



## Isabella Bank Corporation Reports Record Third Quarter 2026 Earnings

MT. PLEASANT, MICHIGAN — October 29, 2026 — Isabella Bank Corporation (Nasdaq: ISBA) (“Isabella” or the “Company”) reported net income of \$6.6 million, or \$0.86 per diluted share, for the third quarter 2026 compared to \$5.2 million, or \$0.71 per diluted share, for the third quarter 2025.

### THIRD QUARTER 2026 HIGHLIGHTS

- Record net income of \$6.6 million, which included after-tax expenses of \$657,000 related to the proposed acquisition of Grand River Commerce, Inc.
- Net interest margin (NIM) improved to 3.71%, up from 3.15% in third quarter 2025
- All required regulatory and shareholder approvals received to complete the Grand River acquisition, which is expected to close on November 2, 2026, subject to the satisfaction or waiver of customary closing conditions

“Isabella Bank Corporation reported a record quarter of net income, supported by continued expansion in our net interest margin,” said President and CEO Jerome Schwind. “We are pleased with the increase in deposit balances, which further strengthens the Corporation’s funding position. Overall, the quarter reflected positive earnings momentum.

“We also have received required regulatory and shareholder approvals to complete the acquisition of Grand River Commerce and Grand River Bank,” Schwind added. “This is a key milestone and the transaction is on track for our anticipated November 2, 2026 close. Importantly, this merger supports our disciplined growth strategy by expanding our customer base and presence in West Michigan. We are keenly focused on a smooth integration and clear communication with customers and employees to assure continued strong customer service.”

### FINANCIAL CONDITION *(September 30, 2026 to December 31, 2025 comparison)*

Total assets increased \$31.1 million, or 1.4%, to \$2.2 billion as of September 30, 2026. This increase was primarily due to an increase of \$112.5 million in cash and cash equivalents, offset by an \$88.3 million decline in available-for-sale (AFS) securities.

The AFS securities portfolio decreased \$88.3 million, or 17.7%, to \$409.5 million as of September 30, 2026. The decrease was a result of maturities and principal paydowns of \$177.1 million, offset by \$100.7 million in purchases. Net unrealized losses on AFS securities were \$21.7 million as of September 30, 2026, compared to \$9.9 million at December 31, 2025. Net unrealized losses as a percentage of the amortized cost of AFS securities increased to 5.0%, compared to 1.9% at December 31, 2025.

Loans decreased \$556,000 to \$1.5 billion as of September 30, 2026. The commercial real estate and residential real estate loan portfolios grew \$29.9 million and \$29.7 million, respectively, but were offset by declines in advances to mortgage brokers and consumer loans of \$39.0 million and \$10.6 million, respectively. Most residential originations were adjustable-rate products, which are retained on the balance sheet rather than sold in the secondary market. The consumer loan portfolio continues to decrease amid declining demand, continued competition, and disciplined adherence to credit quality standards.

The allowance for credit losses (ACL) increased \$671,000, or 4.9%, to \$14.4 million as of September 30, 2026. The increase is due to loan growth and an increase in loss rates driven by loans charged off during the year. Nonaccrual loans were \$7.5 million as of September 30, 2026 compared to \$4.6 million at December 31, 2025. Past due and accruing accounts between 30 to 89 days as a percentage of total loans was 0.10% at September 30, 2026, compared to 0.44% at year-end 2025.

Total deposits increased \$73.0 million, or 4.0%, to \$1.9 billion as of September 30, 2026. The increase was a result of a \$141.8 million increase in money market accounts and a \$11.1 million increase in savings deposits. These increases were offset by a \$51.3 million decline in certificates of deposit, a \$16.6 million decline in noninterest bearing demand deposits, and a \$12.1 million decline in interest bearing demand deposits.

Total equity was \$245.6 million, or \$32.09 per share, at September 30, 2026 compared to \$231.4 million, or \$31.60 per share, as of December 31, 2025. The increase in total equity is primarily due to the issuance of 322,685 shares as part of the ongoing at-the-market stock offering, increasing total equity by \$12.5 million, net of expenses. Tangible book value per share (non-GAAP) was \$25.78 as of September 30, 2026, compared to \$25.01 as of December 31, 2025. Net unrealized losses in the AFS securities portfolio reduced tangible book value per share (non-GAAP) by \$2.26 and \$1.09 for the respective periods.

**RESULTS OF OPERATIONS** *(for the three and nine months ended September 30, 2026, and 2025, unless otherwise noted)*

Net income for the three months ended September 30, 2026 was \$6.6 million, or \$0.86 per diluted share, compared with \$5.2 million, or \$0.71 per diluted share, for the three months ended September 30, 2025. Net income for the nine months ended September 30, 2026 was \$16.6 million, or \$2.24 per diluted share, compared with \$14.2 million, or \$1.92 per diluted share, for the nine months ended September 30, 2025. Net income for the three and nine month periods ended September 30, 2026 included after-tax merger-related expenses of \$657,000 and \$1.1 million, respectively.

Net interest income was \$19.4 million for the three months ended September 30, 2026 and \$16.2 million for the three months ended September 30, 2025, representing 3.71% and 3.15% of interest earning assets, or NIM on a fully tax equivalent basis (non-GAAP), respectively. The book yield from securities was 3.20% and 2.42% for the three months ended September 30, 2026 and 2025, respectively. The yield on loans increased to 5.95% for the three months ended September 30, 2026 from 5.78% for the three months ended September 30, 2025. The increase in loan yields was primarily due to higher rates on new loans and variable rate commercial loans that continue to reprice. The cost of interest-bearing liabilities for the three months ended September 30, 2026 decreased to 2.08% from 2.25% for the three months ended September 30, 2025 primarily due to lower rates on money market and certificate of deposit products.

Net interest income was \$54.3 million for the nine months ended September 30, 2026 and \$45.8 million for the nine months ended September 30, 2025, representing 3.53% and 3.12% of earning assets, or NIM on a fully tax equivalent basis (non-GAAP), respectively. The book yield from securities was 2.83% and 2.34% for the nine months ended September 30, 2026 and 2025, respectively. The yield on loans increased to 5.88% for the nine months ended September 30, 2026 from 5.75% for the nine months ended September 30, 2025. The increase in loan yields was primarily due to higher rates on new loans and variable rate commercial loans that continue to reprice. The cost of interest-bearing liabilities for the nine months ended September 30, 2026 decreased to 2.10% from 2.25% for the nine months ended September 30, 2025 primarily due to lower rates on money market and certificate of deposit products.

The provision for credit losses was \$50,000 for the three months ended September 30, 2026, as a result of net charge offs totaling \$207,000, offset by an \$81,000 decrease in the ACL on loans and a decrease in the reserve for unfunded commitments. The provision for credit losses for the three months ended September 30, 2025 was \$209,000, which reflects a \$172,000 increase in the ACL and net charge offs totaling \$74,000, offset by a decrease in the reserve for unfunded commitments.

The provision for credit losses was \$1.5 million for the nine months ended September 30, 2026, as compared to a credit of \$1.0 million for the nine months ended September 30, 2025. Net charge offs for the nine months ended September 30, 2026 totaled \$844,000, while there were net recoveries of \$1.4 million for the nine months ended September 30, 2025.

Noninterest income for the three months ended September 30, 2026 and 2025 was \$4.6 million and \$4.3 million, respectively. Service charges and fees increased \$202,000 and wealth management fees increased \$94,000 due to growth in assets under management since second quarter 2025.

Noninterest income for the nine months ended September 30, 2026 and 2025 was \$13.3 million and \$11.5 million, respectively. Service charges and fees increased \$1.1 million, wealth management fees increased \$355,000 due to growth in assets under management, and earnings on bank-owned life insurance (BOLI) policies increased \$220,000 due to additional investments in a separate account BOLI. Other noninterest income included gains of \$137,000 and \$163,000 related to death benefits from BOLI policies for the nine months ended September 30, 2026 and 2025, respectively.

Noninterest expenses for the three months ended September 30, 2026 and 2025 were \$15.6 million and \$14.0 million, respectively. Compensation and benefit expenses increased \$867,000, reflecting annual merit increases, incentives, and higher medical insurance claims. Occupancy and equipment increased \$156,000 and merger-related expenses were \$672,000.

Noninterest expenses for the nine months ended September 30, 2026 and 2025 were \$45.7 million and \$41.0 million, respectively. Compensation and benefit expenses increased \$2.1 million for the same reasons as the quarterly comparison. Occupancy and equipment expenses increased \$636,000 and merger-related expenses were \$1.2 million.

Income tax expense for the three months ended September 30, 2026 and 2025 was \$1.6 million and \$1.0 million, respectively. The effective tax rate (ETR) for the same periods was 20% and 17%, respectively. Income tax expense for the nine months ended September 30, 2026 and 2025 was \$3.8 million and \$3.1 million, respectively. The ETR was 18% for both the nine

months ended September 30, 2026 and 2025. The ETR in the first nine months of 2026 included the impact of certain non-deductible merger-related expenses. The ETR in the first nine months of 2025 included a one-time tax expense related to the lifetime earnings on BOLI policies that were surrendered.

### **About Isabella Bank Corporation**

Isabella Bank Corporation (Nasdaq: ISBA) is the parent holding company of Isabella Bank, a state-chartered community bank headquartered in Mt. Pleasant, Michigan. Isabella Bank was chartered in 1903 and has been committed to serving its customers' and communities' local banking needs for over 120 years. The Bank offers personal and commercial lending and deposit products, as well as investment, trust, and estate planning services. The Bank has locations throughout eight Mid-Michigan counties: Bay, Clare, Gratiot, Isabella, Mecosta, Midland, Montcalm, and Saginaw.

For more information about Isabella Bank Corporation, visit the Investor Relations link at [www.isabellabank.com](http://www.isabellabank.com).

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### **Available Information**

The Company maintains an Internet web site at [ir.isabellabank.com/overview](http://ir.isabellabank.com/overview). The Company makes available, free of charge, on its web site the Company's annual reports, quarterly earnings reports, and other press releases.

The Company routinely posts important information for investors on its website ([www.isabellabank.com](http://www.isabellabank.com) and, more specifically, under the News tab at [ir.isabellabank.com/news](http://ir.isabellabank.com/news)). The Company intends to use its web site as a means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD (Fair Disclosure) promulgated by the U.S. Securities and Exchange Commission (the "SEC"). Accordingly, investors should monitor the Company's web site, in addition to following the Company's press releases, SEC filings, public conference calls, presentations and webcasts.

The information contained on, or that may be accessed through, the Company's website is not incorporated by reference into, and is not a part of, this document.

### **Forward-Looking Statements**

Information in this press release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Rule 175 promulgated thereunder, and Section 21E of the Securities Exchange Act of 1934, as amended and Rule 3b-6 promulgated thereunder. The Company intends such forward looking statements to be covered by the safe harbor provisions for forward looking statements contained in the Private Securities Litigation Reform Act of 1995, and are included in this statement for purposes of these safe harbor provisions. Forward-looking statements generally relate to losses, impact of events, financial condition, plans, objectives, outlook for earnings, revenues, expenses, capital and liquidity levels and ratios, asset levels, asset quality, financial position, and other matters regarding or affecting the Company and its future business and operations. Forward-looking statements are typically identified by words or phrases such as "will likely result", "expect", "could", "may", "plan", "believe", "estimate", "anticipate", "strategy", "trend", "forecast", "outlook", "project", "intend", "assume", "outcome", "continue", "remain", "potential", "opportunity", "current", "position", "maintain", "sustain", "seek", "achieve" and variations of such words and similar expressions, or future or conditional verbs such as will, would, should, could or may. Factors that could cause such differences include, but are not limited to: (i) uncertainty or perceived instability in the banking industry as a whole; (ii) increased competition for deposits among traditional and nontraditional financial services companies, and related changes in deposit customer behavior; (iii) the persistent inflationary pressures in the United States, and its impact on market interest rates, the labor market, the economy as a whole, and credit quality; (iv) elevated asset prices; (v) risks related to rising interest rates; (vi) the Company's ability to effectively execute its expansion strategy and manage its growth, including identifying and consummating suitable acquisitions; (vii) risks relating to the proposed acquisition of Grand River including, without limitation: the timing of consummation of the proposed transaction between Isabella and Grand River; the risk that any condition to closing of the proposed acquisition may not be satisfied or waived; the risk that the Merger may not be completed at all; the diversion of management time on issues related to the proposed acquisition; the expected impact of the proposed acquisition and on the combined entities' operations, financial condition, and financial results; the businesses of Isabella and Grand River may not be combined successfully, or such combination may take longer to accomplish than expected; the cost savings from the proposed acquisition may not be fully realized or may take longer to realize than expected; operating costs, customer loss and business disruption following the proposed acquisition, including adverse effects on relationships with employees, may be greater than expected; the risk of deposit and customer attrition; and increased competitive pressures on solicitations of customers by competitors; (viii) risks associated with concentrations of the Company's business in market areas, loans secured by real estate, and public funds deposits as a percentage of total deposits; (ix) adverse changes in customer sentiment, spending, borrowing, and savings habits; (x) risks associated with the Company's commercial loan portfolio and agricultural loan portfolio; (xi) risks related to the significant amount of credit that the Company has extended to a limited number of borrowers and in a limited geographic area; (xii) damage to the Company's reputation resulting from adverse publicity, regulatory actions, litigation, operational failures, and the failure to meet client expectations and other facts; (xiii) the Company's ability to keep pace with technological change or difficulties that may experienced when implementing new technologies; (xiv) cybersecurity risk, including cyber incidents or other failures, disruptions or breaches of the Company's operational or security systems or infrastructure, or those of third-party vendors or other service providers, including as a result of a cyber-attack; (xv) costs and effects of litigation, investigations or similar matters to which the Company may be subject; (xvi) natural disasters, severe weather, acts of god, military conflicts (including the conflicts in the Middle East, the possible expansion of such conflicts and potential geopolitical and economic consequences), acts of terrorism, domestic civil unrest, geopolitical instability, public health outbreaks (such as coronavirus), other international or domestic calamities, and other events beyond the Company's control, including as a result of in the policies of the current U.S. presidential administration or Congress; (xvii) the impacts of tariffs, sanctions and other trade policies of the United States and its global trading counterparts and the resulting impact on the Company and its customers; (xviii) compliance with governmental and regulatory requirements, including the Dodd-Frank Act Wall Street Reform and Consumer Protection Act, Economic Growth, Regulatory Relief, and Consumer Protection Act of 2018, and others relating to banking, consumer protection, securities and tax matters; (xix) changes in accounting principles and standards; (xx) changes in the laws, rules, regulations, interpretations or policies that apply to the Company's business and operations, and any additional regulations, or repeals that may be forthcoming as a result thereof, which could cause the Company to incur additional costs and adversely affect the Company's business environment, operations and financial results; and (xxi) the Company's ability to navigate the uncertain impacts of current and future governmental monetary and fiscal policies, including the current and

future policies of the Board of Governors of the Federal Reserve System and as a result of initiatives of the Trump administration. These forward-looking statements are based on current information and/or management's good faith belief as to future events. Although the Company believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Therefore, the Company can give no assurance that the results contemplated in the forward-looking statements will be realized. Additional information regarding risks and uncertainties to which the Company's business and future financial performance are subject is contained in the Company's most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q on file with the SEC, including the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" of such documents, and other documents the Company files or furnishes with the SEC from time to time, which are available on the SEC's website, [www.sec.gov](http://www.sec.gov). Due to these and other possible uncertainties and risks, the Company cautions you not to unduly rely on forward-looking statements. The inclusion of this forward-looking information should not be construed as a representation by the Company or by any person that the future events, plans or expectations contemplated by the Company will be achieved. All subsequent written and oral forward-looking statements attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. Any forward-looking statement speaks only as to the date on which it is made, and the Company undertakes no obligation to update any forward-looking statement to reflect developments occurring after the statement is made, except as required by law. All forward-looking statements, express or implied, included in the press release are qualified in their entirety by this cautionary statement.

#### **Non-GAAP Financial Measures**

Some of the financial measures included in this press release are not measures of financial performance recognized in accordance with generally accepted accounting principles in the United States ("GAAP"). The Company believes these non-GAAP financial measures provide both management and investors with a more complete understanding of the Company's financial position and performance. These non-GAAP financial measures are supplemental and are not a substitute for any analysis based on GAAP financial measures.

The Company classifies a financial measure as being a non-GAAP financial measure if that financial measure excludes or includes amounts, or is subject to adjustments that have the effect of excluding or including amounts, that are included or excluded, as the case may be, in the most directly comparable measure calculated and presented in accordance with GAAP as in effect from time to time in the United States in the statements of income, balance sheets or statements of cash flows. Not all companies use the same calculation of these measures; therefore, this presentation may not be comparable to other similarly titled measures as presented by other companies.

A reconciliation of non-GAAP financial measures to GAAP financial measures is provided at the end of this press release.

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| B           | Consolidated Balance Sheets                                          |
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## SELECTED FINANCIAL DATA (UNAUDITED)

The following table outlines selected financial data as of, and for the:

| (dollars in thousands, except per share amounts)                       | Three Months Ended |               |                |                   | Nine Months Ended  |                    |                    |
|------------------------------------------------------------------------|--------------------|---------------|----------------|-------------------|--------------------|--------------------|--------------------|
|                                                                        | September 30, 2026 | June 30, 2026 | March 31, 2026 | December 31, 2025 | September 30, 2025 | September 30, 2026 | September 30, 2025 |
| <b>PER SHARE</b>                                                       |                    |               |                |                   |                    |                    |                    |
| Basic earnings                                                         | \$ 0.86            | \$ 0.69       | \$ 0.68        | \$ 0.64           | \$ 0.71            | \$ 2.24            | \$ 1.93            |
| Diluted earnings                                                       | 0.86               | 0.69          | 0.68           | 0.64              | 0.71               | 2.24               | 1.92               |
| Dividends                                                              | 0.28               | 0.28          | 0.28           | 0.28              | 0.28               | 0.84               | 0.84               |
| Book value <sup>(1)</sup>                                              | 32.09              | 32.60         | 31.90          | 31.60             | 30.94              | 32.09              | 30.94              |
| Tangible book value <sup>(1)(2)</sup>                                  | 25.78              | 26.27         | 25.32          | 25.01             | 24.37              | 25.78              | 24.37              |
| Market price <sup>(1)</sup>                                            | 37.47              | 39.50         | 45.67          | 50.00             | 35.25              | 37.47              | 35.25              |
| Common shares outstanding <sup>(1)(3)</sup>                            | 7,653,498          | 7,628,809     | 7,333,319      | 7,322,207         | 7,350,567          | 7,653,498          | 7,350,567          |
| Average number of diluted common shares outstanding <sup>(3)</sup>     | 7,642,887          | 7,337,378     | 7,329,058      | 7,345,610         | 7,371,652          | 7,432,627          | 7,399,441          |
| <b>PERFORMANCE RATIOS</b>                                              |                    |               |                |                   |                    |                    |                    |
| Return on average total assets                                         | 1.17%              | 0.91%         | 0.91%          | 0.85%             | 0.94%              | 1.00%              | 0.89%              |
| Return on average shareholders' equity                                 | 10.43%             | 8.50%         | 8.58%          | 8.04%             | 9.28%              | 9.20%              | 8.67%              |
| Return on average tangible shareholders' equity <sup>(2)</sup>         | 12.90%             | 10.66%        | 10.79%         | 10.16%            | 11.83%             | 11.49%             | 11.12%             |
| Net interest margin yield (fully taxable equivalent) <sup>(1)(2)</sup> | 3.71%              | 3.54%         | 3.33%          | 3.28%             | 3.15%              | 3.53%              | 3.12%              |
| Efficiency ratio <sup>(2)</sup>                                        | 64.74%             | 67.84%        | 68.50%         | 65.02%            | 67.62%             | 66.95%             | 70.61%             |
| Loan to deposit ratio <sup>(1)</sup>                                   | 81.15%             | 87.83%        | 83.82%         | 84.43%            | 74.36%             | 81.15%             | 74.36%             |
| Shareholders' equity to total assets <sup>(1)</sup>                    | 10.96%             | 11.20%        | 10.39%         | 10.47%            | 10.06%             | 10.96%             | 10.06%             |
| Tangible shareholders' equity to tangible assets <sup>(1)</sup>        | 9.00%              | 9.23%         | 8.43%          | 8.47%             | 8.10%              | 9.00%              | 8.10%              |
| <b>ASSETS UNDER MANAGEMENT</b>                                         |                    |               |                |                   |                    |                    |                    |
| Wealth assets under management <sup>(1)</sup>                          | 745,954            | 750,840       | 701,510        | 707,118           | 679,724            | 745,954            | 679,724            |
| <b>ASSET QUALITY</b>                                                   |                    |               |                |                   |                    |                    |                    |
| Nonaccrual loans <sup>(1)</sup>                                        | 7,487              | 7,790         | 4,418          | 4,578             | 3,443              | 7,487              | 3,443              |
| Foreclosed assets <sup>(1)</sup>                                       | 647                | 620           | 573            | 938               | 1,018              | 647                | 1,018              |
| Net loan charge-offs (recoveries)                                      | 207                | 384           | 253            | 34                | 74                 | 844                | (1,410)            |
| Net loan charge-offs (recoveries) to average loans outstanding         | 0.01%              | 0.02%         | 0.02%          | 0.00%             | 0.01%              | 0.06%              | (0.10%)            |
| Nonperforming loans to total loans <sup>(1)</sup>                      | 0.49%              | 0.49%         | 0.28%          | 0.30%             | 0.24%              | 0.49%              | 0.24%              |
| Nonperforming assets to total assets <sup>(1)</sup>                    | 0.36%              | 0.38%         | 0.22%          | 0.25%             | 0.20%              | 0.36%              | 0.20%              |
| Allowance for credit losses to loans <sup>(1)</sup>                    | 0.94%              | 0.91%         | 0.90%          | 0.89%             | 0.92%              | 0.94%              | 0.92%              |
| <b>CAPITAL RATIOS <sup>(1)</sup></b>                                   |                    |               |                |                   |                    |                    |                    |
| Tier 1 leverage                                                        | 9.71%              | 9.59%         | 8.89%          | 8.84%             | 8.71%              | 9.71%              | 8.71%              |
| Common equity tier 1 capital                                           | 12.96%             | 12.34%        | 11.71%         | 11.73%            | 12.37%             | 12.96%             | 12.37%             |
| Tier 1 risk-based capital                                              | 12.96%             | 12.34%        | 11.71%         | 11.73%            | 12.37%             | 12.96%             | 12.37%             |
| Total risk-based capital                                               | 15.29%             | 14.63%        | 14.01%         | 14.41%            | 15.20%             | 15.29%             | 15.20%             |

<sup>(1)</sup> At end of period

<sup>(2)</sup> Non-GAAP financial measure; refer to the Reconciliation of Non-GAAP Financial Measures (Unaudited) in table F

<sup>(3)</sup> Whole shares

## CONSOLIDATED BALANCE SHEETS (UNAUDITED)

| <i>(dollars in thousands)</i>                              | September 30,<br>2026 | June 30,<br>2026    | March 31,<br>2026   | December 31,<br>2025 | September 30,<br>2025 |
|------------------------------------------------------------|-----------------------|---------------------|---------------------|----------------------|-----------------------|
| <b>ASSETS</b>                                              |                       |                     |                     |                      |                       |
| Cash and cash equivalents                                  | \$ 138,540            | \$ 41,774           | \$ 50,105           | \$ 26,041            | \$ 161,301            |
| Marketable securities available-for-sale, at fair value    | 409,541               | 439,289             | 492,744             | 497,791              | 511,970               |
| Mortgage loans held-for-sale                               | 303                   | 410                 | 360                 | 423                  | 737                   |
| Commercial and industrial                                  | 212,538               | 231,590             | 225,369             | 220,450              | 218,132               |
| Commercial real estate                                     | 669,632               | 673,271             | 660,643             | 639,758              | 626,642               |
| Advances to mortgage brokers                               | 37,636                | 75,159              | 72,083              | 76,676               | 5,056                 |
| Agricultural                                               | 99,493                | 97,462              | 96,969              | 102,109              | 97,794                |
| Residential real estate                                    | 457,613               | 449,992             | 438,333             | 427,880              | 412,056               |
| Consumer                                                   | 58,896                | 62,198              | 65,544              | 69,491               | 72,225                |
| Loans held for investment                                  | 1,535,808             | 1,589,672           | 1,558,941           | 1,536,364            | 1,431,905             |
| Allowance for credit losses                                | 14,398                | 14,479              | 14,014              | 13,727               | 13,149                |
| Loans, net                                                 | 1,521,410             | 1,575,193           | 1,544,927           | 1,522,637            | 1,418,756             |
| Federal Home Loan Bank stock, at cost                      | 5,600                 | 5,600               | 5,600               | 5,600                | 5,600                 |
| Premises and equipment                                     | 28,858                | 28,894              | 29,064              | 29,000               | 28,659                |
| Cash surrender value of bank-owned life insurance policies | 51,253                | 46,603              | 46,173              | 46,133               | 45,651                |
| Goodwill and other intangible assets                       | 48,282                | 48,282              | 48,282              | 48,282               | 48,282                |
| Other assets                                               | 36,728                | 33,596              | 34,701              | 33,541               | 38,698                |
| Total assets                                               | <u>\$ 2,240,515</u>   | <u>\$ 2,219,641</u> | <u>\$ 2,251,956</u> | <u>\$ 2,209,448</u>  | <u>\$ 2,259,654</u>   |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                |                       |                     |                     |                      |                       |
| <b>Liabilities</b>                                         |                       |                     |                     |                      |                       |
| Noninterest bearing demand deposits                        | \$ 409,729            | \$ 414,018          | \$ 411,216          | \$ 426,342           | \$ 421,027            |
| Interest bearing demand deposits                           | 254,116               | 252,149             | 263,954             | 266,187              | 248,666               |
| Money market deposits                                      | 578,454               | 453,478             | 477,544             | 436,631              | 558,212               |
| Savings                                                    | 291,508               | 300,867             | 300,732             | 280,429              | 292,899               |
| Certificates of deposit                                    | 358,801               | 389,401             | 406,399             | 410,065              | 404,798               |
| Total deposits                                             | 1,892,608             | 1,809,913           | 1,859,845           | 1,819,654            | 1,925,602             |
| Short-term borrowings                                      | 57,874                | 116,012             | 113,530             | 68,000               | 62,022                |
| Federal Home Loan Bank advances                            | —                     | —                   | —                   | 45,000               | —                     |
| Subordinated debt, net of unamortized issuance costs       | 29,581                | 29,559              | 29,537              | 29,514               | 29,492                |
| Total borrowed funds                                       | 87,455                | 145,571             | 143,067             | 142,514              | 91,514                |
| Other liabilities                                          | 14,867                | 15,453              | 15,083              | 15,884               | 15,118                |
| Total liabilities                                          | 1,994,930             | 1,970,937           | 2,017,995           | 1,978,052            | 2,032,234             |
| <b>Shareholders' equity</b>                                |                       |                     |                     |                      |                       |
| Common stock                                               | 136,115               | 135,079             | 123,251             | 123,204              | 124,284               |
| Shares to be issued for deferred compensation obligations  | 2,494                 | 2,532               | 2,522               | 2,366                | 2,373                 |
| Retained earnings                                          | 124,341               | 119,844             | 116,790             | 113,849              | 111,172               |
| Accumulated other comprehensive loss                       | (17,365)              | (8,751)             | (8,602)             | (8,023)              | (10,409)              |
| Total shareholders' equity                                 | 245,585               | 248,704             | 233,961             | 231,396              | 227,420               |
| Total liabilities and shareholders' equity                 | <u>\$ 2,240,515</u>   | <u>\$ 2,219,641</u> | <u>\$ 2,251,956</u> | <u>\$ 2,209,448</u>  | <u>\$ 2,259,654</u>   |

## CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

| (dollars in thousands, except per share amounts)      | Three Months Ended    |                  |                   |                      |                       | Nine Months Ended     |                       |
|-------------------------------------------------------|-----------------------|------------------|-------------------|----------------------|-----------------------|-----------------------|-----------------------|
|                                                       | September 30,<br>2026 | June 30,<br>2026 | March 31,<br>2026 | December 31,<br>2025 | September 30,<br>2025 | September 30,<br>2026 | September 30,<br>2025 |
| <b>Interest income</b>                                |                       |                  |                   |                      |                       |                       |                       |
| Loans, including fees                                 | \$ 22,986             | \$ 22,607        | \$ 21,464         | \$ 21,669            | \$ 20,583             | \$ 67,057             | \$ 59,763             |
| Available-for-sale securities                         |                       |                  |                   |                      |                       |                       |                       |
| Taxable                                               | 2,939                 | 2,902            | 2,489             | 2,539                | 2,478                 | 8,330                 | 7,094                 |
| Nontaxable                                            | 452                   | 470              | 499               | 509                  | 516                   | 1,421                 | 1,575                 |
| Federal Home Loan Bank stock, at cost                 | 58                    | 64               | 75                | 63                   | 70                    | 197                   | 355                   |
| Federal funds sold and other                          | 1,082                 | 173              | 602               | 498                  | 1,235                 | 1,857                 | 1,970                 |
| Total interest income                                 | 27,517                | 26,216           | 25,129            | 25,278               | 24,882                | 78,862                | 70,757                |
| <b>Interest expense</b>                               |                       |                  |                   |                      |                       |                       |                       |
| Deposits                                              | 6,835                 | 6,778            | 7,112             | 7,380                | 8,012                 | 20,725                | 22,866                |
| Short-term borrowings                                 | 806                   | 1,007            | 736               | 587                  | 441                   | 2,549                 | 1,106                 |
| Federal Home Loan Bank advances                       | —                     | 43               | 133               | 317                  | —                     | 176                   | 170                   |
| Subordinated debt                                     | 503                   | 304              | 266               | 266                  | 267                   | 1,073                 | 799                   |
| Total interest expense                                | 8,144                 | 8,132            | 8,247             | 8,550                | 8,720                 | 24,523                | 24,941                |
| Net interest income                                   | 19,373                | 18,084           | 16,882            | 16,728               | 16,162                | 54,339                | 45,816                |
| Provision for (reversal of) credit losses             | 50                    | 895              | 604               | 434                  | 209                   | 1,549                 | (997)                 |
| Net interest income after provision for credit losses | 19,323                | 17,189           | 16,278            | 16,294               | 15,953                | 52,790                | 46,813                |
| <b>Noninterest income</b>                             |                       |                  |                   |                      |                       |                       |                       |
| Service charges and fees                              | 2,429                 | 2,440            | 2,277             | 2,353                | 2,227                 | 7,146                 | 6,037                 |
| Wealth management fees                                | 1,168                 | 1,216            | 1,108             | 1,110                | 1,074                 | 3,492                 | 3,137                 |
| Income from bank-owned life insurance policies        | 478                   | 434              | 448               | 485                  | 468                   | 1,360                 | 1,140                 |
| Net gain on sale of mortgage loans                    | 65                    | 15               | 33                | 65                   | 38                    | 113                   | 115                   |
| Other                                                 | 426                   | 270              | 495               | 431                  | 501                   | 1,191                 | 1,093                 |
| Total noninterest income                              | 4,566                 | 4,375            | 4,361             | 4,444                | 4,308                 | 13,302                | 11,522                |
| <b>Noninterest expenses</b>                           |                       |                  |                   |                      |                       |                       |                       |
| Compensation and benefits                             | 8,497                 | 8,147            | 7,928             | 7,532                | 7,630                 | 24,572                | 22,509                |
| Occupancy and equipment                               | 2,784                 | 2,890            | 2,840             | 2,663                | 2,628                 | 8,514                 | 7,878                 |
| Other professional services                           | 745                   | 807              | 1,015             | 815                  | 851                   | 2,567                 | 2,425                 |
| ATM and debit card fees                               | 573                   | 629              | 558               | 575                  | 595                   | 1,760                 | 1,636                 |
| Marketing                                             | 458                   | 514              | 506               | 547                  | 514                   | 1,478                 | 1,442                 |
| FDIC insurance premiums                               | 297                   | 288              | 306               | 339                  | 271                   | 891                   | 841                   |
| Merger-related expenses                               | 672                   | 505              | —                 | —                    | —                     | 1,177                 | —                     |
| Other                                                 | 1,622                 | 1,606            | 1,509             | 1,450                | 1,496                 | 4,737                 | 4,298                 |
| Total noninterest expenses                            | 15,648                | 15,386           | 14,662            | 13,921               | 13,985                | 45,696                | 41,029                |
| Income before income tax expense                      | 8,241                 | 6,178            | 5,977             | 6,817                | 6,276                 | 20,396                | 17,306                |
| Income tax expense                                    | 1,636                 | 1,137            | 985               | 2,127                | 1,036                 | 3,758                 | 3,086                 |
| Net income                                            | <u>\$ 6,605</u>       | <u>\$ 5,041</u>  | <u>\$ 4,992</u>   | <u>\$ 4,690</u>      | <u>\$ 5,240</u>       | <u>\$ 16,638</u>      | <u>\$ 14,220</u>      |
| <b>Earnings per common share</b>                      |                       |                  |                   |                      |                       |                       |                       |
| Basic                                                 | \$ 0.86               | \$ 0.69          | \$ 0.68           | \$ 0.64              | \$ 0.71               | \$ 2.24               | \$ 1.93               |
| Diluted                                               | 0.86                  | 0.69             | 0.68              | 0.64                 | 0.71                  | 2.24                  | 1.92                  |
| Cash dividends per common share                       | 0.28                  | 0.28             | 0.28              | 0.28                 | 0.28                  | 0.84                  | 0.84                  |

## AVERAGE BALANCES, INTEREST RATE, AND NET INTEREST INCOME (UNAUDITED)

The following schedules present the daily average amount outstanding for each major category of interest earning assets, nonearning assets, interest bearing liabilities, and noninterest bearing liabilities. These schedules also present an analysis of interest income and interest expense for the periods indicated. All interest income is reported on a fully tax equivalent (FTE) basis using a federal income tax rate of 21%. Loans in nonaccrual status, for the purpose of the following computations, are included in the average loan balances. Federal Reserve Bank (FRB) restricted equity holdings are included in other interest earning assets.

|                                                                 | Three Months Ended  |                         |                      |                     |                         |                      |                     |                         |                      |
|-----------------------------------------------------------------|---------------------|-------------------------|----------------------|---------------------|-------------------------|----------------------|---------------------|-------------------------|----------------------|
|                                                                 | September 30, 2026  |                         |                      | June 30, 2026       |                         |                      | September 30, 2025  |                         |                      |
|                                                                 | Average Balance     | Tax Equivalent Interest | Average Yield / Rate | Average Balance     | Tax Equivalent Interest | Average Yield / Rate | Average Balance     | Tax Equivalent Interest | Average Yield / Rate |
| <i>(dollars in thousands)</i>                                   |                     |                         |                      |                     |                         |                      |                     |                         |                      |
| <b>INTEREST EARNING ASSETS</b>                                  |                     |                         |                      |                     |                         |                      |                     |                         |                      |
| Loans <sup>(1)</sup>                                            | \$ 1,528,503        | \$ 22,986               | 5.95%                | \$ 1,544,323        | \$ 22,607               | 5.86%                | \$ 1,409,928        | \$ 20,583               | 5.78%                |
| AFS securities <sup>(2)</sup>                                   |                     |                         |                      |                     |                         |                      |                     |                         |                      |
| Taxable                                                         | 378,202             | 2,939                   | 3.08%                | 432,520             | 2,902                   | 2.69%                | 448,112             | 2,478                   | 2.19%                |
| Nontaxable <sup>(3)</sup>                                       | 61,210              | 578                     | 3.75%                | 63,607              | 600                     | 3.78%                | 69,174              | 660                     | 3.79%                |
| Federal Home Loan Bank stock, at cost                           | 5,600               | 58                      | 4.18%                | 5,600               | 64                      | 4.55%                | 5,600               | 70                      | 4.95%                |
| Federal funds sold                                              | 3                   | —                       | 3.91%                | 2                   | —                       | 3.67%                | 186                 | 2                       | 4.35%                |
| Other <sup>(4)</sup>                                            | 113,704             | 1,082                   | 3.72%                | 18,079              | 173                     | 3.81%                | 123,183             | 1,233                   | 3.92%                |
| Total interest earning assets <sup>(3)</sup>                    | 2,087,222           | 27,643                  | 5.26%                | 2,064,131           | 26,346                  | 5.12%                | 2,056,183           | 25,026                  | 4.83%                |
| <b>NONEARNING ASSETS</b>                                        |                     |                         |                      |                     |                         |                      |                     |                         |                      |
| Allowance for credit losses                                     | (14,471)            |                         |                      | (14,078)            |                         |                      | (13,057)            |                         |                      |
| Cash and demand deposits due from banks                         | 24,854              |                         |                      | 22,544              |                         |                      | 25,591              |                         |                      |
| Premises and equipment                                          | 28,802              |                         |                      | 29,086              |                         |                      | 28,313              |                         |                      |
| Other assets                                                    | 120,411             |                         |                      | 116,913             |                         |                      | 109,692             |                         |                      |
| Total assets                                                    | <u>\$ 2,246,818</u> |                         |                      | <u>\$ 2,218,596</u> |                         |                      | <u>\$ 2,206,722</u> |                         |                      |
| <b>INTEREST BEARING LIABILITIES</b>                             |                     |                         |                      |                     |                         |                      |                     |                         |                      |
| Interest bearing demand deposits                                | \$ 264,269          | 199                     | 0.30%                | \$ 257,088          | 205                     | 0.32%                | \$ 234,105          | 144                     | 0.24%                |
| Money market deposits                                           | 503,054             | 3,030                   | 2.39%                | 452,737             | 2,625                   | 2.33%                | 534,127             | 3,533                   | 2.63%                |
| Savings                                                         | 288,515             | 456                     | 0.63%                | 302,375             | 503                     | 0.67%                | 289,442             | 560                     | 0.77%                |
| Certificates of deposit                                         | 374,370             | 3,150                   | 3.34%                | 396,481             | 3,445                   | 3.49%                | 399,781             | 3,775                   | 3.75%                |
| Short-term borrowings                                           | 94,938              | 806                     | 3.37%                | 115,713             | 1,007                   | 3.49%                | 52,700              | 441                     | 3.32%                |
| Federal Home Loan Bank advances                                 | —                   | —                       | 0.00%                | 4,396               | 43                      | 3.86%                | —                   | —                       | 0.00%                |
| Subordinated debt, net of unamortized issuance costs            | 29,567              | 503                     | 6.82%                | 29,545              | 304                     | 4.11%                | 29,477              | 267                     | 3.61%                |
| Total interest bearing liabilities                              | 1,554,713           | 8,144                   | 2.08%                | 1,558,335           | 8,132                   | 2.09%                | 1,539,632           | 8,720                   | 2.25%                |
| <b>NONINTEREST BEARING LIABILITIES AND SHAREHOLDERS' EQUITY</b> |                     |                         |                      |                     |                         |                      |                     |                         |                      |
| Demand deposits                                                 | 420,649             |                         |                      | 404,805             |                         |                      | 428,144             |                         |                      |
| Other liabilities                                               | 20,103              |                         |                      | 17,462              |                         |                      | 14,976              |                         |                      |
| Shareholders' equity                                            | 251,353             |                         |                      | 237,994             |                         |                      | 223,970             |                         |                      |
| Total liabilities and shareholders' equity                      | <u>\$ 2,246,818</u> |                         |                      | <u>\$ 2,218,596</u> |                         |                      | <u>\$ 2,206,722</u> |                         |                      |
| Net interest income (FTE) <sup>(5)</sup>                        |                     | <u>\$ 19,499</u>        |                      |                     | <u>\$ 18,214</u>        |                      |                     | <u>\$ 16,306</u>        |                      |
| Net yield on interest earning assets (FTE) <sup>(5)</sup>       |                     |                         | <u>3.71%</u>         |                     |                         | <u>3.54%</u>         |                     |                         | <u>3.15%</u>         |

<sup>(1)</sup> Includes loans held-for-sale and nonaccrual loans

<sup>(2)</sup> Average balances for available-for-sale (AFS) securities are based on amortized cost

<sup>(3)</sup> Includes FTE adjustments of \$126,000, \$130,000, and \$144,000, respectively

<sup>(4)</sup> Includes average interest bearing deposits with other banks, net of Federal Reserve daily cash letter

<sup>(5)</sup> Non-GAAP financial measure; refer to the Reconciliation of Non-GAAP Financial Measures (Unaudited) in table F

|                                                                 | Nine Months Ended  |                         |                      |                    |                         |                      |
|-----------------------------------------------------------------|--------------------|-------------------------|----------------------|--------------------|-------------------------|----------------------|
|                                                                 | September 30, 2026 |                         |                      | September 30, 2025 |                         |                      |
|                                                                 | Average Balance    | Tax Equivalent Interest | Average Yield / Rate | Average Balance    | Tax Equivalent Interest | Average Yield / Rate |
| <i>(dollars in thousands)</i>                                   |                    |                         |                      |                    |                         |                      |
| <b>INTEREST EARNING ASSETS</b>                                  |                    |                         |                      |                    |                         |                      |
| Loans <sup>(1)</sup>                                            | \$ 1,524,924       | \$ 67,057               | 5.88%                | \$ 1,389,936       | \$ 59,763               | 5.75%                |
| AFS securities <sup>(2)</sup>                                   |                    |                         |                      |                    |                         |                      |
| Taxable                                                         | 413,508            | 8,330                   | 2.69%                | 449,310            | 7,094                   | 2.11%                |
| Nontaxable <sup>(3)</sup>                                       | 64,207             | 1,815                   | 3.78%                | 72,739             | 2,081                   | 3.83%                |
| Federal Home Loan Bank stock, at cost                           | 5,600              | 197                     | 4.70%                | 7,384              | 355                     | 6.41%                |
| Federal funds sold                                              | 4                  | —                       | 3.64%                | 66                 | 2                       | 4.35%                |
| Other <sup>(4)</sup>                                            | 65,505             | 1,857                   | 3.74%                | 63,959             | 1,968                   | 3.92%                |
| Total interest earning assets <sup>(3)</sup>                    | 2,073,748          | 79,256                  | 5.11%                | 1,983,394          | 71,263                  | 4.80%                |
| <b>NONEARNING ASSETS</b>                                        |                    |                         |                      |                    |                         |                      |
| Allowance for credit losses                                     | (14,079)           |                         |                      | (13,104)           |                         |                      |
| Cash and demand deposits due from banks                         | 23,509             |                         |                      | 23,844             |                         |                      |
| Premises and equipment                                          | 28,998             |                         |                      | 28,195             |                         |                      |
| Other assets                                                    | 118,002            |                         |                      | 106,430            |                         |                      |
| Total assets                                                    | <u>\$2,230,178</u> |                         |                      | <u>\$2,128,759</u> |                         |                      |
| <b>INTEREST BEARING LIABILITIES</b>                             |                    |                         |                      |                    |                         |                      |
| Interest bearing demand deposits                                | \$ 262,479         | 698                     | 0.36%                | \$ 236,989         | 606                     | 0.34%                |
| Money market deposits                                           | 473,552            | 8,374                   | 2.36%                | 481,571            | 9,319                   | 2.59%                |
| Savings                                                         | 294,090            | 1,447                   | 0.66%                | 287,425            | 1,642                   | 0.76%                |
| Certificates of deposit                                         | 392,657            | 10,206                  | 3.48%                | 394,395            | 11,299                  | 3.83%                |
| Short-term borrowings                                           | 99,208             | 2,549                   | 3.43%                | 46,008             | 1,106                   | 3.21%                |
| Federal Home Loan Bank advances                                 | 5,897              | 176                     | 3.93%                | 4,945              | 170                     | 4.53%                |
| Subordinated debt, net of unamortized issuance costs            | 29,545             | 1,073                   | 4.84%                | 29,455             | 799                     | 3.61%                |
| Total interest bearing liabilities                              | 1,557,428          | 24,523                  | 2.10%                | 1,480,788          | 24,941                  | 2.25%                |
| <b>NONINTEREST BEARING LIABILITIES AND SHAREHOLDERS' EQUITY</b> |                    |                         |                      |                    |                         |                      |
| Demand deposits                                                 | 412,190            |                         |                      | 413,568            |                         |                      |
| Other liabilities                                               | 18,752             |                         |                      | 15,131             |                         |                      |
| Shareholders' equity                                            | 241,808            |                         |                      | 219,272            |                         |                      |
| Total liabilities and shareholders' equity                      | <u>\$2,230,178</u> |                         |                      | <u>\$2,128,759</u> |                         |                      |
| Net interest income (FTE) <sup>(5)</sup>                        |                    | <u>\$ 54,733</u>        |                      |                    | <u>\$ 46,322</u>        |                      |
| Net yield on interest earning assets (FTE) <sup>(5)</sup>       |                    |                         | <u>3.53%</u>         |                    |                         | <u>3.12%</u>         |

<sup>(1)</sup> Includes loans held-for-sale and nonaccrual loans

<sup>(2)</sup> Average balances for available-for-sale (AFS) securities are based on amortized cost

<sup>(3)</sup> Includes FTE adjustments of \$394,000 and \$506,000, respectively

<sup>(4)</sup> Includes average interest bearing deposits with other banks, net of Federal Reserve daily cash letter

<sup>(5)</sup> Non-GAAP financial measure; refer to the Reconciliation of Non-GAAP Financial Measures (Unaudited) in table F

## RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)

| (dollars in thousands, except per share amounts)                 | Three Months Ended  |                     |                     |                     |                     | Nine Months Ended  |                    |
|------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|
|                                                                  | September 30, 2026  | June 30, 2026       | March 31, 2026      | December 31, 2025   | September 30, 2025  | September 30, 2026 | September 30, 2025 |
| Loans                                                            | \$ 1,535,808        | \$ 1,589,672        | \$ 1,558,941        | \$ 1,536,364        | \$ 1,431,905        | \$1,535,808        | \$1,431,905        |
| Advances to mortgage brokers                                     | 37,636              | 75,159              | 72,083              | 76,676              | 5,056               | 37,636             | 5,056              |
| Adjusted loans                                                   | <u>\$ 1,498,172</u> | <u>\$ 1,514,513</u> | <u>\$ 1,486,858</u> | <u>\$ 1,459,688</u> | <u>\$ 1,426,849</u> | <u>\$1,498,172</u> | <u>\$1,426,849</u> |
| Total shareholders' equity                                       | \$ 245,585          | \$ 248,704          | \$ 233,961          | \$ 231,396          | \$ 227,420          | \$ 245,585         | \$ 227,420         |
| Goodwill and other intangible assets                             | 48,282              | 48,282              | 48,282              | 48,282              | 48,282              | 48,282             | 48,282             |
| Tangible equity (A)                                              | <u>197,303</u>      | <u>200,422</u>      | <u>185,679</u>      | <u>183,114</u>      | <u>179,138</u>      | <u>197,303</u>     | <u>179,138</u>     |
| Common shares outstanding <sup>(1)</sup> (B)                     | <u>7,653,498</u>    | <u>7,628,809</u>    | <u>7,333,319</u>    | <u>7,322,207</u>    | <u>7,350,567</u>    | <u>7,653,498</u>   | <u>7,350,567</u>   |
| Tangible book value per share (A/B)                              | <u>\$ 25.78</u>     | <u>\$ 26.27</u>     | <u>\$ 25.32</u>     | <u>\$ 25.01</u>     | <u>\$ 24.37</u>     | <u>\$ 25.78</u>    | <u>\$ 24.37</u>    |
| Noninterest expenses                                             | \$ 15,648           | \$ 15,386           | \$ 14,662           | \$ 13,921           | \$ 13,985           | \$ 45,696          | \$ 41,029          |
| Amortization of acquisition intangibles                          | —                   | —                   | —                   | —                   | —                   | —                  | 1                  |
| Adjusted noninterest expense (C)                                 | <u>\$ 15,648</u>    | <u>\$ 15,386</u>    | <u>\$ 14,662</u>    | <u>\$ 13,921</u>    | <u>\$ 13,985</u>    | <u>\$ 45,696</u>   | <u>\$ 41,028</u>   |
| Net interest income                                              | \$ 19,373           | \$ 18,084           | \$ 16,882           | \$ 16,728           | \$ 16,162           | \$ 54,339          | \$ 45,816          |
| Tax equivalent adjustment for net interest margin                | 126                 | 130                 | 138                 | 138                 | 144                 | 394                | 506                |
| Net interest income (FTE)                                        | 19,499              | 18,214              | 17,020              | 16,866              | 16,306              | 54,733             | 46,322             |
| Noninterest income                                               | 4,566               | 4,375               | 4,361               | 4,444               | 4,308               | 13,302             | 11,522             |
| Tax equivalent adjustment for bank-owned life insurance policies | 101                 | 91                  | 94                  | 102                 | 98                  | 286                | 239                |
| Adjusted revenue (FTE)                                           | <u>24,166</u>       | <u>22,680</u>       | <u>21,475</u>       | <u>21,412</u>       | <u>20,712</u>       | <u>68,321</u>      | <u>58,083</u>      |
| Net gains (losses) on foreclosed assets                          | (3)                 | —                   | 70                  | 3                   | 31                  | 67                 | (21)               |
| Adjusted revenue (D)                                             | <u>\$ 24,169</u>    | <u>\$ 22,680</u>    | <u>\$ 21,405</u>    | <u>\$ 21,409</u>    | <u>\$ 20,681</u>    | <u>\$ 68,254</u>   | <u>\$ 58,104</u>   |
| Efficiency ratio (C/D)                                           | <u>64.74%</u>       | <u>67.84%</u>       | <u>68.50%</u>       | <u>65.02%</u>       | <u>67.62%</u>       | <u>66.95%</u>      | <u>70.61%</u>      |

<sup>(1)</sup> Whole shares