SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended March 31, 2025

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 No. 000-56459

VWF Bancorp, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Maryland	**88-1256373**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)
976 South Shannon Street, Van Wert, Ohio	**45891**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: **(419) 238-9662**
Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report: N/A
Securities registered pursuant to Section 12(b) of the Act: None

Title of each class	Trading symbol(s)	Name of each exchange on which registered

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

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

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

As of May 13, 2025, the Registrant had 1,951,765 shares of common stock issued, of which 1,911,413 are outstanding.

VWF Bancorp, Inc.
Form 10-Q

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Part I. – Financial Information

Item 1. Financial Statements

VWF Bancorp, Inc.
Condensed Consolidated Balance Sheets
March 31, 2025 and June 30, 2024

	March 31, 2025 (Unaudited)	June 30, 2024
Assets		
Cash and due from banks	$ 6,879,948	$ 31,630,525
Available-for-sale debt securities	183,782,381	139,344,952
Loans held for sale	85,500	—
Loans, net of allowance for credit losses of $1,200,042 at March 31, 2025 and $772,969 at June 30, 2024, respectively	166,536,237	126,391,092
Premises and equipment	2,980,597	2,261,260
Stock in correspondent banks	1,951,300	2,195,900
Bank owned life insurance	5,454,929	5,351,048
Accrued interest receivable	1,224,097	961,856
Right-of-use asset - operating lease	1,299,050	1,406,905
Other assets	2,232,547	1,710,583
Total assets	$ 372,426,586	$ 311,254,121
Liabilities and Shareholders' Equity		
Liabilities		
Deposits		
Demand	$ 42,947,325	$ 26,493,048
Savings and money market	55,060,397	47,466,674
Time	205,186,076	135,350,608
Total deposits	303,193,798	209,310,330
Borrowings	30,500,000	62,000,000
Advances from borrowers	570,280	137,722
Operating lease liability	1,361,416	1,442,620
Accrued interest payable and other liabilities	1,615,645	1,815,617
Total liabilities	337,241,139	274,706,289
Commitments and Contingencies		
Shareholders' Equity		
Preferred stock, $0.01 par value, 1,000,000 shares authorized, none issued	—	—
Common stock, $0.01 par value, 14,000,000 shares authorized, 1,911,413 and 1,914,965 outstanding at March 31, 2025 and June 30, 2024, respectively	19,229	19,229
Additional paid-in capital	18,167,144	18,006,472
Treasury stock, 40,352 and 36,800 shares at March 31, 2025 and June 30, 2024, respectively	(658,384)	(598,000)
Unearned ESOP	(1,288,359)	(1,346,047)
Retained earnings	19,558,552	22,843,782
Accumulated other comprehensive loss	(612,735)	(2,377,604)
Total shareholders' equity	35,185,447	36,547,832
Total liabilities and shareholders' equity	$ 372,426,586	$ 311,254,121

See Notes to Condensed Consolidated Financial Statements

VWF Bancorp, Inc.
Condensed Consolidated Statements of Operations
For the Three and Nine Months Ended March 31, 2025 and 2024

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024	Nine Months Ended March 31, 2025	Nine Months Ended March 31, 2024
	(Unaudited)		(Unaudited)	
Interest Income				
Loans	$ 2,235,562	$ 1,242,850	$ 6,014,267	$ 3,279,632
Investment securities	2,485,143	1,929,515	7,167,917	4,536,109
Interest-bearing deposits and other	129,419	142,501	427,116	421,126
Total interest income	4,850,124	3,314,866	13,609,300	8,236,867
Interest Expense				
Deposits	2,770,146	1,398,627	7,499,232	3,146,638
Borrowings	90,325	531,300	635,842	1,360,160
Total interest expense	2,860,471	1,929,927	8,135,074	4,506,798
Net Interest Income	1,989,653	1,384,939	5,474,226	3,730,069
Provision for Credit Losses - Loans	209,116	71,979	427,073	291,234
Provision for Credit Losses - Off Balance Sheet Credit Exposure	(4,200)	11,785	114,622	14,860
Credit Loss Expense	204,916	83,764	541,695	306,094
Net Interest Income After Provision for Credit Losses	1,784,737	1,301,175	4,932,531	3,423,975
Noninterest Income				
Bank owned life insurance	34,469	32,906	103,881	94,086
Other income (expense)	(3,809)	16,150	111,583	50,781
Total noninterest income	30,660	49,056	215,464	144,867
Noninterest Expense				
Salaries and employee benefits	1,150,204	932,628	3,398,239	2,432,760
Pension plan withdrawal	—	252,014	—	252,014
Directors fees	88,197	76,730	263,767	168,680
Occupancy and equipment	185,990	91,949	580,404	349,088
Data processing fees	168,314	131,136	545,983	362,641
Franchise taxes	42,882	68,382	179,647	150,773
FDIC insurance premiums	118,465	29,389	314,514	70,278
Professional services	172,154	126,217	589,356	516,635
Advertising and marketing	126,815	141,442	331,822	289,659
Loss on sale of investment securities	—	—	2,366,160	1,951
Foreclosed assets, net	—	6,500	—	436
Loss (Gain) on disposal of assets	—	—	7,188	(2,866)
Other	232,525	284,550	802,313	716,782
Total noninterest expense	2,285,546	2,140,937	9,379,393	5,308,831
Loss before income taxes	(470,149)	(790,706)	(4,231,398)	(1,739,989)
Provision for income taxes (benefits)	(84,256)	(172,100)	(946,168)	(383,202)
Net Loss	$ (385,893)	$ (618,606)	$ (3,285,230)	$ (1,356,787)
Basic Loss Per Share	$ (0.22)	$ (0.35)	$ (1.87)	$ (0.76)
Diluted Loss Per Share	$ (0.22)	$ (0.35)	$ (1.87)	$ (0.76)

See Notes to Condensed Consolidated Financial Statements

VWF Bancorp, Inc.
Condensed Consolidated Statements of Comprehensive Income (Loss)
For the Three and Nine Months Ended March 31, 2025 and 2024

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	**2024**	**2025**	**2024**
	(Unaudited)		(Unaudited)	
Net loss	$ (385,893)	$ (618,606)	$ (3,285,230)	$ (1,356,787)
Other comprehensive income (loss):				
Net unrealized gains (losses) on available-for-sale securities	(313,409)	491,244	(147,773)	562,945
Change in funded status of defined benefit plan	—	(82,333)	—	(82,333)
Reclassification adjustment for losses included in net income	—	—	2,366,160	—
Tax (expense) benefit	78,159	(85,873)	(453,518)	(100,929)
Other comprehensive income (loss):	(235,250)	323,038	1,764,869	379,683
Comprehensive loss	$ (621,143)	$ (295,568)	$ (1,520,361)	$ (977,104)

See Notes to Condensed Consolidated Financial Statements

VWF Bancorp, Inc.
Condensed Consolidated Statements of Changes in Shareholders’ Equity
For the Three and Nine Months Ended March 31, 2025 and 2024

	Three Months Ended						
	Common Stock	Additional Paid-in Capital	Unearned ESOP Shares	Retained Earnings	Treasury Stock, at Cost	Accumulated Other Comprehensive Loss	Shareholders' Equity
				(Unaudited)			
Balance at December 31, 2023	$ 19,229	$ 17,911,996	$ (1,384,505)	$ 24,125,134	$ —	$ (2,794,714)	$ 37,877,140
ESOP shares committed to be released	—	11,525	19,229	—	—	—	30,754
Net loss	—	—	—	(618,606)	—	—	(618,606)
Other comprehensive income	—	—	—	—	—	323,038	323,038
Purchase of treasury stock	—	—	—	—	(598,000)	—	(598,000)
Stock compensation expense	—	30,361	—	—	—	—	30,361
Balance at March 31, 2024	$ 19,229	$ 17,953,882	$ (1,365,276)	$ 23,506,528	$ (598,000)	$ (2,471,676)	$ 37,044,687
Balance at December 31, 2024	$ 19,229	$ 18,114,342	$ (1,307,588)	$ 19,944,445	$ (658,384)	$ (377,485)	$ 35,734,559
ESOP shares committed to be released	—	7,230	19,229	—	—	—	26,459
Net loss	—	—	—	(385,893)	—	—	(385,893)
Other comprehensive loss	—	—	—	—	—	(235,250)	(235,250)
Purchase of treasury stock	—	—	—	—	—	—	—
Stock compensation expense	—	45,572	—	—	—	—	45,572
Balance at March 31, 2025	$ 19,229	$ 18,167,144	$ (1,288,359)	$ 19,558,552	$ (658,384)	$ (612,735)	$ 35,185,447

	Nine Months Ended						
	Common Stock	Additional Paid-in Capital	Unearned ESOP Shares	Retained Earnings	Treasury Stock, at Cost	Accumulated Other Comprehensive Loss	Shareholders' Equity
				(Unaudited)			
Balance at July 1, 2023	$ 19,229	$ 17,875,071	$ (1,461,422)	$ 24,916,481	$ —	$ (2,851,359)	$ 38,498,000
Cumulative-effect adjustment for adoption of ASU 2016-13	—	—	—	(53,166)	—	—	(53,166)
Balance at July 1, 2023, as adjusted for change in accounting principle	19,229	17,875,071	(1,461,422)	24,863,315	—	(2,851,359)	38,444,834
ESOP shares committed to be released	—	48,450	96,146	—	—	—	144,596
Net loss	—	—	—	(1,356,787)	—	—	(1,356,787)
Other comprehensive income	—	—	—	—	—	379,683	379,683
Purchase of treasury stock	—	—	—	—	(598,000)	—	(598,000)
Stock compensation expense	—	30,361	—	—	—	—	30,361
Balance at March 31, 2024	$ 19,229	$ 17,953,882	$ (1,365,276)	$ 23,506,528	$ (598,000)	$ (2,471,676)	$ 37,044,687
Balance at July 1, 2024	$ 19,229	$ 18,006,472	$ (1,346,047)	$ 22,843,782	$ (598,000)	$ (2,377,604)	$ 36,547,832
ESOP shares committed to be released	—	26,738	57,688	—	—	—	84,426
Net loss	—	—	—	(3,285,230)	—	—	(3,285,230)
Other comprehensive income	—	—	—	—	—	1,764,869	1,764,869
Purchase of treasury stock	—	—	—	—	(60,384)	—	(60,384)
Stock compensation expense	—	133,934	—	—	—	—	133,934
Balance at March 31, 2025	$ 19,229	$ 18,167,144	$ (1,288,359)	$ 19,558,552	$ (658,384)	$ (612,735)	$ 35,185,447

See Notes to Condensed Consolidated Financial Statements

VWF Bancorp, Inc.
Condensed Consolidated Statements of Cash Flows
For the Nine Months Ended March 31, 2025 and 2024

	Nine Months Ended March 31,	
	2025	2024
	(Unaudited)	
Operating Activities		
Net loss	$ (3,285,230)	$ (1,356,787)
Items not requiring (providing) cash:		
Depreciation and amortization	336,817	111,410
Amortization (accretion) of premiums and discounts, net	(190,623)	(221,353)
Deferred income taxes	(958,835)	(474,916)
Provision for credit losses	541,695	306,094
Loss on sale of investment securities	2,366,160	1,951
Net losses on sale of foreclosed assets	—	436
Interest capitalization on available-for-sale securities	(440,118)	—
Origination of loans held for sale	(85,500)	—
Loss (Gain) on disposal of assets	7,188	(2,866)
Increase in cash surrender value of bank-owned life insurance	(103,881)	(94,086)
Stock and ESOP compensation expense	218,360	118,803
Changes in:		
Accrued interest receivable	(262,241)	(399,017)
Operating lease liability	(81,204)	519
Other assets and liabilities	(331,241)	1,007,835
Net cash used in operating activities	(2,268,653)	(1,001,977)
Investing Activities		
Purchases of available-for-sale securities	(91,342,210)	(99,396,338)
Proceeds from sales of available-for-sale securities	17,206,183	2,989,042
Proceeds from calls, maturities and paydowns of available-for-sale securities	30,181,566	34,840,049
Proceeds from sales of foreclosed assets	—	97,303
Net change in loans	(40,572,218)	(24,677,600)
Purchase of premises and equipment	(964,987)	(673,197)
Proceeds from sales of premises and equipment	9,500	—
Purchase of correspondent bank stock	(1,317,600)	(1,808,900)
Proceeds from redemption of correspondent bank stock	1,562,200	559,900
Net cash used in investing activities	(85,237,566)	(88,069,741)
Financing Activities		
Net increase in deposit accounts	93,883,468	86,698,488
Proceeds from borrowings	63,601,000	96,500,000
Repayment of borrowings	(95,101,000)	(78,700,000)
Purchase of treasury stock	(60,384)	(598,000)
Net change in advances by borrowers	432,558	198,699
Net cash provided by financing activities	62,755,642	104,099,187
(Decrease) Increase in Cash and Cash Equivalents	(24,750,577)	15,027,469
Cash and Cash Equivalents, Beginning of Period	31,630,525	5,515,728
Cash and Cash Equivalents, End of Period	$ 6,879,948	$ 20,543,197
Supplemental Disclosure of Cash Flow Information		
Cash paid during the period for:		
Interest on deposits and borrowings	$ 8,452,432	$ 4,045,238
Supplemental Disclosure of Noncash Financing Activities		
ROU asset obtained in exchange for new operating lease liability	$ —	$ 750,293
Loans transferred to OREO	—	70,943

See Notes to Condensed Consolidated Financial Statements

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of VWF Bancorp, Inc. ("VWF Bancorp" or the "Company") and its wholly owned subsidiary, GreenWay Bank ("Greenway" or the "Bank"), formerly known as Van Wert Federal Savings Bank. All intercompany transactions and balances have been eliminated in consolidation.

Nature of Operations

The Company, a Maryland corporation and registered savings and loan holding company, was incorporated by the Bank in February 2022, as part of the conversion of the Bank from the mutual to stock form of organization (the "Conversion"). The Conversion was completed on July 13, 2022. The Company's shares trade on OTCQX under the symbol "VWFB". In connection with the Conversion, the Company acquired 100% ownership of the Bank and the Company offered and sold shares of its common stock to certain depositors of the Bank, and others, including the Bank's Employee Stock Ownership Plan.

Following the Conversion, voting rights in the Company are held and exercised exclusively by the shareholders of the Company. Deposit account holders continue to be insured by the FDIC. The Bank may not pay a dividend on its capital stock if the effect thereof would cause retained earnings to be reduced below regulatory capital requirements. In addition, the Company is subject to certain regulations related to the payment of dividends and the repurchase of its capital stock. The Conversion was accounted for as a change in corporate form with the historic basis of the Bank's assets, liabilities and equity unchanged as a result.

The Bank, which is the sole subsidiary of the Company, is a federally chartered mutual thrift engaged primarily in the business of making residential mortgage loans, commercial loans and accepting deposits. Its operations are conducted through its offices located in Van Wert, Ohio and Fort Wayne, Indiana. The Bank faces competition from other financial institutions and is subject to the regulation of certain federal and state agencies and undergoes periodic examinations by those regulatory authorities. The Bank has elected to operate as a "covered savings association" ("CSA"). A CSA has the same rights and privileges as a national bank that has its main office situated in the same location as the home office of the CSA and is subject to the same duties, restrictions, penalties, liabilities, conditions, and limitations that would apply to such a national bank.

Basis of Presentation

The interim unaudited consolidated financial statements as of March 31, 2025, and for the three and nine months ended March 31, 2025 and 2024, are unaudited and reflect all normal recurring adjustments that are, in the opinion of management, necessary for a fair presentation of the results for the interim periods presented. Such adjustments are the only adjustments contained in these unaudited consolidated financial statements. These unaudited consolidated financial statements have been prepared according to the rules and regulations of the Securities and Exchange Commission and, therefore, certain information and footnote disclosures normally included in the consolidated financial statements prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") have been omitted. The results of operations for the three and nine months ended March 31, 2025, are not necessarily indicative of the results to be achieved for the remainder of the year ending June 30, 2025, or any other period.

The accompanying consolidated financial statements have been derived from and should be read in conjunction with the audited financial statements as of and for the year ended June 30, 2024 contained in the Company's Form 10-K for the fiscal year ended June 30, 2024, filed with the Securities and Exchange Commission on September 27, 2024.

Significant Accounting Policies and Use of Estimates

Significant accounting policies are defined as those that are reflective of significant judgments and uncertainties and could reflect materially different results under different assumptions and conditions. Methodologies the Company uses when applying critical accounting policies and developing critical estimates are included in its Annual Report on Form 10-K for the year ended June 30, 2024. Our accounting policies for credit losses, investment securities, and income taxes comprise those that management believes involve the most critical estimates and aid in fully understanding and evaluating our reported financial results. There were no material changes from the significant accounting policies or critical accounting estimates previously disclosed in the Company's Annual Report on Form 10-K for the year ended June 30, 2024.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for credit losses, valuation of real estate acquired in connection with foreclosures or in satisfaction of loans, valuation of deferred tax assets and fair values of financial instruments.

Debt Securities

Debt securities held by the Bank generally are classified and recorded in the consolidated financial statements as follows:

Classified as	Description	Recorded at
Held to maturity (HTM)	Certain debt securities that management has the positive intent and ability to hold to maturity	Amortized cost
Trading	Securities that are bought and held principally for the purpose of selling in the near term and, therefore, held for only a short period of time	Fair value, with changes in fair value included in earnings
Available for sale (AFS)	Securities not classified as HTM or trading	Fair value, with unrealized gains and losses excluded from earnings and reported in other comprehensive income

Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the securities, identified as the call date as to premiums and maturity date as to discounts. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

The Company uses a current expected credit loss ("CECL") model to estimate the allowance for credit losses on debt securities. For available-for-sale debt securities in an unrealized loss position, management first assesses whether it intends to sell, or it is more likely than not that it will be required to sell, the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through income. For available-for-sale debt securities that do not meet the aforementioned criteria, the Company evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors.

If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost basis. Any decline in fair value that has not been recorded through an allowance for credit losses is recognized in other comprehensive income, net of applicable taxes.

Amortized cost excludes accrued interest receivable, which is included in Accrued Interest Receivable on the consolidated balance sheets. At March 31, 2025 and June 30, 2024, accrued interest receivable on available for sale securities was $610,000 and $467,000, respectively, and is excluded from the estimate of credit losses.

Loans

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at their outstanding principal balances adjusted for unearned income, charge-offs, the allowance for credit losses and any unamortized deferred fees or costs on originated loans and unamortized premiums or discounts on purchased loans. For loans amortized at cost, interest income is accrued based on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, as well as premiums and discounts, are deferred and amortized as a level yield adjustment over the respective term of the loan.

Accrued interest receivable on the Company’s loans, which is included in Accrued Interest Receivable on the consolidated balance sheets at March 31, 2025 and June 30, 2024 was $588,000 and $457,000, respectively, and is excluded from the estimate of credit losses.

The past due status of a loan is based on the contractual terms in the loan agreement. The accrual of interest on a loan is discontinued when the loan becomes 90 days delinquent or whenever management believes the borrower will be unable to make payments as they become due. When loans are placed on nonaccrual status or charged off, all unpaid accrued interest is reversed against interest income. The interest on these loans is subsequently accounted for on the cash basis if collection of the remaining recorded investment in the loan is still expected or using the cost-recovery method when collection of the remaining recorded investment is in doubt. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

For loans amortized at cost, interest income is accrued based on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, as well as premiums and discounts, are deferred and amortized as a level yield adjustment over the respective term of the loan.

For all loan portfolio segments except residential and consumer loans, the Bank promptly charges-off loans, or portions thereof, when available information confirms that specific loans are uncollectible based on information that includes, but is not limited to, (1) the deteriorating financial condition of the borrower, (2) declining collateral values, and/or (3) legal action, including bankruptcy, that impairs the borrower’s ability to adequately meet its obligations. For impaired loans that are considered to be solely collateral dependent, a partial charge-off is recorded when a loss has been confirmed by an updated appraisal or other appropriate valuation of the collateral.

The Bank charges-off residential and consumer loans, or portions thereof, when the Bank reasonably determines the amount of the loss. The Bank adheres to delinquency thresholds established by applicable regulatory guidance to determine the charge-off timeframe for these loans. Loans at these delinquency thresholds for which the Bank can clearly document that the loan is both well-secured and in the process of collection, such that collection will occur regardless of delinquency status, need not be charged off.

For all classes, all interest accrued but not collected for loans that are placed on nonaccrual or charged off is reversed against interest income. The interest on these loans is accounted for on the cash basis or cost recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured. Nonaccrual loans are returned to accrual status when, in the opinion of management, the financial position of the borrower indicates there is no longer any reasonable doubt as to the timely collection of interest or principal. The Bank requires a period of satisfactory performance of not less than six months before returning a nonaccrual loan to accrual status.

When cash payments are received on impaired loans in each loan class, the Bank records the payment as interest income unless collection of the remaining recorded principal amount is doubtful, at which time payments are used to reduce the principal balance of the loan.

Allowance for Credit Losses

The allowance for credit losses on loans is a valuation allowance that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the Company's loan portfolio. The allowance for credit losses on loans is established through provisions for credit losses charged against earnings. When available information confirms that specific loans, or portions thereof, are uncollectible, these amounts are charged against the allowance for credit losses on loans, and subsequent recoveries, if any, are credited to the allowance for credit losses on loans.

The Company uses a current expected credit loss ("CECL") model to estimate the allowance for credit losses on loans. The CECL model considers historical loss rates and other qualitative adjustments, as well as a new forward-looking component that considers reasonable and supportable forecasts over the expected life of each loan. To develop the allowance for credit losses on loans estimate under the CECL model, the Company segments the loan portfolio into loan pools based on loan type and similar credit risk elements; performs an individual evaluation of certain collateral dependent and other credit-deteriorated loans; calculates the historical loss rates for the segmented loan pools; applies the loss rates over the calculated life of the collectively evaluated loan pools; adjusts for forecasted macro-level economic conditions and other anticipated changes in credit quality; and determines qualitative adjustments based on factors and conditions unique to the Company's loan portfolio.

Under the CECL model, loans that do not share similar risk characteristics with loans in their respective pools are individually evaluated for expected credit losses and are excluded from the collectively evaluated loan credit loss estimates. Management individually evaluates nonaccrual loans and other loans with evidence of credit deterioration. For loans individually evaluated, a specific reserve is estimated based on either the fair value of collateral or the discounted value of expected future cash flows.

A loan is considered to be collateral dependent when, based upon management's assessment, the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral. For collateral dependent loans, expected credit losses are based on the fair value of the collateral as of the date of the consolidated balance sheet, with consideration for estimated selling costs if satisfaction of the loan depends on the sale of the collateral.

Management evaluates all collectively evaluated loan pools using the weighted average remaining life ("WARM") methodology. The WARM methodology applies calculated quarterly net loss rates to collectively evaluated loan pools on a periodic basis based on the estimated remaining life of each pool. The estimated losses under the remaining life methodology are then adjusted for qualitative factors deemed appropriate by management.

The estimated remaining life of each pool is determined using annual, pool-based attrition measurements using the Company's loan-level historical data. The Company's historical call report data is utilized for historical loss rate calculations, and the lookback period for each collectively evaluated loan pool is determined by management based upon management’s evaluation of what historical data is most reflective indicator of expected losses. Forecasted historical loss rates are calculated using the Company's historical data based on the lookback, forecast, and reversion period inputs by management. Management elected to utilize an 8-quarter forecast period, with immediate reversion to historical losses after the forecast period.

The quantitative analysis described above is supplemented with other qualitative factors based on the risks present for each collectively evaluated loan pool. These qualitative factors include: changes in lending policies and practices; changes in international, national, regional, and local business conditions; changes in the nature and volume of the portfolio and in terms of loans; changes in lending staff; changes in the volume and severity of past due loans; changes in the quality of the Company’s loan review system; changes in the value of underlying collateral; existence and effect of any concentrations of credit risk and changes in the levels of concentrations; and the effect of other external factors such as competition.

In addition to the allowance for credit losses on loans, the Company maintains a reserve for unfunded loan commitments at a level that management believes is adequate to absorb estimated probable credit losses over the contractual terms of the Company's noncancellable loan commitments. The reserve for unfunded commitments, which is included in Accrued interest payable and other liabilities on the accompanying consolidated balance, is established through provisions for credit losses charged against earnings.

Unfunded loan commitments are segmented into the same pools used for estimating the allowance for credit losses on loans. Estimated credit losses on unfunded loan commitments are based on the same methodology, inputs, and assumptions used to estimate credit losses on collectively evaluated loans, adjusted for estimated funding probabilities. The estimated funding probabilities represent management's estimate of the amount of the current unfunded loan commitment that will be funded over the remaining contractual life of the commitment and is based on historical data, when available, or as determined by management when historical data is not available.

The Company may modify loans to borrowers experiencing financial difficulty and grant certain concessions that include principal forgiveness, a term extension, an other-than-insignificant payment delay, an interest rate reduction, or a combination of these concessions. An assessment of whether the borrower is experiencing financial difficulty is made at the time of the loan modification. Upon the Company's determination that a modified loan (or portion of a loan) has subsequently been deemed uncollectible, the loan (or portion of the loan) is written off. Therefore, the amortized cost basis of the loan is reduced by the uncollectible amount and the allowance for credit losses is adjusted by the same amount.

Note 2: Recent Accounting Pronouncements

Accounting Standards Updates Issued, but Not Adopted

Income Taxes: In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendments in this ASU add specific requirements for income tax disclosures to improve transparency and decision usefulness. The guidance in ASU 2023-09 requires that public business entities disclose specific categories in the income tax rate reconciliation and provide additional qualitative information for reconciling items that meet a quantitative threshold. In addition, the amendments in ASU 2023-09 require that all entities disclose the amount of income taxes paid disaggregated by federal, state, and foreign taxes and disaggregated by individual jurisdictions. The ASU also includes other disclosure amendments related to the disaggregation of income tax expense between federal, state and foreign taxes. For public business entities, the amendments in this update are effective for annual periods beginning after December 15, 2024. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. The amendments in this update should be applied on a prospective basis and retrospective application is permitted.

Segment Reporting: In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. These amendments require, among other things, that a public entity that has a single reportable segment provide all the disclosures required by the amendments in this ASU and all existing segment disclosures in Topic 208. This ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. A public entity should apply the amendments retrospectively to all periods presented in the financial statements.

Income Statement: In November 2024, the FASB issued ASU 2024-03, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses.* The amendments in this ASU require disclosure, in the notes to the financial statements, of specified qualitative and quantitative information about certain costs and expenses, such as employee compensation, depreciation, and intangible asset amortization. Disclosure requirements also include a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively, among other items. In January 2025, the FASB issued ASU No. 2025-01 clarifying the effective date for public business entities for fiscal years beginning after December 15, 2026 and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is assessing ASU 2024-03 and its impact on its accounting and disclosures.

Note 3: Debt Securities

Debt securities held by the Company generally are classified and recorded in the financial statements as available for sale, with unrealized gains and losses excluded from earnings and reported in other comprehensive income (loss).

The amortized cost and fair values, together with gross unrealized gains and losses of securities, are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Fair Value
		(Unaudited)		
Available-for-sale Securities:				
March 31, 2025				
Mortgage-backed Government Sponsored Enterprises (GSEs)	$ 16,916,968	$ 91,193	$ 52,147	$ 16,956,014
Collateralized mortgage obligations (CMOs)	162,156,651	307,783	948,507	161,515,927
Subordinated debt	5,500,000	—	189,560	5,310,440
	$ 184,573,619	$ 398,976	$ 1,190,214	$ 183,782,381

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Fair Value
Available-for-sale Securities:				
June 30, 2024				
U.S. Government agencies	$ 6,000,000	$ —	$ 285,910	$ 5,714,090
Mortgage-backed Government Sponsored Enterprises (GSEs)	29,387,507	49,792	1,676,887	27,760,412
Collateralized mortgage obligations (CMOs)	99,668,482	293,565	459,194	99,502,853
Subordinated debt	2,750,000	—	212,045	2,537,955
State and political subdivisions	4,548,588	—	718,946	3,829,642
	$ 142,354,577	$ 343,357	$ 3,352,982	$ 139,344,952

The amortized cost and fair value of available-for-sale securities at March 31, 2025, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties:

	March 31, 2025 Available-for-sale	
	Amortized Cost	Fair Value
	(Unaudited)	
Within one year	$ —	$ —
One to five years	—	—
Five to ten years	5,500,000	5,310,440
After ten years	—	—
	5,500,000	5,310,440
Mortgage-backed GSE's and CMO's	179,073,619	178,471,941
Totals	$ 184,573,619	$ 183,782,381

The carrying value of securities pledged as collateral, to secure public deposits, borrowings, and for other purposes, was $85,796,000 and $54,822,000 at March 31, 2025 and June 30, 2024, respectively.

During the nine months ended March 31, 2025 proceeds from sales of securities totaled $17,206,000. Such sales resulted in realized losses of $2,366,000. During the nine months ended March 31, 2024, proceeds from sales of securities totaled $2,989,000. Such sales resulted in realized losses of $2,000. There were no such sales during the three months ended March 31, 2025 and March 31, 2024.

Certain investments in debt securities are reported in the financial statements at an amount less than their historical cost. Total fair value of these investments at March 31, 2025 and June 30, 2024 was $100,760,000 and $85,595,000, respectively, which is approximately 55 percent and 61 percent, respectively, of the fair value of the Company’s total investment portfolio. Management believes that all unrealized losses at March 31, 2025 and June 30, 2024 resulted from temporary changes in interest rates and current market conditions and not a result of credit deterioration.

Information related to unrealized losses in the investment portfolio as of March 31, 2025 and June 30, 2024 is summarized as follows:

Description of Securities	March 31, 2025					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	(Unaudited)					
Mortgage-backed Government Sponsored Enterprises (GSEs)	$ 2,332,415	$ 6,366	$ 2,928,769	$ 45,781	$ 5,261,184	$ 52,147
Collateralized mortgage obligations	80,125,478	763,876	12,813,140	184,631	92,938,618	948,507
Subordinated debt	1,688,750	61,250	871,690	128,310	2,560,440	189,560
Total available-for-sale securities	$ 84,146,643	$ 831,492	$ 16,613,599	$ 358,722	$ 100,760,242	$ 1,190,214

Description of Securities	June 30, 2024					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Government agencies	$ —	$ —	$ 5,714,090	$ 285,910	$ 5,714,090	$ 285,910
Mortgage-backed Government Sponsored Enterprises (GSEs)	2,910,227	3,516	13,077,539	1,673,371	15,987,766	1,676,887
Collateralized mortgage obligations	55,863,004	418,582	1,662,871	40,612	57,525,875	459,194
Subordinated debt	1,688,750	61,250	849,205	150,795	2,537,955	212,045
State and political subdivisions	—	—	3,829,642	718,946	3,829,642	718,946
Total available-for-sale securities	$ 60,461,981	$ 483,348	$ 25,133,347	$ 2,869,634	$ 85,595,328	$ 3,352,982

Subordinated Debt

Unrealized losses on these securities have not been recognized into income because the issuers' bonds are of high credit quality, values have only been impacted by changes in interest rates since the securities were purchased, and the Company has the intent and ability to hold the securities for the foreseeable future. The fair value is expected to recover as the bonds approach the maturity date.

Mortgage-backed GSE's, Collateralized Mortgage Obligations

Unrealized losses on these securities have not been recognized into income because the unrealized losses were caused by changes in interest rates and illiquidity, and not credit quality. The Company has the intent and ability to hold the securities for the foreseeable future. The fair value is expected to recover as the bonds approach the maturity date and the Company expects to recover the amortized cost basis over the term of the securities.

Note 4: Loans and Allowance for Credit Losses

Categories of loans at March 31, 2025 and June 30, 2024 include:

	March 31, 2025 (Unaudited)	June 30, 2024
Real estate loans:		
Commercial	$ 31,704,608	$ 19,724,941
Residential	76,044,831	69,826,726
Multifamily	634,562	659,257
Agricultural	3,923,851	4,213,660
Construction and land	34,941,671	17,644,710
Home equity line of credit (HELOC)	2,179,156	1,622,877
Commercial and industrial	19,071,619	14,879,004
Consumer	1,126,731	955,415
Total loans	169,627,029	129,526,590
Less:		
Undisbursed loans in process	1,807,475	2,222,582
Net deferred loan fees	83,275	139,947
Allowance for credit losses	1,200,042	772,969
Net loans	$ 166,536,237	$ 126,391,092

The following tables present the activity in the allowance for credit losses based on portfolio segment for the three and nine months ended March 31, 2025 and 2024.

	Balance December 31, 2024	Provision (credit) for loan losses	Charge-offs (Unaudited)	Recoveries	Balance March 31, 2025
Real estate loans:					
Commercial	$ 309,523	$ 51,225	$ —	$ —	$ 360,748
Residential	185,151	5,004	—	—	190,155
Multifamily	1,244	(16)	—	—	1,228
Agricultural	11,845	(521)	—	—	11,324
Construction and land	289,507	105,527	—	—	395,034
HELOC	4,273	(384)	—	—	3,889
Commercial and industrial	188,070	48,077	—	—	236,147
Consumer	1,313	204	—	—	1,517
Total	$ 990,926	$ 209,116	$ —	$ —	$ 1,200,042
Unfunded loan commitments and letters of credit	$ 295,175	$ (4,200)	$ —	$ —	$ 290,975

	Balance December 31, 2023	Provision (credit) for loan losses	Charge-offs (Unaudited)	Recoveries	Balance March 31, 2024
Real estate loans:					
Commercial	$ 79,337	$ (9,602)	$ —	$ —	$ 69,735
Residential	208,364	744	—	—	209,108
Multifamily	1,555	(24)	—	—	1,531
Agricultural	13,530	1,492	—	—	15,022
Construction and land	121,302	67,521	—	—	188,823
HELOC	2,121	808	—	—	2,929
Commercial and industrial	88,964	10,994	—	—	99,958
Consumer	14,299	46	—	—	14,345
Total	$ 529,472	$ 71,979	$ —	$ —	$ 601,451
Unfunded loan commitments and letters of credit	$ 23,578	$ 11,785	$ —	$ —	$ 35,363

	Balance June 30, 2024	Provision (credit) for loan losses	Charge-offs	Recoveries	Balance March 31, 2025
			(Unaudited)		
Real estate loans:					
Commercial	$ 206,959	$ 153,789	$	$	$ 360,748
Residential	174,613	15,542	—	—	190,155
Multifamily	1,275	(47)	—	—	1,228
Agricultural	12,161	(837)	—	—	11,324
Construction and land	190,594	204,440	—	—	395,034
HELOC	3,051	838	—	—	3,889
Commercial and industrial	183,011	53,136	—	—	236,147
Consumer	1,305	212	—	—	1,517
Total	$ 772,969	$ 427,073	$ —	$ —	$ 1,200,042
Unfunded loan commitments and letters of credit	$ 176,353	$ 114,622	$ —	$ —	$ 290,975

	Balance June 30, 2023	Adoption of ASC 326	Provision (credit) for loan losses	Charge-offs	Recoveries	Balance March 31, 2024
			(Unaudited)			
Real estate loans:						
Commercial	$ 27,379	$ (2,203)	$ 44,559	$ —	$ —	$ 69,735
Residential	167,714	41,930	(536)	—	—	209,108
Multifamily	1,786	(9)	(246)	—	—	1,531
Agricultural	17,091	(1,196)	(873)	—	—	15,022
Construction and land	12,491	10,144	166,188	—	—	188,823
HELOC	34,779	(33,888)	2,038	—	—	2,929
Commercial and industrial	882	31,562	67,514	—	—	99,958
Consumer	1,300	455	12,590	—	—	14,345
Total	$ 263,422	$ 46,795	$ 291,234	$ —	$ —	$ 601,451
Unfunded loan commitments and letters of credit	$ —	$ 20,503	$ 14,860	$ —	$ —	$ 35,363

The reserve for unfunded loan commitments is included in accrued interest payable and other liabilities on the accompanying consolidated balance sheets.

The Company has adopted a standard loan grading system for all non-residential real estate loans. Loan grades are numbered 1 through 8. Grades 1 through 3 are considered satisfactory grades. The grade of 4, Monitor, represents loans requiring more than normal attention. The grade of 5, Special Mention, represents loans of lower quality and is considered criticized. The grades of 6, or Substandard, and 7, Doubtful, refer to loans that are classified.

Pass (1-3) Loans of reasonable credit strength and repayment ability providing a satisfactory credit risk.

Monitor (4) Loans requiring more than normal attention resulting from underwriting weaknesses as to repayment terms, loan structure, financial and/or documentation exceptions.

Special Mention (5) Loans which may include the characteristics of the Monitor classification, problems that need to be addressed by both the lender and the borrower.

Substandard (6) Loans which may include the characteristics of the Special Mention classification, but also reflects financial and other problems that might result in some loss at a future date and/or reliance upon collateral for ultimate collection.

Doubtful (7) Loans for which some loss is anticipated, but the timing and amount of the loss is not definite.

Loss (8) Loans considered non-bankable assets which may or may not have some salvage value.

Internally prepared loan gradings for commercial loans are updated at least annually. Residential real estate and hom equity lines of credit are generally evaluated based on whether or not the loan is performing according to the contractual terms of the loans as of the consolidated balance sheet date.

Risk characteristics of each loan portfolio segment are described as follows:

Commercial Real Estate

These loans include commercial real estate and residential real estate secured by property with five or more units. The main risks are changes in the value of the collateral, ability of borrowers to collect rents, vacancy and changes in the tenants' employment status. Management specifically considers unemployment and changes in real estate values in the Company's market area.

Residential Real Estate

These loans include first liens and junior liens on 1-4 family residential real estate (both owner and non-owner occupied). The main risks for these loans are changes in the value of the collateral and stability of the local economic environment and its impact on the borrowers' employment. Management specifically considers unemployment and changes in real estate values in the Company's market area.

Multifamily

These loans include loans on residential real estate secured by property with five or more units. The main risks are changes in the value of collateral, ability of borrowers to collect rents, vacancy and changes in the tenants' employment status. Management specifically considers unemployment and changes in real estate values in the Company's market area.

Agriculture Real Estate

These loans include loans on farm ground, vacant land for development and loans on commercial real estate. The main risks are changes in the value of the collateral and changes in the economy or borrowers' business operations. Management specifically considers unemployment and changes in real estate values in the Company's market area.

Construction and Land Real Estate

These loans include construction loans for 1-4 family residential and commercial properties (both owner and non-owner occupied) and first liens on land. The main risks for construction loans include uncertainties in estimating costs of construction and in estimating the market value of the completed project. The main risks for land loans are changes in the value of the collateral and stability of the local economic environment. Management specifically considers unemployment and changes in real estate values in the Company's market area.

HELOC

These loans are generally secured by owner-occupied 1-4 family residences. The main risks for these loans are changes in the value of the collateral and stability of the local economic environment and its impact on the borrowers' employment. Management specifically considers unemployment and changes in real estate values in the Company's market area.

Commercial and Industrial

The commercial and industrial portfolio includes loans to commercial customers for use in financing working capital needs, equipment purchases and expansions. The loans in this category are repaid primarily from the cash flow of a borrower's principal business operation. Credit risk in these loans is driven by creditworthiness of the borrower and the economic conditions that impact the cash flow stability from business operations. Commercial and industrial loans considered collateral dependent are primarily secured by accounts receivable, inventory, equipment and real estate.

Consumer Loans

These loans include vehicle loans, share loans and unsecured loans. The main risks for these loans are the depreciation of the collateral values (vehicles) and the financial condition of the borrowers. Major employment changes are specifically considered by management. Some consumer loans are unsecured and have no underlying collateral.

The following shows the amortized cost of loans, segregated by portfolio segment, credit quality rating and year of origination as of March 31, 2025, and gross charge-offs for the nine months ended March 31, 2025:

	2025	2024	2023	2022	2021	Prior	Revolving Loans Amortized Cost Basis	Total
				(Unaudited)				
March 31, 2025								
Commercial								
Pass (1-3)	$ 9,787,466	$ 16,519,825	$ 1,088,374	$ 1,399,244	$ 128,268	$ 2,071,096	$ 710,335	$ 31,704,608
Monitor (4)	—	—	—	—	—	—	—	—
Special Mention (5)	—	—	—	—	—	—	—	—
Substandard (6)	—	—	—	—	—	—	—	—
Doubtful (7)	—	—	—	—	—	—	—	—
Total commercial	$ 9,787,466	$ 16,519,825	$ 1,088,374	$ 1,399,244	$ 128,268	$ 2,071,096	$ 710,335	$ 31,704,608
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Multifamily								
Pass (1-3)	$ —	$ —	$ —	$ 634,562	$ —	$ —	$ —	$ 634,562
Monitor (4)	—	—	—	—	—	—	—	—
Special Mention (5)	—	—	—	—	—	—	—	—
Substandard (6)	—	—	—	—	—	—	—	—
Doubtful (7)	—	—	—	—	—	—	—	—
Total multifamily	$ —	$ —	$ —	$ 634,562	$ —	$ —	$ —	$ 634,562
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Agricultural								
Pass (1-3)	$ —	$ 610,325	$ 1,005,911	$ 782,234	$ 604,880	$ 732,640	$ —	$ 3,735,990
Monitor (4)	—	—	—	—	—	187,861	—	187,861
Special Mention (5)	—	—	—	—	—	—	—	—
Substandard (6)	—	—	—	—	—	—	—	—
Doubtful (7)	—	—	—	—	—	—	—	—
Total agricultural	$ —	$ 610,325	$ 1,005,911	$ 782,234	$ 604,880	$ 920,501	$ —	$ 3,923,851
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Construction and land								
Pass (1-3)	$ 7,586,590	$ 22,024,108	$ 5,282,812	$ 13,907	$ —	$ —	$ —	$ 34,907,417
Monitor (4)	—	—	—	—	—	—	—	—
Special Mention (5)	—	—	—	—	—	—	—	—
Substandard (6)	—	—	—	—	—	34,254	—	34,254
Doubtful (7)	—	—	—	—	—	—	—	—
Total construction and land	$ 7,586,590	$ 22,024,108	$ 5,282,812	$ 13,907	$ —	$ 34,254	$ —	$ 34,941,671
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial and industrial								
Pass (1-3)	$ 11,228,046	$ 7,275,696	$ 103,890	$ —	$ —	$ —	$ —	$ 18,607,632
Monitor (4)	463,987	—	—	—	—	—	—	463,987
Special Mention (5)	—	—	—	—	—	—	—	—
Substandard (6)	—	—	—	—	—	—	—	—
Doubtful (7)	—	—	—	—	—	—	—	—
Total commercial and industrial	$ 11,692,033	$ 7,275,696	$ 103,890	$ —	$ —	$ —	$ —	$ 19,071,619
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Consumer								
Pass (1-3)	$ 422,634	$ 421,397	$ 182,810	$ 79,331	$ 9,337	$ 11,222	$ —	$ 1,126,731
Monitor (4)	—	—	—	—	—	—	—	—
Special Mention (5)	—	—	—	—	—	—	—	—
Substandard (6)	—	—	—	—	—	—	—	—
Doubtful (7)	—	—	—	—	—	—	—	—
Total consumer	$ 422,634	$ 421,397	$ 182,810	$ 79,331	$ 9,337	$ 11,222	$ —	$ 1,126,731
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Residential								
Performing	$ 10,890,233	$ 9,506,946	$ 5,322,563	$ 13,983,639	$ 15,388,075	$ 19,710,141	$ 649,042	$ 75,450,639
Nonperforming	—	—	143,318	44,260	110,494	296,120	—	594,192

Total residential	$ 10,890,233	$ 9,506,946	$ 5,465,881	$ 14,027,899	$ 15,498,569	$ 20,006,261	$ 649,042	$ 76,044,831
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
HELOC								
Performing	$ 726,613	$ 1,013,477	$ 17,602	$ 86,630	$ 69,954	$ 154,224	$ —	$ 2,068,500
Nonperforming	—	99,383	—	11,273	—	—	—	110,656
Total HELOC	$ 726,613	$ 1,112,860	$ 17,602	$ 97,903	$ 69,954	$ 154,224	$ —	$ 2,179,156
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —

The following shows the amortized cost of loans, segregated by portfolio segment, credit quality rating and year of origination as of June 30, 2024, and gross charge-offs for the year ended June 30, 2024:

	2024	2023	2022	2021	2020	Prior	Revolving Loans Amortized Cost Basis	Total
June 30, 2024								
Commercial								
Pass (1-3)	$ 14,580,611	$ 1,093,719	$ 1,456,599	$ 336,694	$ 295,178	$ 1,962,140	$ —	$ 19,724,941
Monitor (4)	—	—	—	—	—	—	—	—
Special Mention (5)	—	—	—	—	—	—	—	—
Substandard (6)	—	—	—	—	—	—	—	—
Doubtful (7)	—	—	—	—	—	—	—	—
Total commercial	$ 14,580,611	$ 1,093,719	$ 1,456,599	$ 336,694	$ 295,178	$ 1,962,140	$ —	$ 19,724,941
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Multifamily								
Pass (1-3)	$ —	$ —	$ 659,257	$ —	$ —	$ —	$ —	$ 659,257
Monitor (4)	—	—	—	—	—	—	—	—
Special Mention (5)	—	—	—	—	—	—	—	—
Substandard (6)	—	—	—	—	—	—	—	—
Doubtful (7)	—	—	—	—	—	—	—	—
Total multifamily	$ —	$ —	$ 659,257	$ —	$ —	$ —	$ —	$ 659,257
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Agricultural								
Pass (1-3)	$ 627,343	$ 1,087,542	$ 827,774	$ 615,048	$ 278,000	$ 566,671	$ —	$ 4,002,378
Monitor (4)	—	—	—	—	—	211,282	—	211,282
Special Mention (5)	—	—	—	—	—	—	—	—
Substandard (6)	—	—	—	—	—	—	—	—
Doubtful (7)	—	—	—	—	—	—	—	—
Total agricultural	$ 627,343	$ 1,087,542	$ 827,774	$ 615,048	$ 278,000	$ 777,953	$ —	$ 4,213,660
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Construction and land								
Pass (1-3)	$ 12,732,392	$ 4,855,874	$ 20,212	$ —	$ —	$ —	$ —	$ 17,608,478
Monitor (4)	—	—	—	—	—	—	—	—
Special Mention (5)	—	—	—	—	—	—	—	—
Substandard (6)	—	—	—	—	—	36,232	—	36,232
Doubtful (7)	—	—	—	—	—	—	—	—
Total construction and land	$ 12,732,392	$ 4,855,874	$ 20,212	$ —	$ —	$ 36,232	$ —	$ 17,644,710
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial and industrial								
Pass (1-3)	$ 14,429,210	$ 161,367	$ —	$ 288,427	$ —	$ —	$ —	$ 14,879,004
Monitor (4)	—	—	—	—	—	—	—	—
Special Mention (5)	—	—	—	—	—	—	—	—
Substandard (6)	—	—	—	—	—	—	—	—
Doubtful (7)	—	—	—	—	—	—	—	—
Total commercial and industrial	$ 14,429,210	$ 161,367	$ —	$ 288,427	$ —	$ —	$ —	$ 14,879,004
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Consumer								
Pass (1-3)	$ 493,671	$ 287,793	$ 132,845	$ 17,597	$ 11,714	$ 11,795	$ —	$ 955,415
Monitor (4)	—	—	—	—	—	—	—	—
Special Mention (5)	—	—	—	—	—	—	—	—
Substandard (6)	—	—	—	—	—	—	—	—
Doubtful (7)	—	—	—	—	—	—	—	—
Total consumer	$ 493,671	$ 287,793	$ 132,845	$ 17,597	$ 11,714	$ 11,795	$ —	$ 955,415
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Residential								
Performing	$ 9,835,966	$ 5,704,514	$ 14,362,807	$ 16,673,325	$ 7,723,487	$ 14,614,432	$ 410,032	$ 69,324,563
Nonperforming	—	145,011	46,674	—	—	310,478	—	502,163

Total residential	$ 9,835,966	$ 5,849,525	$ 14,409,481	$ 16,673,325	$ 7,723,487	$ 14,924,910	$ 410,032	$ 69,826,726
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
HELOC								
Performing	$ 1,231,286	$ 34,140	$ 145,393	$ 39,737	$ 51,479	$ 120,842	$ —	$ 1,622,877
Nonperforming	—	—	—	—	—	—	—	—
Total HELOC	$ 1,231,286	$ 34,140	$ 145,393	$ 39,737	$ 51,479	$ 120,842	$ —	$ 1,622,877
Gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —

The following tables present the Company's loan portfolio aging analysis of the recorded investment in loans as of March 31, 2025 and June 30, 2024:

	March 31, 2025						
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days Past Due	Total Past Due	Current	Total Loans Receivable	Total Loans > 90 Days & Accruing
	(Unaudited)						
Real estate loans:							
Commercial	$ —	$ —	$ —	$ —	$ 31,704,608	$ 31,704,608	$ —
Residential	1,369,968	—	177,738	1,547,706	74,497,125	76,044,831	—
Multifamily	—	—	—	—	634,562	634,562	—
Agricultural	—	—	—	—	3,923,851	3,923,851	—
Construction and land	1,043,773	—	—	1,043,773	33,897,898	34,941,671	—
HELOC	—	52,843	99,383	152,226	2,026,930	2,179,156	—
Commercial and industrial	—	—	—	—	19,071,619	19,071,619	—
Consumer	10	—	—	10	1,126,721	1,126,731	—
Total	$ 2,413,751	$ 52,843	$ 277,121	$ 2,743,715	$ 166,883,314	$ 169,627,029	$ —

	June 30, 2024						
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days Past Due	Total Past Due	Current	Total Loans Receivable	Total Loans > 90 Days & Accruing
Real estate loans:							
Commercial	$ —	$ —	$ —	$ —	$ 19,724,941	$ 19,724,941	$ —
Residential	559,332	87,754	71,729	718,815	69,107,911	69,826,726	—
Multifamily	—	—	—	—	659,257	659,257	—
Agricultural	—	—	—	—	4,213,660	4,213,660	—
Construction and land	36,232	—	—	36,232	17,608,478	17,644,710	—
HELOC	—	—	—	—	1,622,877	1,622,877	—
Commercial and industrial	—	—	—	—	14,879,004	14,879,004	—
Consumer	1,528	3,522	—	5,050	950,365	955,415	—
Total	$ 597,092	$ 91,276	$ 71,729	$ 760,097	$ 128,766,493	$ 129,526,590	$ —

Information regarding collateral dependent loans as of March 31, 2025 and June 30, 2024 is as follows:

	As of March 31, 2025			
	Real Estate	Other	Total	Related Allowance
	(Unaudited)			
Real estate				
Commercial	$ —	$ —	$ —	$ —
Residential	594,193	—	594,193	—
Multifamily	—	—	—	—
Agricultural	—	—	—	—
Construction and land	34,254	—	34,254	—
Home equity line of credit (HELOC)	110,656	—	110,656	—
Commercial and industrial	—	—	—	—
Consumer	—	34,355	34,355	—
Totals	$ 739,103	$ 34,355	$ 773,458	$ —

	As of June 30, 2024			
	Real Estate	Other	Total	Related Allowance
Real estate				
Commercial	$ —	$ —	$ —	$ —
Residential	502,163	—	502,163	—
Multifamily	—	—	—	—
Agricultural	—	—	—	—
Construction and land	36,232	—	36,232	—
Home equity line of credit (HELOC)	—	—	—	—
Commercial and industrial	—	—	—	—
Consumer	—	15,672	15,672	—
Totals	$ 538,395	$ 15,672	$ 554,067	$ —

Information regarding nonaccrual loans as of March 31, 2025 and June 30, 2024 is as follows:

	As of March 31, 2025 (Unaudited)					
	Nonaccrual Loans With No Allowance for Credit Losses	Nonaccrual Loans With an Allowance for Credit Losses	Total Nonaccrual Loans	Total Nonaccrual Loans at Beginning of Year	Interest Income Recognized on Nonaccrual Loans	Amortized Cost Basis of Loans 90+ Days Past Due Not on Nonaccrual
Real estate loans:						
Commercial	$ —	$ —	$ —	$ —	$ —	$ —
Residential	594,193	—	594,193	502,163	—	—
Multifamily	—	—	—	—	—	—
Agricultural	—	—	—	—	—	—
Construction and land	34,254	—	34,254	36,232	—	—
Home equity line of credit (HELOC)	110,656	—	110,656	—	—	—
Commercial and industrial	—	—	—	—	—	—
Consumer	34,355	—	34,355	15,672	—	—
Total	$ 773,458	$ —	$ 773,458	$ 554,067	$ —	$ —

	As of June 30, 2024					
	Nonaccrual Loans With No Allowance for Credit Losses	Nonaccrual Loans With an Allowance for Credit Losses	Total Nonaccrual Loans	Total Nonaccrual Loans at Beginning of Year	Interest Income Recognized on Nonaccrual Loans	Amortized Cost Basis of Loans 90+ Days Past Due Not on Nonaccrual
Real estate loans:						
Commercial	$ —	$ —	$ —	$ —	$ —	$ —
Residential	502,163	—	502,163	304,096	—	—
Multifamily	—	—	—	—	—	—
Agricultural	—	—	—	—	—	—
Construction and land	36,232	—	36,232	—	—	—
Home equity line of credit (HELOC)	—	—	—	—	—	—
Commercial and industrial	—	—	—	—	—	—
Consumer	15,672	—	15,672	—	—	—
Total	$ 554,067	$ —	$ 554,067	$ 304,096	$ —	$ —

During the nine months ended March 31, 2025 and 2024, respectively, there were no significant modifications of loans to borrowers who were experiencing financial difficulty. The Company did not provide any modifications under these circumstances to borrowers.

Note 5: Capital and Regulatory Matters

Prior to September 30, 2024, the Bank had a community bank leverage ratio (CBLR) framework election in effect. Effective for the quarter ended September 30, 2024, the Bank opted out of that election.

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 direct material effect on the financial statements of the Company and the Bank. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company must meet specific capital guidelines that involve quantitative measures of the Company's assets, liabilities and certain off-balance-sheet items as calculated under U.S. GAAP reporting requirements and regulatory capital standards. The Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors. Furthermore, the Bank's regulators could require adjustments to regulatory capital not reflected in these financial statements.

Quantitative measures established by regulatory reporting standards to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the table below) of total and Tier 1 capital to risk-weighted assets, common equity Tier 1 capital to total risk-weighted assets and of Tier 1 capital to average assets. Management believes, as of March 31, 2025, that the Bank meets all capital adequacy requirements to which it is subject.

At March 31, 2025, the Bank was categorized as well capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since the most recent notification that management believes have changed the Bank's prompt corrective action category. The following table presents actual and required capital ratios for the Bank.

	Actual		To be Well Capitalized Under the Prompt Corrective Action Provision	
(Dollars in thousands)	**Amount**	**Ratio**	**Amount**	**Ratio**
As of March 31, 2025				
Common Equity Tier 1 Capital	$ 32,287	15.28 %	$ 13,730	>6.5 %
Tier 1 Risk-Based Capital	32,287	15.28	16,899	>8.0
Total Risk-Based Capital	33,778	15.99	21,124	>10.0
Tier 1 Leverage Capital	32,287	9.43	17,126	>5.0

On November 13, 2019, the federal regulators finalized and adopted a regulatory capital rule establishing a new community bank leverage ratio (CBLR), which became effective on January 1, 2020. The intent of the CBLR is to provide a simple alternative measure of capital adequacy for electing qualifying depository institutions and depository institution holding companies, as directed under the Economic Growth, Regulatory Relief, and Consumer Protection Act. If a qualifying depository institution, or depository institution holding company, elects to use such measure, such institution or holding company will be considered well capitalized if its ratio of Tier 1 capital to average total consolidated assets (i.e., leverage ratio) exceeds 9 percent, subject to a limited two quarter grace period, during which the leverage ratio cannot go 100 basis points below the then applicable threshold, and will not be required to calculate and report risk-based capital ratios. The Bank's CBLR was 12.11 percent as of June 30, 2024. Management believes, as of June 30, 2024, that the Company met all capital adequacy requirements to which it is subject.

Note 6: Disclosures about Fair Value of Assets and Liabilities

Fair value is the exchange price that would be received to sell an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at March 31, 2025 and June 30, 2024:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
March 31, 2025 (Unaudited)				
Mortgage-backed GSEs	$ 16,956,014	$ —	$ 16,956,014	$ —
Collateralized mortgage obligations	161,515,927	—	161,515,927	—
Subordinated debt	5,310,440	—	5,310,440	—
June 30, 2024				
U.S. Government agencies	$ 5,714,090	$ —	$ 5,714,090	$ —
Mortgage-backed GSEs	27,760,412	—	27,760,412	—
Collateralized mortgage obligations	99,502,853	—	99,502,853	—
Subordinated debt	2,537,955	—	2,537,955	—
State and political subdivisions	3,829,642	—	3,829,642	—

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the accompanying balance sheets, as well as the general classification of such assets pursuant to the valuation hierarchy. There are no liabilities measured at fair value on a recurring basis. There have been no significant changes in the valuation techniques during the nine months ended March 31, 2025 and for the year ended June 30, 2024.

Available-for-sale Securities

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 are not available, securities are classified within Level 3 of the hierarchy. The Company had no Level 3 securities.

The estimated fair values of the Company's financial instruments not carried at fair value on the consolidated balance sheets at March 31, 2025 and June 30, 2024 are as follows:

	Carrying Value	Fair Value	Fair Value Measurements Using (Level 1)	(Level 2)	(Level 3)
March 31, 2025 (Unaudited)					
Financial assets:					
Cash and due from banks	$ 6,879,948	$ 6,879,948	$ 6,879,948	$ —	$ —
Loans held for sale	85,500	86,276	—	—	86,276
Loans, net	166,536,237	158,319,237	—	—	158,319,237
Stock in correspondent banks	1,951,300	1,951,300	—	1,951,300	—
Accrued interest receivable	1,224,097	1,224,097	1,224,097	—	—
Financial liabilities:					
Deposits	303,193,798	303,261,722	98,007,722	—	205,254,000
Borrowings	30,500,000	30,455,000	—	—	30,455,000
Accrued interest payable	461,473	461,473	461,473	—	—
June 30, 2024					
Financial assets:					
Cash and due from banks	$ 31,630,525	$ 31,630,525	$ 31,630,525	$ —	$ —
Loans, net	126,391,092	115,890,092	—	—	115,890,092
Stock in correspondent banks	2,195,900	2,195,900	—	2,195,900	—
Accrued interest receivable	961,856	961,856	961,856	—	—
Financial liabilities:					
Deposits	209,310,330	209,243,722	73,959,722	—	135,284,000
Borrowings	62,000,000	61,812,000	—	—	61,812,000
Accrued interest payable	778,831	778,831	778,831	—	—

Limitations: Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates do not reflect any premium or discount that could result from offering for sale at one time the Company’s entire holdings of a particular financial instrument. Fair value estimates may not be realizable in an immediate settlement of the instrument. In some instances, there are no quoted market prices for the Company’s various financial instruments, in which case fair values may be based on estimates using present value or other valuation techniques, or based on judgments regarding future expected loss experience, current economic conditions, risk characteristic of the financial instruments, or other factors. Those techniques are significantly affected by the assumptions used, including the discount rate and estimate of future cash flows. Subsequent changes in assumptions could significantly affect the estimates.

Note 7: Commitments

Commitments to originate loans are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since a portion of the commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Each customer’s creditworthiness is evaluated on a case-by-case basis. The amount of collateral obtained, if deemed necessary, is based on management’s credit evaluation of the counterparty. Collateral held varies, but may include accounts receivable, inventory, property, plant and equipment, commercial real estate and residential real estate.

Lines of credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Lines of credit generally have fixed expiration dates. Since a portion of the line may expire without being drawn upon, the total unused lines do not necessarily represent future cash requirements. Each customer’s creditworthiness is evaluated on a case-by-case basis. The amount of collateral obtained, if deemed necessary, is based on management’s credit evaluation of the counterparty. Collateral held varies but may include accounts receivable, inventory, property, plant and equipment, commercial real estate and residential real estate.

Management uses the same credit policies in granting lines of credit as it does for on-balance-sheet instruments.

Commitments outstanding at March 31, 2025 and June 30, 2024 were as follows:

	March 31, 2025	June 30, 2024
Commitments to originate loans	$ 8,416,748	$ 2,766,266
Undisbursed balance of loans closed	29,963,248	30,314,342
Total	$ 38,379,996	$ 33,080,608

Note 8: Loss Per Share

Loss per common share for the three and nine months ended March 31, 2025 and 2024 is as follows:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
Basic				
Net loss	$ (385,893)	$ (618,606)	$ (3,285,230)	$ (1,356,787)
Shares outstanding for basic (loss) earnings per share:				
Weighted-average common shares outstanding	1,888,875	1,903,949	1,886,626	1,918,007
Less average unearned ESOP shares	(129,477)	(137,169)	(131,416)	(142,292)
Weighted-average shares - basic	1,759,398	1,766,780	1,755,210	1,775,715
Basic loss per share	$ (0.22)	$ (0.35)	$ (1.87)	$ (0.76)
Diluted				
Effect of dilutive stock-based awards				
Weighted-average shares outstanding - basic	1,759,398	1,766,780	1,755,210	1,775,715
Stock options	—	—	—	—
Restricted stock	7,118	—	5,346	—
Weighted average shares - assuming dilution	1,766,516	1,766,780	1,760,556	1,775,715
Diluted loss per share	$ (0.22)	$ (0.35)	$ (1.87)	$ (0.76)

Stock options for 20,000 shares of common stock, were not considered in computing diluted earnings per common share for the three and nine months ended March 31, 2025, because they were antidilutive.

Note 9: Borrowings

Borrowed funds at March 31, 2025 and June 30, 2024, are summarized as follows:

	March 31, 2025		June 30, 2024	
	Rate	Amount	Rate	Amount
Advances from Federal Home Loan Bank of Cincinnati	4.51%	$ 30,500,000	5.46%	$ 38,500,000
Advances from Federal Reserve Bank of Cleveland	N/A	—	4.76%	23,500,000
Total borrowings		$ 30,500,000		$ 62,000,000

Based on collateral pledged, consisting of all shares of FHLB stock owned and a blanket pledge of approximately $73,301,000 and $65,848,000 of its qualifying mortgage loans as of March 31, 2025 and June 30, 2024, respectively, the Company had $17,468,000 and $3,945,000 in available borrowing capacity with the FHLB as of March 31, 2025 and June 30, 2024, respectively.

Based on eligible available for sale securities pledged as collateral to the Federal Reserve Bank Discount Window totaling $42,980,000, the Company had $35,797,000 in available borrowing capacity with the FRB as of March 31, 2025. The Company had not yet entered the Discount Window program as of June 30, 2024 and had no borrowing capacity at that time.

Note 10: Subsequent Events

In May 2025, the Company sold securities with a book value of $7.4 million. Proceeds from the sales of securities totaled $7.5 million. Such sales resulted in realized gains of $107,000.

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

General

Management's discussion and analysis of financial condition and results of operations is intended to assist in understanding the Company's consolidated financial condition at March 31, 2025 and consolidated results of operations for the three and nine months ended March 31, 2025 and 2024. It should be read in conjunction with the unaudited consolidated financial statements and the related notes appearing in Part I, Item 1, of this Quarterly Report on Form 10-Q.

Cautionary Note Regarding Forward-Looking Statements

This quarterly report contains forward-looking statements, which can be identified by the use of words such as "estimate," "project," "believe," "intend," "anticipate," "assume," "plan," "seek," "expect," "will," "may," "should," "indicate," "would," "believe," "contemplate," "continue," "target" and words of similar meaning. These forward-looking statements include, but are not limited to:

- statements of our goals, intentions and expectations;
- statements regarding our business plans, prospects, growth and operating strategies;
- statements regarding the asset quality of our loan and investment portfolios; and
- estimates of our risks and future costs and benefits.

These forward-looking statements are based on our current beliefs and expectations and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements:

- general economic conditions, either nationally or in our market area, which are worse than expected;
- inflation and changes in the interest rate environment that reduce our margins and yields, the fair value of our financial instruments, or our level of loan originations, or increase the level of defaults, losses and prepayments within our loan portfolio;
- changes in the level and direction of loan delinquencies and write-offs and changes in estimates of the adequacy of the allowance for credit losses;
- our ability to access cost-effective funding;
- fluctuations in real estate values and in the conditions of the residential real estate, commercial real estate, and agricultural real estate markets;
- our ability to control cost and expenses, particularly those associated with operating a publicly traded company;
- demand for loans and deposits in our market area;
- our ability to implement and change our business strategies;
- competition among depository and other financial institutions;
- adverse changes in the securities markets;
- changes in laws or government regulations or policies affecting financial institutions, including changes in regulatory fees, capital requirements and insurance premiums;
- changes in the quality or composition of our loan or investment portfolios;
- technological changes that may be more difficult or expensive than expected;

- the inability of third-party providers to perform as expected;
- a failure or breach of our operational or information security systems or infrastructure, including cyberattacks;
- our ability to manage market risk, credit risk and operational risk;
- our ability to enter new markets successfully and capitalize on growth opportunities;
- changes in consumer spending, borrowing and savings habits;
- changes in accounting policies and practices, as may be adopted by the bank regulatory agencies, the Financial Accounting Standards Board, the Securities and Exchange Commission or the Public Company Accounting Oversight Board;
- our ability to retain key employees;
- material weakness or significant deficiency in our internal controls over financial reporting;
- our ability to control costs when hiring employees in a highly competitive environment; and
- changes in the financial condition, results of operations or future prospects of issuers of securities that we own.

Because of these and a wide variety of other uncertainties, our actual future results may be materially different from the results indicated by these forward-looking statements.

Critical Accounting Policies and Use of Critical Accounting Estimates

Significant accounting policies are defined as those that are reflective of significant judgments and uncertainties and could reflect materially different results under different assumptions and conditions. Methodologies the Company uses when applying critical accounting policies and developing critical estimates are included in its Annual Report on Form 10-K for the year ended June 30, 2024. Our accounting policies for credit losses, investment securities, and income taxes comprise those that management believes involve the most critical estimates and aid in fully understanding and evaluating our reported financial results. There were no material changes from the significant accounting policies or critical accounting estimates previously disclosed in the Company's Annual Report on Form 10-K for the year ended June 30, 2024

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements. The fair value of a financial instrument is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Van Wert Federal estimates the fair value of a financial instrument and any related asset impairment using a variety of valuation methods. Where financial instruments are actively traded and have quoted market prices, quoted market prices are used for fair value. When the financial instruments are not actively traded, other observable market inputs, such as quoted prices of securities with similar characteristics, may be used, if available, to determine fair value. When observable market prices do not exist, we estimate fair value. These estimates are subjective in nature and imprecision in estimating these factors can impact the amount of gain or loss recorded.

Comparison of Financial Condition at March 31, 2025 and June 30, 2024

Total Assets. Total assets were $372.4 million at March 31, 2025, an increase of $61.2 million, or 19.7%, from June 30, 2024. The increase is part of the continued execution of the strategic plan by management to more appropriately leverage capital by adding higher yielding variable rate interest earning assets using fixed rate funding to offset the liability sensitive nature of the balance sheet. The increase was comprised primarily of $44.4 million in securities, $40.1 million in loans, and offset by a decrease of $24.8 million in cash.

Cash and Due from Banks. Cash and due from banks decreased by $24.8 million, or -78.2%, to $6.9 million at March 31, 2025 from $31.6 million at June 30, 2024. The decrease was due primarily to funding purchases of investment securities and loan growth.

Investment Securities. Investment securities increased $44.4 million, or 31.9%, to $183.8 million at March 31, 2025, from $139.3 million at June 30, 2024. Aggregate securities purchases of $91.3 million during the nine months ended March 31, 2025, were partially offset by $30.2 million of calls, maturities and repayments and $17.2 million in proceeds from the sale of securities.

Management identified $19.6 million of fixed rate securities as sale candidates with a weighted average book yield of 1.68% and a weighted average maturity of 8.6 years. After performing an earn back analysis, management identified that at a modest reinvestment rate of 6%, reinvesting the cash proceeds from the sale would result in approximately $700,000 of additional interest income annually and the earn back period on the loss would be 2.6 years. The yield on investment securities was 5.9% for the nine months ended March 31, 2025, compared to 5.5% for the nine months ended March 31, 2024, reflecting the increase in market interest rates during the period, as well as the addition of higher yielding securities. The increase in investment securities is part of a forward-looking investment strategy to increase the number of variable rate investments financed by fixed rate deposit instruments, such as brokered certificates of deposits noted in the deposit section below, which will ultimately provide a more balanced interest rate risk profile. The increase is also part of an effort to more appropriately leverage the Company's capital.

The $148,000 decrease in the fair value of the investment securities was primarily attributable to the variability in market interest rates. As market interest rates increase, the fair value of the securities decreases. The unrealized gains and losses are recorded to shareholders' equity, net of tax, as management has determined that there are no credit quality concerns with the issuers of the securities and there is no current intent to sell additional securities and, as a result, the fair value is expected to recover as the securities approach their maturity dates.

Net Loans. Net loans increased by $40.1 million, or 31.8%, to $166.5 million at March 31, 2025, from $126.4 million at June 30, 2024. During the nine months ended March 31, 2025, loan originations totaled $41.1 million, comprised of $10.9 million of loans secured by one-to-four family residential real estate, $727,000 of HELOCs, $423,000 of consumer loans, $11.7 million of commercial and industrial loans, $9.8 million in commercial and $7.6 million in construction loans. Increases in loan balances reflect our strategy to grow our loan portfolio, continuing to focus on owner-occupied one-to-four family residential real estate loans, while increasing our emphasis on commercial real estate loans and commercial and industrial loans. Management intends to continue to pursue growth in these loan segments in future periods.

Deposits. Deposits increased by $93.9 million, or 44.9%, to $303.2 million at March 31, 2025 from $209.3 million at June 30, 2024. Core deposits (defined as all deposits other than brokered deposits and listing service certificates of deposit) increased $40.1 million, or 32.1%, to $165.3 million at March 31, 2025 from $125.2 million at June 30, 2024. Brokered certificates of deposit and listing service certificates of deposit increased $53.7 million, or 63.9%, to $137.8 million at March 31, 2025 from $84.1 million at June 30, 2024.

Shareholders' Equity. Shareholders' equity decreased $1.3 million, or 3.7%, to $35.2 million at March 31, 2025 from $36.5 million at June 30, 2024. Primarily a result of a net tax effect on unrealized gains on securities of $1.8 million, offset by a net loss of $3.3 million for the nine months ended March 31, 2025, which includes certain one-time expenses noted in the noninterest expense section below and a $2.4 million loss on the sale of $19.6 of securities, and partially offset by ESOP shares committed to be released.

Average Balances and Yields. The following table sets forth average balance sheets, average yields and costs, and certain other information for the periods indicated. No tax-equivalent yield adjustments have been made, as the effects are immaterial. Average balances are calculated using month-end average balances, rather than daily average balances. We believe the use of month-end average balances is representative of our operations. Non-accrual loans are included in average balances only. Average yields include the effect of deferred fees, discounts, and premiums that are amortized or accreted to interest income or interest expense. Deferred loan fees are immaterial.

	For the Three Months Ended March 31,					
	2025			2024		
	Average Outstanding Balance	Interest	Yield/ Rate	Average Outstanding Balance	Interest	Yield/ Rate
Interest-earning assets:						
Loans	$ 158,348	$ 2,236	5.65 %	$ 102,491	$ 1,243	4.85 %
Investment securities	163,734	2,485	6.07	129,587	1,930	5.96
Interest-bearing deposits and other	12,314	129	4.19	18,070	142	3.15
Total interest-earning assets	334,396	4,850	5.80	250,148	3,315	5.30
Non-interest-earning assets	12,051			3,972		
Allowance for loan losses	(1,095)			(565)		
Total assets	$ 345,352			$ 253,555		
Interest-bearing liabilities:						
Interest-bearing demand	$ 43,152	$ 118	1.09 %	$ 24,446	$ 63	1.04 %
Savings and money market	54,566	314	2.30	43,090	166	1.54
Certificates of deposit	199,976	2,338	4.68	106,379	1,170	4.40
Total deposits	297,694	2,770	3.72	173,915	1,399	3.22
Borrowings	8,000	90	4.50	39,875	531	5.33
Total interest-bearing liabilities	305,694	2,860	3.74	213,790	1,930	3.61
Non-interest-bearing liabilities	4,198			2,304		
Total liabilities	309,892			216,094		
Equity	35,460			37,461		
Total liabilities and equity	$ 345,352			$ 253,555		
Net interest income		$ 1,990			$ 1,385	
Net interest rate spread (1)			2.06 %			1.69 %
Net interest-earning assets (2)	$ 28,702			$ 36,358		
Net interest margin (3)			2.38 %			2.21 %
Average interest-earning assets to interest-bearing liabilities	109.39 %			117.01 %		

(1) Net interest rate spread represents the difference between the weighted average yield on interest-earning assets and the weighted average rate of interest-bearing liabilities.
(2) Net interest-earning assets represent total interest-earning assets less total interest-bearing liabilities.
(3) Net interest margin represents net interest income divided by average total interest-earning assets.

Comparison of Operating Results for the Three Months Ended March 31, 2025 and 2024

General. Net loss for the three months ended March 31, 2025 was $386,000, a decrease of $233,000, or -37.6%, compared to net loss of $619,000 for the three months ended March 31, 2024. The decrease in net loss was primarily due to the increase in net interest income of $605,000 as we continue to see incremental increases as a result of the addition of higher yielding investment securities and commercial loans. We continue to execute the strategic process of building out and repositioning the balance sheet and adding organic interest earning assets funded with organic deposits.

Interest Income. Interest income increased $1.5 million, or 46.3%, to $4.8 million for the three months ended March 31, 2025, compared to $3.3 million for the three months ended March 31, 2024. This increase was attributable to a $557,000, or 28.8%, increase in interest on investment securities and a $993,000, or 79.9%, increase in interest on loans, and is reflective of management's strategy to continue to add higher yielding interest earnings assets to the balance sheet.

The average balance of loans during the three months ended March 31, 2025, increased by $55.9 million, or 54.5%, from the average balance for the three months ended March 31, 2024, while the average yield on loans increased by 80 basis points to 5.65% for the three months ended March 31, 2025, from 4.85% for the three months ended March 31, 2024. The increase in average yield reflects the increases in market interest rates impacting the loan portfolio, as well as the addition of several higher yielding loans as the Company continues to add commercial loans to the portfolio.

The average balance of investment securities during the three months ended March 31, 2025, increased by $34.1 million, or 26.4%, from the average balance for the three months ended March 31, 2024 while the average yield on investment securities increased by 11 basis points to 6.07% for the three months ended March 31, 2025, from 5.96% for the three months ended March 31, 2024.

The average balance of interest-bearing deposits and other, comprised of overnight deposits and stock in the Federal Home Loan Bank and Federal Reserve Bank, decrease $5.8 million, or -31.9%, for the three months ended March 31, 2025, and the average yield increased 104 basis points to 4.19% for the three months ended March 31, 2025, from 3.15% for the three months ended March 31, 2024.

Interest Expense. Total interest expense increased $931,000, or 48.2%, to $2.8 million for the three months ended March 31, 2025, from $1.9 million for the three months ended March 31, 2024. The increase was due to an increase of 50 basis points in the average cost of deposits to 3.72% for the three months ended March 31, 2025, from 3.22% for the three months ended March 31, 2024, reflecting how management has had to increase the offered rates to be competitive in efforts to maintain and grow deposits. This is also reflective of management's levering strategy by which short term wholesale funding sources are used to add short term floating rate assets while the organic side of the balance sheet continues to be built out.

Net Interest Income. Net interest income increased $605,000, or 43.7%, to $2.0 million for the three months ended March 31, 2025, compared to $1.4 million for the three months ended March 31, 2024, while net interest margin increased 17 basis points to 2.38% for the three months ended March 31, 2025, from 2.21% for the three months ended March 31, 2024.

Provision for Credit Losses. The total provision for credit losses on loans and unfunded commitments was $205,000 for the three months ended March 31, 2025, compared to $84,000 for the three months ended March 31, 2024. In both periods, the provision for credit losses was largely attributable to commercial loan growth.

Total nonperforming and substandard loans were $773,000 at March 31, 2025, compared to $588,000 at March 31, 2024. Total loans past due greater than 30 days were $1.6 million and $1.8 million at those respective dates. As a percentage of nonperforming and substandard loans, the allowance for credit losses was 155.2% at March 31, 2025, compared to 102.2% at March 31, 2024.

The allowance for credit losses reflects the estimate management believes to be appropriate to cover lifetime probable losses which were inherent in the loan portfolio at March 31, 2025 and 2024. While management believes the estimates and assumptions used in the determination of the adequacy of the allowance are reasonable, such estimates and assumptions could be proven incorrect in the future, and the actual amount of future provisions may exceed the amount of past provisions. Furthermore, as an integral part of its examination process, the OCC will periodically review our allowance for credit losses. The OCC may have judgments different than those of management, and we may determine to increase our allowance as a result of these regulatory reviews. Any material increase in the allowance for credit losses may adversely affect our financial condition and results of operations.

Non-Interest Income. Non-interest income decreased $18,000, or -37.5%, to $31,000 for the three months ended March 31, 2025, compared to $49,000 for the three months ended March 31, 2024 and is the result of a prior period adjustment decreasing income $58,000 offset by additional loan and deposit fee income from increased volume.

Non-Interest Expense. Non-interest expense increased $145,000 or 6.8%, to $2.3 million for the three months ended March 31, 2025, compared to $2.1 million for the three months ended March 31, 2024. Notable increases were salaries and employee benefits of $218,000, representative of our investing in staff as we continue to add key positions vital to the expansion and growth of the Company as well as increases in occupancy expenses as a result of additional space in our Fort Wayne location and FDIC insurance. These increases were offset in part by the absence of costs related to the withdrawal of the pension plan.

Federal and Indiana Income Taxes. Provision for federal and Indiana income taxes benefit decreased $88,000, or -51.0%, to a $84,000 benefit provision for the three months ended March 31, 2025, compared to a $172,000 benefit provision for the three months ended March 31, 2024. The decrease in the federal and Indiana income tax benefit provision was due primarily to the $321,000 decrease in pretax net loss.

	For the Nine Months Ended March 31,					
	2025			2024		
	Average Outstanding Balance	Interest	Yield/ Rate	Average Outstanding Balance	Interest	Yield/ Rate
Interest-earning assets:						
Loans	$ 144,228	$ 6,014	5.56 %	$ 97,073	$ 3,280	4.50 %
Investment securities	160,951	7,168	5.94	105,777	4,536	5.72
Interest-bearing deposits and other	13,905	427	4.09	17,137	421	3.28
Total interest-earning assets	319,084	13,609	5.69	219,987	8,237	4.99
Non-interest-earning assets	10,333			1,343		
Allowance for credit losses	(951)			(458)		
Total assets	$ 328,466			$ 220,872		
Interest-bearing liabilities:						
Interest-bearing demand	$ 39,023	$ 318	1.09 %	$ 25,599	$ 200	1.04 %
Savings and money market	51,557	912	2.36	41,548	364	1.17
Certificates of deposit	184,707	6,269	4.53	82,584	2,583	4.17
Total deposits	275,287	7,499	3.63	149,731	3,147	2.80
Borrowings	15,983	636	5.31	31,770	1,360	5.71
Total interest-bearing liabilities	291,270	8,135	3.72	181,501	4,507	3.31
Non-interest-bearing liabilities	1,139			1,600		
Total liabilities	292,409			183,101		
Shareholders' Equity	36,057			37,771		
Total liabilities and shareholders' equity	$ 328,466			$ 220,872		
Net interest income		$ 5,474			$ 3,730	
Net interest rate spread (1)			1.97 %			1.68 %
Net interest-earning assets (2)	$ 27,814			$ 38,486		
Net interest margin (3)			2.29 %			2.26 %
Average interest-earning assets to interest-bearing liabilities	109.55 %			121.20 %		

(1) Net interest rate spread represents the difference between the weighted average yield on interest-earning assets and the weighted average rate of interest-bearing liabilities.
(2) Net interest-earning assets represent total interest-earning assets less total interest-bearing liabilities.
(3) Net interest margin represents net interest income divided by average total interest-earning assets.

Comparison of Operating Results for the Nine Months Ended March 31, 2025 and 2024

General. Net loss for the nine months ended March 31, 2025 was $3.3 million, an increase of $1.9 million, or 142.1%, compared to net loss of $1.4 million for the nine months ended March 31, 2024. The increase in net loss was primarily due to the after tax loss on sale of securities of $1.9 million..

Interest Income. Interest income increased $5.4 million, or 65.2%, to $13.6 million for the nine months ended March 31, 2025, compared to $8.2 million for the nine months ended March 31, 2024. This increase was attributable to a $2.6 million, or 58.0%, increase in interest on investment securities and a $2.7 million, or 83.4%, increase in interest on loans, and is reflective of management's strategy to continue to add higher yielding interest earnings assets to the balance sheet.

The average balance of loans during the nine months ended March 31, 2025, increased by $47.2 million, or 48.6%, from the average balance for the nine months ended March 31, 2024, while the average yield on loans increased by 106 basis points to 5.56% for the nine months ended March 31, 2025, from 4.50% for the nine months ended March 31, 2024. The increase in average yield reflects the increases in market interest rates impacting the loan portfolio, as well as the addition of several higher yielding loans as the Company continues to add commercial loans to the portfolio.

The average balance of investment securities during the nine months ended March 31, 2025, increased $55.2 million, or 52.2%, from the average balance for the nine months ended March 31, 2024, while the average yield on investment securities increased by 22 basis points to 5.94% for the nine months ended March 31, 2025, from 5.72% for the nine months ended March 31, 2024. This increase in yields resulted from the effects of management's purchasing of higher yielding securities beginning in March 2023.

The average balance of other interest-bearing deposits, comprised of overnight deposits and stock in the Federal Home Loan Bank and Federal Reserve Bank, decreased $3.2 million, or 18.9%, for the nine months ended March 31, 2025, and the average yield increased 81 basis points to 4.09% for the nine months ended March 31, 2025, from 3.28% for the nine months ended March 31, 2024.

Interest Expense. Total interest expense increased $3.6 million, or 80.5%, to $8.1 million for the nine months ended March 31, 2025, from $4.5 million for the nine months ended March 31, 2024. The increase was due to an increase of 83 basis points in the average cost of deposits to 3.63% for the nine months ended March 31, 2025, from 2.80% for the nine months ended March 31, 2024, reflecting how management has had to increase the offered rates to be competitive in efforts to maintain and grow deposits.

Net Interest Income. Net interest income increased $1.7 million, or 46.8%, to $5.5 million for the nine months ended March 31, 2025, compared to $3.7 million for the nine months ended March 31, 2024, while net interest margin increased 3 basis points to 2.29% for the nine months ended March 31, 2025, from 2.26% for the nine months ended March 31, 2024.

Provision for Credit Losses. The total provision for credit losses on loans and unfunded commitments was $542,000 for the nine months ended March 31, 2025, compared to $306,000 for the nine months ended March 31, 2024. In both periods, the provision for credit losses was largely attributable to commercial loan growth.

Non-Interest Income. Non-interest income increased $70,000, or 48.7%, to $215,000 for the nine months ended March 31, 2025, compared to $145,000 for the nine months ended March 31, 2024and is the result of additional loan and deposit fee income from increased volume.

Non-Interest Expense. Non-interest expense increased $4.0 million, or 76.7%, to $9.4 million for the nine months ended March 31, 2025, compared to $5.3 million for the nine months ended March 31, 2024. The largest contributor to the increase in non-interest expense is the $2.4 million loss on the sale of low yielding fixed rate securities as noted above in the investment securities paragraph of the Comparison of Financial Condition section. Additional notable increases were salaries and employee benefits of $965,000 resulting from the addition of several new employees and positions throughout calendar year 2024 and reflects our investment in people for our strategic growth initiatives. Occupancy and equipment increased $231,000, or 66.3%, resulting from our new Fort Wayne location which was not in place until January 2024. Data processing fees increased $183,000, or 50.6%, as a result of increased processing volume from loans and deposits and new modules essential to the long term strategic growth goals of the company as we continue to add in demand products necessary to bring the company from a mutual thrift to a regional commercial bank. FDIC insurance premiums also increased $244,000, or 347.5%, a result of several factors such as a more diverse loan makeup, increased brokered deposits, and recurring quarterly pre-tax net losses. There were also $408,000 of one-time expenses incurred during the nine months ended March 31, 2025. See additional discussion of one-time expenses further below.

One-time Expenses Related to Conversion

At the time of the conversion on July 13, 2022, the Bank estimated that it would incur a one-time expense in the third quarter 2022 related to the termination of the defined benefit plan of approximately $3.1 million. Given the increase in interest rates since the time of the initial estimation, the actual cost of termination of the defined benefit plan was $1.3 million, with over $1 million of those expenses occurring in fiscal year 2023.

In January 2023, the board of directors agreed to take the necessary steps to become a regional commercial bank, ultimately electing to become a Covered Savings Association (CSA) instead of remaining as a Qualified Thrift Lender (QTL). The board of directors, in conjunction with the decreased one-time expenses related to the termination of the defined benefit plan, approved $1.8 million of one-time expenses for, among other things, investments in products, services, software, operating system modules, branding, personnel, consulting fees and training related to obtaining the capabilities required of a regional commercial bank.

The following is management's classification of these expenses for fiscal year 2023, 2024, and year to date fiscal year 2025:

Category	Year Ended June 30, 2023	Year Ended June 30, 2024	9 Months Ended March 31, 2025	Total since Conversion
Termination of defined benefit plan	$ 1,052,000	$ 261,000	$ —	$ 1,313,000
Contract termination and related personnel costs	256,000	206,000	3,500	465,500
IT and software maintenance and related consulting fees	102,000	154,000	7,550	263,550
Branding related costs	5,000	385,000	250,847	640,847
Other costs	—	105,000	146,399	251,399
Total one-time expenses	$ 1,415,000	$ 1,111,000	$ 408,296	$ 2,934,296

Federal and Indiana Income Taxes. Provision for federal and Indiana income taxes benefit increased $563,000, or 146.9%, to a $946,000 benefit provision for the nine months ended March 31, 2025, compared to a $383,000 benefit provision for the nine months ended March 31, 2024. The increase in the federal and Indiana income tax benefit provision was due primarily to the loss on sale of securities during the quarter and the other noted increases in non-interest expenses above.

Liquidity and Capital Resources

Liquidity describes our ability to meet the financial obligations that arise in the ordinary course of business. Liquidity is primarily needed to meet the borrowing and deposit withdrawal requirements of our customers and to fund current and planned expenditures. Our primary sources of funds are deposits, principal and interest payments on loans and securities, and proceeds from maturities of securities. We also have the ability to borrow from the Federal Home Loan Bank of Cincinnati and the Federal Reserve Bank of Cleveland Discount Window. At March 31, 2025, we had $30.5 million in outstanding borrowings from FHLB and no outstanding borrowing from FRB. At March 31, 2025, we had the capacity to borrow $17.5 million from the Federal Home Loan Bank of Cincinnati and $35.8 million from the Federal Reserve Bank of Cleveland.

While maturities and scheduled amortization of loans and securities are predictable sources of funds, deposit flows and loan prepayments are greatly influenced by general interest rates, economic conditions, and competition. Our most liquid assets are cash and short-term investments. The levels of these assets are dependent on our operating, financing, lending, and investing activities during any given period.

Our cash flows are comprised of three primary classifications: cash flows from operating activities, cash flows from investing activities, and cash flows from financing activities. For further information, see the statements of cash flows contained in the financial statements appearing elsewhere in this Form 10-Q.

We are committed to maintaining a strong liquidity position. We monitor our liquidity position on a daily basis. We anticipate that we will have sufficient funds to meet our current funding commitments. Based on our deposit retention experience and current pricing strategy, we anticipate that a significant portion of maturing time deposits will be retained.

Prior to September 30, 2024, the Bank had a community bank leverage ratio (CBLR) framework election in effect. Effective for the quarter ended September 30, 2024, the Bank opted out of that election.

At March 31, 2025, the Bank was categorized as well capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since the most recent notification that management believes have changed the Bank's prompt corrective action category. The following table presents actual and required capital ratios for the Bank.

(Dollars in thousands)	Actual Amount	Actual Ratio	To be Well Capitalized Under the Prompt Corrective Action Provision Amount	To be Well Capitalized Under the Prompt Corrective Action Provision Ratio
As of March 31, 2025				
Common Equity Tier 1 Capital	$ 32,287	15.28 %	$ 13,730	>6.5 %
Tier 1 Risk-Based Capital	32,287	15.28	16,899	>8.0
Total Risk-Based Capital	33,778	15.99	21,124	>10.0
Tier 1 Leverage Capital	32,287	9.43	17,126	>5.0

Off-Balance Sheet Arrangements. At March 31, 2025, we had $38.4 million of outstanding commitments to originate loans. Certificates of deposit that are scheduled to mature in less than one year from March 31, 2025 totaled $131.3 million. Management expects that a substantial portion of the maturing certificates of deposit will be renewed. However, if a substantial portion of these deposits is not retained, we may utilize Federal Home Loan Bank of Cincinnati or Federal Reserve Bank of Cleveland advances or raise interest rates on deposits to attract new accounts, which may result in higher levels of interest expense.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable, as the Company is a smaller reporting company.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

An evaluation was performed under the supervision and with the participation of the Company's management, including the President and Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) promulgated under the Securities and Exchange Act of 1934, as amended) as of March 31, 2025. These disclosure controls and procedures are designed with the objective of ensuring that information required to be disclosed in our reports filed under the Securities and Exchange Act of 1934, as amended, such as this report, is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures are also designed with the objective of ensuring that such information is accumulated and communicated to the Company's management, including the President and Chief Executive Officer and the Chief Financial Officer, as appropriate, to allow timely decisions regarding the required disclosure. Based on that evaluation, the Company's management, including the President and Chief Executive Officer and the Chief Financial Officer, concluded that the Company's disclosure controls and procedures were ineffective as of March 31, 2025.

Internal Controls Over Financial Reporting

The Company's management, including the President and Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over the Company's financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities and Exchange Act of 1934, as amended). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As of March 31, 2025, the Company's management, including the Company's principal executive officer and principal financial officer, has assessed the effectiveness of its internal control over financial reporting using the criteria set forth in the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control—Integrated Framework (2013). Based on the assessment using those criteria, management identified a material weakness related to the Company's internal control over financial reporting and, as such, concluded that the Company's internal control over financial reporting was ineffective as of March 31, 2025. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements would not be prevented or detected on a timely basis. The following material weakness was identified in the Company's internal control over financial reporting:

- The Company has not identified, designed and maintained all applicable internal controls which has led to a level of precision on account reconciliations and review of financial statements that is less than what is required of an SEC filer. The material weakness did not result in a material misstatement.

The Company has concluded that the existence of the material weakness did not result in a material misstatement of the Company's financial statements included in its Annual Report on Form 10-K for the year ended June 30, 2024, or in its Quarterly Report on Form 10-Q for the quarter ended March 31, 2025.

Changes in Internal Control Over Financial Reporting

During fiscal year 2025 and year ended June 30, 2024, the Company made notable improvements in its internal controls over financial reporting. In addition to adding a new Chief Financial Officer and Corporate Controller in calendar year 2023, the Company also added two additional accounting staff early in calendar 2024, allowing for additional segregation of duties and more levels of review. The Company also engaged a third party to perform a SOX gap analysis, internal control risk assessment, and regularly occurring internal audits. This work began in September 2024 and is ongoing. The Company expects this work to allow the Company to develop and implement enhanced internal controls over financial reporting.

Part II – Other Information

Item 1. Legal Proceedings

The Company is subject to various legal actions arising in the normal course of business. In the opinion of management, the resolution of these legal actions is not expected to have a material adverse effect on the Company's consolidated financial condition or results of operations.

Item 1A. Risk Factors

Not applicable, as the Company is a smaller reporting company.

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

Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three month period ending March 31, 2025, none of the Company's directors or executive officers adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" as such terms are defined under Item 408 of Regulation S-K.

Item 6. Exhibits

3.1	Articles of Incorporation of VWF Bancorp, Inc. (incorporated by reference to Exhibit 3.1 of the Company's Registration Statement on Form S-1 filed March 11, 2022)
3.2	Bylaws of VWF Bancorp, Inc. (incorporated by reference to Exhibit 3.2 of the Company's Registration Statement on Form S-1 filed March 11, 2022)
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32*	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following materials for the quarter ended March 31, 2025, formatted in Inline XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Comprehensive Income (Loss), (iv) Condensed Consolidated Statements of Changes in Shareholders' Equity, (v) Condensed Consolidated Statements of Cash Flows, and (vi) Notes to Condensed Consolidated Financial Statements
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and included in Exhibit 101)

* Filed concurrently herewith

SIGNATURES

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

	VWF BANCORP, INC.
Date: May 13, 2025	/s/ Michael D. Cahill
	Michael D. Cahill President and Chief Executive Officer (Principal Executive Officer)
Date: May 13, 2025	/s/ Richard W. Brackin
	Richard W. Brackin EVP, Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 31.1

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Michael D. Cahill, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of VWF Bancorp, Inc.;

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

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

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

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

   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; and

   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 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:

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

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

Date: May 13, 2025

/s/ Michael D. Cahill
Michael D. Cahill
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Richard W. Brackin, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of VWF Bancorp, Inc.;

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

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

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

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

   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; and

   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 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:

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

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

Date: May 13, 2025

/s/ Richard W. Brackin
Richard W. Brackin
EVP, Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32

Certification of Chief Executive Officer and Chief Financial Officer

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Michael D. Cahill, President and Chief Executive Officer of VWF Bancorp, Inc. (the “Company”), and Richard W. Brackin, EVP, Chief Financial Officer of the Company, each certify in their capacity as an officer of the Company that they have reviewed the Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 (the “Report”) and that to the best of their knowledge:

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

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

Date: May 13, 2025	/s/ Michael D. Cahill Michael D. Cahill President and Chief Executive Officer (Principal Executive Officer)
Date: May 13, 2025	/s/ Richard W. Brackin Richard W. Brackin EVP, Chief Financial Officer (Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.