



FOR IMMEDIATE RELEASE

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Exchange Bank Announces Fourth Quarter and Year Ending 2025 Earnings

Santa Rosa, CA – (February 2, 2026) - Exchange Bank (OTC: EXSR) today announced its unaudited financial results for the fourth quarter and year ending 2025, reporting net income after taxes of \$8.76 million in the fourth quarter of 2025 and \$29.97 million for the year ended 2025.

2025 FULL YEAR HIGHLIGHTS:

- Net income after tax for the year ended December 31, 2025 was \$29.97 million compared to \$23.85 million in the year prior.
- In 2025, loan balances increased by 6.97% or \$112.87 million.
- Deposit balances increased by 1.52% or \$43.03 million in 2025.
- The Bank remains well-capitalized, and all regulatory capital ratios were well above minimum requirements with a total risk-based capital ratio of 19.71% on December 31, 2025.

INCOME STATEMENT:

For the year ended December 31, 2025, the Bank had net income after taxes of \$29.97 million compared with net income of \$23.85 million in 2024. In 2025, there were events that impacted the overall earnings of the Bank. In the second quarter of 2025, the Bank recognized a life insurance benefit of \$700 thousand and in the third quarter of 2025, the Bank recognized a gain on sale of bank premises no longer used of \$1.4 million.

The Bank's net interest income, which is the result of the Bank's gross interest income net of interest expense, increased from \$81.26 million during the year ended December 31, 2024, to \$90.69 million for the year ended December 31, 2025, an increase of 11.60%. Interest income

has increased year over year by \$4.08 million primarily due to an increase in interest and fees on loans of \$6.91 million offset by a decrease in interest on investment securities of \$2.83 million. Total interest expense has decreased by \$5.35 million. In 2025, total funding costs are made up of interest paid to depositors of \$36.30 million and \$1.81 million paid on borrowings. The decrease in cost was primarily due to decreased interest expense on borrowings of \$8.39 million as the Bank paid off the \$100 million borrowing with the Federal Reserve Bank's Bank Term Funding Program in January 2025.

The quality of the Bank's loan portfolio remains strong; the Bank did not take a provision for loan losses in 2025. While the Bank experienced growth in the loan portfolio, the mix of the portfolio changed with the maturation of construction loans of \$35.41 million to commercial real estate.

Non-interest income for the year ended December 31, 2025 increased from the prior year by \$3.42 million to \$26.80 million, primarily related to the recognition of a life insurance benefit of \$700 thousand and a gain on sale of bank premises no longer used of \$1.4 million. In addition, the Bank's wealth management division had an increase in income of \$1.41 million generating a total of \$11.74 million in fees during the year ended December 31, 2025.

Non-interest expense remained relatively constant in 2025, increasing by 2.18% from 2024 to \$78.55 million for the year ended December 31, 2025 compared to \$76.87 million in 2024.

BALANCE SHEET:

Total assets were \$3.30 billion as of December 31, 2025, an increase of \$4.61 million from prior year.

The market value of the investment portfolio was \$1.21 billion as of December 31, 2025, down \$154.56 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 \$250 million through 2026. As of December 31, 2025, the Bank estimates that the portfolio has an average life of approximately 3.6 years and an average effective duration of approximately 3.1 years. The Bank continues to maintain our 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 December 31, 2025 were \$56.23 million compared to \$101.09 million on December 31, 2024. 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 2025 year were \$1.73 billion, representing a 6.97% or \$112.87 million increase from December 31, 2024. The Bank's largest loan types are commercial real

estate loans, making up approximately 44% of the portfolio, followed by about 18% in residential loans and about 14 % in multifamily loans. Of the commercial real estate total, approximately 20% is considered owner occupied and the remaining 80% are non-owner occupied. The portfolio is well diversified between industries with no significant concentrations. Nonaccrual loans totaled \$15.88 million, or less than 0.92% of gross loans, as of December 31, 2025, compared to \$11.14 million or less than 0.70% of gross loans as of December 31, 2024. The allowance for credit losses, which is based on estimating credit losses for the life of the loans in the portfolio, totaled \$33.87 million, approximately 1.96% of total loans or over two times the Bank's total non-accrual loans as of December 31, 2025.

Total deposits as of December 31, 2025 were \$2.88 billion, increasing by 1.52% or \$43.03 million since December 31, 2024. 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 December 31, 2025, compared to about 32% as of December 31, 2024. The Bank estimates approximately 74% of all deposits were fully insured by the FDIC as of December 31, 2025.

The Bank had borrowings of \$40.00 million as of December 31, 2025, compared to \$140.00 million as of December 31, 2024. 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 \$891.19 million or 31% of total assets as of December 31, 2025. 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 December 31, 2025, the Bank reported a total risk-based capital ratio of 19.71% and a leverage ratio of 11.86%. The Bank's US GAAP or book equity was \$346.73 million as of December 31, 2025 increasing by \$65.92 million since December 31, 2024. 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 \$430.35 million as of December 31, 2025.

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 2025, dividends to the Doyle Trust totaled approximately \$4.40 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 \$3.30 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

Member FDIC — Equal Housing Lender — Equal Opportunity Employer

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EXCHANGE BANK
and Subsidiaries
Consolidated Balance Sheets
(Unaudited)

December 31, 2025 and 2024
(In Thousands)

			Change	% Change
ASSETS	2025	2024	25/24	25/24
Cash and due from banks	\$ 31,184	\$ 28,639	\$ 2,545	8.89%
Federal Reserve Bank	156,871	106,238	50,633	47.66%
Total Cash and cash equivalents	188,055	134,877	53,178	39.43%
Investments				
Interest-earning deposits in other financial institutions	-	-	-	0.00%
Securities available for sale	1,207,788	1,362,345	(154,557)	-11.34%
FHLB Stock	15,000	15,000	-	0.00%
Loans and leases				
Leasing	425	2,131	(1,706)	-80.06%
SBA	35,094	31,054	4,040	13.01%
C&I	187,156	156,941	30,215	19.25%
Consumer	135,617	148,679	(13,062)	-8.79%
Residential	314,260	343,358	(29,098)	-8.47%
Multi-Family	234,669	182,081	52,588	28.88%
CRE	764,452	659,146	105,306	15.98%
Construction	59,779	95,189	(35,410)	-37.20%
	1,731,452	1,618,579	112,873	6.97%
Less allowance for credit losses	(33,865)	(35,099)	1,234	-3.52%
Net loans and leases	1,697,587	1,583,480	114,107	7.21%
Bank premises and equipment	23,765	24,470	(705)	-2.88%
Other assets	171,950	179,361	(7,411)	-4.13%
Total Assets	\$ 3,304,145	\$ 3,299,533	\$ 4,612	0.14%
LIABILITIES AND STOCKHOLDERS' EQUITY				
Deposits				
Non-Interest Bearing Demand	\$ 863,342	\$ 902,315	\$ (38,974)	-4.32%
Interest Bearing				
Transaction	426,903	439,993	(13,090)	-2.98%
Money market	649,593	543,483	106,110	19.52%
Savings	440,596	462,123	(21,527)	-4.66%
Time	495,036	484,529	10,507	2.17%
Total Deposits	2,875,470	2,832,443	43,026	1.52%
Borrowings	40,000	140,000	(100,000)	-71.43%
Other liabilities	41,949	46,282	(4,333)	-9.36%
Total liabilities	2,957,418	3,018,725	(61,307)	-2.03%
Stockholders' equity	346,727	280,808	65,919	23.47%
Total Liabilities and Stockholder's Equity	\$ 3,304,145	\$ 3,299,533	\$ 4,612	0.14%

EXCHANGE BANK

and Subsidiaries

Consolidated Statements of Operations

(Unaudited)

For the Period Ended December 31, 2025 and 2024

(In Thousands, except per share amounts)

	Quarter Ended		Twelve Months Ended		Twelve Months Ended	
	2025	2024	2025	2024	Change 25/24	% Change 25/24
Interest Income						
Interest and fees on loans	\$ 24,977	\$ 22,364	\$ 96,001	\$ 89,096	\$ 6,905	7.75%
Interest on investments securities	8,386	9,547	32,796	35,624	(2,828)	-7.94%
Total interest income	33,363	31,911	128,797	124,720	4,077	3.27%
Interest expense						
Interest on deposits	8,968	9,233	36,296	33,256	3,040	9.14%
Other interest expense	408	2,006	1,813	10,201	(8,388)	-82.23%
Total interest expense	9,376	11,239	38,109	43,457	(5,348)	-12.31%
Net interest income	23,987	20,672	90,688	81,263	9,425	11.60%
Provision (reversal of) for credit losses	-	(5,800)	-	(5,800)	5,800	-100.00%
Net interest income after provision for credit losses	23,987	26,472	90,688	87,063	3,625	4.16%
Non-interest income	6,377	6,033	26,810	23,386	3,424	14.64%
Non interest expense						
Salary and benefit costs	11,546	10,570	43,484	42,787	697	1.63%
Other expenses	8,588	8,316	35,065	34,084	981	2.88%
Total non-interest expense	20,134	18,886	78,549	76,871	1,678	2.18%
Income before income taxes	10,230	13,619	38,949	33,578	5,371	16.00%
Provision for income taxes	1,475	4,812	8,981	9,725	(744)	-7.65%
Net income	\$ 8,755	\$ 8,807	\$ 29,968	\$ 23,853	\$ 6,115	25.64%
Basic earnings per common share	\$ 5.11	\$ 5.14	\$ 17.48	\$ 13.91	\$ 3.57	25.64%
Dividends per share	\$ 1.30	\$ 1.30	\$ 5.20	\$ 5.20	\$ -	0.00%

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 2025 and 2024 was 1,714,344