

## **Main Street Financial Services Corp. Announces Earnings for Second Quarter of 2025**

### **Business Highlights**

- Core net income (non-GAAP) for the second quarter of 2025 totaled \$4.1 million, or \$0.52 per common share
- Deposit growth of \$52.9 million, or 17.9% annualized, for the quarter ended June 30, 2025
- Loan growth of \$29.8 million, or 10.5% annualized, for the quarter ended June 30, 2025
- Continued reduction of wholesale funding by \$15 million during the second quarter of 2025. The wholesale funding balance decreased to \$54 million, or 3.7% of assets, as of June 30, 2025.
- Received regulatory approval to open retail branch office in St. Clairsville, Ohio, with an expected opening in Q3 2025
- Declared cash dividend of \$0.14 per share on July 11, 2025

Wooster, Ohio, July 23, 2025 – Main Street Financial Services Corp. (OTCQX: MSWV), (the “Company”), the holding company parent of Main Street Bank Corp. reported a net income of \$3.7 million, or \$0.47 per common share, for the three months ended June 30, 2025. Core net income, which excludes nonrecurring items and represents the Company’s earnings from ongoing operations, was \$4.1 million, or \$0.52 per common share for the three months ended June 30, 2025. Core return on average equity and core return on average assets for the second quarter of 2025 were 14.94% and 1.14%, compared to 9.56% and 0.77%, for the second quarter of 2024.

The Company announced a merger of equals transaction with Wayne Savings Bancshares, Inc. (“Legacy Wayne”) on February 23, 2023. On May 31, 2024 (the “Merger Date”), the Company completed the transaction, forming a financial holding company with assets of \$1.4 billion. On the Merger Date, Legacy Wayne merged with and into Main Street, with Main Street surviving the merger (the “Merger”). Immediately following the Merger, Main Street’s wholly owned bank subsidiary, Main Street Bank Corp., merged with and into Wayne Savings Community Bank, with Wayne Savings Community Bank surviving the merger. Upon completion of the Merger, Wayne Savings Community Bank was renamed Main Street Bank Corp.

The Merger was accounted for as a reverse merger using the acquisition method of accounting, therefore, Legacy Wayne was deemed the acquirer for financial reporting purposes, even though Main Street was the legal acquirer. Accordingly, Legacy Wayne’s historical financial statements are the historical financial statements of the combined company for all periods before the Merger Date. Our consolidated statements of income for the quarters ended June 30, 2024 and forward, include the results from Main Street on and after May 31, 2024. Results for periods before May 31, 2024, reflect only those of Legacy Wayne and do not include the consolidated statements of income of Main Street. Accordingly, comparisons of our results for the quarter ended June 30, 2025, with those of prior periods may not be meaningful. The number of shares issued and outstanding, earnings per share, dividends paid and all references to share quantities of Main Street have been retrospectively adjusted to reflect the equivalent number of shares issued in the Merger.

Mark Witmer, Chairman, President and CEO commented “Our core earnings this quarter highlight the strength of our banking franchise and the continued confidence of our customers. We remain focused on relationship-driven banking, disciplined risk management, and delivering long-term value to our shareholders.”

### **Second Quarter 2025 Financial Results**

Net interest income was \$12.5 million for the quarter ended June 30, 2025, an increase of 95% from \$6.4 million for the quarter ended June 30, 2024. The net interest margin of 3.68% for the second quarter of

2025 increased 99 basis points from 2.69% for the second quarter of 2024. Loan yields were 6.48% for the quarter ended June 30, 2025, an increase of 70 basis points when compared to 5.78% for the quarter ended June 30, 2024. During the second quarter of 2025, \$51.6 million of the existing loan portfolio repriced and the bank funded \$78.1 million in term loans and lines of credit at current market rates. Investment yields increased 176 basis points to 4.02% as of June 30, 2025, compared to the quarter ended June 30, 2024. The cost of funds for the second quarter of 2025 was 2.53%, a decrease of 16 basis points when compared to the second quarter of 2024. The cost of funds is impacted by the acquisition of new deposit accounts in the local market at rates lower than wholesale funding, such as FHLB advances. The cost of deposits was 2.37% for the quarter ended June 30, 2025, a 13 basis point increase when compared to 2.24% for the quarter ended June 30, 2024. The cost of borrowings for the quarter ended June 30, 2025 totaled 4.84%, a decrease of 109 basis points when compared to the quarter ended June 30, 2024.

A provision for credit losses and unfunded commitments of \$374,000 was recorded for the quarter ended June 30, 2025. During the quarter, the Company recognized \$148,000 in charge-offs and \$114,000 in recoveries, reflecting relatively stable asset quality.

Noninterest income totaled \$0.9 million for the quarter ended June 30, 2025, an increase of \$190,000, or 26.5%, when compared to the quarter ended June 30, 2024. The increase in noninterest income is primarily attributed to interchange fees and service charges generated from the acquired deposit accounts.

Noninterest expense totaled \$8.3 million for the quarter ended June 30, 2025, an increase of \$1.6 million when compared to the quarter ended June 30, 2024. The increase reflects a full quarter of combined expenses after the merger. The Company incurred approximately \$0.5 million in one-time termination expenses. These costs are nonrecurring in nature and are not indicative of ongoing operational trends. No further expenses related to this matter are anticipated.

Provision for income taxes for the quarter ended June 30, 2025, was \$1.0 million, reflecting an effective tax rate of 21%.

### **June 30, 2025 Financial Condition**

At June 30, 2025, the Company had total assets of \$1.45 billion with net loan balances totaling \$1.16 billion. Loan balances grew by \$29.8 million, or 17.9% annualized, during the second quarter of 2025. The increase is primarily attributed to \$33.6 million growth in the commercial loan portfolio.

The allowance for credit losses was \$12.4 million at June 30, 2025, compared to \$11.8 million at December 31, 2024. The allowance for credit losses as a percent of total loans was 1.06% for June 30, 2025 and 1.05% for December 31, 2024. The allowance for credit losses and the related provision for credit losses is based on management's judgment and evaluation of the loan portfolio. Management believes the current allowance for credit losses is adequate, however, changing economic and other conditions may require future adjustments to the allowance for credit losses.

Total nonperforming loans (NPLs) was \$4.7 million at June 30, 2025, a decrease from \$6.1 million at December 31, 2024. The NPL to net loan receivable ratio was 0.41% as of June 30, 2025. Past due loan balances of 30 days and more decreased from \$13.8 million at December 31, 2024, to \$5.9 million, or 0.51% of net loans outstanding, at June 30, 2025.

**Improvement in Asset Quality Since Merger Announcement:** The combined level of classified loans for Legacy Wayne and Main Street was \$24.4 million as of December 31, 2022. Since the merger announcement on February 23, 2023, the management teams of both Main Street and Wayne invested a great deal of time ensuring our combined organization utilizes strong underwriting standards and proactively monitors credit quality. Main Street sold approximately \$15.2 million of loans in August 2023 and April 2024, of which approximately \$12.7 million were classified loans. As of June 30, 2025, the resultant Company has \$11.3

million of classified loans.

Total liabilities was \$1.33 billion at June 30, 2025 with deposits totaling \$1.24 billion and wholesale funding totaling \$54.0 million. Deposits grew by \$52.9 million, or 17.9% annualized, during the second quarter of 2025, mainly attributed to growth from Maximize Money Market accounts and the Short-Term Relationship Certificates of Deposits. The Company primarily utilizes FHLB advances as the primary source of wholesale funding due to their accessibility and alignment with prevailing market rates. During the second quarter of 2025, the Company reduced the reliance on FHLB advances by \$10 million.

Total stockholders' equity was \$116.6 million at June 30, 2025, an increase of \$5.9 million when compared to the December 31, 2024 balance. Total stockholders' equity increased during the second quarter of 2025 primarily from net income of \$3.7 million, partially offset by dividends of \$1.1 million and a decrease in accumulated other comprehensive income of \$1.0 million.

Main Street Financial Services Corp. is a holding company headquartered in Wooster, Ohio. Its primary subsidiary, Main Street Bank Corp. was founded in 1899 and provides full-service banking, commercial lending, and mortgage services across its branch infrastructure. Today, Main Street Bank Corp. operates 19 branch locations in Wooster, Ohio, Wheeling, West Virginia and other surrounding communities in Ohio and West Virginia. Additional information about Main Street Bank Corp. is available at [www.mymainstreetbank.bank](http://www.mymainstreetbank.bank).

#### *Non-GAAP Disclosure*

*This press release includes disclosures of the Company's return on average equity, return on average assets, net income, and efficiency ratios which exclude amounts the Company views as unrelated to its normalized operations, including securities gains/losses, acquisition costs, restructuring costs, legal settlements, and system conversion costs. The financial measures are not prepared in accordance with generally accepted accounting principles in the United States (GAAP). A non-GAAP financial measure is a numerical measure of historical or future financial performance, financial position or cash flow that excludes or includes amounts that are required to be disclosed by GAAP. The Company believes that these non-GAAP financial measures provide both management and investors a more complete understanding of the underlying operational results and trends and the Company's marketplace performance. The presentation of this additional information is not meant to be considered in isolation or as a substitute for the numbers prepared in accordance with GAAP.*

#### *Forward-Looking Statements*

*This release contains forward-looking statements that are not historical facts and that are intended to be "forward-looking statements" as that term is defined by the Private Securities Litigation Reform Act of 1995. These forward-looking statements may include, but are not limited to, statements about the Company's plans, objectives, expectations and intentions and other statements contained in this release that are not historical facts and pertain to the Company's future operating results. When used in this release, the words "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" and similar expressions are generally intended to identify forward-looking statements. Actual results may differ materially from the results discussed in these forward-looking statements, because such statements are inherently subject to significant assumptions, risks and uncertainties, many of which are difficult to predict and are generally beyond the Company's control. These include but are not limited to: the possibility of adverse economic developments that may, among other things, increase default and delinquency risks in the Company's loan portfolios; shifts in interest rates; shifts in the rate of inflation; shifts in the demand for the Company's loan and other products; unforeseen increases in costs and expenses; lower-than-expected revenue or cost savings in connection with acquisitions; changes in accounting policies; changes in the monetary and fiscal policies of the federal government; and changes in laws, regulations and the competitive environment. Unless legally required, the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.*

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**MAIN STREET FINANCIAL SERVICES CORP.****Condensed Consolidated Balance Sheets**

(Dollars in thousands, except share data - unaudited)

|                                                            | <u>June 30, 2025</u> | <u>December 31, 2024</u> |
|------------------------------------------------------------|----------------------|--------------------------|
| <b>ASSETS</b>                                              |                      |                          |
| Cash and cash equivalents                                  | \$ 52,381            | \$ 54,422                |
| Securities, net (1)                                        | 158,189              | 163,819                  |
| Loans held for sale                                        | 168                  | -                        |
| Loans receivable, net                                      | 1,161,450            | 1,113,900                |
| Federal Home Loan Bank stock                               | 4,567                | 5,924                    |
| Premises & equipment, net                                  | 7,884                | 8,013                    |
| Bank-owned life insurance                                  | 22,036               | 22,155                   |
| Other assets                                               | 42,096               | 41,368                   |
| <b>TOTAL ASSETS</b>                                        | <u>\$ 1,448,771</u>  | <u>\$ 1,409,601</u>      |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                |                      |                          |
| Deposit accounts                                           | \$ 1,237,600         | \$ 1,156,327             |
| Other borrowings                                           | 28,238               | 28,399                   |
| Federal Home Loan Bank advances                            | 54,000               | 100,000                  |
| Accrued interest payable and other liabilities             | 12,371               | 14,239                   |
| <b>TOTAL LIABILITIES</b>                                   | <u>1,332,209</u>     | <u>1,298,965</u>         |
| Common stock (7,829,127 shares of \$1.00 par value issued) | 7,829                | 7,801                    |
| Additional paid-in capital                                 | 56,656               | 56,387                   |
| Retained earnings                                          | 62,479               | 57,356                   |
| Accumulated other comprehensive loss                       | (10,402)             | (10,908)                 |
| <b>TOTAL STOCKHOLDERS' EQUITY</b>                          | <u>116,562</u>       | <u>110,636</u>           |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>          | <u>\$ 1,448,771</u>  | <u>\$ 1,409,601</u>      |

(1) Includes available-for-sale and held-to-maturity classifications.

Note: The December 31, 2024 Condensed Consolidated Balance Sheet has been derived from the audited Consolidated Balance Sheet as of that date.

**MAIN STREET FINANCIAL SERVICES CORP.**  
**Condensed Consolidated Statements of Income**  
(Dollars in thousands, except share data - unaudited)

|                                                       | Three Months Ended<br>June 30, |                   | Six Months Ended<br>June 30, |                   |
|-------------------------------------------------------|--------------------------------|-------------------|------------------------------|-------------------|
|                                                       | 2025                           | 2024              | 2025                         | 2024              |
| Interest income                                       | \$ 20,698                      | \$ 12,572         | \$ 40,096                    | \$ 22,266         |
| Interest expense                                      | 8,241                          | 6,185             | 16,114                       | 10,826            |
| Net interest income                                   | 12,457                         | 6,387             | 23,982                       | 11,440            |
| Provision for credit losses                           | 374                            | 4,720             | 619                          | 4,595             |
| Net interest income after provision for credit losses | 12,083                         | 1,666             | 23,363                       | 6,845             |
| Non-interest income                                   | 906                            | 716               | 1,725                        | 1,394             |
| Non-interest expense                                  |                                |                   |                              |                   |
| Salaries and employee benefits                        | 4,361                          | 2,889             | 8,077                        | 4,889             |
| Net occupancy and equipment expense                   | 1,405                          | 823               | 2,880                        | 1,505             |
| Federal deposit insurance premiums                    | 207                            | 179               | 378                          | 322               |
| Franchise taxes                                       | 105                            | 180               | 210                          | 307               |
| Advertising and marketing                             | 190                            | 150               | 360                          | 218               |
| Legal                                                 | 164                            | 180               | 247                          | 313               |
| Professional fees                                     | 365                            | 1,163             | 724                          | 1,293             |
| ATM network                                           | 132                            | 266               | 212                          | 395               |
| Auditing and accounting                               | 132                            | 121               | 308                          | 193               |
| Other                                                 | 1,247                          | 772               | 2,426                        | 1,222             |
| Total non-interest expense                            | 8,308                          | 6,723             | 15,822                       | 10,657            |
| Income (loss) before federal income taxes             | 4,681                          | (4,341)           | 9,266                        | (2,418)           |
| Provision (benefit) for federal income taxes          | 1,002                          | (873)             | 1,958                        | (489)             |
| Net income (loss)                                     | <u>\$ 3,679</u>                | <u>\$ (3,468)</u> | <u>\$ 7,308</u>              | <u>\$ (1,929)</u> |
| Earnings (net loss) per share                         |                                |                   |                              |                   |
| Basic                                                 | <u>\$ 0.47</u>                 | <u>\$ (0.68)</u>  | <u>\$ 0.94</u>               | <u>\$ (0.28)</u>  |
| Diluted                                               | <u>\$ 0.47</u>                 | <u>\$ (0.67)</u>  | <u>\$ 0.93</u>               | <u>\$ (0.27)</u>  |

**MAIN STREET FINANCIAL SERVICES CORP.**  
**Selected Condensed Consolidated Financial Data**  
(Dollars in thousands, except share data - unaudited)

|                                                       | Three Months Ended |                 |                  |                   |
|-------------------------------------------------------|--------------------|-----------------|------------------|-------------------|
|                                                       | June<br>2025       | March<br>2025   | December<br>2024 | September<br>2024 |
| Interest and dividend income                          | \$ 20,699          | \$ 19,397       | \$ 19,138        | \$ 18,930         |
| Interest expense                                      | 8,241              | 7,872           | 8,531            | 8,308             |
| Net interest income                                   | 12,457             | 11,525          | 10,607           | 10,622            |
| Provision for credit losses                           | 374                | 245             | 79               | 109               |
| Net interest income after provision for credit losses | 12,083             | 11,280          | 10,528           | 10,513            |
| Non-interest income                                   | 906                | 819             | 1,165            | 1,600             |
| Non-interest expense                                  | 8,308              | 7,514           | 7,950            | 7,863             |
| Income before federal income taxes                    | 4,681              | 4,585           | 3,744            | 4,251             |
| Provision for federal income taxes                    | 1,002              | 956             | 558              | 804               |
| Net income                                            | <u>\$ 3,679</u>    | <u>\$ 3,629</u> | <u>\$ 3,186</u>  | <u>\$ 3,446</u>   |
| Earnings per share - basic                            | \$ 0.47            | \$ 0.47         | \$ 0.41          | \$ 0.44           |
| Earnings per share - diluted                          | \$ 0.47            | \$ 0.47         | \$ 0.41          | \$ 0.44           |
| Dividends per share                                   | \$ 0.14            | \$ 0.14         | \$ 0.14          | \$ 0.14           |
| Return on average assets                              | 1.03%              | 1.03%           | 0.90%            | 1.00%             |
| Return on average equity                              | 13.42%             | 13.27%          | 11.69%           | 12.58%            |
| Shares outstanding at quarter end                     | 7,829,137          | 7,801,011       | 7,801,011        | 7,801,011         |
| Book value per share                                  | \$ 14.89           | \$ 14.73        | \$ 14.18         | \$ 14.27          |
| Tangible equity per share                             | \$ 12.97           | \$ 12.73        | \$ 12.13         | \$ 12.15          |
| Return on common tangible equity                      | 14.49%             | 14.62%          | 13.46%           | 14.54%            |

|                                                       | Three Months Ended |                 |                  |                   |
|-------------------------------------------------------|--------------------|-----------------|------------------|-------------------|
|                                                       | June<br>2024       | March<br>2024   | December<br>2023 | September<br>2023 |
| Interest and dividend income                          | \$ 12,572          | \$ 9,694        | \$ 9,545         | \$ 9,078          |
| Interest expense                                      | 6,185              | 4,641           | 4,330            | 3,673             |
| Net interest income                                   | 6,387              | 5,053           | 5,215            | 5,405             |
| Provision (benefit) for credit losses                 | 4,720              | (126)           | 4                | 138               |
| Net interest income after provision for credit losses | 1,666              | 5,179           | 5,211            | 5,267             |
| Non-interest income                                   | 716                | 678             | 1,017            | 691               |
| Non-interest expense                                  | 6,723              | 3,934           | 3,748            | 3,733             |
| Income (loss) before federal income taxes             | (4,341)            | 1,923           | 2,480            | 2,225             |
| Provision (benefit) for federal income taxes          | (873)              | 384             | 443              | 452               |
| Net income (loss)                                     | <u>\$ (3,468)</u>  | <u>\$ 1,539</u> | <u>\$ 2,037</u>  | <u>\$ 1,773</u>   |
| Earnings (loss) per share - basic                     | \$ (0.68)          | \$ 0.40         | \$ 0.53          | \$ 0.46           |
| Earnings (loss) per share - diluted                   | \$ (0.67)          | \$ 0.40         | \$ 0.53          | \$ 0.46           |
| Dividends per share                                   | \$ 0.13            | \$ 0.13         | \$ 0.13          | \$ 0.13           |
| Return on average assets                              | (1.38%)            | 0.76%           | 1.02%            | 0.91%             |
| Return on average equity                              | (17.16%)           | 11.63%          | 16.90%           | 14.41%            |
| Shares outstanding at quarter end                     | 7,787,055          | 3,840,575       | 3,839,702        | 3,837,609         |
| Book value per share                                  | \$ 13.60           | \$ 13.81        | \$ 13.80         | \$ 12.40          |
| Tangible equity per share                             | \$ 11.49           | \$ 13.36        | \$ 13.35         | \$ 11.95          |
| Return on common tangible equity                      | (15.51%)           | 12.00%          | 15.90%           | 15.46%            |

# **MAIN STREET FINANCIAL SERVICES CORP.**

## **Non-GAAP reconciliation**

(Dollars in thousands, except per share data - unaudited)

|                                                        | For three months ended<br>June, |                 | For the six months ended<br>June, |                 |
|--------------------------------------------------------|---------------------------------|-----------------|-----------------------------------|-----------------|
|                                                        | 2025                            | 2024            | 2025                              | 2024            |
| Net Income as reported - GAAP                          | \$ 3,679                        | \$ (3,468)      | \$ 7,308                          | \$ (1,929)      |
| Effect of merger related expenses (net of tax benefit) | -                               | 5,399           | -                                 | 5,573           |
| Effect of termination expenses (net of tax benefit)    | 416                             | -               | 416                               | -               |
| Net Income non-GAAP                                    | <u>\$ 4,095</u>                 | <u>\$ 1,931</u> | <u>\$ 7,724</u>                   | <u>\$ 3,645</u> |
| Earnings per share - GAAP                              | \$ 0.47                         | \$ (0.68)       | \$ 0.94                           | \$ (0.43)       |
| Effect of merger related expenses                      | -                               | 1.05            | -                                 | 1.24            |
| Effect of termination expenses                         | 0.05                            | -               | 0.05                              | -               |
| Earnings per share non-GAAP                            | <u>\$ 0.52</u>                  | <u>\$ 0.38</u>  | <u>\$ 0.99</u>                    | <u>\$ 0.81</u>  |
| Return on average assets - GAAP                        | 1.03%                           | -1.38%          | 1.03%                             | -0.43%          |
| Effect of merger related expenses                      | -                               | 2.15%           | -                                 | 1.24%           |
| Effect of termination expenses                         | 0.12%                           | -               | 0.06%                             | -               |
| Return on average assets non-GAAP                      | <u>1.14%</u>                    | <u>0.77%</u>    | <u>1.09%</u>                      | <u>0.81%</u>    |
| Return on average equity - GAAP                        | 13.42%                          | -17.16%         | 13.34%                            | -6.24%          |
| Effect of merger related expenses                      | -                               | 26.72%          | -                                 | 18.02%          |
| Effect of termination expenses                         | 1.52%                           | -               | 0.76%                             | -               |
| Return on average equity non-GAAP                      | <u>14.94%</u>                   | <u>9.56%</u>    | <u>14.10%</u>                     | <u>11.78%</u>   |
| Efficiency Ratio - GAAP                                | 62.17%                          | 94.65%          | 61.55%                            | 83.04%          |
| Effect of merger related expenses                      | -                               | -29.42%         | -                                 | -18.00%         |
| Effect of termination expenses                         | -3.11%                          | -               | -1.62%                            | -               |
| Efficiency Ratio non-GAAP                              | <u>59.06%</u>                   | <u>65.23%</u>   | <u>59.93%</u>                     | <u>65.04%</u>   |