

Independent Auditor's Report

Shareholders, Board of Directors, and Audit Committee
VWF Bancorp, Inc.
Van Wert, Ohio

Opinion

We have audited the consolidated financial statements of VWF Bancorp, Inc. and subsidiaries (Company), which comprise the consolidated balance sheets as of June 30, 2025 and 2024, and the related consolidated statements of operations, comprehensive loss, shareholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the VWF Bancorp, Inc. and subsidiaries as of June 30, 2025 and 2024, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that these consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Forvis Mazars, LLP

**Fort Wayne, Indiana
September 29, 2025**

VWF Bancorp, Inc.
Consolidated Financial Statements
June 30, 2025 and 2024

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

	June 30,	
	2025	2024
Assets		
Cash and due from banks	\$ 8,040,182	\$ 31,630,525
Available-for-sale debt securities	186,745,046	139,344,952
Loans, net of allowance for credit losses of \$1,491,362 at June 30, 2025 and \$772,969 at June 30, 2024, respectively	186,772,006	126,391,092
Premises and equipment	2,910,603	2,261,260
Stock in correspondent banks	1,891,800	2,195,900
Bank owned life insurance	5,490,191	5,351,048
Accrued interest receivable	1,323,774	961,856
Right-of-use asset - operating lease	1,269,724	1,406,905
Other assets	2,468,452	1,710,583
Total assets	<u>\$ 396,911,778</u>	<u>\$ 311,254,121</u>
Liabilities and Shareholders' Equity		
Liabilities		
Deposits		
Demand	\$ 36,953,847	\$ 26,493,048
Savings and money market	56,340,974	47,466,674
Time	246,956,173	135,350,608
Total deposits	340,250,994	209,310,330
Borrowings	18,500,000	62,000,000
Advances from borrowers	229,358	137,722
Operating lease liability	1,335,481	1,442,620
Accrued interest payable and other liabilities	1,822,195	1,815,617
Total liabilities	362,138,028	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, 1,905,413 and 1,914,965 outstanding at June 30, 2025 and June 30, 2024, respectively	19,229	19,229
Additional paid-in capital	18,215,127	18,006,472
Treasury stock, 46,352 and 36,800 shares at June 30, 2025 and June 30, 2024, respectively	(727,384)	(598,000)
Unearned ESOP	(1,269,130)	(1,346,047)
Retained earnings	19,545,467	22,843,782
Accumulated other comprehensive loss	(1,009,559)	(2,377,604)
Total shareholders' equity	34,773,750	36,547,832
Total liabilities and shareholders' equity	<u>\$ 396,911,778</u>	<u>\$ 311,254,121</u>

See Notes to Consolidated Financial Statements

VWF Bancorp, Inc.
Consolidated Statements of Operations
Years Ended June 30, 2025 and 2024

	Year Ended June 30,	
	2025	2024
Interest Income		
Loans	\$ 8,622,688	\$ 4,844,465
Investment securities	9,990,307	6,614,900
Interest-bearing deposits and other	532,228	565,032
Total interest income	<u>19,145,223</u>	<u>12,024,397</u>
Interest Expense		
Deposits	10,445,453	5,051,364
Borrowings	869,239	1,676,863
Total interest expense	<u>11,314,692</u>	<u>6,728,227</u>
Net Interest Income	<u>7,830,531</u>	<u>5,296,170</u>
Provision for Credit Losses - Loans	718,393	462,752
Provision for Credit Losses - Off Balance Sheet Credit Exposure	60,157	155,850
Credit Loss Expense	<u>778,550</u>	<u>618,602</u>
Net Interest Income After Provision for Credit Losses	<u>7,051,981</u>	<u>4,677,568</u>
Noninterest Income		
Bank owned life insurance	139,143	127,552
Net Gain on Sale of Loans	776	—
Other income	152,530	99,760
Total noninterest income	<u>292,449</u>	<u>227,312</u>
Noninterest Expense		
Salaries and employee benefits	4,613,160	3,497,585
Pension plan withdrawal	—	262,927
Directors fees	354,598	259,728
Occupancy and equipment	768,751	474,642
Data processing fees	722,357	558,158
Franchise taxes	222,529	219,155
FDIC insurance premiums	442,121	141,971
Professional services	745,617	658,175
Advertising and marketing	364,539	455,117
Loss on sale of investment securities	2,259,657	1,951
Foreclosed assets, net	—	436
Loss (Gain) on disposal of assets	9,788	(2,866)
Other	1,087,519	947,474
Total noninterest expense	<u>11,590,636</u>	<u>7,474,453</u>
Loss before income taxes	<u>(4,246,206)</u>	<u>(2,569,573)</u>
Income tax benefit	<u>(947,891)</u>	<u>(550,040)</u>
Net Loss	<u>\$ (3,298,315)</u>	<u>\$ (2,019,533)</u>
Basic Loss Per Share	<u>\$ (1.88)</u>	<u>\$ (1.14)</u>
Diluted Loss Per Share	<u>\$ (1.88)</u>	<u>\$ (1.14)</u>

See Notes to Consolidated Financial Statements

VWF Bancorp, Inc.
Consolidated Statements of Comprehensive Loss
Years Ended June 30, 2025 and 2024

	Year Ended June 30,	
	2025	2024
Net loss	\$ (3,298,315)	\$ (2,019,533)
Other comprehensive income:		
Net unrealized (losses) gains on available-for-sale securities	(553,502)	682,023
Reclassification adjustment for amortization of defined benefit pension actuarial gain	—	(82,333)
Reclassification adjustment for losses included in net income	2,259,657	—
Tax expense	(338,110)	(125,935)
Other comprehensive income:	1,368,045	473,755
Comprehensive loss	<u>\$ (1,930,270)</u>	<u>\$ (1,545,778)</u>

See Notes to Consolidated Financial Statements

VWF Bancorp, Inc.
Consolidated Statements of Shareholders' Equity
Years Ended June 30, 2025 and 2024

	Common Stock	Additional Paid-in Capital	Unearned ESOP Shares	Retained Earnings	Treasury Stock, at Cost	Accumulated Other Comprehensive Loss	Shareholders' Equity
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	<u>19,229</u>	<u>17,875,071</u>	<u>(1,461,422)</u>	<u>24,863,315</u>	<u>—</u>	<u>(2,851,359)</u>	<u>38,444,834</u>
ESOP shares committed to be released	—	58,251	115,375	—	—	—	173,626
Net loss	—	—	—	(2,019,533)	—	—	(2,019,533)
Other comprehensive income	—	—	—	—	—	473,755	473,755
Purchase of treasury stock	—	—	—	—	(598,000)	—	(598,000)
Stock compensation expense	—	73,150	—	—	—	—	73,150
Balance at June 30, 2024	<u>\$ 19,229</u>	<u>\$ 18,006,472</u>	<u>\$ (1,346,047)</u>	<u>\$ 22,843,782</u>	<u>\$ (598,000)</u>	<u>\$ (2,377,604)</u>	<u>\$ 36,547,832</u>
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	—	29,148	76,917	—	—	—	106,065
Net loss	—	—	—	(3,298,315)	—	—	(3,298,315)
Other comprehensive income	—	—	—	—	—	1,368,045	1,368,045
Purchase of treasury stock	—	—	—	—	(129,384)	—	(129,384)
Stock compensation expense	—	179,507	—	—	—	—	179,507
Balance at June 30, 2025	<u>\$ 19,229</u>	<u>\$ 18,215,127</u>	<u>\$ (1,269,130)</u>	<u>\$ 19,545,467</u>	<u>\$ (727,384)</u>	<u>\$ (1,009,559)</u>	<u>\$ 34,773,750</u>

See Notes to Consolidated Financial Statements

VWF Bancorp, Inc.
Consolidated Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	Year Ended June 30,	
	2025	2024
Operating Activities		
Net loss	\$ (3,298,315)	\$ (2,019,533)
Items not requiring (providing) cash:		
Depreciation and amortization	455,737	175,348
Accretion of premiums and discounts, net	(243,870)	(362,596)
Deferred income taxes	(963,415)	(554,628)
Provision for credit losses	778,550	618,602
Loss on sale of investment securities	2,259,657	1,951
Net losses on sale of foreclosed assets	—	436
Interest capitalization on available-for-sale securities	(516,675)	(252,187)
Origination of loans held for sale	(85,500)	—
Proceeds from sales of loans	86,276	—
Gain on sale of loans	(776)	—
Loss (Gain) on disposal of assets	9,788	(2,866)
Increase in cash surrender value of bank-owned life insurance	(139,143)	(127,552)
Stock and ESOP compensation expense	285,572	246,776
Changes in:		
Accrued interest receivable	(361,918)	(463,049)
Operating lease liability	(107,139)	(9,786)
Other assets and liabilities	(186,143)	769,782
Net cash used in operating activities	<u>(2,027,314)</u>	<u>(1,979,302)</u>
Investing Activities		
Purchases of available-for-sale securities	(110,919,460)	(114,767,266)
Proceeds from sales of available-for-sale securities	24,755,264	2,989,041
Proceeds from calls, maturities and paydowns of available-for-sale securities	38,971,145	44,313,322
Proceeds from sales of foreclosed assets	—	97,303
Purchase of other assets owned	—	(26,796)
Net change in loans	(61,099,307)	(45,763,187)
Purchase of premises and equipment	(987,187)	(990,360)
Proceeds from sales of premises and equipment	9,500	11,466
Purchase of correspondent bank stock	(1,750,900)	(3,401,100)
Proceeds from redemption of correspondent bank stock	2,055,000	1,602,000
Net cash used in investing activities	<u>(108,965,945)</u>	<u>(115,935,577)</u>
Financing Activities		
Net increase in deposit accounts	130,940,664	89,318,749
Proceeds from borrowings	102,101,000	136,500,000
Repayment of borrowings	(145,601,000)	(80,700,000)
Purchase of treasury stock	(129,384)	(598,000)
Net change in advances by borrowers	91,636	(491,073)
Net cash provided by financing activities	<u>87,402,916</u>	<u>144,029,676</u>
(Decrease) Increase in Cash and Cash Equivalents	<u>(23,590,343)</u>	<u>26,114,797</u>
Cash and Cash Equivalents, Beginning of Period	<u>31,630,525</u>	<u>5,515,728</u>
Cash and Cash Equivalents, End of Period	<u>\$ 8,040,182</u>	<u>\$ 31,630,525</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the period for:		
Interest on deposits and borrowings	\$ 11,584,672	\$ 6,005,063
Supplemental Disclosure of Noncash Financing Activities		
ROU asset obtained in exchange for new operating lease liability	\$ —	\$ 1,452,406
Loans transferred to OREO	—	70,943

See Notes to Consolidated Financial Statements

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

Principles of Consolidation

The consolidated financial statements as of and for the years ended June 30, 2025 and 2024 include the accounts of VWF Bancorp, Inc. (“VFW 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 on February 25, 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, provides a variety of banking services to individuals and businesses within its principal market areas of Van Wert County, Ohio and Allen County, Indiana, as well as the surrounding areas. The Bank is a federal savings association subject to examination and regulation by the Office of the Comptroller of the Currency (“OCC”), and is also subject to examination by the FDIC as deposit insurer. The Bank has elected to be a “covered savings association” (“CSA”). A CSA has the same rights and privileges as a national bank that has its main offices situation 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.

Use of Estimates

The preparation of consolidated 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 consolidated 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 deferred tax assets and fair values of financial instruments.

Cash and Cash Equivalents

Cash and cash equivalents include cash, interest-bearing deposits in other institutions, certificates of deposit purchased with original maturities of three months or less and highly liquid debt instruments with original maturities when purchased for three months or less. At June 30, 2025, the Company’s cash accounts at nonfederal government or nongovernmental agencies exceeded FDIC insurance limits by approximately \$1,084,000.

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 June 30, 2025 and 2024, accrued interest receivable on available for sale securities was \$564,000 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 June 30, 2025 and 2024 was \$717,000 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 when an individual analysis of a borrower's credit worthiness indicates a credit should be placed on nonperforming status, except for residential mortgage loans and consumer loans that are well secured and in the process of collection. Residential mortgage loans are placed on nonaccrual at the time the loan is placed in foreclosure. 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.

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.

Loans Held for Sale

Mortgage loans originated and intended for sale in the secondary market are carried at the lower of cost or fair value in the aggregate. Net unrealized losses, if any, are recognized through a valuation allowance by charges to noninterest income. Gains and losses on loans sales are recorded in noninterest income, and direct loan origination costs and fees are deferred at origination of the loan and are recognized in noninterest income upon sale of the loan.

Premises and Equipment

Depreciable assets are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful lives of the assets.

Lease Commitments

The Company determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of right-of-use ("ROU") assets and lease liabilities on the Consolidated Balance Sheets. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Company determines lease classification as operating or finance at the lease commencement date.

The Company combines lease and nonlease components, such as common area and other maintenance costs, in calculating the ROU assets and lease liabilities for its office building leases in Fort Wayne, Indiana.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The discount rate used in determining the lease liability and related ROU asset is based upon what would be obtained by the Company for similar loans as an incremental rate as of the date of origination or renewal.

The lease term may include options to extend or to terminate the lease that the Company is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

The Company has elected not to record leases with an initial term of 12 months or less on the Consolidated Balance Sheets. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Stock in Correspondent Banks

Federal Home Loan Bank (FHLB) Stock

The Bank is a member of the FHLB system. Members are required to own a certain amount of stock based on the level of borrowings and other factors and may invest in additional amounts. FHLB stock is carried at cost, classified as a restricted security, and periodically evaluated for impairment based on ultimate recovery of par value. For the years ended June 30, 2025 and 2024, no impairment has been recognized.

Federal Reserve Bank (FRB) Stock

The Bank is a member of its regional Federal Reserve Bank. FRB stock is carried at cost, classified as a restricted security, and periodically evaluated for impairment based on the ultimate recovery of par value. For the years ended June 30, 2025 and 2024, no impairment has been recognized.

Bank Owned Life Insurance

The Company has purchased life insurance on certain employees. Bank owned life insurance is recorded at the amount that can be realized under the insurance contract at the balance sheet date, which is the cash surrender value adjusted for other charges or other amounts due that are probable at settlement.

Foreclosed Assets Held for Sale

Foreclosed assets include real property and other assets that have been acquired as a result of foreclosure. At the time of foreclosure, foreclosed assets are recorded at fair value less costs to sell when acquired, establishing a new cost basis. These assets are subsequently accounted for at the lower of cost or fair value less estimated costs to sell. If fair value declines subsequent to foreclosure, a valuation allowance is recorded through expense. Operating costs after acquisition

are expensed. At June 30, 2025 and 2024, there were no foreclosed assets recorded as a result of obtaining physical possession of the property. At June 30, 2025 and 2024, there were no loans for which formal foreclosure procedures were in process.

Income Taxes

The Company accounts for income taxes in accordance with income tax accounting guidance (ASC 740, *Income Taxes*). The income tax accounting guidance results in two components of income tax expense: current and deferred. Current income tax expense reflects taxes to be paid or refunded for the current period by applying the provisions of the enacted tax law to the taxable income or excess of deductions over revenues. The Company determines deferred income taxes using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax basis of assets and liabilities, and enacted changes in tax rates and laws are recognized in the period in which they occur.

Deferred income tax expense results from changes in deferred tax assets and liabilities between periods. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence available, it is more likely than not that some portion or all of a deferred tax asset will not be realized.

Tax positions are recognized if it is more likely than not, based on the technical merits, that the tax position will be realized or sustained upon examination. The term more likely than not means a likelihood of more than 50 percent; the terms examined and upon examination also include resolution of the related appeals or litigation processes, if any. A tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50 percent likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more-likely-than-not recognition threshold considers the facts, circumstances and information available at the reporting date and is subject to management's judgment.

If necessary, the Company recognizes interest and penalties on income taxes as a component of income tax expense.

With a few exceptions, the Company is no longer subject to examination by tax authorities for calendar years before 2021. As of June 30, 2025, the Company had no material uncertain income tax positions.

Employee Stock Ownership Plan (ESOP)

The cost of shares issued to the Employee Stock Ownership Plan ("ESOP"), but not yet allocated to participants, is shown as a reduction of shareholders' equity. Compensation expense is based on the average fair value of shares as they are committed to be released to participant accounts.

Stock-Based Compensation

Compensation cost is recognized for stock options and restricted stock awards issued to employees and directors based on the fair value of these awards at the date of grant. A Black-Scholes model is utilized to estimate the fair value of stock options, while the market price of the Company's common stock at the date of grant is used for restricted stock awards. Compensation cost is recognized over the required service period, generally defined as the vesting period. For awards with graded vesting, compensation cost is recognized on a straight-line basis over the requisite service period for the entire award. The Company's accounting policy is to recognize forfeitures as they occur.

Treasury Stock

Common stock shares repurchased are recorded at cost. Cost of shares retired or reissued is determined using the first-in, first-out method.

Earnings (Loss) Per Share

Basic earnings (loss) per share ("EPS") represents income available or loss attributable to common shareholders divided by the weighted average number of common shares outstanding during the period. Unallocated common shares held by the ESOP are not included in the weighted average number of common shares outstanding for purposes of calculating EPS until they are committed to be released. Legally issued and outstanding unvested restricted shares are not included in the weighted average number of common shares outstanding for purposes of calculating basic EPS until the awards vest, however, these shares are included in the computation of the denominator of diluted EPS, if dilutive. Diluted EPS reflects additional common shares that would have been outstanding if dilutive potential common shares, in the form of stock options and restricted stock awards, had been issued, as well as any adjustment to income that would result from the assumed issuance and is calculated using the treasury stock method. Potentially dilutive common shares are excluded from the computation of diluted EPS in periods in which the effect would be anti-dilutive.

Comprehensive Income (Loss)

Accounting principles generally require that recognized revenue, expense, gains, and losses be included in net income. Realized losses on sales of securities, as well as certain changes in assets and liabilities, such as unrealized gains and losses on available-for-sale securities and changes in the funded status of the defined benefit pension plan, are reported as a separate component of the equity section of the consolidated balance sheets. Such items, along with net income (loss), are components of comprehensive income (loss).

Revenue Recognition

The Company accounts for revenue recognition in accordance with Accounting Standards Update (ASU) 2014-09 "Revenue from Contracts with Customers" (Accounting Standards Codification (ASC) 606). ASC 606 provides that an entity should recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Interest income, net securities gains (losses) and income from bank-owned life insurance are not included within the scope of ASC 606. For the revenue streams in the scope of ASC 606, service charges on deposits and electronic banking fees, there are no significant judgments related to the amount and timing of revenue recognition. All of the Company's in scope revenue from contracts with customers is recognized within other noninterest income.

Deposit Services. The Company generates revenues through fees charged to depositors related to deposit account maintenance fees, overdrafts, ATM fees, wire transfers and additional miscellaneous services provided at the request of the depositor. For deposit-related services, revenue is recognized when performance obligations are satisfied, which is, generally, at a point in time.

Segment Reporting

The Company determined that all of its banking operations serve a similar customer base, provide similar products and services, and are managed through similar processes. Accordingly, the Company's banking operations are aggregated into a single reportable segment. This segment generates income primarily from interest on loans and investment securities, along with fees related to loan and deposit services.

The Company's Chief Executive Officer, who is identified as the chief operating decision maker ("CODM"), evaluates performance and allocates resources based on the consolidated net loss as presented in the accompanying consolidated statements of operations. The financial information regularly reviewed by the CODM is consistent with the presentation in the consolidated financial statements; therefore, no additional segment disclosures are provided. Likewise, segment assets are represented by total assets as reported in the accompanying consolidated balance sheets.

Note 2: Recent Accounting Pronouncements

Accounting Standards Adopted in 2025

In November 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. The new accounting guidance expands reportable segment disclosure requirements primarily through the enhanced disclosures of significant segment expenses that are regularly provided to the chief operating decision maker (CODM) and disclosure of the amount and composition of other segment items. Other segment items are the amount that reconciles segment revenues, less significant expenses, to segment profit or loss by reportable segment. The new accounting guidance also requires entities to disclose the title and position of the CODM, an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources, and all segments' profit or loss and asset disclosures currently required annually by Topic 280 along with those introduced by the new accounting guidance to be reported on an interim basis.

The Company adopted this standard retrospectively to all prior periods presented in the consolidated financial statements effective July 1, 2024 and the Company's consolidated financial statements were not impacted by this guidance. The Company has one reportable segment, see Note 1 for additional information.

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.

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 consolidated financial statements as available for sale, with unrealized gains and losses excluded from earnings and reported in other comprehensive loss.

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

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Approximate Fair Value</u>
Available-for-sale Securities:				
June 30, 2025				
Mortgage-backed Government				
Sponsored Enterprises (GSEs)	\$ 8,948,987	\$ 77,072	\$ 40,032	\$ 8,986,027
Collateralized mortgage obligations (CMOs)	171,349,529	220,414	1,421,901	170,148,042
Subordinated debt	7,750,000	25,137	164,160	7,610,977
	<u>\$ 188,048,516</u>	<u>\$ 322,623</u>	<u>\$ 1,626,093</u>	<u>\$ 186,745,046</u>

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Approximate Fair Value</u>
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
	<u>\$ 142,354,577</u>	<u>\$ 343,357</u>	<u>\$ 3,352,982</u>	<u>\$ 139,344,952</u>

The amortized cost and fair value of available-for-sale securities at June 30, 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:

	June 30, 2025	
	Available-for-sale	
	Amortized Cost	Fair Value
Within one year	\$ —	\$ —
One to five years	—	—
Five to ten years	7,750,000	7,610,977
After ten years	—	—
	<u>7,750,000</u>	<u>7,610,977</u>
Mortgage-backed GSE's and CMO's	180,298,516	179,134,069
Totals	<u>\$ 188,048,516</u>	<u>\$ 186,745,046</u>

The carrying value of securities pledged as collateral, to secure public deposits and for other purposes, was \$93,060,000 and \$54,822,000 at June 30, 2025 and 2024, respectively.

Proceeds from sales of securities totaled \$24,755,000 and \$2,989,000 during the years ended June 30, 2025 and 2024, respectively. Such sales resulted in realized losses of \$2,260,000 and \$2,000, respectively.

Certain investments in debt securities are reported in the consolidated financial statements at an amount less than their historical cost. Total fair value of these investments at June 30, 2025 and 2024, was \$130,571,000 and \$85,595,000, which is approximately 70 percent and 61 percent, respectively, of the fair value of the Company's total investment portfolio. Management believes that all unrealized losses at June 30, 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 June 30, 2025 and June 30, 2024 is summarized as follows:

Description of Securities	June 30, 2025					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Mortgage-backed Government						
Sponsored Enterprises (GSEs)	\$ 1,036,536	\$ 4,516	\$ 1,626,037	\$ 35,516	\$ 2,662,573	\$ 40,032
Collateralized mortgage obligations	109,135,894	1,186,518	15,436,471	235,383	124,572,365	1,421,901
Subordinated debt	744,375	5,625	2,591,465	158,535	3,335,840	164,160
Total available-for-sale securities	<u>\$ 110,916,805</u>	<u>\$ 1,196,659</u>	<u>\$ 19,653,973</u>	<u>\$ 429,434</u>	<u>\$ 130,570,778</u>	<u>\$ 1,626,093</u>

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	<u>\$ 60,461,981</u>	<u>\$ 483,348</u>	<u>\$ 25,133,347</u>	<u>\$ 2,869,634</u>	<u>\$ 85,595,328</u>	<u>\$ 3,352,982</u>

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 June 30, 2025 and June 30, 2024 include:

	June 30,	
	2025	2024
Real estate loans:		
Commercial	\$ 50,428,910	\$ 19,724,941
Residential	77,436,980	69,826,726
Multifamily	626,154	659,257
Agricultural	6,309,479	4,213,660
Construction and land	29,741,625	17,644,710
Home equity line of credit (HELOC)	2,852,070	1,622,877
Commercial and industrial	21,936,000	14,879,004
Consumer	1,229,322	955,415
Total loans	190,560,540	129,526,590
Less:		
Undisbursed loans in process	2,224,886	2,222,582
Net deferred loan fees	72,286	139,947
Allowance for credit losses	1,491,362	772,969
Net loans	<u>\$ 186,772,006</u>	<u>\$ 126,391,092</u>

The following tables present the activity in the allowance for credit losses based on portfolio segment for the years ended June 30, 2025 and 2024.

	Balance June 30, 2024	Provision for loan losses	Charge-offs	Recoveries	Balance June 30, 2025
Real estate loans:					
Commercial	\$ 206,959	\$ 392,498	\$ —	\$ —	\$ 599,457
Residential	174,613	71,284	—	—	245,897
Multifamily	1,275	622	—	—	1,897
Agricultural	12,161	10,228	—	—	22,389
Construction and land	190,594	149,593	—	—	340,187
HELOC	3,051	4,050	—	—	7,101
Commercial and industrial	183,011	89,123	—	—	272,134
Consumer	1,305	995	—	—	2,300
Total	<u>\$ 772,969</u>	<u>\$ 718,393</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,491,362</u>
Unfunded loan commitments and letters of credit	<u>\$ 176,353</u>	<u>\$ 60,157</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 236,510</u>

	Balance June 30, 2023	Adoption of ASC 326	Provision (credit) for loan losses	Charge-offs	Recoveries	Balance June 30, 2024
Real estate loans:						
Commercial	\$ 27,379	\$ (2,203)	\$ 181,783	\$ —	\$ —	\$ 206,959
Residential	167,714	41,930	(35,031)	—	—	174,613
Multifamily	1,786	(9)	(502)	—	—	1,275
Agricultural	17,091	(1,196)	(3,734)	—	—	12,161
Construction and land	12,491	10,144	167,959	—	—	190,594
HELOC	34,779	(33,888)	2,160	—	—	3,051
Commercial and industrial	882	31,562	150,567	—	—	183,011
Consumer	1,300	455	(450)	—	—	1,305
Total	<u>\$ 263,422</u>	<u>\$ 46,795</u>	<u>\$ 462,752</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 772,969</u>
Unfunded loan commitments and letters of credit	<u>\$ —</u>	<u>\$ 20,503</u>	<u>\$ 155,850</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 176,353</u>

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 addresses 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 home 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 June 30, 2025, and gross charge-offs for the year ended June 30, 2025:

	2025	2024	2023	2022	2021	Prior	Revolving Loans Amortized Cost Basis	Total
June 30, 2025								
Commercial								
Pass (1-3)	\$ 23,794,056	\$ 16,455,998	\$ 1,085,907	\$ 1,380,106	\$ 126,691	\$ 1,981,250	\$ 5,123,855	\$ 49,947,863
Monitor (4)	481,047	—	—	—	—	—	—	481,047
Special Mention (5)	—	—	—	—	—	—	—	—
Substandard (6)	—	—	—	—	—	—	—	—
Doubtful (7)	—	—	—	—	—	—	—	—
Total commercial	\$ 24,275,103	\$ 16,455,998	\$ 1,085,907	\$ 1,380,106	\$ 126,691	\$ 1,981,250	\$ 5,123,855	\$ 50,428,910
Gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Residential								
Performing	\$ 13,855,294	\$ 9,243,909	\$ 5,278,054	\$ 13,292,026	\$ 15,064,890	\$ 18,994,100	\$ 1,708,707	\$ 77,436,980
Nonperforming	—	—	—	—	—	—	—	—
Total residential	\$ 13,855,294	\$ 9,243,909	\$ 5,278,054	\$ 13,292,026	\$ 15,064,890	\$ 18,994,100	\$ 1,708,707	\$ 77,436,980
Gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Multifamily								
Pass (1-3)	\$ —	\$ —	\$ —	\$ 626,154	\$ —	\$ —	\$ —	\$ 626,154
Monitor (4)	—	—	—	—	—	—	—	—
Special Mention (5)	—	—	—	—	—	—	—	—
Substandard (6)	—	—	—	—	—	—	—	—
Doubtful (7)	—	—	—	—	—	—	—	—
Total multifamily	\$ —	\$ —	\$ —	\$ 626,154	\$ —	\$ —	\$ —	\$ 626,154
Gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Agricultural								
Pass (1-3)	\$ 2,513,048	\$ 609,686	\$ 994,051	\$ 780,988	\$ 596,800	\$ 814,906	\$ —	\$ 6,309,479
Monitor (4)	—	—	—	—	—	—	—	—

Special Mention (5)	—	—	—	—	—	—	—	—	—
Substandard (6)	—	—	—	—	—	—	—	—	—
Doubtful (7)	—	—	—	—	—	—	—	—	—
Total agricultural	\$ 2,513,048	\$ 609,686	\$ 994,051	\$ 780,988	\$ 596,800	\$ 814,906	\$ —	\$ 6,309,479	
Gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
Construction and land									
Pass (1-3)	\$ 10,864,072	\$ 18,832,095	\$ —	\$ 11,765	\$ —	\$ —	\$ —	\$ 29,707,932	
Monitor (4)	—	—	—	—	—	—	—	—	
Special Mention (5)	—	—	—	—	—	—	—	—	
Substandard (6)	—	—	—	—	—	33,693	—	33,693	
Doubtful (7)	—	—	—	—	—	—	—	—	
Total construction and land	\$ 10,864,072	\$ 18,832,095	\$ —	\$ 11,765	\$ —	\$ 33,693	\$ —	\$ 29,741,625	
Gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
HELOC									
Performing	\$ 1,573,642	\$ 971,857	\$ 13,715	\$ 95,105	\$ 43,236	\$ 154,515	\$ —	\$ 2,852,070	
Nonperforming	—	—	—	—	—	—	—	—	
Total HELOC	\$ 1,573,642	\$ 971,857	\$ 13,715	\$ 95,105	\$ 43,236	\$ 154,515	\$ —	\$ 2,852,070	
Gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
Commercial and industrial									
Pass (1-3)	\$ 15,592,636	\$ 6,259,452	\$ 83,912	\$ —	\$ —	\$ —	\$ —	\$ 21,936,000	
Monitor (4)	—	—	—	—	—	—	—	—	
Special Mention (5)	—	—	—	—	—	—	—	—	
Substandard (6)	—	—	—	—	—	—	—	—	
Doubtful (7)	—	—	—	—	—	—	—	—	
Total commercial and industrial	\$ 15,592,636	\$ 6,259,452	\$ 83,912	\$ —	\$ —	\$ —	\$ —	\$ 21,936,000	
Gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
Consumer									
Pass (1-3)	\$ 600,300	\$ 379,875	\$ 165,539	\$ 69,747	\$ 2,828	\$ 11,033	\$ —	\$ 1,229,322	
Monitor (4)	—	—	—	—	—	—	—	—	
Special Mention (5)	—	—	—	—	—	—	—	—	
Substandard (6)	—	—	—	—	—	—	—	—	
Doubtful (7)	—	—	—	—	—	—	—	—	
Total consumer	\$ 600,300	\$ 379,875	\$ 165,539	\$ 69,747	\$ 2,828	\$ 11,033	\$ —	\$ 1,229,322	
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	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
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	\$ —	\$ 69,826,726

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	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—
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	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—
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	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—

The Company evaluates the loan risk grading system definitions and allowance for credit losses methodology on an ongoing basis. No significant changes were made to either during the past year.

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

June 30, 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
Real estate loans:							
Commercial	\$ —	\$ —	\$ —	\$ —	\$ 50,428,910	\$ 50,428,910	\$ —
Residential	1,353,101	524,235	63,293	1,940,629	75,496,351	77,436,980	63,293
Multifamily	—	—	—	—	626,154	626,154	—
Agricultural	—	—	—	—	6,309,479	6,309,479	—
Construction and land	—	—	—	—	29,741,625	29,741,625	—
HELOC	6,471	—	41,570	48,041	2,804,029	2,852,070	41,570
Commercial and industrial	—	—	—	—	21,936,000	21,936,000	—
Consumer	11,208	45,110	—	56,318	1,173,004	1,229,322	—
Total	\$ 1,370,780	\$ 569,345	\$ 104,863	\$ 2,044,988	\$ 188,515,552	\$ 190,560,540	\$ 104,863

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	\$ —

The following tables present the amortized cost basis of collateral-dependent loans by class of loans and related allowance, if any, as of June 30, 2025 and 2024:

As of June 30, 2025				
	Real Estate	Other	Total	Related Allowance
Real estate				
Commercial	\$ —	\$ —	\$ —	\$ —
Residential	63,293	—	63,293	—
Multifamily	—	—	—	—
Agricultural	—	—	—	—
Construction and land	—	—	—	—
Home equity line of credit (HELOC)	41,570	—	41,570	—
Commercial and industrial	—	—	—	—
Consumer	—	—	—	—
Totals	\$ 104,863	\$ —	\$ 104,863	\$ —

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	<u>\$ 538,395</u>	<u>\$ 15,672</u>	<u>\$ 554,067</u>	<u>\$ —</u>

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

As of June 30, 2025						
	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	—	63,293
Multifamily	—	—	—	—	—	—
Agricultural	—	—	—	—	—	—
Construction and land	—	—	—	36,232	—	—
Home equity line of credit (HELOC)	—	—	—	—	—	41,570
Commercial and industrial	—	—	—	—	—	—
Consumer	—	—	—	15,672	—	—
Total	\$ —	\$ —	\$ —	\$ 554,067	\$ —	\$ 104,863

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 years ended June 30, 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: Premises and Equipment

Major classifications of premises and equipment, stated at cost, at June 30, 2025 and 2024, are as follows:

	June 30,	
	2025	2024
Land	\$ 572,183	\$ 572,183
Buildings and improvements	1,486,885	1,344,309
Furniture and equipment	1,315,095	996,000
Leasehold improvements	960,716	220,822
Software	129,418	72,614
IT equipment and improvements	98,758	98,758
Construction in progress	—	309,078
Total premises and equipment	4,563,055	3,613,764
Accumulated depreciation	(1,652,452)	(1,352,504)
Total premises and equipment, net	<u>\$ 2,910,603</u>	<u>\$ 2,261,260</u>

Note 6: Time Deposits

Time deposits in denominations of more than \$250,000 were \$31,009,000 and \$10,361,000 at June 30, 2025 and 2024, respectively.

At June 30, 2025, the scheduled maturities of time deposits were as follows:

Maturing year ending June 30,	
2026	\$ 153,036,335
2027	62,920,616
2028	29,734,539
2029	524,308
2030	740,375
Thereafter	—
	<u>\$ 246,956,173</u>

Note 7: Borrowings

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

	June 30,		June 30,	
	2025		2024	
	Rate	Amount	Rate	Amount
Advances from Federal Home Loan Bank of Cincinnati	4.51%	\$ 18,500,000	5.46%	\$ 38,500,000
Advances from Federal Reserve Bank of Cleveland	N/A	—	4.76%	23,500,000
Total borrowings		<u>\$ 18,500,000</u>		<u>\$ 62,000,000</u>

Based on collateral pledged, consisting of all shares of FHLB stock owned, securities of \$16,217,000 and \$0, and a blanket pledge of approximately \$78,318,000 and \$65,848,000 of qualifying mortgage loans as of June 30, 2025 and 2024, respectively, the Company was eligible to borrow up to an additional \$27,099,000 as of June 30, 2025.

Based on eligible available for sale securities pledged as collateral to the Federal Reserve Bank Discount Window totaling \$43,950,000, the Company had \$36,116,000 in available borrowing capacity with the FRB as of June 30, 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 8: Leases

The Company has two operating leases for office space for its Fort Wayne branch and executive offices. Both leases expire in 2034 and include two five-year renewal options. The Company did not include the renewal options in the lease

term as it is not reasonably certain that those will be exercised. The Company also had a short term lease for temporary office space that expired in September 2024.

The lease cost and other required information for the year ended June 30, 2025 is as follows:

	2025	2024
Lease cost		
Operating lease cost	\$ 185,720	\$ 77,187
Short-term lease cost	17,100	39,655
Total lease cost	<u>\$ 202,820</u>	<u>\$ 116,842</u>
Other information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 244,563	\$ 63,066
Right-of-use assets obtained in exchange for new operating lease liabilities	-	1,452,406
Weighted-average remaining lease term	8.59 yrs	9.59 yrs
Weighted-average discount rate	5.1%	5.1%

Future minimum lease payments and reconciliation to the consolidated balance sheet at June 30, 2025, are as follows:

	Operating Leases
2026	\$ 175,761
2027	180,131
2028	184,624
2029	189,254
2030	193,991
Thereafter	736,095
Total future undiscounted lease payments	1,659,856
Less interest	(324,375)
Lease liabilities	<u>\$ 1,335,481</u>

Note 9: Income Taxes

The provision for income taxes includes these components:

	2025	2024
Taxes currently payable	\$ 15,524	\$ 4,588
Deferred income taxes	(963,415)	(554,628)
Income tax benefit	<u>\$ (947,891)</u>	<u>\$ (550,040)</u>

A reconciliation of the federal income tax expense (benefit) at the statutory rate to the Company's actual income tax expense (benefit) is shown below:

	2025	2024
Computed at statutory rate (21%)	\$ (894,964)	\$ (539,610)
Increase (decrease) resulting from:		
State income tax, net of federal tax effect	(49,026)	
Bank-owned life insurance	(29,220)	(26,786)
ESOP	6,121	8,516
Incentive stock options	4,603	950
Nontaxable interest income on municipal securities	(4,153)	(9,175)
Other	18,748	16,065
Actual income tax benefit	<u>\$ (947,891)</u>	<u>\$ (550,040)</u>

The composition of the Company's net deferred tax asset at June 30, 2025 and 2024, is as follows:

	2025	2024
Deferred tax assets		
Allowance for credit losses	\$ 389,607	\$ 199,358
Unrealized losses on available-for-sale securities	293,912	632,021
Operating lease liability	301,130	302,950
Net operating loss carryforward	1,124,384	372,397
Other	142,808	124,485
Deferred tax assets	<u>2,251,841</u>	<u>1,631,211</u>
Deferred tax liabilities		
Depreciation	(38,094)	(33,622)
Right of use asset - operating lease	(286,302)	(295,450)
Deferred tax liabilities	<u>(324,396)</u>	<u>(329,072)</u>
Net deferred tax asset	<u>\$ 1,927,445</u>	<u>\$ 1,302,139</u>

Retained earnings at both June 30, 2025 and 2024, includes approximately \$1.8 million for which no deferred federal income tax liability has been recognized. This amount represents an allocation of income to bad debt deductions for tax purposes only. Reduction of amounts so allocated for purposes other than tax bad debt losses or adjustments arising from carryback of net operating losses would create income for tax purposes only, which would be subject to the then-current corporate income tax rate. The deferred income tax liability on the preceding amount that would have been recorded if it was expected to reverse into taxable income in the foreseeable future was approximately \$375,000 at June 30, 2025 and 2024.

The Company has approximately \$5,136,000 of net operating loss carryforwards at June 30, 2025 that do not expire. Realization of deferred tax assets associated with the net operating loss carryforwards is dependent upon generating sufficient taxable income. The Company's net operating losses were generated after 2021 and have no expiration. Management believes it is more-likely-than-not that these will be realized through a reduction in future taxes payable and as such, no valuation allowance is deemed necessary.

Note 10: 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 consolidated 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 June 30, 2025, that the Bank meets all capital adequacy requirements to which it is subject.

At June 30, 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		To be Well Capitalized Under the Prompt Corrective Action Provision	
	Amount	Ratio	Amount	Ratio
As of June 30, 2025				
Common Equity Tier 1 Capital	\$ 32,495	14.15 %	\$ 14,925	>6.5 %
Tier 1 Risk-Based Capital	32,495	14.15	18,369	>8.0
Total Risk-Based Capital	34,223	14.90	22,961	>10.0
Tier 1 Leverage Capital	32,495	8.44	19,251	>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.

Share Repurchase Program

On December 18, 2024, the board of directors of the Company authorized a share repurchase program of up to \$100,000 of the Company's common stock. In connection with the new share repurchase program, the Company's previous share repurchase program, authorized on February 20, 2024 for up to \$600,000 of the Company's common stock and which had \$2,000 available for repurchase, was terminated. During the year ended June 30, 2025, the Company repurchased 6,000 shares of its common stock at an average cost per share of \$11.50. As of June 30, 2025, the Company had \$31,000 remaining available to repurchase under the share repurchase program.

Additionally, the Company repurchased 3,552 shares of the Company's common stock. These were not made pursuant to a publicly announced program. These repurchases were made pursuant to the ESOP Plan in connection with terminated participants. Repurchases were made at the externally valuated share price as of 12.31.23 as required per the ESOP agreement as the Company is not traded on a national exchange. The repurchases were required as terminated participants elected their option to put the shares back to the company upon distribution.

Note 11: Related Party Transactions

The Company's loans outstanding to certain of its executive officers, directors and their related interests, as of June 30, 2025 and 2024, and activity within those years, was as follows:

	2025	2024
Balance at beginning of year	\$ 4,818,879	\$ 3,766,000
Loans disbursed	—	1,500,000
Repayments	(1,564,897)	(447,121)
Balance at end of year	<u>\$ 3,253,982</u>	<u>\$ 4,818,879</u>

At June 30, 2025 and 2024, respectively, \$50,000 and \$0, of the related party loan balance was committed and undispersed. In management's opinion, such loans and other extensions of credit and deposits were made in the ordinary course of business and were made on substantially the same terms (including interest rates and collateral) as those prevailing at the time for comparable transactions with other persons. Further, in management's opinion, these loans did not involve more than normal risk of collectability or present other unfavorable features.

Deposits from related parties held by the Company at June 30, 2025 and 2024, totaled approximately \$4,048,000 and \$3,408,000, respectively.

Note 12: Loss Per Share

Loss per common share for the years ended June 30, 2025 and 2024 is as follows:

	Year Ended June 30,	
	2025	2024
Basic		
Net loss	\$ (3,298,315)	\$ (2,019,533)
Shares outstanding for basic loss per share:		
Weighted-average common shares outstanding	1,887,010	1,909,423
Less average unearned ESOP shares	(130,453)	(140,535)
Weighted-average shares - basic	1,756,557	1,768,888
Basic loss per share	\$ (1.88)	\$ (1.14)
Diluted		
Effect of dilutive stock-based awards		
Weighted-average shares outstanding - basic	1,756,557	1,768,888
Stock options	—	—
Restricted stock	—	—
Weighted average shares - assuming dilution	1,756,557	1,768,888
Diluted loss per share	\$ (1.88)	\$ (1.14)

The weighted average number of potentially dilutive common shares attributable to outstanding stock options that were anti-dilutive and therefore excluded from the calculation of diluted earnings per share totaled 20,000 and 10,000 for the years ended June 30, 2025 and 2024, respectively. The weighted average of potentially dilutive common shares attributable to restricted stock that were anti-dilutive and excluded from the calculation totaled 19,226 and 28,841, for the years ended June 30, 2025 and 2024, respectively.

Note 13: Employee Benefits**Defined Benefit Pension Plan**

The Company participated in a multi-employer defined benefit pension fund through Pentegra Retirement Services (Pentegra Plan) for periods through December 31, 2022. Effective January 1, 2023, the Company withdrew from the Plan. In connection with the withdrawal from the Pentegra Plan, the Company established the Van Wert Federal Savings Bank Defined Benefit Plan (“DB Plan”) as a qualified successor plan. The Company contributed \$4,978,000 to the DB Plan and the DB Plan had benefit obligations of \$5,008,000 at inception. As permitted under the DB Plan, the Company elected to terminate the DB Plan effective July 1, 2023. Pursuant to the DB Plan termination, all obligations due to the DB Plan participants were satisfied during the year ended June 30, 2024 and the DB Plan has since been terminated.

Information about the DB Plan's funded status and pension cost as of and for the year ended June 30, 2024 is as follows:

	2024
Change in benefit obligation:	
Beginning of the year	\$ 4,894,847
Benefit obligation upon transfer from Pentegra plan	—
Service cost	16,000
Interest cost	137,961
Actuarial gain	336,005
Benefits paid	(332,557)
Plan termination settlements	(4,997,799)
Administrative expenses	(54,457)
End of the year	—
Change in plan assets:	
Beginning of the year	4,929,288
Transfer from Pentegra plan	—
Actual return on assets	158,629
Employer contributions	296,896
Administrative expenses	(54,457)
Benefits paid	(332,557)
Plan termination settlements	(4,997,799)
End of the year	—
Funded status at end of the year	\$ —

There were no significant assumptions or amounts recognized in accumulated other comprehensive loss not yet recognized as components of net periodic benefit cost for the years ended June 30, 2025 and 2024, as the Plan was fully terminated prior to June 30, 2024.

Information for the pension plan with respect to benefit obligation and plan assets is as follows:

	2024
Projected benefit obligation	\$ —
Fair value of plan assets	\$ —

	2024
Components of net periodic benefit cost:	
Service cost	\$ 16,000
Interest cost	137,961
Return on plan assets	(120,254)
Amortization of net gain	(82,333)
Net periodic pension cost	(48,626)
Recognition of underfunded pension benefit obligation at transition	—
Settlement recognition of net loss	297,630
Expense recognized	\$ 249,004

401(k) Plan

The Company sponsors a 401(k) profit sharing plan covering substantially all employees. Employees are eligible to participate once they have reached age 21 and have completed 90 days of service. The Company will make 50% matching contributions up to 6 percent of an employee's compensation once the employee has completed 12 months of service. The Company's expense relative to the plan totaled approximately \$75,000 and \$39,000 for the years ended June 30, 2025 and 2024, respectively.

Salary Continuation Plan

On August 1, 2016, the Company entered into a salary continuation plan with the Company's former President to provide additional retirement benefits for the life of the former President, with a guaranteed payout period of 15 years. The plan is intended to be an unfunded, non-qualified deferred compensation plan. The Company's expense (benefit) relative to the plan totaled approximately \$9,000 and \$(7,100) for the years ended June 30, 2025 and 2024, respectively. The Company's liability related to the plan totaled approximately \$134,000 and \$137,000 as of June 30, 2025 and 2024, respectively.

Employee Stock Ownership Plan

In July 2022, the Company established an employee stock ownership plan ("ESOP") for the benefit of all employees of the Company. Employees of the Company who have worked at least 1,000 hours in the first year of employment and who have attained the age of 18 are eligible to participate in the ESOP. The Company made a loan to the ESOP in the amount of \$1.5 million, which the ESOP used to purchase 153,834 shares. It is anticipated that contributions will be made to the ESOP in amounts necessary to amortize the debt to the Company over a period of 20 years.

The Company recognizes compensation cost equal to the fair value of the ESOP shares during the periods in which they are committed to be released. To the extent that the fair value of the Company's ESOP shares differs from the cost of such shares, the differential is credited to shareholder's equity. The Company receives a tax deduction equal to the cost of the shares released. As the loan is internally leveraged, the loan receivable from the ESOP to the Company is not reported as an asset nor is the debt of the ESOP shown as a Company liability.

Compensation expense related to the ESOP totaled approximately \$106,000 and \$117,000 for the years ended June 30, 2025 and 2024, respectively.

Shares held by the ESOP as of June 30, 2025 and 2024 is as follows:

	2025	2024
Shares committed to be released to participants	3,846	3,846
Shares allocated to participants	19,523	15,383
Unearned shares	126,913	134,605
Total ESOP shares	150,282	153,834
Fair value of unearned shares	\$ 1,417,618	\$ 2,051,380

Stock-based Compensation

In November 2023, the Company's shareholders approved the VWF Bancorp, Inc. 2023 Equity Incentive Plan (the "2023 Plan"). The 2023 Plan authorized the issuance or delivery to participants of up to 269,208 shares of the Company's common stock pursuant to the grants of restricted stock awards, restricted stock unit awards, incentive stock options and non-qualified stock options. Of this number, the maximum number of shares of Company common stock that may be issued under the 2023 Plan pursuant to the exercise of stock options is 192,292 shares and the maximum number of shares of Company common stock that may be issued as restricted stock awards or restricted stock units is 76,916. Shares subject to award under the 2023 Plan may be authorized but unissued shares or treasury shares.

Awards may vest or become exercisable only upon the achievement of performance measures or based solely on the passage of time after award. Stock options and restricted stock awards provide for accelerated vesting if there is a change in control (as defined in the 2023 Plan).

Stock Options

The Company estimates the fair value of each option granted using the Black-Scholes option pricing model. The following key management assumptions were used to value the options granted during the year ended June 30, 2025:

	2025	2024
Expected volatility	18.11%	20.27%
Expected dividends	1.50%	1.50%
Expected term (in years)	6.50	6.50
Risk-free rate	3.63%	4.12%

The following table summarizes stock option activity for the periods indicated:

	Shares	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding, June 30, 2023	—	\$ —	\$ —	—	\$ —
Granted	10,000	16.25	4.04	9.67	—
Exercised	—	—	—	—	—
Forfeited or expired	—	—	—	—	—
Nonvested shares, June 30, 2024	<u>10,000</u>	\$ 16.25	\$ 4.07	9.67	\$ —
Exercisable, June 30, 2024	—	\$ —	\$ —	—	\$ —
Granted	10,000	15.17	3.34	9.25	—
Exercised	—	—	—	—	—
Forfeited or expired	—	—	—	—	—
Nonvested shares, June 30, 2025	<u>20,000</u>	\$ 15.17	\$ 3.71	8.96	\$ —
Exercisable, June 30, 2025	—	\$ —	\$ —	—	\$ —

Restricted Stock Awards

The following table summarizes restricted stock award activity for the periods indicated:

	Number of Shares	Weighted Average Grant Date Fair Value
Nonvested shares, June 30, 2023	—	\$ —
Awarded	28,841	16.39
Vested	—	—
Forfeited	—	—
Nonvested shares, June 30, 2024	<u>28,841</u>	\$ —
Awarded	—	—
Vested	(9,615)	16.39
Forfeited	—	—
Nonvested shares, June 30, 2025	<u>19,226</u>	\$ 16.39

As of June 30, 2025, there was approximately \$340,000 of total unrecognized compensation cost related to unvested share-based compensation arrangements granted under the 2023 Plan. That cost is expected to be recognized over a weighted-average period of 1.9 years. During the years ended June 30, 2025 and 2024, respectively, the Company recorded approximately \$180,000 and \$73,000 in award-based compensation expense, which is included in salaries and employee benefits and director fees.

Note 14: 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 June 30, 2025 and 2024:

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2025				
Mortgage-backed GSEs	\$ 8,986,027	\$ —	\$ 8,986,027	\$ —
Collateralized mortgage obligations	170,148,042	—	170,148,042	—
Subordinated debt	7,610,977	—	7,610,977	—
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 year ended June 30, 2025.

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.

Nonrecurring Measurements

The Company had no assets or liabilities measured at fair value on a nonrecurring basis at June 30, 2025 or June 30, 2024, respectively.

The estimated fair values of the Company's financial instruments not carried at fair value on the consolidated balance sheets are as follows:

	Carrying Value	Fair Value	Fair Value Measurements Using		
			(Level 1)	(Level 2)	(Level 3)
June 30, 2025					
Financial assets:					
Cash and due from banks	\$ 8,040,182	\$ 8,040,182	\$ 8,040,182	\$ —	\$ —
Loans, net	186,772,006	180,175,006	—	—	180,175,006
Stock in correspondent banks	1,891,800	1,891,800	—	1,891,800	—
Accrued interest receivable	1,323,774	1,323,774	1,323,774	—	—
Financial liabilities:					
Deposits	340,250,994	340,284,821	93,294,821	—	246,990,000
Borrowings	18,500,000	18,479,000	—	—	18,479,000
Accrued interest payable	508,851	508,851	508,851	—	—
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	—	—

The Company used the following methods and assumptions in estimating the fair value of the following financial instruments:

Cash and due from banks: The carrying amount for cash on hand and balances due from banks is a reasonable estimate of fair value (Level 1).

Loans, net: Fair value for loans are estimated using a discounted cash flow methodology. The discount rate takes into account interest rates currently being offered to customers for loans with similar terms, the credit risk associated with the loans and other market factors, including liquidity.

Stock in correspondent banks: Stock in correspondent banks only trades at its stated par value.

Accrued interest receivable: The carrying amount for accrued interest receivable is a reasonable estimate of fair value (Level 1).

Deposits: The fair value of fixed-maturity CDs is estimated using a discounted cash flow calculation based on current rates offered for deposits of similar remaining maturities (Level 2). Demand and other non-fixed-maturity deposits are estimated using a discounted cash flow calculation based on maturity, attrition and re-pricing assumptions.

Borrowings: The fair value of borrowings is estimated using a discounted cash flow analysis based on rates currently available.

Accrued interest payable: The carrying amount for accrued interest receivable is a reasonable estimate of fair value (Level 1).

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 15: Commitments and Credit Risks

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 June 30, 2025 and 2024 were as follows:

	June 30,	
	2025	2024
Commitments to originate loans	\$ 8,937,413	\$ 2,766,266
Undisbursed balance of loans closed	26,355,487	30,314,342
Total	\$ 35,292,900	\$ 33,080,608

Note 16: Accumulated Other Comprehensive Loss

The following table summarizes the changes in the balances of each component of accumulated other comprehensive loss, net of tax, as of June 30, 2025 and 2024:

	Accumulated Other Comprehensive Loss		
	Unrealized Gains (Losses) on Securities Available for Sale	Unrealized Gains (Losses) on Defined Benefit Plans	Total
Balance at June 30, 2024	\$ (2,377,604)	\$ —	\$ (2,377,604)
Other comprehensive loss before reclassifications	(417,084)	—	(417,084)
Amounts reclassified from accumulated other comprehensive loss	1,785,129	—	1,785,129
Period change	1,368,045	—	1,368,045
Balance at June 30, 2025	\$ (1,009,559)	\$ —	\$ (1,009,559)
Balance at June 30, 2023	\$ (2,916,402)	\$ 65,043	\$ (2,851,359)
Other comprehensive income (loss) before reclassifications	538,798	—	538,798
Amounts reclassified from accumulated other comprehensive income (loss)	—	(65,043)	(65,043)
Period change	538,798	—	473,755
Balance at June 30, 2024	\$ (2,377,604)	\$ —	\$ (2,377,604)

The following are significant amounts reclassified out of accumulated other comprehensive loss for the year ended June 30, 2025 and 2024:

	Amount Reclassified from Accumulated Other Comprehensive Loss For the Year Ended June 30, 2025	Affected Line Item in the Statements of Operations
Realized losses on sales of securities	\$ 2,259,657	Loss on sale of investment securities
Tax effect	(474,528)	Income tax benefit
Net of tax	<u>\$ 1,785,129</u>	

	Amount Reclassified from Accumulated Other Comprehensive Income (Loss) For the Year Ended June 30, 2024	Affected Line Item in the Statements of Operations
Valuation gain on defined benefit plan	\$ (82,333)	Pension plan withdrawal
Tax effect	17,290	Income tax benefit
Net of tax	<u>\$ (65,043)</u>	

Note 17: Condensed Financial Information (Parent Company Only)

Presented below is condensed financial information as to financial condition, results of operations and cash flows of the Company:

Condensed Balance Sheet As of June 30,

	2025	2024
Assets		
Cash and due from banks	\$ 2,103,101	\$ 5,446,073
Investment in GreenWay Bank	32,388,942	30,992,252
Other assets	321,173	170,256
Total assets	<u>34,813,216</u>	<u>36,608,581</u>
Liabilities and Shareholders' Equity		
Liabilities		
Accrued interest payable and other liabilities	39,466	60,749
Shareholders' Equity	34,773,750	36,547,832
Total liabilities and shareholders' equity	<u>\$ 34,813,216</u>	<u>\$ 36,608,581</u>

**Condensed Statement of Operations
For the Year Ended June 30,**

	<u>2025</u>	<u>2024</u>
Operating Income	\$ —	\$ —
General, Administrative and Other Expenses		
Salaries and employee benefits and director fees	374,256	223,348
Professional services	348,482	257,113
Other	4,009	—
Total	<u>726,747</u>	<u>480,461</u>
Loss before income tax benefit and equity in loss of subsidiary	(726,747)	(480,461)
Income tax benefits	<u>(149,788)</u>	<u>(91,431)</u>
Loss before equity in loss of subsidiary	(576,959)	(389,030)
Equity in loss of GreenWay Bank	<u>(2,721,356)</u>	<u>(1,630,503)</u>
Net Loss	<u>\$ (3,298,315)</u>	<u>\$ (2,019,533)</u>

**Condensed Statement of Cash Flows
For the Year Ended June 30,**

	<u>2025</u>	<u>2024</u>
Operating Activities		
Net loss	\$ (3,298,315)	\$ (2,019,533)
Items not requiring (providing) cash:		
Equity in loss of subsidiary	2,721,356	1,630,503
Shares allocated to ESOP	106,065	173,626
Stock compensation expense	179,507	73,150
Net change in other assets and liabilities	<u>(172,201)</u>	<u>(187,832)</u>
Net cash used in operating activities	(463,588)	(330,086)
Investing Activities		
Investment in subsidiary	(2,750,000)	(1,000,000)
Financing Activities		
Purchase of treasury stock	<u>(129,384)</u>	<u>(598,000)</u>
Net cash (used in) provided by financing activities	(129,384)	(598,000)
Net change in cash and cash equivalents	(3,342,972)	(1,928,086)
Cash and cash equivalents at beginning of year	<u>5,446,073</u>	<u>7,374,159</u>
Cash and cash equivalents at end of year	<u>\$ 2,103,101</u>	<u>\$ 5,446,073</u>

Note 18: Subsequent Events

On July 15, 2025, the Company filed a Form 15 with the Securities and Exchange Commission (“SEC”) to voluntarily deregister its common stock and suspend its reporting obligations under Sections 13(a) and 15(d) of the Securities Exchange Act of 1934. Upon filing, the Company’s obligation to file periodic reports with the SEC, including Forms 10-K, 10-Q, and 8-K, was immediately suspended. The deregistration will become effective 90 days after the filing date.

Management has evaluated subsequent events through September 29, 2025, which is the date the consolidated financial statements were available to be issued, and has determined that, other than the deregistration described above, no events occurred that would require adjustment to, or disclosure in, the financial statements.