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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2026 or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-38149

RBB BANCORP

(Exact name of registrant as specified in its charter)

California	**27-2776416**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1055 Wilshire Blvd., Suite 1200, Los Angeles, California	**90017**
(Address of principal executive offices)	**(Zip Code)**

(213) 627-9888
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12 (b) of the Act:

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Common Stock, No Par Value	RBB	NASDAQ Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Number of shares of common stock of the registrant: 16,712,787 outstanding as of November 2, 2026.

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PART I - FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

RBB BANCORP AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)

	(Unaudited) September 30, 2026	December 31, 2025
Assets		
Cash and due from banks	$ 24,697	$ 27,086
Interest-earning deposits with financial institutions	165,593	185,231
Cash and cash equivalents	190,290	212,317
Interest-earning time deposits in other financial institutions	600	600
Securities:		
Available for sale (amortized cost of $411,901 and $426,145 at September 30, 2026 and December 31, 2025)	381,344	407,204
Held to maturity (fair value of $3,803 and $4,103 at September 30, 2026 and December 31, 2025)	4,179	4,184
Loans held for sale	—	2,067
Loans held for investment	3,399,214	3,314,301
Allowance for loan losses	(44,038)	(43,888)
Loans held for investment, net of allowance for loan losses	3,355,176	3,270,413
Premises and equipment, net	17,950	23,540
Federal Home Loan Bank (FHLB) stock	15,000	15,000
Net deferred tax assets	18,174	16,347
Income tax receivable	12,754	17,483
Cash surrender value of bank owned life insurance (BOLI)	63,290	61,972
Goodwill	71,498	71,498
Right-of-use assets - operating leases	20,754	23,026
Accrued interest and other assets	100,287	82,643
Total assets	$ 4,251,296	$ 4,208,294
Liabilities and Shareholders' Equity		
Deposits:		
Noninterest-bearing demand	$ 556,848	$ 526,538
Savings, NOW and money market accounts	1,237,657	956,299
Time deposits $250,000 and under	755,509	974,670
Time deposits over $250,000	845,266	892,891
Total deposits	3,395,280	3,350,398
FHLB advances	180,000	130,000
Long-term debt, net of issuance costs	80,000	119,911
Subordinated debentures, net	15,538	15,375
Lease liabilities - operating leases	22,513	24,800
Accrued interest and other liabilities	23,722	44,400
Total liabilities	3,717,053	3,684,884
Commitments and contingencies - Note 13		
Shareholders' equity:		
Preferred Stock - 100,000,000 shares authorized, no par value; none outstanding	—	—
Common Stock - 100,000,000 shares authorized, no par value; 16,827,168 shares issued and outstanding at September 30, 2026 and 17,057,397 shares issued and outstanding at December 31, 2025	248,374	250,694
Additional paid-in capital	3,199	3,941
Retained earnings	303,994	282,024
Non-controlling interest	72	72
Accumulated other comprehensive loss, net	(21,396)	(13,321)
Total shareholders' equity	534,243	523,410
Total liabilities and shareholders' equity	$ 4,251,296	$ 4,208,294

The accompanying notes are an integral part of these unaudited consolidated financial statements.

RBB BANCORP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME – (UNAUDITED)
(In thousands, except share amounts)

	Three Months Ended			Nine Months Ended September 30,	
	September 30, 2026	June 30, 2026	September 30, 2025	2026	2025
Interest and dividend income:					
Loans	$ 52,200	$ 50,663	$ 50,094	$ 152,801	$ 143,402
Interest-earning deposits	2,296	1,708	2,140	5,887	5,904
Investment securities	4,027	4,259	4,592	12,255	12,941
FHLB stock	539	222	327	1,521	981
Federal funds sold and other	245	307	239	805	705
Total interest and dividend income	59,307	57,159	57,392	173,269	163,933
Interest expense:					
Savings deposits, NOW and money market accounts	9,045	9,197	4,674	25,589	13,709
Time deposits	14,783	14,397	20,152	45,401	58,486
Long-term debt and subordinated debentures	1,749	2,428	1,635	5,776	4,901
FHLB advances	1,969	1,051	1,654	4,153	4,063
Total interest expense	27,546	27,073	28,115	80,919	81,159
Net interest income before provision for credit losses	31,761	30,086	29,277	92,350	82,774
Provision for credit losses	500	—	625	300	9,758
Net interest income after provision for credit losses	31,261	30,086	28,652	92,050	73,016
Noninterest income:					
Service charges and fees	1,110	1,104	1,099	3,246	3,176
Loan servicing income, net of amortization	525	533	564	1,562	1,693
Increase in cash surrender value of BOLI	449	438	427	1,318	1,241
Gain on sale of loans	89	964	260	1,377	699
(Loss)/gain on other real estate owned	—	(221)	—	669	—
Other income	2,932	200	943	4,202	7,257
Total noninterest income	5,105	3,018	3,293	12,374	14,066
Noninterest expense:					
Salaries and employee benefits	11,467	11,045	10,600	33,773	32,323
Occupancy and equipment expenses	2,587	2,449	2,425	7,547	7,209
Data processing	1,722	1,690	1,805	5,120	5,120
Legal and professional	1,306	1,311	1,450	4,120	5,869
Office expenses	394	377	444	1,130	1,257
Marketing and business promotion	193	178	252	586	661
Insurance and regulatory assessments	743	746	732	2,238	2,171
Core deposit intangible amortization	126	127	172	387	516
Other expenses	1,010	1,099	803	2,927	2,572
Total noninterest expense	19,548	19,022	18,683	57,828	57,698
Income before income taxes	16,818	14,082	13,262	46,596	29,384
Income tax expense	4,181	3,942	3,114	12,519	7,613
Net income	$ 12,637	$ 10,140	$ 10,148	$ 34,077	$ 21,771
Net income per share					
Basic	$ 0.75	$ 0.60	$ 0.59	$ 2.01	$ 1.24
Diluted	$ 0.74	$ 0.59	$ 0.59	$ 1.99	$ 1.24
Weighted-average common shares outstanding					
Basic	16,910,452	17,011,624	17,225,702	16,994,716	17,564,835
Diluted	17,027,686	17,141,742	17,301,627	17,114,113	17,621,599

The accompanying notes are an integral part of these unaudited consolidated financial statements.

RBB BANCORP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME – (UNAUDITED)
(In thousands)

	Three Months Ended			Nine Months Ended	
	September 30, 2026	**June 30, 2026**	**September 30, 2025**	**September 30, 2026**	**September 30, 2025**
Net income	$ 12,637	$ 10,140	$ 10,148	$ 34,077	$ 21,771
Other comprehensive (loss)/income:					
Unrealized (loss)/gain on securities available for sale	(9,695)	(464)	2,571	(11,616)	8,693
Related income tax effect	2,907	139	(999)	3,541	(2,877)
Total other comprehensive (loss)/income	(6,788)	(325)	1,572	(8,075)	5,816
Total comprehensive income	$ 5,849	$ 9,815	$ 11,720	$ 26,002	$ 27,587

The accompanying notes are an integral part of these unaudited consolidated financial statements.

RBB BANCORP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY – (UNAUDITED)
(In thousands, except share amounts)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Non-Controlling Interest	Accumulated Other Comprehensive (Loss)/Income, net	Total
	Shares	Amount					
Balance at June 30, 2026	16,985,919	$ 250,590	$ 3,004	$ 296,119	$ 72	$ (14,608)	$ 535,177
Net income	—	—	—	12,637	—	—	12,637
Stock-based compensation, net	—	—	401	—	—	—	401
Restricted stock units vested	4,017	107	(168)	—	—	—	(61)
Cash dividends on common stock ($0.16 per share)	—	—	—	(2,741)	—	—	(2,741)
Stock options exercised	6,000	148	(38)	—	—	—	110
Repurchase of common stock	(168,768)	(2,471)	—	(2,021)	—	—	(4,492)
Other comprehensive loss, net of taxes	—	—	—	—	—	(6,788)	(6,788)
Balance at September 30, 2026	16,827,168	$ 248,374	$ 3,199	$ 303,994	$ 72	$ (21,396)	$ 534,243
Balance at June 30, 2025	17,699,091	$ 259,863	$ 3,579	$ 270,152	$ 72	$ (16,013)	$ 517,653
Net income	—	—	—	10,148	—	—	10,148
Stock-based compensation, net	—	—	270	—	—	—	270
Restricted stock units vested	4,024	74	(115)	—	—	—	(41)
Cash dividends on common stock ($0.16 per share)	—	—	—	(2,783)	—	—	(2,783)
Stock options exercised	—	—	—	—	—	—	—
Repurchase of common stock	(659,218)	(9,575)	—	(2,909)	—	—	(12,484)
Other comprehensive income, net of taxes	—	—	—	—	—	1,572	1,572
Balance at September 30, 2025	17,043,897	$ 250,362	$ 3,734	$ 274,608	$ 72	$ (14,441)	$ 514,335

	Common Stock		Additional Paid-in Capital	Retained Earnings	Non-Controlling Interest	Accumulated Other Comprehensive (Loss)/Income, net	Total
	Shares	Amount					
Balance at January 1, 2026	17,057,397	$ 250,694	$ 3,941	$ 282,024	$ 72	$ (13,321)	$ 523,410
Net income	—	—	—	34,077	—	—	34,077
Stock-based compensation, net	—	—	1,375	—	—	—	1,375
Restricted stock units vested	56,615	1,318	(1,784)	—	—	—	(466)
Cash dividends on common stock ($0.48 per share)	—	—	—	(8,261)	—	—	(8,261)
Stock options exercised	62,500	1,478	(333)	—	—	—	1,145
Repurchase of common stock	(349,344)	(5,116)	—	(3,846)	—	—	(8,962)
Other comprehensive loss, net of taxes	—	—	—	—	—	(8,075)	(8,075)
Balance at September 30, 2026	16,827,168	$ 248,374	$ 3,199	$ 303,994	$ 72	$ (21,396)	$ 534,243
Balance at January 1, 2025	17,720,416	$ 259,957	$ 3,645	$ 264,460	$ 72	$ (20,257)	$ 507,877
Net income	—	—	—	21,771	—	—	21,771
Stock-based compensation, net	—	—	1,450	—	—	—	1,450
Restricted stock units vested	60,430	1,033	(1,298)	—	—	—	(265)
Cash dividends on common stock ($0.48 per share)	—	—	—	(8,502)	—	—	(8,502)
Stock options exercised	10,000	234	(63)	—	—	—	171
Repurchase of common stock	(746,949)	(10,862)	—	(3,121)	—	—	(13,983)
Other comprehensive income, net of taxes	—	—	—	—	—	5,816	5,816
Balance at September 30, 2025	17,043,897	$ 250,362	$ 3,734	$ 274,608	$ 72	$ (14,441)	$ 514,335

The accompanying notes are an integral part of these unaudited consolidated financial statements.

RBB BANCORP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS – (UNAUDITED)
(In thousands)

	Nine Months Ended September 30,	
	2026	2025
Operating activities		
Net income	$ 34,077	$ 21,771
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization of premises and equipment	1,361	1,400
Net accretion of securities, loans, deposits, and other	(2,147)	(2,679)
Amortization of investment in affordable housing tax credits	1,759	1,524
Amortization of intangible assets	1,172	1,405
Amortization of right-of-use asset	3,910	3,831
Change in operating lease liabilities	(3,925)	(3,727)
Provision for credit losses	300	9,758
Stock-based compensation, net	1,375	1,450
Deferred tax expense	1,714	1,243
Gain on sale of loans	(1,377)	(699)
Gain on OREO	(669)	—
Gain on sale of fixed assets	(2,658)	(42)
Increase in cash surrender value of life insurance	(1,318)	(1,241)
Loans originated for sale, net	(4,859)	(6,460)
Proceeds from loans sold	21,100	14,444
Other items	(8,916)	(10,432)
Net cash provided by operating activities	40,899	31,546
Investing activities		
Securities available for sale:		
Purchases	(145,356)	(216,805)
Maturities, repayments and calls	161,047	236,976
Securities held to maturity:		
Maturities, repayments and calls	—	1,000
Purchase of other equity securities, net	(10,047)	(188)
Net increase of investment in qualified affordable housing projects	(2,772)	(1,836)
Net increase in loans	(158,911)	(305,571)
Proceeds from sales of loans originally classified as HFI	42,198	35,120
Proceeds from sales of OREO	5,569	7,526
Proceeds from sales of fixed assets	7,407	42
Other investing activities, net	(353)	(641)
Net cash used in investing activities	(101,218)	(244,377)
Financing activities		
Net increase in demand deposits and savings accounts	311,668	46,139
Net (decrease) increase in time deposits	(266,832)	236,456
Proceeds from FHLB advances	200,000	170,000
Repayments of FHLB advances	(150,000)	(240,000)
Redemptions of long-term debt	(40,000)	—
Cash dividends paid	(8,261)	(8,502)
Restricted stock units vesting	(466)	(265)
Common stock repurchased, net of repurchase costs	(8,962)	(13,983)
Exercise of stock options	1,145	171
Net cash provided by financing activities	38,292	190,016
Net decrease in cash and cash equivalents	(22,027)	(22,815)
Cash and cash equivalents at beginning of period	212,317	257,745
Cash and cash equivalents at end of period	$ 190,290	$ 234,930
Supplemental disclosure of cash flow information		
Cash paid during the period:		
Interest paid	$ 83,374	$ 80,351
Taxes paid	5,069	5,163
Non-cash investing and financing activities:		
Transfer from loans to other real estate owned	19,391	12,666
Loans transferred to held for sale, net	54,995	31,911
Additions to servicing assets	388	156
Recognition of operating lease right-of-use assets	(1,638)	(88)
Recognition of operating lease liabilities	1,638	88

The accompanying notes are an integral part of these unaudited consolidated financial statements.

RBB BANCORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (UNAUDITED)

NOTE 1 - BUSINESS DESCRIPTION

RBB Bancorp (“RBB”) is a bank holding company registered under the Bank Holding Company Act of 1956, as amended. RBB’s principal business is to serve as the holding company for its wholly-owned subsidiaries, Royal Business Bank ("Bank") and RBB Asset Management Company (“RAM”), collectively referred to herein as “the Company”. RAM was formed in 2012 to hold and manage problem assets acquired in business combinations. There are no problem assets in RAM or activity in this subsidiary at and for the three and nine months ended September 30, 2026 or the year ended December 31, 2025. When we refer to “we”, “us”, “our”, or the “Company”, we are referring to RBB Bancorp and its consolidated subsidiaries including the Bank and RAM, collectively. When we refer to the “parent company”, “Bancorp”, or the “holding company”, we are referring to RBB Bancorp, the parent company, on a stand-alone basis.

At September 30, 2026, we had total assets of $4.3 billion, total loans of $3.4 billion, total deposits of $3.4 billion and total shareholders' equity of $534.2 million. RBB’s common stock trades on the Nasdaq Global Select Market under the symbol “RBB”.

The Bank provides business-banking products and services predominantly to Asian-centric communities through 24 full service branches located in Los Angeles County, Orange County and Ventura County in California, Las Vegas (Nevada), the New York City metropolitan area, Chicago (Illinois), Edison (New Jersey) and Honolulu (Hawaii) and a loan production office located in the San Francisco Bay area. The products and services include commercial and investor real estate loans, business loans and lines of credit, Small Business Administration (“SBA”) 7A and 504 loans, mortgage loans, trade finance and a full range of depository accounts, including specialized services such as remote deposit, E-banking, mobile banking and treasury management services. Our primary source of revenue is providing loans to customers, who are predominantly small and middle-market businesses and individuals.

We operate as a minority depository institution (“MDI”), which is defined by the Federal Deposit Insurance Corporation (“FDIC”) as a federally insured depository institution where 51% or more of the voting stock is owned by minority individuals or a majority of the board of directors is minority and the community that the institution serves is predominantly minority. An MDI is eligible to receive support from the FDIC and other federal regulatory agencies such as training, technical assistance and review of proposed new deposit taking and lending programs, and the adoption of applicable policies and procedures governing such programs. We expect to continue to meet the criteria for MDI designation and intend to maintain our MDI designation, which has been historically beneficial to us. We continue to use the program for technical assistance.

We generate our revenue primarily from interest received on loans and, to a lesser extent, from interest received on investment securities. We also derive income from noninterest sources, such as fees received in connection with various lending and deposit services, loan servicing, gain on sales of loans and wealth management services. Our principal expenses include interest expense on deposits and borrowings, and operating expenses, such as salaries and employee benefits, occupancy and equipment, data processing, and income tax expense.

NOTE 2 - BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited consolidated financial statements and notes thereto of the Company have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (“SEC”) for Form 10-Q and conform to practices within the banking industry and include all of the information and disclosures required by accounting principles generally accepted in the United States of America (“GAAP”) for interim financial reporting. The accompanying unaudited consolidated financial statements reflect all adjustments (consisting only of normal recurring adjustments), which are necessary for a fair presentation of financial results for the interim periods presented. Certain prior period amounts have been reclassified to conform to the current period presentation. Such reclassifications had no impact on our net income or shareholders’ equity. The results of operations for the three and nine months ended September 30, 2026 are not necessarily indicative of the results for the full year. These interim unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto as of and for the year

ended December 31, 2025, included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (our "2025 Annual Report").

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. It is reasonably possible that these estimates could change as actual results could differ from those estimates. The allowance for credit losses, realization of deferred tax assets, and the valuation of goodwill are particularly subject to change and such change could have a material effect on the consolidated financial statements.

Summary of Significant Accounting Policies

The accompanying unaudited consolidated financial statements were compiled in accordance with the accounting policies set forth in "Note 2 – Basis of Presentation and Summary of Significant Accounting Policies" in our consolidated financial statements as of and for the year ended December 31, 2025, included in our 2025 Annual Report. The Financial Accounting Standards Board ("FASB") issues Accounting Standards Updates ("ASU" or "Update") to amend Accounting Standards Codification ("ASC"), which is the primary source of GAAP. We have not made any changes to our significant accounting policies from those disclosed in our 2025 Annual Report.

Recent Accounting Pronouncements

Accounting standards adopted in 2026

In November of 2025, the FASB issued ASU 2025-08, Financial Instruments-Credit Losses (Topic 326) – Purchased Loans. Under the guidance that currently exists in ASC Topic 326, purchased loans are initially recorded at fair value, and an allowance for expected credit losses is separately recognized in accordance with Topic 326. If a financial asset acquired has a "more-than-insignificant" deterioration of credit quality since its origination, it is accounted for as a purchased financial asset with credit deterioration ("PCD") using a "gross-up approach." The gross-up approach requires recognition of an allowance for credit losses ("ACL") for the estimate of credit losses at the acquisition date. The ACL is recorded with an offsetting gross-up adjustment to the purchase price of the acquired financial asset. If a financial asset acquired does not have "more-than-insignificant" deterioration of credit quality since its origination ("non-PCD"), the ACL is recognized with a corresponding charge to credit loss expense. The amendments in this ASU expand the population of acquired financial assets subject to the gross-up approach in Topic 326. In accordance with the amendments in this ASU, loans acquired without credit deterioration and deemed "seasoned" are purchased seasoned loans and accounted for using the gross-up approach at acquisition. All non-PCD loans that are acquired in a business combination are deemed seasoned. Other non-PCD loans are seasoned if they were purchased at least 90 days after origination and the acquirer was not involved in the origination of the loans. The amendments in this ASU are effective for all entities for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The amendments in this ASU should be applied prospectively to loans that are acquired on or after the initial application date. The Company early adopted this guidance, effective January 1, 2026. After adoption, the Company applied the gross-up approach to recording an ACL for purchased seasoned loans. The adoption had no material impact on the Company's consolidated financial statements.

Accounting standards recently issued and not yet effective

In October 2023, the FASB issued ASU 2023-06, Disclosure Improvements. This pronouncement amends the FASB Accounting Standards Codification to reflect updates and simplifications to certain disclosure requirements referred to the FASB by the SEC in 2018, including disclosures for the statement of cash flows, earnings per share, commitments, debt and equity instruments, and certain industry information, among other things. Each amendment is effective when the related disclosure is effectively removed from Regulations S-X or S-K; early adoption is prohibited. All amendments should be applied prospectively. If the SEC has not removed the applicable requirement from Regulation S-X or Regulation S-K by June 30, 2027, the pending amendments will be removed and will not become effective for any entity. Adoption of ASU 2023-06 is not expected to have a material impact on the Company's consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40). ASU 2024-03 requires disaggregated disclosure of income statement expenses within the footnotes to the financial statements for any relevant expense caption presented on the face of the income statement within continuing operations into the following required natural expense categories, as applicable:

(1) purchases of inventory, (2) employee compensation, (3) depreciation, (4) intangible asset amortization, and (5) depreciation, depletion and amortization recognized as part of oil- and gas-producing activities or other types of depletion services. ASU 2024-03 is effective for annual periods beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The guidance should be applied prospectively with an option to apply it retrospectively for each period presented. Adoption of ASU 2024-03 is not expected to have a material impact on the Company's consolidated financial statements.

In December of 2025, the FASB issued ASU 2025-10, Government Grants (Topic 832) – Accounting for Government Grants Received by Business Entities. ASU 2025-10 creates authoritative guidance for business entities for the accounting for government grants. Prior to the issuance of this guidance, there was no specific authoritative guidance within GAAP regarding the recognition, measurement, and presentation of a government grant received by a business entity and, as a result, many entities used other sections of authoritative accounting literature by analogy to account for government grants that were received. The new guidance requires that a government grant received by a business entity should not be recognized until: (1) it is probable that (a) a business entity will comply with the conditions attached to the grant and (b) the grant will be received; and (2) a business entity meets the recognition guidance for a grant in ASC 832. The new guidance also establishes classification guidance for grants in the consolidated financial statements and prescribes disclosures of grants that include the nature of the government grant received, the accounting policies used to account for the grant, and significant terms and conditions of the grant. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2028, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The amendments may be adopted using either a modified prospective, modified retrospective, or retrospective approach. Adoption of ASU 2025-10 is not expected to have a material impact on the Company’s consolidated financial statements.

In December of 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270) – Narrow-Scope Improvements. The guidance in ASU 2025-11 was issued to improve the guidance in ASC by clarifying the required interim disclosures and when that guidance is applicable. The amendments add to Topic 270 a principle that requires entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. The new guidance does not change the fundamental nature of interim reporting or expand or reduce current interim disclosure requirements but rather provides clarity on the current interim reporting requirements. The amendments in this ASU are effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The amendments in this ASU can be applied either (1) prospectively or (2) retrospectively to any or all prior periods presented in the financial statements. Adoption of ASU 2025-11 is not expected to have a material impact on the Company’s consolidated financial statements.

NOTE 3 - INVESTMENT SECURITIES

Our investment portfolio is comprised primarily of U.S. government and SBA agency securities, mortgage-backed securities ("MBS") backed by government-sponsored entities, collateralized mortgage obligations ("CMO"), commercial paper, and municipal tax-exempt securities. The following table summarizes the amortized cost and fair value of investment securities available for sale (“AFS”) and held to maturity (“HTM”) and the corresponding amounts of gross unrealized gains and losses as of the dates indicated:

September 30, 2026	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available for sale		*(dollars in thousands)*		
Government agency securities	$ 18,725	$ 12	$ (561)	$ 18,176
SBA agency securities	19,437	9	(915)	18,531
MBS: Residential	95,306	—	(8,732)	86,574
MBS: Commercial	10,003	—	(67)	9,936
CMO: Residential	114,623	13	(12,195)	102,441
CMO: Commercial	76,949	116	(2,536)	74,529
Commercial paper	39,722	—	(23)	39,699
Corporate debt securities	24,595	14	(1,518)	23,091
Municipal tax-exempt securities	12,541	—	(4,174)	8,367
Total available for sale	$ 411,901	$ 164	$ (30,721)	$ 381,344
Held to maturity				
Municipal tax-exempt securities	$ 4,179	$ —	$ (376)	$ 3,803
Total held to maturity	$ 4,179	$ —	$ (376)	$ 3,803

December 31, 2025	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available for sale		*(dollars in thousands)*		
Government agency securities	$ 22,850	$ 34	$ (179)	$ 22,705
SBA agency securities	21,326	90	(236)	21,180
MBS: Residential	91,049	634	(4,505)	87,178
MBS: Commercial	5,010	—	(33)	4,977
CMO: Residential	120,475	760	(8,740)	112,495
CMO: Commercial	102,755	183	(2,161)	100,777
Commercial paper	19,948	—	—	19,948
Corporate debt securities	30,165	75	(1,811)	28,429
Municipal tax-exempt securities	12,567	—	(3,052)	9,515
Total available for sale	$ 426,145	$ 1,776	$ (20,717)	$ 407,204
Held to maturity				
Municipal tax-exempt securities	$ 4,184	$ —	$ (81)	$ 4,103
Total held to maturity	$ 4,184	$ —	$ (81)	$ 4,103

At September 30, 2026 and December 31, 2025, investment securities with a fair value of $45.9 million and $48.7 million were pledged to secure certificates of deposit from the State of California. One security with a fair value of $27,000 and $36,000 at September 30, 2026 and December 31, 2025 was pledged to secure a local agency deposit.

There were no sales of investment securities during the three and nine months ended September 30, 2026 and 2025.

Accrued interest receivable for investment securities at September 30, 2026 and December 31, 2025 totaled $1.5 million and $1.6 million.

The following tables show the amortized cost and fair value of the investment securities portfolio, by expected maturity, as of the dates indicated. However, expected maturities may differ from contractual maturities if borrowers have the right to call or prepay obligations with or without call or prepayment penalties. Accordingly, MBS and CMO are classified in accordance with their estimated average life.

	One Year or Less		More than One Year to Five Years		More than Five Years to Ten Years		More than Ten Years		Total	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
September 30, 2026					*(dollars in thousands)*					
Government agency securities	$ 658	$ 650	$ 8,409	$ 8,292	$ 9,658	$ 9,234	$ —	$ —	$ 18,725	$ 18,176
SBA agency securities	—	—	6,134	5,765	13,303	12,766	—	—	19,437	18,531
MBS: Residential	—	—	19,717	18,894	75,589	67,680	—	—	95,306	86,574
MBS: Commercial	4,993	4,947	5,010	4,989	—	—	—	—	10,003	9,936
CMO: Residential	610	604	71,511	68,630	42,502	33,207	—	—	114,623	102,441
CMO: Commercial	3,430	3,358	31,366	30,797	42,153	40,374	—	—	76,949	74,529
Commercial paper	39,722	39,699	—	—	—	—	—	—	39,722	39,699
Corporate debt securities	2,003	1,999	11,371	10,948	7,650	7,434	3,571	2,710	24,595	23,091
Municipal tax-exempt securities	—	—	—	—	1,077	820	11,464	7,547	12,541	8,367
Total AFS	$ 51,416	$ 51,257	$ 153,518	$ 148,315	$ 191,932	$ 171,515	$ 15,035	$ 10,257	$ 411,901	$ 381,344
Municipal tax-exempt securities	$ —	$ —	$ 1,741	$ 1,633	$ 2,438	$ 2,170	$ —	$ —	$ 4,179	$ 3,803
Total HTM	$ —	$ —	$ 1,741	$ 1,633	$ 2,438	$ 2,170	$ —	$ —	$ 4,179	$ 3,803
December 31, 2025										
Government agency securities	$ 65	$ 65	$ 22,785	$ 22,640	$ —	$ —	$ —	$ —	$ 22,850	$ 22,705
SBA agency securities	—	—	6,496	6,456	14,830	14,724	—	—	21,326	21,180
MBS: Residential	—	—	26,636	26,537	64,413	60,641	—	—	91,049	87,178
MBS: Commercial	—	—	5,010	4,977	—	—	—	—	5,010	4,977
CMO: Residential	6,198	6,248	68,422	68,100	45,855	38,147	—	—	120,475	112,495
CMO: Commercial	6,629	6,591	51,805	51,365	44,321	42,821	—	—	102,755	100,777
Commercial paper	19,948	19,948	—	—	—	—	—	—	19,948	19,948
Corporate debt securities	4,022	4,006	8,903	8,733	14,650	13,756	2,590	1,934	30,165	28,429
Municipal tax-exempt securities	—	—	—	—	1,081	921	11,486	8,594	12,567	9,515
Total AFS	$ 36,862	$ 36,858	$ 190,057	$ 188,808	$ 185,150	$ 171,010	$ 14,076	$ 10,528	$ 426,145	$ 407,204
Municipal tax-exempt securities	$ —	$ —	$ 860	$ 857	$ 2,817	$ 2,742	$ 507	$ 504	$ 4,184	$ 4,103
Total HTM	$ —	$ —	$ 860	$ 857	$ 2,817	$ 2,742	$ 507	$ 504	$ 4,184	$ 4,103

The following tables show the fair value and gross unrealized losses of our investment securities, aggregated by investment category and the length of time individual securities have been in a continuous unrealized loss position, as of the dates indicated:

	Less than Twelve Months			Twelve Months or More			Total		
	Fair Value	Unrealized Losses	# of Issuances	Fair Value	Unrealized Losses	# of Issuances	Fair Value	Unrealized Losses	# of Issuances
September 30, 2026				*(dollars in thousands)*					
Government agency securities	$ 9,883	$ (433)	3	$ 4,497	$ (128)	2	$ 14,380	$ (561)	5
SBA agency securities	14,129	(659)	5	2,541	(256)	5	16,670	(915)	10
MBS: Residential	63,072	(3,125)	19	23,502	(5,607)	15	86,574	(8,732)	34
MBS: Commercial	9,936	(67)	2	—	—	—	9,936	(67)	2
CMO: Residential	51,325	(1,517)	15	45,203	(10,678)	23	96,528	(12,195)	38
CMO: Commercial	4,106	(21)	1	47,376	(2,515)	21	51,482	(2,536)	22
Commercial paper	24,705	(23)	4	—	—	—	24,705	(23)	4
Corporate debt securities	2,944	(56)	3	15,626	(1,462)	16	18,570	(1,518)	19
Municipal tax-exempt securities	—	—	—	8,367	(4,174)	11	8,367	(4,174)	11
Total AFS	$ 180,100	$ (5,901)	52	$ 147,112	$ (24,820)	93	$ 327,212	$ (30,721)	145
Municipal tax-exempt securities	$ 1,521	$ (109)	4	$ 2,282	$ (267)	5	$ 3,803	$ (376)	9
Total HTM	$ 1,521	$ (109)	4	$ 2,282	$ (267)	5	$ 3,803	$ (376)	9

	Less than Twelve Months			Twelve Months or More			Total		
	Fair Value	Unrealized Losses	# of Issuances	Fair Value	Unrealized Losses	# of Issuances	Fair Value	Unrealized Losses	# of Issuances
December 31, 2025				*(dollars in thousands)*					
Government agency securities	$ 1,749	$ (6)	1	$ 6,572	$ (173)	3	$ 8,321	$ (179)	4
SBA agency securities	7,654	(93)	3	2,962	(143)	5	10,616	(236)	8
MBS: Residential	14,196	(91)	4	27,573	(4,414)	15	41,769	(4,505)	19
MBS: Commercial	4,977	(33)	1	—	—	—	4,977	(33)	1
CMO: Residential	3,130	(1)	1	53,195	(8,739)	24	56,325	(8,740)	25
CMO: Commercial	13,947	(31)	4	49,366	(2,130)	21	63,313	(2,161)	25
Corporate debt securities	—	—	—	22,577	(1,811)	24	22,577	(1,811)	24
Municipal tax-exempt securities	—	—	—	9,515	(3,052)	11	9,515	(3,052)	11
Total AFS	$ 45,653	$ (255)	14	$ 171,760	$ (20,462)	103	$ 217,413	$ (20,717)	117
Municipal tax-exempt securities	$ —	$ —	—	$ 3,663	$ (81)	8	$ 3,663	$ (81)	8
Total HTM	$ —	$ —	—	$ 3,663	$ (81)	8	$ 3,663	$ (81)	8

The securities that were in an unrealized loss position at September 30, 2026 and December 31, 2025 were evaluated to determine whether the decline in fair value below the amortized cost basis resulted from a credit loss or other factors. We concluded that the unrealized losses were primarily attributed to yield curve movement. All SBA agency securities, mortgage-backed securities, and collateralized mortgage obligations are issued by government or government sponsored entities and have the support of the U.S. federal government. The issuers have not, to our knowledge, established any cause for default on these securities. We expect to recover the amortized cost basis of our securities and have no present intent to sell and do not expect to be required to sell securities that have declined below their cost before their anticipated recovery. As of September 30, 2026 and December 31, 2025, all of our HTM securities were rated “AA-” or above. Based on this evaluation, no ACL was recorded as of September 30, 2026 and December 31, 2025, against HTM or AFS securities, and there was no provision for credit losses recognized for the three months and nine months ended September 30, 2026 and 2025.

NOTE 4 - LOANS AND ALLOWANCE FOR CREDIT LOSSES

Our loan portfolio consists primarily of loans to borrowers within the greater Los Angeles metropolitan and San Francisco Bay area (California), the New York City metropolitan area, Chicago (Illinois), Las Vegas (Nevada), Edison (New Jersey) and Honolulu (Hawaii). Although we seek to avoid concentrations of loans to a single industry or based upon a single class of collateral, real estate and real estate associated businesses are among the principal industries in our market area and, as a result, our loan and collateral portfolios are, to some degree, concentrated in those industries.

The following table presents the balances in our loans held for investment ("HFI") portfolio by loan segment and class as of the dates indicated:

	September 30, 2026	December 31, 2025
Loans HFI: [1]	*(dollars in thousands)*	
Real Estate:		
Single-family residential mortgages	$ 1,761,352	$ 1,655,382
Commercial real estate [2]	1,280,028	1,303,019
Construction and land development	154,620	155,464
Commercial:		
Commercial and industrial	151,796	140,061
SBA	48,525	55,978
Other	2,893	4,397
Total loans HFI	$ 3,399,214	$ 3,314,301
Allowance for loan losses	(44,038)	(43,888)
Total loans HFI, net	$ 3,355,176	$ 3,270,413

(1) Net of premiums (discounts) on acquired loans and net deferred (fees) and costs on originated loans.

(2) Includes non-farm and non-residential real estate loans, multifamily residential loans and non-owner occupied single-family residential loans.

Accrued interest receivable on loans at September 30, 2026 and December 31, 2025 totaled $14.6 million and $14.3 million (included in "Accrued interest and other assets" in the consolidated balance sheets). At September 30, 2026 and December 31, 2025, loans with carrying values of $2.1 billion and $1.9 billion were pledged to secure advances from the Federal Home Loan Bank ("FHLB") for up to $1.6 billion and $1.4 billion, respectively. At September 30, 2026 and December 31, 2025, loans with carrying values of $86.0 million and $88.9 million were pledged to the Federal Reserve Bank of San Francisco ("FRBSF") Discount Window.

The ACL includes the allowance for loan losses ("ALL") and the reserve for unfunded commitments ("RUC") and is maintained at a level deemed appropriate by management to provide for expected credit losses in the portfolio as of the date of the consolidated balance sheets. The RUC is included in "Accrued interest and other liabilities" on the consolidated balance sheets. The following table presents a summary of the changes in the ACL for the periods indicated:

	For the Three Months Ended								
	September 30, 2026			June 30, 2026			September 30, 2025		
	Allowance for loan losses	Reserve for unfunded loan commitments	Allowance for credit losses	Allowance for loan losses	Reserve for unfunded loan commitments	Allowance for credit losses	Allowance for loan losses	Reserve for unfunded loan commitments	Allowance for credit losses
	(dollars in thousands)								
Beginning balance	$ 43,660	$ 407	$ 44,067	$ 43,666	$ 484	$ 44,150	$ 51,014	$ 629	$ 51,643
Provision for/(reversal of) credit losses	500	—	500	77	(77)	—	750	(125)	625
Charge-offs	(137)	—	(137)	(119)	—	(119)	(7,019)	—	(7,019)
Recoveries	15	—	15	36	—	36	147	—	147
Ending balance	$ 44,038	$ 407	$ 44,445	$ 43,660	$ 407	$ 44,067	$ 44,892	$ 504	$ 45,396

	For the Nine Months Ended September 30,					
	2026			2025		
	Allowance for loan losses	Reserve for unfunded loan commitments	Allowance for credit losses	Allowance for loan losses	Reserve for unfunded loan commitments	Allowance for credit losses
	(dollars in thousands)					
Beginning balance	$ 43,888	$ 484	$ 44,372	$ 47,729	$ 729	$ 48,458
Provision for/(reversal of) credit losses	377	(77)	300	9,983	(225)	9,758
Charge-offs	(283)	—	(283)	(13,084)	—	(13,084)
Recoveries	56	—	56	264	—	264
Ending balance	$ 44,038	$ 407	$ 44,445	$ 44,892	$ 504	$ 45,396

The following tables present the balance and activity related to the ALL for loans HFI by loan portfolio segment and class for the periods presented.

	For the Three Months Ended September 30, 2026						
	Single-family residential mortgages	Commercial real estate	Construction and land development	Commercial and industrial	SBA	Other	Total
Allowance for loan losses:	*(dollars in thousands)*						
Beginning balance	$ 21,766	$ 17,527	$ 1,954	$ 1,593	$ 689	$ 131	$ 43,660
Provision for/(reversal of) credit losses	4	293	79	132	(11)	3	500
Charge-offs	—	—	—	(107)	—	(30)	(137)
Recoveries	—	—	—	1	1	13	15
Ending balance	$ 21,770	$ 17,820	$ 2,033	$ 1,619	$ 679	$ 117	$ 44,038

	For the Three Months Ended June 30, 2026						
	Single-family residential mortgages	Commercial real estate	Construction and land development	Commercial and industrial	SBA	Other	Total
Allowance for loan losses:	*(dollars in thousands)*						
Beginning balance	$ 21,988	$ 17,639	$ 1,446	$ 1,672	$ 769	$ 152	$ 43,666
(Reversal of)/provision for credit losses	(222)	(139)	508	23	(80)	(13)	77
Charge-offs	—	—	—	(102)	—	(17)	(119)
Recoveries	—	27	—	—	—	9	36
Ending balance	$ 21,766	$ 17,527	$ 1,954	$ 1,593	$ 689	$ 131	$ 43,660

	For the Three Months Ended September 30, 2025						
	Single-family residential mortgages	Commercial real estate	Construction and land development	Commercial and industrial	SBA	Other	Total
Allowance for loan losses:	*(dollars in thousands)*						
Beginning balance	$ 19,106	$ 21,423	$ 7,971	$ 1,493	$ 791	$ 230	$ 51,014
Provision for/(reversal of) credit losses	2,737	(2,730)	312	393	19	19	750
Charge-offs	—	(21)	(6,929)	(4)	(11)	(54)	(7,019)
Recoveries	—	—	138	1	—	8	147
Ending balance	$ 21,843	$ 18,672	$ 1,492	$ 1,883	$ 799	$ 203	$ 44,892

	For the Nine Months Ended September 30, 2026						
	Single-family residential mortgages	Commercial real estate	Construction and land development	Commercial and industrial	SBA	Other	Total
Allowance for loan losses:	*(dollars in thousands)*						
Beginning balance	$ 21,585	$ 18,162	$ 1,502	$ 1,647	$ 824	$ 168	$ 43,888
Provision for/(reversal of) credit losses	185	(369)	531	183	(144)	(9)	377
Charge-offs	—	—	—	(213)	(2)	(68)	(283)
Recoveries	—	27	—	2	1	26	56
Ending balance	$ 21,770	$ 17,820	$ 2,033	$ 1,619	$ 679	$ 117	$ 44,038

	For the Nine Months Ended September 30, 2025						
	Single-family residential mortgages	Commercial real estate	Construction and land development	Commercial and industrial	SBA	Other	Total
Allowance for loan losses:	*(dollars in thousands)*						
Beginning balance	$ 17,518	$ 21,879	$ 6,053	$ 1,339	$ 654	$ 286	$ 47,729
Provision for/(reversal of) credit losses	5,728	89	3,476	550	157	(17)	9,983
Charge-offs	(1,403)	(3,296)	(8,175)	(85)	(12)	(113)	(13,084)
Recoveries	—	—	138	79	—	47	264
Ending balance	$ 21,843	$ 18,672	$ 1,492	$ 1,883	$ 799	$ 203	$ 44,892

We categorize loans into risk categories based on relevant information about the ability of borrowers to service their debt such as current financial information, historical payment experience, collateral adequacy, credit documentation, and current economic trends, among other factors. We analyze loans individually by classifying the loans as to credit risk. This analysis typically includes larger, non-homogeneous loans such as commercial real estate ("CRE"), construction and land development ("C&D"), and commercial and industrial ("C&I") loans. This analysis is performed on an ongoing basis as new information is obtained. We use the following definitions for risk ratings:

Pass - Loans classified as pass include loans not meeting the risk ratings defined below.

Special Mention -Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

Substandard - Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

Doubtful - Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full highly questionable and improbable based on facts, conditions, and values that currently exist.

The following tables summarize our loans HFI by loan portfolio segment, risk rating and vintage year as of the dates indicated. The vintage year is the year of origination, renewal or major modification.

September 30, 2026	Term Loan by Vintage								
	2026	2025	2024	2023	2022	Prior	Revolving	Revolving Converted to Term During the Period	Total
Real estate:					*(dollars in thousands)*				
Single-family residential mortgages									
Pass	$ 304,051	$ 303,418	$ 73,242	$ 112,094	$ 468,867	$ 496,655	$ 795	$ —	$ 1,759,122
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	704	1,365	153	8	—	2,230
Doubtful	—	—	—	—	—	—	—	—	—
Total	$ 304,051	$ 303,418	$ 73,242	$ 112,798	$ 470,232	$ 496,808	$ 803	$ —	$ 1,761,352
YTD gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial real estate									
Pass	$ 143,959	$ 254,942	$ 139,000	$ 35,157	$ 379,213	$ 279,997	$ —	$ —	$ 1,232,268
Special mention	—	—	717	6,612	4,606	6,234	—	—	18,169
Substandard	—	—	4,197	—	2,241	23,153	—	—	29,591
Doubtful	—	—	—	—	—	—	—	—	—
Total	$ 143,959	$ 254,942	$ 143,914	$ 41,769	$ 386,060	$ 309,384	$ —	$ —	$ 1,280,028
YTD gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Construction and land development									
Pass	$ 12,327	$ 6,864	$ 38,682	$ —	$ 44,554	$ 44,352	$ —	$ —	$ 146,779
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	7,841	—	—	7,841
Doubtful	—	—	—	—	—	—	—	—	—
Total	$ 12,327	$ 6,864	$ 38,682	$ —	$ 44,554	$ 52,193	$ —	$ —	$ 154,620
YTD gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial:									
Commercial and industrial									
Pass	$ 1,547	$ 12,332	$ 40	$ 999	$ 817	$ 3,864	$ 121,319	$ —	$ 140,918
Special mention	—	—	—	—	—	—	27	—	27
Substandard	6	401	3,900	1	37	4,709	1,797	—	10,851
Doubtful	—	—	—	—	—	—	—	—	—
Total	$ 1,553	$ 12,733	$ 3,940	$ 1,000	$ 854	$ 8,573	$ 123,143	$ —	$ 151,796
YTD gross charge-offs	$ 4	$ 208	$ 1	$ —	$ —	$ —	$ —	$ —	$ 213
SBA									
Pass	$ 3,105	$ 7,527	$ 2,200	$ 1,208	$ 4,136	$ 17,404	$ —	$ —	$ 35,580
Special mention	—	—	—	349	5,783	—	—	—	6,132
Substandard	—	—	2,649	—	—	4,164	—	—	6,813
Doubtful	—	—	—	—	—	—	—	—	—
Total	$ 3,105	$ 7,527	$ 4,849	$ 1,557	$ 9,919	$ 21,568	$ —	$ —	$ 48,525
YTD gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ 2	$ —	$ —	$ 2
Other:									
Pass	$ —	$ —	$ —	$ 46	$ 238	$ 2,599	$ 10	$ —	$ 2,893
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Total	$ —	$ —	$ —	$ 46	$ 238	$ 2,599	$ 10	$ —	$ 2,893
YTD gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ 68	$ —	$ —	$ 68
Total by risk rating:									
Pass	$ 464,989	$ 585,083	$ 253,164	$ 149,504	$ 897,825	$ 844,871	$ 122,124	$ —	$ 3,317,560
Special mention	—	—	717	6,961	10,389	6,234	27	—	24,328
Substandard	6	401	10,746	705	3,643	40,020	1,805	—	57,326
Doubtful	—	—	—	—	—	—	—	—	—
Total loans	$ 464,995	$ 585,484	$ 264,627	$ 157,170	$ 911,857	$ 891,125	$ 123,956	$ —	$ 3,399,214
Total YTD gross charge-offs	$ 4	$ 208	$ 1	$ —	$ —	$ 70	$ —	$ —	$ 283

December 31, 2025	Term Loan by Vintage 2025	2024	2023	2022	2021	Prior	Revolving	Revolving Converted to Term During the Period	Total
Real estate:				*(dollars in thousands)*					
Single-family residential mortgages									
Pass	$ 369,196	$ 98,047	$ 122,104	$ 501,580	$ 209,318	$ 351,536	$ 978	$ —	$ 1,652,759
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	679	1,944	—	—	—	—	2,623
Doubtful	—	—	—	—	—	—	—	—	—
Total	$ 369,196	$ 98,047	$ 122,783	$ 503,524	$ 209,318	$ 351,536	$ 978	$ —	$ 1,655,382
YTD gross charge-offs	$ 1	$ —	$ —	$ 537	$ 174	$ 691	$ —	$ —	$ 1,403
Commercial real estate									
Pass	$ 263,863	$ 171,328	$ 49,551	$ 395,493	$ 155,891	$ 228,915	$ —	$ —	$ 1,265,041
Special mention	—	—	—	4,300	668	8,281	—	—	13,249
Substandard	—	668	—	1,578	10,204	12,279	—	—	24,729
Doubtful	—	—	—	—	—	—	—	—	—
Total	$ 263,863	$ 171,996	$ 49,551	$ 401,371	$ 166,763	$ 249,475	$ —	$ —	$ 1,303,019
YTD gross charge-offs	$ —	$ —	$ —	$ —	$ 1,383	$ 3,296	$ —	$ —	$ 4,679
Construction and land development									
Pass	$ 4,739	$ 28,059	$ —	$ 42,440	$ 3,845	$ 45,000	$ —	$ —	$ 124,083
Special mention	—	3,387	—	—	—	—	—	—	3,387
Substandard	—	—	—	—	19,465	8,529	—	—	27,994
Doubtful	—	—	—	—	—	—	—	—	—
Total	$ 4,739	$ 31,446	$ —	$ 42,440	$ 23,310	$ 53,529	$ —	$ —	$ 155,464
YTD gross charge-offs	$ —	$ —	$ —	$ 1,246	$ 6,929	$ —	$ —	$ —	$ 8,175
Commercial:									
Commercial and industrial									—
Pass	$ 13,681	$ 55	$ 1,041	$ 892	$ 2,645	$ 5,839	$ 99,594	$ —	$ 123,747
Special mention	—	—	—	—	—	—	2,247	—	2,247
Substandard	413	6,014	5	52	—	5,423	2,160	—	14,067
Doubtful	—	—	—	—	—	—	—	—	—
Total	$ 14,094	$ 6,069	$ 1,046	$ 944	$ 2,645	$ 11,262	$ 104,001	$ —	$ 140,061
YTD gross charge-offs	$ 5	$ 6	$ —	$ —	$ —	$ 77	$ —	$ —	$ 88
SBA									
Pass	$ 14,433	$ 2,834	$ 1,283	$ 10,718	$ 9,655	$ 10,939	$ —	$ —	$ 49,862
Special mention	—	—	354	—	—	—	—	—	354
Substandard	—	2,271	—	—	481	3,010	—	—	5,762
Doubtful	—	—	—	—	—	—	—	—	—
Total	$ 14,433	$ 5,105	$ 1,637	$ 10,718	$ 10,136	$ 13,949	$ —	$ —	$ 55,978
YTD gross charge-offs	$ —	$ 12	$ —	$ —	$ —	$ 175	$ —	$ —	$ 187
Other:									
Pass	$ —	$ —	$ 86	$ 630	$ 3,583	$ 86	$ 12	$ —	$ 4,397
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Total	$ —	$ —	$ 86	$ 630	$ 3,583	$ 86	$ 12	$ —	$ 4,397
YTD gross charge-offs	$ —	$ —	$ —	$ —	$ 175	$ 5	$ —	$ —	$ 180
Total by risk rating:									
Pass	$ 665,912	$ 300,323	$ 174,065	$ 951,753	$ 384,937	$ 642,315	$ 100,584	$ —	$ 3,219,889
Special mention	—	3,387	354	4,300	668	8,281	2,247	—	19,237
Substandard	413	8,953	684	3,574	30,150	29,241	2,160	—	75,175
Doubtful	—	—	—	—	—	—	—	—	—
Total loans	$ 666,325	$ 312,663	$ 175,103	$ 959,627	$ 415,755	$ 679,837	$ 104,991	$ —	$ 3,314,301
Total YTD gross charge-offs	$ 6	$ 18	$ —	$ 1,783	$ 8,661	$ 4,244	$ —	$ —	$ 14,712

The following tables present the aging of the recorded investment in past due loans HFI, by loan segment and class, as of the dates indicated.

	Accruing Loans						
September 30, 2026	**30-59 Days**	**60-89 Days**	**90 Days or More**	**Total Past Due [1]**	**Nonaccrual Loans**	**Current**	**Total Loans HFI**
Real estate:				*(dollars in thousands)*			
Single-family residential mortgages [2]	$ 2,293	$ 2,057	$ —	$ 4,350	$ 896	$ 1,756,106	$ 1,761,352
Commercial real estate	2,136	194	—	2,330	3,057	1,274,641	1,280,028
Construction and land development	—	—	—	—	7,841	146,779	154,620
Commercial:							
Commercial and industrial	2	27	—	29	5,109	146,658	151,796
SBA	91	407	—	498	1,932	46,095	48,525
Other	22	—	—	22	—	2,871	2,893
Total	$ 4,544	$ 2,685	$ —	$ 7,229	$ 18,835	$ 3,373,150	$ 3,399,214

(1) Past due loans exclude nonaccrual loans.
(2) Nonaccrual SFR mortgage loans include $153,000 of loans in the process of foreclosure.

	Accruing Loans						
December 31, 2025	**30-59 Days**	**60-89 Days**	**90 Days or More**	**Total Past Due [1]**	**Nonaccrual Loans**	**Current**	**Total Loans HFI**
Real estate:				*(dollars in thousands)*			
Single-family residential mortgages [2]	$ 5,140	$ 1,321	$ —	$ 6,461	$ 2,143	$ 1,646,778	$ 1,655,382
Commercial real estate	284	204	—	488	8,158	1,294,373	1,303,019
Construction and land development	—	—	—	—	27,994	127,470	155,464
Commercial:							
Commercial and industrial	1,277	—	—	1,277	5,116	133,668	140,061
SBA	—	542	—	542	1,221	54,215	55,978
Other	13	8	—	21	—	4,376	4,397
Total	$ 6,714	$ 2,075	$ —	$ 8,789	$ 44,632	$ 3,260,880	$ 3,314,301

(1) Past due loans exclude nonaccrual loans.
(2) Nonaccrual SFR mortgage loans include $680,000 of loans in the process of foreclosure.

The following table presents the loans HFI on nonaccrual status and the balance of such loans with no ALL, by loan segment and class, as of the dates indicated:

	September 30, 2026		December 31, 2025	
	Nonaccrual Loans with no ALL	Total Nonaccrual Loans	Nonaccrual Loans with no ALL	Total Nonaccrual Loans
Real estate:	*(dollars in thousands)*			
Single-family residential mortgages	$ 896	$ 896	$ 2,143	$ 2,143
Commercial real estate	3,057	3,057	4,801	8,158
Construction and land development	7,841	7,841	27,994	27,994
Commercial:				
Commercial and industrial	5,109	5,109	5,116	5,116
SBA	1,932	1,932	1,221	1,221
Total	$ 18,835	$ 18,835	$ 41,275	$ 44,632

The following tables present the amortized cost basis of individually evaluated collateral-dependent loans, by loan segment and class, and type of collateral which secures such loans as of the dates indicated.

	September 30, 2026			
	Type of Collateral			
Loan Class	**Residential Real Estate**	**Commercial Real Estate**	**Business Assets**	**Total**
Real Estate:	*(dollars in thousands)*			
Single-family residential mortgages	$ 896	$ —	$ —	$ 896
Commercial real estate	—	3,057	—	3,057
Construction and land development	—	7,841	—	7,841
Commercial:				
Commercial and industrial	5,109	—	—	5,109
SBA	—	1,534	398	1,932
Total loans	$ 6,005	$ 12,432	$ 398	$ 18,835

	December 31, 2025			
	Type of Collateral			
Loan Class	**Residential Real Estate**	**Commercial Real Estate**	**Business Assets**	**Total**
Real Estate:	*(dollars in thousands)*			
Single-family residential mortgages	$ 2,143	$ —	$ —	$ 2,143
Commercial real estate	—	8,158	—	8,158
Construction and land development	19,465	8,529	—	27,994
Commercial:				
Commercial and industrial	5,116	—	—	5,116
SBA	—	1,136	85	1,221
Total loans	$ 26,724	$ 17,823	$ 85	$ 44,632

We did not recognize any interest income on nonaccrual loans while the loans were in nonaccrual status during 2026 or 2025.

Loan Modifications to Borrowers Experiencing Financial Difficulty - In cases where a borrower is experiencing financial difficulties, we may make certain concessionary modifications to the contractual terms. These concessions may include term extension, payment delay, principal forgiveness, interest rate reduction, or other actions intended to minimize potential losses. We may provide multiple types of concessions on one loan. When principal forgiveness is provided, the amount of forgiveness is charged-off against the allowance for loan losses. Loans modified to borrowers experiencing financial difficulty are individually evaluated for purposes of the allowance for loan losses.

The following tables present loan modifications made to borrowers experiencing financial difficulty by type of modification for the periods indicated:

	Three Months Ended September 30, 2026		
	Term Extension	Total Loan Modifications	
Loan Class	Balance	Balance	% of Loan Class
	(dollars in thousands)		
Commercial and industrial	$ 3,899	$ 3,899	2.57 %
Total	$ 3,899	$ 3,899	

	Nine Months Ended September 30, 2026			
	Term Extension	Payment Deferral	Total Loan Modifications	
	Balance	Balance	Balance	% of Loan Class
	(dollars in thousands)			
Commercial real estate	$ 663	$ —	$ 663	0.05%
Commercial and industrial	3,899	—	3,899	2.57%
SBA	—	637	637	1.31%
Total	$ 4,562	$ 637	$ 5,199	

	Three Months Ended September 30, 2025		
	Payment Deferral	Total Loan Modifications	
	Balance	Balance	% of Loan Class
	(dollars in thousands)		
Commercial real estate	$ 4,872	$ 4,872	0.38%
SBA	410	410	0.76%
Total	$ 5,282	$ 5,282	

	Nine Months Ended September 30, 2025				
	Payment Deferral	Combination - Rate Reduction and Term Modification	Combination - Principal Reduction, Rate Reduction and Term Modification	Total Loan Modifications	
	Balance	Balance	Balance	Balance	% of Loan Class
			(dollars in thousands)		
Commercial real estate	$ 4,872	$ —	$ 3,532	$ 8,404	0.65%
Commercial and industrial	—	4,709	—	4,709	3.21%
SBA	410	—	—	410	0.76 %
Total	$ 5,282	$ 4,709	$ 3,532	$ 13,523	

At September 30, 2026 and December 31, 2025, we had no commitments to lend to borrowers experiencing financial difficulty whose loans were modified during the period. We closely monitor the performance of loans modified to borrowers experiencing financial difficulty to understand the effectiveness of our modification efforts. The following tables present the payment status of loans that were modified during the preceding 12 month period, by loan class, as of the dates indicated.

	September 30, 2026			
Loan Class	Current	30-89 Days Past Due	90 Days or More Past Due	Total
		(dollars in thousands)		
Commercial real estate	$ 663	$ —	$ —	$ 663
Commercial and industrial	3,899	—	—	3,899
SBA	637	—	—	637
Total	$ 5,199	$ —	$ —	$ 5,199

	September 30, 2025			
Loan Class	Current	30-89 Days Past Due	90 Days or More Past Due	Total
		(dollars in thousands)		
Construction and land development	$ —	$ —	$ 28,222	$ 28,222
Commercial real estate	18,607	—	—	18,607
Commercial and industrial	4,708	—	—	4,708
SBA	410	—	—	410
Total	$ 23,725	$ —	$ 28,222	$ 51,947

For the loans modified to borrowers experiencing financial difficulty during the 12 months prior to September 30, 2026, no loans had a payment default of their modified terms in the three months ended September 30, 2026, and one SBA loan with a balance of $127,000 had a payment default of their modified terms in the nine months ended September 30, 2026. For the loans modified to borrowers experiencing financial difficulty during the 12 months prior to September 30, 2025, two construction and land development loans totaling $28.2 million had a payment default of their modified terms in the three and nine months ended September 30, 2025.

NOTE 5 - LOAN SERVICING

The loans being serviced for others are not reported as assets in our consolidated balance sheets. The table below presents the underlying principal balances of the loans serviced for others, by loan portfolio segment, as of the dates indicated:

Loans serviced for others:	September 30, 2026	December 31, 2025
	(dollars in thousands)	
Single-family residential mortgage	$ 746,083	$ 833,704
SBA	96,642	90,364
Construction and land development	9,742	9,018
Commercial real estate	2,392	2,420

Servicing income is recorded for fees earned for servicing loans. The fees are based on a contractual percentage of the outstanding principal. The amortization of mortgage servicing assets is net against loan servicing income. Loan servicing income, net of amortization, totaled $525,000, $533,000, and $564,000 for the three months ended September 30, 2026, June 30, 2026, and September 30, 2025, and $1.6 million and $1.7 million for the nine months ended September 30, 2026 and 2025.

When mortgage and SBA loans are sold with servicing retained, servicing assets are initially recorded at fair value with the income statement effect recorded in gains on sales of loans. Servicing assets are evaluated for impairment based upon the fair value of the assets as compared to carrying amount. Impairment is recognized through a valuation allowance for an individual grouping, to the extent that fair value is less than the carrying amount. If we later determine that all or a portion of the impairment no longer exists for a particular grouping, a reduction of the allowance may be recorded as an increase to income.

The table below presents the activity in the servicing assets for the periods indicated:

	Three Months Ended					
	September 30, 2026		June 30, 2026		September 30, 2025	
Servicing assets:	Mortgage Loans	SBA Loans	Mortgage Loans	SBA Loans	Mortgage Loans	SBA Loans
	(dollars in thousands)					
Beginning of period	$ 4,537	$ 1,327	$ 4,567	$ 1,267	$ 5,183	$ 1,299
Additions	18	10	174	101	37	13
Payoffs	(81)	—	(58)	(22)	(94)	(1)
Amortization	(148)	(19)	(146)	(19)	(151)	(34)
End of period	$ 4,326	$ 1,318	$ 4,537	$ 1,327	$ 4,975	$ 1,277

	Nine Months Ended			
	September 30, 2026		September 30, 2025	
Servicing assets:	Mortgage Loans	SBA Loans	Mortgage Loans	SBA Loans
	(dollars in thousands)			
Beginning of period	$ 4,761	$ 1,280	$ 5,656	$ 1,329
Additions	229	159	66	90
Payoffs	(207)	(60)	(273)	(21)
Amortization	(457)	(61)	(474)	(121)
End of period	$ 4,326	$ 1,318	$ 4,975	$ 1,277

Fair value is estimated using a valuation model that calculates the present value of estimated future net servicing cash flows. All classes of servicing assets are subsequently measured using the amortization method, which requires servicing assets to be amortized into noninterest income in proportion to, and over the period of, the estimated future net

servicing income of the underlying loans. Portfolio characteristics include loan delinquency rates, age of loans, note rate and geography. The assumptions embedded in the valuation are obtained from a range of metrics utilized by active buyers in the marketplace. The analysis accounts for recent transactions, and supply and demand within the market.

The fair value of servicing assets for mortgage loans was $9.8 million and $9.7 million as of September 30, 2026 and December 31, 2025. The fair value at September 30, 2026 was determined using an average discount rate of 10.03%, average prepayment speed of 7.72%, depending on the stratification of the specific right, and a weighted-average default rate of 0.10%. The fair value at December 31, 2025 was determined using an average discount rate of 10.09%, average prepayment speed of 7.93%, depending on the stratification of the specific right, and a weighted-average default rate of 0.11%.

The fair value of servicing assets for SBA loans was $1.9 million and $1.8 million as of September 30, 2026 and December 31, 2025. The fair value at September 30, 2026 was determined using an average discount rate of 8.5%, average prepayment speed of 25%, depending on the stratification of the specific right, and a weighted-average default rate of 1.26%. The fair value at December 31, 2025 was determined using an average discount rate of 8.5%, average prepayment speed of 27%, depending on the stratification of the specific right, and a weighted-average default rate of 1.13%.

NOTE 6 - GOODWILL AND INTANGIBLES

Goodwill is generally determined as the excess of the fair value of the consideration transferred, plus the fair value of any noncontrolling interests in the acquiree, over the fair value of the net assets acquired and liabilities assumed as of the acquisition date. Goodwill resulting from whole bank and branch acquisitions is tested for impairment at least annually during the fourth quarter of each year, and more frequently, if events or circumstances indicate the value of goodwill may be impaired. We completed our most recent evaluation of goodwill as of October 1, 2025 and determined that no goodwill impairment existed. Goodwill totaled $71.5 million at both September 30, 2026 and December 31, 2025 and is the only intangible asset with an indefinite life on our consolidated balance sheets. There were no triggering events during 2026 that caused management to evaluate goodwill for impairment as of September 30, 2026.

Other intangible assets also include core deposit intangible (“CDI”) assets which arise from acquiring deposit bases through whole bank and branch acquisitions. CDI assets are amortized on an accelerated method over their estimated useful life of 8 to 10 years. The unamortized balance (included in “Accrued interest and other assets” in the consolidated balance sheets) at September 30, 2026 and December 31, 2025 was $1.0 million and $1.3 million. CDI amortization expense was $126,000, $127,000, and $172,000 for the three months ended September 30, 2026, June 30, 2026, and September 30, 2025, and $387,000 and $516,000 for the nine months ended September 30, 2026 and 2025.

Estimated CDI amortization expense for future years is as follows:

As of September 30, 2026:	**CDI Amortization Expense**
	(dollars in thousands)
Remainder of 2026	$ 114
2027	417
2028	297
2029	64
2030	33
Thereafter	26
Total	$ 951

NOTE 7 - ACCRUED INTEREST AND OTHER ASSETS

The following table presents the detail of our accrued interest receivable and other assets as of the dates indicated:

	As of September 30, 2026	As of December 31, 2025
	(dollars in thousands)	
CRA and other equity investments	$ 36,133	$ 26,086
Other real estate owned ("OREO")	19,820	8,830
Accrued interest receivable	16,608	16,230
LIHTC investments	15,237	16,997
Servicing assets [(1)]	5,644	6,041
Prepaid assets	3,265	2,915
Core deposit intangibles [(2)]	951	1,338
Other assets	2,629	4,206
Total accrued interest and other assets	$ 100,287	$ 82,643

(1) See Note 5 - Loan Servicing for additional information.
(2) See Note 6 - Goodwill and Intangibles for additional information.

CRA and other equity investments

The Company has several Community Reinvestment Act ("CRA") equity investments, other bank stocks, and other equity investments which totaled $36.1 million and $26.1 million as of September 30, 2026 and December 31, 2025. We may receive recurring interest and dividend income on these investments (included in "Interest and dividend income" in the consolidated statements of income). We may also receive capital gain distributions (included in "Other income" in the consolidated statements of income"). There were no significant gains or losses on these investments during the three and nine months ended September 30, 2026 and 2025. On a quarterly basis, we review our equity investments for impairment. No impairments were recorded during the three and nine months ended September 30, 2026 and 2025.

Other Real Estate Owned ("OREO")

The balance of OREO increased to $19.8 million at September 30, 2026, compared to $8.8 million at December 31, 2025. One nonperforming construction loan was transferred to OREO in the second quarter of 2026 and has a carrying value of $19.8 million at September 30, 2026. The OREO properties at December 31, 2025 were sold in 2026 and resulted in net gains of $669,000 for the nine months ended September 30, 2026.

Low-Income Housing Tax Credit investments ("LIHTC")

The Bank invests as a limited partner in LIHTC investments that operate qualified affordable housing projects which generate tax benefits, including federal low-income housing tax credits. These investments are accounted for under the proportional amortization method and totaled $15.2 million and $17.0 million at September 30, 2026 and December 31, 2025. Total unfunded commitments related to these investments totaled $7.3 million at September 30, 2026 and $10.0 million at December 31, 2025 and are included in accrued interest and other liabilities on the consolidated balance sheets. We expect to fulfill these commitments between 2026 and 2041.

We recognized tax credits from LIHTC investments totaling $520,000, $520,000, and $456,000 during the three months ended September 30, 2026, June 30, 2026, and September 30, 2025, and $1.6 million and $1.4 million during the nine months ended September 30, 2026 and 2025. The amortization of these investments was included within income tax expense as an offset to such tax credits. We recognized amortization expense of $586,000, $587,000, and $572,000 during the three months ended September 30, 2026, June 30, 2026, and September 30, 2025, and $1.8 million and $1.5 million during the nine months ended September 30, 2026 and 2025. We had no impairment losses during each of the three months ended September 30, 2026, June 30, 2026, and September 30, 2025, or the nine months ended September 30, 2026 and 2025.

NOTE 8 - DEPOSITS

At September 30, 2026, the scheduled maturities of time deposits are as follows:

At September 30, 2026	$250,000 and under	Greater than $250,000	Total
	(dollars in thousands)		
Remainder of 2026	$ 317,137	$ 406,615	$ 723,752
2027	434,815	437,686	872,501
2028	2,727	965	3,692
2029	449	—	449
2030 and thereafter	381	—	381
Total	$ 755,509	$ 845,266	$ 1,600,775

Time deposits include deposits acquired through both retail and wholesale channels. Wholesale channels include brokered deposits, collateralized deposits from the State of California, and deposits acquired through internet listing services. Wholesale time deposits totaled $61.5 million at September 30, 2026 and $225.7 million at December 31, 2025. Brokered time deposits were $770,000 at September 30, 2026 and $145.5 million at December 31, 2025. Collateralized deposits from the State of California totaled $40.0 million at both September 30, 2026 and at December 31, 2025. Time deposits acquired through internet listing services totaled $20.7 million at September 30, 2026 and $40.2 million at December 31, 2025.

In addition, we offer retail deposit products where customers are able to achieve FDIC insurance for balances on deposit in excess of the $250,000 FDIC insurance limit through the Certificate of Deposit Account Registry Service (“CDARS”) and Insured Cash Sweeps (“ICS”) programs. Time deposits held through the CDARS program were $136.0 million at September 30, 2026 and $128.3 million at December 31, 2025. ICS deposits totaled $148.7 million at September 30, 2026 and $156.3 million at December 31, 2025.

NOTE 9 - LONG-TERM DEBT

At September 30, 2026, the Company's long-term debt consisted of $80.0 million of fixed-to-floating rate subordinated notes, with an April 1, 2031 maturity date (the "Notes"). The interest rate was fixed at 4.00% through March 31, 2026, and now resets quarterly to a rate of three-month Secured Overnight Financing Rate ("SOFR") plus 329 basis points starting April 1, 2026. The rate was set at 6.98% as of April 1, 2026, 7.02% as of July 1, 2026, and 7.39% as of October 1, 2026. The Notes may be included in Tier 2 capital with certain limitations applicable under current regulatory guidelines, and such amount is discounted as the Notes approach maturity. The amount of the Notes included in Tier 2 capital was $64.0 million at September 30, 2026, and $120.0 million at December 31, 2025. The Notes became redeemable at par beginning April 1, 2026, and on July 1, 2026, the Company redeemed $40.0 million at par plus accrued interest.

We recognized interest expense on the Notes of $1.4 million, $2.1 million, and $1.2 million for the three months ended September 30, 2026, June 30, 2026, and September 30, 2025, and $4.8 million and $3.6 million for the nine months ended September 30, 2026 and 2025. We also recorded debt issuance cost amortization expense of $0, $0 and $96,000 for the three months ended September 30, 2026, June 30, 2026, and September 30, 2025, and $89,000 and $286,000 for the nine months ended September 30, 2026 and 2025. We were in compliance with all covenants for the Notes as of September 30, 2026.

NOTE 10 - SUBORDINATED DEBENTURES

Subordinated debentures issued in connection with three separate trust preferred securities totaled $15.5 million and $15.4 million as of September 30, 2026 and December 31, 2025. Pursuant to the terms of our subordinated debentures, we are not permitted to declare or pay any dividends on our capital stock if an event of default occurs under the terms of the subordinated debentures. In addition, we have the option to defer interest payments on the subordinated debentures from time to time for a period not to exceed five consecutive years. The subordinated debentures may be included in Tier 1 capital (with certain limitations applicable) under current regulatory guidelines and interpretations. We may redeem the subordinated debentures, subject to prior approval by the Board of Governors of the Federal Reserve System at 100% of

the principal amount, plus accrued and unpaid interest. These subordinated debentures consist of the following at September 30, 2026 and are described in detail after the table below:

	Issue Date	Principal Amount	Unamortized Valuation Reserve	Recorded Value	Stated Rate Description	Effective Stated Rate	Stated Maturity
Subordinated debentures:			*(dollars in thousands)*				
TFC Trust	12/22/2006	$ 5,155	$ 941	$ 4,214	Three-month CME Term SOFR plus 0.26% plus 1.65%	5.81%	3/15/2037
FAIC Trust	12/15/2004	7,217	630	6,587	Three-month CME Term SOFR plus 0.26% plus 2.25%	6.41%	12/15/2034
PGBH Trust	12/15/2004	5,155	418	4,737	Three-month CME Term SOFR plus 0.26% plus 2.10%	6.26%	12/15/2034
Total		$ 17,527	$ 1,989	$ 15,538			

In 2016, we acquired TFC Statutory Trust (the "TFC Trust") through the acquisition of Tomato Bank and its holding company, TFC Holding Company. At the close of this acquisition, a $1.9 million valuation reserve was recorded to arrive at its fair market value, which is treated as a yield adjustment and amortized over the life of the security. The unamortized valuation reserve was $941,000 at September 30, 2026 and $1.0 million at December 31, 2025. The subordinated debentures have a variable rate of interest equal to three-month CME Term SOFR plus applicable tenor spread adjustment of 0.26% plus 1.65%, which was 5.81% as of September 30, 2026 and 5.63% at December 31, 2025.

In October 2018, we acquired First American International Statutory Trust I ("FAIC Trust") through the acquisition of First American International Corp. ("FAIC"). At the close of this acquisition, a $1.2 million valuation reserve was recorded to arrive at its fair market value, which is treated as a yield adjustment and amortized over the life of the security. The unamortized valuation reserve was $630,000 at September 30, 2026 and $688,000 at December 31, 2025. The subordinated debentures have a variable rate of interest equal to three-month CME Term SOFR plus applicable tenor spread adjustment of 0.26% plus 2.25%, which was 6.41% as of September 30, 2026 and 6.23% at December 31, 2025.

In January 2020, we acquired Pacific Global Bank Trust I ("PGBH Trust") through the acquisition of PGB Holdings, Inc. At the close of this acquisition, a $763,000 valuation reserve was recorded to arrive at its fair market value, which is treated as a yield adjustment and amortized over the life of the security. The unamortized valuation reserve was $418,000 at September 30, 2026 and $456,000 at December 31, 2025. The subordinated debentures have a variable rate of interest equal to three-month CME Term SOFR plus applicable tenor spread adjustment of 0.26% plus 2.10%, which was 6.26% as of September 30, 2026 and 6.08% at December 31, 2025.

We recognized interest expense on the subordinated debentures of $260,000, $255,000, and $285,000 for the three months ended September 30, 2026, June 30, 2026, and September 30, 2025, and $770,000 and $850,000 for the nine months ended September 30, 2026 and 2025. The aggregate amount of amortization expense was $55,000 for each of the three months ended September 30, 2026, June 30, 2026, and September 30, 2025, and $165,000 for each of the nine months ended September 30, 2026 and 2025. We were in compliance with all covenants under the subordinated debentures as of September 30, 2026.

For regulatory reporting purposes, the Federal Reserve has indicated that the capital of trust preferred securities qualify as Tier 1 capital of the Company subject to previously specified limitations (including that the asset size of the issuer did not exceed $15 billion). If regulators make a determination that the capital securities can no longer be considered in regulatory capital, the securities become callable and we may redeem them.

NOTE 11 - BORROWING ARRANGEMENTS

The Bank has established secured and unsecured lines of credit. The Bank may borrow funds from time to time on a term or overnight basis from the FHLB, the FRBSF and other financial institutions as indicated below.

FHLB Secured Line of Credit and Advances. At September 30, 2026, the Bank had secured borrowing capacity with the FHLB of $1.6 billion collateralized by pledged residential and commercial loans with a carrying value of $2.1 billion. At September 30, 2026, the Bank had no overnight advances, $20.0 million in term advances, and $160.0 million of putable term advances. The weighted average rate of FHLB advances was 3.94% at September 30, 2026. The remaining secured borrowing capacity with the FHLB was $1.4 billion as of September 30, 2026.

The details of the FHLB term advances outstanding at September 30, 2026 are shown in Next Call Date order in the table below:

Advance Date	Amount	Rate	Call Structure	Next Call Date	Final Stated Maturity Date
	(dollars in thousands)				
5/8/2025	$ 10,000	3.69%	N/A	N/A	5/10/2028
6/23/2025	10,000	3.64%	N/A	N/A	6/23/2028
8/27/2026	20,000	4.02%	One time call [1]	11/27/2026	8/27/2029
6/15/2026	10,000	3.84%	One time call [2]	12/15/2026	6/15/2029
6/15/2026	10,000	3.84%	One time call [2]	12/17/2026	6/17/2030
6/15/2026	20,000	3.94%	One time call [3]	6/15/2027	6/15/2029
6/24/2026	20,000	3.97%	One time call [3]	6/24/2027	6/24/2030
6/24/2026	20,000	4.01%	One time call [3]	6/25/2027	6/25/2029
7/01/2026	20,000	3.99%	One time call [3]	7/01/2027	7/01/2030
8/27/2026	20,000	3.96%	Quarterly call [3]	8/27/2027	8/27/2030
7/02/2026	20,000	4.10%	Quarterly call [4]	7/03/2028	7/03/2030
Total	$ 180,000	3.94%			

(1) Call option by the FHLB after initial three month lock out.
(2) Call option by the FHLB after initial six month lock out.
(3) Call option by the FHLB after initial one year lock out.
(4) Call option by the FHLB after initial two year lock out.

FRB Secured Line of Credit. At September 30, 2026, the Bank had a secured borrowing capacity with the FRBSF of $68.5 million collateralized by pledged loans with a carrying value of $86.0 million.

Federal Funds Arrangements with Commercial Banks. At September 30, 2026, the Bank had established unsecured borrowing lines with other financial institutions totaling $97.0 million.

There were no amounts outstanding under any of the other borrowing arrangements above as of September 30, 2026, except the FHLB term advances of $180.0 million.

NOTE 12 - INCOME TAXES

The asset and liability method is used in accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

We recorded an income tax provision of $4.2 million, $3.9 million and $3.1 million, reflecting an effective tax rate of 24.9%, 28.0%, and 23.5% for the three months ended September 30, 2026, June 30, 2026, and September 30, 2025, and $12.5 million and $7.6 million, reflecting an effective tax rate of 26.9% and 25.9% for the nine months ended September 30, 2026 and 2025. The Company’s income tax expense results from domestic (federal) and state tax obligations since the Company has no foreign operations or foreign taxes for all periods presented.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

In the ordinary course of business, we enter into financial commitments to meet the financing needs of our customers. These financial commitments include commitments to extend credit, unused lines of credit, commercial and similar letters of credit and standby letters of credit. Those instruments involve varying degrees of credit and interest rate risk not recognized in our financial statements.

Our exposure to loss in the event of nonperformance on these financial commitments is represented by the contractual amount of those instruments. We use the same credit policies in making commitments as we do for loans reflected in the financial statements.

We had the following financial commitments whose contractual amount represents credit risk, as of the dates indicated:

	September 30, 2026	December 31, 2025
	(dollars in thousands)	
Commitments to make loans	$ 48,174	$ 41,635
Unused lines of credit	57,266	64,513
Commercial and similar letters of credit	169	2,389
Standby letters of credit	4,405	5,025
Total	$ 110,014	$ 113,562

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Since many of the commitments are expected to expire without being drawn upon, the total amounts do not necessarily represent future cash requirements. We evaluate each client's creditworthiness on a case-by-case basis.

We record a liability for lifetime expected losses on off-balance-sheet credit exposure that does not fit the definition of unconditionally cancelable commitments in accordance with ASC 326, which we refer to as the reserve for unfunded loan commitments ("RUC"). We use the loss rate and exposure at default framework to estimate a RUC. Loss rates for the expected funded balances are determined based on the associated pooled loan analysis loss rate and the exposure at default is based on an estimated utilization given default. The RUC was $407,000 and $484,000 as of September 30, 2026 and December 31, 2025. We recorded a provision for unfunded loan commitments of $0, a reversal of provision for unfunded loan commitments of $77,000, and a reversal of provision for unfunded loan commitments of $125,000 for the three months ended September 30, 2026, June 30, 2026, and September 30, 2025. We recorded a reversal of provision for unfunded loan commitments of $77,000 and $225,000 for the nine months ended September 30, 2026 and 2025.

In addition, we invest in Small Business Investment Company funds, other equity investments for CRA purposes and investments in fintech venture funds. Pursuant to these investments, we may commit to an investment amount to be fulfilled in future periods. These unfunded commitments are not on the Company's balance sheets and totaled $1.1 million as of September 30, 2026 and $1.6 million as of December 31, 2025.

We are involved in various matters of litigation which have arisen in the ordinary course of business and accruals for estimates of potential losses have been provided when necessary and appropriate under generally accepted accounting principles. In the opinion of management, the disposition of such pending litigation will not have a material effect on the Company's consolidated financial statements.

NOTE 14 - LEASES

We lease several of our operating facilities under various non-cancellable operating leases expiring at various dates through 2037. We are also responsible for common area maintenance, taxes, and insurance at the various branch locations.

Future minimum rent payments on our leases were as follows as of the date indicated:

	As of September 30, 2026
	(dollars in thousands)
Remainder of 2026	$ 1,035
2027	6,152
2028	5,191
2029	3,041
2030	2,683
Thereafter	6,240
Total future minimum lease payments	$ 24,342
Less: amount of payment representing interest	(1,829)
Total present value of lease payments	$ 22,513

The minimum rent payments shown above are given for the existing lease obligation and are not a forecast of future rental expense. Total rental expense, recognized on a straight-line basis, was $1.5 million for each of the three months ended September 30, 2026, June 30, 2026, and September 30, 2025, and $4.4 million for each of the nine months ended September 30, 2026 and 2025. The Company received rental income of $131,000, $164,000 and $161,000 for the three months ended September 30, 2026, June 30, 2026, and September 30, 2025, and $452,000 and $478,000 for the nine months ended September 30, 2026 and 2025.

The following table presents the right-of-use ("ROU") assets and lease liabilities recorded on our consolidated balance sheet, the weighted-average remaining lease terms and discount rates, as of the dates indicated:

Operating Leases	**September 30, 2026**	**December 31, 2025**
	(dollars in thousands)	
ROU assets	$ 20,754	$ 23,026
Lease liabilities	22,513	24,800
Weighted-average remaining lease term (in years)	5.50	5.96
Weighted-average discount rate	3.51 %	2.97 %

NOTE 15 - RELATED PARTY TRANSACTIONS

There were no loans or outstanding loan commitments to any principal officers or directors, or any of their affiliates at September 30, 2026 and December 31, 2025.

Deposits from principal officers, directors, and their affiliates at September 30, 2026 and December 31, 2025 were $49.3 million and $73.0 million.

Certain directors and their affiliates owned $4.0 million of RBB's subordinated notes as of September 30, 2026 and $6.0 million at December 31, 2025.

NOTE 16 - STOCK-BASED COMPENSATION

Amended and Restated RBB Bancorp 2017 Omnibus Stock Incentive Plan

The Amended and Restated RBB Bancorp 2017 Omnibus Stock Incentive Plan (the "Amended OSIP") was approved by our board of directors in January 2022 and approved by our shareholders in May 2022. The Amended OSIP was designed to ensure continued availability of equity awards that will assist us in attracting and retaining competent managerial personnel and rewarding key employees, directors and other service providers for high levels of performance. Pursuant to the Amended OSIP, our board of directors is permitted to grant awards to eligible persons, including

employees and directors, in the form of qualified and nonqualified stock options, restricted stock, restricted stock units, stock appreciation rights and other incentive awards. We reserved up to 30% of issued and outstanding shares of common stock as of the date we adopted the Amended OSIP, or 3,848,341 shares. As of September 30, 2026, there were 778,136 shares of common stock available for issuance under the Amended OSIP. This represents 4.6% of the issued and outstanding shares of the Company's common stock as of September 30, 2026. Awards vest, become exercisable and contain such other terms and conditions as determined by the board of directors and set forth in individual agreements with the eligible persons receiving the awards. The Amended OSIP enables the board of directors to set specific performance criteria that must be met before an award vests. The Amended OSIP allows for acceleration of vesting and exercise privileges of grants if a participant's termination of employment is due to a change in control, death or total disability. If a participant's job is terminated for cause, then all awards expire at the date of termination.

Stock Options

Compensation expense for stock options was $9,000 for the three months ended September 30, 2026, June 30, 2026, and September 30, 2025, and $28,000 and $35,000 for the nine months ended September 30, 2026 and 2025. Unrecognized stock-based compensation expense related to stock options was $45,000 as of September 30, 2026 and is expected to be recognized over the next 0.9 years.

The fair value of each option grant was estimated on the date of grant using the Black-Scholes option pricing model. Assumptions in the model include expected volatility, expected term, expected dividends and a risk-free rate of return. The expected volatility is based on the historical volatility of our stock trading history. The expected term is based on historical data and represents the estimated average period of time that the options remain outstanding. The risk-free rate of return reflects the grant date interest rate offered for zero coupon U.S. Treasury bonds over the expected term of the options. No stock options have been granted or valued since March 31, 2023.

The table below presents a summary of our stock options awards and activity as of and for the nine months ended September 30, 2026.

	Outstanding Options	Weighted-Average Exercise Price	Weighted- Average Remaining Contractual Term in years	Aggregate Intrinsic Value
		(dollars in thousands, except for per share data)		
Outstanding at beginning of year	151,000	$ 18.37		
Exercised	(62,500)	18.32		
Forfeited/cancelled	(2,000)	18.32		
Outstanding at end of period	86,500	$ 18.42	4.51	$ 659
Options exercisable	74,500	$ 17.97	4.23	$ 600

The total fair value of the options vested was $0 and $63,000 during the nine months ended September 30, 2026 and 2025. Unvested stock options totaled 12,000 with a weighted average grant date fair value of $6.16 as of September 30, 2026 and December 31, 2025.

For the nine months ended September 30, 2026, the cash received from the exercise of stock options was $1.1 million with an intrinsic value of $416,000. For the nine months ended September 30, 2025, the cash received from the exercise of stock options was $171,000 with an intrinsic value of $1,000.

Restricted Stock Units

We award time-based restricted stock units ("TRSUs") and performance-based restricted stock units ("PRSUs"), which we also refer to collectively as restricted stock units ("RSUs"). The PRSUs are subject to pre-established performance metrics, which may also include a market condition, that will be measured in the future and subject to oversight and approval by the Board of Director's Compensation Committee. The TRSUs have original lives ranging from 1 to 4 years, or may vest immediately, and PRSUs have an original life of 3 years. The RSUs granted during the nine months ended September 30, 2026 included 10,675 PRSUs with a performance metric subject to a market condition and grant date fair value per share of $24.08.

The following table presents RSUs activity during the nine months ended September 30, 2026.

	RSUs	Weighted-Average Grant Date Fair Value Per Share
Outstanding at beginning of year	191,091	$ 16.66
Granted [1]	104,925	23.71
Vested [1]	(76,861)	18.42
Forfeited/cancelled	(2,145)	16.07
Outstanding at end of period	217,010	$ 19.45

(1) Includes 15,832 RSUs awarded to members of the Board of Directors, which immediately vested.

The recorded compensation expense for RSUs was $391,000, $478,000 and $262,000 for the three months ended September 30, 2026, June 30, 2026, and September 30, 2025, and $1.1 million and $1.0 million for the nine months ended September 30, 2026 and 2025. As of September 30, 2026, unrecognized stock-based compensation expense related to RSUs totaled $3.2 million and is expected to be recognized over the next 2.5 years.

NOTE 17 - REGULATORY MATTERS

Holding companies (with assets over $3 billion at the beginning of the year) and banks are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory - and possibly additional discretionary - actions by regulators that, if undertaken, could have a direct material effect on our financial statements.

Final comprehensive regulatory capital rules for U.S. banking organizations pursuant to the capital framework of the Basel Committee on Banking Supervision, generally referred to as “Basel III,” implemented a requirement for all banking organizations to maintain a capital conservation buffer of 2.5% above the minimum risk-based capital requirements. The capital conservation buffer is exclusively comprised of common equity Tier 1 capital, and it applies to each of the three risk-based capital ratios but not to the leverage ratio. At September 30, 2026, the Company and the Bank were in compliance with the capital conservation buffer requirements. If the capital adequacy minimum ratios plus the conservation buffer amount exceed actual risk-weighted capital ratios, then dividends, share buybacks, and discretionary bonuses to executives could be limited in amount.

Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. Capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors. Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the table below) of Total, Tier 1 and CET1 capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier 1 capital (as defined) to average assets (as defined). As permitted by the regulators for financial institutions that are not deemed to be “advanced approaches” institutions, we have elected to opt out of the Basel III requirement to include accumulated other comprehensive income in risk-based capital. Management believes, at September 30, 2026 and December 31, 2025, we satisfied all capital adequacy requirements to which we were subject.

The following tables set forth the Company's consolidated and the Bank's capital amounts and ratios and the related regulatory requirements as of the dates indicated:

	Actual		Amount of Capital Required: Minimum Required for Capital Adequacy Purposes		Amount of Capital Required: To Be Well-Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio [1]	Amount	Ratio
As of September 30, 2026:	*(dollars in thousands)*					
Tier 1 Leverage Ratio						
Consolidated	$ 498,361	11.82%	$ 168,647	4.0%	$ 210,809	5.0%
Bank	534,830	12.71%	168,378	4.0%	210,473	5.0%
Common Equity Tier 1 Risk-Based Capital Ratio						
Consolidated	$ 483,289	17.87%	$ 121,682	4.5%	$ 175,763	6.5%
Bank	534,830	19.84%	121,318	4.5%	175,237	6.5%
Tier 1 Risk-Based Capital Ratio						
Consolidated	$ 498,361	18.43%	$ 162,243	6.0%	$ 216,324	8.0%
Bank	534,830	19.84%	161,757	6.0%	215,676	8.0%
Total Risk-Based Capital Ratio						
Consolidated	$ 596,293	22.05%	$ 216,324	8.0%	$ 270,405	10.0%
Bank	568,662	21.09%	215,676	8.0%	269,595	10.0%

(1) These ratios are exclusive of the 2.5% capital conservation buffer.

	Actual		Amount of Capital Required: Minimum Required for Capital Adequacy Purposes		Amount of Capital Required: To Be Well-Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio [1]	Amount	Ratio
As of December 31, 2025:	*(dollars in thousands)*					
Tier 1 Leverage Ratio						
Consolidated	$ 479,047	11.60%	$ 165,193	4.0%	$ 206,491	5.0%
Bank	544,296	13.20%	164,965	4.0%	206,206	5.0%
Common Equity Tier 1 Risk Based Capital Ratio						
Consolidated	$ 464,133	17.49%	$ 119,388	4.5%	$ 172,450	6.5%
Bank	544,296	20.57%	119,075	4.5%	171,998	6.5%
Tier 1 Risk-Based Capital Ratio						
Consolidated	$ 479,047	18.06%	$ 159,184	6.0%	$ 212,246	8.0%
Bank	544,296	20.57%	158,767	6.0%	211,690	8.0%
Total Risk-Based Capital Ratio						
Consolidated	$ 632,260	23.83%	$ 212,246	8.0%	$ 265,307	10.0%
Bank	577,512	21.82%	211,690	8.0%	264,612	10.0%

(1) These ratios are exclusive of the 2.5% capital conservation buffer.

The California Financial Code generally acts to prohibit banks from making a cash distribution to its shareholders in excess of the lesser of the bank's undivided profits or the bank's net income for its last three fiscal years less the amount of any distribution made by the bank to its shareholders during the same period, unless prior written approval by the California Department of Financial Protection and Innovation is obtained.

The California General Corporation Law generally acts to prohibit companies from paying dividends on common stock unless retained earnings, immediately prior to the dividend payment, equals or exceeds the amount of the dividend. If a company fails this test, then it may still pay dividends if after giving effect to the dividend the company's assets are at least 125% of its liabilities.

Additionally, the Federal Reserve has issued guidance which requires that they be consulted before payment of a dividend if a bank holding company does not have earnings over the prior four quarters of at least equal to the dividend to be paid, plus other holding company obligations.

NOTE 18 - FAIR VALUE MEASUREMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS

In accordance with ASC 820-10, we group financial assets and financial liabilities measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Fair Value Hierarchy

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (such as interest rates, prepayment speeds, volatilities, etc.) or model-based valuation techniques where all significant assumptions are observable, either directly or indirectly, in the market.

Level 3 - Valuation is generated from model-based techniques where one or more significant inputs are not observable, either directly or indirectly, in the market. These unobservable assumptions reflect our own estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques may include use of matrix pricing, discounted cash flow models, and similar techniques.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Securities

The fair values of securities available for sale are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1) or matrix pricing, which is a mathematical technique used widely in the industry to value debt securities without relying exclusively on quoted prices for specific securities but rather by relying on the securities' relationship to other benchmark quoted securities (Level 2).

Assets and Liabilities Measured on a Non-Recurring Basis

Collateral-dependent individually evaluated loans

Collateral-dependent individually evaluated loans are carried at fair value when it is probable that we will be unable to collect all amounts due according to the contractual terms of the original loan agreement and the loan has been written down to the fair value of its underlying collateral, net of expected selling costs.

The fair value of collateral-dependent individually evaluated loans is based on third party appraisals of the property, less management’s estimate of selling costs. Third party appraisals generally use a sales comparison or income capitalization approach to derive the appraised value based on market transactions involving similar or comparable properties. Adjustments are routinely made by the third party appraisers to adjust for differences between the comparable sales and income data used in the appraisal. Adjustments may also result from the consideration of relevant economic and demographic factors which may affect property values. Positive adjustments in the appraisal represent increases to the sales comparisons and negative adjustments represent decreases.

Other Real Estate Owned ("OREO")

OREO (included in "Accrued interest and other assets" in the consolidated balance sheets) is initially recorded at fair value less estimated selling costs at the date of transfer. This amount becomes the property's new basis. Fair values are generally based on third party appraisals of the property and discounted by management to reflect estimated selling costs (Level 3).

Appraisals for OREO and collateral-dependent loans are performed by state licensed appraisers (for commercial properties) or state certified appraisers (for residential properties) whose qualifications and licenses have been reviewed and verified by us. We review the assumptions and approaches utilized in the appraisal as well as the overall resulting fair value in comparison to independent data sources such as recent market data or industry wide statistics for residential appraisals. We also consider the actual selling price of collateral that has been sold in recent periods to determine what additional adjustments, if any, should be made to the appraisal values to arrive at fair value. In determining the net realizable value of the underlying collateral for individually evaluated loans and OREO, we typically apply a discount of 6% to 10% of the collateral value to cover market price fluctuations and estimated selling costs that may be incurred in the event of foreclosure. Generally, if the existing appraisal is older than twelve months for OREO or collateral-dependent loans, a new appraisal report is ordered.

The following table presents our financial assets and liabilities measured at fair value on a recurring basis or on a non-recurring basis as of the dates indicated:

	Fair Value Measurements Using:			
September 30, 2026	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value:		*(dollars in thousands)*		
On a recurring basis:				
Securities available for sale:				
Government agency securities	$ —	$ 18,176	$ —	$ 18,176
SBA agency securities	—	18,531	—	18,531
Mortgage-backed securities	—	96,510	—	96,510
Collateralized mortgage obligations	—	176,970	—	176,970
Commercial paper	—	39,699	—	39,699
Corporate debt securities	—	23,091	—	23,091
Municipal securities	—	8,367	—	8,367
	$ —	$ 381,344	$ —	$ 381,344
On a non-recurring basis:				
Collateral dependent individually evaluated loans:				
Commercial real estate loans	$ —	$ —	$ 3,057	$ 3,057
Commercial and industrial loans	—	—	4,708	4,708
SBA loans	—	—	883	883
Other real estate owned [1]	—	—	19,820	19,820
	$ —	$ —	$ 28,468	$ 28,468

(1) Included in "Accrued interest and other assets" on the consolidated balance sheets.

December 31, 2025	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
On a recurring basis:				
Securities available for sale:				
Government agency securities	$ —	$ 22,705	$ —	$ 22,705
SBA agency securities	—	21,180	—	21,180
Mortgage-backed securities	—	92,155	—	92,155
Collateralized mortgage obligations	—	213,272	—	213,272
Commercial paper	—	19,948	—	19,948
Corporate debt securities	—	28,429	—	28,429
Municipal securities	—	9,515	—	9,515
Forward mortgage loan sale contracts [1]	—	—	11	11
	$ —	$ 407,204	$ 11	$ 407,215
On a non-recurring basis:				
Collateral dependent individually evaluated loans:				
Commercial real estate loans	$ —	$ —	$ 3,071	$ 3,071
Construction and land development loans	—	—	19,465	19,465
Commercial and industrial loans	—	—	4,708	4,708
Other real estate owned [1]	—	—	8,830	8,830
	$ —	$ —	$ 36,074	$ 36,074

(1) Included in “Accrued interest and other assets” on the consolidated balance sheets.

The fair value of assets evaluated on a non-recurring basis is based on third party appraisals, including adjustments to comparable market data as summarized in the table below.

September 30, 2026	Fair Value	Valuation Techniques	Unobservable Input(s)	Range [1]
Collateral dependent loans:	*(dollars in thousands)*			
Commercial real estate loans	$ 3,057	Market approach	Adjustments	(41)% to 4%
Commercial and industrial loans	4,708	Market approach	Adjustments	(4)% to 26%
SBA loans	883	Market approach	Adjustments	0% to 22%
Other Real Estate Owned [2]	19,820	Market approach	Adjustments	6% to 26%
Total	$ 28,468			

(1) Represents the minimum and maximum range of adjustments made by appraisers for differences in comparable sales.
(2) Included in “Accrued interest and other assets” on the consolidated balance sheets.

December 31, 2025	Fair Value	Valuation Techniques	Unobservable Input(s)	Range [1]
Collateral dependent loans:	*(dollars in thousands)*			
Commercial real estate loans	$ 3,071	Market approach	Adjustments	(41)% to 4%
Construction and land development loans	19,465	Market approach	Adjustments	9% to 23%
Commercial and industrial loans	4,708	Market approach	Adjustments	(20)% to 20%
Other Real Estate Owned[2]	8,830	Market approach	Adjustments	(10)% to 21%
Total	$ 36,074			

(1) Represents the minimum and maximum range of adjustments made by appraisers for differences in comparable sales.
(2) Included in "Accrued interest and other assets" on the consolidated balance sheets.

The fair value hierarchy level and estimated fair value of significant financial instruments as of the dates indicated are summarized as follows:

	Fair Value Hierarchy	September 30, 2026		December 31, 2025	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets:		*(dollars in thousands)*			
Cash and cash equivalents	Level 1	$ 190,290	$ 190,290	$ 212,317	$ 212,317
Interest-earning deposits in other financial institutions	Level 1	600	600	600	600
Investment securities – AFS	Level 2	381,344	381,344	407,204	407,204
Investment securities – HTM	Level 2	4,179	3,803	4,184	4,103
Loans held for sale	Level 2	—	—	2,067	2,067
Loans, net	Level 3	3,355,176	3,304,069	3,270,413	3,221,797
Equity securities [1]	Level 3	36,133	36,133	26,086	26,086
Investment in FHLB stock	Level 2	15,000	15,000	15,000	15,000
Servicing assets [1]	Level 3	5,644	11,644	6,041	11,521
Accrued interest receivable [1]	Level 1/2/3	16,608	16,608	16,230	16,230
		Notional Value	Fair Value	Notional Value	Fair Value
Derivative Assets:					
Forward mortgage loan sale contracts [1]	Level 3	$ —	$ —	$ 515	$ 11
		Carrying	Fair	Carrying	Fair
Financial Liabilities:		Value	Value	Value	Value
Deposits	Level 2	$ 3,395,280	$ 3,391,247	$ 3,350,398	$ 3,350,982
FHLB advances	Level 3	180,000	173,992	130,000	129,198
Long-term debt	Level 3	80,000	79,663	119,911	114,691
Subordinated debentures	Level 3	15,538	15,308	15,375	15,227
Accrued interest payable [2]	Level 2/3	5,460	5,460	7,960	7,960

(1) Included in “Accrued interest and other assets” on the consolidated balance sheets.
(2) Included in “Accrued interest and other liabilities” on the consolidated balance sheets.

NOTE 19 - EARNINGS PER SHARE

The following is a reconciliation of net income and shares outstanding to the net income and number of shares used to compute earnings per share ("EPS") for the periods indicated:

	For the Three Months Ended					
	September 30, 2026		June 30, 2026		September 30, 2025	
	Income	Shares	Income	Shares	Income	Shares
	(dollars in thousands except per share data)					
Net income	$ 12,637		$ 10,140		$ 10,148	
Shares outstanding		16,827,168		16,985,919		17,043,897
Impact of weighting shares		83,284		25,705		181,805
Used in basic EPS	12,637	16,910,452	10,140	17,011,624	10,148	17,225,702
Dilutive effect of outstanding stock options & RSUs		117,234		130,118		75,925
Used in dilutive EPS	$ 12,637	17,027,686	$ 10,140	17,141,742	$ 10,148	17,301,627
Basic earnings per common share	$ 0.75		$ 0.60		$ 0.59	
Diluted earnings per common share	$ 0.74		$ 0.59		$ 0.59	

	For the Nine Months Ended September 30,			
	2026		2025	
	Income	Shares	Income	Shares
	(dollars in thousands except per share data)			
Net income	$ 34,077		$ 21,771	
Shares outstanding		16,827,168		17,043,897
Impact of weighting shares		167,548		520,938
Used in basic EPS	34,077	16,994,716	21,771	17,564,835
Dilutive effect of outstanding stock options & RSUs		119,397		56,764
Used in dilutive EPS	$ 34,077	17,114,113	$ 21,771	17,621,599
Basic earnings per common share	$ 2.01		$ 1.24	
Diluted earnings per common share	$ 1.99		$ 1.24	

Options to purchase zero, 12,000, and 34,000 shares of common stock were excluded from the calculation of diluted earnings per share for the three months ended September 30, 2026, June 30, 2026, and September 30, 2025, respectively, because their effect would have been anti-dilutive. Options to purchase 13,231 and 82,247 shares of common stock were excluded from the calculation of diluted earnings per share for the nine months ended September 30, 2026 and 2025, respectively, because their effect would have been anti-dilutive. There were 8,226, zero, and 2,300 anti-dilutive unvested RSUs outstanding for the three months ended September 30, 2026, June 30, 2026, and September 30, 2025, and 2,772 and 6,786 anti-dilutive unvested RSUs outstanding for the nine months ended September 30, 2026 and 2025.

NOTE 20– REVENUE FROM CONTRACTS WITH CUSTOMERS

The following is a summary of revenue from contracts with customers that are in-scope and not in-scope under ASC Topic 606 for the periods indicated:

	For the Three Months Ended			For the Nine Months Ended September 30,	
	September 30, 2026	June 30, 2026	September 30, 2025	2026	2025
Noninterest income, in scope			*(dollars in thousands)*		
Fees and service charges on deposit accounts	$ 485	$ 505	$ 497	$ 1,471	$ 1,446
Other fees [1]	193	169	225	871	642
Other income [2]	625	599	602	1,775	1,730
(Loss)/gain on OREO	—	(221)	—	669	—
Total in-scope noninterest income	1,303	1,052	1,324	4,786	3,818
Noninterest income, not in scope [3]	3,802	1,966	1,969	7,588	10,248
Total noninterest income	$ 5,105	$ 3,018	$ 3,293	$ 12,374	$ 14,066

(1) Other fees consist primarily of wealth management fees, miscellaneous loan fees and postage/courier fees.
(2) Other income consists primarily of safe deposit box rental income, wire transfer fees, and interchange fees.
(3) Noninterest income outside the scope of ASC 606 consists primarily of net loan servicing income, letter of credit commissions, BOLI income, gains on sales of loans, other income from equity investments, recoveries on loans acquired in a business combination, a $2.7 million gain on building sale in the third quarter of 2026 and other grant income including the Employee Retention Credit of $5.2 million received in the second quarter of 2025.

The major revenue streams by fee type that are within the scope of ASC 606 presented in the above tables are described in additional detail below:

Fees and Service Charges on Deposit Accounts

Fees and service charges on deposit accounts include charges for analysis, overdraft, cashier's check fees, ATM, and safe deposit activities executed by our deposit clients. Fees earned from our deposit clients are governed by contracts that provide for overall custody and access to deposited funds and other related services and can be terminated at will by either party; this includes fees from money service businesses. Fees received from deposit clients for the various deposit activities are recognized as revenue once the performance obligations are met. Periodic service charges are generally collected monthly directly from the customer’s deposit account, and at the end of a statement cycle, while transaction based service charges are typically collected at the time of or soon after the service is performed.

Wealth Management Fees

In our wealth management division, revenue is primarily generated from (1) securities brokerage accounts, (2) investment advisor accounts, (3) full service brokerage implementation fees, and (4) life insurance and annuity products. We employ financial consultants to provide investment planning services for customers including wealth management services, asset allocation strategies, portfolio analysis and monitoring, investment strategies, and risk management strategies. The commission fees we earn are variable and are generally received monthly. We recognize revenue for the services performed based on actual transaction details received from the broker dealer we engage.

Gain/(loss) on Other Real Estate Owned

We record a gain or loss from the sale of OREO, when control of the property or asset transfers to the buyer, which generally occurs at the time of an executed deed or sales agreement. When we finance the sale of OREO to a buyer, we assess whether the buyer is committed to perform their obligations under the contract and whether collectability of the transaction price is probable. Once these criteria are met, the OREO asset is derecognized and the gain or loss on sale is recorded upon transfer of control of the property to the buyer. In determining the gain or loss on the sale, we adjust the transaction price and related gain or loss on sale if a significant financing component is present. Periodic valuation gains or losses based on the changes in the value of the OREO after repossession are also recorded in (loss)/gain on OREO.

NOTE 21 - SEGMENT INFORMATION

Our reportable segments are determined by the Chief Executive Officer and Chief Financial Officer, who are each designated as a chief operating decision maker ("CODM"), based upon information provided by our products and services offered, primarily banking operations. The segments are also distinguished by the level of information provided to the CODM, who uses such information to review performance of various components of the business, which are aggregated if operating performance, products/services, and customers are similar. The CODM will evaluate the financial performance of our business components such as by evaluating revenue streams, significant expenses, and budget to actual results in assessing our segment and in the determination of allocating resources. The CODM uses consolidated net income, total assets, total loans, and total deposits to benchmark us against our competitors. The benchmarking analysis coupled with monitoring of budget to actual results are used to assess performance and in establishing compensation. Loans, investments, and deposits provide the revenues in the banking operation. Interest expense, provisions for credit losses and payroll provide the significant expenses in the banking operation. All operations are domestic.

Segment performance is evaluated using consolidated net income, total assets, total loans, and total deposits. The following table presents information reported internally for performance assessment by the CODM for the dates indicated:

	For the Three Months Ended			For the Nine Months Ended September 30,	
	September 30, 2026	June 30, 2026	September 30, 2025	2026	2025
Banking Segment	*(dollars in thousands)*				
Interest and dividend income	$ 59,307	$ 57,159	$ 57,392	$ 173,269	$ 163,933
Reconciliation of revenue					
Other revenues	5,105	3,018	3,293	12,374	14,066
Total consolidated revenues	$ 64,412	$ 60,177	$ 60,685	$ 185,643	$ 177,999
Less:					
Interest expense	27,546	27,073	28,115	80,919	81,159
Segment net interest income and noninterest income	$ 36,866	$ 33,104	$ 32,570	$ 104,724	$ 96,840
Less:					
Provision for credit losses	500	—	625	300	9,758
Salaries and benefits expense	11,467	11,045	10,600	33,773	32,323
Other segment items [1]	8,081	7,977	8,083	24,055	25,375
Income tax expense	4,181	3,942	3,114	12,519	7,613
Consolidated net income	$ 12,637	$ 10,140	$ 10,148	$ 34,077	$ 21,771
Total Assets	$ 4,251,296	$ 4,275,002	$ 4,208,455	$ 4,251,296	$ 4,208,455
Total Loans	$ 3,399,214	$ 3,309,459	$ 3,303,333	$ 3,399,214	$ 3,303,333
Total Deposits	$ 3,395,280	$ 3,390,641	$ 3,366,497	$ 3,395,280	$ 3,366,497

(1) Other segment items include expenses for occupancy and equipment, data processing, legal and professional, office, marketing and business promotion, insurance and regulatory assessments, core deposit intangible amortization and other expenses.

NOTE 22 - REPURCHASE OF COMMON STOCK

On May 29, 2025, the Board of Directors authorized the repurchase of up to $18.0 million of common stock (the "2025 Repurchase Plan") through June 30, 2026. During the three months ended June 30, 2026, the Company repurchased 163,500 shares of common stock under the 2025 Repurchase Plan. These repurchases effectively exhausted the 2025 Repurchase Plan which expired on June 30, 2026.

On June 15, 2026, the Board of Directors authorized the repurchase of up to 1 million shares of the Company's outstanding common stock (the "2026 Repurchase Plan") through June 30, 2028. During the three months ended June 30, 2026, the Company repurchased 17,076 shares of common stock under the 2026 Repurchase Plan. During the three months ended September 30, 2026, the Company repurchased 168,768 shares of common stock under the 2026 Repurchase Plan. The 2026 Repurchase Plan has 814,156 shares available for repurchase as of September 30, 2026.

The Company repurchased 349,344 shares at a weighted average share price of $25.48 during the nine months ended September 30, 2026 under both the 2025 Repurchase Plan and the 2026 Repurchase Plan.

NOTE 23 - SUBSEQUENT EVENTS

On October 19, 2026, we announced the Board of Directors had declared a common stock cash dividend of $0.16 per share, payable on November 12, 2026 to common shareholders of record as of October 30, 2026.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

In this Quarterly Report on Form 10-Q (this "Report" or "Form 10-Q"), the terms "Bancorp" and "RBB" refer to RBB Bancorp and the term "Bank" refers to Royal Business Bank. The terms "Company," "we," "us," and "our" refer to Bancorp and its consolidated subsidiaries, including the Bank collectively. When we refer to the "parent company," "Bancorp," or the "holding company," we are referring to RBB Bancorp, the parent company, on a stand-alone basis. This Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect our current views with respect to, among other things, future events and our results of operations, financial condition and financial performance. These statements are often, but not always, made through the use of words or phrases such as "may," "should," "could," "predict," "potential," "believe," "will likely result," "expect," "continue," "will," "anticipate," "seek," "estimate," "intend," "plan," "projection," "would" and "outlook," or the negative version of those words or other comparable words of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements.

The following factors, among others, could cause our financial performance to differ materially from that expressed in such forward-looking statements:

- business and economic conditions generally and in the financial services industry, nationally and within our current and future geographic markets, including the tight labor market, ineffective management of the United States ("U.S.") federal budget or debt or turbulence or uncertainty in domestic or foreign financial markets;
- the strength of the U.S. economy in general and the strength of the local economies in which we conduct operations;
- the impact of adverse developments in the banking industry, including bank failures and the potential impact of such developments on customer confidence, liquidity and regulatory responses to these developments;
- federal government shutdowns and uncertainty regarding the federal government's debt limit;
- possible additional provisions for credit losses and charge-offs;
- credit risks of lending activities and deterioration in asset or credit quality;
- extensive laws and regulations and supervision that we are subject to, including potential supervisory action by bank supervisory authorities;
- compliance with the Bank Secrecy Act and other money laundering statutes and regulations;
- potential goodwill impairment;
- liquidity risk;
- fluctuations in interest rates;
- failure to comply with debt covenants;
- risks associated with acquisitions and the expansion of our business into new markets;
- inflation and deflation;
- real estate market conditions and the value of real estate collateral;
- the effects of having concentrations in our loan portfolio, including commercial real estate and the risks of geographic and industry concentrations;
- environmental liabilities;
- our ability to compete with larger competitors;
- our ability to retain key personnel;
- successful management of reputational risk;
- severe weather, natural disasters, earthquakes, fires, or other adverse external events could harm our business;
- geopolitical conditions, including acts or threats of terrorism, actions taken by the U.S. or other governments in response to acts or threats of terrorism and/or military conflicts, including the war between Russia and Ukraine, the conflict in the Middle East, and increasing tensions between China and Taiwan, which could impact business and economic conditions in the U.S. and abroad;

- tariffs, trade policies, and related tensions, which could impact our clients, specific industry sectors, and/or broader economic conditions and financial markets;
- public health crises and pandemics, and their effects on the economic and business environments in which we operate, including our credit quality and business operations, as well as the impact on general economic and financial market conditions;
- general economic or business conditions in Asia, and other regions where the Bank has operations;
- failures, interruptions, or security breaches of our information systems;
- climate change, including any enhanced regulatory, compliance, credit and reputational risks and costs;
- cybersecurity threats and the cost of defending against them;
- our ability to adapt our systems to the expanding use of technology in banking;
- risk management processes and strategies;
- the impact of regulatory enforcement actions, if any;
- certain provisions in our charter and bylaws that may affect acquisition of the Company;
- changes in tax laws and regulations;
- the impact of governmental efforts to restructure the U.S. financial regulatory system and increased costs of compliance and other risks associated with changes in regulation, including any amendments to the Dodd-Frank Wall Street Reform and Consumer Protection Act;
- the impact of changes in the Federal Deposit Insurance Corporation ("FDIC") insurance assessment rate and the rules and regulations related to the calculation of the FDIC insurance assessments;
- the effect of changes in accounting policies and practices or accounting standards, as may be adopted from time-to-time by bank regulatory agencies, the U.S. Securities and Exchange Commission ("SEC"), the Public Company Accounting Oversight Board, the Financial Accounting Standards Board ("FASB") or other accounting standards setters;
- fluctuations in our stock price;
- restrictions on dividends and other distributions by laws and regulations and by our regulators and our capital structure;
- our ability to raise additional capital, if needed, and the potential resulting dilution of interests of holders of our common stock;
- the soundness of other financial institutions and our ongoing relations with our various federal and state regulators, including the SEC, FDIC, Board of Governors of the Federal Reserve System, California Department of Financial Protection and Innovation and Consumer Financial Protection Bureau; and
- our success at managing the risks involved in the foregoing items.

The foregoing factors should not be construed as exhaustive and should be read together with the other cautionary statements included in this Report. If one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from what we anticipate. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and we do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. New factors emerge from time to time, and it is not possible for us to predict which will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

CRITICAL ACCOUNTING POLICIES

Management has established various accounting policies that govern the application of generally accepted accounting principles in the U.S. ("GAAP") in the preparation of our financial statements. Certain accounting policies require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities at the date of our financial statements. Actual results may differ from these estimates under different assumptions or conditions. The Company's critical accounting policies consist of the allowance for credit losses on loans held for investment, goodwill and income taxes. Please see Part II, *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations* in our Annual Report on Form 10-K for the year ended December 31, 2025 (our "2025 Annual Report") for additional discussion concerning these critical accounting policies. Also, our significant accounting policies are described in greater detail in Note 2 – Basis of Presentation and Summary of Significant Accounting Policies to the audited consolidated financial statements included in our 2025 Annual Report and the consolidated financial statements in this Form 10-Q, and are essential to understanding Management's Discussion and Analysis of Financial Condition and Results of Operations.

Allowance for Credit Losses ("ACL")

A sensitivity analysis of our ACL was performed as of September 30, 2026. Based on this sensitivity analysis, a 25% increase in the assumed prepayment speed on loans would result in a $990,000, or 2.2%, decrease to the ACL. A 25% decrease in the assumed prepayment speed on loans would result in a $1.1 million, or 2.4%, increase to the ACL. Additionally, a one percentage point increase in the unemployment rate would result in a $1.0 million, or 2.3%, increase to the ACL and a one percentage point decrease in the unemployment rate would result in a $1.0 million, or 2.3%, decrease to the ACL. Management reviews the results using the comparison scenario for sensitivity analysis and considers the results when evaluating the qualitative factor adjustments.

On a quarterly basis, we stress test our nine qualitative risk factors, which are categorized by lending policy, procedures and strategies; economic conditions; changes in nature and volume of the portfolio; credit and lending staff; problem loan trends; loan review results; collateral value; concentrations; and regulatory and business environment, by creating two scenarios, a Moderate Stress scenario and a Major Stress scenario. In the Moderate Stress scenario, the status of the nine risk factors across all pooled loan types were set at “High-Moderate Risk” while in the Major Stress scenario, the status of the nine risk factors across all pooled loan types were set at “Major Risk.” Under the Moderate Stress scenario, the ACL would increase by $12.3 million, or 27.7%, as of September 30, 2026. Under the Major Stress scenario, the ACL would increase by $33.0 million, or 74.2%, as of September 30, 2026. Management compared the stress test results to our internal forecasts for earnings and capital and has concluded that the Company would remain well-capitalized under these stressed scenarios.

For additional information on the policies, methodologies and judgments used to determine the ACL, see Part II, *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies* in our 2025 Annual Report and Note 4 — Loans and Allowance for Credit Losses in the consolidated financial statements in this Form 10-Q.

GENERAL

RBB Bancorp ("RBB") is a bank holding company registered under the Bank Holding Company Act of 1956, as amended. RBB’s principal business is to serve as the holding company for its wholly-owned subsidiaries, Royal Business Bank ("Bank") and RBB Asset Management Company ("RAM"), collectively referred to herein as "the Company". RAM was formed in 2012 to hold and manage problem assets acquired in business combinations. There are no problem assets in RAM or activity in this subsidiary at and for the three months and nine months ended September 30, 2026, or the year ended December 31, 2025. At September 30, 2026 we had total assets of $4.3 billion, gross loans held for investment ("HFI") of $3.4 billion, total deposits of $3.4 billion and total shareholders' equity of $534.2 million. RBB’s common stock trades on the Nasdaq Global Select Market under the symbol “RBB.”

The Bank provides business-banking products and services predominantly to Asian-centric communities through 24 full service branches located in Los Angeles County, Orange County and Ventura County in California, Las Vegas (Nevada), the New York City metropolitan area, Chicago (Illinois), Edison (New Jersey), and Honolulu (Hawaii) and a loan production office located in the San Francisco Bay area. The products and services include commercial and investor real estate loans, business loans and lines of credit, Small Business Administration (“SBA”) 7A and 504 loans, mortgage loans, trade finance, and a full range of depository accounts, including specialized services such as remote deposit, E-banking, mobile banking, and treasury management services. Our primary source of revenue is providing loans to customers, who are predominantly small and middle-market businesses and individuals.

We operate as a minority depository institution ("MDI"), which is defined by the FDIC as a federally insured depository institution where 51% or more of the voting stock is owned by minority individuals or a majority of the board of directors is minority and the community that the institution serves is predominantly minority. An MDI is eligible to receive support from the FDIC and other federal regulatory agencies such as training, technical assistance, and review of proposed new deposit taking and lending programs, and the adoption of applicable policies and procedures governing such programs. We expect to continue to meet the criteria for MDI designation and intend to maintain our MDI designation, which has been historically beneficial to us. We continue to use the program for technical assistance.

OVERVIEW

The following discussion provides information about the results of operations, financial condition, liquidity and capital resources of RBB and its wholly owned subsidiaries. This information is intended to facilitate an understanding and

assessment of significant changes and trends related to our financial condition and results of operations. This discussion and analysis should be read in conjunction with our audited consolidated financial statements included in our 2025 Annual Report, and the unaudited consolidated financial statements and accompanying notes presented elsewhere in this Report. The financial results for the three and nine months ended September 30, 2026 are not necessarily indicative of the results expected for the year ending December 31, 2026.

We reported net income of $12.6 million, or $0.74 diluted earnings per share, for the quarter ended September 30, 2026, compared to net income of $10.1 million, or $0.59 diluted earnings per share, for the quarter ended June 30, 2026 and $10.1 million, or $0.59 diluted earnings per share for the quarter ended September 30, 2025. Compared with the prior quarter, net income for the third quarter of 2026 reflected higher net interest income and noninterest income, partially offset by higher credit costs, noninterest expense, and income tax expense. The third quarter of 2026 included a $2.7 million (pre-tax) gain on the sale of an office building in Brooklyn, New York. Compared with the third quarter of 2025, net income reflected higher net interest income and noninterest income and lower credit costs, partially offset by higher noninterest expense and income tax expense.

Provision for credit losses was $500,000 for the third quarter of 2026 compared to no provision for the second quarter of 2026 and a $625,000 provision for credit losses for the third quarter of 2025. The third quarter of 2026 provision for credit losses was due mainly to the impact of net loan growth, partially offset by improved portfolio credit quality trends and underlying economic forecast indicators. Net charge-offs in both the third quarter and second quarter of 2026 represented 0.01% of average loans on an annualized basis, compared to 0.84% for the third quarter of 2025.

Pre-tax pre-provision income totaled $17.3 million for the quarter ended September 30, 2026, compared to $14.1 million for the quarter ended June 30, 2026 and $13.9 million for the quarter ended September 30, 2025. Pre-tax pre-provision income totaled $46.9 million for the nine months ended September 30, 2026, compared to $39.1 million for the nine months ended September 30, 2025. The $7.8 million, or 20%, increase for the year-to-date results was due to our ability to grow net interest income by 12% while controlling noninterest expense, which increased 0.2% year over year. For additional information on pre-tax pre-provision income, including a reconciliation of this measure to its most comparable GAAP measure, see "Non-GAAP Financial Measures."

At September 30, 2026, total assets were $4.3 billion, an increase of $43.0 million from December 31, 2025. The increase in total assets was primarily the result of an increase of $84.9 million in loans held for investment, partially offset by a decrease of $25.9 million in investment securities available for sale. At September 30, 2026, total deposits were $3.4 billion, an increase of $44.9 million from December 31, 2025. The increase in total deposits was due to a $209.1 million increase in retail deposits offset by a $164.2 million decrease in wholesale deposits. The increase in retail deposits included a $281.4 million increase in nonmaturity interest-bearing deposits and a $102.6 million decrease in time deposits as a portion of the maturing time deposits moved into a high-yield savings product. Noninterest-bearing demand deposits increased $30.3 million to $556.8 million, or 16.4% of total deposits, at September 30, 2026, compared to $526.5 million, or 15.7% of total deposits, at December 31, 2025. The gross loan to deposit ratio was 100.1% at September 30, 2026, compared to 99.0% at December 31, 2025 and 98.1% at September 30, 2025.

Nonperforming assets decreased $4.9 million to $38.7 million, or 0.91% of total assets, at September 30, 2026, from $43.6 million, or 1.02% of total assets, at June 30, 2026, due to a $4.9 million decrease in nonperforming loans. In addition, compared to September 30, 2025, nonperforming assets decreased $15.7 million due to lower nonperforming loans combined with a higher OREO balance. Nonperforming loans totaled $18.8 million, $23.8 million, and $45.5 million as of September 30, 2026, June 30, 2026, and September 30, 2025. OREO totaled $19.8 million at September 30, 2026 and June 30, 2026, and $8.8 million at September 30, 2025.

Loans classified as substandard decreased by $4.2 million during the third quarter of 2026 due to payoffs/paydowns totaling $5.4 million, partially offset by additions of $1.2 million. Loans classified as special mention increased $4.1 million due to additions of $7.0 million, partially offset by payoffs/paydowns of $1.5 million, and upgrades of $1.4 million to pass-rated loans.

As of September 30, 2026, the allowance for credit losses totaled $44.4 million, up from $44.1 million at June 30, 2026. The $378,000 increase in the allowance for credit losses for the third quarter of 2026 was due to a provision for credit losses of $500,000, partially offset by net charge-offs of $122,000. The allowance for loan losses ("ALL") as a percentage of loans HFI decreased to 1.30% at September 30, 2026, compared to 1.32% at June 30, 2026. The ALL as a percentage of nonperforming loans HFI was 234% at September 30, 2026, up from 184% at June 30, 2026.

Total shareholders' equity was $534.2 million, or $31.75 book value per share, at September 30, 2026, compared to $535.2 million, or $31.51 book value per share, at June 30, 2026, and $514.3 million, or $30.18 book value per share at

September 30, 2025. The decrease in shareholders' equity for the third quarter of 2026 compared to the prior quarter was due mostly to an increase in unrealized losses on AFS securities, net of tax, of $6.8 million, common stock repurchases totaling $4.5 million and common stock cash dividends paid totaling $2.7 million, partially offset by net income of $12.6 million and stock-based compensation activity of $450,000. Tangible book value per share increased to $27.44 at September 30, 2026, up from $27.23 at June 30, 2026 and $25.89 at September 30, 2025. We repurchased 168,768 shares during the third quarter of 2026 at an average price of $26.37 per share. We repurchased 180,576 shares during the second quarter of 2026 at an average price of $24.65 per share. For additional information on tangible book value per share, see "Non-GAAP Financial Measures."

ANALYSIS OF RESULTS OF OPERATIONS

Financial Performance

	Three Months Ended			Nine Months Ended	
	September 30, 2026	June 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(dollars in thousands, except per share data)				
Interest and dividend income	$ 59,307	$ 57,159	$ 57,392	$ 173,269	$ 163,933
Interest expense	27,546	27,073	28,115	80,919	81,159
Net interest income	31,761	30,086	29,277	92,350	82,774
Provision for credit losses	500	—	625	300	9,758
Net interest income after provision for credit losses	31,261	30,086	28,652	92,050	73,016
Noninterest income	5,105	3,018	3,293	12,374	14,066
Noninterest expense	19,548	19,022	18,683	57,828	57,698
Income before income taxes	16,818	14,082	13,262	46,596	29,384
Income tax expense	4,181	3,942	3,114	12,519	7,613
Net income	$ 12,637	$ 10,140	$ 10,148	$ 34,077	$ 21,771
Pre-tax pre-provision income [1]	$ 17,318	$ 14,082	$ 13,887	$ 46,896	$ 39,142
Share Data					
Earnings per common share [2]:					
Basic	$ 0.75	$ 0.60	$ 0.59	$ 2.01	$ 1.24
Diluted	0.74	0.59	0.59	1.99	1.24
Performance Metrics					
Return on average assets, annualized	1.17%	0.97%	0.97%	1.08%	0.72%
Return on average shareholders' equity, annualized	9.34%	7.64%	7.85%	8.55%	5.67%
Return on average tangible common equity, annualized [1]	10.79%	8.85%	9.16%	9.90%	6.62%
Efficiency ratio [3]	53.02%	57.46%	57.36%	55.22%	59.58%
Tangible common equity to tangible assets [1]	11.05%	11.01%	10.67%	11.05%	10.67%
Tangible book value per share [1]	$ 27.44	$ 27.23	$ 25.89	$ 27.44	$ 25.89

(1) Non-GAAP financial measure. See "Non-GAAP Financial Measures" for a reconciliation of this measure to their most comparable GAAP measure.
(2) Basic earnings per share is calculated by dividing net income to common shareholders by the weighted average number of common shares outstanding. Diluted earnings per share is calculated by dividing net income by the weighted average number of shares adjusted for the dilutive effect of outstanding stock options and restricted stock units using the treasury stock method.
(3) Ratio calculated by dividing noninterest expense by the sum of net interest income before provision for credit losses and noninterest income.

Average Balance Sheet, Interest and Yield/Rate Analysis

The principal component of our earnings is net interest income, which is the difference between the interest and fees earned on loans, cash and investments (interest-earning assets) and the interest paid on deposits and borrowed funds (interest-bearing liabilities). Net interest margin is net interest income as a percentage of average interest-earning assets for the period. The level of interest rates and the volume and mix of interest-earning assets and interest-bearing liabilities impact net interest income and net interest margin. The net interest spread is the yield on average interest-earning assets minus the cost of average interest-bearing liabilities. Our net interest income, interest spread, and net interest margin are sensitive to general business and economic conditions. These conditions include short-term and long-term interest rates, inflation, monetary supply, and the strength of the international, national and state economies, in general, and more specifically, the local economies in which we conduct business. Our ability to manage net interest income during changing interest rate environments will have a significant impact on our overall performance. We manage net interest income through affecting changes in the mix of interest-earning assets as well as the mix of interest-bearing liabilities, changes in the level of interest-bearing liabilities in proportion to interest-earning assets, and in the growth and maturity of earning assets. For additional information see "*Capital Resources and Liquidity Management*" and Part I, *Item 3. "Quantitative and Qualitative Disclosures about Market Risk*" included in this Report.

The following tables present average balance sheet information, interest income, interest expense and the corresponding average yields earned and rates paid for the periods presented. The average balances are daily averages and, for loans, include both performing and nonperforming balances. Interest and fees on securities, net interest margin and net

interest spread are included on a tax equivalent ("TE") basis by adjusting interest income utilizing the federal statutory tax rate of 21% for 2026 and 2025.

	Three Months Ended								
	September 30, 2026			June 30, 2026			September 30, 2025		
	Average Balance	Interest & Fees	Yield / Rate	Average Balance	Interest & Fees	Yield /Rate	Average Balance	Interest & Fees	Yield / Rate
	(dollars in thousands)								
Interest-earning assets:									
Cash and cash equivalents [1]	$ 253,494	$ 2,541	3.98%	$ 194,256	$ 2,015	4.16%	$ 202,317	$ 2,380	4.67%
FHLB Stock	15,000	539	14.26%	15,000	222	5.94%	15,000	327	8.65%
Securities [2]									
Available for sale	388,267	4,013	4.10%	419,191	4,245	4.06%	429,936	4,578	4.22%
Held to maturity	4,180	38	3.61%	4,182	38	3.64%	4,186	38	3.60%
Total loans [3]	3,326,368	52,200	6.23%	3,315,864	50,663	6.13%	3,245,193	50,094	6.12%
Total interest-earning assets	3,987,309	59,331	5.90%	3,948,493	57,183	5.81%	3,896,632	57,417	5.85%
Noninterest-earning assets	279,828			262,546			255,052		
Total average assets	$ 4,267,137			$ 4,211,039			$ 4,151,684		
Interest-bearing liabilities:									
NOW	$ 91,562	$ 549	2.38%	$ 83,681	$ 478	2.29%	$ 69,800	$ 406	2.31%
Money market	585,542	4,513	3.06%	556,084	4,189	3.02%	491,561	3,861	3.12%
Savings deposits	521,545	3,983	3.03%	589,187	4,529	3.08%	138,344	407	1.17%
Time deposits, $250,000 and under	796,245	7,011	3.49%	837,026	7,322	3.51%	1,050,682	10,312	3.89%
Time deposits, greater than $250,000	826,196	7,772	3.73%	768,027	7,076	3.70%	960,094	9,840	4.07%
Total interest-bearing deposits	2,821,090	23,828	3.35%	2,834,005	23,594	3.34%	2,710,481	24,826	3.63%
FHLB advances	197,174	1,969	3.96%	116,813	1,051	3.61%	185,217	1,654	3.54%
Long-term debt	80,000	1,434	7.11%	120,000	2,118	7.08%	119,752	1,295	4.29%
Subordinated debentures	15,502	315	8.06%	15,448	310	8.05%	15,284	340	8.83%
Total borrowings	292,676	3,718	5.04%	252,261	3,479	5.53%	320,253	3,289	4.07%
Total interest-bearing liabilities	3,113,766	27,546	3.51%	3,086,266	27,073	3.52%	3,030,734	28,115	3.68%
Noninterest-bearing liabilities									
Noninterest-bearing deposits	564,033			535,756			541,083		
Other noninterest-bearing liabilities	52,345			56,608			66,993		
Total noninterest-bearing liabilities	616,378			592,364			608,076		
Shareholders' equity	536,993			532,409			512,874		
Total liabilities and shareholders' equity	$ 4,267,137			$ 4,211,039			$ 4,151,684		
Net interest income/interest rate spreads		$ 31,785	2.39%		$ 30,110	2.29%		$ 29,302	2.17%
Net interest margin			3.16%			3.06%			2.98%
Total cost of deposits	$ 3,385,123	$ 23,828	2.79%	$ 3,369,761	$ 23,594	2.81%	$ 3,251,564	$ 24,826	3.03%
Total cost of funds	$ 3,677,799	$ 27,546	2.97%	$ 3,622,022	$ 27,073	3.00%	$ 3,571,817	$ 28,115	3.12%

(1) Includes income and average balances for interest-earning time deposits and other miscellaneous interest-earning assets.
(2) Interest income and average rates for tax-exempt securities are presented on a tax-equivalent basis.
(3) Average loan balances include nonaccrual loans. Interest income on loans includes the effects of discount accretion and net deferred loan origination fees and costs accounted for as yield adjustments.

	Nine Months Ended September 30,					
	2026			2025		
	Average Balance	Interest & Fees	Yield /Rate	Average Balance	Interest & Fees	Yield / Rate
	(dollars in thousands)					
Interest-earning assets:						
Cash and cash equivalents [1]	$ 221,364	$ 6,692	4.04%	$ 186,827	$ 6,609	4.73%
FHLB Stock	15,000	1,521	13.56%	15,000	981	8.74%
Securities: [2]						
Available for sale	403,963	12,214	4.04%	406,655	12,880	4.23%
Held to maturity	4,182	113	3.61%	4,797	135	3.76%
Total loans [3]	3,312,910	152,801	6.17%	3,165,937	143,402	6.06%
Total interest-earning assets [2]	3,957,419	173,341	5.86%	3,779,216	164,007	5.80%
Total noninterest-earning assets	270,171			256,509		
Total average assets	$ 4,227,590			$ 4,035,725		
Interest-bearing liabilities:						
NOW	$ 83,026	$ 1,425	2.29%	$ 65,957	$ 1,095	2.22%
Money market	557,087	12,497	3.00%	479,328	11,260	3.14%
Savings deposits	517,579	11,667	3.01%	144,895	1,354	1.25%
Time deposits, $250,000 and under	852,689	22,645	3.55%	1,012,408	30,126	3.98%
Time deposits, greater than $250,000	813,265	22,756	3.74%	916,162	28,360	4.14%
Total interest-bearing deposits	2,823,646	70,990	3.36%	2,618,750	72,195	3.69%
FHLB advances	148,242	4,153	3.75%	173,810	4,063	3.13%
Long-term debt	106,502	4,841	6.08%	119,658	3,887	4.34%
Subordinated debentures	15,449	935	8.09%	15,230	1,014	8.90%
Total Borrowings	270,193	9,929	4.91%	308,698	8,964	3.88%
Total interest-bearing liabilities	3,093,839	80,919	3.50%	2,927,448	81,159	3.71%
Noninterest-bearing liabilities						
Noninterest-bearing deposits	542,119			529,190		
Other noninterest-bearing liabilities	58,677			66,142		
Total noninterest-bearing liabilities	600,796			595,332		
Shareholders' equity	532,955			512,945		
Total liabilities and shareholders' equity	$ 4,227,590			$ 4,035,725		
Net interest income/interest rate spreads[2]		$ 92,422	2.36%		$ 82,848	2.09%
Net interest margin			3.12%			2.93%
Total cost of deposits	$ 3,365,765	$ 70,990	2.82%	$ 3,147,940	$ 72,195	3.07%
Total cost of funds	$ 3,635,958	$ 80,919	2.98%	$ 3,456,638	$ 81,159	3.14%

(1) Includes income and average balances for interest-earning time deposits and other miscellaneous interest-earning assets.
(2) Interest income and average rates for tax-exempt securities are presented on a tax-equivalent basis.
(3) Average loan balances include nonaccrual loans. Interest income on loans includes the effects of discount accretion and net deferred loan origination fees and costs accounted for as yield adjustments.

The following table summarizes the extent to which changes in (1) interest rates and (2) volume of average interest-earning assets and average interest-bearing liabilities affected our net interest income for the periods presented. The total change for each category of interest-earning assets and interest-bearing liabilities is segmented into changes attributable to variations

in volume and yield/rate. Changes that are not solely due to either volume or yield/rate are allocated proportionally based on the absolute value of the change related to average volume and average yield/rate.

	Three Months Ended September 30, 2026 compared with Three Months Ended June 30, 2026			Three Months Ended September 30, 2026 compared with Three Months Ended September 30, 2025			Nine Months Ended September 30, 2026 compared with Nine Months Ended September 30, 2025		
	Change due to:			Change due to:			Change due to:		
	Volume	Yield/Rate	Interest Variance	Volume	Yield/Rate	Interest Variance	Volume	Yield/Rate	Interest Variance
Interest-earning assets:	(dollars in thousands)								
Cash and cash equivalents [1]	$ 1,074	$ (548)	$ 526	$ 1,865	$ (1,703)	$ 162	$ 1,622	$ (1,539)	$ 83
FHLB Stock	—	317	317	—	212	212	—	540	540
Securities: [2]									
Available for sale	(501)	269	(232)	(437)	(128)	(565)	(86)	(580)	(666)
Held to maturity	—	—	—	—	—	—	(16)	(4)	(20)
Total loans [3]	249	1,288	1,537	1,225	881	2,106	6,670	2,729	9,399
Total interest-earning assets [2]	$ 822	$ 1,326	$ 2,148	$ 2,653	$ (738)	$ 1,915	$ 8,190	$ 1,146	$ 9,336
Interest-bearing liabilities:									
NOW	$ 50	$ 21	$ 71	$ 130	$ 13	$ 143	$ 286	$ 44	$ 330
Money market	259	65	324	1,128	(476)	652	2,120	(883)	1,237
Savings deposits	(478)	(68)	(546)	2,272	1,304	3,576	3,490	6,823	10,313
Time deposits, less than $250,000	(278)	(33)	(311)	(2,317)	(984)	(3,301)	(4,744)	(2,737)	(7,481)
Time deposits, $250,000 and over	629	67	696	(1,293)	(775)	(2,068)	(3,178)	(2,426)	(5,604)
Total interest-bearing deposits	182	52	234	(80)	(918)	(998)	(2,026)	821	(1,205)
FHLB advances	805	113	918	111	204	315	(813)	903	90
Long-term debt	(747)	63	(684)	(2,219)	2,358	139	(648)	1,602	954
Subordinated debentures	3	2	5	29	(54)	(25)	23	(102)	(79)
Total interest-bearing liabilities	243	230	473	(2,159)	1,590	(569)	(3,464)	3,224	(240)
Changes in net interest income	$ 579	$ 1,096	$ 1,675	$ 4,812	$ (2,328)	$ 2,484	$ 11,654	$ (2,078)	$ 9,576

(1) Includes income and average balances for interest-earning time deposits and other miscellaneous interest-earning assets.
(2) Interest income and average rates for tax-exempt securities are presented on a tax-equivalent basis.
(3) Average loan balances include nonaccrual loans. Interest income on loans includes the effects of discount accretion and net deferred loan origination fees and costs accounted for as yield adjustments.

Net Interest Income/Average Balance Sheet

Three Months Ended September 30, 2026 Compared to Three Months Ended June 30, 2026

Net interest income was $31.8 million for the third quarter of 2026, compared to $30.1 million for the second quarter of 2026. The $1.7 million increase was due to a $2.1 million increase in interest income, offset by a $473,000 increase in interest expense. The increase in interest income was due to the combination of a $1.5 million increase in loan interest income as average loans and nonaccrual interest recoveries increased, the impact of one additional day in the quarter, and a special dividend of $320,000 from the FHLB in the third quarter of 2026. There was no special dividend from the FHLB in the second quarter of 2026. The increase in interest expense was due to a $234,000 increase in interest on deposits, which is attributed largely to one additional day in the quarter, and a $239,000 increase in interest on total borrowings. The increase in total borrowings was due mainly to the impact of higher average FHLB advances, partially offset by the impact of lower average long-term debt outstanding.

The net interest margin ("NIM") was 3.16% for the third quarter of 2026, an increase of 10 basis points from 3.06% for the second quarter of 2026. The NIM increase included a 9 basis point increase in the yield on average total interest-earning assets, combined with a 3 basis point decrease in the overall cost of funds. The yield on average interest-earning assets increased to 5.90% for the third quarter of 2026 from 5.81% for the second quarter of 2026 due mostly to the impact of higher nonaccrual interest recoveries on loans and the FHLB special dividend received in the third quarter.

The average cost of funds decreased to 2.97% for the third quarter of 2026 from 3.00% for the second quarter of 2026, due mostly to a decrease in the average cost of total borrowings due to the partial redemption of $40.0 million of subordinated notes on July 1, 2026. The average cost of interest-bearing deposits increased to 3.35% for the third quarter of

2026 from 3.34% for the second quarter of 2026. The overall funding mix for the third quarter of 2026 remained relatively unchanged from the second quarter of 2026 with average interest-bearing deposits representing 91% of average interest-bearing liabilities and average noninterest-bearing deposits representing 17% of average total deposits. The period end weighted average interest rate for total deposits was 2.82% at September 30, 2026 compared to 2.75% at June 30, 2026. The increase is due in part to the impact of the recent 25 basis point increase to the Federal funds rate.

Three Months Ended September 30, 2026 Compared to Three Months Ended September 30, 2025

Net interest income increased $2.5 million to $31.8 million for the third quarter of 2026, compared to $29.3 million for the third quarter of 2025. The increase in net interest income was due to an increase in interest income of $1.9 million, combined with a $569,000 decrease in interest expense. The increase in interest income was primarily due to average interest-earning asset growth of $90.7 million, or 2.3%, as compared to the same quarter in 2025. The growth in average interest-earning assets included higher average total loans and cash and cash equivalents. The impact of higher average interest-earning assets on income was partially offset by lower market interest rates as compared to the same period in 2025. The decrease in interest expense was driven largely by a decrease in the cost of deposits due to lower market rates combined with the impact of lower average long-term debt from the partial redemption of the subordinated notes and partially offset by an increase in the cost of the remaining long-term debt.

The $1.9 million increase in interest income was due mainly to a $2.1 million increase in interest income from average total loans, of which $1.2 million was attributed to higher average balances, and $881,000 attributed mostly to higher nonaccrual interest recoveries which increased the yield by 7 basis points. Average total loans were $3.3 billion for the quarter ended September 30, 2026, an increase of $81.2 million, or 2.50%, compared to the third quarter of 2025. The yield on average total loans increased 11 basis points to 6.23% for the quarter ended September 30, 2026 compared to 6.12% for the quarter ended September 30, 2025 due mostly to higher nonaccrual interest recoveries.

The $569,000 decrease in interest expense was due mainly to a $1.0 million decrease in interest expense on deposits, partly offset by higher interest expense on total borrowings of $429,000. The decrease in interest expense on deposits was primarily due to a decrease in market rates which resulted in a 28 basis point decrease in the rates paid on average interest-bearing deposits, partially offset by the impact of a $110.6 million increase in the average balance of interest-bearing deposits. The average Federal Funds rate declined from 4.46% for the three months ended September 30, 2025, to 3.79% for the three months ended September 30, 2026. Interest expense on total borrowings increased mainly due to the subordinated notes being fixed at 4.00% for the third quarter of 2025 compared to 7.02% for the third quarter of 2026, offset by the impact of lower average long-term debt outstanding.

The NIM was 3.16% for the third quarter of 2026, an increase of 18 basis points from 2.98% for the third quarter of 2025. The increase was primarily due to a 15 basis point decrease in the total cost of funds to 2.97%, and a 5 basis point increase in the yield on average interest-earning assets to 5.90% for the third quarter of 2026. The decrease in funding costs was due to the lower average cost of interest-bearing deposits in response to lower market rates, offset by the higher average cost for total borrowings. Average noninterest-bearing deposits totaled $564.0 million, or 17% of total average deposits, for the third quarter of 2026 compared to $541.1 million, or 17% of total average deposits, for the third quarter of 2025. The increase in the yield on average interest-earning assets was due mainly to an 11 basis point increase in the yield on average total loans.

Nine Months Ended September 30, 2026 Compared to Nine Months Ended September 30, 2025

Net interest income increased $9.6 million to $92.4 million for the nine months ended September 30, 2026, compared to $82.8 million for the nine months ended September 30, 2025. The increase in net interest income was due to an increase in interest income of $9.3 million coupled with a decrease in interest expense of $240,000. The increase in interest income was due primarily to higher income on loans due to a higher average balance and higher yield. The decrease in interest expense was primarily due to lower average rates paid on deposits partially offset by higher interest expense on total borrowings.

Interest and fees on total loans increased $9.4 million for the nine months ended September 30, 2026 primarily due to a $147.0 million increase in the average balance of total loans from loan growth since the end of the third quarter of 2025. The yield on loans increased 11 basis points to 6.17% for the nine months ended September 30, 2026 from 6.06% for the same period in 2025.

Interest expense on deposits decreased $1.2 million to $71.0 million for the nine months ended September 30, 2026 compared to $72.2 million for the nine months ended September 30, 2025. The decrease in interest expense on deposits

was primarily due to a decrease in market rates which resulted in a decrease in the average rates paid on interest-bearing deposits to 3.36% for the nine months ended September 30, 2026 compared to 3.69% for the nine months ended September 30, 2025. The average Federal Funds rate declined from 4.49% for the nine months ended September 30, 2025, to 3.76% for the nine months ended September 30, 2026. The effect of the decrease in the average rate paid on deposits was partially offset by an increase in average interest-bearing deposit balances of $204.9 million to $2.8 billion for the nine months ended September 30, 2026. Average noninterest-bearing deposits totaled $542.1 million, or 16.1% of total average deposits, for the first nine months of 2026, compared to $529.2 million, or 16.8% of total average deposits, for the first nine months of 2025.

Partially offsetting the decrease in interest expense on deposits was an increase in interest expense on total borrowings of $1.0 million for the first nine months of 2026. The increase was mainly due to the effective rate of the subordinated notes moving from 4.34% for the nine months ended September 30, 2025, to 6.08% for the nine months ended September 30, 2025, due to the subordinated note rate bearing a fixed rate of 4.00%, plus amortization of issuance costs, during 2025 and then moving to a floating rate index that resets quarterly starting on April 1, 2026.

The NIM was 3.12% for the nine months ended September 30, 2026, an increase of 19 basis points from 2.93% for the nine months ended September 30, 2025. The increase was primarily due to a 16 basis point decrease in the average cost of funds, including a 25 basis point decrease in the cost of average deposits, and a 6 basis point increase in the yield on average interest-earning assets, including an 11 basis point increase in the yield on average loans.

Provision for Credit Losses

Three Months Ended September 30, 2026 Compared to Three Months Ended June 30, 2026

The provision for credit losses was $500,000 for the third quarter of 2026 compared to no provision for the second quarter of 2026. The third quarter of 2026 provision for credit losses reflected a provision for loan losses of $500,000 and no provision for unfunded commitments. The third quarter provision for loan losses was due mainly to the impact of net loan growth, partially offset by improved credit quality trends and underlying economic forecast indicators. Net charge-offs on an annualized basis represented 0.01% of average loans for both the third quarter of 2026 and the second quarter of 2026.

Three Months Ended September 30, 2026 Compared to Three Months Ended September 30, 2025

The provision for credit losses was $500,000 for the third quarter of 2026 compared to a $625,000 provision for the third quarter of 2025. The third quarter of 2025 provision was primarily due to loan growth, partially offset by the impact of reductions in nonperforming, classified, criticized and delinquent loans during the quarter. Net loan charge-offs of $122,000 for the third quarter of 2026 were lower than net charge-offs of $6.9 million for the third quarter of 2025, of which $6.6 million represented specific reserves.

Nine Months Ended September 30, 2026 Compared to Nine Months Ended September 30, 2025

The provision for credit losses was $300,000 for the nine months ended September 30, 2026 compared to a $9.8 million provision for the nine months ended September 30, 2025. This $9.5 million decrease was primarily due to lower net charge-offs, combined with the impact of declines in nonperforming, classified, and criticized loans since September 30, 2025. There were $227,000 in net loan charge-offs for the nine months ended September 30, 2026, as compared to $12.8 million in net loan charge-offs for the nine months ended September 30, 2025.

Noninterest Income

The following table presents the major components of our noninterest income for the periods presented:

	Three Months Ended			Nine Months Ended	
	September 30, 2026	**June 30, 2026**	**September 30, 2025**	**September 30, 2026**	**September 30, 2025**
Noninterest income:			***(dollars in thousands)***		
Service charges and fees	$ 1,110	$ 1,104	$ 1,099	$ 3,246	$ 3,176
Gain on sale of loans	89	964	260	1,377	699
Loan servicing income, net of amortization	525	533	564	1,562	1,693
Increase in cash surrender value of BOLI	449	438	427	1,318	1,241
(Loss)/gain on OREO	—	(221)	—	669	—
Other income	2,932	200	943	4,202	7,257
Total noninterest income	$ 5,105	$ 3,018	$ 3,293	$ 12,374	$ 14,066

Three Months Ended September 30, 2026 Compared to Three Months Ended June 30, 2026

Noninterest income for the third quarter of 2026 was $5.1 million, an increase of $2.1 million from $3.0 million for the second quarter of 2026. This increase was mainly due to higher other income of $2.7 million, offset partially by lower gain on sale of loans of $875,000 due to lower sales volume. The increase in other income was due to a $2.7 million gain on the sale of the Bank's office building in Brooklyn, New York. As part of the sale, the Bank entered into a four month lease to house the Bank's loan operations center through the end of 2026. These operations will relocate to new leased space, also located in Brooklyn, starting in 2027.

Three Months Ended September 30, 2026 Compared to Three Months Ended September 30, 2025

Noninterest income increased $1.8 million to $5.1 million for the third quarter of 2026 from $3.3 million for the same quarter in the prior year. This increase was mainly due to higher other income of $2.0 million, offset partially by lower gain on sale of loans of $171,000 due to lower sales volume. The increase in other income was primarily due to the $2.7 million gain on the sale of the Bank's office building in Brooklyn, New York, offset by $620,000 in lower gains on equity investments.

Nine Months Ended September 30, 2026 Compared to Nine Months Ended September 30, 2025

Noninterest income decreased $1.7 million to $12.4 million for the nine months ended September 30, 2026, compared to $14.1 million for the same period in the prior year. This decrease was mainly due to 2025 including other income of $5.2 million for the receipt of Employee Retention Credit ("ERC") funds from the Internal Revenue Service while the 2026 period included the $2.7 million gain on the sale of the office building. This decrease in other income was partially offset by a higher gain on sale of loans of $678,000 and higher gain on OREO of $669,000 for the nine months ended September 30, 2026 compared to the same period in 2025.

The following table presents information on loans sold and the related net gain (loss) on the sale of such loans for the periods indicated:

	Three Months Ended			Nine Months Ended	
	September 30, 2026	June 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Loans sold:	*(dollars in thousands)*				
Single-family residential mortgage [1]	$ 1,630	$ 42,108	$ 14,278	$ 48,613	$ 37,509
SBA	1,119	8,101	1,896	13,209	7,920
Other [2]	—	—	—	—	4,579
	$ 2,749	$ 50,209	$ 16,174	$ 61,822	$ 50,008
Gain (loss) on sale of loans:					
Single-family residential mortgage [1]	$ 24	$ 663	$ 174	$ 755	$ 441
SBA	65	301	86	598	341
Other [2]	—	—	—	24	(83)
	$ 89	$ 964	$ 260	$ 1,377	$ 699

(1) SFR mortgage loans sold with servicing rights retained were $1.6 million, $12.8 million, and $3.4 million for the three months ended September 30, 2026, June 30, 2026, and September 30, 2025. SFR mortgage loans sold with servicing rights retained were $17.7 million and $5.5 million for the nine months ended September 30, 2026 and 2025.

(2) Other loans sold in the nine months ended September 30, 2025 related to loans sold in the first quarter of 2025, which represented nonperforming loans HFS at December 31, 2024.

The following table presents information on loan servicing income for the periods indicated:

	Three Months Ended			Nine Months Ended	
	September 30, 2026	June 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Loan servicing income, net of amortization:	*(dollars in thousands)*				
Single-family residential	$ 314	$ 350	$ 369	$ 1,010	$ 1,163
SBA	211	183	195	552	530
Total	$ 525	$ 533	$ 564	$ 1,562	$ 1,693

As of September 30, 2026, we were servicing SFR mortgage loans for other financial institutions, the Federal Home Loan Mortgage Corporation ("FHLMC"), the Federal National Mortgage Association ("FNMA"), and SBA loans. The following table presents loans serviced for others as of the dates indicated:

	As of			September 30, 2026 Compared to	
	September 30, 2026	June 30, 2026	September 30, 2025	June 30, 2026	September 30, 2025
Loans serviced:	*(dollars in thousands)*				
Single-family residential	$ 746,083	$ 803,175	$ 850,189	$ (57,092)	$ (104,106)
SBA	96,642	96,652	88,166	(10)	8,476
Construction and land development	9,742	9,505	2,429	237	7,313
Commercial real estate	2,392	2,401	8,772	(9)	(6,380)
Total	$ 854,859	$ 911,733	$ 949,556	$ (56,874)	$ (94,697)

Noninterest Expense

The following table presents major components of our noninterest expense for the periods presented:

	Three Months Ended			Nine Months Ended	
	September 30, 2026	June 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Noninterest expense:	*(dollars in thousands)*				
Salaries and employee benefits	$ 11,467	$ 11,045	$ 10,600	$ 33,773	$ 32,323
Occupancy and equipment	2,587	2,449	2,425	7,547	7,209
Data processing	1,722	1,690	1,805	5,120	5,120
Legal and professional	1,306	1,311	1,450	4,120	5,869
Office expenses	394	377	444	1,130	1,257
Marketing and business promotion	193	178	252	586	661
Insurance and regulatory assessments	743	746	732	2,238	2,171
Core deposit intangible amortization	126	127	172	387	516
Other expenses	1,010	1,099	803	2,927	2,572
Total noninterest expense	$ 19,548	$ 19,022	$ 18,683	$ 57,828	$ 57,698

Three Months Ended September 30, 2026 Compared to Three Months Ended June 30, 2026

Noninterest expense for the third quarter of 2026 was $19.5 million, an increase of $526,000 from $19.0 million for the second quarter of 2026. This increase was mainly due to higher salaries and employee benefits and occupancy and equipment costs. Both of these categories increased due to including a full quarter of operations for the Northern California loan production office. In addition, occupancy costs included rent for the Brooklyn loan operations center after the sale of the building. The efficiency ratio was 53.02% for the third quarter of 2026, compared to 57.46% for the second quarter of 2026.

Three Months Ended September 30, 2026 Compared to Three Months Ended September 30, 2025

Noninterest expense for the third quarter of 2026 was $19.5 million, an increase of $865,000 compared to $18.7 million for the third quarter of 2025, mainly due to an increase in salaries and benefits expense of $867,000. The increase in salaries and benefits expense was due mainly to the impact of annual pay increases and the addition of the Northern California loan production office in 2026. The efficiency ratio was 53.02% for the third quarter of 2026 and 57.36% for the third quarter of 2025.

Nine Months Ended September 30, 2026 Compared to Nine Months Ended September 30, 2025

Noninterest expense for the nine months ended September 30, 2026 was $57.8 million, an increase of $130,000 from $57.7 million for the nine months ended September 30, 2025. This increase was primarily due to an increase in salaries and employee benefits expense of $1.5 million and occupancy expense of $338,000 partially offset by a decrease in legal and professional expense of $1.7 million. The increase in salaries and employee benefits was due mainly to the impact of annual pay increases and the addition of the Northern California loan production office in June 2026. The increase in occupancy costs included the impact of the new loan production office and Brooklyn building sale in 2026. The decrease in legal and professional expense was due mainly to $1.2 million of ERC advisory costs incurred in 2025 versus no similar fee in 2026 and lower legal costs related to credit, operations, and other corporate governance in 2026 compared to 2025. The efficiency ratio was 55.22% for the nine months ended September 30, 2026, down from 59.58% for the nine months ended September 30, 2025 due to the combination of $7.9 million in revenue growth while noninterest expense remained flat. The operating expense ratio was 1.83% for the nine months ended September 30, 2026, down from 1.91% for the nine months ended September 30, 2025.

Income Tax Expense

We recorded an income tax provision of $4.2 million, $3.9 million, and $3.1 million, reflecting an effective tax rate of 24.9%, 28.0%, and 23.5% for the three months ended September 30, 2026, June 30, 2026, and September 30, 2025. The

decrease in the effective tax rate for the third quarter compared to the second quarter of 2026 was due to higher benefits from purchased Federal tax credits in the current quarter.

We recorded an income tax provision of $12.5 million and $7.6 million, reflecting an effective tax rate of 26.9% and 25.9%, for the nine months ended September 30, 2026 and 2025. The increase in the effective tax rate for the nine months ended September 30, 2026 compared to 2025 was due mainly to lower benefits from purchased Federal tax credits in the current year combined with a favorable impact in the prior year from the reversal of accrued penalties related to state tax planning initiatives. The full year effective tax rate for 2026 is estimated to be in the 26% to 27% range.

ANALYSIS OF FINANCIAL CONDITION

Total Assets. At September 30, 2026, total assets were $4.3 billion, an increase of $43.0 million, from total assets of $4.2 billion at December 31, 2025. The increase was primarily due to an $84.9 million increase in loans held for investment, partially offset by a decrease of $25.9 million in investment securities available for sale.

Cash and Cash Equivalents. Cash and cash equivalents decreased $22.0 million, or 10%, to $190.3 million as of September 30, 2026 as compared to $212.3 million at December 31, 2025. Cash and cash equivalents tend to fluctuate period to period based upon loan, deposit and borrowing activity.

Investment Securities. We manage our securities portfolio and cash to maintain adequate liquidity and to ensure the safety and preservation of invested principal, with a secondary focus on yield and returns. Specific goals of our investment portfolio include:

- providing a ready source of balance sheet liquidity to ensure adequate availability of funds to meet fluctuations in loan demand, deposit balances and other changes in balance sheet volumes and composition;
- serving as a means for diversification of our assets with respect to credit quality, maturity and other attributes; and
- serving as a tool for modifying our interest rate risk profile pursuant to our established policies.

Our investment portfolio is comprised primarily of U.S. government and SBA agency securities, mortgage-backed securities ("MBS") backed by government-sponsored entities, collateralized mortgage obligations ("CMO"), commercial paper, and municipal tax-exempt securities.

Our investment policy is reviewed annually by our board of directors. Overall investment goals are established by our board of directors, Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”) and members of our Asset Liability Committee (“ALCO”) of our board of directors. Our board of directors has delegated the responsibility of monitoring our investment activities to our ALCO. Day-to-day activities pertaining to the securities portfolio are conducted under the supervision of our CEO and CFO. We actively monitor our investments on an ongoing basis to identify any material changes in the securities. We monitor our securities portfolio to ensure it has adequate credit support and consider the lowest credit rating for identification of potential credit impairment.

The following table presents the book value of each category of securities and the percentage each category represents of total of securities as of the dates indicated. The book value for debt securities classified as AFS is reflected at fair market value and the book value for securities classified as HTM is reflected at amortized cost.

	September 30, 2026		December 31, 2025	
	Amount	% of Total	Amount	% of Total
Securities, available for sale, at fair value	*(dollars in thousands)*			
Government agency securities	$ 18,176	4.7%	$ 22,705	5.5%
SBA agency securities	18,531	4.8%	21,180	5.1%
MBS: Residential	86,574	22.5%	87,178	21.2%
MBS: Commercial	9,936	2.6%	4,977	1.2%
CMO: Residential	102,441	26.6%	112,495	27.3%
CMO: Commercial	74,529	19.3%	100,777	24.6%
Commercial paper	39,699	10.3%	19,948	4.9%
Corporate debt securities [1]	23,091	6.0%	28,429	6.9%
Municipal tax-exempt securities	8,367	2.2%	9,515	2.3%
Total securities, available for sale, at fair value	$ 381,344	99.0%	$ 407,204	99.0%
Securities, held to maturity, at amortized cost				
Municipal tax-exempt securities	$ 4,179	1.0%	$ 4,184	1.0%
Total securities, held to maturity, at amortized cost	4,179	1.0%	4,184	1.0%
Total securities	$ 385,523	100.0%	$ 411,388	100.0%

(1) Comprised of corporate note securities and financial institution subordinated debentures.

The tables below set forth investment debt securities AFS and HTM as of the dates indicated.

September 30, 2026	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(dollars in thousands)		
Available for sale				
Government agency securities	$ 18,725	$ 12	$ (561)	$ 18,176
SBA agency securities	19,437	9	(915)	18,531
MBS: Residential	95,306	—	(8,732)	86,574
MBS: Commercial	10,003	—	(67)	9,936
CMO: Residential	114,623	13	(12,195)	102,441
CMO: Commercial	76,949	116	(2,536)	74,529
Commercial paper	39,722	—	(23)	39,699
Corporate debt securities	24,595	14	(1,518)	23,091
Municipal tax-exempt securities	12,541	—	(4,174)	8,367
Total available for sale	$ 411,901	$ 164	$ (30,721)	$ 381,344
Held to maturity				
Municipal tax-exempt securities	$ 4,179	$ —	$ (376)	$ 3,803
Total held to maturity	$ 4,179	$ —	$ (376)	$ 3,803
December 31, 2025				
Available for sale				
Government agency securities	$ 22,850	$ 34	$ (179)	$ 22,705
SBA agency securities	21,326	90	(236)	21,180
MBS: Residential	91,049	634	(4,505)	87,178
MBS: Commercial	5,010	—	(33)	4,977
CMO: Residential	120,475	760	(8,740)	112,495
CMO: Commercial	102,755	183	(2,161)	100,777
Commercial paper	19,948	—	—	19,948
Corporate debt securities	30,165	75	(1,811)	28,429
Municipal tax-exempt securities	12,567	—	(3,052)	9,515
Total available for sale	$ 426,145	$ 1,776	$ (20,717)	$ 407,204
Held to maturity				
Municipal tax-exempt securities	$ 4,184	$ —	$ (81)	$ 4,103
Total held to maturity	$ 4,184	$ —	$ (81)	$ 4,103

The weighted-average life of the total investment portfolio was 4.8 years at September 30, 2026, and 4.9 years at December 31, 2025. The weighted-average life is the average number of years that each dollar of unpaid principal due remains outstanding. Average life is computed as the weighted-average time to the receipt of all future cash flows, using as the weights the dollar amounts of the principal pay-downs.

The following tables show the amortized cost and fair value of the investment securities portfolio, by expected maturity, as of the dates indicated. However, expected maturities may differ from contractual maturities if borrowers have the right to call or prepay obligations with or without call or prepayment penalties. Accordingly, MBS and CMO securities are classified in accordance with their estimated average life.

	One Year or Less		More than One Year to Five Years		More than Five Years to Ten Years		More than Ten Years		Total	
	Fair Value	Weighted Average Yield	Fair Value	Weighted Average Yield	Fair Value	Weighted Average Yield	Fair Value	Weighted Average Yield	Fair Value	Weighted Average Yield
September 30, 2026					*(dollars in thousands)*					
Government agency securities	$ 650	5.25%	$ 8,292	3.86%	$ 9,234	4.58%	$ —	—%	$ 18,176	4.28%
SBA agency securities	—	—%	5,765	4.24%	12,766	4.81%	—	—%	18,531	4.63%
MBS: Residential	—	—%	18,894	3.81%	67,680	3.95%	—	—%	86,574	3.92%
MBS: Commercial	4,947	5.95%	4,989	4.12%	—	—%	—	—%	9,936	5.03%
CMO: Residential	604	4.87%	68,630	4.56%	33,207	1.80%	—	—%	102,441	3.54%
CMO: Commercial	3,358	3.28%	30,797	3.98%	40,374	4.04%	—	—%	74,529	3.98%
Commercial paper	39,699	4.16%	—	—%	—	—%	—	—%	39,699	4.16%
Corporate debt securities	1,999	3.29%	10,948	4.69%	7,434	4.33%	2,710	3.97%	23,091	4.36%
Municipal tax-exempt securities	—	—%	—	—%	820	1.53%	7,547	2.11%	8,367	2.06%
Total available for sale	$ 51,257	4.26%	$ 148,315	4.29%	$ 171,515	3.66%	$ 10,257	2.60%	$ 381,344	3.92%
Municipal tax-exempt securities	$ —	—%	$ 1,633	3.58%	$ 2,170	3.49%	$ —	—%	$ 3,803	3.53%
Total held to maturity	$ —	—%	$ 1,633	3.58%	$ 2,170	3.49%	$ —	—%	$ 3,803	3.53%

The table below shows our investment securities' gross unrealized losses and estimated fair value by investment category and length of time that individual securities have been in a continuous unrealized loss position at September 30, 2026 and December 31, 2025. The unrealized losses on these securities were primarily attributed to changes in interest rates. There was no ACL on the AFS or HTM securities portfolios as of September 30, 2026 or December 31, 2025. We monitor our securities portfolio to ensure that all our investments have adequate credit support and we consider the lowest credit rating for identification of potential impairment. The issuers of these securities have not, to our knowledge, evidenced any cause for default on these securities. As of September 30, 2026, all our investment securities in an unrealized loss position received an investment grade credit rating. These securities have fluctuated in value since their purchase dates as market rates have also fluctuated. However, we have the ability and the intention to hold these securities until their fair values recover to cost or until their respective maturity dates. As such, management does not deem these securities to be impaired under the current expected credit loss model. A summary of our analysis of these securities and the unrealized losses is described more fully in "*Note 3 — Investment Securities*" of our audited consolidated financial statements included in our 2025 Annual Report. Economic trends may adversely affect the value of the portfolio of investment securities that we hold.

	Less than Twelve Months		Twelve Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
September 30, 2026			*(dollars in thousands)*			
Government agency securities	$ 9,883	$ (433)	$ 4,497	$ (128)	$ 14,380	$ (561)
SBA agency securities	14,129	(659)	2,541	(256)	16,670	(915)
MBS: Residential	63,072	(3,125)	23,502	(5,607)	86,574	(8,732)
MBS: Commercial	9,936	(67)	—	—	9,936	(67)
CMO: Residential	51,325	(1,517)	45,203	(10,678)	96,528	(12,195)
CMO: Commercial	4,106	(21)	47,376	(2,515)	51,482	(2,536)
Commercial paper	24,705	(23)	—	—	24,705	(23)
Corporate debt securities	2,944	(56)	15,626	(1,462)	18,570	(1,518)
Municipal tax-exempt securities	—	—	8,367	(4,174)	8,367	(4,174)
Total available for sale	$ 180,100	$ (5,901)	$ 147,112	$ (24,820)	$ 327,212	$ (30,721)
Municipal tax-exempt securities	$ 1,521	$ (109)	$ 2,282	$ (267)	$ 3,803	$ (376)
Total held to maturity	$ 1,521	$ (109)	$ 2,282	$ (267)	$ 3,803	$ (376)

	Less than Twelve Months		Twelve Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
December 31, 2025	*(dollars in thousands)*					
Government agency securities	$ 1,749	$ (6)	$ 6,572	$ (173)	$ 8,321	$ (179)
SBA agency securities	7,654	(93)	2,962	(143)	10,616	(236)
MBS: Residential	14,196	(91)	27,573	(4,414)	41,769	(4,505)
MBS: Commercial	4,977	(33)	—	—	4,977	(33)
CMO: Residential	3,130	(1)	53,195	(8,739)	56,325	(8,740)
CMO: Commercial	13,947	(31)	49,366	(2,130)	63,313	(2,161)
Corporate debt securities	—	—	22,577	(1,811)	22,577	(1,811)
Municipal tax-exempt securities	—	—	9,515	(3,052)	9,515	(3,052)
Total available for sale	$ 45,653	$ (255)	$ 171,760	$ (20,462)	$ 217,413	$ (20,717)
Municipal tax-exempt securities	$ —	$ —	$ 3,663	$ (81)	$ 3,663	$ (81)
Total held to maturity	$ —	$ —	$ 3,663	$ (81)	$ 3,663	$ (81)

Loans

The loan portfolio is the largest category of our earning assets. Loans HFI increased $84.9 million to $3.4 billion at September 30, 2026 since December 31, 2025. The increase was primarily due to increases in SFR mortgage loans of $106.0 million and commercial and industrial ("C&I") loans of $11.7 million, partially offset by decreases in CRE loans of $23.0 million, SBA loans of $7.5 million, and construction and land development ("C&D") loans of $844,000. SFR mortgage loans represented 51.8% of our total HFI loans as of September 30, 2026 and 50.0% at December 31, 2025. There were no loans HFS at September 30, 2026 compared to $2.1 million loans HFS at December 31, 2025.

The following table presents the balance and associated percentage of each major category in our loan portfolio as of the dates indicated:

	As of September 30, 2026		As of December 31, 2025	
	$	%	$	%
Loans HFI:[1]	*(dollars in thousands)*			
Single-family residential mortgages	$ 1,761,352	51.8%	$ 1,655,382	50.0%
Commercial real estate [2]	1,280,028	37.7%	1,303,019	39.3%
Construction and land development	154,620	4.5%	155,464	4.7%
Commercial and industrial	151,796	4.5%	140,061	4.2%
SBA	48,525	1.4%	55,978	1.7%
Other loans	2,893	0.1%	4,397	0.1%
Total loans HFI	3,399,214	100.0%	3,314,301	100.0%
Allowance for loan losses	(44,038)		(43,888)	
Total loans HFI, net	$ 3,355,176		$ 3,270,413	

(1) Net of premiums (discounts) on acquired loans and net deferred (fees) and costs on originated loans.
(2) Includes non-farm and non-residential real estate loans, multifamily residential loans and non-owner occupied single-family residential loans.

The following table presents the geographic locations of loans in our loan HFI portfolio, by loan class, as of the date indicated:

	As of September 30, 2026							
	Single-family Residential Mortgages	Commercial Real Estate	Construction and Land Development	Commercial and Industrial	SBA	Other	Total Loans HFI	
	$	$	$	$	$	$	$	%
Loans HFI:	*(dollars in thousands)*							
California	$ 757,993	$ 916,536	$ 97,487	$ 135,971	$ 32,194	$ 57	$ 1,940,238	57.1%
New York	814,670	169,527	57,133	704	2,908	199	1,045,141	30.7%
New Jersey	55,666	7,238	—	45	1,875	8	64,832	1.9%
Illinois	54,943	8,233	—	255	—	—	63,431	1.9%
Nevada	21,010	33,739	—	3,294	1,891	—	59,934	1.8%
Hawaii	17,289	—	—	41	—	—	17,330	0.5%
Other	39,781	144,755	—	11,486	9,657	2,629	208,308	6.1%
Total loans HFI	$ 1,761,352	$ 1,280,028	$ 154,620	$ 151,796	$ 48,525	$ 2,893	$ 3,399,214	100.0%

The majority of our loan portfolio is based on collateral or businesses located in California and New York, which represented 87.8% of our loan portfolio. Loans secured by collateral in other states represented approximately 12.2% of our portfolio and the majority of these loans are secured by real estate with a weighted average loan-to-value ("LTV") ratio of 55% at September 30, 2026.

SFR loans. SFR loans totaled $1.8 billion, or 51.8% of our loans HFI portfolio, as of September 30, 2026. SFR loans increased $106.0 million, or 6.4%, during the first nine months of 2026 due to higher originations relative to payoffs, paydowns and sales. As of September 30, 2026, the weighted-average LTV ratio of the portfolio was 54%, the weighted average FICO score was 765, and the weighted average age since origination was 3.6 years.

We originate qualified SFR mortgage loans and non-qualified, alternative documentation SFR mortgage loans through wholesale channels and retail channels, including our branch network, to accommodate the needs of the Asian-centric market. The qualified SFR mortgage loans are 15-year and 30-year conforming mortgages and may be sold directly to FNMA and FHLMC. We originate non-qualified SFR mortgage loans both to sell and hold for investment.

For SFR mortgage loans sold to FNMA, FHLMC and to other third parties such as investment funds or other banks, we generally provide limited representations and warranties and with a repurchase and premium refund for loans that become delinquent in the first 90-days or a premium refund if paid-off in the first 90-days with respect to all loans sold. In certain loan sales to other banks, loans are sold with no representations or warranties and provide a replacement feature for the first six months if any loans pay off early. As a condition of the sale for all loans, the buyer must have the loans audited for underwriting and compliance standards. There were $0 and $2.1 million of SFR loans HFS at September 30, 2026 and December 31, 2025.

The following table presents the LTV ratios at origination for SFR loans by state as of the date indicated:

	LTV Distribution						
September 30, 2026	**<45%**	**45%<55%**	**55%<65%**	**65%<75%**	**75%<85%**	**>85%**	**Total**
	(dollars in thousands)						
New York	$ 194,197	$ 193,615	$ 282,660	$ 136,846	$ 7,352	$ —	$ 814,670
California	152,846	161,814	330,475	102,062	9,657	1,139	757,993
New Jersey	9,139	16,067	19,486	8,693	1,517	764	55,666
Illinois	18,304	9,586	15,801	8,719	1,890	643	54,943
Nevada	2,566	4,293	8,924	4,252	627	348	21,010
Hawaii	782	3,213	6,300	4,626	2,368	—	17,289
Other	9,291	10,200	14,402	5,888	—	—	39,781
Total	$ 387,125	$ 398,788	$ 678,048	$ 271,086	$ 23,411	$ 2,894	$ 1,761,352

Commercial real estate loans. CRE loans decreased $23.0 million, or 1.8%, to $1.3 billion at September 30, 2026, compared to $1.3 billion at December 31, 2025. The decrease in 2026 was driven by above-average payoff activity more than offsetting new loan production.

CRE loans include owner occupied and non-owner occupied commercial real estate, multi-family residential and SFR loans originated for a business purpose. The interest rates for the majority of the commercial real estate loans are based on the Wall Street Journal Prime rate and have a maturity of five years or less. The multi-family residential loans generally have interest rates based on the 5-year treasury, a 10-year maturity with a five year fixed-rate period followed by a five year floating-rate period, and have a declining prepayment penalty over the first five years. SFR loans originated for a business purpose generally are shorter-term and may have a maturity of one year.

The largest subset of CRE loans was the multi-family residential loan portfolio, which totaled $645.9 million, or 50.5% of CRE loans, as of September 30, 2026 and $745.3 million as of December 31, 2025.

The following table presents the LTV ratios at origination for CRE loans by property type as of the date indicated:

	LTV Distribution						
September 30, 2026	**<45%**	**45%<55%**	**55%<65%**	**65%<75%**	**75%<85%**	**>85%**	**Total**
Non-Owner Occupied:			*(dollars in thousands)*				
Apartments	$ 34,983	$ 61,731	$ 139,434	$ 47,478	$ —	$ 10,206	$ 293,832
Mobile Home Parks	51,249	69,578	117,317	52,368	3,051	—	293,563
Mixed Use	40,981	24,937	136,497	—	—	2,947	205,362
Hotel/Motel	25,987	33,404	14,806	—	—	—	74,197
Retail	11,563	46,532	13,938	—	—	—	72,033
Rent Controlled NY Multifamily	22,602	10,341	23,925	—	—	—	56,868
Warehouse	20,096	13,159	12,681	—	—	—	45,936
Office	23,544	4,387	11,791	4,114	—	—	43,836
SFR Rental	7,938	14,848	13,515	2,950	—	—	39,251
Other	4,119	1,581	—	—	—	—	5,700
Total non-owner occupied	$ 243,062	$ 280,498	$ 483,904	$ 106,910	$ 3,051	$ 13,153	$ 1,130,578
Owner-occupied:							
Hotel/Motel	6,903	29,876	20,834	—	—	—	57,613
Warehouse	12,116	16,332	16,078	11,395	—	—	55,921
Retail	1,644	4,381	6,715	642	—	—	13,382
Mixed Use	1,415	4,401	2,114	—	—	—	7,930
Gas Station	115	—	—	5,587	—	—	5,702
Office	605	—	3,413	—	—	—	4,018
Rent Controlled NY Multifamily	1,360	311	—	—	—	—	1,671
SFR Rental	1,292	118	—	—	—	—	1,410
Other	1,387	—	416	—	—	—	1,803
Total owner occupied	$ 26,837	$ 55,419	$ 49,570	$ 17,624	$ —	$ —	$ 149,450
Total	$ 269,899	$ 335,917	$ 533,474	$ 124,534	$ 3,051	$ 13,153	$ 1,280,028

The following table presents the LTV ratios at origination for CRE loans by state as of the date indicated:

	LTV Distribution						
September 30, 2026	**<45%**	**45%<55%**	**55%<65%**	**65%<75%**	**75%<85%**	**>85%**	**Total**
Non-Owner Occupied:			*(dollars in thousands)*				
California	$ 148,627	$ 188,447	$ 376,333	$ 76,925	$ —	$ 2,947	$ 793,279
New York	61,883	47,183	47,893	—	—	—	156,959
Nevada	5,885	23,318	—	—	—	—	29,203
Illinois	3,596	1,035	1,323	578	—	—	6,532
New Jersey	880	1,537	2,669	—	—	—	5,086
Other	22,191	18,978	55,686	29,407	3,051	10,206	139,519
Total non-owner occupied	$ 243,062	$ 280,498	$ 483,904	$ 106,910	$ 3,051	$ 13,153	$ 1,130,578
Owner Occupied:							
California	15,540	51,355	39,982	16,380	—	—	123,257
New York	5,874	3,109	3,585	—	—	—	12,568
Nevada	3,769	—	767	—	—	—	4,536
Illinois	457	—	—	1,244	—	—	1,701
New Jersey	1,197	955	—	—	—	—	2,152
Other	—	—	5,236	—	—	—	5,236
Total owner occupied	$ 26,837	$ 55,419	$ 49,570	$ 17,624	$ —	$ —	$ 149,450
Total	$ 269,899	$ 335,917	$ 533,474	$ 124,534	$ 3,051	$ 13,153	$ 1,280,028

Construction and land development loans. C&D loans totaled $154.6 million, or 4.5% of the loan portfolio, at September 30, 2026. C&D loans decreased $844,000, or 0.5%, during the first nine months of 2026 due to a $19.4 million nonperforming construction loan migrating to OREO in the second quarter of 2026, offset by increases in commercial construction and land development loans. At September 30, 2026, the weighted average LTV ratio of the portfolio was 58%. Our C&D loans are comprised of commercial construction, residential construction, and land acquisition and development. Interest reserves are generally established on real estate construction loans. These loans generally have interest rates based on the Wall Street Journal Prime rate and have maturities of less than 18 months.

The following table shows the categories of our C&D portfolio as of the dates indicated:

	As of September 30, 2026		As of December 31, 2025		Increase (Decrease)	
	$	**Mix %**	**$**	**Mix %**	**$**	**%**
			(dollars in thousands)			
Commercial construction	$ 109,300	70.7%	$ 100,035	64.4%	$ 9,265	9.3%
Residential construction	39,929	25.8%	51,825	33.3%	(11,896)	(23.0)%
Land development	5,391	3.5%	3,604	2.3%	1,787	49.6%
Total construction and land development loans	$ 154,620	100.0%	$ 155,464	100.0%	$ (844)	(0.5)%

Commercial and industrial loans. C&I loans totaled $151.8 million, or 4.5% of the loan portfolio, as of September 30, 2026. C&I loans increased $11.7 million, or 8.4%, during the first nine months of 2026 due in part to an increase in commercial lines of credit, partially offset by decreases in commercial term loans and mortgage warehouse lines of credit.

The interest rates on C&I loans are generally based on the Wall Street Journal Prime rate. We originate both variable rate and fixed rate C&I loans. The loans are typically made to small- and medium-sized manufacturing, wholesale, retail and service businesses for working capital needs, business expansions and for international trade financing. C&I loans include lines of credit with a maturity of one year or less, term loans with maturities of five years or less, shared national credits with maturities of five years or less, mortgage warehouse lines with a maturity of one year or less, bank subordinated debentures with a maturity of 10 years and international trade discounts with a maturity of three months or less. Substantially all of our C&I loans are collateralized by business assets or real estate.

SBA loans. SBA loans decreased $7.5 million, or 13.3%, to $48.5 million at September 30, 2026 compared to $56.0 million at December 31, 2025. We originated SBA loans of $7.3 million during the first nine months of 2026. Offsetting these loan originations were loan sales of $13.2 million and net loan payoffs/paydowns of $1.8 million during the first nine months of 2026.

We are designated a Preferred Lender under the SBA Preferred Lender Program. We offer SBA guaranteed loans and mainly originate the SBA 7(a) product, which are variable rate loans, through our loan offices and independent brokers. We generally sell the 75% guaranteed portion of the SBA loans that we originate. Our SBA loans are typically made to small-sized manufacturing, wholesale, retail, hotel/motel and service businesses for working capital needs or business expansions. SBA loans secured by real estate can have any maturity up to 25 years. Typically, non-real estate secured loans mature in less than 10 years. Collateral may also include inventory, accounts receivable, equipment, and includes personal guarantees.

Loan Quality

We use what we believe is a comprehensive methodology to monitor credit quality and prudently manage credit concentration within our loan portfolio. Our underwriting policies and practices govern the risk profile and credit and geographic concentration for our loan portfolio. Our comprehensive methodology to monitor these credit quality standards includes a risk classification system that identifies potential problem loans based on risk characteristics by loan class as well as the early identification of deterioration at the individual loan level.

Analysis of the Allowance for Loan Losses

The following table presents the ALL, its corresponding percentage of the loan class balance, and the percentage of loan balance to total loans HFI as of the dates indicated:

	As of September 30, 2026			As of December 31, 2025		
	$	ALL as a % of Loan Type	% of Total Loans	$	ALL as a % of Loan Type	% of Total Loans
Loans:	(dollars in thousands)					
Single-family residential mortgages	$ 21,770	1.24%	51.8%	$ 21,585	1.30%	50.0%
Commercial real estate [1]	17,820	1.39%	37.7%	18,162	1.39%	39.3%
Construction and land development	2,033	1.31%	4.5%	1,502	0.97%	4.7%
Commercial and industrial	1,619	1.07%	4.5%	1,647	1.18%	4.2%
SBA	679	1.40%	1.4%	824	1.47%	1.7%
Other	117	4.04%	0.1%	168	3.82%	0.1%
Allowance for loan losses	$ 44,038	1.30%	100.0%	$ 43,888	1.32%	100.0%

(1) Includes non-farm and non-residential real estate loans, multi-family residential loans and non-owner occupied SFR loans.

Allowance for Credit Losses - Loans

The ACL includes the ALL and the reserve for unfunded commitments ("RUC") and is maintained at a level deemed appropriate by management to provide for expected credit losses in the portfolio as of the date of the consolidated balance sheets. The RUC is included in "Accrued interest and other liabilities" on the consolidated balance sheets. Estimating expected credit losses requires management to use relevant forward looking information, including the use of reasonable and supportable forecasts. The measurement of the ACL for loans is performed by collectively evaluating loans with similar risk characteristics. We have elected to utilize a discounted cash flow approach for all segments except consumer loans and warehouse mortgage loans; for these a remaining life approach was elected.

Our discounted cash flow loss rate methodology incorporates a probability of default, loss given default and exposure at default to derive expected loss within the CECL model, as well as expectations of future economic conditions, using reasonable and supportable forecasts. We use both internal and external data to determine qualitative factors within the CECL model including: lending policies, procedures, and strategies; changes in nature and volume of the portfolio; credit and lending personnel experience; changes in volume and trends in criticized, classified, delinquent, and nonaccrual

loans; concentration risk; collateral values; regulatory and business environment; loan review results; and economic conditions.

Management estimates the allowance balance required using past loan loss experience from peers with similar asset sizes and geographic locations to the Company. The nature and volume of the portfolio, information about specific borrower situations, changes in credit quality and estimated collateral values, economic conditions, and other factors are also considered. Our CECL methodology utilizes a four-quarter reasonable and supportable forecast period, and a four-quarter reversion period. We use the Federal Open Market Committee forecasts for the national unemployment rate, while reverting to historical loss information.

Individual loans considered to be uncollectible are charged off against the ACL. Factors used in determining the amount and timing of charge-offs on loans include consideration of the loan type, length of delinquency, sufficiency of collateral value, lien priority and the overall financial condition of the borrower. Loans deemed to be collateral-dependent are reviewed individually based on the fair value of the collateral less estimated selling costs. Collateral value is determined using appraisals and/or other market comparable information. Charge-offs are generally taken on loans when the loan balance is determined to be uncollectible. Recoveries on loans previously charged off are added to the ACL. Net charge-offs on an annualized basis represented 0.01% of average loans for the three months ended September 30, 2026 and 0.84% of average loans for the three months ended September 30, 2025.

As of September 30, 2026, the ACL totaled $44.4 million and was comprised of an ALL of $44.0 million and a RUC of $407,000. This compares to the ACL of $44.4 million comprised of an ALL of $43.9 million and a RUC of $484,000 at December 31, 2025. The $73,000 increase in the ACL for the first nine months of 2026 was due to a $300,000 provision for credit losses, offset by net charge-offs of $227,000. The ALL as a percentage of loans HFI was 1.30% at September 30, 2026 and 1.32% at December 31, 2025. The ALL as a percentage of nonperforming loans HFI increased to 234% at September 30, 2026, as compared to 98% at December 31, 2025 resulting from a decrease in nonperforming loans during the first nine months of 2026.

The following table provides an analysis of the ACL, provision for credit losses and net charge-offs for the periods indicated:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
Allowance for Loan Loss	*(dollars in thousands)*			
Balance, beginning of period	$ 43,660	$ 51,014	$ 43,888	$ 47,729
Charge-offs:				
Single-family residential mortgages	—	—	—	(1,403)
Commercial real estate	—	(21)	—	(3,296)
Construction and land development	—	(6,929)	—	(8,175)
Commercial and industrial	(107)	(4)	(213)	(85)
SBA	—	(11)	(2)	(12)
Other	(30)	(54)	(68)	(113)
Total charge-offs	(137)	(7,019)	(283)	(13,084)
Recoveries:				
Commercial real estate	—	—	27	—
Construction and land development	—	138	—	138
Commercial and industrial	1	1	2	79
SBA	1	—	1	—
Other	13	8	26	47
Total recoveries	15	147	56	264
Net charge-offs	(122)	(6,872)	(227)	(12,820)
Provision for credit losses - loans	500	750	377	9,983
Balance, end of period	$ 44,038	$ 44,892	$ 44,038	$ 44,892
Reserve for unfunded commitments				
Balance at beginning of period	$ 407	$ 629	$ 484	$ 729
Reversal of provision for credit losses - unfunded commitments	—	(125)	(77)	(225)
Balance at the end of period	$ 407	$ 504	$ 407	$ 504
Total allowance for credit losses	$ 44,445	$ 45,396	$ 44,445	$ 45,396
Total loans HFI at end of period	$ 3,399,214	$ 3,302,577	$ 3,399,214	$ 3,302,577
Average loans HFI	$ 3,326,368	$ 3,244,499	$ 3,312,910	$ 3,162,665
Net charge-offs to average loans HFI	0.01%	0.86%	0.01%	0.54%
Allowance for loan losses to total loans HFI	1.30%	1.36%	1.30%	1.36%

Problem Loans. Loans are considered delinquent when principal or interest payments are past due 30 days or more; delinquent loans may remain on accrual status between 30 days and 89 days past due. Loans on which the accrual of interest has been discontinued are designated as nonaccrual loans. Typically, the accrual of interest on loans is discontinued when principal or interest payments are past due 90 days or when, in the opinion of management, there is a reasonable doubt as to collectability in the normal course of business. When loans are placed on nonaccrual status, all interest previously accrued but not collected is reversed against current period interest income. Income on nonaccrual loans is subsequently recognized only to the extent that cash is received and the loan's principal balance is deemed collectible. Loans are restored to accrual status when loans become well-secured and management believes full collectability of principal and interest is probable.

In cases where a borrower experiences financial difficulties and we make certain concessionary modifications to contractual terms, the loan is classified as a modified loan to a borrower experiencing financial difficulty. These concessions may include a reduction of the interest rate, principal or accrued interest, extension of the maturity date, payment deferral or other actions intended to minimize potential losses. Loans modified at a rate equal to or greater than that of a new loan with comparable risk at the time the loan is modified may be excluded from modified loan disclosures in years subsequent to the modification if the loans are in compliance with their modified terms.

Real estate acquired by foreclosure or deed in lieu of foreclosure, which we refer to as other real estate owned ("OREO"), is recorded at fair value at the date of foreclosure, establishing a new cost basis (carrying value) by a charge to the allowance for credit losses, if necessary, or a gain recognized through noninterest income, as appropriate. OREO is subsequently carried at the lower of its carrying value or its fair value. Fair value is based on current appraisals less estimated selling costs. Any subsequent write-downs are charged against operating expenses and recognized as an OREO valuation allowance. Any recovery of fair value is recognized as recovery of the OREO valuation allowance up to the cost basis of the property at foreclosure. Operating expenses and related income of OREO are included in other operating income and expenses. Gains on transfer of loans to OREO, and gains or losses on their disposition are included in gain/(loss) on OREO.

Nonperforming loans include nonaccrual loans and loans past due 90 days or more and still accruing interest (of which there were none during the periods presented). The balances of nonperforming loans included in the table below are the net investment in these assets and do not include specific reserves that are included in the ALL. The following table presents the net investment in nonperforming assets by loan class and certain nonperforming asset ratios as of the dates indicated.

	As of September 30, 2026	As of December 31, 2025
Nonperforming loans:	*(dollars in thousands)*	
Single-family residential mortgages	$ 896	$ 2,143
Commercial real estate	3,057	8,158
Construction and land development	7,841	27,994
Commercial and industrial	5,109	5,116
SBA	1,932	1,221
Total nonperforming loans	18,835	44,632
OREO	19,820	8,830
Nonperforming assets	$ 38,655	$ 53,462
Nonperforming loans HFI to total loans HFI	0.55%	1.35%
Nonperforming assets to total assets	0.91%	1.27%
Nonperforming loans to tangible common equity and ALL	3.72%	9.03%
Nonperforming assets to tangible common equity and ALL	7.64%	10.81%

Nonperforming assets totaled $38.7 million, or 0.91% of total assets, at September 30, 2026, down from $53.5 million, or 1.27% of total assets, at December 31, 2025. The $14.8 million decrease in nonperforming assets consisted of a $25.8 million decrease in nonperforming loans partially offset by an $11.0 million increase in OREO. The $25.8 million decrease in nonperforming loans was due to $19.4 million transferred to OREO, $6.7 million in payoffs/paydowns, and $2.8 million upgraded to performing, partially offset by additions of $3.1 million. The $11.0 million increase in OREO included additions of $19.8 million, partially offset by the sale of the existing OREO properties totaling $8.8 million which resulted in net gains of $669,000.

Delinquent loans 30-89 days past due, excluding nonperforming loans, totaled $7.2 million, or 0.21% of total loans, at September 30, 2026, down from $8.8 million, or 0.27% of total loans, at December 31, 2025. The $1.6 million decrease was mostly due to $14.5 million returning to current status, $1.5 million in paydowns/payoffs, and $1.1 million of loans which migrated to nonperforming status, partially offset by $15.6 million in new delinquent loans.

We did not recognize any interest income on nonaccrual loans during the three and nine months ended September 30, 2026 and 2025, while the loans were in nonaccrual status.

We utilize an asset risk classification system in compliance with guidelines established by the FDIC as part of our efforts to improve asset quality. In connection with examinations of insured institutions, examiners have the authority to identify problem assets and, if appropriate, classify them. There are three classifications for problem assets: “substandard,” “doubtful,” and “loss.” Substandard assets have one or more defined weaknesses and are characterized by the distinct possibility that the insured institution will sustain some loss if the deficiencies are not corrected. Doubtful assets have the weaknesses of substandard assets with the additional characteristic that the weaknesses make collection or liquidation in full highly questionable and improbable based on facts, conditions and values that currently exist. An asset classified as loss is not considered collectable and is of such little value that continuance as an asset is not warranted.

We use a risk grading system to categorize and determine the credit risk of our loans. Potential problem loans include loans with a risk grade of 6, or “special mention” loans. Special mention loans have potential weaknesses that deserve management's close attention, and are considered "criticized" loans. Loans with a risk grade of 7 are “substandard” loans and generally considered impaired when they have a 90+ day delinquency. Loans with a risk grade of 8 are “doubtful” loans and generally considered to be impaired. These criticized and classified loans generally require more frequent loan officer contact and receipt of financial data to closely monitor borrower performance. Potential problem loans are managed and monitored regularly through a number of processes, procedures and committees, including oversight by a loan administration committee comprised of executive officers and other members of the Bank’s senior management and the Director's Loan Committee.

The following table presents the risk categories for loans HFI, by segment and class, as of the dates indicated:

September 30, 2026	**Pass**	**Special Mention**	**Substandard**	**Doubtful**	**Total**
Real Estate:			***(dollars in thousands)***		
Single-family residential mortgages	$ 1,759,122	$ —	$ 2,230	$ —	$ 1,761,352
Commercial real estate	1,232,268	18,169	29,591	—	1,280,028
Construction and land development	146,779	—	7,841	—	154,620
Commercial:					
Commercial and industrial	140,918	27	10,851	—	151,796
SBA	35,580	6,132	6,813	—	48,525
Other	2,893	—	—	—	2,893
Total	$ 3,317,560	$ 24,328	$ 57,326	$ —	$ 3,399,214

December 31, 2025	**Pass**	**Special Mention**	**Substandard**	**Doubtful**	**Total**
Real Estate:			***(dollars in thousands)***		
Single-family residential mortgages	$ 1,652,759	$ —	$ 2,623	$ —	$ 1,655,382
Commercial real estate	1,265,041	13,249	24,729	—	1,303,019
Construction and land development	124,083	3,387	27,994	—	155,464
Commercial:					
Commercial and industrial	123,747	2,247	14,067	—	140,061
SBA	49,862	354	5,762	—	55,978
Other	4,397	—	—	—	4,397
Total	$ 3,219,889	$ 19,237	$ 75,175	$ —	$ 3,314,301

Special mention loans totaled $24.3 million, or 0.72% of total loans, at September 30, 2026, up from $19.2 million, or 0.58% of total loans, at December 31, 2025. The $5.1 million increase was primarily due to additions to special mention of $14.3 million, partially offset by payoffs/paydowns of $5.6 million, downgrades to substandard rated loans of $1.8 million, and upgrades to pass rated loans of $1.8 million. As of September 30, 2026, all special mention loans are on accrual status.

Substandard loans totaled $57.3 million at September 30, 2026, a decrease of $17.8 million from $75.2 million at December 31, 2025. This decrease in substandard loans was primarily due to transfers to OREO of $19.4 million, payoffs/paydowns totaling $11.9 million, and upgrades to pass rated loans of $1.8 million, partially offset by additions to

substandard of $15.3 million. Of the total substandard loans at September 30, 2026, there were $38.5 million, or 67% of such loans, on accrual status.

Liabilities. Total liabilities increased by $32.2 million to $3.7 billion at September 30, 2026 from $3.7 billion at December 31, 2025, primarily due to a $44.9 million increase in deposits and a $50.0 million increase in FHLB advances, offset by a $39.9 million decrease in long-term debt and a $20.7 million decrease in other liabilities.

Deposits. Total deposits were $3.4 billion as of September 30, 2026, an increase of $44.9 million, or 1.8% annualized, compared to $3.4 billion as of December 31, 2025. The increase was due to a $30.3 million increase in noninterest-bearing deposits and a $14.6 million increase in interest-bearing deposits. The increase in interest-bearing deposits included an increase in non-maturity deposits of $281.4 million partially offset by a decrease in time deposits of $266.8 million as a portion of the maturing time deposit accounts shifted into a high-yield savings product. Noninterest-bearing deposits totaled $556.8 million and represented 16.4% of total deposits at September 30, 2026 compared to $526.5 million and 15.7% at December 31, 2025.

The following table presents the composition of our deposit portfolio by account type as of the dates indicated:

	September 30, 2026		December 31, 2025	
	$	%	$	%
	(dollars in thousands)			
Noninterest-bearing demand deposits	$ 556,848	16.4%	$ 526,538	15.7%
Interest-bearing deposits:				
NOW	93,313	2.8%	72,063	2.2%
Money market	650,440	19.2%	526,933	15.7%
Savings	493,904	14.5%	357,303	10.7%
Time deposits $250,000 and under	734,757	21.6%	790,225	23.6%
Time deposits over $250,000	804,500	23.7%	851,637	25.4%
Wholesale deposits	61,518	1.8%	225,699	6.7%
Total interest-bearing deposits	2,838,432	83.6%	2,823,860	84.3%
Total deposits	$ 3,395,280	100.0%	$ 3,350,398	100.0%

The following table presents our average deposit balances and weighted average rates for the three months and nine months ended September 30, 2026:

	For the Three Months Ended September 30, 2026		For the Nine Months Ended September 30, 2026	
	Average Balance	Weighted Average Rate (%)	Average Balance	Weighted Average Rate (%)
	(dollars in thousands)			
Noninterest-bearing demand deposits	$ 564,033	—	$ 542,119	—
Interest-bearing deposits:				
NOW	91,562	2.38%	83,026	2.29%
Money market	585,542	3.06%	557,087	3.00%
Savings	521,545	3.03%	517,579	3.01%
Time deposits $250,000 and under	796,245	3.49%	852,689	3.55%
Time deposits over $250,000	826,196	3.73%	813,265	3.74%
Total interest-bearing deposits	2,821,090	3.35%	2,823,646	3.36%
Total deposits	$ 3,385,123	2.79%	$ 3,365,765	2.82%

The following table presents the maturity schedule of time deposits as of September 30, 2026:

	Maturity Within:				
	Three Months or Less	After Three to Six Months	After Six to 12 Months	After 12 Months	Total
	(dollars in thousands)				
Time deposits $250,000 and under [1]	$ 317,137	$ 267,310	$ 165,947	$ 5,115	$ 755,509
Time deposits over $250,000 [2]	406,615	284,377	153,023	1,251	845,266
Total time deposits	$ 723,752	$ 551,687	$ 318,970	$ 6,366	$ 1,600,775

(1) Includes wholesale deposits of $20.8 million.
(2) Includes wholesale deposits of $40.8 million.

Of the $845.3 million in time deposits over $250,000, the estimated aggregate amount of time deposits in excess of the FDIC insurance limit is $569.7 million at September 30, 2026. The following table presents the maturity distribution of uninsured time deposits in amounts of more than $250,000 as of the date indicated.

	September 30, 2026
	(dollars in thousands)
3 months or less	$ 266,755
Over 3 months through 6 months	200,369
Over 6 months through 12 months	102,364
Over 12 months	251
Total	$ 569,739

Deposits exceeding the FDIC insurance limits were estimated to be $1.8 billion as of September 30, 2026, and $1.5 billion as of December 31, 2025.

Time deposits include certain wholesale deposits, such as brokered deposits, collateralized deposits from the State of California, and deposits acquired through internet listing services. We mitigate the risk of using wholesale time deposits by managing the aggregate level of such funding, obtaining wholesale deposits through multiple sources, and leveraging collateralized deposits. Wholesale time deposits totaled $61.5 million at September 30, 2026, and were comprised of brokered deposits of $770,000, collateralized deposits from the State of California of $40.0 million, and deposits acquired through internet listing services of $20.7 million at September 30, 2026. This compares to wholesale time deposits of $225.7 million at December 31, 2025, comprised of brokered deposits of $145.5 million, collateralized deposits from the State of California of $40.0 million, and deposits acquired through internet listing services of $40.2 million.

In addition, we offer deposit products through the Certificate of Deposit Account Registry Service (“CDARS”) and Insured Cash Sweeps (“ICS”) programs where customers are able to achieve FDIC insurance for balances on deposit in excess of the $250,000 FDIC limit. Time deposits held through the CDARS program were $136.0 million at September 30, 2026 and $128.3 million at December 31, 2025 and ICS deposits totaled $148.7 million at September 30, 2026 and $156.3 million at December 31, 2025.

FHLB Borrowings. In addition to deposits, we have used long- and short-term borrowings, such as federal funds purchased and FHLB long-and short-term advances, as a source of funds to meet the daily liquidity needs of our customers and fund growth in earning assets. FHLB advances totaled $180.0 million at September 30, 2026 compared to $130.0 million at December 31, 2025. FHLB borrowings at September 30, 2026 included $160.0 million in putable term advances.

The details of all the FHLB advances outstanding at September 30, 2026 are presented in Next Call Date order in the table below:

Advance Date	Amount	Rate	Call Structure	Next Call Date	Final Stated Maturity Date
	(dollars in thousands)				
5/8/2025	$ 10,000	3.69%	N/A	N/A	5/10/2028
6/23/2025	10,000	3.64%	N/A	N/A	6/23/2028
8/27/2026	20,000	4.02%	One time call (1)	11/27/2026	8/27/2029
6/15/2026	10,000	3.84%	One time call (2)	12/15/2026	6/15/2029
6/15/2026	10,000	3.84%	One time call (2)	12/17/2026	6/17/2030
6/15/2026	20,000	3.94%	One time call (3)	6/15/2027	6/15/2029
6/24/2026	20,000	3.97%	One time call (3)	6/24/2027	6/24/2030
6/24/2026	20,000	4.01%	One time call (3)	6/25/2027	6/25/2029
7/01/2026	20,000	3.99%	One time call (3)	7/01/2027	7/01/2030
8/27/2026	20,000	3.96%	Quarterly call (3)	8/27/2027	8/27/2030
7/02/2026	20,000	4.10%	Quarterly call (4)	7/03/2028	7/03/2030
Total	$ 180,000	3.94%			

(1) Call option by the FHLB after initial three month lock out.
(2) Call option by the FHLB after initial six month lock out.
(3) Call option by the FHLB after initial one year lock out.
(4) Call option by the FHLB after initial two year lock out.

The following table presents information on our total FHLB advances at and for the periods presented:

	As of and for the Three Months Ended September 30,		As of and for the Nine Months Ended September 30,	
FHLB Borrowings:	**2026**	**2025**	**2026**	**2025**
		(dollars in thousands)		
Outstanding at period-end	$ 180,000	$ 130,000	$ 180,000	$ 130,000
Average amount outstanding	197,174	185,217	148,242	173,810
Maximum amount outstanding at any month-end	220,000	200,000	220,000	200,000
Weighted average interest rate:				
During period	3.96%	3.54%	3.75%	3.13%
End of period	3.94%	3.49%	3.94%	3.49%

Long-term Debt. Long-term debt consists of subordinated notes. At September 30, 2026, the Company's long-term debt consisted of $80.0 million of fixed-to-floating rate subordinated notes, with an April 1, 2031 maturity date (the "Notes"). The interest rate was fixed at 4.00% through March 31, 2026, and now resets quarterly to a rate of three-month Secured Overnight Financing Rate ("SOFR") plus 329 basis points starting April 1, 2026. The rate was set at 6.98% as of April 1, 2026, 7.02% as of July 1, 2026, and 7.39% as of October 1, 2026. The Notes may be included in Tier 2 capital with certain limitations applicable under current regulatory guidelines, and such amount is discounted as the Notes approach maturity. The amount of the Notes included in Tier 2 capital was $64.0 million at September 30, 2026, and $120.0 million at December 31, 2025. The Notes became redeemable at par beginning April 1, 2026, and on July 1, 2026, the Company redeemed $40.0 million at par plus accrued interest.

Subordinated Debentures. Subordinated debentures consist of subordinated debentures issued in connection with three separate trust preferred securities and totaled $15.5 million as of September 30, 2026 and $15.4 million as of December 31, 2025. Under the terms of our subordinated debentures, we are not permitted to declare or pay any dividends

on our capital stock if an event of default occurs under the terms of the long-term debt. In addition, we have the option to defer interest payments on the subordinated debentures from time to time for a period not to exceed five consecutive years. For regulatory reporting purposes, trust preferred securities of $15.5 million are included in Tier 1 capital of the Company at September 30, 2026. These subordinated debentures consist of the following at September 30, 2026 and are described in detail after the table below:

	Issue Date	Principal Amount	Unamortized Valuation Reserve	Recorded Value	Stated Rate Description	Effective Stated Rate	Stated Maturity
Subordinated debentures:			*(dollars in thousands)*				
TFC Trust	12/22/2006	$ 5,155	$ 941	$ 4,214	Three-month CME Term SOFR plus 0.26% plus 1.65%	5.81%	3/15/2037
FAIC Trust	12/15/2004	7,217	630	6,587	Three-month CME Term SOFR plus 0.26% plus 2.25%	6.41%	12/15/2034
PGBH Trust	12/15/2004	5,155	418	4,737	Three-month CME Term SOFR plus 0.26% plus 2.10%	6.26%	12/15/2034
Total		$ 17,527	$ 1,989	$ 15,538			

At September 30, 2026, we were in compliance with all covenants under our long-term debt agreements and subordinated debt.

The Company maintains the TFC Statutory Trust ("TFC Trust"), which has issued securities totaling $5.2 million ($5.0 million in capital securities and $155,000 in common securities). The TFC Trust subordinated debentures have a variable rate of interest equal to three-month CME Term SOFR plus applicable tenor spread adjustment of 0.26% plus 1.65%, which was 5.81% as of September 30, 2026 and 5.63% at December 31, 2025.

The Company maintains the First American International Statutory Trust I ("FAIC Trust"), which has issued securities totaling $7.2 million ($7.0 million in capital securities and $217,000 in common securities). The FAIC Trust subordinated debentures have a variable rate of interest equal to three-month CME Term SOFR plus applicable tenor spread adjustment of 0.26% plus 2.25%, which was 6.41% as of September 30, 2026 and 6.23% at December 31, 2025.

The Company maintains the Pacific Global Bank Trust I ("PGBH Trust"), which has issued securities totaling $5.2 million ($5.0 million in capital securities and $155,000 in common securities). The PGBH Trust subordinated debentures have a variable rate of interest equal to three-month CME Term SOFR plus applicable tenor spread adjustment of 0.26% plus 2.10%, which was 6.26% as of September 30, 2026 and 6.08% at December 31, 2025.

Capital Resources and Liquidity Management

Capital Resources. Shareholders' equity is influenced primarily by earnings, dividends, sales and redemptions of common stock and preferred stock and changes in accumulated other comprehensive income, net of taxes, from AFS investment securities.

Shareholders' equity increased $10.8 million, or 2.1%, to $534.2 million as of September 30, 2026 from $523.4 million at December 31, 2025. The increase in shareholders' equity for the first nine months of 2026 was due to net income of $34.1 million and equity compensation activity of $2.1 million, offset by common stock repurchases of $9.0 million, common stock cash dividends paid of $8.3 million and an increase in unrealized losses on AFS securities in accumulated other comprehensive loss, net of tax, of $8.1 million. As a result, book value per share increased to $31.75 from $30.69 at December 31, 2025 and tangible book value per share increased to $27.44 from $26.42 at December 31, 2025. For additional information, see *"Non-GAAP Financial Measures."*

Liquidity Management. Liquidity refers to the measure of our ability to meet the cash flow requirements of depositors and borrowers, while at the same time meeting our operating, capital and strategic cash flow needs, all at a

reasonable cost. We continuously monitor our liquidity position to ensure that assets and liabilities are managed to meet all short-term and long-term cash requirements, both known and unknown. We manage our liquidity position to meet the daily cash flow needs of customers, while also maintaining an appropriate balance between assets and liabilities to meet the return on investment objectives of our shareholders.

Our liquidity position is supported by management of liquid assets and liabilities and access to alternative sources of funds. Liquid assets include cash, interest-earning deposits in banks, federal funds sold, available for sale securities, term federal funds, purchased receivables and maturing or prepaying balances in our securities and loan portfolios. Liquid liabilities include retail deposits, federal funds purchased, securities sold under repurchase agreements and other borrowings. Other sources of liquidity include the sale of loans, the ability to acquire additional wholesale funding, the issuance of additional collateralized borrowings through FHLB advances or the Federal Reserve's discount window, and the ability to access the capital markets through the issuance of debt securities, preferred securities or common securities. Our short-term and long-term liquidity requirements are primarily to fund known and unknown on-going operations, including payment of interest on deposits and debt, extensions of credit to borrowers, capital expenditures and shareholder dividends. These liquidity requirements are met primarily through cash flow from operations, redeployment of prepaying and maturing balances in our loan and investment portfolios, debt financing and increases in customer deposits. We have sufficient capital and do not anticipate any need for additional liquidity sources as of September 30, 2026. For additional information regarding our operating, investing and financing cash flows, see the consolidated statements of cash flows provided in our consolidated financial statements.

Integral to our liquidity management is the administration of short-term borrowings. To the extent we are unable to obtain sufficient liquidity through core deposits, we seek to meet our liquidity needs through wholesale funding or other borrowings on either a short- or long-term basis. The Bank's wholesale funding ratio was 6.9% at September 30, 2026 compared to 10.3% at December 31, 2025, as retail deposit growth allowed us to decrease the balance of wholesale deposits.

The Bank has established secured and unsecured lines of credit. The Bank had a secured line of credit from the Federal Reserve Discount Window of $68.5 million at September 30, 2026 and $66.5 million at December 31, 2025 collateralized by a pool of CRE loans totaling $86.0 million as of September 30, 2026 and $88.9 million as of December 31, 2025. The Bank did not have any borrowings outstanding with the Federal Reserve at September 30, 2026 and December 31, 2025.

The Bank also had a secured line of credit with the FHLB of $1.6 billion at September 30, 2026 and $1.4 billion at December 31, 2025, of which $180.0 million and $130.0 million were outstanding, respectively. Based on the values of loans pledged as collateral, we had $1.4 billion of remaining secured borrowing capacity with the FHLB as of September 30, 2026 and $1.3 billion as of December 31, 2025.

In addition, the Bank had $97.0 million of unsecured federal funds lines with other financial institutions and no amounts advanced against these lines at September 30, 2026 and December 31, 2025.

Bancorp is a corporation separate and apart from the Bank and, therefore, must provide for its own liquidity. Bancorp's main source of funding is dividends declared and paid to Bancorp by the Bank. There are statutory, regulatory and debt covenant limitations that affect the ability of the Bank to pay dividends to Bancorp. Management believes that these limitations will not impact our ability to meet our ongoing short-term cash obligations. The Bank paid cash dividends to Bancorp of $50.0 million during the nine months ended September 30, 2026, and $45.0 million during the nine months ended September 30, 2025. Bancorp paid dividends on common stock of $8.3 million and $8.5 million during the nine months ended September 30, 2026 and 2025, respectively. At September 30, 2026, Bancorp had $34.5 million in cash, of which $34.2 million was on deposit at the Bank.

Contractual Obligations

The following table contains supplemental information regarding our total contractual obligations at September 30, 2026:

	Payments Due				
	Within One Year	One to Three Years	Over Three to Five Years	After Five Years	Total
	(dollars in thousands)				
Deposits without a stated maturity	$ 1,794,505	$ —	$ —	$ —	$ 1,794,505
Time deposits	1,594,409	5,536	830	—	1,600,775
FHLB advances [1]	140,000	40,000	—	—	180,000
Long-term debt	—	—	80,000	—	80,000
Subordinated debentures [2]	—	—	—	15,538	15,538
Leases	5,645	9,083	5,038	4,576	24,342
Total contractual obligations	$ 3,534,559	$ 54,619	$ 85,868	$ 20,114	$ 3,695,160

(1) FHLB advances are presented based upon next call date, however final stated maturities range from 1.6 to 3.9 years as of September 30, 2026.
(2) Represents the principal amount of $17.5 million less the unamortized valuation reserve of $2.0 million.

Off-Balance Sheet Arrangements

Refer to Note 13 in our consolidated financial statements for information related to our off-balance sheet arrangements.

Non-GAAP Financial Measures

Some of the financial measures included herein are not measures of financial performance recognized by GAAP. These non-GAAP financial measures include the “tangible common equity to tangible assets ratio,” “tangible book value per share,” “return on average tangible common equity,” and "pre-tax pre-provision income." Our management uses these non-GAAP financial measures in our analysis of our performance.

Tangible Common Equity to Tangible Assets Ratio and Tangible Book Value Per Share. The tangible common equity to tangible assets ratio and tangible book value per share are non-GAAP measures generally used by financial analysts and investment bankers to evaluate capital adequacy. We calculate: (i) tangible common equity as total shareholders’ equity less goodwill and other intangible assets (excluding mortgage servicing assets); (ii) tangible assets as total assets less goodwill and other intangible assets (excluding mortgage servicing assets); and (iii) tangible book value per share as tangible common equity divided by period end shares of common stock outstanding.

Our management, banking regulators, many financial analysts and other investors use these measures in conjunction with more traditional bank capital ratios to compare the capital adequacy of banking organizations with significant amounts of goodwill or other intangible assets, which typically stem from the use of the purchase method of accounting for mergers and acquisitions. Tangible common equity, tangible assets, tangible book value per share and related measures should not be considered in isolation or as a substitute for total shareholders’ equity, total assets, book value per share or any other measure calculated in accordance with GAAP. Moreover, the manner in which we calculate tangible common equity, tangible assets, tangible book value per share and any other related measures may differ from that of other companies reporting measures with similar names. The following table reconciles shareholders’ equity (on a GAAP basis) to tangible common equity and total assets (on a GAAP basis) to tangible assets, and calculates our tangible book value per share:

Tangible Common Equity Ratios:	September 30 2026	December 31 2025	September 30 2025
	(dollars in thousands)		
Tangible common equity:			
Total shareholders' equity	$ 534,243	$ 523,410	$ 514,335
Adjustments			
Goodwill	(71,498)	(71,498)	(71,498)
Core deposit intangible	(951)	(1,338)	(1,495)
Tangible common equity	$ 461,794	$ 450,574	$ 441,342
Tangible assets:			
Total assets	$ 4,251,296	$ 4,208,294	$ 4,208,455
Adjustments			
Goodwill	(71,498)	(71,498)	(71,498)
Core deposit intangible	(951)	(1,338)	(1,495)
Tangible assets	$ 4,178,847	$ 4,135,458	$ 4,135,462
Common shares outstanding	16,827,168	17,057,397	17,043,897
Common equity to assets ratio	12.57%	12.44%	12.22%
Tangible common equity to tangible assets ratio	11.05%	10.90%	10.67%
Book value per share	$ 31.75	$ 30.69	$ 30.18
Tangible book value per share	$ 27.44	$ 26.42	$ 25.89

Return on Average Tangible Common Equity. Management measures return on average tangible common equity ("ROATCE") to assess our capital strength and business performance. Tangible equity excludes goodwill and other intangible assets (excluding mortgage servicing assets), and is reviewed by banking and financial institution regulators when assessing a financial institution's capital adequacy. This non-GAAP financial measure should not be considered a substitute for operating results determined in accordance with GAAP and may not be comparable to other similarly titled measures used by other companies. The following table reconciles ROATCE to its most comparable GAAP measure:

	For the Three Months Ended			For the Nine Months Ended	
Return on average tangible common equity:	September 30, 2026	June 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(dollars in thousands)				
Net income available to common shareholders	$ 12,637	$ 10,140	$ 10,148	$ 34,077	$ 21,771
Average shareholders' equity	536,993	532,409	512,874	532,955	512,945
Adjustments:					
Average goodwill	(71,498)	(71,498)	(71,498)	(71,498)	(71,498)
Average core deposit intangible	(1,035)	(1,161)	(1,608)	(1,160)	(1,779)
Adjusted average tangible common equity	$ 464,460	$ 459,750	$ 439,768	$ 460,297	$ 439,668
Return on average common equity, annualized	9.34%	7.64%	7.85%	8.55%	5.67%
Return on average tangible common equity, annualized	10.79%	8.85%	9.16%	9.90%	6.62%

Pre-Tax Pre-Provision Income. Management believes that pre-tax pre-provision ("PTPP") income is a useful measure for investors to evaluate core operating performance before taxes and excluding the volatility of credit provision expenses. This non-GAAP financial measure should not be considered a substitute for operating results determined in accordance with GAAP and may not be comparable to similarly titled measures used by other companies. PTPP income is calculated by subtracting noninterest expense from the sum of net interest income and noninterest income, as shown in the following table.

	For the Three Months Ended			For the Nine Months Ended	
	September 30, 2026	June 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Pre-Tax Pre-Provision Income:	*(dollars in thousands)*				
Net interest income	$ 31,761	$ 30,086	$ 29,277	$ 92,350	$ 82,774
Noninterest income	5,105	3,018	3,293	12,374	14,066
Noninterest expense	(19,548)	(19,022)	(18,683)	(57,828)	(57,698)
Pre-tax pre-provision income	$ 17,318	$ 14,082	$ 13,887	$ 46,896	$ 39,142

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk

Market risk represents the risk of loss due to changes in market values of assets and liabilities. We incur market risk in the normal course of business through exposures to market interest rates, equity prices, and credit spreads. We have identified three primary sources of market risk: interest rate risk, price risk and basis risk.

Interest Rate Risk. Interest rate risk is the risk to earnings and value arising from changes in market interest rates. Interest rate risk arises from timing differences in the repricing and maturities of interest-earning assets and interest-bearing liabilities (repricing risk), changes in the expected maturities of assets and liabilities arising from embedded options, such as borrowers' ability to prepay residential mortgage loans at any time and depositors' ability to redeem certificates of deposit before maturity (option risk), changes in the shape of the yield curve where interest rates increase or decrease in a nonparallel fashion (yield curve risk), and changes in spread relationships between different yield curves, such as U.S. Treasuries and SOFR (basis risk).

Price Risk. Price risk represents the risk of loss arising from adverse movements in the prices of financial instruments that are carried at fair value and subject to fair value accounting. We have price risk primarily from SFR mortgage loans held for sale and fixed-rate available for sale securities.

Basis Risk. Basis risk represents the risk of loss arising from asset and liability pricing movements not changing in the same direction. We have basis risk primarily in the SFR mortgage loan portfolio, the multifamily loan portfolio and our securities portfolio.

Our ALCO establishes broad policy limits with respect to interest rate risk. The ALCO establishes specific operating guidelines within the parameters of the board of directors' policies. In general, we seek to minimize the impact of changing interest rates on net interest income and the economic values of assets and liabilities. The ALCO monitors the level of interest rate risk sensitivity to ensure compliance with the board of directors' approved risk limits and to oversee management's balance sheet risk management strategies.

Interest rate risk management is an active process that encompasses monitoring loan and deposit flows complemented by investment and funding activities. Effective management of interest rate risk begins with understanding the dynamic characteristics of assets and liabilities and determining the appropriate interest rate risk posture given business forecasts, management objectives, market expectations, and policy constraints.

An asset sensitive position refers to a balance sheet position in which a short-term increase in interest rates is expected to generate higher net interest income, as rates earned on interest-earning assets would reprice upward more quickly than rates paid on interest-bearing liabilities, thus expanding the net interest margin. Conversely, a liability sensitive position refers to a balance sheet position in which a short-term increase in interest rates is expected to generate lower net interest income, as rates paid on interest-bearing liabilities would reprice upward more quickly than rates earned on interest-earning assets, thus compressing the net interest margin.

Income Simulation and Economic Value Analysis. Interest rate risk measurement is calculated and reported to the board and the ALCO at least quarterly. The information reported includes period-end results and identifies any policy limits exceeded, along with an assessment of the policy limit breach and the action plan and timeline for resolution, mitigation, or assumption of the risk.

We use two approaches to model interest rate risk: Net Interest Income at Risk ("NII at Risk"), and Economic Value of Equity ("EVE"). Under NII at Risk, net interest income is modeled utilizing various assumptions for assets, liabilities, and derivatives over a 12 month time horizon assuming a flat balance sheet and an instantaneous and parallel shift in market interest rates in 100 basis point increments. We report NII at Risk to isolate the change in income related solely to interest-earning assets and interest-bearing liabilities. The model results do not take into consideration any steps management might take to respond to the changes in interest rates or changes in competitor or customer behavior. EVE measures the period end market value of assets minus the market value of liabilities and the change in this value as rates change. EVE is a period end measurement.

	Net Interest Income at Risk Immediate Change in Rates					
	-300	**-200**	**-100**	**+100**	**+200**	**+300**
September 30, 2026			***(dollars in thousands)***			
Dollar change	$ 6,578	$ 1,980	$ 1,061	$ (1,821)	$ (3,899)	$ (6,563)
Percent change	5.07%	1.53%	0.82%	(1.40%)	(3.00%)	(5.06%)
December 31, 2025						
Dollar change	$ 11,201	$ 5,268	$ 3,325	$ (2,860)	$ (5,527)	$ (8,440)
Percent change	9.38%	4.41%	2.78%	(2.39%)	(4.63%)	(7.07%)

At September 30, 2026, our NII at Risk profile is liability sensitive. This is directionally consistent, but a less liability sensitive profile, as compared with December 31, 2025. Actual results could vary materially from those calculated by our model, due to a variety of factors or assumptions such as the uncertainty of the magnitude, timing and direction of future interest rate movement or the shape of the yield curve. The NII at Risk results are within board policy limits.

	Economic Value of Equity Immediate Change in Rates					
	-300	**-200**	**-100**	**+100**	**+200**	**+300**
September 30, 2026			***(dollars in thousands)***			
Dollar change	$ (39,405)	$ 17,940	$ 14,119	$ (17,687)	$ (38,825)	$ (67,619)
Percent change	(4.99%)	2.27%	1.79%	(2.24%)	(4.92%)	(8.57%)
December 31, 2025						
Dollar change	$ (48,495)	$ 7,557	$ 8,430	$ (18,774)	$ (39,714)	$ (64,688)
Percent change	(7.41%)	1.16%	1.29%	(2.87%)	(6.07%)	(9.89%)

At September 30, 2026, the EVE position is projected to decrease in the up rate scenarios and down 300 rate scenario. When interest rates rise, fixed rate assets generally lose economic value as these instruments are discounted at a higher rate demonstrating the relative longer asset duration as compared to the overall liability duration. When interest rates decrease, the value of noninterest-bearing deposits also decreases. In addition, as the down rate shocks become more severe, the pace of the increase in the value of loans also slows due to an increase in loan prepayments and the impact of discount rates reaching their floors; this results in a change of EVE volatility from positive to negative between the down 200 and 300 scenarios. Actual results could vary materially from those calculated by our model, due to a variety of factors or assumptions such as the uncertainty of the magnitude, timing and direction of future interest rate movement or the shape of the yield curve. The EVE results are within board policy limits.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures.

The Company's management, including our principal executive officer and principal financial officer, has evaluated the effectiveness of our "disclosure controls and procedures" (as defined in Rule 13a-15(e) under the Exchange Act), as of the end of the period covered by this Form 10-Q. Based on this evaluation, our principal executive officer and principal financial officer have concluded that, as of September 30, 2026, our disclosure controls and procedures were effective.

Changes in Internal Controls Over Financial Reporting.

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) during the fiscal quarter to which this Form 10-Q relates that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There are no material pending legal proceedings, other than ordinary routine litigation incidental to our business. Management believes that none of the legal proceedings occurring in the ordinary course of business, individually or in the aggregate, will have a material adverse impact on the results of operations or financial condition of the Company.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors previously disclosed in Part I, *Item 1A*. "*Risk Factors*" of our 2025 Annual Report. The materiality of any risks and uncertainties identified in our Forward Looking Statements contained in this Report or those that are presently unforeseen could result in significant adverse effects on our financial condition, results of operations and cash flows. See Part I, Item 2 for "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" in this Report.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On June 15, 2026, the Company announced the Board of Directors authorized a stock repurchase plan for up to 1 million shares of the Company's outstanding common stock through June 30, 2028.

During the third quarter of 2026, the Company repurchased an aggregate total of 168,768 shares of common stock, at an average price of $26.37 per share, pursuant to the Company's stock repurchase plan.

	Issuer Purchases of Equity Securities			
	(a)	(b)	(c)	(d)
Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan	Approximate Number of Shares That May Yet Be Purchased Under the Plan
July 1, 2026 to July 31, 2026	73,481	$ 26.37	73,481	909,443
August 1, 2026 to August 31, 2026	24,875	$ 26.50	24,875	884,568
September 1, 2026 to September 30, 2026	70,412	$ 26.34	70,412	814,156
Total	168,768	$ 26.37	168,768	

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

During the quarter ended September 30, 2026, no officer or director of the Company adopted or terminated any contract, instruction, or written plan for the purchase or sale of securities of our common stock that is intended to satisfy the affirmative defense conditions of Exchange Act Rule 10b5-1(c) or any non-Rule 10b5-1 trading arrangement as defined in 17 CFR§ 229.408(c).

On November 5, 2026, the Company entered into an Employment Transition and Separation Agreement (the "Separation Agreement") with Gary Fan, the Bank's former Executive Vice President and Chief Operations Officer. In accordance with the terms of his employment agreement and as reflected in the Separation Agreement, Mr. Fan will receive a severance payment in the amount of $180,500, which is equal to six (6) months of his current annual base salary. In addition, the Company will pay Mr. Fan a lump sum amount equal to $200,000 in recognition of his contributions and leadership during his tenure with the Bank. The Company anticipates making each payment during January 2027, subject to Mr. Fan's execution of a general release of claims in favor of the Company and other related parties. The Separation Agreement, including the form of general release of claims, is attached as Exhibit 10.1 to this Quarterly Report on Form 10-Q.

ITEM 6. EXHIBITS

Exhibit No	Description of Exhibits
3.1	Articles of Incorporation of RBB Bancorp (1)
3.2	Bylaws of RBB Bancorp (2)
3.3	Amendment to Bylaws of RBB Bancorp (4)
4.1	Specimen Common Stock Certificate of RBB Bancorp (3)
	The other instruments defining the rights of holders of the long-term debt securities of the Company and its subsidiaries are omitted pursuant to section (b)(4)(iii)(A) of Item 601 of Regulation S-K. The Company hereby agrees to furnish copies of these instruments to the SEC upon request.
10.1	Employment Transition and Separation Agreement dated November 5, 2026, between Gary Fan, RBB Bancorp, and Royal Business Bank (Filed herewith)*
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	The cover page of RBB Bancorp's Quarterly Report on Form 10-Q for the quarter ended September 30, 2026, formatted in Inline XBRL (contained in Exhibit 101)
*	Management contract or compensatory plan or agreement.

(1) Incorporated by reference from Exhibit 3.1 of the Registrant's Registration Statement in Form S-1 filed with the SEC on June 28, 2017.

(2) Incorporated by reference from Exhibit 3.2 of the Registrant's Registration Statement in Form S-1 filed with the SEC on June 28, 2017.

(3) Incorporated by reference from Exhibit 4.1 of the Registrant's Registration Statement in Form S-1 filed with the SEC on June 28, 2017.

(4) Incorporated by reference from Exhibit 3.3 of the Registrant's Quarterly Report in Form 10-Q filed with the SEC on November 13, 2018.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

RBB BANCORP
(Registrant)

Date: November 6, 2026

/s/ Johnny Lee
Johnny Lee
President and Chief Executive Officer

Date: November 6, 2026

/s/ Lynn Hopkins
Lynn Hopkins
Executive Vice President, Chief Financial Officer

EMPLOYMENT TRANSITION AND SEPARATION AGREEMENT

This Employment Transition and Separation Agreement (the "Agreement") is entered into on November 5, 2026 between Gary Fan ("Employee"), RBB Bancorp, a California corporation ("Company"), and Royal Business Bank, a California state banking corporation (the "Bank"), collectively referred to as the "Parties."

WHEREAS, the Employee's employment with the Company will end on the Separation Date (defined below); and

WHEREAS, the Parties desire to end their relationship amicably and also to establish the obligations of the Parties.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the Parties agree as follows:

1. Separation Date and Transition Period.

   a. Employee will remain an at-will employee of the Company until the earliest of (x) the date of Employee's death, (y) the date of Employee's resignation from employment with the Company and (z) December 4, 2026 (such earliest date, the "Separation Date"). On the Separation Date, Employee's employment (and all other positions then held by Employee) with the Company, the Bank or any of their respective affiliates automatically and immediately shall terminate. Effective as of employee's termination of employment with the Company, that certain Employment Agreement between the Parties, dated as of March 22, 2023, as subsequently amended on March 25, 2024 and November 20, 2024 (the "Employment Agreement") shall automatically terminate, provided that Sections C.4, G, H, I, J.1, J.3-J.10 and J.12 of the Employment Agreement shall continue to apply in accordance with their respective terms. The Parties acknowledge and agree that any offer letter from the Company and/or the Bank to Employee is of no further force or effect, and none of the Parties or any of their respective subsidiaries have any liability or obligation thereunder.

   b. From October 1, 2026 through the Separation Date (the "Transition Period"), Employee will remain employed with the Company at his current base salary and will remain covered by the Company's employee benefit plans (subject to the terms and conditions of such plans). During the Transition Period, Employee shall provide such services as the Company's Chief Executive Officer or his designee (collectively, the "CEO") may reasonably request, taking into account Employee's experience and education, and Employee shall refrain from performing such services as the CEO may request. Without limiting the foregoing, during the Transition Period, the Company may limit or restrict Employee's access to the Company's, the Bank's and their respective affiliates' property, personnel, confidential information, suppliers, vendors, other business relations, email and other systems. Employee understands and agrees that during the Transition Period, Employee will be a non-officer employee of the Company.

2. Severance Payments. In consideration for (a) Employee's execution of, and good faith compliance with the terms and conditions of, this Agreement, (b) Employee's execution of the attached General Release of Claims ("Release") and delivery of the executed

Release to the Company between December 5, 2026 and December 26, 2026 and (c) Employee complying with the Release and not revoking the Release, the Company will provide Employee with the following:

a. A lump sum cash payment in the amount of **Two Hundred Thousand Dollars ($200,000)** (to be paid on the first payroll date in January 2027);

b. An amount equal to **One Hundred Eighty Thousand Five Hundred Dollars ($180,500)**, representing six (6) months of Employee's base salary, to be paid on the first payroll date in January 2027;

c. Provided that Employee timely elects continued coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), reimburse Employee for, or pay directly to the insurer, the cost of Employee's and his eligible dependents' monthly COBRA premiums under the Company's applicable health plans until the earliest of (i) June 30, 2027, (ii) the date on which Employee becomes enrolled for medical coverage under the plan of a subsequent employer or the employer of Employee's spouse, (iii) the date on which Employee is no longer eligible for COBRA coverage, or (iv) the date on which providing such benefits would violate any applicable non-discrimination rule or other law (or would result in any fine or penalty on the Company or any of its affiliates (provided that in the event of such a violation, fine or penalty, the Company may, in its good faith discretion, restructure how such benefit is provided in order to avoid such violation, fine or penalty)); and

d. Prompt reimbursement of up to $10,000 of attorneys fees reasonably incurred by Employee to enter into this Agreement (provided that reasonable documentation of such expenses is provided to the Company within 30 days after the date of this Agreement, and such reimbursement shall be provided to Employee in December 2026).

Except as expressly provided in this Agreement, Employee will not receive any compensation, severance, or benefits from the Company, the Bank or any of their respective subsidiaries on or after Employee's termination of employment with the Company. For the avoidance of doubt, effective as of Employee's termination of employment with the Company, (i) Employee's participation in all of the employee benefit plans of the Company, the Bank and their respective subsidiaries will automatically terminate (unless otherwise required by the terms of the applicable employee benefit plan) and (ii) all rights of Employee to compensation from the Company, the Bank or any of their respective subsidiaries will automatically terminate (except for the Accrued Compensation (as defined below) and the Severance Benefits, in each case, in accordance with the terms of this Agreement).

Notwithstanding the foregoing, if, prior to December 4, 2026, Employee resigns or the Company terminates Employee's employment for Cause (as defined in the Employment Agreement), or if Employee materially breaches this Agreement or the Employment Agreement, Employee shall not be entitled to, and shall forfeit, the payments and benefits set forth in this Section 2, and, to the extent any such payments have been made, Employee shall promptly repay them to the Company upon written demand.

3. Accrued Compensation; No 2026 Bonus; Equity Awards. Regardless of whether Employee timely executes and does not revoke the Release, Employee will receive (i) payment for all earned but unpaid base salary through the Separation Date (to be paid in accordance with Company policy), (ii) a lump sum cash payment of Employee's earned but unused vacation time through the Separation Date (to be provided in accordance with the Company's standard policy), (iii) reimbursement for eligible business expenses incurred by Employee, but not reimbursed, prior to the Separation Date (to be reimbursed in accordance with Company policy) and (iv) vested benefits under any tax-qualified defined contribution retirement plan of the Company (subject to the terms of the applicable plan) (collectively, clauses (i)-(iv), the "Accrued Compensation"). Employee shall not be eligible to earn, receive, accrue, or be paid, any annual bonus or other incentive compensation for 2026. Effective as of Employee's termination of employment with the Company, Employee automatically shall forfeit (with no compensation due to Employee or any other person or entity) all stock options, restricted stock units, performance stock units and other equity-based awards granted to Employee by the Company, in any case, to the extent not vested as of such termination of employment.

4. Return of Company Property. On or before the Separation Date, the Employee acknowledges and agrees to return all confidential information, proprietary information, and property of the Company, the Bank or any of their respective affiliates (collectively referred to as "Company Property"), in each case, in Employee's actual or constructive possession or under Employee's control to the Company.

5. Surviving Restrictions. Employee, the Company and the Bank understand and agree that Sections C.4, G, H, I, J.1, J.3-J.10 and J.12 of the Employment Agreement shall continue to apply following the Separation Date in accordance with their respective terms.

6. General Release. Employee understands and agrees that by executing the Release, Employee is agreeing not to sue, or otherwise file any claim against, the Company or any of its employees or other agents or other persons and entities released in the Release for any reason whatsoever (except as explicitly provided otherwise in the Release) based on anything that has occurred as of the date Employee signs the Release.

7. Non-Admission. Neither this Agreement, nor anything contained herein, is to be construed as an admission of wrongdoing by the Company or the Bank or as evidence of any liability, wrongdoing, or unlawful conduct by the Company or the Bank whatsoever.

8. Entire Agreement; Opportunity to Consult with Counsel. Employee affirms and acknowledges that he has carefully read and fully understands all the provisions of this Agreement, which sets forth the entire agreement between the Parties regarding the subject matter of this Agreement, and that in entering into this Agreement, Employee has not relied upon any representation or statement, written or oral, not set forth in this Agreement. Neither the Company nor the Bank make any further agreement related to the Employee's separation beyond what is expressly stated in this Agreement. Employee further acknowledges that he has been afforded the opportunity to consult with an attorney regarding this Agreement and the Release. This Agreement supersedes all prior and contemporaneous agreements, understanding, discussions and negotiations (in each case, whether written or oral) between the Parties regarding the subject matter of this Agreement.

9. Governing Law. This Agreement shall be governed and interpreted according to the laws of the State of California, without regard to any choice of laws provision.

10. Arbitration. Any dispute, controversy, or claim ("Claims") between the parties arising out of or in any way relating to, this Agreement, the Release, the Company's or the Bank's employment or engagement of Employee, Employee's termination of employment or service with the Company or the Bank, or any other matters between the Company and Employee, the Bank and Employee or the Company, the Bank and the Employee, in any case, shall be resolved, to the fullest extent permitted by law, by final and binding arbitration before a single neutral arbitrator under the American Arbitration Association ("AAA") Employment Arbitration Rules (the "Rules") then in effect, as modified by this Agreement. The Rules are available online at https://www.adr.org/Employment. The Rules are incorporated into this arbitration agreement by this reference as though set forth in their entirety. This agreement to arbitrate applies, without limitation, to disputes regarding any local, state, or federal administrative, regulatory, statutory, constitutional or common law claims. It is agreed that the Company's and Bank's non-signatory agents, representatives, other employees, executives, and successors are third-party beneficiaries to this agreement to arbitrate. Further, to the fullest extent permitted by law, the parties agree that no class or collective actions can be asserted in arbitration or otherwise; all claims, whether in arbitration or otherwise, must be brought solely in each party's individual capacity, and not as a plaintiff or class member in any purported class or collective proceeding. EMPLOYEE, THE COMPANY AND THE BANK EACH WAIVES ANY RIGHTS THEY MAY HAVE TO TRIAL BY JURY OR TRIAL IN A COURT OF LAW, IN EACH CASE, IN REGARD TO ARBITRABLE CLAIMS DESCRIBED ABOVE.

11. EMPLOYEE FURTHER WAIVES ANY RIGHTS EMPLOYEE MAY HAVE TO PURSUE OR PARTICIPATE IN A CLASS OR COLLECTIVE ACTION PERTAINING TO ANY ARBITRABLE CLAIMS BETWEEN EMPLOYEE AND THE COMPANY AND/OR THE BANK (the "Class Action Waiver").

12. Claims brought by Employee as a private attorney general on behalf of the state of California under the California Private Attorneys General Act ("PAGA") must be arbitrated on an individual basis under this Agreement. For the avoidance of doubt, individual PAGA claim(s) may be brought in arbitration and must be resolved on an individual basis only, and not on behalf of any other alleged aggrieved employee in arbitration ("PAGA Representative Waiver"). Should applicable law permit any non-individual PAGA claim(s) brought on behalf of other alleged aggrieved employees to be maintained in court, the parties agree that any such non-individual PAGA claim(s) will be stayed in court until the resolution of Employee's individual PAGA claim(s) in arbitration.

13. Nothing in this arbitration agreement shall operate to require arbitration of claims that may not be compelled to arbitration under applicable law. If Employee or the Company asserts an action in which arbitrable Claims are asserted along with non-arbitrable Claims, the non-arbitrable Claims shall be stayed pending resolution of the arbitrable Claims. Further, either party hereto may apply to a court of competent jurisdiction for provisional remedies in connection with any arbitrable Claim, including preliminary injunctions and temporary restraining orders, in order to preserve the status quo and prevent irreparable damage to either party. The Company shall pay all costs and fees unique to arbitration including without limitation the fees of the arbitrator and the filing fee set by AAA. The parties agree that the venue of the arbitration shall be in Los

Angeles, California, another mutually agreeable venue, or a venue required by applicable law. The parties agree that the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq. applies to this agreement to arbitrate.

14. Defend Trade Secrets Act. Notwithstanding anything contained in this Agreement or in the Employment Agreement to the contrary, (1) nothing in this Agreement or in the Employment Agreement in any way limits Employee's obligations or the Company's or the Bank's rights under applicable state or federal trade secrets statutes, (2) Employee is advised and understands that in accordance with the federal Defend Trade Secrets Act of 2016, Employee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (i) is made (A) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and (3) if Employee files a lawsuit for retaliation by the Company or the Bank for reporting a suspected violation of law, Employee may disclose a trade secret to Employee's attorney and use the trade secret information in the court proceeding, if Employee filed any document containing the trade secret under seal and does not disclose the trade secret except pursuant to court order.

15. Severability. The Parties agree that should any provision of this Agreement be determined invalid by a court of competent jurisdiction, such a determination will not affect the enforceability of any of the remaining provisions of this Agreement and such provisions will remain in full force and effect. Accordingly, the provisions of this Agreement are severable.

16. Regulatory Limitations. Notwithstanding anything in this Agreement to the contrary, any payments made to Employee pursuant to this Agreement or otherwise are subject to and conditioned upon compliance with 12 U.S.C. §1828(k) and 12 C.F.R. Part 359, and any other applicable banking laws, regulations or orders of any governmental or regulatory authority. Neither the Company nor the Bank shall be required to make any payment that would be prohibited by any such law, regulation or order.

17. Withholding; Section 409A. All payments under this Agreement shall be subject to applicable tax withholding and other authorized deductions. This Agreement is intended to comply with, or be exempt from, Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations thereunder ("Section 409A"), and shall be interpreted accordingly. Each installment payment hereunder shall be treated as a separate payment for purposes of Section 409A. Any reimbursement required under this Agreement shall be provided no later than the last day of the calendar year immediately following the calendar year in which the applicable expense was incurred. No reimbursement or in-kind benefit required under this Agreement shall be subject to liquidation or exchange for another benefit, and the amount available for reimbursement or in-kind benefits under this Agreement during any calendar year shall not impact the amount available for reimbursement or in-kind benefits to be provided in any other calendar year. Notwithstanding the foregoing or anything contained in this Agreement to the contrary, in no event shall the Company, the Bank or any of their respective affiliates have any liability or obligation to Employee (or to any person or entity claiming any rights through Employee) in the event that this Agreement, or any payment or benefit under this Agreement, is not exempt from or compliant with Section 409A.

18. Cooperation. Following the Separation Date, Employee agrees to reasonably assist (including providing truthful information) the Company and the Bank, upon reasonable

notice and at reasonably convenient times, with respect to any governmental or regulatory investigation or proceeding, third-party proceeding or judicial or administrative proceeding, in each case, relating to any matter of which Employee has knowledge as a result of his employment. The Company shall reimburse Employee for reasonable, pre-approved (in writing) out-of-pocket expenses incurred by Employee in providing such cooperation (and, with respect to any such cooperation by Employee provided after the first anniversary of the Separation Date (other than testimony in a legal proceeding), the Company shall compensate Employee at a rate per hour to be mutually agreed upon for such cooperation). As a condition to reimbursement and payment, Employee must provide monthly invoices and documentation (in each case, within 30 days after the end of the applicable month) of any pre-approved expenses incurred in providing such cooperation, and of time spent providing such cooperation after the first anniversary of the Separation Date (which shall be reasonably detailed). Employee shall receive any reimbursement and hourly fee that Employee is entitled to receive under this Section 15 within 30 days after the applicable invoice is received by the Company. No reimbursement under this Section 15 is subject to liquidation or exchange for another benefit, nor shall the amount of reimbursement under this Section 15 in any one calendar year impact the amount available for reimbursement under this Section 15 in any other calendar year.

19. Counterparts and Signatures. This Agreement may be signed in one or more counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument. This Agreement may be signed, and signatures to this Agreement may be exchanged, electronically.

[signature page follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be effective by affixing their signatures below.

EMPLOYEE

/s/ Gary Fan
Gary Fan

Date: November 5, 2026

COMPANY

/s/ Johnny Lee

By: Johnny Lee

Title: President and Chief Executive Officer
Date: November 5, 2026

BANK

/s/ Johnny Lee

By: Johnny Lee
Title: President and Chief Executive Officer
Date: November 5, 2026

GENERAL RELEASE OF CLAIMS

This General Release of Claims ("Release") is entered into between Gary Fan ("Employee"), RBB Bancorp, a California corporation ("Company"), and Royal Business Bank, a California state banking corporation (the "Bank"), collectively referred to as the "Parties." The Parties have entered into that certain Employment Transition and Separation Agreement, dated as of November 5, 2026 (the "Separation Agreement"), and as a condition to receiving the payments and benefits set forth in Section 2 thereof (such payments and benefits, the "Severance Benefits"), Employee is required to timely execute, deliver to the Company and the Bank, and not revoke, this Release.

1. General Release. Employee, on behalf of himself and his heirs, successors, administrator, estate, beneficiaries, personal representatives and any other person or entity claiming any right by or through Employee hereby fully, finally and forever releases and discharges the Company, the Bank and each of their respective direct and indirect parents and subsidiaries, past and present (together, the "Company Group"), as well as the trustees, directors, officers, members, managers, partners (whether general or limited), agents, attorneys, insurers, employees, representatives, assigns, predecessors and successors, past and present, of each member of the Company Group, and any other persons or entities claimed to be jointly or severally liable with any of the foregoing, and each of them, hereinafter together and collectively referred to as the "Releasees," from any and all liabilities, charges, complaints, claims, demands, actions, damages, lawsuits, administrative proceedings, debts and expenses, costs, losses, obligations, judgments, warranties, promises, actions, causes of action, and suits of any kind and every nature whatsoever, in law or in equity, known or unknown, direct or indirect, which Employee ever had or now has or in the future may have, by reason of any matter, cause or thing at any time up to the time the Employee executes this Release, including, without limitation:

   a. claims under the following: Title VII of the Civil Rights Act of 1964, as amended; Civil Rights Act of 1991, as amended; Age Discrimination in Employment Act of 1967, as amended ("ADEA"); the Older Workers Benefit Protection Act of 1990, as amended; Equal Pay Act, as amended; Americans with Disabilities Act, as amended; Rehabilitation Act, as amended; Family and Medical Leave Act, as amended; False Claims Act, as amended; National Labor Relations Act, as amended; Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"); Employee Retirement Income Security Act of 1974, as amended ("ERISA"); Occupational Safety and Health Act, as amended ("OSHA"); the California Fair Employment and Housing Act; the California Equal Pay Act; the California Family Rights Act; the Ralph Civil Rights Act; the California Labor Code, including California Labor Code Section 132a; the California Government Code; and the Orders of the California Industrial Welfare Commission; and

   b. workers' compensation claims; retaliation claims; whistleblower claims; claims arising under any other federal, state or local law, statute, rule, regulation or ordinance; claims for breach of any contract, employment agreement, offer letter, compensation agreement, agreement for payment of bonus, agreement for grant or sale of stock or stock options, ownership agreement, long term incentive plan or agreement, or other agreement; promissory estoppel claims; claims of negligent or intentional misrepresentation; fraud claims; claims of negligent hiring, retention or supervision; claims for violation of public policy; claims for constructive discharge; claims for invasion of privacy; defamation claims; claims for injury to reputation; claims for damage to earning capacity; claims for loss of employment

prospects; personal injury claims; intentional or negligent infliction of emotional distress claims; other negligence claims; tort claims; any and all other common law claims; claims arising out of Employee's employment or other service with any Releasee or the separation from that employment or other service; all claims relating to the Employment Agreement (as defined in the Separation Agreement); and all other claims of any nature whatsoever.

c. It is expressly agreed and understood that the release contained herein is a general release. This means that the Employee is releasing any and all causes of actions or claims, known or unknown, and whether or not arising out of or in connection with Employee's association with any Releasee, which may exist up to the time Employee executes this Release, and any reference to specific claims is not intended to limit the release of claims by the Employee.

Without limiting the foregoing, the above release of claims extinguishes all claims Employee has against any Releasee, whether such claims are currently known or unknown, vested or contingent, foreseen or unforeseen. Employee acknowledges and agrees that if any fact concerning any matter covered by this Release is found hereafter to be other than or different from the facts Employee now believes to be true, Employee expressly accepts and assumes that this Release shall be and remain effective, notwithstanding such difference in the facts. Employee expressly waives any right or benefit Employee may have under California Civil Code section 1542 or any other similar statute in any jurisdiction. California Civil Code section 1542 provides as follows:

> "A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

2. Notwithstanding the foregoing, the claims released by this Release do not include (1) Employee's right to receive the Accrued Compensation (as defined in the Separation Agreement) in accordance with the terms of the Separation Agreement; (2) Employee's right to receive the Severance Benefits in accordance with the terms of the Separation Agreement; (3) any right of the Employee to receive workers' compensation benefits; (4) any right to continue the Employee's group health benefits in accordance with COBRA (as defined in the Separation Agreement); (5) any right of the Employee to indemnification for his actions and omissions as an officer under the Company Group's governing documents; (6) any rights to coverage under any applicable directors' and officers' liability insurance policy; (7) any rights to Employee's vested benefits under any tax-qualified defined contribution retirement plan, (8) any rights of Employee with respect to any of his equity awards that are vested as of the Separation Date and (9) any claim that cannot be released as a matter of applicable law.

3. Certain Permitted Actions. Notwithstanding anything contained in this Release, in the Employment Agreement or in the Separation Agreement to the contrary, nothing in this Release, in the Employment Agreement or in the Separation Agreement shall preclude or

prevent the Employee from (i) reporting possible violations of law or regulation to any governmental agency or entity or self-regulatory organization (including but not limited to the Department of Justice, the Securities and Exchange Commission, Congress, and any agency Inspector General), or making other disclosures that are protected under the whistleblower provisions of applicable law or regulation (it being understood that the Employee does not need the prior authorization of the Company to make any such reports or disclosures or to notify the Company that the Executive has made such reports or disclosures), (ii) filing an administrative charge of discrimination or an administrative charge within the jurisdiction of the National Labor Relations Board ("NLRB") or Equal Employment Opportunity Commission ("EEOC") or similar state or local civil rights agencies or (iii) filing a charge or communicating with any other federal, state or local government office, official or agency concerning matters relevant to such governmental office or agency. Employee promises never to seek or accept any damages, remedies, or other relief, for Employee personally (any right to which Employee hereby waives and promises never to accept) with respect to any claim released under this Release, in any proceeding including, but not limited to, any EEOC or NLRB proceeding, other than a benefit or remedy pursuant to Section 922 of the Dodd-Frank Wall Street Reform or the Consumer Protection Act or as otherwise required by applicable law.

4. Opportunity to Consider and Confer. Employee specifically acknowledges the following:

   a. That he has fully read, understands, and voluntarily enters into this Release; and

   b. That he has had an opportunity to ask questions and has been advised by the Company to consult with an attorney of his choice before signing the Release; and

   c. That he has been given at least twenty-one (21) days to consider this Release; however, should he opt to forego any portion of that 21-day consideration period, such waiver will be evidenced by the date of his signature on this Release; and this Release expires if not executed by Employee and delivered to the Company by 5:00 pm Pacific on December 26, 2026; and

   d. That he is waiving, among other claims, age discrimination claims under the Age Discrimination in Employment Act, 29 U.S.C. §621, *et seq.*, and the Older Workers Benefit Protection Act of 1990 ("OWBPA") and all amendments thereto; and

   e. That if he executes this Release, he will have seven (7) days in which to revoke the Release, and that the Release will not become effective or enforceable until after the revocation period expires (in other words, this Release will become effective only if the revocation period expires, and Employee has not exercised his right to revoke). Employee understands and agrees that if he revokes this Release, then he will not receive any of the Severance Benefits. To revoke this Release, Employee must send a written notice to Johnny Lee, by email to johnnylee@rbbusa.com (with a copy to Shawn Turner at shawn.turner@hklaw.com), which must be received by 5:00 p.m. Pacific Time on or before the seventh (7th) day (excluding the day it was signed) after Employee's signing of the Release.

5. Employee Representations: Employee represents and warrants that:

   a. Employee has returned all Company Property (as defined in the Separation Agreement) in Employee's possession or under Employee's control;

b. Employee is not owed any wages, commissions, bonuses, or other compensation (other than any Accrued Compensation which has not been paid in accordance with the Separation Agreement and, to the extent payable in accordance with the Separation Agreement, the Severance Benefits);

c. During the course of Employee's employment, Employee did not sustain any injuries for which Employee might be entitled to compensation pursuant to worker's compensation law or Employee has disclosed any injuries of which he is currently, reasonably aware for which he might be entitled to compensation pursuant to worker's compensation law; and

d. Employee has not initiated any adversarial proceedings of any kind against any Releasee with respect to any claim released in this Release, nor will Employee do so in the future (provided that nothing contained in this Release shall limit or restrict Employee's ability to challenge the validity of this Release under the requirements of the Age Discrimination in Employment Act). In the event that Employee brings any claim against any Releasee that is released in this Release, then in addition to all other remedies available at law, in equity, in contract or otherwise to the Releasees, Employee shall forfeit Employee's right to receive any unpaid or unprovided Severance Benefits and shall repay to the Company (within 30 days after the date such claim is brought) all Severance Benefits previously paid or provided (provided that no such forfeiture or repayment shall occur in the event that Employee challenges the validity of this Release under the requirements of the Age Discrimination in Employment Act).

6. Notwithstanding the foregoing or anything to the contrary contained in this Release, in the Separation Agreement or in any other agreement between Employee and the Company, the Bank or any of their respective predecessors, Employee understands and acknowledges that nothing in this Release limits or restricts Employee's ability to communicate directly with the U.S. Securities and Exchange Commission about a possible securities law violation, nor limit or restrict Employee's Section 7 rights under the National Labor Relations Act, nor limit or restrict Employee's right to communicate with the Equal Employment Opportunity Commission or any other federal, state, or local government agency, office or official. Employee also understands and acknowledges that nothing in this Release or in any other document prohibits Employee from discussing or disclosing information that is expressly prohibited from being the subject of employee nondisclosure obligations under applicable law, such as information about unlawful acts in the workplace, including harassment or any other conduct that Employee has reason to believe is unlawful or in violation of public policy, or from speaking with an attorney regarding the same.

7. Entire Agreement. Employee acknowledges and affirms that Employee has read and fully understands all the provisions of this Release, which sets forth the entire agreement between the Employee, the Company and the Bank regarding the subject matter hereof, and further acknowledges that in entering into this Release, he has not relied on any representation or statement, written or oral, not set forth herein.

8. Choice of Law. This Release shall be governed by, and construed in accordance with, the laws of the State of California, without regard to any choice of laws provision.

9. Severability. The Parties agree that should any provision of this Release, excluding the general release language herein, be determined invalid by a court of competent jurisdiction, such a determination will not affect the enforceability of any of the

remaining provisions of this Release and such provisions will remain in full force and effect.

10. Counterparts and Signatures. This Release may be signed in one or more counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument. This Release may be signed, and signatures to this Release may be exchanged, electronically.

[signature page follows]

IN WITNESS WHEREOF, and intending to be legally bound, the Company and the Bank by their respective authorized representative, and Employee, execute this Release by signing below voluntarily and with full knowledge of the significance of all its provisions.

PLEASE READ CAREFULLY. THIS GENERAL RELEASE OF CLAIMS INCLUDES A RELEASE OF KNOWN AND UNKNOWN CLAIMS.

EMPLOYEE

_____
Gary Fan

Date:_____

COMPANY

_____

By:_____
Title:_____
Date:_____

BANK

_____

By:_____
Title:_____
Date:_____

Exhibit 31.1

CERTIFICATION

I, Johnny Lee, certify that:

1. I have reviewed this quarterly report on Form 10-Q of RBB Bancorp;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting

Date: November 6, 2026

By: /s/ Johnny Lee
Johnny Lee,
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Lynn Hopkins, certify that:

1. I have reviewed this quarterly report on Form 10-Q of RBB Bancorp;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2026

By: /s/ Lynn Hopkins
Lynn Hopkins,
Executive Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of RBB Bancorp (the "Company") on Form 10-Q for the period ended September 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Johnny Lee, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 6, 2026

By: /s/ Johnny Lee
Johnny Lee,
President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of RBB Bancorp (the "Company") on Form 10-Q for the period ended September 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lynn Hopkins, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 6, 2026

By: /s/ Lynn Hopkins
Lynn Hopkins,
Executive Vice President and Chief Financial Officer