



## FOR IMMEDIATE RELEASE

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## Exchange Bank Announces First Quarter 2026 Earnings

**Santa Rosa, CA** – (April 30, 2026) - Exchange Bank (OTC: EXSR) today announced its unaudited financial results for the first quarter 2026, reporting net income after taxes of \$7.51 million.

### 2026 FIRST QUARTER HIGHLIGHTS:

- Net income after tax for the quarter ended March 31, 2026 was \$7.51 million compared to \$5.61 million in the first quarter of 2025.
- Total assets for the Bank as of the end of the first quarter of 2026 were \$3.27 billion.
- The Bank remains well-capitalized, and all regulatory capital ratios were well above minimum requirements with a total risk-based capital ratio of 19.95% on March 31, 2026.

### INCOME STATEMENT:

For the quarter ending March 31, 2026, the Bank had net income after taxes of \$7.51 million compared with net income of \$5.61 million in 2025.

The Bank's net interest income, which is the result of the Bank's gross interest income net of interest expense, increased from \$20.91 million during the first quarter of 2025, to \$24.43 million for the first quarter of 2026, an increase of 16.84%. A component of this related to an increase in interest income year over year by \$2.25 million primarily due to an increase in interest and fees on loans of \$2.44 million offset by a decrease in interest from investment securities of \$0.19 million. Total interest expense has decreased by \$1.27 million. In the first quarter of 2026, total funding costs are made up of interest paid to depositors of \$8.04 million and \$0.40 million paid on borrowings.

Non-interest income for the quarter ended March 31, 2026 was \$6.33 million, consistent with the first quarter of 2025.

Non-interest expense remained relatively constant, increasing by 4.27% from the first quarter of 2025 to \$20.63 million for the quarter ended March 31, 2026 compared to \$19.78 million in the first quarter of 2025.

#### **BALANCE SHEET:**

Total assets were \$3.27 billion as of March 31, 2026, a decrease of \$7.63 million from March 31, 2025.

The market value of the investment portfolio was \$1.16 billion as of March 31, 2026, down \$183.81 million from one year prior. Decreases are primarily due to paydowns and maturities of the portfolio. Based on current rate conditions, the Bank estimates investment portfolio cashflow of over \$200 million through the remainder of 2026. As of March 31, 2026, the Bank estimates that the portfolio has an average life of approximately 3.6 years and an average effective duration of approximately 3.0 years. The Bank continues to maintain its entire portfolio as available for sale, providing full transparency and management flexibility. The Bank's portfolio has unrealized losses that are a direct result of market interest rates and not a result of credit quality related factors. The unrealized losses net of tax as of March 31, 2026 were \$57.01 million compared to \$82.90 million on March 31, 2025. The Bank does not view the temporary nature of the book unrealized losses to be a significant risk to its long-term capital position.

Gross loans at the end of the first quarter of 2026 were \$1.74 billion, representing an 8.12% or \$130.96 million increase from March 31, 2025. The Bank's largest loan types are commercial real estate loans, making up approximately 47% of the portfolio, followed by about 19% in residential loans and about 14% in multifamily loans. Of the commercial real estate portfolio total, approximately 16% is considered owner-occupied and the remaining 84% are non-owner-occupied. The portfolio is well diversified between industries with no significant concentrations. Nonaccrual loans totaled \$14.96 million, or 0.86% of gross loans, as of March 31, 2026. The allowance for credit losses, which is based on estimating credit losses for the life of the loans in the portfolio, totaled \$30.48 million, approximately 1.75% of total loans as of March 31, 2026. In the first quarter of 2026, the Bank recorded net charge-offs of \$4.38 million, the majority of which were attributable to two lending relationships. Management believes these charge-offs represent isolated events and are not reflective of broader credit quality concerns within the loan portfolio. As of March 31, 2026, net charge-offs represented 0.25% of total gross loans.

Total deposits as of March 31, 2026 were \$2.84 billion, decreasing by 1.76% or \$50.79 million since March 31, 2025. The Bank continues to experience elevated competition for deposits in our market. This coupled with the rate environment has led the Bank to make strategic

decisions to maintain core deposit relationships. Non-interest-bearing deposits made up approximately 30% of total deposits as of March 31, 2026, compared to about 31% as of March 31, 2025. The Bank estimates approximately 75% of all deposits were fully insured by the FDIC as of March 31, 2026.

The Bank had borrowings of \$40.00 million as of March 31, 2026 consistent with the balance as of March 31, 2025. The Bank's on balance sheet liquidity (cash and equivalents, deposits held in other institutions, and unpledged available-for-sale (AFS) securities) remains strong at \$861.51 million or 26.37% of total assets as of March 31, 2026. In addition, the Bank has available borrowing capacity of approximately \$1 billion.

The Bank's regulatory capital ratios remain well in excess of the minimums to be considered "well capitalized." As of March 31, 2026, the Bank reported a total risk-based capital ratio of 19.95% and a leverage ratio of 12.34%. The Bank's US GAAP or book equity was \$350.06 million as of March 31, 2026 increasing by \$48.95 million since March 31, 2025. The increase is due to net income and changes in the unrealized losses on available for sale securities. The unrealized losses reduce the Bank's accumulated other comprehensive income, which the Bank has opted to exclude from its common equity tier 1 capital. Therefore, the Bank's regulatory capital is not impacted by the changes in the market value of the investment securities in the Bank's investment portfolio. The Bank's regulatory capital, as defined by the FDIC, was \$435.59 million as of March 31, 2026.

50.44% of the Bank's cash dividend goes to the Doyle Trust which funds the Doyle Scholarships at the Santa Rosa Junior College. In the first quarter of 2026, dividends to the Doyle Trust totaled approximately \$1.10 million.

**FORWARD-LOOKING INFORMATION:**

The following appears in accordance with the Private Securities Litigation Reform Act of 1995: This press release may contain forward-looking statements about the Bank, including descriptions of plans or objectives of its management for future operations, products or services, forecasts of its revenues, earnings, legislative, regulatory issues, or other measures of economic performance. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include the words "believe," "expect," "anticipate," "intend," "plan," "estimate," or words of similar meaning, or future or conditional verbs such as "will," "would," "should," "could," or "may."

Forward-looking statements, by their nature, are subject to risks and uncertainties. A number of factors, many of which are beyond the Bank's control, could cause actual conditions, events or results to differ significantly from those described in the forward-looking statements. Forward-looking statements speak only as of the date they are made. The Bank undertakes no obligation to release publicly the result of any revisions to these forward-looking statements that may be

made to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events.

### **About Exchange Bank**

Headquartered in Sonoma County and founded in 1890, Exchange Bank is a full-service community bank with assets of \$3.27 billion. Exchange Bank provides a wide range of personal, commercial, and trust and investment management services with 17 retail branches in Sonoma County, a retail branch in Roseville and Trust & Investment Management offices in Santa Rosa, Roseville, Marin County and Silicon Valley. The Bank's legacy of financial leadership and community support is grounded in its core values of commitment, respect, integrity, and teamwork. Exchange Bank is known for its people who care about their customers, their company, and the communities where they live and work. Exchange Bank is a 20-year winner of the North Bay Business Journal's Best Places to Work survey and a 14-time winner of the Best Bank of Sonoma County by the Press Democrat's Readers' Choice 2025 awards. Exchange Bank was named Best Consumer Bank by the NorthBay biz Magazine's Best of the North Bay readers' poll and Best Local Bank by The Petaluma Argus Courier People's Choice Awards 2025. Exchange Bank is also a winner of the 2025 San Francisco Business Times Corporate Philanthropy award, and the Bohemian Magazine's Best of the North Bay 2025 named Exchange Bank Best Business Bank and Best Consumer Bank. [www.exchangebank.com](http://www.exchangebank.com)

Member FDIC — Equal Housing Lender — Equal Opportunity Employer

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**EXCHANGE BANK**  
and Subsidiaries  
**Consolidated Balance Sheets**  
(Unaudited)

**March 31, 2026 and 2025**  
(In Thousands)

<b>ASSETS</b>	2026	2025	Change 26/25	% Change 26/25
Cash and due from banks	\$ 29,222	\$ 34,713	\$ (5,491)	-15.82%
Federal Reserve Bank	148,111	103,015	45,096	43.78%
<b>Total Cash and cash equivalents</b>	<b>177,333</b>	<b>137,728</b>	<b>39,605</b>	<b>28.76%</b>
Investments				
Interest-earning deposits in other financial institutions	-	-	-	0.00%
Securities available for sale	1,162,048	1,345,861	(183,813)	-13.66%
FHLB Stock	15,000	15,000	-	0.00%
Loans and leases				
Leasing	214	1,482	(1,268)	-85.56%
SBA	34,233	29,409	4,824	16.40%
C&I	192,354	151,782	40,572	26.73%
Consumer	132,435	142,710	(10,275)	-7.20%
Residential	309,049	338,868	(29,819)	-8.80%
Multi-Family	243,815	188,103	55,712	29.62%
CRE	785,881	657,557	128,324	19.52%
Construction	45,224	102,333	(57,109)	-55.81%
	1,743,205	1,612,244	130,961	8.12%
Less allowance for credit losses	(30,483)	(34,924)	4,441	-12.72%
<b>Net loans and leases</b>	<b>1,712,722</b>	<b>1,577,320</b>	<b>135,402</b>	<b>8.58%</b>
Bank premises and equipment	22,385	23,190	(805)	-3.47%
Other assets	176,979	175,000	1,979	1.13%
<b>Total Assets</b>	<b>\$ 3,266,467</b>	<b>\$ 3,274,099</b>	<b>\$ (7,632)</b>	<b>-0.23%</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Deposits				
Non-Interest Bearing Demand	\$ 856,473	\$ 903,729	\$ (47,256)	-5.23%
Interest Bearing				
Transaction	421,899	431,826	(9,927)	-2.30%
Money market	623,982	582,830	41,152	7.06%
Savings	438,063	462,994	(24,931)	-5.38%
Time	497,187	507,017	(9,830)	-1.94%
<b>Total Deposits</b>	<b>2,837,604</b>	<b>2,888,396</b>	<b>(50,792)</b>	<b>-1.76%</b>
Borrowings	40,000	40,000	-	0.00%
Other liabilities	38,802	44,592	(5,790)	-12.99%
<b>Total liabilities</b>	<b>2,916,406</b>	<b>2,972,988</b>	<b>(56,582)</b>	<b>-1.90%</b>
<b>Stockholders' equity</b>	<b>350,061</b>	<b>301,111</b>	<b>48,950</b>	<b>16.26%</b>
<b>Total Liabilities and Stockholder's Equity</b>	<b>\$ 3,266,467</b>	<b>\$ 3,274,099</b>	<b>\$ (7,632)</b>	<b>-0.23%</b>

# EXCHANGE BANK

and Subsidiaries

## Consolidated Statements of Operations

(Unaudited)

For the Period Ended March 31, 2026 and 2025

(In Thousands, except per share amounts)

	Quarter Ended		Three Months Ended	
	2026	2025	Change 26/25	% Change 26/25
Interest Income				
Interest and fees on loans	\$ 25,085	\$ 22,642	\$ 2,443	10.79%
Interest on investments securities	7,785	7,975	(190)	-2.38%
<b>Total interest income</b>	<b>32,870</b>	<b>30,617</b>	<b>2,253</b>	<b>7.36%</b>
Interest expense				
Interest on deposits	8,038	9,111	(1,073)	-11.78%
Other interest expense	399	594	(195)	-32.83%
<b>Total interest expense</b>	<b>8,437</b>	<b>9,705</b>	<b>(1,268)</b>	<b>-13.07%</b>
<b>Net interest income</b>	<b>24,433</b>	<b>20,912</b>	<b>3,521</b>	<b>16.84%</b>
Provision (reversal) for credit losses	-	-	-	0.00%
<b>Net interest income after provision (reversal) for credit losses</b>	<b>24,433</b>	<b>20,912</b>	<b>3,521</b>	<b>16.84%</b>
<b>Non-interest income</b>	<b>6,328</b>	<b>6,401</b>	<b>(73)</b>	<b>-1.14%</b>
Non interest expense				
Salary and benefit costs	11,505	10,780	725	6.73%
Other expenses	9,121	9,001	120	1.33%
<b>Total non-interest expense</b>	<b>20,626</b>	<b>19,781</b>	<b>845</b>	<b>4.27%</b>
<b>Income before income taxes</b>	<b>10,135</b>	<b>7,532</b>	<b>2,603</b>	<b>34.56%</b>
Provision for income taxes	2,628	1,918	710	37.04%
<b>Net income</b>	<b>\$ 7,507</b>	<b>\$ 5,614</b>	<b>1,893</b>	<b>33.71%</b>
Basic earnings per common share	\$ 4.38	\$ 3.27	\$ 1.11	\$ 0.34
Dividends per share	\$ 1.30	\$ 1.30	\$ -	\$ -

Earnings per share is computed by dividing net income,  
by the weighted averaged number of shares outstanding during the year.

Total average shares outstanding for both 2026 and 2025 was 1,714,344