$ 0.16	$ 0.22	$ 0.45	$ 0.42
Adjusted earnings per weighted average common share	$ 0.29	$ 0.16	$ 0.31	$ 0.15	$ 0.11	$ 0.45	$ 0.31

*Item is non-taxable

	Quarter ended					Six Months Ended June 30,	
	Jun 2026	Mar 2026	Dec 2025	Sep 2025	Jun 2025	2026	2025
Adjusted pre-provision net revenue:							
Income before taxes	$ 2,519	$ 1,354	$ 2,297	$ 1,520	$ 1,782	$ 3,873	$ 3,568
Plus provisions for credit losses	317	1,278	873	858	319	1,595	522
Pre-provision net revenue	2,836	2,632	3,170	2,378	2,101	5,468	4,090
Less cash life insurance benefit*	—	—	—	—	814	—	814
Less gain from securities, net	—	—	—	309	—	—	—
Less (loss) gain on sale or write-downs of other real estate owned and other assets	(17)	—	63	3	—	(17)	—
Plus loss on debt extinguishment	—	—	—	141	—	—	—
Adjusted pre-provision net revenue	$ 2,853	$ 2,632	$ 3,107	$ 2,207	$ 1,287	$ 5,485	$ 3,276

Non-GAAP Reconciliations

(*Dollars in Thousands, Except Share Data*)

	Quarter ended					Six Months Ended June 30,	
	Jun 2026	**Mar 2026**	**Dec 2025**	**Sep 2025**	**Jun 2025**	**2026**	**2025**
Adjusted efficiency ratio (tax equivalent basis):							
Noninterest expense	$ 7,794	$ 7,852	$ 7,164	$ 7,619	$ 7,614	$ 15,646	$ 13,824
Less loss on debt extinguishment	—	—	—	141	—	—	—
Adjusted noninterest expense	$ 7,794	$ 7,852	$ 7,164	$ 7,478	$ 7,614	$ 15,646	$ 13,824
Net interest income	$ 9,253	$ 9,266	$ 9,047	$ 8,260	$ 7,352	$ 18,519	$ 14,414
Net interest income (tax equivalent basis)	9,492	9,438	9,208	8,310	7,402	18,930	14,513
Noninterest income	1,377	1,218	1,287	1,737	2,363	2,595	3,500
Less cash life insurance benefit*	—	—	—	—	814	—	814
Less gain from securities, net	—	—	—	309	—	—	—
Less (loss) gain on sale or write-downs of other real estate owned and other assets	(17)	—	63	3	—	(17)	—
Adjusted noninterest income	1,394	1,218	1,224	1,425	1,549	2,612	2,686
Total revenue	$ 10,630	$ 10,484	$ 10,334	$ 9,997	$ 9,715	$ 21,114	$ 17,914
Adjusted revenue (tax equivalent basis)	$ 10,886	$ 10,656	$ 10,432	$ 9,735	$ 8,951	$ 21,542	$ 17,199
Efficiency ratio	73.3 %	74.9 %	69.3 %	76.2 %	78.4 %	74.1 %	77.2 %
Adjusted efficiency ratio (tax equivalent basis)	71.6 %	73.7 %	68.7 %	76.8 %	85.1 %	72.6 %	80.4 %

	Quarter ended					Six Months Ended June 30,	
	Jun 2026	**Mar 2026**	**Dec 2025**	**Sep 2025**	**Jun 2025**	**2026**	**2025**
Adjusted return on average assets and equity and related measures:							
Net income	$ 2,097	$ 1,127	$ 2,280	$ 1,174	$ 1,570	$ 3,224	$ 3,008
Average assets	$1,356,111	$1,288,327	$1,266,851	$1,126,894	$1,064,700	$1,322,406	$1,051,981
Average common equity	$ 88,208	$ 87,095	$ 83,589	$ 80,767	$ 78,893	$ 87,655	$ 78,205
Return on average assets	0.62 %	0.35 %	0.71 %	0.41 %	0.59 %	0.49 %	0.58 %
Return on average common equity	9.54 %	5.25 %	10.82 %	5.77 %	7.98 %	7.42 %	7.76 %
Adjusted net income	$ 2,111	$ 1,127	$ 2,217	$ 1,042	$ 756	$ 3,238	$ 2,194
Adjusted return on average assets	0.62 %	0.35 %	0.69 %	0.37 %	0.28 %	0.49 %	0.42 %
Adjusted return on average common equity	9.60 %	5.25 %	10.52 %	5.12 %	3.84 %	7.45 %	5.66 %
Adjusted PPNR	$ 2,853	$ 2,632	$ 3,107	$ 2,207	$ 1,287	$ 5,485	$ 3,276
Adjusted pre-provision return on average assets	0.84 %	0.83 %	0.97 %	0.78 %	0.48 %	0.84 %	0.63 %