

TRIAD BUSINESS BANK

Triad Business Bank (OTC Pink – “TBBC”), July 30, 2025, Announces Unaudited Second Quarter 2025 Results

Overview

GREENSBORO, NC: For the three-month period ending June 30, 2025, Triad Business Bank (the “Bank”) reported net income of \$216,000 compared to a loss of \$611,000 for the same period a year ago. Net income totaled \$0.03 per share in the second quarter of 2025 compared to a loss of \$0.09 per share in the second quarter of 2024. For the six-month period ending June 30, 2025, the Bank reported a \$1.1 million improvement in net income with a \$415,000 profit in 2025 compared to a loss of \$712,000 in the prior year period.

Ramsey Hamadi, Chief Executive Officer, commented, “The Bank’s second quarter core earnings improved \$847,000 over the prior year period due primarily to an increase in the Bank’s net interest margin and lower operating expenses. The Bank’s net interest margin increased 25 basis points from 2.08% in the second quarter of 2024 to 2.33% in the second quarter of 2025 primarily due to proceeds of maturing below-market rate loans and investments being reinvested into higher yielding loans and a lower cost of funds. Net interest income increased \$300,000 to \$3.0 million in the second quarter of 2025 compared to the same period a year ago. The Bank’s noninterest expense in the second quarter of the current year was \$471,000 less than the prior year period. The decline in noninterest expense was due to implementation of an expense reduction plan in 2024, increased deferred loan costs on greater loan production, and decreased FDIC insurance assessment expense. Looking forward, the Bank intends to maintain disciplined expense control practices while the Bank’s net interest margin is expected to further improve throughout 2025 and 2026. As low yielding loans and investments originated in 2020 through 2022 continue to mature at an accelerating pace, we anticipate reinvesting the proceeds in higher yielding loans.”

Income Statement Comparison

The Bank’s net income totaled \$216,000 for the quarter ended June 30, 2025 compared to a net loss of \$611,000 for the quarter ended June 30, 2024. Core operating results, a non-GAAP measurement which excludes the provision for credit losses and taxes, reflected core earnings of \$237,000 for the second quarter of 2025 compared to a loss of \$610,000 for the same quarter in the prior year.

Net interest income increased \$300,000 to \$3.0 million for the second quarter of 2025 from \$2.7 million for the second quarter of 2024. The Bank’s net interest margin for the second quarter increased 25 basis points to 2.33% compared to the prior year quarter.

Interest income decreased \$227,000, or 3%, to \$6.8 million in the second quarter of 2025 compared to \$7.0 million in the same quarter of 2024. The decline in interest income year over year was due to declines in market interest rates and declines in average investment securities and interest-earning cash balances, as well as forgone interest of \$122,000 on a loan relationship placed in nonaccrual status during the second quarter of 2025. Average loans increased \$16.8 million to \$378.5 million at June 30, 2025. The weighted average yield on average loans decreased 10 basis points to 6.00% in the second quarter of 2025 compared to 6.10% in the second quarter of 2024. The weighted average rate on interest-bearing liabilities decreased 43 basis points to 4.08% in the second quarter of 2025 compared to 4.51% in the same quarter of 2024.

Noninterest income increased 74% to \$180,000 in the second quarter of 2025 compared to \$103,000 in the second quarter of 2024. In the prior year quarter, the Bank sold an investment in a SBIC and incurred a one-time loss of \$136,000, while in the current year the Bank incurred a change in other miscellaneous income.

Noninterest expense decreased \$471,000 in the second quarter of 2025 compared to the prior year quarter. Salaries and benefits expense decreased \$196,000, or 9%, in the second quarter of 2025 compared to the second quarter of 2024 due to an increase in deferred loan costs on greater loan production and a reduction in personnel. The Bank had 56 employees at the end of June 2025 and June 2024, down from 61 employees at the end of March 2024. In connection with the Bank's expense reduction initiative in the second quarter of 2024, there was a one-time severance expense of \$87,000 in the prior year quarter. Other noninterest expenses decreased \$199,000 for the second quarter of 2025 over the same period in 2024, primarily due to decreases in FDIC insurance assessment expense and director compensation expense.

Balance Sheet Comparison

Total assets increased \$9.9 million to \$531.3 million at June 30, 2025 from \$521.4 million at June 30, 2024. Loans increased \$24.5 million while securities decreased \$11.9 million over the same period. Deposits increased \$28.5 million year over year to \$472.9 million. Other borrowings decreased \$21.0 million to \$9.0 million at June 30, 2025 from \$30.0 million at June 30, 2024.

Shareholders' equity increased \$2.7 million year over year to \$46.2 million at June 30, 2025. In the fourth quarter of 2024, the establishment of a \$2.6 million reserve on a corporate bond negatively impacted shareholders' equity. An additional \$350,000 was added to the reserve for this bond in the June 2025 quarter. Accumulated other comprehensive income/loss ("AOCI") declined by \$5.6 million year over year to an unrealized loss of \$11.5 million from an unrealized loss of \$17.1 million at June 30, 2024. This change includes a \$3.0 million in allowance for credit losses established on corporate bonds. The AOCI loss is expected to reverse as the bond portfolio shortens in life and is assumed to mature at par value.

Regulatory Capital

Total risk-based capital consists of tier 1 capital and tier 2 capital. The Bank's tier 1 capital is largely a measure of shareholders' equity as calculated under GAAP but eliminates certain volatile elements such as AOCI loss. Tier 2 capital is primarily the allowance for credit losses on funded and unfunded loan commitments. Tier 1 and tier 2 capital ratios are measured against total assets and risk-weighted assets.

The following is a summary presentation of the Bank's total regulatory capital to risk-weighted assets, tier 1 capital to risk-weighted assets and tier 1 capital to average assets in comparison with the regulatory guidelines at June 30, 2025:

Capital and Capital Ratios

	Quarter Ended	
	6/30/2025	
	<u>Amount</u>	<u>Ratio</u>
Actual		
(dollars in thousands)		
Total Capital (to risk-weighted assets)	\$ 61,562	12.15%
Tier 1 Capital (to risk-weighted assets)	\$ 57,626	11.37%
Tier 1 Capital (to average assets)	\$ 57,626	10.76%

Minimum To Be Well-Capitalized Under Prompt Corrective Action Provisions

(dollars in thousands)

Total Capital (to risk-weighted assets)	\$ 51,000	10.00%
Tier 1 Capital (to risk-weighted assets)	\$ 41,000	8.00%
Tier 1 Capital (to average assets)	\$ 27,000	5.00%

The Bank continues to be “well-capitalized” for regulatory purposes.

Loans

The Bank’s outstanding loans increased \$24.5 million, or 7%, to \$387.9 million at June 30, 2025 compared to \$363.4 million at June 30, 2024. While not included in loans outstanding, the Bank also had unfunded loan commitments of \$138.0 million, bringing total loans outstanding and unfunded commitments to \$525.9 million at June 30, 2025. For internal monitoring purposes, the Bank considers owner-occupied real estate loans to be part of commercial and industrial (“C&I”) loans. As of June 30, 2025, approximately 47% of the Bank’s outstanding loan portfolio was composed of C&I loans:

Loan Diversification

<u>Loan Category</u>	<u>Quarter Ended</u> <u>6/30/2025</u>	<u>Percentage of</u> <u>Loan Portfolio</u>
Other Construction & Land Development	\$ 65,824,234	
Nonowner-occupied Commercial Real Estate	136,888,336	
Total Commercial Real Estate	202,712,570	52%
Owner-occupied Real Estate	98,622,986	
C&I	83,799,332	
Total C&I	182,422,318	47%
Other Revolving Loans	2,794,243	1%
Total	<u>\$ 387,929,131</u>	

Credit Risk and Allowance for Credit Losses

The Bank had \$2.5 million in nonaccrual loans relating to one credit relationship at June 30, 2025 compared to no nonaccrual loans at June 30, 2024. During the second quarter of 2025, there was a reversal of provision for credit losses on loans of \$273,000 and on unfunded commitments of \$56,000 compared to a net provision of less than \$1,000 during the quarter ended June 30, 2024. The reversals in the second quarter of 2025 were due to improved loan quality metrics resulting in a decline in the credit loss rate. There was a \$350,000 provision for credit losses on a corporate bond during the second quarter of 2025.

The allowance for credit losses on loans was \$3.6 million at June 30, 2025 compared to \$3.7 million at June 30, 2024, or 0.92% and 1.02% of outstanding loans, respectively. The allowance for credit losses on unfunded loan commitments, recorded as a liability on the balance sheet, was \$373,000, or 0.27% of unfunded commitments at June 30, 2025, compared to \$366,000, or 0.29%, at June 30, 2024. The allowance for credit losses on available-for-sale securities was \$3.3 million at June 30, 2025 compared to \$300,000 at June 30, 2024.

Deferred Tax Asset and AOCI (Non-GAAP Measures)

The Bank's GAAP tangible book value per share was \$5.73 at June 30, 2025. On a non-GAAP basis, excluding the AOCI loss and the impairment on the Bank's deferred tax asset (two reductions in capital the Bank anticipates it will recover over time), adjusted tangible book value per share was \$7.55 at June 30, 2025.

The organization and startup costs incurred during the Bank's organizational period and net operating losses from the beginning of operations created a deferred tax asset of \$3.2 million. This asset is currently fully impaired and will be carried at \$0 until sufficient, verifiable evidence exists (generally, sustained profitability) to demonstrate that the deferred tax asset will more likely than not be realized. At that time, the valuation allowance will be reversed.

The change in fair value, excluding any credit impairment, of the Bank's investment securities that are available for sale is recorded in AOCI as a gain or loss, based on current circumstances, and constitutes an unrealized component of equity. At June 30, 2025, the Bank had an aggregate AOCI loss of \$11.5 million. Assuming the underlying investment securities are held to maturity and there are no credit losses, the value of the securities will return to their face values at maturity. As a non-GAAP measure, the Bank eliminates its current AOCI loss to reflect an adjusted tangible book value.

Outlook

Although there could be some compression in the net interest margin in the near term if the Federal Reserve makes additional reductions in the federal funds target rate, we expect the Bank's net interest margin to steadily rise over the next year and a half as lower yielding loans and investments mature and are replaced by those with higher yields.

About Triad Business Bank

With three co-equal offices located in Winston-Salem, High Point and Greensboro, Triad Business Bank focuses on meeting the needs of small to midsize businesses and their owners by providing loans, treasury

management and private banking, all with a high level of personal attention and best-in-class technology. For more information, visit www.triadbusinessbank.com.

Non-GAAP Financial Measures

This release contains financial information determined by methods other than in accordance with generally accepted accounting principles in the United States (“GAAP”). The management of Triad Business Bank uses these non-GAAP financial measures in its analysis of the Bank’s performance. These measures typically adjust GAAP performance measures to exclude the effects of the provision for credit losses, income tax, deferred tax asset, and AOCI. Management believes presentations of these non-GAAP financial measures provide useful supplemental information that is essential to a proper understanding of the operating results of the Bank. These non-GAAP disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies.

Forward Looking Language

This release contains certain forward-looking statements with respect to the financial condition, results of operations and business of Triad Business Bank. These forward-looking statements involve risks and uncertainties and are based on the beliefs and assumptions of management of Triad Business Bank and on the information available to management at the time that these disclosures were prepared. These statements can be identified by the use of words like “expect,” “anticipate,” “estimate” and “believe,” variations of these words and other similar expressions. Readers should not place undue reliance on forward-looking statements as a number of important factors could cause actual results to differ materially from those in the forward-looking statements. Triad Business Bank undertakes no obligation to update any forward-looking statements.

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Triad Business Bank

Balance Sheet (Unaudited)	June 30, 2025	June 30, 2024	\$ Change	% Change
Assets				
Cash & Due from Banks	\$ 20,518,736	\$ 21,551,174	\$ (1,032,438)	-5%
Securities	118,340,187	130,253,022	(11,912,835)	-9%
Federal Funds Sold	-	-	-	0%
Loans	387,929,131	363,409,566	24,519,565	7%
Allowance for Credit Losses ("ACL")	(3,563,077)	(3,708,405)	145,328	4%
Loans, Net	384,366,054	359,701,161	24,664,893	7%
Other Assets	8,101,708	9,915,475	(1,813,767)	-18%
Total Assets	\$ 531,326,685	\$ 521,420,832	\$ 9,905,853	2%
Liabilities				
Demand Deposits	\$ 103,045,441	\$ 109,414,180	\$ (6,368,739)	-6%
ICS Reciprocal - Checking	1,187,591	4,089	1,183,502	N/M
Commercial Operating Accounts	104,233,032	109,418,269	(5,185,237)	-5%
Interest-bearing NOW	27,105,045	19,161,806	7,943,239	41%
Core MMA & Savings	105,083,693	93,142,481	11,941,212	13%
ICS Reciprocal - MMA	40,946,981	32,959,556	7,987,425	24%
Total MMA & Savings	146,030,674	126,102,037	19,928,637	16%
Core Time Deposits	29,853,816	26,866,489	2,987,327	11%
CDARS - Reciprocal	22,900,997	18,975,442	3,925,555	21%
Brokered CDs	142,795,132	143,942,948	(1,147,816)	-1%
Total Time Deposits	195,549,945	189,784,879	5,765,066	3%
Total Deposits	472,918,696	444,466,991	28,451,705	6%
Other Borrowings	9,000,000	30,000,000	(21,000,000)	-70%
Federal Funds Purchased	-	-	-	0%
ACL on Unfunded Commitments	372,645	366,167	6,478	2%
Other Liabilities	2,884,549	3,174,047	(289,498)	-9%
Total Liabilities	485,175,890	478,007,205	7,168,685	1%
Shareholders' Equity				
Common Stock	73,288,274	72,997,463	290,811	0%
Accumulated Deficit	(15,661,838)	(12,491,018)	(3,170,820)	-25%
Accumulated Other Comprehensive Loss	(11,475,641)	(17,092,818)	5,617,177	33%
Total Shareholders' Equity	46,150,795	43,413,627	2,737,168	6%
Total Liabilities & Shareholders' Equity	\$ 531,326,685	\$ 521,420,832	\$ 9,905,853	2%
Shares Outstanding	8,054,528	7,985,194	69,334	1%
Tangible Book Value per Share	\$ 5.73	\$ 5.44	\$ 0.29	5%

Triad Business Bank

Income Statement (Unaudited)

	For Three Months Ended		For Three Months Ended			
	June 30, 2025		June 30, 2024		\$ Change	% Change
Interest Income						
Interest & Fees on Loans	\$	5,659,178	\$	5,483,641	\$ 175,537	3%
Interest & Dividend Income on Securities		943,570		1,087,361	(143,791)	-13%
Interest Income on Balances Due from Banks		166,584		369,258	(202,674)	-55%
Other Interest Income		29,364		85,328	(55,964)	-66%
Total Interest Income		6,798,696		7,025,588	(226,892)	-3%
Interest Expense						
Interest on Checking Deposits		216,596		216,178	418	0%
Interest on Savings & MMA Deposits		1,189,823		1,427,510	(237,687)	-17%
Interest on Time Deposits		2,210,085		2,501,019	(290,934)	-12%
Interest on Federal Funds Purchased		-		155	(155)	-100%
Interest on Borrowings		182,319		122,057	60,262	49%
Other Interest Expense		6,901		65,692	(58,791)	-89%
Total Interest Expense		3,805,724		4,332,611	(526,887)	-12%
Net Interest Income		2,992,972		2,692,977	299,995	11%
Provision for Credit Losses		20,714		291	20,423	N/M
Net Interest Income After Provision for CL		2,972,258		2,692,686	279,572	10%
Total Noninterest Income		179,930		103,409	76,521	74%
Noninterest Expense						
Salaries & Benefits		1,894,375		2,089,993	(195,618)	-9%
Severance - One-time Expense		-		87,153	(87,153)	-100%
Premises & Equipment		142,565		131,464	11,101	8%
Total Other Noninterest Expense		899,188		1,098,106	(198,918)	-18%
Total Noninterest Expense		2,936,128		3,406,716	(470,588)	-14%
Income (Loss) Before Income Tax		216,060		(610,621)	826,681	135%
Income Tax		-		-	-	0%
Net Income (Loss)	\$	216,060	\$	(610,621)	\$ 826,681	135%
Net Income (Loss) per Share						
Basic	\$	0.03	\$	(0.09)	\$ 0.12	133%
Diluted	\$	0.03	\$	(0.09)	\$ 0.12	133%
Weighted Average Shares Outstanding						
Basic		8,031,902		6,800,657	1,231,245	18%
Diluted		8,128,907		6,800,657	1,328,250	20%
Pre-provision, Pre-tax Income (Loss)	\$	236,774	\$	(610,330)	\$ 847,104	139%

Triad Business Bank						
Key Ratios & Other Information (Unaudited)						
		Quarter Ended 6/30/2025			Quarter Ended 6/30/2024	
	Balance	Interest Income/ Expense	Yield/ Rate	Balance	Interest Income/ Expense	Yield/ Rate
Yield on Average Loans	\$ 378,549,908	\$ 5,659,178	6.00%	\$ 361,771,395	\$ 5,483,641	6.10%
Yield on Average Investment Securities	\$ 119,871,214	\$ 943,570	3.16%	\$ 130,130,898	\$ 1,087,361	3.36%
Yield on Average Interest-earning Assets	\$ 514,560,647	\$ 6,798,696	5.30%	\$ 519,890,371	\$ 7,025,588	5.44%
Cost of Average Interest-bearing Liabilities	\$ 374,470,069	\$ 3,805,724	4.08%	\$ 386,698,922	\$ 4,332,611	4.51%
Net Interest Margin						
Interest Income		\$ 6,798,696			\$ 7,025,588	
Interest Expense		<u>3,805,724</u>			<u>4,332,611</u>	
Average Earnings Assets	\$ 514,560,647			\$ 519,890,371		
Net Interest Income & Net Interest Margin		<u>\$ 2,992,972</u>	2.33%		<u>\$ 2,692,977</u>	2.08%
Loan to Asset Ratio						
Loan Balance	\$ 387,929,131			\$ 363,409,566		
Total Assets	531,326,685		73.01%	521,420,832		69.70%
Leverage Ratio						
Tier 1 Capital	\$ 57,626,436			\$ 60,506,445		
Average Total Assets	535,330,388		10.76%	547,797,162		11.05%
Unfunded Commitments to Extend Credit Standby Letters of Credit	\$ 138,015,672 436,358			\$ 127,353,161 186,252		

Triad Business Bank					
Balance Sheet (Unaudited)	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Assets					
Cash & Due from Banks	\$ 20,518,736	\$ 20,220,053	\$ 23,947,020	\$ 30,648,321	\$ 21,551,174
Securities	118,340,187	121,514,871	122,762,837	128,716,405	130,253,022
Federal Funds Sold	-	-	-	-	-
Loans	387,929,131	374,401,277	373,673,725	371,611,690	363,409,566
Allowance for Credit Losses ("ACL")	(3,563,077)	(3,835,717)	(4,085,896)	(4,559,992)	(3,708,405)
Loans, Net	384,366,054	370,565,560	369,587,829	367,051,698	359,701,161
Other Assets	8,101,708	8,904,916	8,862,991	8,760,394	9,915,475
Total Assets	\$ 531,326,685	\$ 521,205,400	\$ 525,160,677	\$ 535,176,818	\$ 521,420,832
Liabilities					
Demand Deposits	\$ 103,045,441	\$ 96,127,782	\$ 92,613,735	\$ 123,144,094	\$ 109,414,180
ICS Reciprocal - Checking	1,187,591	1,076,893	2,713,755	4,692,723	4,089
Commercial Operating Accounts	104,233,032	97,204,675	95,327,490	127,836,817	109,418,269
Interest-bearing NOW	27,105,045	22,114,026	22,378,016	19,405,621	19,161,806
Core MMA & Savings	105,083,693	101,889,815	88,468,843	87,007,973	93,142,481
ICS Reciprocal - MMA	40,946,981	38,773,606	65,089,274	49,159,929	32,959,556
Total MMA & Savings	146,030,674	140,663,421	153,558,117	136,167,902	126,102,037
Core Time Deposits	29,853,816	30,729,573	29,332,254	29,305,651	26,866,489
CDARS - Reciprocal	22,900,997	19,588,579	19,709,000	19,233,313	18,975,442
Brokered CDs	142,795,132	143,361,538	135,142,064	145,377,533	143,942,948
Total Time Deposits	195,549,945	193,679,690	184,183,318	193,916,497	189,784,879
Total Deposits	472,918,696	453,661,812	455,446,941	477,326,837	444,466,991
Other Borrowings	9,000,000	19,000,000	24,000,000	9,000,000	30,000,000
Federal Funds Purchased	-	-	-	-	-
ACL on Unfunded Commitments	372,645	429,291	458,381	498,632	366,167
Other Liabilities	2,884,549	2,952,028	3,031,561	3,336,685	3,174,047
Total Liabilities	485,175,890	476,043,131	482,936,883	490,162,154	478,007,205
Shareholders' Equity					
Common Stock	73,288,274	73,260,400	73,172,267	73,086,971	72,997,463
Accumulated Deficit	(15,661,838)	(15,877,898)	(16,076,619)	(13,239,432)	(12,491,018)
Accumulated Other Comprehensive Loss	(11,475,641)	(12,220,233)	(14,871,854)	(14,832,875)	(17,092,818)
Total Shareholders' Equity	46,150,795	45,162,269	42,223,794	45,014,664	43,413,627
Total Liabilities & Shareholders' Equity	\$ 531,326,685	\$ 521,205,400	\$ 525,160,677	\$ 535,176,818	\$ 521,420,832
Shares Outstanding	8,054,528	7,993,969	7,993,969	7,989,860	7,985,194
Tangible Book Value per Share	\$ 5.73	\$ 5.65	\$ 5.28	\$ 5.63	\$ 5.44

Triad Business Bank					
Income Statement (Unaudited)	For Three Months Ended June 30, 2025	For Three Months Ended March 31, 2025	For Three Months Ended December 31, 2024	For Three Months Ended September 30, 2024	For Three Months Ended June 30, 2024
Interest Income					
Interest & Fees on Loans	\$ 5,659,178	\$ 5,603,820	\$ 5,673,515	\$ 5,727,249	\$ 5,483,641
Interest & Dividend Income on Securities	943,570	981,564	1,011,942	1,082,175	1,087,361
Interest Income on Balances Due from Banks	166,584	152,968	222,737	300,897	369,258
Other Interest Income	29,364	24,920	51,342	80,740	85,328
Total Interest Income	6,798,696	6,763,272	6,959,536	7,191,061	7,025,588
Interest Expense					
Interest on Checking Deposits	216,596	204,844	202,209	206,359	216,178
Interest on Savings & MMA Deposits	1,189,823	1,178,988	1,222,203	1,317,088	1,427,510
Interest on Time Deposits	2,210,085	2,256,103	2,379,797	2,356,834	2,501,019
Interest on Federal Funds Purchased	-	-	-	-	155
Interest on Borrowings	182,319	232,547	163,182	298,956	122,057
Other Interest Expense	6,901	6,821	24,831	65,224	65,692
Total Interest Expense	3,805,724	3,879,303	3,992,222	4,244,461	4,332,611
Net Interest Income	2,992,972	2,883,969	2,967,314	2,946,600	2,692,977
Provision for (Reversal of) Credit Losses	20,714	(164,869)	3,136,709	984,052	291
Net Interest Income After Provision for CL	2,972,258	3,048,838	(169,395)	1,962,548	2,692,686
Total Noninterest Income	179,930	241,614	333,915	325,482	103,409
Noninterest Expense					
Salaries & Benefits	1,894,375	1,920,999	1,880,888	1,938,269	2,089,993
Severance - One-time Expense	-	-	-	-	87,153
Premises & Equipment	142,565	135,548	130,108	124,197	131,464
Total Other Noninterest Expense	899,188	1,035,184	990,711	973,977	1,098,106
Total Noninterest Expense	2,936,128	3,091,731	3,001,707	3,036,443	3,406,716
Income (Loss) Before Income Tax	216,060	198,721	(2,837,187)	(748,413)	(610,621)
Income Tax	-	-	-	-	-
Net Income (Loss)	\$ 216,060	\$ 198,721	\$ (2,837,187)	\$ (748,413)	\$ (610,621)
Net Income (Loss) per Share					
Basic	\$ 0.03	\$ 0.02	\$ (0.35)	\$ (0.09)	\$ (0.09)
Diluted	\$ 0.03	\$ 0.02	\$ (0.35)	\$ (0.09)	\$ (0.09)
Weighted Average Shares Outstanding					
Basic	8,031,902	7,993,969	7,993,728	7,988,720	6,800,657
Diluted	8,128,907	8,104,884	7,993,728	7,988,720	6,800,657
Pre-provision, Pre-tax Income (Loss)	\$ 236,774	\$ 33,852	\$ 299,522	\$ 235,639	\$ (610,330)

Triad Business Bank										
Capital and Capital Ratios (Unaudited)										
	Quarter Ended 6/30/2025		Quarter Ended 3/31/2025		Quarter Ended 12/31/2024		Quarter Ended 9/30/2024		Quarter Ended 6/30/2024	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Actual										
(dollars in thousands)										
Total Capital (to risk-weighted assets)	\$ 61,562	12.15%	\$ 61,647	12.34%	\$ 61,640	12.48%	\$ 64,907	13.05%	\$ 64,581	13.26%
Tier 1 Capital (to risk-weighted assets)	\$ 57,626	11.37%	\$ 57,382	11.49%	\$ 57,096	11.56%	\$ 59,848	12.03%	\$ 60,507	12.43%
Tier 1 Capital (to average assets)	\$ 57,626	10.76%	\$ 57,382	10.67%	\$ 57,096	10.52%	\$ 59,848	10.91%	\$ 60,507	11.05%
Minimum To Be Well-Capitalized Under Prompt Corrective Action Provisions										
(dollars in thousands)										
Total Capital (to risk-weighted assets)	\$ 51,000	10.00%	\$ 50,000	10.00%	\$ 49,000	10.00%	\$ 50,000	10.00%	\$ 49,000	10.00%
Tier 1 Capital (to risk-weighted assets)	\$ 41,000	8.00%	\$ 40,000	8.00%	\$ 40,000	8.00%	\$ 40,000	8.00%	\$ 39,000	8.00%
Tier 1 Capital (to average assets)	\$ 27,000	5.00%	\$ 27,000	5.00%	\$ 27,000	5.00%	\$ 27,000	5.00%	\$ 27,000	5.00%

Triad Business Bank**Non-GAAP Measures (Unaudited)****Tangible Book Value**

	Actual 6/30/2025	Non-GAAP 6/30/2025
Total Shareholders' Equity	\$ 46,150,795	\$ 46,150,795
Eliminate Deferred Tax Asset Valuation Allowance	-	3,206,060
Eliminate Accumulated Other Comprehensive Loss	-	11,475,641
Adjusted Shareholders' Equity	<u>\$ 46,150,795</u>	<u>\$ 60,832,496</u>
Shares Outstanding	8,054,528	8,054,528
Tangible Book Value per Share	\$ 5.73	\$ 7.55
Effect of Non-GAAP Measures on Tangible Book Value		\$ 1.82

During the start-up phase of the Bank, a valuation allowance was created which fully impairs the deferred tax asset. When sufficient, verifiable evidence exists (generally, sustained profitability) demonstrating that the deferred tax asset will more likely than not be realized, the valuation allowance will be eliminated. This Non-GAAP measure is shown to disclose the effect on tangible book value per share at June 30, 2025 had there been no valuation allowance at that date.

Changes in the market value of available-for-sale securities are reflected in accumulated other comprehensive loss. Since the securities value will return to face value at maturity, assuming the underlying securities are held to maturity and there is no credit loss, accumulated other comprehensive loss has been eliminated in this Non-GAAP measure.

Pre-provision Income (Loss)

	Qtr Ended 6/30/2025	Qtr Ended 6/30/2024
Income (Loss) Before Income Tax	\$ 216,060	\$ (610,621)
Provision for Credit Losses	20,714	291
Pre-provision Income (Loss) Before Income Tax (Non-GAAP)	<u>\$ 236,774</u>	<u>\$ (610,330)</u>

The pre-provision income (loss) is a measure of operating performance exclusive of potential losses from lending.