



TRUSTAR BANK CELEBRATES SIX YEARS IN BUSINESS; REPORTS ASSETS IN EXCESS OF \$1 BILLION; PROFITS INCREASE 80% COMPARED TO PRIOR YEAR

GREAT FALLS, Virginia, July 24, 2025 – Trustar Bank, which was established on July 10, 2019, announced today its financial results for the second quarter of 2025, including the following highlights:

- Total assets of \$1.02 billion, an increase of 23.0% compared to one year ago.
- Total loans of \$811.0 million, an increase of 22.6% compared to one year ago.
- Total deposits of \$858.5 million, an increase of 23.9% compared to one year ago.
- Total equity of \$100.9 million, an increase of 35.8% compared to one year ago.
- Year-to-date net income of \$1.9 million, an increase of 80.1% compared to one year ago.

MANAGEMENT’S DISCUSSION OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview and Outlook

Trustar Bank completed its second quarter with strong loan and deposit growth and a net interest margin that continues to expand. Year-to-date net income was \$1.9 million, our loans grew \$49.6 million and deposit growth was \$64.4 million. Year-to-date net interest margin grew 39 basis points to 2.83% compared to the same period last year. Our strategy is to continue seeking good quality loans and deposits, increasing our market share in the vibrant and affluent Washington, DC, metropolitan area. To accomplish this, the Bank has expanded into regions such as Bethesda, MD and Arlington, VA to increase our footprint. While this growth strategy requires ongoing investments in personnel, facilities, and increased loan loss provisions, the Bank believes that this increased market share, coupled with our growing earnings trajectory, will enhance shareholder value over the long term.

Financial Condition as of June 30, 2025

Deposits

Total deposits as of June 30, 2025, were \$858.5 million, compared to \$693.1 million as of June 30, 2024, an increase of 23.9%. Our year-to-date costs of interest-bearing liabilities decreased 44 basis points from 4.45% on June 30, 2024, to 4.01% on June 30, 2025. As of June 30, 2025, non-interest-bearing deposits comprised 12.9% of total deposits as of June 30, 2025, compared to 16.2% as of June 30, 2024. Transaction accounts (interest checking, savings, money market) comprised 50.4% of total deposits as of June 30, 2025, compared to 39.7% as of June 30, 2024. Certificates of deposit comprised 36.7% of total deposits as of June 30, 2025, compared to 44.1% as of June 30, 2024.

Loans

Loans receivable totaled \$811.0 million as of June 30, 2025, representing an increase of 22.6% compared to one year earlier. As of June 30, 2025, commercial real estate loans (including construction loans) comprised 68% of total loans held for investment, commercial and industrial loans comprised 13% of total loans, and residential and consumer loans comprised 19% of total loans. As of June 30, 2024, these ratios were 68%, 12%, and 20%, respectively.

Asset Quality

As of June 30, 2025, the Bank's allowance for credit losses was \$8.1 million, or 1.00% of gross loans held for investment. This compares to an allowance of \$6.6 million or 0.99% of gross loans as of June 30, 2024. The Bank had one commercial loan relationship in the amount of \$269,000 (0.03% of total assets) in nonaccrual status and no loans 30 days or more past due. The Bank had no non-accrual loans and no loans past due for the same period in 2024. In response to recent initiatives to reduce government spending, the Bank has enhanced its monitoring of the loan portfolio. To date, there have been no signs of credit deterioration.

Liquidity and Capital Resources

As a secondary source of liquidity, the Bank maintains borrowing relationships with the Federal Home Loan Bank of Atlanta ("FHLB") and two other correspondent banks. Outstanding FHLB advances as of June 30, 2025, were \$55.0 million, compared to \$55.0 million as of June 30, 2024. The level of borrowings fluctuates in response to imbalances in the rates of growth of core loans and deposits. As of June 30, 2025, the Bank had a total of \$212.2 million in additional borrowing capacity from the FHLB and other correspondent banks.

The Bank raised additional capital in 2025 through the sale of 699.5 units at a price of \$24,000 per unit. Each unit consisted of 2,000 Shares of Common Stock and 2,000 Warrants. Each Warrant entitles the holder to purchase an additional share of Trustar Bank Common Stock at \$12.00 per share on or before March 25, 2028. The total amount raised was \$16.79 million.

Shareholders' equity as of June 30, 2025, was \$100.9 million or \$10.42 per share of common stock outstanding, compared to \$74.3 million or \$9.75 per share as of June 30, 2024. As of June 30, 2025, the Bank was classified as "well capitalized" based on the following regulatory capital ratios:

- Total capital ratio = 13.48%
- Tier 1 capital ratio = 12.44%
- Common equity tier 1 capital ratio = 12.44%
- Leverage ratio = 10.03%

Results of Operations

Three Months Ended June 30, 2025, compared to the same period in 2024.

Net income for the three months ended June 30, 2025, was \$897,000, or \$0.09 per share, an increase of 68.2% compared to \$533,000, or \$0.07 per share, in the same period last year.

Net interest income for the second quarter of 2025 was \$7.1 million, an increase of 41.7% compared to \$5.0 million in the second quarter of 2024. The net interest margin for the second quarter of 2025 was 2.85%, an increase of 36 basis points compared to 2.49% in the same period last year.

The Bank's provision for credit losses was \$601,000 for the three months ending June 30, 2025, compared to \$217,000 in the same period last year. The Bank incurred one charge-off for \$136,000 during the second quarter of 2025. There were no charge-offs during the comparable period in 2024.

Non-interest income for the three months ended June 30, 2025, was \$175,000, compared to \$90,000 in the same period last year.

Non-interest expenses for the three months ended June 30, 2025, were \$5.4 million, compared to \$4.2 million in the same period last year, an increase of 29.9%, commensurate with the Bank's overall growth in loans and deposits compared to one year ago. The Bank's efficiency ratio for the second quarter of 2025 improved to 75.0% from 82.4% in the same period last year.

Six Months Ended June 30, 2025, compared to the same period in 2024.

Net income for the six months ended June 30, 2025, was \$1.9 million, or \$0.21 per share, an increase of 80.1% compared to \$1.1 million, or \$0.14 per share, in the same period last year.

Net interest income for the six months ended 2025 was \$13.7 million, an increase of 40.8% compared to \$9.7 million in the six months ended 2024. The net interest margin for the six months ended 2025 was 2.83%, an increase of 39 basis points compared to 2.44% in the same period last year.

The Bank's provision for credit losses was \$680,000 for the six months ending June 30, 2025, compared to \$538,000 in the same period last year. The Bank incurred one charge-off for \$136,000 in the second quarter of 2025. There were no charge-offs during the comparable period in 2024.

Non-interest income for the six months ended June 30, 2025, was \$266,000, compared to (\$11,000) in the same period last year. During the first half of 2024, the Bank recorded losses of \$199,000 in connection with a "make-whole" call on a municipal bond, which is reported as a reduction in non-interest income. Excluding this item, the Bank's noninterest income would have been \$188,000 for the six months ended June 30, 2024.

Non-interest expenses for the six months ended June 30, 2025, were \$10.7 million, compared to \$8.2 million in the same period last year, an increase of 30.2%, commensurate with the Bank's overall growth in loans and deposits compared to one year ago. The Bank's efficiency ratio for the six months ended June 30, 2025 improved to 76.8% from 83.3% in the same period last year.

About Trustar Bank

Founded in 2019, Trustar Bank is a full-service commercial bank headquartered in Great Falls, Virginia, with full-service branches in Great Falls, Tysons Corner, and Reston, Virginia, and Bethesda, Maryland and by appointment only branches in Arlington, Virginia, Potomac, Maryland, and Washington, D.C. Additional information is available on the Bank's website at: www.trustarbank.com.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995

This release includes forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally can be identified by phrases such as Trustar Bank or its management "believes," "expects," "anticipates," "foresees," "forecasts," "estimates" or other words or phrases of similar import. Similarly, statements herein that describe Trustar Bank's business strategy, outlook, objectives, plans, intentions, or goals are also forward-looking statements. All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those in forward-looking statements.

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TRUSTAR BANK
Consolidated Balance Sheets
(unaudited)
(\$ In Thousands)

	June 30, 2025	December 31, 2024	June 30, 2024
Assets:			
Cash (currency and coin)	\$ 801	\$ 582	\$ 700
Interest-bearing balances due from banks	93,926	94,185	87,202
Cash and cash equivalents	94,527	94,767	87,902
Securities held-to-maturity, at amortized cost, net of allowance for credit losses of \$79, \$75 and \$85, respectively (fair values of \$32,627, \$35,919 and \$36,047, respectively)	34,476	38,955	39,786
Securities available-for-sale, at fair value (amortized cost of \$72,266, \$35,182 and \$50,579 respectively)	72,285	34,416	50,220
Loans receivable	811,001	761,360	661,404
Allowance for credit losses	(8,118)	(7,645)	(6,573)
Total loans receivable, net of allowance for credit losses	802,883	753,715	654,831
Bank premises and equipment, net	6,280	5,985	5,786
Accrued interest receivable	3,381	3,147	3,179
Restricted investment in bank stock, at cost	3,297	3,200	3,200
Other assets	7,780	7,657	8,080
Total Assets	\$ 1,024,889	\$ 941,842	\$ 832,984

Liabilities and Shareholders' Equity:

Liabilities:			
Deposits:			
Non-interest-bearing demand	\$ 110,889	\$ 114,774	\$ 112,025
Interest-bearing demand	72,253	53,431	53,316
Money market	327,042	298,415	210,050
Savings	33,808	21,028	11,830
Time deposits up to \$250,000	209,940	192,357	187,523
Time deposits over \$250,000	104,899	114,103	118,398
Total deposits	858,531	794,108	693,142
FHLB advances	55,000	55,000	55,000
Accrued interest payable	1,471	1,274	1,388
Other liabilities	9,008	10,053	9,150
Total Liabilities	924,010	860,435	758,680

Shareholders' Equity

Preferred stock, \$5.00 par value, authorized 1,000,000 shares, 0 shares issued and outstanding, respectively	-	-	-
Common stock, \$5.00 par value, authorized 25,000,000 shares 9,678,477, 8,242,247 and 7,820,575, issued and outstanding, respectively	48,392	41,211	38,103
Additional paid-in capital	54,129	44,339	41,054
Accumulated deficit	(1,656)	(3,424)	(4,446)
Accumulated other comprehensive loss	14	(719)	(407)
Total Shareholders' Equity	100,879	81,407	74,304
Total Liabilities & Shareholders' Equity	\$ 1,024,889	\$ 941,842	\$ 832,984

Key Metrics:

	June 30, 2025	December 31, 2024	June 30, 2024
Loans receivable to deposits	94.46%	95.88%	95.42%
Non-interest-bearing demand deposits to total deposits	12.89%	14.45%	16.16%
Allowance for credit losses to loans receivable	1.00%	1.00%	0.99%
Nonperforming assets to total assets	0.03%	0.03%	-
Total capital ratio	13.48%	12.06%	12.29%
Tier 1 capital ratio	12.44%	11.00%	11.25%
Common equity tier 1 capital ratio	12.44%	11.00%	11.25%
Leverage ratio	10.03%	8.80%	9.15%
Book value per share	\$ 10.42	\$ 9.88	\$ 9.75

TRUSTAR BANK
Consolidated Statements of Operations
(unaudited)
(\$ In Thousands)

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Interest income				
Interest and fees on loans	\$ 12,536	\$ 10,143	\$ 24,658	\$ 19,724
Interest and dividends on securities	1,028	864	1,753	1,713
Interest-bearing balances due from banks	1,247	848	2,547	1,985
Total interest income	14,811	11,855	28,958	23,402
Interest expense				
Deposits	7,083	6,244	13,946	12,266
Borrowings	659	623	1,311	1,402
Total interest expense	7,742	6,867	15,257	13,668
Net interest income	7,069	4,988	13,701	9,734
Provision for credit losses	601	217	680	538
Net interest income after provision for credit losses	6,468	4,771	13,021	9,196
Non-interest income (loss):				
Service charges and fees	102	59	162	125
Loss on securities	-	-	-	(199)
Other non-interest income	73	31	104	63
Total non-interest income (loss):	175	90	266	(11)
Non-interest expenses:				
Salaries and employee benefits	3,227	2,619	6,229	4,899
Occupancy	487	574	938	1,129
Data processing	184	167	375	329
Network services	194	141	388	276
Professional services	410	211	955	419
Advertising	143	146	230	223
Regulatory assessments	223	168	477	326
Gain on debt extinguishment	-	-	-	(28)
Other operating expenses	564	156	1,129	659
Total non-interest expenses	5,432	4,182	10,721	8,232
Net income before income tax expense (benefit)	1,211	679	2,568	953
Income tax expense (benefit)	314	146	659	(106)
Net income	\$ 897	\$ 533	\$ 1,907	\$ 1,059
Weighted average common shares outstanding	9,670,940	7,404,104	9,014,645	7,318,436
Net income per share	\$ 0.09	\$ 0.07	\$ 0.21	\$ 0.14

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Key Metrics:				
Return on average assets	0.36%	0.26%	0.39%	0.26%
Return on average shareholders' equity	3.59%	2.92%	4.18%	2.94%
Yield on average interest-earning assets	5.97%	5.91%	5.99%	5.86%
Rate on average interest-bearing liabilities	3.97%	4.46%	4.01%	4.45%
Net interest margin	2.85%	2.49%	2.83%	2.44%
Average loan receivable to average earning assets	79.00%	80.00%	79.34%	78.65%
Efficiency Ratio(1)	74.99%	82.36%	76.76%	83.25%

(1) The efficiency ratio is calculated as total noninterest expense, excluding gain on debt extinguishment, divided by the sum of net interest income and total noninterest income, excluding loss on securities.