

**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 March 31, 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: 001-40721

FINWISE BANCORP
(Exact Name of Registrant as Specified in its Charter)

Utah
(State or other jurisdiction of
incorporation or organization)
756 East Winchester, Suite 100
Murray, Utah
(Address of principal executive offices)

83-0356689
(I.R.S. Employer
Identification No.)

84107
(Zip Code)

Registrant's telephone number, including area code: (801) 501-7200

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	FINW	The NASDAQ Stock Market LLC

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 (§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, smaller reporting company, or an 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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

As of May 8, 2026, the registrant had 13,706,039 shares of common stock, \$0.001 par value per share, outstanding.

FinWise Bancorp
Table of Contents

	<u>Page</u>
Cautionary Note Regarding Forward-Looking Statements	3
PART I. FINANCIAL INFORMATION	5
Item 1. Financial Statements (Unaudited)	5
Consolidated Balance Sheets	5
Consolidated Statements of Income	6
Consolidated Statements of Comprehensive Income	7
Consolidated Statement of Changes in Shareholders' Equity	8
Consolidated Statements of Cash Flows	9
Notes to Consolidated Financial Statements	10
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	40
Item 3. Quantitative and Qualitative Disclosures About Market Risk	63
Item 4. Controls and Procedures	65
PART II. OTHER INFORMATION	66
Item 1. Legal Proceedings	66
Item 1A. Risk Factors	66
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	66
Item 3. Defaults Upon Senior Securities	66
Item 4. Mine Safety Disclosures	66
Item 5. Other Information	66
Item 6. Exhibits	66
SIGNATURES	68

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

In this Quarterly Report on Form 10-Q (this “Report”), unless we state otherwise or the context otherwise requires, references to “we,” “our,” “us,” “the Company” and “FinWise Bancorp” refer to FinWise Bancorp and its wholly owned subsidiaries, FinWise Bank (which we sometimes refer to as “FinWise Bank,” “FinWise,” “the Bank” or “our Bank,”) and FinWise Investment, LLC.

This Report contains forward-looking statements made pursuant to the safe harbor provisions of 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 financial performance. These statements are often, but not always, made through the use of words or phrases such as “may,” “might,” “should,” “could,” “predict,” “potential,” “believe,” “will likely result,” “expect,” “continue,” “will,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “project,” “projection,” “forecast,” “budget,” “goal,” “target,” “would,” “aim” and “outlook,” or the negative version of those words or other comparable words or phrases 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 and management’s beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. The inclusion of these forward-looking statements should not be regarded as a representation by us or any other person that such expectations, estimates and projections will be achieved. 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, including, but not limited to, the following:

- the success of the financial technology and banking-as-a-service (“BaaS”) industries, as well as the continued evolution of the regulation of these industries;
- the ability of our Fintech Banking and Payment Solutions service providers to comply with regulatory regimes, and our ability to adequately oversee and monitor our Fintech Banking and Payment Solutions service providers;
- changes in the laws, rules, regulations, interpretations or policies relating to financial institutions, accounting, tax, trade, tariffs, monetary and fiscal matters, including the application of interest rate caps or maximums;
- our ability to keep pace with rapid technological changes in the industry or implement new technology effectively including development of applications utilizing artificial intelligence;
- system failure or cybersecurity breaches of our network security and potential exposure to fraud, negligence, computer theft and cyber-crime and other disruptions in our computer systems relating to our development and use of new technology platforms;
- our ability to maintain and grow relationships with and reliance on our service providers for core systems support, informational website hosting, internet services, online account opening and other processing services;
- increased national or regional competition in the banking and financial services industry including fintech companies acquiring banks or applying for bank charters;
- the adequacy of our risk management framework and our ability to measure and manage our credit risk effectively;
- the adequacy of our allowance for credit losses (“ACL”);
- changes in Small Business Administration (“SBA”) rules, regulations and loan products, including specifically the Section 7(a) program, or changes to the status of the Bank as an SBA Preferred Lender;
- changes in the existing regulatory framework for brokered deposits;
- the performance of our loan portfolio including, the value of collateral securing our loans, our levels of nonperforming assets losses from loan defaults;
- the sufficiency of the cash flows from the credit enhanced loan portfolios to absorb credit losses;

- our ability to protect our intellectual property and the ability to defend claims and litigation of infringement initiated against us;
- our ability to implement our growth strategy and to continue to launch new products and services successfully;
- the anticipated benefits of any new lines of business that we may enter or investments or acquisitions we may make are not realized within the expected time frame or at all;
- the concentration of our lending and depositor relationships through Strategic Programs (our nationwide strategic relationship programs) in the financial technology industry generally and our ability to develop a strong core deposit base or other low-cost funding sources;
- our ability to manage interest rate, volatility and liquidity risks and the sufficiency of our capital;
- the effectiveness of our internal control over financial reporting and our ability to remediate any significant deficiencies or material weakness that may occur in the future in our internal control over financial reporting;
- dependence on our management team and changes in management composition;
- compliance with laws and regulations, supervisory actions, the Dodd-Frank Act, capital requirements, the Bank Secrecy Act, and other anti-money laundering laws, predatory lending laws, and other statutes and regulations;
- changes in legislative, regulatory or tax priorities;
- our involvement from time to time in legal or regulatory proceedings, including any class action lawsuits;
- natural disasters and adverse weather, acts of terrorism, pandemics, an outbreak of hostilities or other international or domestic calamities, including the ongoing conflicts in Iran and Middle East that can increase levels of political and economic unpredictability, contribute to rising energy and commodity prices, and increase the volatility of financial markets, and other matters beyond our control;
- the availability of future equity and debt issuances and other capital raising opportunities on favorable terms;
- negative ratings outlooks or downgrades of our credit rating or securities or the U.S.'s long-term credit rating;
- federal government shutdowns and other political impasses, including with respect to the U.S. debt ceiling and federal budget and any reductions in staffing at U.S. governmental agencies; and
- other factors listed from time to time in our filings with the Securities and Exchange Commission (the "SEC"), including in our Annual Report on Form 10-K for the year ended December 31, 2025 (the "2025 Form 10-K").

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 our forward-looking statements. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statements are based on information available to the Company as of the filing date of this Report, and we do not undertake any obligation to publicly update or review any forward-looking statement, whether because of new information, future developments or otherwise, except as required by law. New risks and uncertainties may emerge from time to time, and it is not possible for us to predict their occurrence. In addition, we cannot assess the impact of each risk and uncertainty on our business or the extent to which any risk or uncertainty, or combination of risks and uncertainties, may cause actual results to differ materially from those contained in any forward-looking statements.

PART I FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

FinWise Bancorp
Consolidated Balance Sheets
(in thousands, except share and par value amounts)

	March 31, 2026	December 31, 2025
ASSETS	(Unaudited)	
Cash and cash equivalents		
Cash and due from banks	\$ 6,292	\$ 12,082
Interest-bearing deposits in other banks (restricted cash of \$4.1 million and \$4.1 million, respectively)	90,655	151,318
Total cash and cash equivalents	96,947	163,400
Investment securities available-for-sale, at fair value, net of allowance for credit losses of \$0, (amortized cost of \$27.5 million and \$27.5 million, respectively)	27,629	27,755
Investment securities held-to-maturity, net of allowance for credit losses of \$0, (fair value of \$8.4 million and \$9.0 million, respectively)	9,388	9,927
Strategic Program loans held-for-sale, at lower of cost or fair value	133,907	146,473
Loans held-for-investment, net of allowance for credit losses of \$38.0 million and \$36.8 million, respectively	539,157	541,551
Credit enhancement asset	23,378	22,411
Assets subject to operating leases, net of accumulated depreciation of \$5.2 million and \$4.7 million, respectively	11,692	12,575
Deferred income taxes, net	2,215	2,345
Other assets	55,127	50,698
Total assets	\$ 899,440	\$ 977,135
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Deposits		
Noninterest-bearing	\$ 127,223	\$ 168,442
Interest-bearing	547,633	586,119
Total deposits	674,856	754,561
Other liabilities	27,977	29,379
Total liabilities	702,833	783,940
Commitments and contingencies (Note 6)		
Shareholders' equity		
Preferred stock, \$0.001 par value, 4,000,000 authorized; no shares issued and outstanding as of March 31, 2026 and December 31, 2025	—	—
Common stock, \$0.001 par value, 40,000,000 shares authorized; 13,706,693 and 13,655,961 shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively	14	14
Additional paid-in-capital	61,702	60,958
Retained earnings	134,847	132,197
Accumulated other comprehensive income, net of tax	44	26
Total shareholders' equity	196,607	193,195
Total liabilities and shareholders' equity	\$ 899,440	\$ 977,135

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

FinWise Bancorp
Consolidated Statements of Income (Unaudited)
(in thousands, except share and per share amounts)

	Three Months Ended March 31,	
	2026	2025
Interest income		
Interest and fees on loans	\$ 32,072	\$ 17,155
Interest on securities	339	390
Other interest income	1,130	991
Total interest income	33,541	18,536
Interest expense		
Interest on deposits	5,451	4,256
Total interest expense	5,451	4,256
Net interest income	28,090	14,280
Provision for credit losses	10,581	3,336
Net interest income after provision for credit losses	17,509	10,944
Non-interest income		
Strategic Program fees	5,702	4,962
Gain on sale of loans, net	1,452	846
SBA loan servicing fees, net	158	178
Change in fair value on investment in BFG	(200)	400
Interchange income	703	—
Credit enhancement income	5,864	85
Other miscellaneous income	948	1,339
Total non-interest income	14,627	7,810
Non-interest expense		
Salaries and employee benefits	11,038	9,826
Professional services	880	907
Occupancy and equipment expenses	425	543
Credit enhancement servicing expense	2,429	2
Credit enhancement guarantee expense	10,098	11
Other operating expenses	3,468	3,029
Total non-interest expense	28,338	14,318
Income before income taxes	3,798	4,436
Provision for income taxes	1,063	1,247
Net income	\$ 2,735	\$ 3,189
Earnings per share, basic	\$ 0.21	\$ 0.24
Earnings per share, diluted	\$ 0.20	\$ 0.23
Weighted average shares outstanding, basic	13,019,369	12,716,155
Weighted average shares outstanding, diluted	13,642,166	13,483,647

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

FinWise Bancorp
Consolidated Statements of Comprehensive Income (Unaudited)
(in thousands)

	Three Months Ended March 31,	
	2026	2025
Net income	\$ 2,735	\$ 3,189
Other comprehensive income (loss) items:		
Unrealized gain (loss) on securities available-for-sale	\$ (121)	\$ 203
Tax effect	31	(45)
Unrealized gain (loss) on interest rate swaps	125	(254)
Recognition of previously unrealized (gain) loss on interest rate swaps in net income	19	(113)
Tax effect	(36)	41
Other comprehensive income (loss), net of tax	18	(168)
Comprehensive income	\$ 2,753	\$ 3,021

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

FinWise Bancorp
Consolidated Statements of Changes in Shareholders' Equity (Unaudited)
(in thousands, except share amounts)

Three Months Ended March 31, 2026

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income, Net of Tax	Total Shareholders' Equity
	Shares	Amount				
Balance at December 31, 2025	13,655,961	\$ 14	\$ 60,958	\$ 132,197	\$ 26	\$ 193,195
Stock-based compensation expense	29,834	—	659	—	—	659
Stock options exercised, net	20,898	—	85	(85)	—	—
Other comprehensive income, net of tax	—	—	—	—	18	18
Net income	—	—	—	2,735	—	2,735
Balance at March 31, 2026	13,706,693	\$ 14	\$ 61,702	\$ 134,847	\$ 44	\$ 196,607

Three Months Ended March 31, 2025

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income, Net of Tax	Total Shareholders' Equity
	Shares	Amount				
Balance at December 31, 2024	13,211,640	\$ 13	\$ 56,926	\$ 116,594	\$ 187	\$ 173,720
Stock-based compensation expense	—	—	600	—	—	600
Stock options exercised, net	5,263	—	22	(2)	—	20
Other comprehensive loss, net of tax	—	—	—	—	(168)	(168)
Net income	—	—	—	3,189	—	3,189
Balance at March 31, 2025	13,216,903	\$ 13	\$ 57,548	\$ 119,781	\$ 19	\$ 177,361

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

FinWise Bancorp
Consolidated Statements of Cash Flows (Unaudited)
(in thousands)

	Three Months Ended March 31,	
	2026	2025
Cash flows from operating activities:		
Net income	\$ 2,735	\$ 3,189
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,143	1,377
Provision for credit losses	10,581	3,336
Noncash operating lease cost	200	9
Net (accretion) amortization of securities (discounts) and premiums	3	(8)
Other	(332)	(315)
Gain on sale of loans, net	(1,452)	(846)
Originations of Strategic Program loans held-for-sale	(1,671,625)	(1,180,397)
Proceeds from sale of Strategic Program loans held-for-sale	1,684,337	1,153,388
Change in fair value of BFG	200	(400)
Impairment (recovery) of SBA servicing asset	144	(80)
Stock-based compensation expense	659	600
Noncash change in credit enhancement asset	(967)	(84)
Deferred income taxes	250	(1,194)
Net changes in:		
Other assets	(4,769)	5,263
Other liabilities	(1,398)	(5,446)
Net cash provided by (used in) operating activities	19,709	(21,608)
Cash flows from investing activities:		
Net increase in loans receivable	(27,891)	(34,672)
Purchase of lease pools	(4,859)	(10,124)
Purchase of bank premises and equipment, net	(21)	(117)
Purchase of assets subject to operating leases	—	(1,525)
Proceeds from sales of loans held-for-investment	25,884	17,573
Proceeds from sales of assets subject to operating leases	30	287
Proceeds from maturities and paydowns of securities held-to-maturity	541	560
Purchase of FHLB stock	(141)	(90)
Net cash used in investing activities	(6,457)	(28,108)
Cash flows from financing activities:		
Net increase (decrease) in deposits	(79,705)	60,806
Proceeds from exercise of stock options	—	20
Net cash (used in) provided by financing activities	(79,705)	60,826
Net change in cash and cash equivalents and restricted cash	(66,453)	11,110
Cash, cash equivalents and restricted cash, beginning of the period	163,400	109,162
Cash, cash equivalents and restricted cash, end of the period	\$ 96,947	\$ 120,272
Supplemental disclosures of cash flow information:		
Cash paid for income taxes, net of refunds	\$ 67	\$ 412
Cash paid for interest	\$ 5,853	\$ 3,000

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

FinWise Bancorp
Notes to Consolidated Financial Statements (Unaudited)

Note 1 – Business, Basis of Presentation, and Summary of Significant Accounting Policies

Nature of Business and Organization – FinWise Bancorp is a Utah bank holding company headquartered in Murray, Utah and operates all business activities through its wholly-owned subsidiaries, FinWise Bank (“Bank”) and FinWise Investment, LLC. The Bank provides a full range of banking services to individual and commercial customers and provides banking and payments solutions to fintech brands. As a technology-focused bank, the Bank also has established Strategic Programs with various third-party platforms that use technology to streamline the origination of consumer and business loans and process payments. FinWise Investment, LLC’s purpose is to hold and manage private investments made by the Company and the Bank.

References to “FinWise Bancorp,” “Bancorp” or the “holding company,” refer to FinWise Bancorp on a standalone basis. References to the “Company” refer to FinWise Bancorp, FinWise Bank, and FinWise Investment, LLC collectively and on a consolidated basis.

Basis of Presentation – The accompanying unaudited interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and with rules and regulations of the Securities and Exchange Commission (“SEC”). Accordingly, the statements do not include all of the information and footnotes required by GAAP for complete financial statements. All significant inter-company transactions have been eliminated in consolidation. In the opinion of management, all the adjustments (consisting of normal and recurring adjustments) necessary for the fair statement of the consolidated financial condition and the consolidated results of operations for the periods presented have been included. The results of operations and other data presented for the three months ended March 31, 2026 are not necessarily indicative of the results of operations that may be expected for subsequent periods or the full year results. The consolidated balance sheet data as of December 31, 2025 was derived from audited financial statements; however, the accompanying notes to the unaudited consolidated financial statements do not include all of the annual disclosures required by GAAP and should be read in conjunction with the Company’s audited consolidated financial statements and related notes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2025.

Reclassifications – Certain reclassifications have been made to the consolidated financial statements to align them with the current period’s presentation. These adjustments did not have a material impact on the previously reported consolidated financial statements. For the period ended March 31, 2026, the Company reclassified specific assets and liabilities from individual line items on the balance sheet to “other assets” or “other liabilities.” Corresponding amounts from prior periods have also been reclassified to ensure consistency with the current period’s presentation. Management evaluated these changes and concluded that the amounts involved were not significant enough to warrant separate disclosure.

Use of Estimates – In preparing the interim consolidated financial statements in accordance with GAAP, management is required to make estimates and assumptions that affect the reported amounts of certain assets and liabilities as of the date of the consolidated balance sheets and certain revenues and expenses for the period. Actual results could differ, either positively or negatively, from those estimates.

Segment Reporting – As further described in Note 14, Segments, during the third quarter of 2025, the Company implemented segment reporting following the completion of a technology initiative to capture segment-specific financial data and develop reports used by the Company’s chief operating decision maker (“CODM”) to review the Company’s financial performance and determine how to allocate resources. The Company established three reportable segments: traditional banking, banking as a service (“BaaS”) and treasury and administration. For periods prior to July 1, 2025, the Company operated under one operating segment, consistent with the information that was presented to the Company’s CODM.

Note 2 – Investments

Investment Securities Available-for-Sale, at Fair Value

The Company’s available-for-sale (“AFS”) investment portfolio consists of U.S. Treasury securities. The Company reports debt securities AFS on the Company’s consolidated balance sheets at fair value. The amortized cost, gross unrealized gains and losses, and estimated fair value of investment securities AFS as of March 31, 2026 and December 31, 2025, are summarized as follows:

		March 31, 2026			
<i>(\$ in thousands)</i>		Amortized Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value
U.S. Treasury securities		\$ 27,526	\$ 103	\$ —	\$ 27,629

		December 31, 2025			
<i>(\$ in thousands)</i>		Amortized Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value
U.S. Treasury securities		\$ 27,531	\$ 224	\$ —	\$ 27,755

The following table presents the amortized cost and estimated fair value of investment securities AFS at March 31, 2026, by contractual maturity:

<i>(\$ in thousands)</i>		Amortized Cost	Estimated Fair Value
Due in one year or less		\$ 17,497	\$ 17,561
Due after one year through five years		10,029	10,068
Total securities AFS		\$ 27,526	\$ 27,629

At March 31, 2026, debt securities AFS with a fair value of \$27.6 million were pledged as collateral for a credit line held by the Bank. Accrued interest receivable on debt securities AFS totaled \$0.2 million and \$0.5 million at March 31, 2026 and December 31, 2025, respectively, and was included in other assets on the consolidated balance sheets.

Investment Securities Held-to-Maturity, at Cost

The Company's held-to-maturity ("HTM") investment portfolio consists of agency mortgage-backed securities and agency collateralized mortgage obligations. The Company reports debt securities HTM on the Company's consolidated balance sheets at carrying value which is amortized cost. The amortized cost, unrealized gains and losses, and estimated fair values of the Company's debt securities HTM at March 31, 2026 and December 31, 2025, are summarized as follows:

		March 31, 2026				
<i>(\$ in thousands)</i>		Amortized Cost	Allowance for Credit Losses	Unrealized Gain	Unrealized Loss	Estimated Fair Value
Mortgage-backed securities		\$ 4,726	\$ —	\$ —	\$ (448)	\$ 4,278
Collateralized mortgage obligations		4,662	—	1	(531)	4,132
Total securities held-to-maturity		\$ 9,388	\$ —	\$ 1	\$ (979)	\$ 8,410

		December 31, 2025				
<i>(\$ in thousands)</i>		Amortized Cost	Allowance for Credit Losses	Unrealized Gain	Unrealized Loss	Estimated Fair Value
Mortgage-backed securities		\$ 4,961	\$ —	\$ 1	\$ (456)	\$ 4,506
Collateralized mortgage obligations		4,966	—	5	(495)	4,476
Total securities held-to-maturity		\$ 9,927	\$ —	\$ 6	\$ (951)	\$ 8,982

The amortized cost and estimated market value of debt securities HTM at March 31, 2026, by contractual maturity, are shown below. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

<i>(\$ in thousands)</i>	Amortized Cost	Estimated Fair Value
Securities held-to-maturity		
Due in one year or less	\$ —	\$ —
Due after one year through five years	975	951
Due after five years through ten years	1,784	1,635
Due after ten years	6,629	5,824
Total securities held-to-maturity	<u>\$ 9,388</u>	<u>\$ 8,410</u>

At March 31, 2026, HTM debt securities with a book value of \$9.4 million were pledged as collateral for a credit line held by the Bank.

Credit Quality Indicators & Allowance for Credit Losses - HTM and AFS

For debt securities HTM and AFS, the Company evaluates the credit risk of its securities on at least a quarterly basis. The Company estimates expected credit losses on debt securities HTM and AFS on a collective basis by major security type. Accrued interest receivable on debt securities HTM and AFS is excluded from the estimate of credit losses. At March 31, 2026 and December 31, 2025, there was no ACL related to debt securities HTM or AFS as the portfolio consists of U.S. government-issued or guaranteed agency securities considered to have minimal credit risk.

The Company had eighteen securities, consisting of eight collateralized mortgage obligations and ten mortgage-backed securities in an unrealized loss position at March 31, 2026 and seventeen securities, consisting of eight collateralized mortgage obligations and nine mortgage-backed securities in an unrealized loss position at December 31, 2025. The following table presents the estimated fair value and gross unrealized losses of debt securities HTM and AFS, aggregated by category and length of time in a continuous unrealized loss position at March 31, 2026 and December 31, 2025:

<i>(\$ in thousands)</i>	March 31, 2026					
	Less than 12 months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Held-to-maturity:						
Mortgage-backed securities	\$ 299	\$ —	\$ 3,978	\$ (448)	\$ 4,277	\$ (448)
Collateralized mortgage obligations	483	(2)	3,236	(529)	3,719	(531)
Total	<u>\$ 782</u>	<u>\$ (2)</u>	<u>\$ 7,214</u>	<u>\$ (977)</u>	<u>\$ 7,996</u>	<u>\$ (979)</u>

<i>(\$ in thousands)</i>	December 31, 2025					
	Less than 12 months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Held-to-maturity:						
Mortgage-backed securities	\$ —	\$ —	\$ 4,164	\$ (456)	\$ 4,164	\$ (456)
Collateralized mortgage obligations	39	—	3,372	(495)	3,411	(495)
Total	<u>\$ 39</u>	<u>\$ —</u>	<u>\$ 7,536</u>	<u>\$ (951)</u>	<u>\$ 7,575</u>	<u>\$ (951)</u>

There were no sales or transfers of investment securities and no realized gains or losses on these securities during the three months ended March 31, 2026 or 2025.

FHLB Stock

The Bank is a member of the FHLB system. As a member, the Bank is required to maintain a minimum level of investment in FHLB stock based on a percentage of the Bank's previous year-end assets and the Bank's FHLB advances outstanding. At March 31, 2026 and December 31, 2025, the Bank owned \$0.6 million and \$0.4 million, respectively, of FHLB stock, which is carried at cost. The Company evaluated the carrying value of its FHLB stock investment at March 31, 2026 and determined that it was not impaired. This evaluation considered the long-term nature of the investment, the current financial and liquidity position of the FHLB, repurchase activity of excess stock by the FHLB at its carrying value, the return on the investment from recurring and special dividends, and the Company's intent and ability to hold this investment for a period of time sufficient to recover its recorded investment.

Note 3 – Loans

Loans held-for-investment, net – The Company's loans held-for-investment outstanding by general ledger classification as of March 31, 2026 and December 31, 2025, consisted of the following:

<i>(\$ in thousands)</i>	March 31, 2026	December 31, 2025
SBA ⁽¹⁾	\$ 202,438	\$ 205,615
Commercial leases	78,913	78,743
Commercial, non-real estate	3,877	4,201
Residential real estate	62,464	59,602
Strategic Program loans:		
Strategic Program loans - with credit enhancement	109,081	108,131
Strategic Program loans - without credit enhancement	20,779	21,637
Commercial real estate:		
Owner occupied	86,083	84,016
Non-owner occupied	2,003	1,638
Consumer	18,599	21,926
Total loans held-for-investment, gross	\$ 584,237	\$ 585,509
Deferred loan fees and discounts, net	(7,107)	(7,162)
Allowance for credit losses	(37,973)	(36,796)
Loans held-for-investment, net	<u>\$ 539,157</u>	<u>\$ 541,551</u>

⁽¹⁾ Included in the SBA loans held-for-investment above are \$95.1 million and \$102.7 million of loans guaranteed by the SBA as of March 31, 2026 and December 31, 2025, respectively.

The Bank sells participation interests in some loans it originates and may acquire a participation interest in loans originated by others. All reported amounts reflect only the Bank's ownership interest in the loans.

Strategic Program Loans – The Company originates loans with various third-party loan origination platforms that use technology and other innovative systems to streamline the origination of unsecured and secured consumer and business loans to a wide array of borrowers within certain approved credit profiles. Loans issued by the Company through these programs follow and are limited to specific predetermined underwriting criteria. The Company earns monthly minimum program fees from these third parties. Based on the volume of loans originated by the Company related to each Strategic Program, an additional fee equal to a percentage of the loans generated under the Strategic Program may be collected. The program fee is included within non-interest income on the consolidated statements of income.

The Company generally retains the loans and/or receivables for a number of business days after origination before selling the loans and/or receivables to the Strategic Program provider or another investor. Interest income is earned by the Company while holding the loans. These loans are classified as held-for-sale on the balance sheet and measured at the lower of cost or market.

The Company may choose to retain all or part of the originated loans or receivables, rather than selling them in their entirety. The portion that remains with the Company is classified as held-for-investment on the balance sheet.

The Company is generally the servicer of the loans it originates through Strategic Programs. The Company earns a servicing fee equal to a percentage of the outstanding balance of the loans generated under Strategic Programs for servicing such loans. In turn, the Strategic Program service providers, subject to the Company's approval and oversight, typically serve as sub-servicer and perform primary servicing duties including loan collections, modifications, charging-off, reporting and monitoring, for which the Company incurs a cost.

Each Strategic Program provider establishes a "reserve" deposit account with the Company to reasonably ensure the strategic programs will have sufficient funds available to purchase the loans. The agreements generally require that the reserve account deposit balance does not fall below an agreed upon dollar or percentage threshold related to the total loans currently outstanding as held-for-sale by the Company for the specific Strategic Program. If necessary, the Company has the right to withdraw amounts from the reserve account to fulfill loan purchaser obligations created under the program agreements. Total cash held in reserve by Strategic Program providers at the Company at March 31, 2026 and December 31, 2025, was \$35.6 million and \$53.4 million, respectively.

Strategic Program providers that participate in the Company's credit enhanced balance sheet program guarantee the credit and fraud losses by maintaining a reserve deposit account with the Bank. This reserve deposit account is intended to protect the Bank by ensuring that sufficient funds are available to cover any credit and fraud losses, and the Strategic Program provider must periodically replenish the account as needed to meet the required balance. Collateral reserve balances associated with the Company's credit enhanced balance sheet program totaled \$5.1 million and \$5.4 million at March 31, 2026 and December 31, 2025, respectively.

Strategic Program loans retained and held-for-sale as of March 31, 2026 and December 31, 2025, are summarized as follows:

<i>(\$ in thousands)</i>	March 31, 2026	December 31, 2025
Retained Strategic Program loans ⁽¹⁾	\$ 129,860	\$ 129,768
Strategic Program loans held-for-sale	133,907	146,473
Total Strategic Program loans	<u>\$ 263,767</u>	<u>\$ 276,241</u>

⁽¹⁾ Includes \$109.1 million and \$108.1 million of credit enhanced loans at March 31, 2026 and December 31, 2025, respectively.

Allowance for Credit Losses: In determining an appropriate amount for the allowance, the Bank segmented and aggregated the loan portfolio based on the FDIC Consolidated Reports of Condition and Income ("Call Report") codes. These classifications, which in general are based upon the nature of the collateral and type of borrower, are different than the classifications adopted for other financial reporting purposes, which are based upon the proposed use of the loan proceeds. The following pool segments were identified as of March 31, 2026 and December 31, 2025 for the purpose of estimating the ACL:

(\$ in thousands)

	March 31, 2026	December 31, 2025
Construction and land development	\$ 50,582	\$ 49,070
Residential real estate	55,664	56,441
Residential real estate multifamily	2,530	3,175
Commercial real estate:		
Owner occupied	213,317	210,556
Non-owner occupied	8,300	9,581
Commercial and industrial	26,472	26,250
Consumer	18,598	21,926
Lease financing receivables	78,914	78,742
Retained Strategic Program loans:		
Strategic Program loans - with credit enhancement	109,081	108,131
Strategic Program loans - without credit enhancement	20,779	21,637
Total loans held-for-investment, gross	<u>\$ 584,237</u>	<u>\$ 585,509</u>

Activity in the ACL by common characteristic loan pools was as follows for the periods indicated:

	Three Months Ended March 31, 2026				
<i>(\$ in thousands)</i>	Beginning Balance	Provision for (Reversal of) Credit Losses	Charge-Offs	Recoveries	Ending Balance
Construction and land development	\$ 970	\$ 92	\$ —	\$ —	\$ 1,062
Residential real estate	777	282	(244)	—	815
Residential real estate multifamily	62	(14)	—	—	48
Commercial real estate:					
Owner occupied	3,267	1,142	(598)	—	3,811
Non-owner occupied	104	398	(410)	—	92
Commercial and industrial	773	535	(447)	5	866
Consumer	679	143	(276)	2	548
Lease financing receivables	1,838	238	(319)	42	1,799
Retained Strategic Program loans:					
Strategic Program loans - with credit enhancement	22,396	5,864	(4,864)	32	23,428
Strategic Program loans - without credit enhancement	5,930	1,886	(2,720)	408	5,504
Total allowance for credit losses on financing receivables	<u>\$ 36,796</u>	<u>\$ 10,566</u>	<u>\$ (9,878)</u>	<u>\$ 489</u>	<u>\$ 37,973</u>
Unfunded lending commitments	558	15	—	—	573
Total allowance for credit losses	<u>\$ 37,354</u>	<u>\$ 10,581</u>	<u>\$ (9,878)</u>	<u>\$ 489</u>	<u>\$ 38,546</u>

Three Months Ended March 31, 2025

<i>(\$ in thousands)</i>	Beginning Balance	Provision for Credit Losses	Charge-Offs	Recoveries	Ending Balance
Construction and land development	\$ 374	\$ 614	\$ —	\$ —	\$ 988
Residential real estate	788	(186)	(7)	3	598
Residential real estate multifamily	38	—	—	—	38
Commercial real estate:					
Owner occupied	2,834	850	(68)	16	3,632
Non-owner occupied	113	13	—	—	126
Commercial and industrial	700	(200)	(83)	14	431
Consumer	638	46	(11)	3	676
Lease financing receivables	1,387	269	(36)	(33)	1,587
Retained Strategic Program loans:					
Strategic Program loans - with credit enhancement	111	85	—	—	196
Strategic Program loans - without credit enhancement	6,193	1,816	(2,384)	338	5,963
Total allowance for credit losses on financing receivables	\$ 13,176	\$ 3,307	\$ (2,589)	\$ 341	\$ 14,235
Unfunded lending commitments	464	29	—	—	493
Total allowance for credit losses	\$ 13,640	\$ 3,336	\$ (2,589)	\$ 341	\$ 14,728

Nonaccrual and past due loans are summarized below as of March 31, 2026 and December 31, 2025:

March 31, 2026

<i>(\$ in thousands)</i>	Loans Past Due and Still Accruing			Nonaccrual Loans with no ACL⁽¹⁾	Nonaccrual Loans with ACL	Current Loans	Total Loans
	30-89 Days Past Due	90 Days and Greater	Total				
Construction and land development \$	—	\$ —	\$ —	\$ —	\$ —	\$ 50,582	\$ 50,582
Residential real estate	—	—	—	11,189	12	44,463	55,664
Residential real estate multifamily	—	—	—	—	—	2,530	2,530
Commercial real estate:							
Owner occupied	4	—	4	25,081	8,216	180,016	213,317
Non-owner occupied	—	—	—	2,343	—	5,957	8,300
Commercial and industrial	—	—	—	2,581	—	23,891	26,472
Consumer	7	—	7	—	7	18,584	18,598
Commercial leases	1	—	1	27	386	78,500	78,914
Retained Strategic Program loans	6,968	200	7,168	—	—	122,692	129,860
Total	\$ 6,980	\$ 200	\$ 7,180	\$ 41,221	\$ 8,621	\$ 527,215	\$ 584,237

⁽¹⁾ Included in the nonaccrual loan balances are \$26.7 million of SBA 7(a) loan balances guaranteed by the SBA.

December 31, 2025

(\$ in thousands)	Loans Past Due and Still Accruing			Nonaccrual Loans with no ACL ⁽¹⁾	Nonaccrual Loans with ACL	Current Loans	Total Loans
	30-89 Days Past Due	90 Days and Greater	Total				
Construction and land development \$	—	\$ —	\$ —	\$ 2,288	\$ —	\$ 46,782	\$ 49,070
Residential real estate	—	—	—	7,519	3,718	45,204	56,441
Residential real estate multifamily	—	—	—	—	—	3,175	3,175
Commercial real estate:							
Owner occupied	—	—	—	23,358	410	186,788	210,556
Non-owner occupied	—	—	—	2,763	—	6,818	9,581
Commercial and industrial	—	—	—	2,250	—	24,000	26,250
Consumer	309	20	329	—	52	21,545	21,926
Commercial leases	16	—	16	208	651	77,867	78,742
Retained Strategic Program loans	4,863	109	4,972	—	—	124,796	129,768
Total	\$ 5,188	\$ 129	\$ 5,317	\$ 38,386	\$ 4,831	\$ 536,975	\$ 585,509

⁽¹⁾ Included in the nonaccrual loan balances are \$23.9 million of SBA 7(a) loan balances guaranteed by the SBA.

There was no interest income recognized for the three months ended March 31, 2026 and 2025 while loans were classified as nonaccrual. The amount of accrued interest that was reversed against interest income on nonaccrual loans was approximately \$0.1 million and \$0.1 million for the three months ended March 31, 2026 and 2025, respectively.

The allowance for credit losses represents management's estimate of lifetime credit losses inherent in loans as of the balance sheet date. The allowance for credit losses is estimated by management using relevant available information, from both internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. The Bank measures expected credit losses for loans on a pooled basis when similar risk characteristics exist. Generally, collectively assessed loans are grouped by Call Report code and then risk grade grouping.

In addition to past due and nonaccrual status criteria, the Company also evaluates loans using a loan grading system. Internal loan grades are based on current financial information, historical payment experience, and credit documentation, among other factors. Performance-based grades are summarized below:

Pass – A Pass asset is higher quality and does not fit any of the other categories described below. The likelihood of loss is believed to be remote.

Watch – A Watch asset may be a larger loan or one that places a heavier reliance on collateral due to the relative financial strength of the borrower. The assets may be maintenance intensive requiring closer monitoring. The obligor is believed to have an adequate primary source of repayment.

Special Mention – A Special Mention asset has potential weaknesses that may be temporary or, if left uncorrected, may result in a loss. While concerns exist, the Company believes that it is currently protected against a default and loss is considered unlikely and not imminent.

Substandard – A Substandard asset is believed to be inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Assets so classified have identified weaknesses and are characterized by the possibility that the Company may sustain some loss if deficiencies are not corrected.

Doubtful – A doubtful asset has an existing weakness or weaknesses that make collection or liquidation in full, on the basis of currently existing facts and conditions, highly questionable and improbable.

Loss – A loss asset has an existing weakness or weaknesses that render the loan uncollectible and of such little value that continuing to carry as an asset on the Company's books is not warranted. This classification does not mean that the loan

has absolutely no recovery or salvage value, but rather it is not practical nor desirable to defer writing off this basically worthless asset, even though partial recovery may be effected in the future.

Not Rated – For Strategic Program loans, the Company does not evaluate and risk rate the loans in the same manner as other loans in the Company’s portfolio. The Not Rated loans are typically homogenous, smaller dollar balances approved using abridged underwriting methods that allow the Company to streamline the loan approval process and increase efficiency. Credit quality for Strategic Program loans is highly correlated with delinquency levels.

The following table presents the amortized cost of the Company's loan and lease portfolio by collateral type, risk rating and origination year as of March 31, 2026, in addition to the gross writeoff by collateral type for the three months ended March 31, 2026. The loans are grouped based on how they are assessed under CECL.

March 31, 2026 (\$ in thousands)	Loans and Leases Amortized Cost Basis by Origination Year						Revolving Loans	Total
	2026	2025	2024	2023	2022	Prior		
Construction and land development								
Pass	\$ 6,648	\$ 29,808	\$ 7,794	\$ 1,446	\$ 4,151	\$ 735	\$ —	\$ 50,582
Watch	—	—	—	—	—	—	—	—
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Total	6,648	29,808	7,794	1,446	4,151	735	—	50,582
Current period gross writeoff	—	—	—	—	—	—	—	—
Residential real estate								
Pass	1,203	5,175	2,493	1,029	898	1,717	—	12,515
Watch	8,364	4,391	5,331	10,597	1,809	1,184	—	31,676
Special Mention	—	—	—	—	—	242	—	242
Substandard	—	3,666	—	663	6,725	177	—	11,231
Total	9,567	13,232	7,824	12,289	9,432	3,320	—	55,664
Current period gross writeoff	—	(228)	—	—	—	(16)	—	(244)
Residential real estate multifamily								
Pass	110	223	909	341	240	77	—	1,900
Watch	—	—	—	551	—	79	—	630
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Total	110	223	909	892	240	156	—	2,530
Current period gross writeoff	—	—	—	—	—	—	—	—
Commercial real estate - owner occupied								
Pass	7,115	47,278	22,263	5,387	3,814	6,879	—	92,736
Watch	9,575	16,415	8,037	31,380	14,214	7,269	—	86,890
Special Mention	—	—	—	—	—	273	—	273
Substandard	—	8,621	1,066	8,265	12,498	2,968	—	33,418

Total	16,690	72,314	31,366	45,032	30,526	17,389	—	213,317
Current period gross writeoff	—	(142)	—	(163)	(6)	(287)	—	(598)

Commercial real estate - non-owner occupied

Pass	348	—	—	190	1,210	39	—	1,787
Watch	—	—	—	2,889	350	931	—	4,170
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	2,343	—	—	2,343
Total	348	—	—	3,079	3,903	970	—	8,300
Current period gross writeoff	—	—	—	—	(410)	—	—	(410)

Commercial and industrial

Pass	106	1,400	1,896	573	704	393	—	5,072
Watch	5,328	2,927	3,021	4,514	1,526	518	—	17,834
Special Mention	—	225	246	—	155	—	—	626
Substandard	—	—	483	1,743	355	359	—	2,940
Total	5,434	4,552	5,646	6,830	2,740	1,270	—	26,472
Current period gross writeoff	—	—	(317)	(19)	(67)	(44)	—	(447)

Consumer

Pass	503	7,963	7,137	2,331	384	192	—	18,510
Watch	—	—	31	12	5	17	—	65
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	11	8	3	1	—	23
Total	503	7,963	7,179	2,351	392	210	—	18,598
Current period gross writeoff	—	(158)	(97)	—	(21)	—	—	(276)

Lease financing receivables

Pass	7,200	37,076	21,031	11,929	1,678	—	—	78,914
Watch	—	—	—	—	—	—	—	—
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Total	7,200	37,076	21,031	11,929	1,678	—	—	78,914
Current period gross writeoff	—	(233)	(86)	—	—	—	—	(319)

Retained Strategic Program loans

Pass	—	—	—	—	—	—	—	—
Watch - with credit enhancement	3,405	16,263	—	—	—	—	—	19,668
Special Mention	—	—	—	—	—	—	—	—

Substandard	—	—	—	—	—	—	—	—
Not Rated-without credit enhancement	6,977	11,602	1,829	55	263	53	—	20,779
Not Rated-with credit enhancement	15,526	73,463	424	—	—	—	—	89,413
Total	25,908	101,328	2,253	55	263	53	—	129,860
Current period gross writeoff-without credit enhancement	(15)	(2,496)	(166)	(10)	(12)	(21)	—	(2,720)
Current period gross writeoff-with credit enhancement	(1)	(4,863)	—	—	—	—	—	(4,864)
Total current period gross writeoff	(16)	(7,359)	(166)	(10)	(12)	(21)	—	(7,584)
Total portfolio loans receivable, gross	\$ 72,408	\$ 266,496	\$ 84,002	\$ 83,903	\$ 53,325	\$ 24,103	\$ —	\$ 584,237
Total current period gross writeoff	\$ (16)	\$ (8,120)	\$ (666)	\$ (192)	\$ (516)	\$ (368)	\$ —	\$ (9,878)

The following table presents the amortized cost of the Company's loan and lease portfolio by collateral type, risk rating and origination year as of December 31, 2025, in addition to the gross writeoff by collateral type for the year ended December 31, 2025. The loans are grouped based on how they are assessed under CECL.

December 31, 2025 (\$ in thousands)	Loans and Leases Amortized Cost Basis by Origination Year						Revolving Loans	Total
	2025	2024	2023	2022	2021	Prior		
Construction and land development								
Pass	\$ 27,443	\$ 12,288	\$ 1,913	\$ 4,385	\$ 753	\$ —	\$ —	\$ 46,782
Watch	—	—	—	—	—	—	—	—
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	2,288	—	—	—	—	2,288
Total	27,443	12,288	4,201	4,385	753	—	—	49,070
Current period gross writeoff	—	—	—	—	—	—	—	—
Residential real estate								
Pass	4,814	1,817	1,073	890	894	842	—	10,330
Watch	8,353	5,478	15,870	4,033	681	950	—	35,365
Special Mention	—	—	—	—	—	—	—	—
Substandard	3,718	—	36	6,819	38	135	—	10,746
Total	16,885	7,295	16,979	11,742	1,613	1,927	—	56,441
Current period gross writeoff	(100)	(162)	(419)	—	(236)	(37)	—	(954)

Residential real estate multifamily								
Pass	306	1,563	342	241	78	—	—	2,530
Watch	—	—	564	—	56	25	—	645
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Total	306	1,563	906	241	134	25	—	3,175
Current period gross writeoff	—	—	—	—	—	—	—	—
Commercial real estate - owner occupied								
Pass	52,951	23,095	5,278	3,506	1,829	5,807	—	92,466
Watch	30,159	8,078	31,510	15,643	4,254	3,666	—	93,310
Special Mention	—	—	—	579	—	433	—	1,012
Substandard	—	357	8,436	11,948	204	2,823	—	23,768
Total	83,110	31,530	45,224	31,676	6,287	12,729	—	210,556
Current period gross writeoff	—	(18)	(113)	(1,111)	(77)	(513)	—	(1,832)
Commercial real estate - non-owner occupied								
Pass	—	—	192	1,213	—	7	—	1,412
Watch	—	—	2,959	1,440	898	109	—	5,406
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	2,763	—	—	—	2,763
Total	—	—	3,151	5,416	898	116	—	9,581
Current period gross writeoff	—	—	—	—	—	—	—	—
Commercial and industrial								
Pass	1,978	1,449	613	1,449	224	251	—	5,964
Watch	5,252	3,896	6,314	3,896	314	242	—	19,914
Special Mention	—	—	—	—	—	11	—	11
Substandard	—	—	—	—	—	361	—	361
Total	7,230	5,345	6,927	5,345	538	865	—	26,250
Current period gross writeoff	(65)	(258)	(231)	(252)	(24)	(103)	—	(933)
Consumer								
Pass	9,316	9,181	2,589	489	86	152	—	21,813
Watch	—	33	10	—	18	—	—	61
Special Mention	—	—	—	—	—	—	—	—
Substandard	11	16	3	21	1	—	—	52
Total	9,327	9,230	2,602	510	105	152	—	21,926
Current period gross writeoff	(251)	(175)	(100)	(20)	(11)	(2)	—	(559)

Lease financing receivables								
Pass	39,381	23,133	13,501	2,109	—	—	—	78,124
Watch	—	—	—	—	—	—	—	—
Special Mention	—	—	—	—	—	—	—	—
Substandard	370	145	103	—	—	—	—	618
Total	39,751	23,278	13,604	2,109	—	—	—	78,742
Current period gross writeoff	—	(125)	(169)	—	—	—	—	(294)
Retained Strategic Program loans								
Pass	—	—	—	—	—	—	—	—
Watch - with credit enhancement	24,869	—	—	—	—	—	—	24,869
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Not Rated-without credit enhancement	18,769	2,325	106	332	105	—	—	21,637
Not Rated-with credit enhancement	82,754	508	—	—	—	—	—	83,262
Total	126,392	2,833	106	332	105	—	—	129,768
Current period gross writeoff-without credit enhancement	(4,565)	(4,769)	(418)	(269)	(167)	(14)	—	(10,202)
Current period gross writeoff-with credit enhancement	(1,633)	(6)	—	—	—	—	—	(1,639)
Total current period gross writeoff	(6,198)	(4,775)	(418)	(269)	(167)	(14)	—	(11,841)
Total portfolio loans receivable, gross	\$ 310,444	\$ 93,362	\$ 93,700	\$ 61,756	\$ 10,433	\$ 15,814	\$ —	\$ 585,509
Total current period gross writeoff	\$ (6,614)	\$ (5,513)	\$ (1,450)	\$ (1,652)	\$ (515)	\$ (669)	\$ —	\$ (16,413)

Allowance for Credit Losses - Strategic Program Loans with Credit Enhancement

The Company partners with certain Strategic Program service providers who offer credit enhancement on loans, indemnifying or reimbursing the Bank for credit and fraud losses. In line with GAAP, we estimate and record expected loss provisions for these loans without factoring in the credit enhancement. When these provisions are recorded, a corresponding credit enhancement asset is recognized, reflecting anticipated recoveries under the service provider's guarantee. Reimbursements are made through a deposit reserve account, which the provider replenishes periodically. The credit enhancement asset is reduced as payments or recoveries are received from the provider or its reserve account. The table below shows the activity in the credit enhancement asset for the periods indicated:

<i>(\$ in thousands)</i>	March 31, 2026	December 31, 2025
Credit enhancement asset at beginning of period	\$ 22,411	\$ 111
Credit enhancement income	5,864	23,924
Credit losses settled with partner during period	(4,897)	(1,624)
Credit enhancement asset at end of period	<u>\$ 23,378</u>	<u>\$ 22,411</u>

Modified Loans to Troubled Borrowers

Modified loans to troubled borrowers arise from a modification made to a loan in order to alleviate temporary difficulties in the borrower's financial condition or constraints on the borrower's ability to repay the loan, and to minimize potential losses to the Company. GAAP requires that certain types of modifications be reported, which consist of the following: principal forgiveness, interest rate reduction, other-than-insignificant payment delay, term extension, or any combination of the foregoing.

Modified Loans Held-for-Investment (Excluding Retained Strategic Program Loans)

During the three months ended March 31, 2026 and March 31, 2025 there were no new material loan modifications to loans held-for-investment, excluding Strategic Program loans which are discussed separately below. There were no payment defaults during the three months ended March 31, 2026 and March 31, 2025 of modified loans that were modified during the previous twelve months.

Modified Retained Strategic Program Loans

Retained Strategic Program loans of \$129.9 million and \$129.8 million as of March 31, 2026 and December 31, 2025, respectively, consist of personal loans to individuals and loans to businesses. A significant amount of the retained Strategic Program loans are made to subprime borrowers. The subprime borrowers' ability to repay the loans according to the original loan terms can be compromised by both short-term financial challenges, such as unexpected car repairs or physical injury, and longer-term financial challenges, such as a job loss or more serious injury or illness.

In certain circumstances, some of the Company's strategic programs will modify the original loan terms to optimize the recovery of principal and interest. The loan modifications may include (1) a delay in payment and extension of the loan term, or (2) accrued interest forgiveness and interest rate and payment reductions. As of March 31, 2026 and December 31, 2025, the balance of outstanding modified loans to individuals in the retained portfolio was approximately \$0.2 million and \$0.2 million, respectively. The Company does not have any obligation to fund additional amounts to the borrowers. If after modification, some or all of the loan is determined to be uncollectible, the full balance determined to be uncollectible is charged off. The amount charged off is included in the Company's vintage analysis used to estimate the Company's allowance for credit losses.

Collateral-Dependent Loans

A collateral-dependent loan is a nonaccrual loan for which the Bank relies substantially on the operation or sale of the collateral for repayment. In evaluating the overall risk associated with a loan, the Company considers (1) character, overall financial condition and resources, and payment record of the borrower; (2) the prospects for support from any financially responsible guarantors; and (3) the nature and degree of protection provided by the cash flow and value of any underlying collateral. The loan may become collateral-dependent when foreclosure is probable or the borrower is experiencing financial difficulty and its sources of repayment become inadequate over time. At such time, the Company develops an expectation that repayment will be provided substantially through the operation or sale of the collateral.

The following tables present the amortized cost basis of collateral-dependent loans by class of loans as of the periods indicated:

As of March 31, 2026

(\$ in thousands)	Collateral Type			
	Allowance for Credit Losses	Real Estate	Personal Property	Total
Construction and land development	\$ —	\$ —	\$ —	\$ —
Residential real estate	2	11,201	—	11,201
Commercial real estate:				
Owner occupied	588	33,296	—	33,296
Non-owner occupied	—	2,343	—	2,343
Commercial and industrial	—	—	2,581	2,581
Consumer	7	—	7	7
Commercial leases	204	—	414	414
Total	\$ 801	\$ 46,840	\$ 3,002	\$ 49,842

The amount of collateral-dependent loans as of March 31, 2026 include \$26.7 million of SBA 7(a) loan balances that are guaranteed by the SBA.

As of December 31, 2025

(\$ in thousands)	Collateral Type			
	Allowance for Credit Losses	Real Estate	Personal Property	Total
Construction and land development	\$ —	\$ 2,288	\$ —	\$ 2,288
Residential real estate	45	11,237	—	11,237
Commercial real estate:				
Owner occupied	—	23,768	—	23,768
Non-owner occupied	—	2,763	—	2,763
Commercial and industrial	—	—	2,250	2,250
Consumer	52	—	52	52
Commercial leases	325	—	859	859
Total	\$ 422	\$ 40,056	\$ 3,161	\$ 43,217

The amount of collateral-dependent loans as of December 31, 2025 include \$23.9 million of SBA 7(a) loan balances that are guaranteed by the SBA.

Note 4 – SBA Servicing Asset, Net

The Company periodically sells the guaranteed portions of SBA loans and retains rights to service the loans. Loans serviced for others are not included in the accompanying balance sheets. The unpaid principal balances of SBA loans serviced for others was \$290.8 million and \$275.8 million at March 31, 2026 and December 31, 2025, respectively.

The following table summarizes SBA servicing asset, net activity for the periods indicated:

(\$ in thousands)	Three Months Ended March 31,	
	2026	2025
Balance at beginning of period	\$ 3,547	\$ 3,273
Additions to servicing asset	580	315
Amortization of servicing asset	(254)	(337)
Change in valuation allowance	(144)	80
Balance at end of period	\$ 3,729	\$ 3,331
SBA servicing asset, fair value	\$ 3,729	\$ 3,331

Activity in the valuation allowance for the SBA servicing asset was as follows for the periods indicated:

<i>(\$ in thousands)</i>	Three Months Ended March 31,	
	2026	2025
Balance at beginning of period	\$ (2,210)	\$ (1,286)
Impairment	(144)	—
Recovery	—	80
Balance at end of period	\$ (2,354)	\$ (1,206)

Recovery or impairment adjustments to servicing rights are mainly due to market-based assumptions associated with discounted cash flows, loan prepayment speeds, and changes in interest rates. A significant change in these assumptions could result in a significant change in the SBA servicing asset carrying amount.

The Company assumed a weighted average prepayment rate of 19.1%, weighted average term of 3.46 years, and a weighted average discount rate of 12.9% at March 31, 2026.

The Company assumed a weighted average prepayment rate of 19.1%, weighted average term of 3.46 years, and a weighted average discount rate of 12.3% at December 31, 2025.

Note 5 – Capital Requirements

The Bank is subject to various regulatory capital requirements administered by federal and State of Utah banking agencies (the regulators). 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 the Bank’s financial statements. 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. The Bank’s capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk -weighting, and other factors. Prompt corrective action provisions are not applicable to the bank holding company.

Beginning January 1, 2020, the Bank qualified and elected to use the community bank leverage ratio (“CBLR”) framework for quantitative measures which requires the Bank to maintain minimum amounts and ratios of Tier 1 capital to average total consolidated assets. Management believes, as of March 31, 2026 and December 31, 2025, that the Bank’s capital levels exceed the regulatory floors required to be classified as a well-capitalized bank.

As of March 31, 2026 and December 31, 2025, the most recent notification from the FDIC categorized the Bank as well-capitalized under the regulatory framework for prompt corrective action (there are no conditions or events since that notification that management believes have changed the Bank’s category). The following table sets forth the actual capital amounts and ratios for the Bank and the minimum amount and ratio of capital required to be categorized as well-capitalized as of the dates indicated:

<i>(\$ in thousands)</i>	Actual		Well-Capitalized Requirement	
	Amount	Ratio	Amount	Ratio
March 31, 2026				
Leverage ratio (CBLR election)	\$ 156,768	16.8%	\$ 83,914	9.0%
December 31, 2025				
Leverage ratio (CBLR election)	\$ 153,219	16.9%	\$ 81,608	9.0%

Bank Dividends

Federal statute and federal and state regulations and supervisory guidance, as well as prudent capital management practices, limits the dividends that a bank holding company should pay as dividends or other distribution of capital. Generally, dividends should be paid only if the existing capital and future earnings expectations exceeds its current and estimated future capital needs, and payment of such dividend or capital distribution does not compromise the entity’s compliance with the capital rules or the current and future safety and soundness of the holding company or its subsidiary banks. If a

subsidiary bank is significantly undercapitalized, or undercapitalized without an acceptable capital restoration plan, regulators may require prior Federal Reserve approval for any dividend or capital distribution.

In addition, since FinWise Bancorp is a legal entity separate and distinct from the Bank and does not conduct stand-alone operations, an ability to pay dividends depends on the ability of the Bank to pay dividends to FinWise Bancorp. The FDIC and the Utah Department of Financial Institutions (“UDFI”) may, under certain circumstances, prohibit the payment of dividends to FinWise Bancorp from the Bank. Utah corporate law also requires that dividends can only be paid out of funds legally available.

The Company has not paid any cash dividends on its common stock since inception and it does not intend to pay cash dividends in the foreseeable future. However, the Company’s Board of Directors may declare a cash or stock dividend out of retained earnings provided the regulatory capital ratio and other regulatory requirements are met. The Company plans to maintain capital ratios that meet or exceed the well-capitalized standards per the regulations and, therefore, would limit dividends to amounts that are appropriate to maintain those well-capitalized regulatory capital ratios.

Note 6 – Commitments and Contingencies

Federal Home Loan Bank Secured Line of Credit

As of March 31, 2026 and December 31, 2025, the Bank’s available line of credit with the FHLB to borrow funds was \$17.0 million and \$20.5 million, respectively. All borrowings are short-term and the interest rate is equal to the correspondent bank’s daily federal funds purchase rate. As of March 31, 2026 and December 31, 2025, no amounts were outstanding under the line of credit. Loans totaling \$28.3 million and \$34.2 million were pledged to secure the FHLB line of credit as of March 31, 2026 and December 31, 2025, respectively.

Federal Reserve Bank Lines of Credit

At March 31, 2026 and December 31, 2025, the Bank had a maximum borrowing capacity of \$165.0 million and \$193.8 million, respectively, with the FRB, including the secured borrowing capacity through the Discount Window and the Borrower-in-Custody (“BIC”) program, to the extent of collateral pledged. Loans totaling \$196.6 million and \$235.8 million and securities of \$36.9 million and \$37.4 million were pledged to secure these lines of credit with the FRB as of March 31, 2026 and December 31, 2025, respectively. The Company had no advances outstanding under either program as of March 31, 2026 and December 31, 2025.

Other Lines of Credit

The Bank had an available unsecured line of credit with Pacific Coast Bankers’ Bank to borrow up to \$10.0 million in overnight funds at a March 31, 2026 and December 31, 2025. Through Zions Bank, the Bank had an available unsecured line of credit of \$5.0 million at March 31, 2026 and December 31, 2025. The Bank had an available line of credit with Bankers’ Bank of the West to borrow up to \$1.1 million in overnight funds at March 31, 2026 and December 31, 2025. The Bank had no outstanding balances on such unsecured or secured lines of credit as of March 31, 2026 and December 31, 2025.

Financial Instruments with Off-Balance Sheet Risk

Commitments to Extend Credit

In the ordinary course of business, the Bank has entered into commitments to extend credit to customers which have not yet been exercised. These financial instruments include commitments to extend credit in the form of loans and credit card arrangements. Those instruments involve to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the balance sheets. For credit card customers, the Company reserves the right to modify or terminate the terms and conditions of credit card accounts at its discretion. It is important to note that a significant portion of the Company’s commitments and undrawn credit card lines are not fully utilized by customers, so the total amount of these commitments does not necessarily reflect the Company’s future cash obligations. The Company assesses each customer’s credit profile individually to determine creditworthiness. The Company’s commitments to extend credit as of the periods indicated are summarized below. Since commitments associated with commitments to extend credit may expire unused, the amounts shown in the table below do not necessarily reflect the actual future cash funding requirements.

At March 31, 2026 and December 31, 2025, financial instruments with off-balance-sheet risk were as follows:

<i>(\$ in thousands)</i>	March 31, 2026	December 31, 2025
Revolving, open-end lines of credit	\$ 2,867	\$ 2,566
Credit card arrangements	318,099	305,313
Undisbursed commercial real estate loans	34,540	32,414
Other unused commitments	408	384
Total unfunded loan commitments	\$ 355,914	\$ 340,677

Allowance for Credit Losses on Unfunded Commitments

The Company estimates expected credit losses over the contractual period in which the Company is exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancelable by the Company. The allowance for credit losses on unfunded commitments is included in other liabilities on the consolidated balance sheets and is adjusted through a charge to provision for credit loss expense on the consolidated statements of income. The allowance for credit losses on unfunded commitments estimate includes consideration of the likelihood that funding will occur and an estimate of expected credit losses on commitments expected to be funded over its estimated life. The allowance for credit losses on unfunded commitments was \$0.6 million and \$0.6 million as of March 31, 2026 and December 31, 2025, respectively.

Class Action Litigation

In July 2025, the Company notified approximately 600,000 individuals of an alleged data breach in which their personal data was exposed by a former employee following termination of their employment. Subsequently, several class action lawsuits were filed, all of which have been consolidated into a single class action lawsuit in Utah federal court. The Company participated in a pre-discovery mediation with the plaintiffs’ attorneys on March 17, 2026, which resulted in a settlement agreement that was submitted to the court for approval on May 8, 2026. If approved by the court, the settlement fund, including all fees and expense associated with the proceedings, created from the settlement agreement will be covered by the Company’s cyber insurance policy in full.

Note 7 – Stock-Based Compensation

Stock Option Plans

The Company utilizes stock-based compensation plans, as well as discretionary grants, for employees, directors and consultants to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives and to promote the success of the Company’s business.

The 2019 Stock Plan (“2019 Plan”) was adopted on June 20, 2019 following approval by the Company’s Board of Directors and shareholders. The 2019 Plan will terminate as to future awards 10 years from the later of the effective date or the earlier of the most recent Board or stockholder approval of an increase in the number of shares reserved for issuance under the 2019 Plan. On June 27, 2024, the shareholders of the Company approved an amendment to the 2019 Plan increasing the number of shares of common stock reserved for issuance under the plan by an additional 500,000 shares to 1,780,000. At March 31, 2026, 42,534 shares under the 2019 Plan were available for future issuance.

The 2016 Stock Plan (“2016 Plan”) was adopted on April 20, 2017 following approval by the Company’s Board of Directors and shareholders. The 2016 Plan authorizes the issuance of 299,628 common shares. The 2016 Plan will terminate as to future awards 10 years from the later of the effective date or the earlier of the most recent Board or stockholder approval of an increase in the number of shares reserved for issuance under the 2016 Plan. At March 31, 2026, 3,189 shares under the 2016 Plan were available for future issuance.

The 2019 Plan and the 2016 Plan (collectively, the “Plans”) provide for the issuance of non-statutory stock options and restricted stock to employees, directors and consultants. The Plans also provide for the issuance of incentive stock options only to employees. The stock-based incentive awards for the Plans are granted at an exercise price not less than the fair market value of the Company’s common stock on the date of grant in the case of stock options. Restricted stock is valued based on the fair market value of the Company’s common stock on the grant date. Vesting of the options vary by employee

or director and can have a term no more than 10 years, with the options generally having vesting periods ranging from 1 to 5 years. Restricted stock vests over periods ranging from approximately 1 to 5 years. Upon the exercise of stock options, the Company issues new authorized shares.

Under the Plans, if an award expires or becomes unexercisable without having been exercised in full, or is surrendered pursuant to an exchange program, the unpurchased shares that were subject thereto shall become available for future grant or sale under the Plans. However, shares that have actually been issued under the Plans, or upon exercise of an award, shall not be returned to the Plans and shall not become available for future distribution under the Plans, except that if unvested shares of restricted stock are repurchased by the Company at their original purchase price, such shares shall become available for future grant under the Plans.

Stock Options

The following summarizes stock option activity for the three months ended March 31, 2026:

	Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value
Outstanding at December 31, 2025	726,491	\$ 5.90	4.9	\$ 8,744,727
Options exercised	(30,126)	5.52		376,009
Options forfeited	(2,642)	8.94		
Outstanding at March 31, 2026	693,723	\$ 5.91	4.7	\$ 6,903,810
Options vested and exercisable at March 31, 2026	655,132	\$ 5.74	4.5	\$ 6,632,622

Restricted Stock

The following summarizes restricted stock activity for the three months ended March 31, 2026:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested as of December 31, 2025	651,221	\$ 12.34
Granted	81,905	\$ 15.86
Forfeited	(52,071)	\$ 12.25
Unvested as of March 31, 2026	681,055	\$ 12.77

Stock-based Compensation Expense

The following table presents stock-based compensation expense recognized and income tax benefit for stock-based compensation related to restricted shares:

(\$ in thousands)	Three Months Ended March 31,	
	2026	2025
Stock options	\$ 11	\$ 48
Restricted shares	648	552
Total	\$ 659	\$ 600
Income tax benefit related to restricted shares	\$ 160	\$ 133

As of March 31, 2026, the Company had unrecognized stock-based compensation expense related to stock options and restricted stock of approximately \$4.9 thousand and \$4.5 million, respectively, which is expected to be recognized over the remaining weighted average recognition period of 0.7 years and 1.7 years, respectively.

Note 8 – Fair Value of Financial Instruments

The Company measures and discloses certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (that is, not a forced liquidation or distressed sale). GAAP establishes a consistent framework for measuring fair value and disclosure requirements about fair value measurements. Among other things, the standard requires us to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's estimates for market assumptions. These two types of inputs create the following fair value hierarchy.

Level 1 – Quoted prices in active markets for identical instruments. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. A quoted price in an active market provides the most reliable evidence of fair value and shall be used to measure fair value whenever available.

Level 2 – Observable inputs other than Level 1 including quoted prices in active markets for similar instruments, quoted prices in less active markets for identical or similar instruments, or other observable inputs that can be corroborated by observable market data.

Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation also includes observable inputs from nonbinding single dealer quotes not corroborated by observable market data. In developing Level 3 measurements, management incorporates whatever market data might be available and uses discounted cash flow models where appropriate. These calculations include projections of future cash flows, including appropriate default and loss assumptions, and market-based discount rates.

The estimated fair value amounts of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, considerable judgment is required to interpret data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize at a future date. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts. In addition, reasonable comparability between financial institutions may not be likely due to the wide range of permitted valuation techniques and numerous estimates that must be made given the absence of active secondary markets for many of the financial instruments. This lack of uniform valuation methodologies also introduces a greater degree of subjectivity to these estimated fair values. Transfers between levels of the fair value hierarchy are deemed to occur at the end of the reporting period. There were no transfers between fair value levels for the three months ended March 31, 2026 and 2025.

The following methods were used to estimate the fair value of each class of financial instruments on a recurring basis:

Investment securities available-for-sale: Investment securities available-for-sale consist of U.S. Treasury securities and are carried at fair value. The Company estimates the fair value of investment securities available-for-sale using current active market quotes, if available, which are considered Level 1 measurements. Level 1 measurements include securities issued by the U.S. Treasury.

Investment in BFG: The Company's valuation technique utilized the average of the discounted cash flow method and the Guideline Public Company method. A 4.5% discount for non-voting shares was applied to the valuation to arrive at fair value as of March 31, 2026 and December 31, 2025. The calculation of fair value utilized significant unobservable inputs,

including projected cash flows, growth rates, and discount rates. The Company's investment in BFG is recognized in other assets on the consolidated balance sheets.

Derivative instruments: The Company's derivative instruments consist of interest rate swaps accounted for as cash flow hedges. The Company's derivative instruments are carried at fair value and considered Level 2 measurements. The Company measures fair value of interest rate swaps utilizing market observable inputs, such as forecasted yield curves.

The table below presents the Company's financial instruments valued on a recurring basis at the periods indicated:

(\$ in thousands)	Level	March 31, 2026		December 31, 2025	
			Estimated Fair Value		Estimated Fair Value
Financial assets:					
U.S. Treasury securities	1	\$	27,629	\$	27,755
Investment in BFG	3	\$	8,800	\$	9,000
Financial liabilities:					
Derivative liability	2	\$	63		148

The table below presents a reconciliation of the Company's investment in BFG classified as a Level 3 financial instrument and measured at fair value on a recurring basis for the periods indicated:

(\$ in thousands)	Three Months Ended March 31,	
	2026	2025
Beginning balance	\$ 9,000	\$ 7,700
Purchase of BFG ownership interest	—	—
Change in fair value of BFG	(200)	400
Ending balance	\$ 8,800	\$ 8,100

The table below presents the Company's financial instruments valued on a nonrecurring basis at the periods indicated:

(\$ in thousands)	Description of Financial Instrument	Fair Value	Fair Value Measurements Using		
			Level 1	Level 2	Level 3
March 31, 2026					
Nonrecurring assets:					
	Individually evaluated loans	\$ 49,842	\$ —	\$ —	\$ 49,842
December 31, 2025					
Nonrecurring assets:					
	Individually evaluated loans	\$ 43,217	\$ —	\$ —	\$ 43,217

Individually evaluated loans – The loan amount above represents loans individually evaluated that have been adjusted to the lower of cost or fair value. When collateral-dependent loans are individually evaluated, they are measured using the current fair value of the collateral securing these loans, less selling costs. The fair value of real estate collateral is determined using collateral valuations or a discounted cash flow analysis using inputs such as discount rates, sale prices of similar assets, and term of expected disposition. Some appraised values are adjusted based on management's review and analysis, which may include historical knowledge, changes in market conditions, estimated selling and other anticipated costs, and/or expertise and knowledge. The loss, if any, represents charge-offs on loans when the fair value of the collateral is less than the carrying amount of the loan.

Quantitative information for Level 3 fair value measurements – The following table presents information about quantitative inputs and assumptions used to fair value Level 3 nonrecurring assets as of March 31, 2026 and December 31, 2025:

<i>(\$ in thousands)</i>	Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Average)
March 31, 2026				
Individually evaluated loans	\$ 49,842	Market comparable	Discount to appraisal value for estimated selling costs	11.40%
December 31, 2025				
Individually evaluated loans	\$ 43,217	Market comparable	Discount to appraisal value for estimated selling costs	11.40%

The range and weighted average of the significant unobservable inputs used to fair value the investment in BFG as of March 31, 2026 and as of December 31, 2025 are shown in the following table:

<i>(\$ in thousands)</i>	March 31, 2026 Range (Weighted Average)	December 31, 2025 Range (Weighted Average)
Discounted Cash Flows		
Revenue growth rate	12.9%	12.9%
Expense growth rate	14.8%	14.8%
Discount rate	25.0%	25.0%
Lack of marketability discount	20.0%	20.0%
Guideline Public Company		
Multiples of enterprise value	3.0x to 5.3x	3.5x to 5.3x

The tables below present the carrying amount and estimated fair value of the Company's financial instruments at the periods indicated:

March 31, 2026					
<i>(\$ in thousands)</i>	Carrying Amount	Estimated Fair Value	Fair Value Measurements Using		
			Level 1	Level 2	Level 3
Financial assets:					
Cash and cash equivalents	\$ 96,947	\$ 96,947	\$ 96,947	\$ —	\$ —
Investment securities available-for-sale	27,629	27,629	27,629	—	—
Investment securities held-to-maturity	9,388	8,410	—	8,410	—
Investment in FHLB stock	581	581	—	581	—
Loans held-for-investment, net	539,157	561,171	—	—	561,171
Strategic Program loans held-for-sale	133,907	133,907	—	133,907	—
Accrued interest receivable	3,555	3,555	—	3,555	—
SBA servicing asset, net	3,729	3,729	—	3,729	—
Investment in BFG	8,800	8,800	—	—	8,800
Financial liabilities:					
Total deposits	\$ 674,856	\$ 649,484	\$ —	\$ 649,484	\$ —
Accrued interest payable	2,230	2,230	—	2,230	—
Derivative liability	63	63	—	63	—

December 31, 2025					
<i>(\$ in thousands)</i>	Carrying Amount	Estimated Fair Value	Fair Value Measurements Using		
			Level 1	Level 2	Level 3
Financial assets:					
Cash and cash equivalents	\$ 163,400	\$ 163,400	\$ 163,400	\$ —	\$ —
Investment securities available-for-sale	27,755	27,755	27,755	—	—
Investment securities held-to-maturity	9,927	8,982	—	8,982	—
Investment in FHLB stock	440	440	—	440	—
Loans held-for-investment, net	541,551	576,270	—	—	576,270
Strategic Program loans held-for-sale	146,473	146,473	—	146,473	—
Accrued interest receivable	3,707	3,707	—	3,707	—
SBA servicing asset, net	3,547	3,547	—	3,547	—
Investment in BFG	9,000	9,000	—	—	9,000
Financial liabilities:					
Total deposits	\$ 754,561	\$ 727,637	\$ —	\$ 727,637	\$ —
Accrued interest payable	2,632	2,632	—	2,632	—
Derivative liability	148	148	—	148	—

Note 9 – Income Taxes

For the three months ended March 31, 2026 and 2025, income tax expense was \$1.1 million and \$1.2 million, respectively, resulting in an effective income tax rate of 28.0% and 28.1%, respectively. The effective tax rate differs from the statutory rate of 21.0% during the three months ended March 31, 2026 primarily due to state and local income taxes and certain non-deductible executive compensation.

Note 10 – Derivatives and Hedging Activities

Risk Management Objective of Using Derivatives

The Company’s objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish this objective, the Company primarily uses interest rate swaps as part of its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. Such derivatives were used to hedge the variable cash flows associated with existing variable-rate deposits.

For derivatives designated and that qualify as cash flow hedges of interest rate risk, the gain or loss on the derivative is recorded in accumulated other comprehensive income (“OCI”) and subsequently reclassified into interest expense in the same period(s) during which the hedged transaction affects earnings. Amounts reported in accumulated OCI related to derivatives will be reclassified to interest on deposits as interest payments are made on the Company’s variable-rate deposits. During the twelve months following March 31, 2026, the Company estimates that an additional \$43.7 thousand will be reclassified as an increase to interest expense.

Fair Value of Derivative Instruments on the Consolidated Balance Sheets

The tables below present the notional amount, location, and fair value of the Company’s derivative financial instruments on the consolidated balance sheets as of the periods indicated:

Derivative Liabilities

<i>(\$ in thousands)</i>	As of March 31, 2026		
	Notional Amount	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments:			
Interest rate swaps	\$ 80,000	Other liabilities	\$ 63
Total			\$ 63

Derivative Liabilities

<i>(\$ in thousands)</i>	As of December 31, 2025		
	Notional Amount	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments:			
Interest rate swaps	\$ 80,000	Other liabilities	\$ 148
Total			\$ 148

Effect of Cash Flow Hedge Accounting on Accumulated Other Comprehensive Income

The tables below present the pre-tax effect of cash flow hedge accounting on accumulated other comprehensive income for the periods indicated:

<i>(\$ in thousands)</i>	Three Months Ended March 31, 2026		
	Amount of Gain (Loss) Recognized in OCI on Derivative	Location of Gain Recognized from Accumulated OCI into Income	Amount of Gain (Loss) Reclassified from Accumulated OCI into Income
Derivatives in Cash Flow Hedging Relationships:			
Interest rate swaps	\$ 125	Interest on deposits	\$ (19)
Total	\$ 125		\$ (19)

	Three Months Ended March 31, 2025		
	Amount of Gain (Loss) Recognized in OCI on Derivative	Location of Gain Recognized from Accumulated OCI into Income	Amount of Gain (Loss) Reclassified from Accumulated OCI into Income
<i>(\$ in thousands)</i>			
Derivatives in Cash Flow Hedging Relationships:			
Interest rate swaps	\$ (254)	Interest on deposits	\$ 113
Total	\$ (254)		\$ 113

Effect of Cash Flow Hedge Accounting on the Statement of Income

The table below presents the effect of the Company's derivative financial instruments on the consolidated statements of income for the periods indicated:

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
	Location and Amount of Gain (Loss) Recognized in Income on Cash Flow Hedging Relationships	Location and Amount of Gain (Loss) Recognized in Income on Cash Flow Hedging Relationships
<i>(\$ in thousands)</i>		
Location of gain (loss) recognized in income	Interest on deposits	Interest on deposits
Total amounts of income and expense line items presented in the consolidated statements of income in which the effects of cash flow hedges are recorded	\$ (19)	\$ 113
The effects of cash flow hedging:		
Interest rate swaps:		
Amount of gain (loss) reclassified from accumulated OCI into income	\$ (19)	\$ 113

Offsetting Derivative Assets and Liabilities

The tables below present a gross presentation, the effects of offsetting, and a net presentation of the Company's derivatives as of March 31, 2026 and December 31, 2025. The net amounts of derivative assets and liabilities can be reconciled to the tabular disclosure of fair value. The tabular disclosure of fair value provides the location that derivative assets and liabilities are presented on the consolidated balance sheets.

As of March 31, 2026	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Statement of Financial Position	Net Amounts of Liabilities presented in the Statement of Financial Position	Gross Amounts Not Offset in the Statement of Financial Position		
				Financial Instruments	Cash Collateral Pledged	Net Amount
<i>(\$ in thousands)</i>						
Liabilities:						
Interest rate swaps	\$ 63	\$ —	\$ 63	\$ —	\$ —	\$ 63

As of December 31, 2025	Gross Amounts Not Offset in the Statement of Financial Position					
	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Statement of Financial Position	Net Amounts of Liabilities presented in the Statement of Financial Position	Financial Instruments	Cash Collateral Pledged	Net Amount
<i>(\$ in thousands)</i>						
Liabilities:						
Interest rate swaps	\$ 148	\$ —	\$ 148	\$ —	\$ —	\$ 148

Note 11 – Related Party Transactions

In the ordinary course of business, the Bank may grant loans to certain executive officers and directors and the companies with which they are associated. The Company had *de minimis* loans outstanding to related parties as of March 31, 2026 and December 31, 2025. Total deposits from certain executive officers and directors and the companies with which they are associated were \$2.7 million and \$1.2 million as of March 31, 2026 and December 31, 2025, respectively.

BFG is a small business loan broker, primarily under the SBA’s 7(a) loan program. The Company has a 20% ownership in the outstanding membership units of BFG. The Company underwrites loans sourced by BFG in its normal course of business. If approved and funded, the Company pays BFG a commission fee based on the amount funded. There is no guarantee or commitment made by the Company to BFG to approve or fund loans referred by BFG. The Company is able to use its sole discretion in deciding to approve and fund loans referred by BFG.

The following table represents a summary of related party transactions with BFG for the periods indicated:

<i>(\$ in thousands)</i>	Three Months Ended March 31,	
	2026	2025
SBA 7(a) loans sourced from BFG	\$ 23,697	\$ 21,727
Commission fees paid to BFG	\$ 932	\$ 869
Distributions received from BFG ⁽¹⁾	\$ 150	\$ 520

⁽¹⁾ Recorded in the consolidated statements of income in other miscellaneous income

Note 12 – Earnings per Share

The two-class method is used in the calculation of basic and diluted earnings per share as the restricted stock awards are deemed to be participating securities. Under the two-class method, earnings available to common shareholders for the period are allocated between common shareholders and participating securities according to participation rights in

undistributed earnings. The following table is a reconciliation of the components used to derive basic and diluted earnings per share for the three months ended March 31, 2026 and 2025 (in thousands, except share and per share amounts):

	Three Months Ended March 31,	
	2026	2025
Numerator:		
Net income	\$ 2,735	\$ 3,189
Amounts allocated to participating common shareholders ⁽¹⁾	(21)	(120)
Net income allocated to common shareholders	<u>\$ 2,714</u>	<u>\$ 3,069</u>
Denominator:		
Weighted average shares outstanding, basic	13,019,369	12,716,155
Weighted average effect of dilutive securities:		
Stock options	458,498	598,028
Warrants	164,299	169,464
Weighted average shares outstanding, diluted	<u>13,642,166</u>	<u>13,483,647</u>
Earnings per share, basic	\$ 0.21	\$ 0.24
Earnings per share, diluted	\$ 0.20	\$ 0.23
Anti-dilutive stock options excluded from the calculation of diluted earnings per share	—	658

⁽¹⁾ Represents earnings attributable to holders of unvested restricted stock issued to the Company's directors and employees. On December 31, 2025, executive management elected to waive the dividend rights on their unvested restricted stock awards. As a result, beginning on December 31, 2025, the unvested shares related to executive management no longer were treated as participating securities and are excluded from the two-class method calculation of EPS. This change was effective beginning with the quarter ending December 31, 2025 and had a de minimus impact on basic and diluted earnings per share during the fourth quarter of 2025. The change does not affect previously reported periods.

Note 13 – Accumulated Other Comprehensive Income

The following tables present changes to accumulated other comprehensive income by component for the periods indicated (in thousands):

	Available-for-Sale Securities	Cash Flow Hedges	Accumulated OCI
Balance at December 31, 2025	\$ 167	\$ (141)	\$ 26
Other comprehensive income before reclassifications and income tax	(121)	125	4
Amounts reclassified from accumulated other comprehensive income	—	19	19
Income tax (expense) benefit	31	(36)	(5)
Total other comprehensive income (loss), net of tax	(90)	108	18
Balance at March 31, 2026	<u>\$ 77</u>	<u>\$ (33)</u>	<u>\$ 44</u>

	Available-for-Sale Securities	Cash Flow Hedges	Accumulated OCI
Balance at December 31, 2024	\$ (73)	\$ 260	\$ 187
Other comprehensive income before reclassifications and income tax	203	(254)	(51)
Amounts reclassified from accumulated other comprehensive income	—	(113)	(113)
Income tax expense	(45)	41	(4)
Total other comprehensive income, net of tax	158	(326)	(168)
Balance at March 31, 2025	<u>\$ 85</u>	<u>\$ (66)</u>	<u>\$ 19</u>

Note 14 – Segments

As the Company experienced significant growth in size and complexity, management reassessed its approach to analyzing revenues, financial performance, and business activities. To align with the internal financial reporting with the organizational structure and how the CODM manages the business, evaluates performance, and allocates resources, the Company completed a technology project to capture financial information by segment. The CODM currently reviews the revenues and financial results for three operating and reportable segments: traditional banking, banking as a service (“BaaS”), and treasury and administration. Considering management’s needs due to the increased volume and complexity of its business, management implemented new processes and utilized system capabilities to capture accounting information by cost centers. The cost centers are subsequently mapped to the established business segments and reports reflecting the new structure and processes were finalized and provided to the CODM during the third quarter of 2025. Due to the fact that financial data was not previously recorded by cost center, it is not practicable to present segment financial information for comparative prior periods.

The Company’s traditional banking segment provides loan and deposit products and services to consumers and businesses nationally and in and around the Salt Lake City, Utah MSA. The Company’s BaaS segment provides lending, card and payments solutions nationally to fintech brands. The treasury and administration segment consists of investments, deposits sourced nationally to support the business segments, interest charged to the traditional banking and BaaS segments on funding provided to those businesses, and other items not specific to the traditional banking or BaaS segments.

The accounting policies applicable to our segments are consistent with those described in the notes to consolidated financial statements included in the 2025 Form 10-K. Intersegment interest and expense transactions are recorded at the Company’s cost; there is no intercompany profit or loss on intersegment transactions. The Company has implemented a transfer pricing process that credits or charges the traditional banking and BaaS segments with intrabank interest income or expense, with the treasury and administration segment as the offset for those entries.

The CODM evaluates performance and allocates resources for each of the Company’s reportable segments based on segment income or loss before other allocated operating expenses and net income. The CODM uses income or loss before other allocated operating expenses to allocate resources for each segment predominantly in the annual budget and forecasting process. The CODM considers budget-to-actual variances on a monthly basis using the income before other allocated operating expenses when making decisions about allocating capital and personnel to the segments.

The Company’s CODM is the chief executive officer and its president.

In the segment reporting below, a non-GAAP subtotal is shown captioned “Income before other operating expense allocation”. That subtotal presents an income subtotal before consideration of allocated corporate expenses which might be fixed, semi-fixed or otherwise resist changes without regard to a particular line of business. The following table provides segment information for the periods indicated (in thousands):

	At and for the Three Months Ended March 31, 2026				
	Traditional Banking	BaaS	Treasury and Administration	Intersegment Eliminations⁽¹⁾	Total
Interest income	\$ 6,856	\$ 25,216	\$ 4,827	\$ (3,358)	\$ 33,541
Interest expense	3,011	1,339	4,459	(3,358)	5,451
Net interest income	3,845	23,877	368	—	28,090
Non-interest income	3,034	11,791	(43)	—	14,782
Non-interest expense:					
Salaries and benefits	1,295	2,453	203	—	3,951
Other non-interest expense	1,268	13,073	78	—	14,419
Provision for credit losses	2,601	7,980	—	—	10,581
Income before other operating expense allocation	1,715	12,162	44	—	13,921
Other operating expense allocations	2,012	8,111	—	—	10,123
Income before taxes	(297)	4,051	44	—	3,798
Income tax expense	(138)	1,192	9	—	1,063
Net income	\$ (159)	\$ 2,859	\$ 35	\$ —	\$ 2,735
March 31, 2026					
Other segment disclosures:					
Total assets	\$ 435,448	\$ 234,009	\$ 229,983	\$ —	\$ 899,440

⁽¹⁾ Interest income and expense are allocated to segments based on their respective funding requirements using an internal transfer pricing methodology. The treasury and administration segment earns interest income from providing funds to the traditional banking and BaaS segments, which in turn incur corresponding interest expense. These internal interest flows are eliminated at the consolidated level through the intersegment/eliminations column.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis is intended as a review and summary of significant factors affecting our financial condition and results of operations for the periods indicated and should be read together with our consolidated audited financial statements and related notes thereto included in the 2025 Form 10-K and our unaudited consolidated financial statements included in Part I, Item 1 of this Report. In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions that could cause actual results to differ materially from our expectations. Factors that could cause such differences are discussed in the sections of this Report and our 2025 Form 10-K entitled “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” and elsewhere in this Report. We assume no obligation to update any of these forward-looking statements except to the extent required by law.

The following discussion pertains to our historical results, on a consolidated basis. However, because we conduct all material business operations through our wholly owned subsidiary, FinWise Bank, the discussion and analysis relates to activities primarily conducted at the subsidiary level.

Critical Accounting Estimates

The accompanying management’s discussion and analysis of financial condition and results of operations is based upon our unaudited consolidated financial statements included in Part I, Item 1 of this Report. The preparation of these unaudited consolidated financial statements in accordance with GAAP requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosure of contingent assets and liabilities. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under current circumstances, results of which form the basis for making judgments about the carrying value of certain assets and liabilities that are not readily available from other sources. We evaluate our estimates on an ongoing basis. Actual results may differ from these estimates under different assumptions or conditions.

Our critical accounting estimates primarily relate to the allowance for credit losses. See Note 1 - Summary of Significant Accounting Policies to the consolidated financial statements included in Part II, Item 8 in our 2025 Form 10-K for information on our accounting policy related to this critical accounting estimate.

There have been no material changes during the three months ended March 31, 2026 to the methods we used and judgments we made relating to critical accounting estimates from those disclosed in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the 2025 Form 10-K.

Business Overview

FinWise Bancorp is a Utah corporation and the parent company of FinWise Bank and FinWise Investment, LLC. Our assets consist primarily of our investment in the Bank and all of our material business activities are conducted through the Bank.

We gather deposits in the Salt Lake City, Utah MSA through our one branch and nationwide from our Strategic Program service providers, SBA 7(a) borrowers, institutional deposit exchanges, brokered deposit arrangements and other deposit sources. Attracting nationwide deposits from the general public, businesses and other financial institutions, and investing those deposits, together with borrowings and other sources of funds, is also critical to our banking business.

Our banking business offers a diverse range of commercial and retail banking products and services, and consists primarily of originating loans in a variety of sectors. While our commercial and residential real estate lending and other products and services offered from our branch continue to be concentrated in and around the Salt Lake City, Utah MSA, our third-party loan origination relationships have allowed us to expand into markets across the United States. These relationships were developed to support our ability to generate significant loan volume across diverse consumer and commercial markets and have been the primary source of our growth and our consistent ability to operate profitably since developing the third-party loan origination business.

Our financial condition and results of operations depend primarily on our ability to originate loans and leases directly, or by using our strategic relationships with third-party loan origination platforms, to earn interest and non-interest income.

Our lending focuses on two main lending areas: (1) traditional lending which includes SBA 7(a) loans, residential and commercial real estate, and commercial leasing; and (2) Strategic Programs lending which includes held-for-sale, credit enhanced, and retained loans. For a description and analysis of the Company’s loan categories, see “Financial Condition.”

Reportable Segments

Historically, we managed our business as a single operating and reportable segment. In the third quarter of 2025, after completing a technology initiative to capture and report segment-specific financial data, we revised our reportable segments. Due to significant operational growth and how our chief operating decision maker (“CODM”) reviews operating results and allocates resources, we manage our business through three reportable segments: traditional banking, banking as a service (“BaaS”) and treasury and administration. It is not practicable to provide prior period reportable segment results as segregating the data in a meaningful way would require unreasonable effort due to limitations in historical records.

The traditional banking segment provides loan and deposit products and services to consumers and businesses nationally and in and around the Salt Lake City, Utah MSA. The BaaS segment provides lending, card and payments solutions nationally to fintech brands. The treasury and administration segment consists of investments, deposits sourced nationally to support the business segments, and other items not specific to the traditional banking or BaaS segments.

Executive Summary

This executive summary provides certain 2026 and 2025 consolidated financial highlights from the discussion and analysis that follows:

- For the three months ended March 31, 2026, originations increased to \$1.7 billion from \$1.3 billion when compared to the three months ended March 31, 2025. New strategic programs and organic growth through certain established strategic programs contributed to the increase in loan originations.
- Net interest margin (“NIM”) was 12.90% for the three months ended March 31, 2026, compared to 8.27% for the three months ended March 31, 2025. NIM is impacted by income earned from interest-earning assets and interest costs incurred on interest-bearing liabilities.
- We generated \$2.7 million and \$3.2 million of net income for the three months ended March 31, 2026 and 2025, respectively. The decrease in net income was primarily impacted by higher net-charge offs, which led to an increased provision for credit losses within our traditional banking portfolio. This increase in provision for credit losses had a negative impact on our after-tax net income for the period.
- Total assets decreased by \$77.7 million to \$899.4 million as of March 31, 2026 compared to December 31, 2025, principally due to decreases in interest-bearing cash deposits, loans held-for-sale and loans-held-for-investment.

Results of Operations

Net Income Overview

The following table sets forth the principal components of net income for the periods indicated:

(\$ in thousands)	Three Months Ended March 31,		
	2026	2025	% Change
Interest income	\$ 33,541	\$ 18,536	81.0 %
Interest expense	(5,451)	(4,256)	28.1 %
Net interest income	28,090	14,280	96.7 %
Provision for credit losses	(10,581)	(3,336)	217.2 %
Non-interest income	14,627	7,810	87.3 %
Non-interest expense	(28,338)	(14,318)	97.9 %
Provision for income taxes	(1,063)	(1,247)	(14.8)%
Net income	\$ 2,735	\$ 3,189	(14.2)%

Net Interest Income and NIM

Net interest income was the primary contributor to our earnings in 2026 and 2025. Net interest income is affected by changes in the amount and mix of interest-earning assets and interest-bearing liabilities, referred to as “volume changes.” It

is also affected by changes in yields earned on interest-earning assets and rates paid on interest-bearing deposits and other borrowed funds, referred to as “rate changes.”

Net interest income increased for the three months ended March 31, 2026, compared to the same period in 2025 primarily due to an increase in the Bank’s average balance of credit enhanced loans, an increase in average balances in the Strategic Program loans held-for-sale portfolio of \$45.0 million, and a change in estimate on the allocation of interest received on credit enhanced loans in excess of the amount FinWise retains. FinWise now estimates that all excess interest is attributable to servicing and credit guarantee expense where previously it had been estimated that a portion was attributable to originations costs, or finders fee, and was reported net in interest income.

NIM increased to 12.90% for the three months ended March 31, 2026 from 8.27% for the three months ended March 31, 2025 primarily attributable to the growth of the credit enhanced loan portfolio and the change in estimated allocation of the excess interest as previously described above and the average balance growth in the credit enhanced portfolio.

Average Balances and Yields. The following table presents average balances for assets and liabilities, the total dollar amounts of interest income from interest-earning assets, the total dollar amounts of interest expense on interest-bearing liabilities, the resulting average yields and costs, and NIM. The yields and costs for the periods indicated are derived by dividing the annualized income or expense by the average balances for assets or liabilities, respectively, for the periods presented. The weighted average yields and rates include amortization of fees, costs, premiums and discounts, which are considered adjustments to yield/rates. Average balances have been calculated using daily averages.

	Three Months Ended March 31,					
	2026			2025		
	Average Balance	Interest	Average Yield/Cost	Average Balance	Interest	Average Yield/Cost
<i>(\$ in thousands)</i>						
Interest-earning assets:						
Interest-bearing deposits	\$ 124,353	\$ 1,130	3.68%	\$ 92,794	\$ 991	4.33%
Investment securities	37,428	339	3.68%	42,314	390	3.74%
Loans held-for-sale	124,635	5,315	17.29%	79,612	4,264	21.72%
Loans held-for-investment ⁽¹⁾	596,385	26,757	18.20%	485,780	12,891	10.76%
Total interest-earning assets	882,801	33,541	15.41%	700,500	18,536	10.73%
Noninterest-earning assets	66,275			54,184		
Total assets	\$ 949,076			\$ 754,684		
Interest-bearing liabilities:						
Demand	\$ 80,662	\$ 667	3.35%	\$ 76,403	\$ 670	3.56%
Savings	10,447	28	1.09%	9,247	7	0.30%
Money market accounts	24,447	214	3.55%	17,884	163	3.70%
Certificates of deposit	450,196	4,542	4.09%	326,920	3,416	4.24%
Total deposits	565,752	5,451	3.91%	430,454	4,256	4.01%
Other borrowings	—	—	—%	48	—	0.35%
Total interest-bearing liabilities	565,752	5,451	3.91%	430,502	4,256	4.01%
Noninterest-bearing deposits	145,917			119,501		
Noninterest-bearing liabilities	42,982			29,644		
Shareholders’ equity	194,425			175,037		
Total liabilities and shareholders’ equity	\$ 949,076			\$ 754,684		
Net interest income and interest rate spread ⁽²⁾		\$ 28,090	11.50%		\$ 14,280	6.72%
Net interest margin ⁽³⁾			12.90%			8.27%
Ratio of average interest-earning assets to average interest-bearing liabilities			156.04%			162.72%

⁽¹⁾ Loans placed on nonaccrual status are included in loan balances. See “Nonperforming Assets” below.

⁽²⁾ Interest spread is the weighted average yield on interest-earning assets, less the weighted average rate incurred on interest-bearing liabilities.

⁽³⁾ Net interest margin is net interest income, expressed as a percentage of average earning assets.

Rate/Volume Analysis. The following table sets forth the effects of changing rates and volumes on our net interest income based on average balances. The rate column shows the effects attributable to changes in average rate. The volume column shows the effects attributable to changes in average volume. For purposes of this table, changes attributable to changes in both average rate and average volume that cannot be segregated have been allocated proportionally based on the changes due to rate and the changes due to volume.

<i>(\$ in thousands)</i>	Three Months Ended March 31,		
	2026 vs 2025		
	Increase (Decrease) Due to Change in:		
	Rate	Volume	Total
Interest income:			
Interest-bearing deposits with the Federal Reserve, non-U.S. central banks and other banks	\$ (109)	\$ 248	\$ 139
Investment securities	(7)	(44)	(51)
Loans held-for-sale	(592)	1,643	1,051
Loans held-for-investment	10,429	3,437	13,866
Total interest income	9,721	5,284	15,005
Interest expense:			
Demand	(104)	101	(3)
Savings	20	1	21
Money market accounts	(6)	57	51
Certificates of deposit	(113)	1,239	1,126
Total interest-bearing liabilities	(203)	1,398	1,195
Change in net interest income	\$ 9,924	\$ 3,886	\$ 13,810

Provision for Credit Losses

The following table presents the components of the provision for credit losses for the periods indicated:

<i>(\$ in thousands)</i>	Three Months Ended March 31,		Change	
	2026	2025	\$	%
	Provision for credit losses:			
Strategic Program loans - with credit enhancement ⁽¹⁾	\$ 5,864	\$ 85	\$ 5,779	NM
Strategic Program loans - without credit enhancement	1,886	1,816	70	3.9 %
All other loans (core portfolio)	2,816	1,406	1,410	100.3 %
Provision for credit losses on loans	10,566	3,307	7,259	219.5 %
Provision for unfunded commitments	15	29	(14)	(48.3)%
Provision for credit losses	\$ 10,581	\$ 3,336	\$ 7,245	217.2 %

NM denotes the percentage change is not meaningful

⁽¹⁾ For credit enhanced loans, fintech partners are required to maintain a deposit account at FinWise, which is used to recover charge-offs. The provision for credit losses on these loans differs from the core portfolio, as it is fully offset by expected recoveries under the partner guarantee, which is recognized as credit enhancement income in non-interest income.

The increase in our provision for credit losses for the three months ended March 31, 2026, compared to the same period in 2025, was primarily related to growth in the credit enhanced loan portfolio as well as higher net charge-offs resulting from migration of formerly performing loans to nonperforming status and deterioration of estimated collateral values of loans

reviewed individually for impairment. The increase in the core portfolio's provision for credit losses from the prior year period results from the increased estimate of losses on the higher balances of the non-guaranteed nonperforming loans.

Non-interest Income

The following table presents the components of non-interest income for the periods indicated:

(\$ in thousands)	Three Months Ended March 31,		Change	
	2026	2025	\$	%
Non-interest income:				
Strategic Program fees	\$ 5,702	\$ 4,962	\$ 740	14.9%
Gain on sale of loans	1,452	846	606	71.6%
SBA loan servicing fees, net	158	178	(20)	(11.2%)
Change in fair value on investment in BFG	(200)	400	(600)	150.0%
Interchange income	703	—	703	100.0%
Credit enhancement income	5,864	85	5,779	NM
Other miscellaneous income	948	1,339	(391)	(29.2%)
Total non-interest income	\$ 14,627	\$ 7,810	\$ 6,817	87.3%

NM denotes the percentage change is not meaningful

The increase in total non-interest income for the three months ended March 31, 2026, compared to the same period in 2025 was primarily due to increases in credit enhanced loan balances which generated higher credit enhancement income. Additionally, the increased sales of the guaranteed portions of SBA 7(a) loans led to an increase in gains on loan sales, higher originations resulted in increased Strategic Program fees, and acquisition of the credit card portfolio introduced interchange income to FinWise.

Non-interest Expense

The following table presents the components of non-interest expense for the periods indicated:

(\$ in thousands)	Three Months Ended March 31,		Change	
	2026	2025	\$	%
Non-interest expense:				
Salaries and employee benefits	\$ 11,038	\$ 9,826	\$ 1,212	12.3%
Professional services	880	907	(27)	(3.0%)
Occupancy and equipment expenses	425	543	(118)	(21.7%)
Credit enhancement servicing expense	2,429	2	2,427	NM
Credit enhancement guarantee expense	10,098	11	10,087	NM
Other operating expenses	3,468	3,029	439	14.5%
Total non-interest expense	\$ 28,338	\$ 14,318	\$ 14,020	97.9%

NM denotes the percentage change is not meaningful

The increase in total non-interest expense for the three months ended March 31, 2026, compared to the same period in 2025, was primarily due to an increase in credit enhancement guarantee and servicing expenses resulting from growth in credit enhanced loans and salaries and employee benefits mainly from increased headcount.

Provision for Income Taxes

Our provision for income taxes for the three months ended March 31, 2026 and 2025 resulted in an effective income tax rate of 28.0% and 28.1%, respectively. The effective tax rate differed from the federal statutory rate of 21.0% for the three months ended March 31, 2026 principally due to state and local income taxes and certain non-deductible executive compensation.

Net Income

The changes in net income for the three months ended March 31, 2026, compared to the same periods in 2025, were primarily the result of the factors discussed in the foregoing sections.

Segment Results

As further described in Note 14, Segments, in Part I, Item 1 of this Report, during the third quarter of 2025, we implemented segment reporting following the completion of a technology initiative to capture segment-specific financial data and develop reports used by our chief operating decision maker (“CODM”) to review our financial performance and determine how to allocate resources. Our operations are comprised of three reportable segments: traditional banking, banking as a service and treasury and administration.

The traditional banking segment provides loan and deposit products and services to consumers and businesses nationally and in and around the Salt Lake City, Utah MSA. The BaaS segment provides lending, card and payments solutions nationally to fintech brands. The treasury and administration segment consists of investments, deposits sourced nationally to support the business segments, interest charged to the traditional banking and BaaS segments on funding provided to those businesses, and other items not specific to the traditional banking or BaaS segments.

For periods prior to July 1, 2025, our operations were managed and reported as a single segment, and historical financial data by segment was not maintained. Accordingly, it is not practicable to present segment information for prior periods. In the segment reporting below, a non-GAAP subtotal is shown, captioned “Income before other operating expense allocation”. That subtotal presents an income subtotal before consideration of allocated corporate expenses which might be fixed, semi-fixed or otherwise resist changes without regard to a particular line of business. The following table provides segment information for the periods indicated (\$ in thousands):

	At and for the Three Months Ended March 31, 2026				
	Traditional Banking	BaaS	Treasury and Administration	Intersegment Eliminations⁽¹⁾	Total
Interest income	\$ 6,856	\$ 25,216	\$ 4,827	\$ (3,358)	\$ 33,541
Interest expense	3,011	1,339	4,459	(3,358)	5,451
Net interest income	3,845	23,877	368	—	28,090
Non-interest income	3,034	11,791	(43)	—	14,782
Non-interest expense:					
Salaries and benefits	1,295	2,453	203	—	3,951
Other non-interest expense	1,268	13,073	78	—	14,419
Provision for credit losses	2,601	7,980	—	—	10,581
Income before other operating expense allocation	1,715	12,162	44	—	13,921
Other operating expense allocations	2,012	8,111	—	—	10,123
Income before taxes	(297)	4,051	44	—	3,798
Income tax expense	(138)	1,192	9	—	1,063
Net income	\$ (159)	\$ 2,859	\$ 35	\$ —	\$ 2,735
March 31, 2026					
Other segment disclosures:					
Total assets	\$ 435,448	\$ 234,009	\$ 229,983	\$ —	\$ 899,440

⁽¹⁾ Interest income and expense are allocated to segments based on their respective funding requirements using an internal transfer pricing methodology. The treasury and administration segment earns interest income from providing funds to the traditional banking and BaaS segments, which in turn incur corresponding interest expense. These internal interest flows are eliminated at the consolidated level through the intersegment/eliminations column.

The BaaS segment's strong performance for the three months ended March 31, 2026 underscores the success of our Strategic Program initiatives, while traditional banking is a core component of our business whose first quarter results were adversely affected by credit quality issues generally related to the SBA portfolio. Treasury and administration remains focused on optimizing liquidity and supporting the funding needs of our other operating segments.

Looking ahead, we expect continued growth in BaaS as we expand our fintech partnerships and product offerings. Traditional banking performance will be influenced by interest rate trends and credit quality and treasury and administration will remain focused on optimizing liquidity and supporting business growth. We continue to monitor regulatory developments and market conditions that may impact segment performance.

Financial Condition

The following table summarizes selected components of our consolidated balance sheets as of March 31, 2026 and December 31, 2025:

(\$ in thousands)	As of		Change	
	March 31, 2026	December 31, 2025	\$	%
Interest-bearing deposits in other banks	\$ 90,655	\$ 151,318	\$ (60,663)	(40.1)%
Investment securities available-for-sale, at fair value	27,629	27,755	(126)	(0.5)%
Investment securities held-to-maturity, net	9,388	9,927	(539)	(5.4)%
Strategic Program loans held-for-sale, at lower of cost or fair value	133,907	146,473	(12,566)	(8.6)%
Loans held-for-investment, net	539,157	541,551	(2,394)	(0.4)%
Total assets	899,440	977,135	(77,695)	(8.0)%
Deposits	674,856	754,561	(79,705)	(10.6)%
Total liabilities	702,833	783,940	(81,107)	(10.3)%
Total shareholders' equity	196,607	193,195	3,412	1.8 %
Total equity to total assets	21.9 %	19.8 %		2.1 %

Interest-Bearing Deposits in Other Banks

The decrease in interest-bearing deposits in other banks from December 31, 2025 to March 31, 2026, was primarily due to the maturity of higher-cost brokered certificates of deposit prior to the end of the quarter and we opted not to renew or replace them. Aside from minimal balances held with our correspondent banks, the majority of our interest-bearing deposits are held at the Federal Reserve.

Securities

We use our securities portfolio to provide a source of liquidity, provide an appropriate return on funds invested, manage interest rate risk, meet collateral requirements and meet regulatory capital requirements.

We classify investment securities as either held-to-maturity or available-for-sale based on our intentions and our ability to hold such securities until maturity. In determining such classifications, securities that we have the intent and the ability to hold until maturity are classified as held-to-maturity and carried at amortized cost. All other securities are designated as available-for-sale and carried at estimated fair value with unrealized gains and losses included in shareholders' equity on an after-tax basis.

The following table summarizes the weighted-average yields of our investment securities at March 31, 2026. The weighted average yield of investment securities was calculated using the sum of all interest that the investments generate, divided by the average book value. There are no tax-exempt securities.

	<u>1 Year or Less</u>	<u>1 - 5 Years</u>	<u>5 - 10 Years</u>	<u>Over 10 Years</u>	<u>Total</u>
Securities available-for-sale:					
U.S. Treasuries	4.22 %	4.14 %	— %	— %	4.19 %
Securities held-to-maturity:					
Mortgage-backed securities	— %	3.34 %	1.39 %	1.84 %	1.80 %
Collateralized mortgage obligations	— %	3.13 %	— %	2.19 %	2.31 %
Total	4.22 %	4.06 %	1.39 %	2.06 %	3.64 %

There were no sales or transfers of investment securities between classifications during the three months ended March 31, 2026 and 2025.

At March 31, 2026, we had a total of eighteen securities in an unrealized loss position, consisting of eight collateralized mortgage obligations and ten mortgage-backed securities. At December 31, 2025, we had a total of seventeen securities in an unrealized loss position, consisting of eight collateralized mortgage obligations and nine mortgage-backed securities.

Strategic Program Loans Held-for-Sale

We, through our Strategic Program service providers, offer unsecured and secured consumer and business loans to borrowers within certain approved credit profiles nationwide. Loans originated through these programs are limited to predetermined Bank underwriting criteria, which has been approved by our board of directors. We generally retain the loans and/or receivables for a number of business days after origination before selling the loans and/or receivables to the Strategic Program provider or another investor. Interest income is earned by us while holding the loans. These loans are classified as held-for-sale on the balance sheet and measured at the lower of cost or market.

Our Strategic Program loans held-for-sale decreased \$12.6 million as of March 31, 2026 compared to December 31, 2025, primarily as a result of lower originations for certain programs.

Loans Held-for-Investment Portfolio

The following table summarizes our gross loan portfolio held-for-investment by loan program as of the dates indicated:

(\$ in thousands)	As of March 31, 2026		As of December 31, 2025	
	Amount	% of Total Loans	Amount	% of Total Loans
SBA ⁽¹⁾	\$ 202,438	34.6%	\$ 205,615	35.1%
Commercial leases	78,913	13.5%	78,743	13.4%
Commercial, non-real estate	3,877	0.7%	4,201	0.7%
Residential real estate	62,464	10.7%	59,602	10.2%
Strategic Program loans:				
Strategic Program loans - with credit enhancement	109,081	18.7%	108,131	18.5%
Strategic Program loans - without credit enhancement	20,779	3.6%	21,637	3.7%
Commercial real estate:				
Owner occupied	86,083	14.7%	84,016	14.3%
Non-owner occupied	2,003	0.3%	1,638	0.3%
Consumer	18,599	3.2%	21,926	3.8%
Total loans held-for-investment, gross	\$ 584,237	100.0%	\$ 585,509	100.0%

(1) SBA loans as of March 31, 2026 and December 31, 2025 include \$95.1 million and \$102.7 million, respectively, of SBA 7(a) loan balances that are guaranteed by the SBA.

We manage our loan portfolio based on factors that include concentrations per loan program and aggregated portfolio, industry of operation and geographies. We also monitor the impact of identified and estimated losses on capital as well as the pricing characteristics of each product. The following provides a general description and the risk characteristics relevant to each of our loan products. Each loan is assigned a risk grade during the origination and closing process by credit administration personnel based on criteria described later in this section. We analyze the resulting ratings, as well as other external statistics and factors such as delinquency, to track the migration performance of the portfolio balances. This ratings analysis is performed at least quarterly.

SBA

We originate and service loans partially guaranteed by the SBA under its Section 7(a) loan program for small businesses and professionals throughout the United States. Through our diversification efforts, we have built an SBA 7(a) portfolio that we believe positions us to better withstand economic shifts. For example, we focus on industries such as non-store retailers (e-commerce), ambulatory healthcare services, professional, scientific and technical services (including law firms), and merchant wholesalers.

As of March 31, 2026 and December 31, 2025, we had total SBA 7(a) loans of \$202.4 million and \$205.6 million, respectively, representing 34.6% and 35.1% of our total loans held-for-investment, respectively. Loans are sourced primarily through our referral relationship with BFG. Although BFG actively markets throughout the United States, we have developed a lending presence in the New York and New Jersey geographies due to its physical location in New York. The maximum SBA 7(a) loan amount is \$5.0 million. Underwriting is generally based on commercial credit metrics where the primary repayment source is borrower cash flow, secondary is personal guarantor cash flow and tertiary is the sale of collateral pledged. These loans may be secured by commercial and residential mortgages as well as liens on business assets. In addition to typical underwriting metrics, we review the nature of the business, use of proceeds, length of time in business and management experience to help us target loans that we believe have lower credit risk. The SBA 7(a) program generally provides 50%, 75%, 85% and 90% guarantees for eligible SBA 7(a) loans. The guaranty is conditional and covers a portion of the risk of payment default by the borrower, but not the risk of improper underwriting, closing or servicing by the lender. As such, prudent underwriting, closing and servicing processes are essential to effective utilization of the SBA 7(a) program. We will sell interests in the SBA-guaranteed portion (typically 75% of the principal balance) of a majority of the loans we originate at a premium in the secondary market while retaining all servicing rights and the unguaranteed portion when market pricing for SBA loans are favorable. We will retain both the guaranteed portion and

unguaranteed portion on our balance sheet when market pricing for SBA loans is less favorable and to season the new SBA loans to obtain optimal pricing. During the first quarter the Company sold \$25.9 million of the guaranteed principal balances of SBA loans.

Commercial leases

As of March 31, 2026 and December 31, 2025, we had total commercial leases of \$78.9 million and \$78.7 million, respectively, representing 13.5% and 13.4% of our total loans held-for-investment, respectively. Underwriting for smaller credit requests from customers is generally based on an internal credit scorecard, incorporating several customer and structure attributes including: severity and aging of delinquency; number of credit inquiries; loan-to-value ratio; term; and payment-to-income ratio. We periodically update our underwriting scorecard, which can have an impact on our credit tier scoring. Underwriting for larger credit requests from customers is generally based on commercial credit metrics where the primary repayment source considered is borrower cash flow, secondary is personal guarantor cash flow (when applicable) and tertiary is the sale of collateral pledged. The nature of the business, use of proceeds, length of time in business, management experience, repayment ability, credit history, ratio calculations and assessment of collateral adequacy are also underwriting considerations. These leases are generally secured by liens on business assets leased or purchased with Company funds. Historically, we have retained these leases on our balance sheet for investment; however, we may sell leases to certain purchasers from time to time.

Commercial, non-real estate

Commercial non-real estate loans consist of loans and leases made to commercial enterprises that are not secured by real estate. As of March 31, 2026 and December 31, 2025, we had total commercial non-real estate loans of \$3.9 million and \$4.2 million, respectively, representing 0.7% and 0.7% of our total loans held-for-investment, respectively. Any loan, lease, line of credit, or letter of credit (including any unfunded commitments) and any interest obtained in such loans made by another lender to individuals, sole proprietorships, partnerships, corporations, or other business enterprises for commercial, industrial, agricultural, or professional purposes, not secured by real estate, but not for personal expenditure purposes are included in this category. For example, commercial vehicle term loans and commercial working capital term loans are included in this product loan category. Underwriting is generally based on commercial credit metrics where the primary repayment source is borrower cash flow, secondary is personal guarantor cash flow (when applicable) and tertiary is the sale of collateral pledged. The nature of the business, use of proceeds, length of time in business, management experience, repayment ability, credit history, ratio calculations and assessment of collateral adequacy are all considerations. These loans are generally secured by liens on business assets. Historically, we have retained these loans on our balance sheet for investment.

Residential real estate

Residential real estate loans include construction, lot and land development loans that are for the purpose of acquisition and development of property to be improved through the construction of residential buildings, and loans secured by other residential real estate. As of March 31, 2026 and December 31, 2025, we had total residential real estate loans of \$62.5 million and \$59.6 million, respectively, representing 10.7% and 10.2% of our total loans held-for-investment, respectively. Construction loans are usually paid off through the conversion to permanent financing from third-party lending institutions. Lot loans may be paid off as the borrower converts to a construction loan. At the completion of the construction project, if the loan is converted to permanent financing by us or if scheduled loan amortization begins, it is then reclassified from construction to single-family dwelling. Underwriting of construction and development loans typically includes analysis of the general market conditions associated with the area and type of project being funded in addition to the borrower's financial condition and ability to meet the required debt obligation. These loans are generally secured by mortgages for residential property located primarily in the Salt Lake City, Utah MSA, and we obtain guarantees from responsible parties. Historically, we have retained these loans on our consolidated balance sheets for investment.

Strategic Program loans

Through our Strategic Program service providers, we issue unsecured and secured consumer and business loans to borrowers within certain approved credit profiles nationwide. Although we have generally sold most of these loans, we may choose to hold more of the funded loans and/or receivables based on a number of factors including the amount of our available capital. As of March 31, 2026 and December 31, 2025, we had total Strategic Program loans held-for-investment of \$129.9 million and \$129.7 million, respectively, representing 22.3% and 22.2% of our total loans held-for-investment, respectively. Loans originated through the Strategic Program are limited to predetermined Bank underwriting criteria, which has been approved by our board of directors. The primary form of repayment on these loans is from the borrower's personal or business cash flow. Secured loans are secured by liens on consumer or business assets, as applicable. We

reserve the right to sell any portion of funded loans and/or receivables directly to the Strategic Program service providers or other investors. We generally retain the legal right to service all these loans, but contract with the Strategic Program service provider or another approved sub-servicer to service these loans on our behalf.

Strategic Program loans with credit enhancement

The Strategic Program loans with credit enhancement are distinct from our traditional loan portfolio in that the sponsoring fintech company guarantees the credit and fraud losses associated with these loans. Credit enhanced Strategic Program loans totaled \$109.1 million and \$108.1 million as of March 31, 2026 and December 31, 2025, representing 18.7% and 18.5% of our total loans held-for-investment, respectively. This significant increase reflects the expansion of the credit enhanced program and its impact on our balance sheet. The Reconciliations of Non-GAAP Financial Measures section of this report below further details the impact of the credit enhancement program on our allowance for credit losses and related non-GAAP financial measures.

Strategic Program loans without credit enhancement

Strategic Program loans without credit enhancement totaled \$20.8 million and \$21.6 million as of March 31, 2026 and December 31, 2025, representing 3.6% and 3.7% of our total loans held-for-investment, respectively. Unlike the credit enhanced loans, these non-credit enhanced loans do not benefit from a third-party guarantee or indemnification of credit and fraud losses by the Strategic Program service provider. As a result, the Bank retains the full credit and fraud losses associated with these loans, and they are subject to our standard credit risk management, monitoring, and allowance for credit losses under the CECL model. The accounting for non-credit enhanced Strategic Program loans is consistent with our other held-for-investment loan portfolios. While the non-credit enhanced Strategic Program loans represent a smaller portion of our overall loan portfolio, they provide additional diversification and support our broader fintech strategy.

Commercial real estate

Commercial real estate loans include loans to individuals, sole proprietors, partnerships, corporations, or other business enterprises for commercial, industrial, agricultural, or professional purposes, secured by real estate, but not for personal expenditure purposes. As of March 31, 2026 and December 31, 2025, we had total commercial real estate loans of \$88.1 million and \$85.7 million, respectively, representing 15.1% and 14.6% of our total loans held-for-investment, respectively. Of these amounts, \$86.1 million and \$84.0 million represented owner occupied properties as of March 31, 2026 and December 31, 2025, respectively. Underwriting is generally based on commercial credit metrics where the primary repayment source is borrower cash flow, secondary is personal guarantor cash flow (when applicable) and tertiary is the sale of collateral pledged. The nature of the business, use of proceeds, length of time in business, management experience, repayment ability, credit history, ratio calculations and assessment of collateral adequacy are all considerations. In addition to real estate, these loans may also be secured by liens on business assets. Historically, we have retained these loans on our balance sheet for investment.

Consumer

Consumer lending provides financing for personal, family, or household purposes on a nationwide basis. Most of these loans are originated through our loan origination system platform and come from a variety of sources, including other approved merchant or dealer relationships and lending platforms. As of March 31, 2026 and December 31, 2025, we had total consumer loans of \$18.6 million and \$21.9 million, respectively, representing 3.3% and 3.8% of our total loans held-for-investment, respectively. We use a debt-to-income (“DTI”) ratio test to determine whether an applicant will be able to service the debt. The DTI ratio compares the applicant’s anticipated monthly expenses and total monthly obligations to the applicant’s monthly gross income. Our policy is to limit the DTI ratio to 45% after calculating interest payments related to the new loan. Loan officers, at their discretion, may make exceptions to this ratio if the loan is within their authorized lending limit. DTI ratios of no more than 50% may be approved subject to an increase in interest rate. Strong offsetting factors such as higher discretionary income or large down payments are used to justify exceptions to these guidelines. All exceptions are documented and reported. While the loans are generally for the purchase of goods which may afford us a purchase money security interest, these loans are underwritten as if they were unsecured. On larger loans, we may file a Uniform Commercial Code (“UCC”) financing form. Historically, we have retained these loans on our balance sheet for investment.

Loan Maturity

The following table details the contractual maturity ranges of loans in our loan portfolio and the amount of such loans with fixed and variable rates in each maturity range as of March 31, 2026:

	Remaining Contractual Maturity Held-for-Investment				Total
	One Year or Less	After One Year and Through Five Years	After Five Years and Through Fifteen Years	After Fifteen Years	
<i>(\$ in thousands)</i>					
Fixed rate loans:					
SBA	\$ 402	\$ 1,602	\$ 2,626	\$ 1,144	\$ 5,774
Commercial leases	27,201	51,710	—	—	78,911
Commercial, non-real estate	978	2,734	165	—	3,877
Residential real estate	9,028	5,953	—	—	14,981
Strategic Program loans	61,179	18,313	1,484	17	80,993
Commercial real estate					
Owner occupied	2,333	4,653	—	—	6,986
Non-owner occupied	186	502	921	46	1,655
Consumer	5,524	11,671	1,400	—	18,595
Subtotal fixed rate loans	106,831	97,138	6,596	1,207	211,772
Variable rate loans:					
SBA	18,205	63,510	81,029	33,922	196,666
Commercial leases	—	—	—	—	—
Commercial, non-real estate	—	—	—	—	—
Residential real estate	41,598	3,818	2,067	—	47,483
Strategic Program loans	48,832	12	23	—	48,867
Commercial real estate					
Owner occupied	8,611	34,161	33,912	2,414	79,098
Non-owner occupied	348	—	—	—	348
Consumer	3	—	—	—	3
Subtotal variable rate loans	117,597	101,501	117,031	36,336	372,465
Total	\$ 224,428	\$ 198,639	\$ 123,627	\$ 37,543	\$ 584,237

Nonperforming Assets

Loans are considered past due if the required principal and interest payments have not been received as of the date such payments were contractually due. Loans are placed on nonaccrual status when, in management's opinion, the borrower may be unable to meet payment obligations as they become due, as well as when required by regulatory provisions. Loans may be placed on nonaccrual status regardless of whether such loans are actually past due. In general, we place loans on nonaccrual status when they become 90 days past due unless they are both well secured and in the process of collection. We also place loans on nonaccrual status if they are less than 90 days past due if the collection of principal or interest is in doubt. When interest accrual is discontinued, all unpaid accrued interest is reversed from income. Interest income is subsequently recognized only to the extent recoveries received (either from payments received from the customer, derived from the disposition of collateral or from legal action, such as judgment enforcement) exceed liquidation expenses incurred and outstanding principal.

A nonaccrual asset may be restored to accrual status when (1) none of its principal and interest is due and unpaid, and we expect repayment of the remaining contractual principal and interest, or (2) when asset otherwise becomes well secured and is not in the process of collection.

Any loan, or portion of a loan, which we deem to be uncollectible is charged off to the extent of the anticipated loss. In general, the reported balance of commercial loans that are past due for 90 days or more are reduced to the estimated net realizable value. Consumer loans and credit card balances are charged off at no later than 120 days and 180 days, respectively. We believe our disciplined lending approach and focused management of nonperforming assets has resulted in sound asset quality and timely resolution of problem assets. We have several procedures in place to assist us in maintaining the overall quality of our loan portfolio. We have established underwriting guidelines to be followed by our loan officers, and we also monitor our delinquency levels for any negative or adverse trends. There can be no assurance, however, that our loan portfolio will not become subject to increasing pressures from deteriorating borrower credit due to general economic conditions.

We had a total of \$49.8 million in nonperforming assets as of March 31, 2026, which included \$26.7 million of SBA 7(a) loan balances that are guaranteed by the SBA. We had \$43.7 million in nonperforming assets which included \$0.5 million in material loan modifications at December 31, 2025. The amount of nonperforming assets as of December 31, 2025 includes \$24.2 million of SBA 7(a) loan balances that are guaranteed by the SBA. The increase in nonperforming assets from the prior year was primarily attributable to the increase in the SBA 7(a) loan portfolio being classified as nonaccrual mainly due to the negative impact of sustained elevated interest rates on our small business borrowers. Due to elevated interest rates, the slowdown of consumer spending and the variable rate nature of our SBA portfolio, the risk of default has become and continues to be elevated and may result in additional delinquencies in future periods.

Our Strategic Program service providers also provide for loan modifications to borrowers. The service providers are authorized to make the loan modifications consistent with modification program terms previously approved by FinWise but without prior FinWise consent on the specific loans in order to react to immediately to borrower contact and optimize collections. As of March 31, 2026 the balance of outstanding loan modifications was approximately \$0.2 million.

Credit Risk Profile

We believe that we underwrite loans carefully and thoroughly, limiting our lending activities to those products and services where we have the resources and expertise to lend profitably without undue credit risk. We require all loans to conform to our underwriting policies (or otherwise be identified as exceptions to policy and monitored and reported on, at minimum, quarterly) and be granted on a sound basis. Loans are made with a primary emphasis on loan profitability, credit risk and concentration exposures.

We are proactive in our approach to identifying and resolving problem loans and are focused on working with the borrowers and guarantors of problem loans to provide loan modifications when warranted. When considering how to best diversify our loan portfolio, we consider several factors including our aggregate and product-line specific concentration risks, our business line expertise, and the ability of our infrastructure to appropriately support the product. While certain product lines generate higher net charge-offs, our exposure is carefully monitored and mitigated by our concentration policies and reserved for by the credit loss allowance we maintain. Specifically, retention of certain Strategic Program loans with higher default rates accounts for a disproportionate amount of our charge-offs. In addition to our oversight of the credit policies and processes associated with these programs, we limit within our concentration policies the aggregate exposure of these loans as a percentage of the total loan portfolio, carefully monitor certain vintage loss-indicative factors such as first payment default and marketing channels, and appropriately provision for these balances so that the cumulative charge-off rates remain consistent with management expectations. While the level of nonperforming assets fluctuates in response to changing economic and market conditions, the relative size and composition of the loan portfolio, and our management's degree of success in resolving problem assets, we believe our proactive stance to early identification and intervention is the key to successfully managing our loan portfolio.

Accurate and timely loan risk grading is considered a critical component of an effective credit risk management system. Loan grades take into consideration the borrower's financial condition, industry trends, and the economic environment. Loan risk grades are changed as necessary to reflect the risk inherent in the loan. Among other things, we use loan risk grading information for loan pricing, risk and collection management and determining credit loss reserve adequacy. Further, on a quarterly basis, the Loan Committee holds a Loan Risk Grade meeting to review all loans in our portfolio for accurate risk grading. Any required changes to the loan risk grading are made after the Loan Risk Grade meeting to provide for accurate reporting. Reporting is achieved in Loan Committee minutes, which minutes are reviewed by the Board. We supplement credit department supervision of the loan underwriting, approval, closing, servicing and risk grading process with periodic loan reviews by risk department personnel specific to the testing of controls.

We use a grading system to rank the quality of each loan. The grade is periodically evaluated and adjusted as performance dictates. Internal loan grades are based on current financial information, historical payment experience, and credit

documentation, among other factors. The following guidelines govern the assignment of these risk grades. We do not currently grade Strategic Program loans held-for-investment due to their small balances and similar characteristics. As credit quality for Strategic Program loans have been highly correlated with delinquency levels, the Strategic Program loans are evaluated collectively for impairment.

Pass - A Pass asset is higher quality and does not fit any of the other categories described below. The likelihood of loss is believed to be remote.

Watch – A Watch asset may be a larger loan or one that places a heavier reliance on collateral due to the relative financial strength of the borrower. The assets may be maintenance intensive requiring closer monitoring. The obligor is believed to have an adequate primary source of repayment. New loans pursuant to the SBA 7(a) program are classified as watch loans until they have a demonstrated period of satisfactory performance, typically 18 months.

Special Mention – A Special Mention asset has potential weaknesses that may be temporary or, if left uncorrected, may result in a loss. While concerns exist, we believe that it is currently protected against a default and loss is considered unlikely and not imminent.

Substandard – A Substandard asset is believed to be inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Assets so classified have identified weaknesses and are characterized by the possibility that we may sustain some loss if deficiencies are not corrected.

Doubtful – A doubtful asset has an existing weakness or weaknesses that make collection or liquidation in full, on the basis of currently existing facts and conditions, highly questionable and improbable.

Loss - A loss asset has an existing weakness or weaknesses that render the loan uncollectible and of such little value that continuing to carry as an asset on our books is not warranted. This classification does not mean that the loan has absolutely no recovery or salvage value, but rather it is not practical nor desirable to defer writing off this basically worthless asset, even though partial recovery may be affected in the future.

Not Rated – For certain Strategic Program and consumer loans, we do not evaluate and risk rate the loans in the same manner as other loans in our portfolio. The Not Rated loans are typically homogenous, smaller dollar balances approved using abridged underwriting methods that allow us to streamline the loan approval process and increase efficiency. Credit quality for Strategic Program loans has been highly correlated with delinquency levels.

See Note 3 - Loans to the consolidated financial statements included in Part I, Item 1 for more information on the credit quality of our loans held-for-investment (“LHFI”) portfolio.

Allowance for Credit Losses

The estimate of credit loss incorporates assumptions for both the likelihood and amount of funding over the estimated life of the commitments, including adjustments for current conditions and reasonable and supportable forecasts. Management periodically reviews and updates its assumptions for estimated funding rates. Our judgment in determining the adequacy of the allowance is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available and as situations and information change. We evaluate the ACL on at least a quarterly basis and take into consideration such factors as changes in the nature and volume of the loan portfolio, overall portfolio quality, review of specific problem loans and current economic conditions and trends that may affect the borrower’s ability to repay. The quality of the loan portfolio and the adequacy of the ACL is reviewed by regulatory examinations and our auditors.

Credit losses are charged against the ACL when we believe that the collectability of the principal loan balance is unlikely. Subsequent recoveries, if any, are credited to the ACL when received. The amortized cost basis of loans does not include accrued interest receivable, which is included in other assets on the consolidated balance sheets. The provision for credit losses on the consolidated statements of income is a combination of the provision for credit losses and the provision for unfunded loan commitments.

The following table presents a summary of changes in the ACL for the periods and dates indicated:

<i>(\$ in thousands)</i>	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Allowance for credit losses:		
Beginning balance	\$ 36,796	\$ 13,176
Provision for credit losses	10,566	3,307
Charge-offs		
Construction and land development	—	—
Residential real estate	(244)	(7)
Residential real estate multifamily	—	—
Commercial real estate		
Owner occupied	(598)	(68)
Non-owner occupied	(410)	—
Commercial and industrial	(447)	(83)
Consumer	(276)	(11)
Lease financing receivables	(319)	(36)
Strategic Program loans:		
Strategic Program loans - with credit enhancement	(4,864)	—
Strategic Program loans - without credit enhancement	(2,720)	(2,384)
Recoveries		
Construction and land development	—	—
Residential real estate	—	3
Residential real estate multifamily	—	—
Commercial real estate		
Owner occupied	—	16
Non-owner occupied	—	—
Commercial and industrial	5	14
Consumer	2	3
Lease financing receivables	42	(33)
Strategic Program loans ⁽¹⁾	440	338
Ending balance	<u>\$ 37,973</u>	<u>\$ 14,235</u>

(1) Recoveries related to Strategic Program loans that were reimbursed fully on the credit enhanced portfolio totaled \$4.9 million and \$1.0 thousand for the three months ended March 31, 2026 and March 31, 2025, respectively.

The following table shows the allocation of the ACL and the percentage of loans in each category to total loans as of March 31, 2026 and December 31, 2025. The ACL related to Strategic Programs constitutes 76.2% and 77.0% of the total ACL while comprising 22.3% and 22.2%, respectively, of total loans held-for-investment as of March 31, 2026 and December 31, 2025, respectively. The percentage of ACL related to Strategic Program loans retained reflects the increased credit risks associated with certain retained Strategic Program loans.

(\$ in thousands)	March 31, 2026		December 31, 2025	
	Amount	Percent of Loans in Category to Total Loans	Amount	Percent of Loans in Category to Total Loans
Construction and land development	\$ 1,062	8.7%	\$ 970	8.4%
Residential real estate	815	9.5%	777	9.6%
Residential real estate multifamily	48	0.4%	62	0.5%
Commercial real estate				
Owner occupied	3,811	36.5%	3,267	36.0%
Non-owner occupied	92	1.4%	104	1.6%
Commercial and industrial	866	4.5%	773	4.5%
Consumer	548	3.2%	679	3.7%
Lease financing receivables	1,799	13.5%	1,838	13.5%
Strategic Program loans:				
Strategic Program loans - with credit enhancement	23,378	18.7%	22,396	18.5%
Strategic Program loans - without credit enhancement	5,554	3.6%	5,930	3.7%
Total	\$ 37,973	100.0%	\$ 36,796	100.0%

The following table reflects the ratios of the ACL to total LHFI, nonaccrual loans to total LHFI, and the ACL to nonaccrual loans by CECL loan category as of March 31, 2026:

	ACL to Total LHFI	Nonaccrual Loans to Total LHFI	ACL to Nonaccrual Loans
Construction and land development	2.1 %	— %	— %
Residential real estate	1.5 %	20.1 %	7.3 %
Residential real estate multifamily	1.9 %	— %	— %
Commercial real estate			
Owner occupied	1.8 %	15.6 %	11.4 %
Non-owner occupied	1.1 %	28.2 %	3.9 %
Commercial and industrial	3.3 %	9.7 %	33.6 %
Consumer	2.9 %	— %	8,191.5 %
Lease financing receivables	2.3 %	0.5 %	435.0 %
Strategic Program loans	22.3 %	— %	— %
Total	6.5 %	8.5 %	76.2 %

The following table reflects the ratios of the ACL to total LHFI, nonaccrual loans to total LHFI, and the ACL to nonaccrual loans by CECL loan category as of December 31, 2025:

	ACL to Total LHFI	Nonaccrual Loans to Total LHFI	ACL to Nonaccrual Loans
Construction and land development	2.0 %	4.7 %	42.4 %
Residential real estate	1.4 %	19.9 %	6.9 %
Residential real estate multifamily	2.0 %	— %	— %
Commercial real estate			
Owner occupied	1.6 %	11.3 %	13.7 %
Non-owner occupied	1.1 %	28.8 %	3.8 %
Commercial and industrial	2.9 %	8.6 %	34.4 %
Consumer	3.1 %	0.2 %	1,297.1 %
Lease financing receivables	2.3 %	1.1 %	214.0 %
Strategic Program loans	21.8 %	— %	— %
Total	6.3 %	7.4 %	85.1 %

When comparing March 31, 2026 to December 31, 2025, the increase in ACL to total loans held-for-investment was primarily due to the increase of the credit enhanced loan portfolio ACL resulting from the change in portfolio composition. The increase in nonaccrual loans to total loans held-for-investment as shown above was primarily related to SBA loans that were moved to nonaccrual status during 2026. The decrease in the ACL to nonaccrual loans ratio as shown above primarily pertained to growth in the nonaccrual loans concentrated in the SBA product and charge-offs in the period as updated appraisals were obtained.

The following table summarizes net charge-offs (“NCO”), average loans and the ratio of annualized NCO to average loans for the periods indicated:

	Three Months Ended March 31, 2026			Three Months Ended March 31, 2025		
	Net Charge-Offs	Average Loans	Annualized NCO to Average Loans	Net Charge-Offs	Average Loans	Annualized NCO to Average Loans
<i>(\$ in thousands)</i>						
Construction and land development	\$ —	\$ 50,862	— %	\$ —	\$ 45,695	— %
Residential real estate	244	56,350	1.8 %	4	58,380	— %
Residential real estate multifamily	—	2,944	— %	—	1,707	— %
Commercial real estate						
Owner occupied	598	215,407	1.1 %	52	198,317	0.1 %
Non-owner occupied	410	8,902	18.7 %	—	13,191	— %
Commercial and industrial	442	25,999	6.9 %	69	51,112	0.5 %
Consumer	274	20,461	5.4 %	8	22,597	0.1 %
Lease financing receivables	277	80,034	1.4 %	69	74,501	0.4 %
Strategic Program loans:						
Strategic Program loans - with credit enhancement	4,832	113,773	17.2 %	—	1,037	— %
Strategic Program loans - without credit enhancement	2,312	21,654	43.3 %	2,046	19,243	43.1 %
Total	\$ 9,389	\$ 596,386	6.4 %	\$ 2,248	\$ 485,780	1.9 %

The total ratio of annualized NCO to average loans outstanding remained consistent during the three months ended March 31, 2026, as compared to the three months ended March 31, 2025, primarily due to a higher growth rate in the quarterly average balances of Strategic Program loans related to the credit enhanced program when compared to the growth rate of net charge-offs in that program.

The total ratio of annualized NCO to average loans outstanding was lower during the three months ended March 31, 2026, as compared to the same prior year period due to a higher growth rate in the average balances of Strategic Program loans related to the credit enhanced program when compared to the growth rate of net charge-offs in that program.

Total Assets

Total assets at March 31, 2026 were \$899.4 million, a decrease of \$77.7 million from December 31, 2025. The decrease in total assets was primarily due to decreases in interest-bearing cash deposits of \$60.7 million, loans held-for-sale portfolio of \$12.6 million, and loans held-for-investment, net, of \$2.4 million.

Deposits

Deposits are the major source of funding for us. We offer a variety of deposit products including interest and noninterest bearing demand accounts, HSA demand deposits, money market and savings accounts and certificates of deposit, all of which we market at competitive pricing. We generate deposits from our customers on a relationship basis and through access to national institutional and brokered deposit sources. We also generate deposits in relation to our Strategic Programs in the form of reserve accounts as discussed above. These deposits add an element of flexibility in that they tend to increase or decrease in relation to the size of our Strategic Program loan portfolio. In addition to the reserve account, some Strategic Program loan originators maintain operating deposit accounts with us.

The following table presents the end of period balances of our deposit portfolio for the periods indicated:

(\$ in thousands)	March 31, 2026		December 31, 2025	
	Total	Percent	Total	Percent
Noninterest-bearing demand deposits	\$ 127,223	18.9%	\$ 168,442	22.3%
Interest-bearing deposits:				
Demand	104,016	15.4%	74,817	9.9%
Savings	9,613	1.4%	11,017	1.5%
Money markets	23,286	3.5%	22,017	2.9%
Time certificates of deposit	410,718	60.8%	478,268	63.4%
Total period end deposits	\$ 674,856	100.0%	\$ 754,561	100.0%

The decrease in total deposits as of March 31, 2026 compared to December 31, 2025 of \$79.7 million was primarily due to reductions in noninterest-bearing demand deposits and certificates of deposit, as excess funds were not required to support the lower level of assets.

As an FDIC-insured institution, our deposits are insured up to applicable limits by the Deposit Insurance Fund (“DIF”) of the FDIC. The Dodd-Frank Act raised the limit for federal deposit insurance to \$250,000 for most deposit accounts and increased the cash limit of Securities Investor Protection Corporation protection from \$100,000 to \$250,000. Our total estimated uninsured deposits were \$182.2 million and \$204.1 million as of March 31, 2026 and December 31, 2025, respectively. Estimated uninsured deposits at the Bank as of March 31, 2026 include \$35.6 million of total deposits contractually required to be maintained at the Bank pursuant to our Strategic Program agreements and an additional \$43.0

million of total deposits associated with accounts owned by the parent holding company or the Bank. The maturity profile of our uninsured time deposits, those amounts that exceed the FDIC insurance limit, at March 31, 2026 is as follows:

	March 31, 2026				Total
	Three Months or Less	More than Three Months to Six Months	More than Six Months to Twelve Months	More than Twelve Months	
<i>(\$ in thousands)</i>					
Time deposits, uninsured	\$ 1,343	\$ 66	\$ 129	\$ 1,141	\$ 2,679

Total Liabilities

Total liabilities decreased to \$702.8 million, or 10.3%, as of March 31, 2026 from \$783.9 million as of December 31, 2025 primarily due to a decrease in deposits as discussed above.

Liquidity and Capital Resources

Liquidity Management

Liquidity management is the ability to meet current and future financial obligations of a short-term nature. Our primary sources of funds consist of deposit inflows, the sale of loans, principal and interest repayments on loans and net profits. While maturities and scheduled amortization of loans and securities are predictable sources of funds, deposit flows, loan prepayments, loan sales and security sales are greatly influenced by general interest rates, economic conditions, and competition.

Our primary source of funds to originate new loans is derived from deposits. Deposits are comprised of core and non-core deposits. To attract core deposits from local and nationwide consumer and commercial markets, we historically paid rates at the higher end of the market, which we have been able to pay due to the higher margin of our technology oriented business model. We utilize rate listing services and website advertising to attract deposits from consumer and commercial sources. Non-core deposits generally include brokered deposits and deposits acquired through the utilization of a listing service.

We intend to have various term offerings to match our funding needs. With no current plans to expand our brick-and-mortar branch network, online and mobile banking offers a means to meet customer needs and better efficiency through technology compared to traditional branch networks. We believe that the rise of mobile and online banking provides us the opportunity to further leverage the technological competency we have demonstrated in recent years.

We regularly adjust our investment in liquid assets based upon our assessment of (1) expected loan demand, (2) expected deposit flows, (3) yields available on interest-earning deposits and securities and (4) the objectives of our asset/liability management, funds management and liquidity policies. The objective of our liquidity policy is to control the risk to our earnings and capital arising from the inability to meet obligations in a timely manner. This entails ensuring sufficient funds are available at all times and at a reasonable cost to meet potential demands from both fund providers and borrowers.

We primarily utilize short-term and long-term borrowings to supplement deposits to fund our lending and investment activities. At March 31, 2026, we had the ability to access \$165.0 million from the Federal Reserve Bank on a collateralized basis. The Bank had an available unsecured line of credit with three correspondent banks to borrow up to \$16.1 million in overnight funds. We also maintain a \$17.0 million line of credit with Federal Home Loan Bank, secured by specific pledged loans. We had no outstanding balances on any unsecured or secured lines of credit as of March 31, 2026.

Our most liquid assets are cash and cash equivalents. The levels of these assets depend on our operating, financing, lending and investing activities during any given period. At March 31, 2026, liquid assets (defined as cash and due from banks and interest-bearing deposits) totaled \$96.9 million and constituted 10.8% of total assets. We believe that our liquid assets combined with the available lines of credit and our ability to generate core and non-core funding provides adequate liquidity to meet our current financial obligations for at least the next 12 months.

Capital Resources

We seek to maintain adequate capital to support anticipated asset growth, operating needs and unexpected risks, and to ensure that we are in compliance with all current and anticipated regulatory capital guidelines. Our primary sources of new capital include retained earnings and proceeds from the sale and issuance of capital stock or other securities. Expected future use or activities for which capital may be set aside include balance sheet growth and associated relative increases in market or credit exposure, investment activity, potential product and business expansions, acquisitions and strategic or infrastructure investments.

Shareholders' equity increased \$3.4 million to \$196.6 million at March 31, 2026 compared to \$193.2 million at December 31, 2025, primarily due to earnings of \$2.7 million reported for the period.

We use several indicators of capital strength. The most commonly used measure is total equity to total assets, which was 21.9% and 19.8% as of March 31, 2026 and December 31, 2025, respectively.

Our return on average equity was 5.7% and 7.4% for the three months ended March 31, 2026 and 2025, respectively. Our return on average assets was 1.2% and 1.7% for the three months ended March 31, 2026 and 2025, respectively.

The Bank is 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 material effect on our business. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of its assets, liabilities, and certain off-balance-sheet items as calculated pursuant to regulatory definitions and requirements. The sufficiency of capital and the Bank's capital classifications are also subject to qualitative judgments by the regulators about risk weightings and other factors.

Under the prompt corrective action rules, an institution is deemed "well capitalized" if its Tier 1 leverage ratio, Common Equity Tier 1 ratio, Tier 1 Capital ratio, and Total Capital ratio meet or exceed 5%, 6.5%, 8%, and 10%, respectively. On September 17, 2019, the federal banking agencies jointly issued a rule intending to simplify the regulatory capital requirements described above for qualifying community banking organizations that opt into the Community Bank Leverage Ratio framework, as required by Section 201 of the Regulatory Relief Act. The Bank elected to opt into the Community Bank Leverage Ratio ("CBLR") framework starting in 2020. Under these capital requirements the Bank must maintain a leverage ratio greater than 9.0% to be considered well-capitalized. The minimum CBLR required for a bank to be considered well capitalized will decrease to 8.0% effective July 1, 2026.

As of March 31, 2026, the most recent notification from the FDIC categorized the Bank as well-capitalized under the regulatory framework for prompt corrective action (there are no conditions or events since that notification we believe have changed the Bank's category). See Note 5 - Capital Requirements for additional information regarding our regulatory capital requirements.

Contractual Obligations

We have contractual obligations to make future payments on debt and lease agreements. While our liquidity monitoring and management consider both present and future demands for and sources of liquidity, the following table of contractual commitments focuses only on future obligations and summarizes our contractual obligations as of March 31, 2026:

<i>(\$ in thousands)</i>	Total	Less than One Year	One to Three Years	Three to Five Years	More Than Five Years
Contractual Obligations					
Deposits without stated maturity	\$ 264,138	\$ 264,138	\$ —	\$ —	\$ —
Time deposits	410,718	296,475	91,856	11,758	10,629
Operating lease obligations	4,279	1,206	2,355	718	—
Total	<u>\$ 679,135</u>	<u>\$ 561,819</u>	<u>\$ 94,211</u>	<u>\$ 12,476</u>	<u>\$ 10,629</u>

Off-Balance-Sheet Financing Arrangements

In the normal course of business, we enter into certain off-balance sheet arrangements to meet the financing needs of our customers. These transactions include commitments to extend credit, which involves, to varying degrees, elements of credit risk and interest rate risk exceeding the amounts recognized in our consolidated statements of financial condition. Our exposure to credit loss is represented by the contractual amounts of these commitments. The same credit policies and procedures are used in making these commitments as for on-balance sheet instruments. With the exception of these off-balance sheet arrangements, we have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources. For details of our commitments to extend credit please See Note 6 - Commitments and Contingencies.

Reconciliations of Non-GAAP Financial Measures

We believe that both management and investors benefit from certain non-GAAP financial measures in assessing our performance and when planning, forecasting, and analyzing future periods. These non-GAAP financial measures also facilitate management’s internal comparisons to our historical performance. We believe these non-GAAP financial measures are useful to investors both because (1) they allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making and (2) they are used by our institutional investors and the analyst community to help them analyze the health of our business. Accordingly, we believe that these non-GAAP financial measures provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management team. Our calculation of these non-GAAP financial measures may differ from similarly-titled non-GAAP measures, if any, reported by our peers. These non-GAAP financial measures should not be considered in isolation from, or as substitutes for, financial information prepared in accordance with GAAP.

FinWise has entered into agreements with certain of its Strategic Program service providers pursuant to which the service providers provide credit enhancement on loans which protects the Bank by indemnifying or reimbursing the Bank for incurred credit and fraud losses. We estimate and record a provision for expected losses for these Strategic Program loans in accordance with GAAP, which requires estimation of the provision without consideration of the credit enhancement. When the provision for expected losses over the life of the loans that are subject to such credit enhancement is recorded, a credit enhancement asset reflecting the future recovery of those estimated credit losses pursuant to the strategic partner’s guarantee to assume the Bank’s credit losses on each of the loans in the respective guaranteed portfolio is also recorded on the balance sheet in the form of non-interest income (credit enhancement income). Reimbursement or indemnification for incurred losses is provided for in the form of a deposit reserve account that is replenished periodically by the respective Strategic Program service provider. The credit enhancement asset is reduced as credit enhancement payments and recoveries are received from the Strategic Program service provider or taken from its cash reserve account. If the Strategic Program service provider is unable to fulfill its contracted obligations under its credit enhancement agreement, then the Bank could be exposed to the loss of the reimbursement and credit enhancement income as a result of this counterparty risk. The Bank incurs expenses for the amounts owed to the strategic partner for the credit guarantee and for servicing of the credit enhanced portfolio, if applicable (credit enhancement program expenses). See the following reconciliations of GAAP to non-GAAP measures for the impact of the credit enhancement on our financial condition and results.

The following non-GAAP measures are presented to illustrate the impact of certain credit enhancement program expenses on total interest income on LHFI and average yield on LHFI:

	As of and for the Three Months Ended					
	March 31, 2026			March 31, 2025		
	Total Average LHFI	Total Interest Income on LHFI	Average Yield on LHFI	Total Average LHFI	Total Interest Income on LHFI	Average Yield on LHFI
<i>(\$ in thousands; unaudited)</i>						
Before adjustment for credit enhancement	\$ 596,385	\$ 26,757	18.20 %	\$ 485,780	\$ 12,891	10.76 %
Less: credit enhancement program expenses		(12,526)			(13)	
Net of adjustment for credit enhancement program expenses	\$ 596,385	\$ 14,231	9.68 %	\$ 485,780	\$ 12,878	10.76 %

Total interest income on LHF net of credit enhancement program expenses and the average yield on LHF net of credit enhancement program expenses are non-GAAP measures that include the impact of credit enhancement program expenses on total interest income on LHF and the respective average yield on LHF, the most directly comparable GAAP measures.

The following non-GAAP measures are presented to illustrate the impact of certain credit enhancement program expenses on net interest income and NIM:

	As of and for the Three Months Ended					
	March 31, 2026			March 31, 2025		
	Total Average Interest-Earning Assets	Net Interest Income	Net Interest Margin	Total Average Interest-Earning Assets	Net Interest Income	Net Interest Margin
<i>(\$ in thousands; unaudited)</i>						
Before adjustment for credit enhancement	\$ 882,801	\$ 28,090	12.90 %	\$ 700,500	\$ 14,280	8.27 %
Less: credit enhancement program expenses		(12,526)			(13)	
Net of adjustment for credit enhancement program expenses	\$ 882,801	\$ 15,564	7.15 %	\$ 700,500	\$ 14,267	8.27 %

Net interest income and net interest margin net of credit enhancement program expenses are non-GAAP measures that include the impact of credit enhancement program expenses on net interest income and net interest margin, the most directly comparable GAAP measures.

Non-interest expenses less credit enhancement program expenses is a non-GAAP measure presented to illustrate the impact of credit enhancement program expenses on non-interest expense:

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
<i>(\$ in thousands; unaudited)</i>		
Total non-interest expense	\$ 28,338	\$ 14,318
Less: credit enhancement program expenses	(12,526)	(13)
Total non-interest expense less credit enhancement program expenses	\$ 15,812	\$ 14,305

Total non-interest expense less credit enhancement program expenses is a non-GAAP measure that illustrates the impact of credit enhancement program expenses on non-interest expense, the most directly comparable GAAP measure.

Total non-interest income less credit enhancement income is a non-GAAP measure to illustrate the impact of credit enhancement income resulting from credit enhanced loans on non-interest income:

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
<i>(\$ in thousands; unaudited)</i>		
Total non-interest income	\$ 14,627	\$ 7,810
Less: credit enhancement income	(5,864)	(85)
Total non-interest income less credit enhancement income	\$ 8,763	\$ 7,725

Total non-interest income less indemnification income is a non-GAAP measure that illustrates the impact of credit enhancement income on non-interest income. The most directly comparable GAAP measure is non-interest income.

The following non-GAAP measure is presented to illustrate the effect of the credit enhanced program that creates the credit enhancement on the allowance for credit losses:

<i>(\$ in thousands; unaudited)</i>	As of March 31, 2026	As of December 31, 2025
Allowance for credit losses	\$ 37,973	\$ 36,796
Less: allowance for credit losses related to credit enhanced loans	(23,378)	(22,411)
Allowance for credit losses excluding the effect of the allowance for credit losses related to credit enhanced loans	<u>\$ 14,595</u>	<u>\$ 14,385</u>

The allowance for credit losses excluding the effect of the allowance for credit losses related to credit enhanced loans is a non-GAAP measure that reflects the effect of the credit enhanced program on the allowance for credit losses. The total outstanding balance of LHFI with credit enhancement as of March 31, 2026 and December 31, 2025 was approximately \$109.1 million and \$108.1 million, respectively.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Many assumptions are used to calculate the impact of interest rate fluctuations on our net interest income, such as asset prepayments, non-maturity deposit price sensitivity and decay rates, and key rate drivers. Because of the inherent use of these estimates and assumptions in the model, our actual results may, and very likely will, differ from our static earnings at risk (“EAR”) results. In addition, static EAR results do not include actions that our management may undertake to manage the risks in response to anticipated changes in interest rates or client behavior. For example, as part of our asset/liability management strategy, management has the ability to increase asset duration and decrease liability duration in order to reduce asset sensitivity, or to decrease asset duration and increase liability duration in order to increase asset sensitivity.

The following table summarizes the results of our EAR analysis in simulating the change in net interest income and fair value of equity over a 12-month horizon as of March 31, 2026:

IMPACT ON NET INTEREST INCOME UNDER A STATIC BALANCE SHEET, PARALLEL INTEREST RATE SHOCK

Earnings at risk	-400 bps	-300 bps	-200 bps	-100 bps	Flat	+100 bps	+200 bps	+300 bps	+400 bps
March 31, 2026	(4.2)%	(3.4)%	(2.1)%	(0.9)%	— %	0.8 %	1.9 %	2.8 %	3.7 %

Utilizing an economic value of equity (“EVE”) approach, we analyze the risk to capital from the effects of various interest rate scenarios through a long-term discounted cash flow model. This measures the difference between the economic value of our assets and the economic value of our liabilities, which is a proxy for our liquidation value. While this provides some value as a risk measurement tool, management believes EAR is more appropriate in accordance with the going concern principle.

The following table illustrates the results of our EVE analysis as of March 31, 2026:

ECONOMIC VALUE OF EQUITY ANALYSIS UNDER A STATIC BALANCE SHEET, PARALLEL INTEREST RATE SHOCK

Economic value of equity	-400 bps	-300 bps	-200 bps	-100 bps	Flat	+100 bps	+200 bps	+300 bps	+400 bps
March 31, 2026	(20.4)%	(13.5)%	(7.7)%	(3.3)%	— %	2.8 %	5.3 %	7.4 %	9.2 %

Interest Rate Sensitivity and Market Risk

As a financial institution, our primary component of market risk is interest rate volatility. Our asset liability and funds management policy provides management with the guidelines for funds management, and we have established a measurement system for monitoring our net interest rate sensitivity position. We endeavor to manage our sensitivity position within our established guidelines.

Fluctuations in interest rates will ultimately impact both the level of income and the market value of all interest earning assets and interest-bearing liabilities, other than those that have a short term to maturity. Interest rate risk is the potential of economic losses due to future interest rate changes. These economic losses can be reflected as a loss of future net interest income and/or a loss of current fair market values. The objective is to measure the effect on net interest income and to adjust the balance sheet to minimize the inherent risk while at the same time maximizing income.

We endeavor to manage our exposure to interest rates by structuring our balance sheet in the ordinary course of business. We do not enter into instruments such as leveraged derivatives, financial options or financial futures contracts for the purpose of reducing interest rate risk. Based on the nature of our operations, we are not subject to foreign exchange or commodity price risk. We do not own any trading assets.

Our exposure to interest rate risk is managed by the Bank's Asset/Liability Management Committee ("ALCO") in accordance with policies approved by our board of directors. The ALCO formulates strategies based on perceived levels of interest rate risk. In determining the appropriate level of interest rate risk, the committee considers the impact on earnings and capital of the current outlook for interest rates, potential changes in interest rates, regional economies, liquidity, business strategies and other factors. The ALCO meets regularly to review, among other things, the sensitivity of assets and liabilities to interest rate changes, the book and market values of assets and liabilities, unrealized gains and losses, purchase and sale activities, commitments to originate loans and the maturities of investments and borrowings. Additionally, the ALCO reviews liquidity, capital planning, cash flow flexibility, maturities of deposits and consumer and commercial deposit activity. Management employs methodologies to manage interest rate risk, which include an analysis of relationships between interest earning assets and interest-bearing liabilities and an interest rate shock simulation model.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, have 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 Report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective to ensure that information required to be disclosed in the reports we file and submit under the Exchange Act is (1) recorded, processed, summarized and reported as and when required and (2) accumulated and communicated to our management, including our Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

Between July and August 2025, several lawsuits were filed against the Company in the United States District Court for the District of Utah. The complaints generally asserted claims of negligence, breach of implied contract and unjust enrichment, on behalf of various classes of putative individuals who claimed to have been harmed in connection with an alleged data breach involving the Company. The plaintiffs sought equitable and injunctive relief as well as an unspecified amount of monetary damages in connection with their claims, which include an award of attorneys' fees and costs. On October 3, 2025, the Court entered an Order consolidating the pending cases and all subsequently filed putative class actions involving the same or substantially the same obligations into the pending matter into Minter et. al v. FinWise Bank et. al, Case No. 2:25-cv-00569-JNP-CMR. The Company participated in a pre-discovery mediation with the plaintiffs' attorneys on March 17, 2026, which resulted in a settlement agreement that was submitted to the Court for approval on May 8, 2026. If approved by the Court, the settlement fund created from the settlement agreement and all related expenses will be covered by the Company's cyber insurance policy. See Note 6, Commitments and Contingencies, of the Notes to the Consolidated Financial Statements included in Part I, Item 1 of this Report.

Item 1A. Risk Factors

There are a number of factors that may adversely affect our business, financial results or stock price. Refer to Part I, Item 1A. "Risk Factors" of the 2025 Form 10-K for a discussion of these risks. There have been no material changes to the risk factors disclosed in our 2025 Form 10-K, as filed with the SEC on March 23, 2026.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None of our directors or officers have adopted, modified, or terminated a Rule 10b5-1(c) trading arrangement or a non-Rule 10b5-1 trading arrangement during the fiscal quarter ended March 31, 2026.

Item 6. Exhibits

Exhibits.

Number	Description
31.1*	Rule 13a-14(a) Certification of the Principal Executive Officer.
31.2*	Rule 13a-14(a) Certification of the Principal Financial Officer.
32.1**	Section 1350 Certification of Chief Executive Officer and Chief Financial Officer.
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL 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*	Cover Page Interactive Data File (embedded within the Inline XBRL document in Exhibit 101).

* Filed herewith.

** The certifications attached hereto are not considered “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (“Exchange Act”), as amended, or otherwise subject to the limitations of that section, nor shall they be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

Exhibit 31.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, James Noone, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of FinWise 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 statement 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.

FINWISE BANCORP

Date: May 12, 2026

By: /s/ James Noone
James Noone
Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Robert Wahlman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of FinWise 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 statement 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.

FINWISE BANCORP

Date: May 12, 2026

By: /s/ Robert Wahlman

Robert Wahlman

Executive Vice President and Chief Financial Officer

Exhibit 32.1

**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 on Form 10-Q of FinWise Bancorp (the “Company”) for the period ending March 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the undersigned’s best knowledge and belief:

- (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.

The foregoing certification is being furnished solely pursuant to the requirements of 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

FINWISE BANCORP

Date: May 12, 2026

By: /s/ James Noone
James Noone
Chief Executive Officer

Date: May 12, 2026

By: /s/ Robert Wahlman
Robert Wahlman
Executive Vice President and Chief Financial Officer