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BANCORP OF  
WISCONSIN, INC.

**Consolidated Financial Statements**

For the Years Ended December 31, 2025 and 2024

## **Independent Auditor's Report**

To the Shareholders and the Board of Directors of 1895 Bancorp of Wisconsin, Inc.  
Greenfield, Wisconsin

### ***Opinion***

We have audited the accompanying consolidated financial statements (the "financial statements") of 1895 Bancorp of Wisconsin, Inc. and Subsidiary (the "Company"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations, comprehensive income (loss), changes in stockholders' equity, and cash flows, for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

### ***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 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 Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 for one year after the date the financial statements are available to be issued.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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.

*Wipfli LLP*

Wipfli LLP

Milwaukee, Wisconsin

March 11, 2026

**1895 BANCORP OF WISCONSIN, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands, except share and per share data)

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
<b>Assets</b>		
Cash and due from banks	\$ 16,873	\$ 8,588
Fed funds sold	3,948	—
Cash and cash equivalents	<u>20,821</u>	<u>8,588</u>
Marketable equity securities, stated at fair value	4,980	4,362
Available-for-sale securities, stated at fair value (amortized cost \$102,258 and \$117,659)	96,099	107,823
Loans held for sale	—	510
Loans, net of deferred costs	444,985	418,811
Allowance for credit losses for loans	<u>(4,924)</u>	<u>(4,329)</u>
Total loans, net of deferred loan costs and allowance for credit losses	440,061	414,482
Premises and equipment, net	4,731	4,898
Mortgage servicing rights, net	1,500	1,622
Federal Home Loan Bank (FHLB) stock, at cost	6,076	4,682
Accrued interest receivable	1,739	1,667
Cash value of life insurance	14,977	14,480
Other assets	9,037	9,755
<b>TOTAL ASSETS</b>	<u>\$ 600,021</u>	<u>\$ 572,869</u>
<b>Liabilities and Stockholders' Equity</b>		
Deposits	\$ 401,735	\$ 398,416
Advance payments by borrowers for taxes and insurance	2,014	1,149
FHLB advances	112,293	91,795
Accrued interest payable	1,431	1,212
Other liabilities	<u>10,639</u>	<u>9,187</u>
<b>TOTAL LIABILITIES</b>	<u>528,112</u>	<u>501,759</u>
Preferred stock, \$0.01 par value, 10,000,000 shares authorized at December 31, 2025 and December 31, 2024	—	—
Common stock (par value \$0.01 per share) Authorized - 90,000,000 shares at December 31, 2025 and December 31, 2024; Issued - 5,557,591 at December 31, 2025 and 5,978,051 at December 31, 2024 (includes 54,274 and 100,181 unvested shares, respectively); Outstanding - 5,528,073 at December 31, 2025 and 5,948,533 at December 31, 2024 (includes 54,274 and 100,181 unvested shares, respectively)	56	60
Additional paid-in capital	45,570	49,281
Unallocated common stock of Employee Stock Ownership Plan (ESOP), 394,602 and 414,332 shares at December 31, 2025 and December 31, 2024, respectively	(3,746)	(3,933)
Less treasury stock at cost, 29,518 shares at December 31, 2025 and December 31, 2024	(295)	(295)
Retained earnings	34,437	33,011
Accumulated other comprehensive loss, net of income taxes	<u>(4,113)</u>	<u>(7,014)</u>
Total stockholders' equity	71,909	71,110
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u>\$ 600,021</u>	<u>\$ 572,869</u>

See accompanying notes to the consolidated financial statements.

**1895 BANCORP OF WISCONSIN, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except share and per share data)

	Year ended December 31,	
	2025	2024
Interest and dividend income:		
Loans, including fees	\$ 22,639	\$ 19,637
Securities, taxable	3,791	3,902
Other	1,248	1,051
Total interest and dividend income	<u>27,678</u>	<u>24,590</u>
Interest expense:		
Interest-bearing deposits	9,076	9,854
Borrowed funds	3,253	2,072
Other interest-bearing funds	4	6
Total interest expense	<u>12,333</u>	<u>11,932</u>
Net interest income	15,345	12,658
Provision for credit losses	300	300
Net interest income after provision for credit losses	<u>15,045</u>	<u>12,358</u>
Noninterest income:		
Service charges and other fees	916	909
Loan servicing, net	598	665
Net gain on sale of loans	415	368
Net gain on sale of securities	177	—
Increase in cash surrender value of insurance	497	453
Unrealized gain on marketable equity securities	700	797
Other	14	48
Total noninterest income	<u>3,317</u>	<u>3,240</u>
Noninterest expense:		
Salaries and employee benefits	9,751	9,818
Unrealized gain on marketable equity securities	700	797
Advertising and promotions	42	68
Data processing	748	773
Occupancy and equipment	1,025	1,111
FDIC assessment	352	314
Other	4,119	4,143
Total noninterest expense	<u>16,737</u>	<u>17,024</u>
Income (loss) before income taxes	1,625	(1,426)
Income tax expense (benefit)	205	(545)
Net income (loss)	<u>\$ 1,420</u>	<u>\$ (881)</u>
Net income (loss) per share:		
Basic	<u>\$ 0.28</u>	<u>\$ (0.16)</u>
Diluted <sup>(1)</sup>	<u>\$ 0.27</u>	<u>\$ (0.16)</u>
Average common shares outstanding:		
Basic	5,126,755	5,446,287
Diluted <sup>(1)</sup>	5,225,817	5,446,287

See accompanying notes to the consolidated financial statements.

(1) Diluted loss per share and average shares outstanding excludes all common shares if their effect is anti-dilutive.

**1895 BANCORP OF WISCONSIN, INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
(In thousands)

	Year ended December 31,	
	2025	2024
Net income (loss)	\$ 1,420	\$ (881)
Other comprehensive income (loss):		
Unrealized holding gains (losses) arising during the period on available-for-sale securities	3,854	(340)
Net realized gains on available-for-sale securities included in income	(177)	—
Other comprehensive income (loss) before tax effect	3,677	(340)
Tax effect of other comprehensive income (loss) items	(776)	(119)
Other comprehensive income (loss), net of tax	2,901	(459)
Comprehensive income (loss)	\$ 4,321	\$ (1,340)

See accompanying notes to the consolidated financial statements.

**1895 BANCORP OF WISCONSIN, INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
(In thousands)

	Common Stock	Additional Paid-In Capital	Unallocated Common Stock of ESOP	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
Balance as of January 1, 2024	\$ 61	\$ 49,778	\$ (4,120)	\$ (295)	\$ 33,892	\$ (6,555)	\$ 72,761
Net loss	—	—	—	—	(881)	—	(881)
Other comprehensive loss	—	—	—	—	—	(459)	(459)
ESOP shares committed to be released (19,730 shares)	—	(22)	187	—	—	—	165
Repurchase and cancellation of shares-stock repurchase program (141,032 shares)	(1)	(1,146)	—	—	—	—	(1,147)
Retirement of common stock	—	(85)	—	—	—	—	(85)
Stock options exercised (13,821 shares)	—	82	—	—	—	—	82
Stock compensation expense	—	674	—	—	—	—	674
Balance as of December 31, 2024	<u>\$ 60</u>	<u>\$ 49,281</u>	<u>\$ (3,933)</u>	<u>\$ (295)</u>	<u>\$ 33,011</u>	<u>\$ (7,014)</u>	<u>\$ 71,110</u>
Net income	—	—	—	—	1,420	—	1,420
Other comprehensive income	—	—	—	—	—	2,901	2,901
ESOP shares committed to be released (19,730 shares)	—	17	187	—	—	—	204
Repurchase and cancellation of shares-stock repurchase program (409,461 shares)	(4)	(4,190)	—	—	6	—	(4,188)
Retirement of common stock	—	(99)	—	—	—	—	(99)
Stock compensation expense	—	561	—	—	—	—	561
Balance as of December 31, 2025	<u>\$ 56</u>	<u>\$ 45,570</u>	<u>\$ (3,746)</u>	<u>\$ (295)</u>	<u>\$ 34,437</u>	<u>\$ (4,113)</u>	<u>\$ 71,909</u>

See accompanying notes to the consolidated financial statements.

**1895 BANCORP OF WISCONSIN, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)

	<u>Year ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
<b>Cash flows from operating activities</b>		
Net income (loss)	\$ 1,420	\$ (881)
Adjustments to reconcile net income (loss) to net cash from operating activities		
Net amortization of investment securities	42	154
Depreciation	437	458
Provision for credit losses	300	300
Net gain on insurance proceeds from premises and equipment	—	(26)
Net change in fair value of marketable equity securities	(700)	(797)
Net gain on sale of available-for-sale securities	(177)	—
Stock compensation expense	561	674
Deferred income tax expense (benefit)	205	(545)
Originations of mortgage loans held for sale	(26,936)	(23,509)
Proceeds from sales of mortgage loans held for sale	27,861	24,071
Net gain on sale of mortgage loans held for sale	(415)	(368)
ESOP compensation	204	165
Net change in cash value of life insurance	(497)	(453)
Changes in operating assets and liabilities		
Mortgage servicing rights	122	98
Accrued interest receivable and other assets	(335)	(454)
Accrued interest payable and other liabilities	1,932	1,653
Net cash provided by operating activities	<u>4,024</u>	<u>540</u>
<b>Cash flows from investing activities</b>		
Proceeds from sales of available-for-sale securities	12,131	—
Maturities, payments, and calls of available-for-sale securities	20,126	20,673
Purchases of available-for-sale securities	(16,722)	(19,431)
Purchase of marketable equity securities	(60)	(65)
Net increase in loans	(26,139)	(20,125)
Net increase in FHLB stock	(1,394)	(518)
Proceeds from insurance claim from premises and equipment	—	37
Distribution of marketable equity securities	142	125
Net capital expenditures for premises and equipment	(270)	(185)
Net cash used in investing activities	<u>(12,186)</u>	<u>(19,489)</u>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in deposits	3,319	(5,267)
Net increase (decrease) in advance payments by borrowers for taxes and insurance	865	(84)
Proceeds from the issuance of Federal Home Loan Bank advances	388,250	97,467
Principal payments on Federal Home Loan Bank advances	(367,752)	(76,679)
Stock options exercised	—	82
Repurchase and cancellation of common stock	(4,188)	(1,147)
Retirement of common stock	(99)	(85)
Net cash provided by financing activities	<u>20,395</u>	<u>14,287</u>
Net increase (decrease) in cash and cash equivalents	12,233	(4,662)
Cash and cash equivalents at beginning of period	8,588	13,250
Cash and cash equivalents at end of period	<u>\$ 20,821</u>	<u>\$ 8,588</u>
<b>Supplemental cash flow information</b>		
Cash paid during the year for interest	\$ 12,114	\$ 11,826
Cash paid during the year for U.S. federal taxes	\$ —	\$ —
Cash paid during the year for state taxes	\$ —	\$ —

See accompanying notes to the consolidated financial statements.

**1895 BANCORP OF WISCONSIN, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Years Ended December 31, 2025 and 2024**

**NOTE 1 — Summary of Significant Accounting Policies**

*Organization*

1895 Bancorp of Wisconsin, Inc., a Maryland corporation (the “Company”, “New 1895 Bancorp”) was formed to serve as the stock holding company for PyraMax Bank, FSB (the “Bank”) as part of the mutual-to-stock conversion of 1895 Bancorp of Wisconsin, MHC. Upon completion of the conversion, which occurred on July 14, 2021, 1895 Bancorp of Wisconsin, MHC and 1895 Bancorp of Wisconsin, a federal corporation (“Old 1895 Bancorp”) ceased to exist and New 1895 Bancorp became the successor corporation to Old 1895 Bancorp. The conversion was accomplished by the merger of 1895 Bancorp of Wisconsin, MHC with and into Old 1895 Bancorp followed by the merger of Old 1895 Bancorp with and into New 1895 Bancorp. The shares of New 1895 Bancorp common stock that were offered for sale in connection with the conversion represented the majority ownership interest in Old 1895 Bancorp owned by 1895 Bancorp of Wisconsin, MHC. On July 14, 2021, public stockholders of Old 1895 Bancorp received 1.3163 shares of common stock of New 1895 Bancorp in exchange for each of their shares of Old 1895 Bancorp. The shares of Old 1895 Bancorp common stock owned by 1895 Bancorp of Wisconsin, MHC were canceled at that time. The conversion and offering were completed on July 14, 2021, and New 1895 Bancorp was organized as a fully public stock holding company, with 100% of the common stock being held by the public. The audited consolidated financial statements and other financial information contained in these consolidated financial statements are for New 1895 Bancorp.

In connection with the conversion and applicable federal regulations, the Company and the Bank established liquidation accounts which are maintained for the benefit of eligible deposit account holders of the Bank who continue to maintain their accounts at the Bank. The liquidation accounts are reduced annually to the extent that eligible holders have reduced their qualifying deposits. Subsequent increases do not restore an eligible account holder’s interest in the liquidation account. In the event of a complete liquidation by the Bank, and only in such event, each eligible account holder will be entitled to receive a distribution from the liquidation account in an amount proportionate to the adjusted qualifying account balances then held. The Bank may not pay dividends if those dividends would reduce equity capital below the required liquidation account amount.

As part of the conversion, New 1895 Bancorp listed its common stock on the Nasdaq Stock Market (“Nasdaq”) and registered its common stock with the U.S. Securities and Exchange Commission (the “SEC”). Federal conversion regulations required that New 1895 Bancorp maintain its SEC registration for at least three years following the completion of the conversion. On February 18, 2025, the Company announced its intention to delist from Nasdaq and deregister its common stock under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The Company ceased trading on Nasdaq on March 7, 2025, and began being quoted on the OTCQX Market on March 10, 2025. The Company’s obligations to file periodic and current reports with the SEC was suspended on March 17, 2025. Deregistration under the Exchange Act became effective on June 5, 2025.

PyraMax Bank is a stock savings bank headquartered in Greenfield, Wisconsin. PyraMax Bank operates as a full-service financial institution, providing a full range of financial services, including the granting of commercial, residential, and consumer loans and acceptance of deposits from individual customers and small businesses in the metropolitan Milwaukee, Wisconsin, area. PyraMax Bank is subject to competition from other financial and nonfinancial institutions providing financial products. In addition, PyraMax Bank is subject to the regulations of certain regulatory agencies and undergoes periodic examination by those regulatory agencies.

*Use of Estimates*

In preparing consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”), management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and 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 in the near term relate to the determination of the allowance for credit losses, mortgage servicing rights, the fair values of financial instruments, and the valuation of deferred income tax assets.

*Revenue Recognition*

Accounting Standards Codification (“ASC”) Topic 606, Revenue from Contracts with Customers (Topic 606), established principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts to provide goods or services to customers. The core principle requires an entity recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration that it expects to be entitled to receive in exchange for those goods or services recognized as performance obligations are satisfied.

**1895 BANCORP OF WISCONSIN, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Years Ended December 31, 2025 and 2024**

**NOTE 1 — Summary of Significant Accounting Policies (continued)**

The majority of the Company's revenue-generating transactions are not subject to Topic 606, including all interest and dividend income generated from financial instruments. Certain noninterest income items, including loan servicing income, gain on sales of loans, gain on sales of securities, and other noninterest income have been evaluated to not fall within the scope of Topic 606. Elements of noninterest income that are within Topic 606 are as follows:

*Fee income on deposit accounts* – Revenue from fees charged on deposit accounts is earned through deposit-related services; as well as account maintenance and management, overdraft, non-sufficient funds and other deposit-related fees. Revenue is recognized either over time, corresponding with the deposit accounts' monthly cycle, or at a point in time when transactional based fees and services occur. The review of service charges assessed on deposit accounts included the amount of variable consideration that is a part of the monthly charges.

*Sale of foreclosed assets* – Revenue from the sale of foreclosed assets is recognized at a point in time when control of the promised asset transfers to the buyer. The Company uses the following indicators to determine when control of a promised asset has been transferred: the seller has a present right to payment for the asset; the buyer has legal title of the asset; the seller has transferred physical possession of the asset; the buyer has the significant risks and rewards of ownership of the asset; or the buyer has accepted the asset.

*Merchant card arrangement fees* – Customers use a Bank-issued debit or credit card to purchase goods and services, and the Company earns interchange fees on these transactions, typically a percentage of the sale amount of the transaction. The Company records the amount due when it receives the settlement from the payment network. Payments from the payment network are received and recorded into income on a daily basis. There are no contingent debit or credit card interchange fees recorded by the Company that could be subject to a clawback in future periods.

*Cash and Cash Equivalents*

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, interest-bearing and non-interest-bearing accounts in other financial institutions, and federal funds sold, all of which have original maturities of three months or less.

*Marketable Equity Securities*

The Company holds marketable equity securities, which have a readily determinable fair value, and consist of mutual fund investments and common equity. These securities are recorded at fair value with unrealized gains and losses, due to change in fair value, reflected in noninterest income. Gains and losses on the sale of marketable equity securities are recorded on the trade date and determined using the specific-identification method. The portion of unrealized gains for the period related to marketable equity securities still held as of December 31, 2025 and 2024 was approximately \$700,000 and \$797,000, respectively.

*Available-for-Sale Securities*

Securities classified as available-for-sale are those securities that the Company intends to hold for an indefinite period of time, but not necessarily to maturity. Any decision to sell a security classified as available for sale would be based on various factors, including significant movements in interest rates, changes in the maturity mix of the Company's assets and liabilities, liquidity needs, regulatory capital requirements, and other similar factors. Securities classified as available for sale are carried at fair value. Unrealized gains or losses are reported as increases or decreases in other comprehensive income (loss), net of the related deferred tax effect. Realized gains or losses, determined on the basis of the cost of specific securities sold, are included in earnings. Gains and losses on the sale of securities are recorded on the trade date and determined using the specific-identification method. Interest and dividends on available securities are recognized as income when earned. Amortization of premiums and accretion of discounts for noncallable securities are recognized in interest income using the interest method over the estimated lives of the securities. The estimated lives of callable securities are calculated using the first call date. The Company excludes accrued interest receivable from the amortized cost basis of securities available for sale when estimating credit losses and when presenting required disclosures in the financial statements. Accrued interest on securities available for sale totaling approximately \$396,000 and \$467,000 at December 31, 2025 and 2024, respectively, was excluded from the amortized cost basis of securities available for sale. The accrual of interest on a security available for sale is discontinued when management believes the issuer will be unable to make payments as they become due. When securities are placed on nonaccrual status, all unpaid accrued interest is reversed against income. No accrued interest was written off during 2025 and 2024.

*Credit Losses for Available-for-Sale Securities*

For available-for-sale securities in an unrealized loss position, the Company 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 these criteria are met, the Company will write-down the security to fair value as a component of current period earnings. For available-for-sale securities that do not meet either of these criteria, the Company determines whether the decline in value has resulted from credit losses or other factors. This evaluation takes into consideration current market conditions, issuer rating changes and trends, the credit worthiness of the obligator of the security, current analysts' evaluations, and failure of the issuer to make scheduled interest or principal payments. If the Company determines a credit loss

**1895 BANCORP OF WISCONSIN, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Years Ended December 31, 2025 and 2024**

**NOTE 1 — Summary of Significant Accounting Policies (continued)**

exists, the present value of cash flows expected to be collected are compared to the amortized cost of the security. If the present value of cash flows expected to be collected are less than the amortized cost, an allowance for credit losses is recorded, which is limited by the amount the fair value is less than the amortized cost basis. Any impairment that is not recorded through an allowance for credit losses is recognized in other comprehensive income (loss).

*Loans Held for Sale*

Loans originated and intended for sale in the secondary market are carried at the lower of cost or estimated fair value in the aggregate. Net unrealized losses, if any, are recognized through a valuation allowance by charges to income. Gains or losses on sales of mortgage loans are recognized based on the difference between the selling price and the carrying value of the related mortgage loan sold.

*Loans*

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff generally are reported at their outstanding unpaid principal balances adjusted for deferred loan fees and costs, charge-offs, and an allowance for credit losses. Interest on loans is accrued and credited to income based on the unpaid principal balance. Loan-origination fees, net of certain direct origination costs, are deferred and recognized as an adjustment of the related loan yield using the interest method.

The accrual of interest on loans is discontinued when, in the opinion of management, there is an indication that the borrower may be unable to make payments as they become due. When loans are placed on non-accrual 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 or cost-recovery method until qualifying for return to accrual status. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

*Allowance for Credit Losses*

Under the current expected credit loss ("CECL") model, the allowance for credit losses ("ACL") on financial assets is a valuation allowance estimated at each balance sheet date in accordance with GAAP that is deducted from the financial assets' amortized cost basis to present the net amount expected to be collected on the financial assets. The CECL model also applies to certain off-balance sheet credit exposures.

The Company estimates the allowance for credit losses on loans based on the underlying assets' amortized cost basis, which is the amount at which the financing receivable is originated or acquired, adjusted for applicable accretion or amortization of premium, discount, net deferred fees or costs, collection of cash, and charge-offs. In the event that collection of principal becomes uncertain, the Company has policies in place to write-off accrued interest receivable by reversing interest income at the time of this determination. This write-off will occur within 90 days of the determination that the collection of principal becomes uncertain. Therefore, the Company has made a policy election to exclude accrued interest from the amortized cost basis and therefore excludes it from the measurement of the allowance for credit losses. Accrued interest on loans totaling approximately \$1.3 million and \$1.2 million at December 31, 2025 and 2024, respectively, was excluded from the amortized cost basis of loans.

Expected credit losses are reflected in the allowance for credit losses through a charge to provision for credit losses. The Company's estimate of the allowance for credit losses reflects credit losses currently expected over the remaining contractual life of the assets. When the Company deems all or a portion of a financial asset to be uncollectible, the appropriate amount is written off and the allowance for credit losses is reduced by the same amount. The Company applies judgment to determine when a financial asset is deemed uncollectible. When available information confirms that specific financial assets, or portions thereof, are uncollectible, these amounts are charged off against the allowance for credit losses. Subsequent recoveries, if any, are credited to the allowance for credit losses when received.

The Company measures the allowance for credit losses of financial assets on a collective portfolio segment basis when the financial assets share similar risk characteristics. The Company has identified the following portfolio segments of financial assets with similar risk characteristics for measuring expected credit losses:

*Commercial real estate:* These loans are dependent on the industries tied to these loans. Commercial real estate loans are secured primarily by office and industrial buildings, warehouses, small retail shopping facilities, and various special-purpose properties, including hotels and restaurants. Financial information is obtained from borrowers and/or the individual project to evaluate cash flow sufficiency to service debt and is periodically updated during the life of the loan. Loan performance may be adversely affected by factors impacting the general economy or conditions specific to the real estate market, such as geographic location and/or property type. Commercial real estate loans may also include land development loans which are secured by vacant land and/or property that are in the process of improvement, including (a) land development preparatory to erecting vertical improvements or (b) the on-site construction of industrial, commercial, residential, or farm buildings. Repayment of these loans can be dependent on the sale of the property to third parties or the successful completion of the improvements by the builder for the end user. In the event a loan is made on property that is not yet improved for the planned development,

**1895 BANCORP OF WISCONSIN, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Years Ended December 31, 2025 and 2024**

**NOTE 1 — Summary of Significant Accounting Policies (continued)**

there is the risk that necessary approvals will not be granted or will be delayed. Construction loans also run the risk that improvements will not be completed on time or in accordance with specifications and projected costs.

*Commercial Other:* This loan category is comprised of commercial and industrial loans. Commercial and industrial loans are extended primarily to small and middle market customers. Such credits typically comprise working capital loans, asset acquisition loans, and loans for other business purposes. Loans to closely held businesses are generally guaranteed in full by the owners of the business. Commercial and industrial loans are made based primarily on the historical and projected cash flow of the borrower and secondarily on the underlying collateral provided by the borrower. The cash flows of the borrowers, however, may not behave as forecasted and collateral securing loans may fluctuate in value due to economic or individual performance factors. Minimum standards and underwriting guidelines have been established for commercial and industrial loans.

*Residential real estate:* These loans are generally to individuals and are underwritten by evaluating the credit history of the borrower, the ability of the borrower to meet the debt service requirements of the loan and total debt obligations, the underlying collateral, and the loan to collateral value. Underwriting standards for residential real estate owner-occupied loans are heavily influenced by statutory requirements, which include, but are not limited to, loan-to-value and affordability ratios, risk-based pricing strategies, and documentation requirements. Also included in this category are construction loans for residential real estate.

*Consumer:* These loans may take the form of installment loans, demand loans, or single payment loans, and are extended to individuals for household, family, and other personal expenditures. These loans generally include direct consumer automobile loans and credit card loans. Also included in this category are junior liens on 1-4 family residential properties. These loans are generally smaller in size and are underwritten by evaluating the credit history of the borrower, the ability of the borrower to meet the debt service requirements of the loan and total debt obligations.

The Company further segments the commercial loan portfolios by risk rating and the residential and consumer loan portfolios by delinquency.

The Company utilizes the weighted average remaining maturity methodology to measure the ACL. This methodology incorporates both quantitative and qualitative information to assess lifetime expected credit losses at the portfolio segment level. The quantitative component includes the calculation of loss rates that are based on historical lookback periods. The Company calculates a loss rate based on historical loan level loss experience for portfolio segments with similar risk characteristics. The historical loss rate is adjusted for select macroeconomic variables that consider both historical trends as well as forecasted trends. The Company utilizes a period of two years for these forecasted trends, with immediate reversion. The Company measures expected credit losses of these financial assets by applying loss rates to the amortized cost basis of each asset taking into consideration amortization, prepayment and default assumptions.

The Company considers qualitative adjustments to expected credit loss estimates for information not already captured in the loss estimation process. Qualitative factor adjustments may increase or decrease management's estimate of expected credit losses. Adjustments will not be made for information that has already been considered and included in the quantitative component. Qualitative loss factors are based on management's judgment of company, market, industry or business specific data, changes in loan composition, performance trends, regulatory changes, uncertainty of macroeconomic forecasts, and other asset specific risk characteristics.

*Collateral Dependent Financial Assets*

For collateral dependent financial assets where the Company has determined that foreclosure of the collateral is probable and where the borrower is experiencing financial difficulty, the allowance for credit losses is measured based on the difference between the fair value of the collateral and the amortized cost basis of the asset as of the measurement date. Fair value is generally calculated based on the value of the underlying collateral less estimated costs to sell.

**1895 BANCORP OF WISCONSIN, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Years Ended December 31, 2025 and 2024**

**NOTE 1 — Summary of Significant Accounting Policies (continued)**

*Loan Commitments and Allowance for Credit Losses on Off-Balance Sheet Credit Exposures*

Financial assets include off-balance sheet credit instruments, such as commitments to make loans and commercial letters of credit, issued to meet customer financing needs. The Company's exposure to loan credit loss in the event of nonperformance by the other party to the financial instrument for off-balance sheet loan commitments is represented by the contractual amount of those instruments. Such financial instruments are recorded when they are funded.

The Company records an allowance for credit losses on off-balance sheet credit exposures through a charge to provision for credit losses for off-balance sheet credit exposures that are not unconditionally cancellable by the Company. The allowance for credit losses on off-balance sheet credit exposures is estimated by portfolio segment at each balance sheet date under the CECL model using the same methodologies as portfolio loans, taking into consideration management's assumption of the likelihood that funding will occur, and is included in other liabilities on the Company's Consolidated Balance Sheets.

*Premises and Equipment*

Depreciable assets are stated at cost less accumulated depreciation. Provisions for depreciation are computed on straight-line method over the estimated useful lives of the assets.

*Operating Leases*

The Company accounts for its operating leases in accordance with ASC 842, *Leases*, which requires lessees to record all leases with a term longer than 12 months on the balance sheet as a right-of-use asset and lease liability for leases. Leases are classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement. The Company's current lease agreement is classified as an operating lease. The operating lease right-of-use asset represents the right to use an underlying asset during the lease term (included in other assets on the consolidated balance sheets), while the operating lease liability represents the obligation to make lease payments arising from the lease (included in other liabilities on the consolidated balance sheets). The right-of-use asset and lease liability are recognized at lease commencement based on the present value of the remaining lease payments, considering a discount rate that represents the Company's incremental borrowing rate. Operating lease expense is recognized on a straight-line basis over the lease term and is recognized in occupancy and equipment on the consolidated statements of operations. See Note 5 for additional information and disclosures on operating leases.

*Mortgage Servicing Rights*

The Company sells residential mortgage loans in the secondary market and, on a selective basis, retains the right to service the loans sold. Upon sale, a mortgage servicing rights asset is capitalized, which represents the then current fair value of future net cash flows expected to be realized for performing servicing activities. Mortgage servicing rights, when purchased, are initially recorded at fair value. Mortgage servicing rights are amortized over the period of estimated net servicing income, and assessed for impairment at each reporting date. Mortgage servicing rights are carried at the lower of the initial capitalized amount, net of accumulated amortization, or estimated fair value, and are included in other assets, net in the consolidated balance sheets. To the extent that the Company sells mortgage servicing rights, a gain is recognized for the amount of which sale proceeds exceed the remaining unamortized cost of the servicing rights that were sold. Recognized gains on sale of mortgage servicing rights are included in other noninterest income in the consolidated statements of operations.

The fair value of mortgage servicing rights is estimated using a valuation model that calculates the present value of estimated future net servicing income. The valuation model incorporates assumptions that market participants would use in estimating future net servicing income, such as costs to service, a discount rate, the custodial earnings rate, ancillary income, default rates and losses, and prepayment speeds. The fair value of mortgage servicing rights may change because of changes in the discount rates, prepayment expectations, default rates, and other factors. Mortgage servicing rights are amortized into income in proportion to and over the period of the estimated future net servicing income of the underlying loans.

Mortgage servicing rights are evaluated for impairment at each reporting date and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The evaluation includes stratifying the mortgage servicing rights by predominant characteristics such as interest rates and terms and estimating fair value of each stratum. Impairment is recognized through a valuation allowance for an individual stratum to the extent that fair value is less than the carrying amount for the stratum.

*Federal Home Loan Bank Stock*

The Company's investment in Federal Home Loan Bank ("FHLB") stock is carried at cost. The Company is required to hold the stock as a member of the FHLB, and transfer of the stock is substantially restricted. The stock is pledged as collateral for outstanding FHLB advances. The stock is evaluated for impairment on an annual basis.

**1895 BANCORP OF WISCONSIN, INC.**  
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**NOTE 1 — Summary of Significant Accounting Policies (continued)**

*Foreclosed Assets*

Assets acquired through or in lieu of loan foreclosure are held for sale and are initially recorded at fair value at the date of foreclosure, establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management, and the assets are carried at the lower of carrying amount or fair value less costs to sell. Revenue and expenses from operations and changes in the valuation allowance are included in net foreclosed asset expense. There were no foreclosed assets as of December 31, 2025 and 2024, respectively. There were no residential real estate loans in process of foreclosure at December 31, 2025. There were approximately \$127,000 in residential real estate loans in process of foreclosure at December 31, 2024.

*Cash value of life insurance*

The Company purchased bank owned life insurance on the lives of certain employees. The Company is the beneficiary of the life insurance policies. The cash surrender value of life insurance is reported at the amount that would be received in cash if the policies were surrendered. Increases in the cash value of the policies and proceeds of death benefits received are recorded in noninterest income. The increase in cash value of life insurance is not subject to income taxes, as long as the Company has the intent and ability to hold the policies until the death benefits are received.

*Income Taxes*

Amounts provided for income tax expense are based on income reported for financial statement purposes and do not necessarily represent amounts currently payable under tax laws. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and income tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Deferred tax assets are reduced by a valuation allowance when it is more likely than not that some portion of the deferred tax asset will not be realized. We exercise significant judgment in evaluating the amount and timing of recognition of the resulting tax liabilities and assets. These judgments require us to make projections of future taxable income including consideration of applicable tax planning strategies. The judgments and estimates we make in determining our deferred tax assets, which are inherently subjective, weigh all positive and negative evidence and are reviewed on a regular basis as regulatory and business factors change. Any reduction in estimated future taxable income may require us to increase the valuation allowance against our deferred tax assets.

As changes in tax laws or rates are enacted, deferred income tax assets and liabilities are adjusted through the provision for income taxes. The differences relate principally to the allowances for credit losses, deferred compensation, and mortgage servicing rights. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

The tax effects from an uncertain tax position can be recognized in the consolidated financial statements only if the position is more likely than not to be sustained on audit, based on the technical merits of the position. The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the consolidated financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its consolidated financial statements.

The Company's policy is to recognize interest and penalties related to income tax issues as components of income tax expense. During the periods shown, the Company did not recognize any interest or penalties related to income tax expense in its statements of operations.

*Employee Benefit Plans*

The Company has employee benefit plans for qualified employees. The Company's policy is to fund contributions as accrued.

*Off-Balance Sheet Financial Instruments*

In the ordinary course of business, the Company has entered into off-balance-sheet financial instruments including commitments to extend credit, unfunded commitments under lines of credit, and standby letters of credit. Such financial instruments are recorded in the consolidated financial statements when they become payable.

*Transfers of Financial Assets*

Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Company, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and (3) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

**1895 BANCORP OF WISCONSIN, INC.**  
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**Years Ended December 31, 2025 and 2024**

**NOTE 1 — Summary of Significant Accounting Policies (continued)**

*Rate Lock Commitments*

The Company enters into commitments to originate loans, whereby the interest rate on the loan is determined prior to funding (rate lock commitments). Rate lock commitments on mortgage loans that are intended to be sold are considered to be derivatives. Accordingly, such commitments, along with any related fees received from potential borrowers, are recorded at fair value in other assets or liabilities, with changes in fair value recorded in the net gain or loss on sale of mortgage loans. Fair value is based on fees currently charged to enter into similar agreements and for fixed-rate commitments also considers the difference between current levels of interest rates and the committed rates.

*Advertising*

Advertising costs are expensed as incurred.

*Other Comprehensive Income (Loss)*

Other comprehensive income (loss) is shown on the statements of comprehensive income (loss). The Company's accumulated other comprehensive income (loss) is composed of the unrealized gain (loss) on securities available for sale, net of tax and is shown on the statements of changes in stockholders' equity. Reclassification adjustments out of other comprehensive income (loss) for gains (losses) realized on sales of securities available for sale comprise the entire balance of "net gain or (loss) on sale of securities" on the statements of operations. As part of this reclassification, income tax expense (benefit) of approximately \$37,000 and \$0 was recognized for the years ended December 31, 2025 and 2024, respectively, in "income tax expense (benefit)" on the statements of operations.

*Reclassifications*

Certain reclassifications have been made to the 2024 consolidated financial statements to conform to the 2025 classifications.

*Subsequent events*

Management has reviewed the Company's operations for potential disclosure or financial statement impacts related to events occurring after December 31, 2025 through March 11, 2026, the date these consolidated financial statements were available to be issued. There were no additional subsequent events that required adjustment to or disclosure in these consolidated financial statements.

*Recent Accounting Pronouncements*

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, *Improvements to Income Tax Disclosures*. The amendments enhance the transparency and decision usefulness of income tax disclosures by requiring more detailed information in the rate reconciliation, including additional categories and quantitative thresholds, as well as disaggregation of income taxes paid by jurisdiction. The amendments also require expanded qualitative and quantitative information related to income tax expense and cash taxes paid. The Company adopted this standard effective January 1, 2025. The amendments are applied prospectively, with retrospective application permitted. Adoption did not impact the Company's consolidated balance sheets, results of operations, or cash flows, as the amendments relate solely to financial statement disclosures. The Company has updated its income tax disclosures to comply with the new requirements.

*New Accounting Standards That Have Not Yet Been Adopted*

The following ASUs have been issued by FASB and may impact the Company's consolidated financial statements in future reporting periods:

In November 2024, FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)*. The amendments in this ASU require additional disclosures regarding the disaggregation of certain expense categories presented on the income statement to provide enhanced transparency into the nature of expenses. The amendments in this ASU are effective for the Company for annual reporting periods beginning after December 15, 2026. Early adoption is permitted. The Company is currently evaluating the impact that adoption of this guidance will have on its consolidated financial statement disclosures.

In November 2025, FASB issued ASU 2025-08, *Financial Instruments—Credit Losses (Topic 326): Purchased Loans*. The amendments expand the application of the gross-up approach under Topic 326 to certain purchased financial assets. Under this approach, an entity recognizes the allowance for expected credit losses at acquisition through an adjustment to the amortized cost basis of the acquired loans, rather than through current period credit loss expense. The amendments are intended to improve comparability between originated and acquired loans and to simplify the accounting for purchased loans that do not meet the definition of purchased credit deteriorated ("PCD") assets. The amendments in this ASU are effective for the Company for annual reporting periods beginning after December 15, 2026. Early adoption is permitted. The Company is currently evaluating the impact of ASU 2025-08 on its consolidated financial statements, including

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**NOTE 1 — Summary of Significant Accounting Policies (continued)**

the transition requirements. The effect of adoption will depend on the volume and nature of any loans acquired in future periods. At this time, the Company does not expect the adoption of this standard to have a material impact on its consolidated financial condition or results of operations; however, the accounting for future loan acquisitions could be affected.

In December 2025, FASB issued ASU 2025-10, *Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities*. The amendments establish comprehensive guidance in U.S. GAAP for the recognition, measurement, presentation, and disclosure of government grants received by business entities. The standard addresses the accounting for grants related to income as well as grants related to assets and requires enhanced disclosures regarding the nature and terms of government assistance. The amendments in this ASU are effective for the Company for annual reporting periods beginning after December 15, 2028. Early adoption is permitted. The Company is currently evaluating the provisions of ASU 2025-10 and the impact of adoption on its consolidated financial statements. The impact of this guidance will depend on the nature and extent of any government grants received by the Company. Based on a preliminary assessment, the Company does not currently expect the adoption of this standard to have a material impact on its consolidated financial condition or results of operations; however, additional disclosures may be required.

**NOTE 2 — Cash and Due from Banks**

Under Regulation D, savings institutions are generally required to maintain reserve balances in cash or on deposit with the Federal Reserve Bank, based upon a percentage of deposits. Effective March 12, 2021, the Federal Reserve Board reduced reserve requirement ratios to zero percent, eliminating the requirement to maintain reserve balances in cash or on deposit with the Federal Reserve Bank. This reduction in reserve requirement ratios does not have a defined timeframe and may be revised by the Federal Reserve Board in the future.

In the normal course of business, the Company maintains cash and due from bank balances with correspondent banks. Balances in these accounts may exceed the Federal Deposit Insurance Corporation's insured limit of \$250,000. Management believes these financial institutions have strong credit ratings and that the credit risk related to these deposits is minimal.

**NOTE 3— Available for Sale Securities**

Amortized costs and fair values of available for sale securities are summarized as follows:

	<b>December 31, 2025</b>			
	<b>Amortized Cost</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Fair Value</b>
	(in thousands)			
Obligations of states and political subdivisions	\$ 15,946	\$ 2	\$ (1,955)	\$ 13,993
Government-sponsored mortgage-backed securities	84,140	481	(4,694)	79,927
Asset-backed securities	2,172	8	(1)	2,179
Total	<u>\$ 102,258</u>	<u>\$ 491</u>	<u>\$ (6,650)</u>	<u>\$ 96,099</u>

  

	<b>December 31, 2024</b>			
	<b>Amortized Cost</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Fair Value</b>
	(in thousands)			
Obligations of states and political subdivisions	\$ 16,820	\$ 2	\$ (2,873)	\$ 13,949
Government-sponsored mortgage-backed securities	98,249	127	(7,089)	91,287
Asset-backed securities	2,590	1	(4)	2,587
Total	<u>\$ 117,659</u>	<u>\$ 130</u>	<u>\$ (9,966)</u>	<u>\$ 107,823</u>

Fair values of securities are estimated based on financial models or prices paid for similar securities. It is possible interest rates could change considerably, resulting in a material change in estimated fair value.

The Company's mortgage-backed securities and collateralized mortgage obligations issued by government sponsored enterprises are guaranteed by one of the following government enterprises: Fannie Mae, Freddie Mac, Ginnie Mae or the Small Business Administration. The fair value of available-for-sale securities that were pledged as collateral at December 31, 2025 and December 31, 2024, was approximately \$8.4 million and \$11.6 million, respectively.

**1895 BANCORP OF WISCONSIN, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 3— Available for Sale Securities (continued)**

The amortized costs and fair values of available-for-sale securities, by contractual maturity, are shown below. Actual maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties. In addition, expected maturities will differ from contractual maturities for mortgage-backed securities and asset-backed securities, as the expected repayment terms may be less than the underlying mortgage pool contractual maturities. Therefore, these securities are not included in the maturity categories in the maturity summary below.

	<b>December 31, 2025</b>	
	<b>Amortized</b>	
	<b>Cost</b>	<b>Fair Value</b>
	<b>(in thousands)</b>	
Debt and other securities:		
Due in one year or less	\$ —	\$ —
Due after one through 5 years	941	919
Due after 5 through 10 years	15,005	13,074
Total debt and other securities	15,946	13,993
Mortgage-related securities	84,140	79,927
Asset-backed securities	2,172	2,179
Total	\$ 102,258	\$ 96,099

Gross unrealized losses on securities available-for-sale and the fair values of the related securities, aggregated by investment category and the length of time that individual securities have been in a continuous unrealized loss position were as follows:

	<b>December 31, 2025</b>					
	<b>Less than 12 months</b>		<b>12 months or longer</b>		<b>Total</b>	
	<b>Fair Value</b>	<b>Unrealized Loss</b>	<b>Fair Value</b>	<b>Unrealized Loss</b>	<b>Fair Value</b>	<b>Unrealized Loss</b>
	<b>(in thousands)</b>					
Obligations of states and political subdivisions	\$ —	\$ —	\$ 13,816	\$ (1,955)	\$ 13,816	\$ (1,955)
Government-sponsored mortgage-backed securities	4,811	(51)	36,218	(4,643)	41,029	(4,694)
Asset-backed securities	1,078	(1)	—	—	1,078	(1)
Total	\$ 5,889	\$ (52)	\$ 50,034	\$ (6,598)	\$ 55,923	\$ (6,650)

	<b>December 31, 2024</b>					
	<b>Less than 12 months</b>		<b>12 months or longer</b>		<b>Total</b>	
	<b>Fair Value</b>	<b>Unrealized Loss</b>	<b>Fair Value</b>	<b>Unrealized Loss</b>	<b>Fair Value</b>	<b>Unrealized Loss</b>
	<b>(in thousands)</b>					
Obligations of states and political subdivisions	\$ —	\$ —	\$ 13,687	\$ (2,873)	\$ 13,687	\$ (2,873)
Government-sponsored mortgage-backed securities	28,638	(217)	36,675	(6,872)	65,313	(7,089)
Asset-backed securities	1,034	(2)	352	(2)	1,386	(4)
Total	\$ 29,672	\$ (219)	\$ 50,714	\$ (9,747)	\$ 80,386	\$ (9,966)

**1895 BANCORP OF WISCONSIN, INC.**  
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**Years Ended December 31, 2025 and 2024**

**NOTE 3— Available for Sale Securities (continued)**

The following table presents the number of debt securities in an unrealized loss position and the aggregate depreciation from their amortized cost basis, by security type, as of December 31, 2025 and December 31, 2024.

	December 31, 2025		December 31, 2024	
	Number of Securities	Aggregate Depreciation	Number of Securities	Aggregate Depreciation
Obligations of states and political subdivisions	14	12.4%	15	17.4%
Government-sponsored mortgage-backed securities	22	10.3%	31	9.8%
Asset-backed securities	2	0.0%	3	0.2%
Total	38	10.6%	49	11.0%

The Company does not consider these unrealized losses to be attributable to credit-related factors, as the unrealized losses in each category have occurred as a result of changes in noncredit-related factors such as changes in interest rates, market spreads and market conditions subsequent to purchase, not credit deterioration. As a result, no allowance for credit losses on available-for-sale securities was recognized as of December 31, 2025 or December 31, 2024.

The following is a summary of the proceeds from sales of securities available-for-sale, as well as gross gains and losses, for each of the periods listed below:

	Years ended December 31,	
	2025	2024
	(in thousands)	
Proceeds from sales of securities available-for-sale	\$ 12,131	\$ —
Gross realized gains	\$ 177	\$ —
Gross realized losses	—	—
Net realized gains	\$ 177	\$ —

**1895 BANCORP OF WISCONSIN, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 4 — Loans**

Major classifications of loans are as follows:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
<b>(in thousands)</b>		
<b>Commercial:</b>		
Real estate	\$ 279,679	\$ 250,776
Other	45,610	49,865
<b>Residential real estate:</b>		
First mortgage	97,376	97,677
Construction	2,135	670
<b>Consumer:</b>		
Home equity and lines of credit	19,497	19,186
Other	56	70
Total loans	444,353	418,244
Net deferred loan costs	632	567
Allowance for credit losses for loans	(4,924)	(4,329)
Loans, net	<b>\$ 440,061</b>	<b>\$ 414,482</b>

Deposit accounts in an overdrawn position and reclassified as loans totaled approximately \$157,000 and \$143,000 at December 31, 2025 and 2024, respectively.

The Company provides several types of loans to its customers, including commercial, residential, construction and consumer loans. Significant loan concentrations are considered to exist when there are amounts loaned to one borrower, or to multiple borrowers engaged in similar activities, that would cause them to be similarly impacted by economic or other conditions. While credit risks tend to be geographically concentrated in the Company's metropolitan Milwaukee market area, and while a significant portion of the Company's loan portfolio is secured by commercial and residential real estate, there are no significant concentrations whose primary sources of repayment are reliant upon an individual or group of related borrowers.

The Company also purchases loan participations from other financial institutions. The outstanding balance of loans purchased are included in the totals above and totaled \$78.7 million as of December 31, 2025 and \$76.8 million as of December 31, 2024. In addition, the amount available for future draws totaled \$14.7 million at December 31, 2025. Loans purchased are primarily comprised of commercial real estate and other commercial loans.

During the normal course of business, the Company may transfer a portion of a loan as a participation loan to another financial institution in order to manage portfolio risk. In order to be eligible for sales treatment, all cash flows from the loan must be divided proportionately, and rights of each loan holder must have the same priority, the loan holders must have no recourse to the transferor other than standard representations and warranties, and no loan holder can have the right to pledge or exchange the entire loan. As of December 31, 2025 and December 31, 2024, the outstanding balance of participation loans transferred to other financial institutions and which were eligible for sales treatment were \$23.3 million and \$27.5 million, respectively, all of which continue to be serviced by the Company.

**1895 BANCORP OF WISCONSIN, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 4 — Loans (continued)**

A summary of the activity in the allowance for loan losses by portfolio segment is as follows:

	<u>Commercial</u>	<u>Residential</u>	<u>Consumer</u>	<u>Total</u>
	(in thousands)			
<b>For the year ended December 31, 2025</b>				
Allowance for credit losses for loans				
Beginning balance	\$ 3,156	\$ 954	\$ 219	\$ 4,329
Provision for credit losses	422	117	21	560
Loans charged-off	—	—	(8)	(8)
Recoveries	8	—	35	43
Ending balance	<u>\$ 3,586</u>	<u>\$ 1,071</u>	<u>\$ 267</u>	<u>\$ 4,924</u>
Allowance for credit losses for unfunded loan commitments <sup>(1)</sup>				
Beginning balance	\$ 672	\$ 26	\$ —	\$ 698
Provision for credit losses	(238)	(22)	—	(260)
Ending balance	<u>\$ 434</u>	<u>\$ 4</u>	<u>\$ —</u>	<u>\$ 438</u>
Total Allowance for credit losses for loans and unfunded loan commitments	<u>\$ 4,020</u>	<u>\$ 1,075</u>	<u>\$ 267</u>	<u>\$ 5,362</u>
<b>For the year ended December 31, 2024</b>				
Allowance for credit losses for loans				
Beginning balance	\$ 2,693	\$ 849	\$ 192	\$ 3,734
Provision for credit losses	358	99	20	477
Loans charged-off	(3)	—	(20)	(23)
Recoveries	108	6	27	141
Ending balance	<u>\$ 3,156</u>	<u>\$ 954</u>	<u>\$ 219</u>	<u>\$ 4,329</u>
Allowance for credit losses for unfunded loan commitments <sup>(1)</sup>				
Beginning balance	\$ 847	\$ 28	\$ —	\$ 875
Provision for credit losses	(175)	(2)	—	(177)
Ending balance	<u>\$ 672</u>	<u>\$ 26</u>	<u>\$ —</u>	<u>\$ 698</u>
Total Allowance for credit losses for loans and unfunded loan commitments	<u>\$ 3,828</u>	<u>\$ 980</u>	<u>\$ 219</u>	<u>\$ 5,027</u>

(1) The allowance for credit losses for unfunded loan commitments is included in other liabilities on the Company's Consolidated Balance Sheets.

**1895 BANCORP OF WISCONSIN, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 4 — Loans (continued)**

The provision for credit losses is determined by the Company as the amount that is to be added to the ACL accounts to bring the ACL to a level that, in management's judgment, is necessary to absorb expected credit losses over the lives of the respective financial instruments. The following table presents the components of the provision for credit losses:

	<b>Year ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>(in thousands)</b>	
Provision for credit losses for:		
Loans	\$ 560	\$ 477
Unfunded loan commitments	(260)	(177)
Total	\$ 300	\$ 300

The Company regularly evaluates various attributes of loans to determine the appropriateness of the allowance for credit losses. The credit quality indicators monitored differ depending on the class of loan.

- “Pass” ratings are assigned to loans with adequate collateral and debt service ability such that collectability of the contractual loan payments is highly probable.
- “Watch / Special mention” ratings are assigned to loans where management has some concern that the collateral or debt service ability may not be adequate, though the collectability of the contractual loan payments is still probable.
- “Substandard” ratings are assigned to loans that do not have adequate collateral and/or debt service ability such that collectability of the contractual loan payments is no longer probable.
- “Doubtful” ratings are assigned to loans that do not have adequate collateral and/or debt service ability, and collectability of the contractual loan payments is unlikely.

Residential real estate and consumer loans are generally evaluated based on whether or not the loan is performing or on nonaccrual status. See Note 1 for additional information on our nonaccrual policy.

**1895 BANCORP OF WISCONSIN, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Years Ended December 31, 2025 and 2024**

**NOTE 4 — Loans (continued)**

The following tables present the amortized cost basis of our loans by credit quality indicator and origination year, at December 31, 2025 and December 31, 2024:

	December 31, 2025						Revolving Lines of Credit	Revolving Lines of Credit Converted to Term Loans	Total Loans
	2025	2024	2023	2022	2021	2020 and Prior			
	(in thousands)								
Commercial real estate:									
Pass	\$ 31,579	\$ 19,287	\$ 28,317	\$ 47,895	\$ 25,715	\$ 63,997	\$ 58,957	\$ -	\$ 275,747
Watch and special mention	-	-	-	-	140	11	-	-	151
Substandard	-	-	1,601	2,180	-	-	-	-	3,781
Nonperforming	-	-	-	-	-	-	-	-	-
Total commercial real estate	31,579	19,287	29,918	50,075	25,855	64,008	58,957	-	279,679
Other commercial loans:									
Pass	12,793	10,073	5,984	2,755	681	578	4,088	-	36,952
Watch and special mention	5,062	-	-	-	-	-	492	-	5,554
Substandard	-	346	-	-	50	42	2,491	-	2,929
Nonaccrual	-	-	-	175	-	-	-	-	175
Total other commercial loans	17,855	10,419	5,984	2,930	731	620	7,071	-	45,610
Total commercial loans	49,434	29,706	35,902	53,005	26,586	64,628	66,028	-	325,289
Residential real estate - first mortgage:									
Performing	8,949	6,411	10,957	11,248	29,768	28,978	-	-	96,311
Nonaccrual	-	-	141	405	-	519	-	-	1,065
Total residential real estate - first mortgage	8,949	6,411	11,098	11,653	29,768	29,497	-	-	97,376
Residential real estate - construction:									
Performing	2,135	-	-	-	-	-	-	-	2,135
Nonaccrual	-	-	-	-	-	-	-	-	-
Total residential real estate - construction	2,135	-	-	-	-	-	-	-	2,135
Total residential real estate	11,084	6,411	11,098	11,653	29,768	29,497	-	-	99,511
Consumer - home equity and lines of credit:									
Performing	-	82	61	65	102	1,117	16,443	1,602	19,472
Nonaccrual	-	-	-	-	-	25	-	-	25
Total consumer - home equity and lines of credit	-	82	61	65	102	1,142	16,443	1,602	19,497
Consumer - other									
Performing	23	-	13	20	-	-	-	-	56
Nonaccrual	-	-	-	-	-	-	-	-	-
Total consumer - other	23	-	13	20	-	-	-	-	56
Total consumer	23	82	74	85	102	1,142	16,443	1,602	19,553
Total loans	\$ 60,541	\$ 36,199	\$ 47,074	\$ 64,743	\$ 56,456	\$ 95,267	\$ 82,471	\$ 1,602	\$ 444,353

**1895 BANCORP OF WISCONSIN, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Years Ended December 31, 2025 and 2024**

**NOTE 4 — Loans (continued)**

**December 31, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019 and Prior</u>	<u>Revolving Lines of Credit</u>	<u>Revolving Lines of Credit Converted to Term Loans</u>	<u>Total Loans</u>
	(in thousands)								
<b>Commercial real estate:</b>									
Pass	\$ 23,417	\$ 37,493	\$ 72,749	\$ 34,372	\$ 38,131	\$ 39,658	\$ 57	\$ -	\$ 245,877
Watch and special mention	-	-	1,700	183	-	291	-	-	2,174
Substandard	-	1,642	539	-	-	400	-	-	2,581
Nonaccrual	-	-	144	-	-	-	-	-	144
Total commercial real estate	<u>23,417</u>	<u>39,135</u>	<u>75,132</u>	<u>34,555</u>	<u>38,131</u>	<u>40,349</u>	<u>57</u>	<u>-</u>	<u>250,776</u>
<b>Other commercial loans:</b>									
Pass	14,393	7,137	5,316	1,962	264	784	12,351	-	42,207
Watch and special mention	1,287	4,158	1,434	99	-	-	-	-	6,978
Substandard	-	-	-	-	-	85	-	-	85
Nonaccrual	-	-	170	-	-	-	425	-	595
Total other commercial loans	<u>15,680</u>	<u>11,295</u>	<u>6,920</u>	<u>2,061</u>	<u>264</u>	<u>869</u>	<u>12,776</u>	<u>-</u>	<u>49,865</u>
Total commercial loans	<u>39,097</u>	<u>50,430</u>	<u>82,052</u>	<u>36,616</u>	<u>38,395</u>	<u>41,218</u>	<u>12,833</u>	<u>-</u>	<u>300,641</u>
<b>Residential real estate - first mortgage:</b>									
Performing	7,225	13,562	12,665	31,770	14,572	17,058	-	-	96,852
Nonaccrual	-	153	-	-	-	672	-	-	825
Total residential real estate - first mortgage	<u>7,225</u>	<u>13,715</u>	<u>12,665</u>	<u>31,770</u>	<u>14,572</u>	<u>17,730</u>	<u>-</u>	<u>-</u>	<u>97,677</u>
<b>Residential real estate - construction:</b>									
Performing	670	-	-	-	-	-	-	-	670
Nonaccrual	-	-	-	-	-	-	-	-	-
Total residential real estate - construction	<u>670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>670</u>
Total residential real estate	<u>7,895</u>	<u>13,715</u>	<u>12,665</u>	<u>31,770</u>	<u>14,572</u>	<u>17,730</u>	<u>-</u>	<u>-</u>	<u>98,347</u>
<b>Consumer - home equity and lines of credit:</b>									
Performing	72	68	24	119	61	970	16,355	1,396	19,065
Nonaccrual	-	-	-	-	-	117	4	-	121
Total consumer - home equity and lines of credit	<u>72</u>	<u>68</u>	<u>24</u>	<u>119</u>	<u>61</u>	<u>1,087</u>	<u>16,359</u>	<u>1,396</u>	<u>19,186</u>
<b>Consumer - other</b>									
Performing	13	21	33	-	3	-	-	-	70
Nonaccrual	-	-	-	-	-	-	-	-	-
Total consumer - other	<u>13</u>	<u>21</u>	<u>33</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70</u>
Total consumer	<u>85</u>	<u>89</u>	<u>57</u>	<u>119</u>	<u>64</u>	<u>1,087</u>	<u>16,359</u>	<u>1,396</u>	<u>19,256</u>
Total loans	<u>\$ 47,077</u>	<u>\$ 64,234</u>	<u>\$ 94,774</u>	<u>\$ 68,505</u>	<u>\$ 53,031</u>	<u>\$ 60,035</u>	<u>\$ 29,192</u>	<u>\$ 1,396</u>	<u>\$ 418,244</u>

There were no commercial loans rated Doubtful or Loss as of December 31, 2025 or December 31, 2024.

**1895 BANCORP OF WISCONSIN, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Years Ended December 31, 2025 and 2024**

**NOTE 4 — Loans (continued)**

The following table presents gross charge-offs of our loans for each portfolio class, by origination year, that occurred during 2025 and 2024. See Note 1 for additional information on our charge-off policy.

For the year ended December 31, 2025									
	2025	2024	2023	2022	2021	2020 and Prior	Revolving Lines of Credit	Revolving Lines of Credit Converted to Term Loans	Total Loans
	(in thousands)								
<b>Commercial:</b>									
Real estate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land development	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total commercial loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Residential real estate:</b>									
First mortgage	-	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-	-
<b>Total residential real estate</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consumer:</b>									
Home equity and lines of credit	-	-	-	-	-	-	-	-	-
Other	3	2	-	-	-	3	-	-	8
<b>Total consumer</b>	<b>3</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>8</b>
<b>Total current period charge-offs</b>	<b>\$ 3</b>	<b>\$ 2</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8</b>

For the year ended December 31, 2024									
	2024	2023	2022	2021	2020	2019 and Prior	Revolving Lines of Credit	Revolving Lines of Credit Converted to Term Loans	Total Loans
	(in thousands)								
<b>Commercial:</b>									
Real estate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land development	-	-	-	-	-	-	-	-	-
Other	-	-	-	1	2	-	-	-	3
<b>Total commercial loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>
<b>Residential real estate:</b>									
First mortgage	-	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-	-
<b>Total residential real estate</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consumer:</b>									
Home equity and lines of credit	-	-	-	-	-	-	-	-	-
Other	9	4	-	-	5	2	-	-	20
<b>Total consumer</b>	<b>9</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>20</b>
<b>Total current period charge-offs</b>	<b>\$ 9</b>	<b>\$ 4</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 7</b>	<b>\$ 2</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23</b>

**1895 BANCORP OF WISCONSIN, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Years Ended December 31, 2025 and 2024**

**NOTE 4 — Loans (continued)**

An analysis of past due loans, net of amortized costs, is presented below:

	December 31, 2025				
	Loans Past Due 30-89 Days	Loans Past Due 90+ Days	Total Past Due	Current Loans	Total Loans
	(in thousands)				
Commercial:					
Real estate	\$ 955	\$ —	\$ 955	\$ 278,724	\$ 279,679
Other	—	—	—	45,610	45,610
Residential real estate:					
First mortgage	136	227	363	97,013	97,376
Construction	—	—	—	2,135	2,135
Consumer:					
Home equity and lines of credit	76	—	76	19,421	19,497
Other	—	—	—	56	56
Total	\$ 1,167	\$ 227	\$ 1,394	\$ 442,959	\$ 444,353

	December 31, 2024				
	Loans Past Due 30-89 Days	Loans Past Due 90+ Days	Total Past Due	Current Loans	Total Loans
	(in thousands)				
Commercial:					
Real estate	\$ —	\$ —	\$ —	\$ 250,776	\$ 250,776
Other	425	—	425	49,440	49,865
Residential real estate:					
First mortgage	868	158	1,026	96,651	97,677
Construction	—	—	—	670	670
Consumer:					
Home equity and lines of credit	78	90	168	19,018	19,186
Other	—	—	—	70	70
Total	\$ 1,371	\$ 248	\$ 1,619	\$ 416,625	\$ 418,244

There are no loans 90 or more days past due and accruing interest as of December 31, 2025 or 2024.

The following table presents the amortized cost of our loans on nonaccrual status as of December 31, 2025 and December 31, 2024.

	December 31, 2025	December 31, 2024
	(in thousands)	
Commercial:		
Real estate	\$ —	\$ 144
Other	175	595
Residential real estate:		
First mortgage	1,065	825
Construction	—	—
Consumer:		
Home equity and lines of credit	25	121
Other	—	—
Total nonaccrual loans	\$ 1,265	\$ 1,685
Total nonaccrual loans to total loans	0.27%	0.40%
Total nonaccrual loans to total assets	0.21%	0.29%

**1895 BANCORP OF WISCONSIN, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Years Ended December 31, 2025 and 2024**

**NOTE 4 — Loans (continued)**

The Company had \$1.3 million of loans that were on nonaccrual status as of December 31, 2025, with no related allowance for credit losses. At December 31, 2024, the Company had \$1.7 million of loans that were on nonaccrual status with no related allowance for credit losses. During the twelve months ended December 31, 2025, there was approximately \$39,000 of interest earned on nonaccrual loans and approximately \$10,000 in accrued interest was reversed on nonaccrual loans. During the twelve months ended December 31, 2024, there was approximately \$25,000 of interest earned on nonaccrual loans and approximately \$13,000 in accrued interest was reversed on nonaccrual loans.

At December 31, 2025 and December 31, 2024, the Company held loans that were individually evaluated for impairment due to financial difficulties experienced by the borrower and for which the repayment, on the basis of our assessment, is expected to be provided substantially through the sale or operation of the collateral. The ACL for these collateral dependent loans is primarily based on the fair value of the underlying collateral at the reporting date. The following describes the type of collateral that secure collateral dependent loans:

- Commercial real estate loans are primarily secured by office and industrial buildings and warehouses.
- Commercial and industrial loans are primarily secured by accounts receivable, inventory and equipment.
- One-to-four-family mortgages are primarily secured by first liens on residential real estate.
- Home equity loans are primarily secured by first and junior loans on residential real estate.

The table below summarizes collateral dependent loans and the related ACL at December 31, 2025 and December 31, 2024 for which the borrower is experiencing financial difficulty:

	December 31, 2025		December 31, 2024	
	Loans	Allowance	Loans	Allowance
	(in thousands)			
Commercial:				
Real estate	\$ 3,104	\$ —	\$ 2,725	\$ —
Other	3,781	—	680	—
Residential real estate:				
First mortgage	1,065	—	1,016	—
Construction	—	—	—	—
Consumer:				
Home equity and lines of credit	25	—	121	—
Other	—	—	—	—
Total	\$ 7,975	\$ —	\$ 4,542	\$ —

**1895 BANCORP OF WISCONSIN, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Years Ended December 31, 2025 and 2024**

**NOTE 5 — Premises and Equipment**

Premises and equipment are stated at cost less accumulated depreciation and are summarized as follows:

	<b>As of December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>(in thousands)</b>	
Land	\$ 863	\$ 863
Buildings	8,118	8,104
Leasehold improvements	1	1
Furniture and equipment	6,475	6,274
Totals	15,457	15,242
Less: Accumulated depreciation	10,726	10,344
Premises and equipment, net	<u>\$ 4,731</u>	<u>\$ 4,898</u>

Depreciation expense was approximately \$437,000 in 2025 and \$458,000 in 2024.

The Company leases space under a non-cancelable operating lease agreement for a single bank branch facility with a remaining lease term of 1.2 years. The lease arrangement contained an extension option for an additional 3 years, which was exercised during the first quarter of 2024. The right-of-use asset and lease liability consider the renewal option when it is reasonably certain of being exercised. The current lease agreement does not contain any renewal options. At December 31, 2025 and December 31, 2024, the balance of the right-of-use asset and the right-of-use lease liability was approximately \$68,000 and \$122,000, respectively. The right-of-use asset is recorded in Other assets and the right-of-use lease liability is recorded in Other liabilities on the Consolidated Balance Sheets. See Note 1 for the Company's accounting policy on operating leases.

A summary of net lease cost and selected other information related to the operating lease follows:

	<b>Year ended</b>	
	<b>December 31, 2025</b>	<b>December 31, 2024</b>
	<b>(in thousands)</b>	
<b>Net Lease Cost</b>		
Operating lease cost	\$ 58	\$ 62
Variable lease cost	—	—
Net lease cost:	<u>\$ 58</u>	<u>\$ 62</u>
<b>Selected other operating lease information:</b>		
Weighted average remaining lease terms (years)	1.2	2.1
Weighted average discount rate	4.45%	4.45%

The following table summarizes the maturity of remaining lease liabilities:

	<b>(in thousands)</b>
2026	\$ 60
2027	10
Amounts representing interest	(2)
Total	<u>\$ 68</u>

**1895 BANCORP OF WISCONSIN, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Years Ended December 31, 2025 and 2024**

**NOTE 6 — Mortgage Servicing Rights**

Loans serviced for others are not included in the consolidated balance sheets. The unpaid principal balance of mortgage loans serviced for others totaled \$246.3 million at December 31, 2025, and \$266.5 million at December 31, 2024.

The following is a summary of changes in the balance of mortgage servicing rights for the periods indicated below:

	<b>Year Ended December 31, 2025</b>	<b>Year Ended December 31, 2024</b>
	<b>(in thousands)</b>	
Mortgage servicing rights beginning balance	\$ 1,622	\$ 1,720
Additions	63	83
Amortization	(185)	(181)
Mortgage servicing rights ending balance	<u>\$ 1,500</u>	<u>\$ 1,622</u>
Fair value at beginning of period	\$ 3,020	\$ 3,269
Fair value at end of period	<u>\$ 2,688</u>	<u>\$ 3,020</u>

There was no valuation allowance as of December 31, 2025 or December 31, 2024. The Company did not sell any mortgage servicing rights during the years ended December 31, 2025 and 2024.

The estimated fair value of mortgage servicing rights was determined using a valuation model that calculates the present value of expected future servicing and ancillary income, net of expected servicing costs. The model incorporates various assumptions such as discount rates, prepayment speeds, and ancillary income and servicing costs. As of December 31, 2025, the model used discount rates ranging from 10.1% to 13.0% and prepayment speeds ranging from 6.7% to 30.0%, respectively, both of which were based on market data from independent organizations. As of December 31, 2024, the model used discount rates of 10.1% to 13.0% and prepayment speeds ranging from 6.6% to 30.0%.

The following table shows the estimated future amortization of mortgage servicing rights for the next five years. The projections of amortization expense are based on existing asset balances as of as of December 31, 2025. The actual amortization expense the Company recognizes in any given period may be significantly different depending on changes in interest rates, market conditions, and regulatory requirements.

Estimated future amortization as of December 31, 2025:	<b>(in thousands)</b>
2026	\$ 197
2027	176
2028	149
2029	130
2030	114
Thereafter	734
Total	<u>\$ 1,500</u>

**1895 BANCORP OF WISCONSIN, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Years Ended December 31, 2025 and 2024**

**NOTE 7 — Deposits**

The composition of deposits is as follows:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
	<b>(in thousands)</b>	
Non-interest bearing checking	\$ 71,164	\$ 77,557
Interest bearing checking	26,708	28,326
Money market	92,728	99,639
Statement savings	38,509	39,515
Certificates of deposit	158,126	153,379
Brokered deposits	14,500	—
Total	<u>\$ 401,735</u>	<u>\$ 398,416</u>

Certificates of deposit that met or exceeded the FDIC insurance limit of \$250,000 totaled \$28.2 million and \$24.6 million at December 31, 2025 and 2024, respectively.

Interest expense on deposits is summarized as follows:

	<b>For the year ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>(in thousands)</b>	
Interest bearing checking	\$ 357	\$ 354
Money market	2,032	2,147
Statement savings	21	22
Certificates of deposit	6,666	7,331
Total	<u>\$ 9,076</u>	<u>\$ 9,854</u>

The scheduled maturities of certificates of deposit, including brokered time deposits are as follows:

	<b>(in thousands)</b>
2026	\$ 158,810
2027	9,562
2028	4,094
2029	87
2030	73
Total	<u>\$ 172,626</u>

**1895 BANCORP OF WISCONSIN, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**Years Ended December 31, 2025 and 2024**

**NOTE 8 — FHLB Advances and Other Borrowings**

A summary of Federal Home Loan Bank advances follows:

	December 31, 2025		December 31, 2024	
	Rate	Amount	Rate	Amount
	(dollars in thousands)			
Open line of credit	—	\$ —	4.66%	\$ 4,000
Putable advance, maturing December 2029, next option date March 2026	3.51%	5,000	3.51%	5,000
Putable advance, maturing January 2029, next option date January 2025	—	—	3.70%	5,000
Putable advance, maturing February 2029, next option date February 2025	—	—	3.78%	5,000
Putable advance, maturing February 2029, next option date February 2026	3.85%	5,000	3.85%	5,000
Putable advance, maturing March 2029, option expired	3.79%	2,500	3.79%	2,500
Putable advance, maturing March 2029, next option date March 2026	3.52%	5,000	3.52%	5,000
Putable advance, maturing March 2030, next option date March 2025	—	—	0.89%	10,000
Putable advance, maturing March 2032, next option date March 2027	1.74%	10,000	1.74%	10,000
Putable advance, maturing July 2029, next option date January 2026	3.42%	5,000	3.42%	5,000
Putable advance, maturing August 2029, next option date February 2025	—	—	3.05%	5,000
Putable advance, maturing January 2030, next option date January 2026	3.45%	5,000	—	—
Putable advance, maturing January 2032, next option date January 2026	3.29%	5,000	—	—
Putable advance, maturing February 2030, next option date February 2026	3.81%	5,000	—	—
Putable advance, maturing February 2030, next option date February 2026	3.49%	5,000	—	—
Putable advance, maturing February 2032, next option date February 2026	3.31%	5,000	—	—
Putable advance, maturing March 2028, next option date March 2026	3.62%	5,000	—	—
Putable advance, maturing March 2028, option expired	3.61%	5,000	—	—
Putable advance, maturing March 2030, next option date March 2026	3.15%	5,000	—	—
Putable advance, maturing May 2028, option expired	3.64%	5,000	—	—
Putable advance, maturing May 2030, next option date March 2026	3.17%	5,000	—	—
Advance structured note, payments due monthly, maturing April 2030	1.05%	4,462	1.05%	5,464
Advance structured note, payments due monthly, maturing May 2030	1.19%	4,564	1.19%	5,564
Fixed rate, fixed term community small business advance, maturing June 2032	0.00%	1,500		
Fixed rate, fixed term community small business advance, maturing June 2031	0.00%	1,767	0.00%	1,767
Fixed rate, fixed term community impact advance, maturing December 2028	2.42%	12,500	2.42%	12,500
Fixed rate, fixed term advance, maturing July 2027	2.90%	5,000	2.90%	5,000
Total		\$ 112,293		\$ 91,795

A summary of the scheduled maturities and principal payments of Federal Home Loan Bank advances follows:

	December 31, 2025	
	Weighted Average Rate	Amount
	(dollars in thousands)	
2026	1.12%	\$ 2,024
2027	2.01%	17,047
2028	2.94%	29,570
2029	3.39%	24,594
2030	3.31%	25,791
Thereafter	2.49%	13,267
Total	2.89%	\$ 112,293

Actual maturities may differ from the scheduled principal maturities due to call options on the various advances.

The Company maintains a master contract agreement with the FHLB, which provides for borrowing up to the lesser of 22.22 times the FHLB stock owned, a determined percentage of the book value of the Company's qualifying real estate loans, or a determined percentage of the Company's assets. The FHLB provides both fixed and floating rate advances. Floating rates are tied to short-term market rates of interest such as the Secured Overnight Funding Rate ("SOFR"), federal funds or Treasury bill rates. FHLB advances are subject to a prepayment penalty if they are repaid prior to maturity. The Company had pledged qualifying real estate and commercial and industrial loans with

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**NOTE 8 — FHLB Advances and Other Borrowings (continued)**

collateral values of approximately \$173.9 million at December 31, 2025, and \$168.3 million at December 31, 2024. FHLB advances were also secured by \$6.1 million at December 31, 2025 and \$4.7 million at December 31, 2024 of FHLB stock owned by the Company. At December 31, 2025 and 2024, the Company's available and unused portion of this borrowing agreement totaled \$59.9 million and \$75.0 million, respectively. Additional borrowing would require additional purchase of FHLB stock.

Additionally, at December 31, 2025 the Company had a \$12.0 million federal funds rate line of credit with the BMO Harris Bank, none of which was drawn at December 31, 2025. The Company also had a \$10.6 million line of credit at the Federal Reserve based on pledged commercial real estate loans of approximately \$12.2 million at December 31, 2025. The Company had not drawn on the Federal Reserve line as of December 31, 2025.

**NOTE 9 — Employee Benefit Plan**

The Company sponsors a 401(k)-profit sharing plan covering substantially all employees certain age and minimum service requirements. The Company may then match a discretionary percentage of each eligible participant's contribution. The expense charge to operations for the Company's matching contributions were approximately \$373,000 and \$342,000 for the years ended December 31, 2025 and 2024, respectively.

**NOTE 10 — Income Taxes**

Income tax expense (benefit) included in the accompanying consolidated statements of operations consists of the following components:

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
	(in thousands)	
Current tax expense (benefit):		
Federal	\$ —	\$ —
State	—	—
Total current tax expense (benefit)	—	—
Deferred tax expense:		
Federal	(313)	(386)
State	—	—
Valuation allowance-State	518	(159)
Total deferred tax expense	205	(545)
Provision (credit) for income taxes	<u>\$ 205</u>	<u>\$ (545)</u>

The following table reconciles income tax expense (benefit) at the U.S. federal statutory rate to the Company's effective income tax rate.

	<u>Years ended December 31,</u>			
	<u>2025</u>		<u>2024</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
	(dollars in thousands)			
Income before provision for income taxes	\$ 1,625		\$ (1,426)	
Income tax expense (benefit) at U.S. federal statutory rate	341	21.00%	(299)	(21.00)%
State and local income tax, net of federal income tax effect <sup>(1)</sup>	—	0.00%	—	0.00%
Nontaxable and nondeductible items				
Increase in cash value of life insurance	(104)	(6.40)%	(95)	(6.66)%
Restricted stock	(17)	(1.05)%	(1)	(0.07)%
Incentive stock options	31	1.91%	36	2.53%
Other nontaxable and nondeductible items	10	0.61%	(1)	(0.07)%
Other adjustments				
AMT Credit	(54)	(3.32)%	—	0.00%
Stranded AOCI	(4)	(0.25)%	(190)	(13.31)%
Other	2	0.12%	5	0.36%
Total income tax expense (benefit)	<u>\$ 205</u>	<u>12.62%</u>	<u>\$ (545)</u>	<u>(38.22)%</u>

(1) State taxes in Wisconsin made up the majority of the tax effect in this category.

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**NOTE 10 — Income Taxes (continued)**

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

The net deferred tax asset in the accompanying balance sheet includes the following amounts of deferred tax assets and liabilities:

	<b>As of December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>(in thousands)</b>	
<b>Deferred tax assets:</b>		
Allowance for credit losses	\$ 1,458	\$ 1,354
Deferred compensation	1,451	1,263
Accrued employee benefits	55	58
NOL and charitable contribution carryforwards	5,430	5,504
Net unrealized losses on available for sale securities	1,663	2,656
Premises and equipment	35	18
ESOP release of shares	97	81
Other	168	167
<b>Total deferred tax assets</b>	<b>\$ 10,357</b>	<b>\$ 11,101</b>
<b>Deferred tax liabilities:</b>		
Loan fees	\$ 172	\$ 153
Mortgage servicing rights	408	437
FHLB stock dividends	22	22
<b>Total deferred tax liabilities</b>	<b>\$ 602</b>	<b>\$ 612</b>
Net deferred tax asset/liability	9,755	10,489
Valuation allowance	(3,495)	(3,194)
<b>Net deferred tax asset</b>	<b>\$ 6,260</b>	<b>\$ 7,295</b>

Income tax expense (benefit) was approximately \$205,000 for the year ended December 31, 2025 and (\$545,000) for the year ended December 31, 2024. As of December 31, 2025 and December 31, 2024, the Company had a deferred tax asset valuation allowance of \$3.5 million and \$3.2 million, respectively, reducing our net deferred tax assets to \$6.3 million and \$7.3 million, at each respective date.

On July 5, 2023, the Wisconsin legislature enacted 2023 Wisconsin Act 19 (the "Act"). The Act contains a provision that provides financial institutions with a state tax-exemption for interest, fees and penalties earned on qualifying loans. For the exemption to apply, the loan must be \$5 million or less, for primarily a business or agricultural purpose, and made to borrowers residing or located in Wisconsin. The exemption first applies to taxable years beginning after December 31, 2022, and applies to loans on the books as of January 1, 2023 and to new loans made after January 1, 2023, that meet the qualifications. The Company currently projects that its Wisconsin state taxable income will be significantly reduced and/or eliminated in the future as a result of this provision.

Deferred tax assets are deferred tax consequences attributable to deductible temporary differences and carryforwards. After the deferred tax asset has been measured using the applicable enacted tax rate and provisions of the enacted tax law, it is then necessary to assess the need for a valuation allowance. A valuation allowance is needed when, based on the weight of the available positive and negative evidence, it is more likely than not that some portion of the deferred asset will not be realized. As required by generally accepted accounting principles, available evidence is weighted heavily on cumulative losses, with less weight placed on future projected profitability. Realization of the deferred tax asset is dependent on whether there will be sufficient future taxable income, including available tax strategies of the appropriate character in the period during which deductible temporary differences reverse or within the carryforward periods available under tax law. The board and management continue to assess the deferred tax assets in light of recent changes in market conditions, forecasted future income and available tax planning strategies. As such, there may be additional deferred tax impairment in subsequent periods.

The Company has federal loss carryforwards of approximately \$13.8 million as of December 31, 2025. Of this amount, \$8.3 million represents tax loss carryforwards which have an indefinite carryforward period due to the Tax Cuts and Jobs Act of 2017. The remaining \$5.5 million of losses begin to expire in 2033.

The Company had an ownership change during 2021 which resulted in an annual limitation on the future utilization of both Federal and Wisconsin net operating loss (NOL) carryforwards.

**1895 BANCORP OF WISCONSIN, INC.**  
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**NOTE 10 — Income Taxes (continued)**

The Company has state net operating loss carryforwards totaling approximately \$40.2 million as of December 31, 2025, that may be applied against future state taxable income and begin to expire in 2027. The Company also has approximately \$162,000 of charitable contribution carryforwards that may be applied against future taxable income which begin to expire in 2026.

With few exceptions, the Company is generally no longer subject to examinations by taxing authorities for years before 2022 for federal tax examinations and 2021 for state tax examinations.

**NOTE 11 — Commitments and Contingencies**

*Legal Matters*

In the normal course of business, the Company may be involved in various legal proceedings. In the opinion of management, any liability resulting from such proceedings would not have a material adverse effect on the Company's consolidated financial statements. No legal proceedings existed at December 31, 2025 that would have a material adverse effect on the Company's consolidated financial statements.

*Credit Commitments and Contingencies*

The Company is party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These instruments include commitments to extend credit and commitments to sell loans. These instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the consolidated balance sheets.

The Company's exposure to credit loss is represented by the contractual, or notional, amount of these commitments. The Company follows the same credit policies in making commitments as it does for on-balance-sheet instruments. Since some of the commitments are expected to expire without being drawn upon, and some of the commitments may not be drawn upon to the total extent of the commitment, the notional amount of these commitments does not necessarily represent future cash requirements of the Company.

ASU 2016-13, Financial Instruments-Credit Losses (Topic 326), requires that we establish an allowance for credit losses for off-balance sheet credit exposures, including unfunded loan commitments, that meet certain requirements. The allowance for credit losses for off-balance sheet credit exposures is estimated by portfolio segment at each balance sheet date under the CECL model using the same methodologies as portfolio loans, also taking into consideration management's assumption of the likelihood that funding will occur. The allowance for credit losses for off-balance sheet credit exposures is included in other liabilities on the Company's Consolidated Balance Sheets. Additional provisions for expected losses occur through a charge to the provision for credit losses. At December 31, 2025, the allowance for credit losses for unfunded commitments was \$438,000 and there was approximately \$20.2 million in outstanding commitments to extend credit that were expected to fund. At December 31, 2024, the allowance for credit losses for unfunded commitments was \$698,000 and there was approximately \$30.0 million in outstanding commitments to extend credit that were expected to fund.

The contract amounts of credit-related financial instruments at December 31, 2025 and 2024 are summarized below:

	<b>December 31, 2025</b>		
	<b>Fixed Rate</b>	<b>Variable</b>	<b>Total</b>
		<b>Rate</b>	
		<b>(in thousands)</b>	
Commitments to extend credit	\$ 17,305	\$ 60,583	\$ 77,888
Standby letters of credit	—	611	611
Credit enhancement under the FHLB of Chicago Mortgage Partnership Finance Program	1,769	—	1,769
Commitments to sell loans	1,168	—	1,168
Overdraft protection program commitments	3,039	—	3,039
	<b>December 31, 2024</b>		
	<b>Fixed Rate</b>	<b>Variable</b>	<b>Total</b>
		<b>Rate</b>	
		<b>(in thousands)</b>	
Commitments to extend credit	\$ 8,000	\$ 76,676	\$ 84,676
Standby letters of credit	—	611	611
Credit enhancement under the FHLB of Chicago Mortgage Partnership Finance Program	1,455	—	1,455
Commitments to sell loans	1,296	—	1,296
Overdraft protection program commitments	3,648	—	3,648

**1895 BANCORP OF WISCONSIN, INC.**  
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**NOTE 11 — Commitments and Contingencies (continued)**

Commitments to extend credit are agreements to lend to a customer at fixed or variable rates, 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. The amount of collateral obtained upon extension of credit is based on management's credit evaluation of the customer. Collateral held varies but may include accounts receivable; inventory; property, plant and equipment; real estate; and stocks and bonds. Commitments to sell loans represent commitments obtained by the Company from a secondary market agency to purchase mortgages from the Company at specified interest rates and within specified periods of time.

Standby letters of credit are conditional lending commitments issued by the Company to guarantee the performance of a customer to a third party. Generally, all standby letters of credit have expiration dates within one year. The credit risk involved in issuing standby letters of credit is essentially the same as that involved in extending loan facilities to customers. The Company generally holds collateral supporting these commitments. Standby letters of credit are not reflected in the consolidated financial statements, since recording the fair value of these guarantees would not have a significant impact on the consolidated financial statements.

The Company participates in the FHLB Mortgage Partnership Finance Program (the "Program"). In addition to entering into forward commitments to sell mortgage loans to a secondary market agency, the Company enters into firm commitments to deliver loans to the FHLB through the Program. Under the Program, loans are funded by the FHLB, and the Company receives an agency fee reported as a component of gain on sale of loans. The Company had approximately \$956,000 in outstanding commitments to deliver loans through the Program as of December 31, 2025. The Company had approximately \$908,000 in outstanding commitments to deliver loans through the program as of December 31, 2024. Once delivered to the Program, the Company provides a contractually agreed-upon credit enhancement and performs servicing of the loans. Under the credit enhancement, the Company is liable for losses on loans delivered to the Program after application of any mortgage insurance and a contractually agreed-upon credit enhancement provided by the Program subject to an agreed-upon maximum. The Company receives a fee for this credit enhancement. The Company records a liability for expected losses in excess of anticipated credit enhancement fees. As of December 31, 2025, and 2024, the Company had no liability outstanding.

Unfunded commitments under overdraft protection agreements are commitments for possible future extensions of credit to existing customers. These lines of credit may or may not require collateral and may or may not contain a specific maturity date.

**NOTE 12 — Concentration of Credit Risk**

Financial instruments that potentially subject the Company to credit risk consist primarily of cash and cash equivalents, investments, and loans. The Company's cash and cash equivalents are held in demand accounts with various institutions. The Company's investments are held in a variety of interest-bearing investments including U.S. Treasury notes, obligations from states and political subdivisions, government sponsored agencies and certificates of deposit. Such certificates of deposits are generally within insured limits. The Company has not experienced any historical losses on its investments of cash and cash equivalents. Practically all of the Company's loans and commitments have been granted to customers in the Company's market area. Although the Company has a diversified loan portfolio, the ability of their debtors to honor their contracts is dependent on the economic conditions of the counties surrounding the Company. The concentration of credit by type of loan is set forth in Note 4.

**1895 BANCORP OF WISCONSIN, INC.**  
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**NOTE 13 — Employee Stock Ownership Plan**

The Company established a tax qualified Employee Stock Ownership Plan (“ESOP”) for the benefit of its employees in conjunction with our 2019 reorganization. Eligible employees become 20% vested in their accounts after 1 year of service, 40% vested after 2 years of service, 60% vested after 3 years of service, 80% vested after 4 years of service, and 100% vested after 5 or more years of service, or earlier, upon death, disability or attainment of normal retirement age.

On January 8, 2019, the ESOP purchased 175,528 shares (231,047 adjusted for the 2021 conversion) of the Company’s common stock, which was funded by a loan from Old 1895 Bancorp. Unreleased ESOP shares collateralize the loan payable, and the cost of the shares is recorded as contra-equity account in the stockholders’ equity of the Company. Shares are to be released as debt payments are made by the ESOP to the loan. The ESOP’s sources of repayment of the loan can include dividends, if any, on the unallocated stock held by the ESOP, and discretionary contributions from the Company to the ESOP and earnings thereon.

As part of the mutual-to-stock conversion and stock offering completed on July 14, 2021, the ESOP refinanced the aforementioned loan with New 1895 Bancorp, enabling the ESOP to purchase an aggregate of 283,360 additional shares of common stock. The ESOP completed the purchase of all the additional 283,360 shares at an average price of \$10.90 in the second quarter of 2022.

Compensation expense for the ESOP is recorded at an amount equal to the shares allocated by the ESOP multiplied by the average fair market value of the shares during the period. The Company recognizes compensation expense ratably over the year based upon the Company’s estimate of the number of shares expected to be allocated by the ESOP. Unearned compensation applicable to the ESOP is reflected as a reduction of stockholders’ equity in the consolidated balance sheet. The difference between the average fair market value and the cost of the shares allocated by the ESOP is recorded as an adjustment to stockholders’ equity. The Company recognized approximately \$204,000 and \$165,000 in compensation expense for the years ended December 31, 2025 and December 31, 2024, respectively.

The following table provides the allocated and unallocated shares of common stock associated with the ESOP as of December 31, 2025 and 2024.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	(dollars in thousands)	
Shares committed to be released	19,730	19,730
Total allocated shares	76,410	64,818
Total unallocated shares	394,602	414,332
Total ESOP shares	<u>490,742</u>	<u>498,880</u>
Fair value of unallocated shares (based on \$11.20 and \$10.00 share price as of December 31, 2025 and December 31, 2024, respectively)	<u>\$ 4,420</u>	<u>\$ 4,143</u>

**NOTE 14 — Related-Party Transactions**

A summary of loans to directors, executive officers, and their affiliates follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	(in thousands)	
Beginning balance	\$ 764	\$ 995
Adjustments due to changes in directors, executive officers, and/or principal stockholders	—	—
New loans	545	39
Repayments	(600)	(270)
Ending balance	<u>\$ 709</u>	<u>\$ 764</u>

Deposits from directors, executive officers, and their affiliates totaled approximately \$805,000 and \$681,000 at December 31, 2025 and 2024, respectively.

The Company utilizes the services of law firms in which certain of the Company’s directors are partners. Fees paid to these firms were immaterial for the years ended December 31, 2025 and 2024, respectively.

**1895 BANCORP OF WISCONSIN, INC.**  
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**NOTE 15 — Fair Value**

ASC Topic 820, Fair Value Measurements and Disclosures defines fair values, establishes a framework for measuring fair value and expands disclosures about fair value measurements. This accounting standard applies to reported balances that are required or permitted to be measured at fair value under existing accounting pronouncements. The standard also emphasizes that fair value (i.e., the price that would be received in an orderly transaction that is not a forced liquidation or distressed sale at the measurement date), among other things, is based on exit price versus entry price, should include assumptions about risk such as nonperformance risk in liability fair values, and is a market-based measurement, not an entity-specific measurement. When considering the assumptions that market participants would use in pricing an asset or liability, this accounting standard establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

The fair value hierarchy prioritizes inputs used to measure fair value into three broad levels.

Level 1 inputs – In general, fair values determined by Level 1 inputs use quoted market prices in active markets for identical assets or liabilities that we have the ability to access.

Level 2 inputs – Fair values determined by Level 2 inputs use inputs other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets where there are few transactions and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs – Level 3 inputs are unobservable inputs for the asset or liability and include situations where there is little, if any, market activity for the asset or liability.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

Some assets and liabilities, such as securities available for sale, are measured at fair value on a recurring basis under accounting principles generally accepted in the United States. Other assets and liabilities, such as collateral dependent loans, may be measured at fair value on a nonrecurring basis.

Following is a description of the Company's valuation methodology and significant inputs used for each asset and liability measured at fair value on a recurring or nonrecurring basis, as well as the classification of the asset or liability within the fair value hierarchy.

*Securities* – Marketable equity securities and securities available-for-sale may be classified as Level 1 or Level 2 measurements within the fair value hierarchy. Level 1 securities include equity securities traded on a national exchange. The fair value measurements of Level 1 securities are based on the quoted market price of those securities. Level 2 securities include U.S. Treasury notes, U.S. government and agency securities, obligations of states and political subdivisions, corporate debt securities and mortgage-related securities. The fair value measurements of Level 2 securities are obtained from independent pricing services and are based on recent sales of similar securities and other observable market data.

*Collateral dependent loans* – Loans are not measured at fair value on a recurring basis. However, loans determined to be collateral dependent may be measured at fair value on a nonrecurring basis. The fair value measurements of collateral-dependent loans are based on the fair values of the underlying collateral. Independent appraisals are obtained to determine the fair values of underlying collateral, and generally utilize one or more valuation methodologies, typically includes comparable sales and income approaches. Management routinely evaluates the fair value measurements of independent appraisers and adjusts those valuations based on differences noted between actual selling prices of collateral and the most recently appraised value. Such adjustments are usually significant, which results in a Level 3 classification. All other collateral dependent loan measurements are based on the present value of expected future cash flows discounted at the applicable effective interest rate and are not considered fair value measurements.

*Rate lock commitments*—Rate lock commitments on mortgage loans that are intended to be sold are considered to be derivatives. Accordingly, such commitments, along with any related fees received from potential borrowers, are recorded at fair value in other assets or liabilities, with changes in fair value recorded in the net gain or loss on sale of mortgage loans. Fair value is based on fees currently charged to enter into similar agreements for fixed-rate commitments and also considers the difference between current levels of interest rates and the committed rates. While there are Level 2 and 3 inputs used in the valuation models, the Company has determined that one or more of the inputs significant in the valuation of both of the mortgage banking derivatives fall within Level 3 of the fair value hierarchy. The change in fair value is recorded through an adjustment to the statement of operations, within mortgage banking income.

**1895 BANCORP OF WISCONSIN, INC.**  
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**NOTE 15 — Fair Value (continued)**

*Mortgage servicing rights* – The Company utilizes an independent valuation from a third party which uses a discounted cash flow model to estimate the fair value of mortgage servicing rights. The model utilizes prepayment assumptions to project cash flows related to the mortgage servicing rights based upon the current interest rate environment, which is then discounted to estimate an expected fair value of the mortgage servicing rights. The model considers characteristics specific to the underlying mortgage portfolio, such as: contractually specified servicing fees, prepayment assumptions, delinquency rates, late charges and costs to service. Given the significance of the unobservable inputs utilized in the estimation process, mortgage servicing rights are classified as Level 3 within the fair value hierarchy. The Company records the mortgage servicing rights at the lower of amortized cost or fair value.

Assets measured at fair value on a recurring basis are summarized below, along with the level of the fair value hierarchy of the inputs utilized to determine such fair value:

	<u>December 31,</u> <u>2025</u>	<u>Recurring Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
(in thousands)				
Marketable equity securities	\$ 4,980	\$ 4,980	\$ —	\$ —
Securities available-for-sale:				
Obligations of states and political subdivisions	13,993	—	13,993	—
Government-sponsored mortgage-backed securities	79,927	—	79,927	—
Asset-backed securities	2,179	—	2,179	—
Total	<u>\$ 101,079</u>	<u>\$ 4,980</u>	<u>\$ 96,099</u>	<u>\$ —</u>

	<u>December 31,</u> <u>2024</u>	<u>Recurring Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
(in thousands)				
Marketable equity securities	\$ 4,362	\$ 4,362	\$ —	\$ —
Securities available-for-sale:				
Obligations of states and political subdivisions	13,949	—	13,949	—
Government-sponsored mortgage-backed securities	91,287	—	91,287	—
Asset-backed securities	2,587	—	2,587	—
Total	<u>\$ 112,185</u>	<u>\$ 4,362</u>	<u>\$ 107,823</u>	<u>\$ —</u>

Collateral dependent loans are measured at fair value on a non-recurring basis. There were no collateral dependent loans for which a specific valuation allowance was established as of December 31, 2025 and December 31, 2024.

Mortgage servicing rights are measured at fair value on a non-recurring basis. There was no impairment on mortgage servicing rights as of December 31, 2025 or December 31, 2024.

For Level 3 assets measured at fair value on a nonrecurring basis, the significant unobservable inputs used in the fair value measurements were as follows:

	<u>Fair Value at</u> <u>December 31,</u> <u>2025</u>	<u>Valuation</u> <u>Technique</u>	<u>Significant</u> <u>Unobservable</u> <u>Input(s)</u>	<u>Significant Unobservable Input Value</u>	
				<u>Minimum Value</u>	<u>Maximum Value</u>
(dollars in thousands)					
Rate lock commitments	\$ 8	Pricing model	Pull through rate	75.0%	100.0%
Mortgage servicing rights	\$ 2,688	Pricing models	Prepayment rate	6.7%	30.0%
			Discount rate	10.1%	13.0%
			Cost to service	\$ 84.00	\$ 101.00

**1895 BANCORP OF WISCONSIN, INC.**  
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**NOTE 15 — Fair Value (continued)**

The Company estimates fair value of all financial instruments regardless of whether such instruments are measured at fair value. The following methods and assumptions were used by the Company to estimate fair value of financial instruments not previously discussed.

*Cash and cash equivalents* — Fair value approximates the carrying value.

*Loans held for sale* — Fair value is based on commitments on hand from investors or prevailing market prices.

*Loans* — Fair value of variable rate loans that reprice frequently is based on carrying values. Fair value of other loans is estimated by discounting future cash flows using current rates at which similar loans would be made to borrowers with similar credit ratings. Fair value of collateral dependent and other non-performing loans is estimated using discounted expected future cash flows or the fair value of the underlying collateral, if applicable.

*FHLB stock* — Fair value is the redeemable (carrying) value based on the redemption provisions of the Federal Home Loan Bank.

*Accrued interest receivable and payable* — Fair value approximates the carrying value.

*Cash value of life insurance* — Fair value is based on reported values of the assets.

*Deposits and advance payments by borrowers for taxes and insurance* — Fair value of deposits with no stated maturity, such as demand deposits, savings, and money market accounts, including advance payments by borrowers for taxes and insurance, by definition, is the amount payable on demand on the reporting date. Fair value of fixed rate time deposits is estimated using discounted cash flows applying interest rates currently being offered on similar time deposits.

*FHLB Advances* — Fair value of fixed rate, fixed term borrowings is estimated by discounting future cash flows using the current rates at which similar borrowings would be made. Fair value of borrowings with variable rates or maturing within 90 days approximates the carrying value of those borrowings.

The carrying value and estimated fair value of financial instruments follow:

	<b>December 31, 2025</b>			
	<b>Carrying Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>(in thousands)</b>			
<b>Financial assets:</b>				
Cash and cash equivalents	\$ 20,821	\$ 20,821	\$ —	\$ —
Available-for-sale securities	96,099	—	96,099	—
Marketable equity securities	4,980	4,980	—	—
Loans, net	440,061	—	—	431,037
Rate lock commitments	8	—	—	8
Accrued interest receivable	1,739	1,739	—	—
Federal Home Loan Bank stock	6,076	—	—	6,076
Cash value of life insurance	14,977	—	—	14,977
<b>Financial liabilities:</b>				
Deposits	401,735	229,107	—	147,552
Advance payments by borrowers for taxes and insurance	2,014	2,014	—	—
Federal Home Loan Bank advances	112,293	—	—	110,755
Accrued interest payable	1,431	1,431	—	—

**1895 BANCORP OF WISCONSIN, INC.**  
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**NOTE 15 — Fair Value (continued)**

	<b>December 31, 2024</b>			
	<b>Carrying</b>			
	<b>Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>(in thousands)</b>			
<b>Financial assets:</b>				
Cash and cash equivalents	\$ 8,588	\$ 8,588	\$ —	\$ —
Available-for-sale securities	107,823	—	107,823	—
Marketable equity securities	4,362	4,362	—	—
Loans held for sale	510	—	510	—
Loans, net	414,482	—	—	396,480
Rate lock commitments	6	—	—	6
Accrued interest receivable	1,667	1,667	—	—
Federal Home Loan Bank stock	4,682	—	—	4,682
Cash value of life insurance	14,480	—	—	14,480
<b>Financial liabilities:</b>				
Deposits	398,416	245,037	—	143,086
Advance payments by borrowers for taxes and insurance	1,149	1,149	—	—
Federal Home Loan Bank advances	91,795	—	—	88,172
Accrued interest payable	1,212	1,212	—	—

*Limitations* — The fair value of a financial instrument is the current amount that would be exchanged between market participants, other than in a forced liquidation. Fair value is best determined based on quoted market prices. However, in many instances, there are no quoted market prices for the Company's various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument. Consequently, the aggregate fair value amounts presented may not necessarily represent the underlying fair value of the Company.

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 instrument. Because no market exists for a significant portion of the Company's financial instruments, fair value estimates are based on judgments regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates are subjective in nature and involve uncertainties and matters that could affect the estimates. Fair value estimates are based on existing on- and off-balance-sheet financial instruments without attempting to estimate the value of anticipated future business. Deposits with no stated maturities are defined as having a fair value equivalent to the amount payable on demand. This prohibits adjusting fair value derived from retaining those deposits for an expected future period of time. This component, commonly referred to as a deposit base intangible, is neither considered in the above amounts, nor is it recorded as an intangible asset on the balance sheets. In addition, the tax ramifications related to the realization of the unrealized gains and losses can have a significant effect on fair value estimates and have not been considered in the estimates.

**1895 BANCORP OF WISCONSIN, INC.**  
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**NOTE 16 — Equity and Regulatory Matters**

The Bank is subject to various regulatory capital requirements administered by federal and state 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 Company's consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the table below) of Common Equity Tier 1, Tier 1, and Total capital to risk-weighted assets and of Tier 1 capital to average assets. It is management's opinion, as of December 31, 2025, that the Bank met all applicable capital adequacy requirements.

As of December 31, 2025, the Bank is categorized as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Bank must maintain minimum regulatory capital ratios as set forth in the table. There are no conditions or events since December 31, 2025 that management believes have changed the category.

The Bank's actual capital amounts and ratios are presented in the following tables:

	December 31, 2025					
	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
	(dollars in thousands)					
<b><i>PyraMax Bank</i></b>						
Leverage (Tier 1)	\$ 66,854	10.8%	\$ 24,766	4.0%	\$ 30,957	5.0%
Risk-based:						
Common Equity Tier 1	66,854	14.2%	21,254	4.5%	30,701	6.5%
Tier 1	66,854	14.2%	28,339	6.0%	37,785	8.0%
Total	72,216	15.3%	37,785	8.0%	47,232	10.0%

	December 31, 2024					
	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
	(dollars in thousands)					
<b><i>PyraMax Bank</i></b>						
Leverage (Tier 1)	\$ 63,764	11.1%	\$ 22,959	4.0%	\$ 28,699	5.0%
Risk-based:						
Common Equity Tier 1	63,764	14.5%	19,734	4.5%	28,505	6.5%
Tier 1	63,764	14.5%	26,312	6.0%	35,083	8.0%
Total	68,791	15.7%	35,083	8.0%	43,853	10.0%

On April 28, 2023, the Company adopted a second stock repurchase program. On June 9, 2023, the Company received a non-objection letter from the FRB permitting the Company to repurchase 621,522 shares of its common stock, which represented 10% of the shares outstanding at the time discussions were held with the FRB. The Company began purchasing shares on June 15, 2023 and as of December 31, 2025, the Company had repurchased all 621,522 shares for a total purchase price of \$5.8 million.

**1895 BANCORP OF WISCONSIN, INC.**  
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**NOTE 17 — Deferred Compensation**

The Company has obligations to certain retired and active employees and directors under deferred compensation plans. A liability is recorded for the value of the deferred compensation obligations amounting to \$5.3 million and \$4.7 million at December 31, 2025 and 2024, respectively. The Company holds marketable equity securities consisting of mutual fund investments and common stock deferred under the plans, which are held in a Rabbi Trust. The Company may sell these securities on a periodic basis in order to pay retirement benefits to plan retirees. There are no gains or losses realized from the sales of marketable equity securities. Benefits of approximately \$141,000 were paid during the year ended December 31, 2025 and benefits of approximately \$125,000 were paid during the year ended December 31, 2024. The amount charged to operations related to administrative fees for deferred compensation plans was approximately \$16,000 and \$15,000 for the years ended December 31, 2025 and 2024, respectively.

The Company has entered into various salary continuation agreements with former key officers. The agreements provide for the payment of specified amounts upon each employee's retirement or death. The liability outstanding under the agreements was approximately \$51,000 and \$90,000 at December 31, 2025 and 2024, respectively. The amount charged to operations was approximately \$4,000 and \$7,000 for the years ended December 31, 2025 and 2024, respectively.

**NOTE 18 — Earnings (Loss) Per Share (EPS)**

Basic earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding, adjusted for weighted average unallocated ESOP shares, during the applicable period. Diluted earnings per share is computed using the weighted average number of shares determined for the basic earnings per common share computation plus the dilutive effect of stock compensation using the treasury stock method. Antidilutive options are disregarded in earnings per share calculations. For the year ended December 31, 2025, no shares were excluded. For the year ended December 31, 2024, 89,026 shares were excluded, based on average share price, from the computation of diluted earnings per share ("EPS") because the effect would be antidilutive.

Earnings (loss) per common share for the years ended December 31, 2025 and 2024 is presented in the following table.

	<b>Year ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>(In thousands, except per share amounts)</b>	
Net income (loss)	\$ 1,420	\$ (881)
Weighted shares outstanding for basic EPS		
Weighted average shares outstanding	5,531,195	5,870,457
Less: Weighted average unallocated ESOP shares	404,440	424,170
Weighted average shares outstanding for basic EPS	5,126,755	5,446,287
Additional dilutive shares <sup>(1)</sup>	99,062	—
Weighted average shares outstanding for dilutive EPS	5,225,817	5,446,287
Basic income (loss) per share	\$ 0.28	\$ (0.16)
Diluted income (loss) per share <sup>(1)</sup>	\$ 0.27	\$ (0.16)

(1) For 2024, the effect of the stock options was anti-dilutive due to the net loss and therefore no dilutive shares are included in the weighted average shares outstanding or diluted (loss) calculations.

**1895 BANCORP OF WISCONSIN, INC.**  
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**NOTE 19 – Stock Based Compensation**

Stock-Based Compensation Plans

On March 27, 2020, the Company’s stockholders approved the 1895 Bancorp of Wisconsin, Inc. 2020 Equity Incentive Plan (the “2020 Equity Incentive Plan”). A total of 238,467 stock options (313,894 stock options adjusted for the 2021 conversion) and 95,387 restricted shares (125,557 shares adjusted for the 2021 conversion) were approved for award. As of December 31, 2025, no shares of common stock remained available for grant as stock options, restricted stock or restricted stock units under the 2020 Equity Incentive Plan. The stock options granted to employees and non-employee directors under this plan vest in five installments with the first installment vesting on the first anniversary of the date of grant. The exercise price for all stock options granted is equal to the quoted NASDAQ market close price on the date that the awards were granted and expire ten years after the grant date, if not exercised. The restricted stock awards granted to employees and non-employee directors under this plan vest in five installments with the first installment vesting on the first anniversary of the date of grant.

On August 26, 2022, the Company's shareholders approved the 1895 Bancorp of Wisconsin, Inc. 2022 Equity Incentive Plan (the "2022 Equity Incentive Plan"). A total of 354,200 stock options and 141,680 restricted shares were approved for award. As of December 31, 2025, 44,455 shares of common stock remained available for grant as stock options and 20,882 shares remain available for grant as restricted stock or stock units under the 2022 Equity Incentive Plan. The stock options granted to employees and non-employee directors under this plan vest in five installments with the first installment vesting on the first anniversary of the date of grant. The exercise price for all stock options granted is equal to the quoted market close price on the date that the awards were granted and expire ten years after the grant date, if not exercised. The restricted stock awards granted to employees and non-employee directors under this plan vest in five installments with the first installment vesting on the first anniversary of the date of grant.

Accounting for Stock-Based Compensation Plan

The fair value of stock options granted is estimated on the grant date using a Black-Scholes pricing model. The fair value of restricted shares is equal to the quoted market closing price on the date of grant. The fair value of stock grants is recognized as compensation expense on a straight-line basis over the vesting period of the grants. Compensation expense is included in salaries and employee benefits in the consolidated statements of operations.

Assumptions are used in estimating the fair value of stock options granted. The weighted average expected life of the stock options represent the period of time that the options are expected to be outstanding and is based on the historical results from the previous awards. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant. The expected volatility is based on the actual volatility of 1895 Bancorp of Wisconsin, Inc. stock for the weighted average lifetime period prior to issuance date. The following assumptions were used in estimating the fair value of options granted in the years ended December 31, 2025 and December 31, 2024:

	<b>For the Twelve Months Ended</b>	
	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Dividend yield	0.00%	0.00%
Risk-free interest rate	0.00%	4.42%
Expected volatility	0.00%	24.64%
Weighted average expected life (years)	0.0	6.5
Weighted average per share value of options	\$ —	\$ 3.65

No options were granted during 2025. Based on the assumptions above, the estimated weighted average grant-date fair value of options granted was approximately \$27,000 during the year ended December 31, 2024.

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**NOTE 19 – Stock Based Compensation (continued)**

A summary of the Company’s stock option activity for the years ended December 31, 2025 and 2024 is presented below.

<b>Stock Options</b>	<b>Shares</b>	<b>Weighted Average Exercise Price</b>	<b>Weighted Average Remaining in Contractual Term (Years)</b>	<b>Aggregate Intrinsic Value</b>
Outstanding December 31, 2023	600,110	\$ 8.30	7.49	\$ 238,951
Granted	7,500	10.09	6.50	N/A
Exercised	(13,821)	5.96	N/A	36,843
Forfeited	(6,000)	10.05	N/A	N/A
Vested shares expired	(10,917)	6.55	N/A	N/A
Outstanding December 31, 2024	<u>576,872</u>	<u>8.40</u>	6.79	<u>940,958</u>
Options exercisable at December 31, 2024	<u>318,959</u>	<u>\$ 7.72</u>	6.35	<u>\$ 733,242</u>

<b>Stock Options</b>	<b>Shares</b>	<b>Weighted Average Exercise Price</b>	<b>Weighted Average Remaining in Contractual Term (Years)</b>	<b>Aggregate Intrinsic Value</b>
Outstanding December 31, 2024	576,872	\$ 8.40	6.79	\$ 940,958
Granted	—	—	—	N/A
Exercised	—	—	N/A	0
Forfeited	(3,000)	10.05	N/A	N/A
Vested shares expired	(2,000)	10.05	N/A	N/A
Outstanding December 31, 2025	<u>571,872</u>	<u>8.38</u>	5.78	<u>1,611,333</u>
Options exercisable at December 31, 2025	<u>431,330</u>	<u>\$ 7.88</u>	5.46	<u>\$ 1,429,488</u>

The following table summarizes information about the Company’s nonvested stock option activity for the years ended December 31, 2025 and December 31, 2024:

<b>Stock Options</b>	<b>Shares</b>	<b>Weighted Average Grant Date Fair Value</b>
Nonvested at December 31, 2023	370,292	\$ 2.94
Granted	7,500	3.65
Vested <sup>(1)</sup>	(113,879)	2.65
Forfeited	(6,000)	10.05
Nonvested at December 31, 2024	<u>257,913</u>	<u>\$ 3.07</u>

<b>Stock Options</b>	<b>Shares</b>	<b>Weighted Average Grant Date Fair Value</b>
Nonvested at December 31, 2024	257,913	\$ 3.07
Granted	—	0.00
Vested <sup>(2)</sup>	(114,371)	2.65
Forfeited	(3,000)	10.05
Nonvested at December 31, 2025	<u>140,542</u>	<u>\$ 3.40</u>

<sup>(1)</sup> Includes 2,105 shares vested under a nonqualified stock option inducement award to the Company's President and Chief Executive Officer.

<sup>(2)</sup> Includes 2,106 shares vested under a nonqualified stock option inducement award to the Company's President and Chief Executive Officer.

**1895 BANCORP OF WISCONSIN, INC.**  
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**NOTE 19 – Stock Based Compensation (continued)**

The Company amortizes the expense related to stock options as compensation expense over the vesting period. The Company recognized approximately \$258,000 and \$301,000 in stock option expense during the years ended December 31, 2025 and December 31, 2024, respectively.

At December 31, 2025, the Company had approximately \$413,000 in estimated unrecognized compensation costs related to outstanding stock options that is expected to be recognized over a weighted average period of 1.89 years.

The following table summarizes information about the Company’s restricted stock activity for the years ended December 31, 2025 and 2024:

<b>Restricted Stock</b>	<b>Shares</b>	<b>Weighted Average Grant Date Fair Value</b>
Nonvested at December 31, 2023	144,297	\$ 8.95
Granted	2,500	10.09
Vested <sup>(1)(2)</sup>	(44,616)	8.37
Forfeited	(2,000)	10.05
Nonvested at December 31, 2024	<u>100,181</u>	<u>\$ 9.22</u>

<b>Restricted Stock</b>	<b>Shares</b>	<b>Weighted Average Grant Date Fair Value</b>
Nonvested at December 31, 2024	100,181	\$ 9.22
Granted	—	—
Vested <sup>(3)(4)</sup>	(44,707)	8.37
Forfeited	(1,200)	10.05
Nonvested at December 31, 2025	<u>54,274</u>	<u>\$ 9.90</u>

<sup>(1)</sup> Includes 262 shares vested under a restricted stock inducement award to the Company's President and Chief Executive Officer.

<sup>(2)</sup> Includes 7,238 shares surrendered by employees to cover payroll tax costs related to the vested shares.

<sup>(3)</sup> Includes 263 shares vested under a restricted stock inducement award to the Company's President and Chief Executive Officer.

<sup>(4)</sup> Includes 9,799 shares surrendered by employees to cover payroll tax costs related to the vested shares.

The Company amortizes the expense related to restricted stock awards as compensation expense over the vesting period. The Company recognized approximately \$303,000 and \$373,000 in restricted stock expense during the years ended December 31, 2025 and December 31, 2024, respectively. At December 31, 2025, the Company had approximately \$459,000 of unrecognized compensation expense related to restricted stock shares that is expected to be recognized over a weighted average period of 1.86 years.

**1895 BANCORP OF WISCONSIN, INC.**  
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**NOTE 20 – Parent Company Only Financial Statements**

The following condensed financial statements summarize the financial position, results of operations and cash flows for the parent holding company, 1895 Bancorp of Wisconsin, Inc. as of December 31, 2025 and December 31, 2024 and for the years then ended.

	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>(in thousands)</b>	
<b>Assets</b>		
Cash in bank subsidiary	\$ 917	\$ 5,793
Investment in subsidiary, at underlying equity	64,789	59,238
Loans receivable-ESOP	4,062	4,205
Other assets	2,523	2,186
<b>TOTAL ASSETS</b>	<b>\$ 72,291</b>	<b>\$ 71,422</b>
<b>Liabilities and Stockholders' Equity</b>		
Due to subsidiary bank	\$ 35	\$ —
Deferred compensation liability	295	295
Other liabilities	52	17
<b>TOTAL LIABILITIES</b>	<b>382</b>	<b>312</b>
Total stockholders' equity	71,909	71,110
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 72,291</b>	<b>\$ 71,422</b>
<b>Years ended December 31,</b>		
	<b>2025</b>	<b>2024</b>
	<b>(in thousands)</b>	
Interest and dividend income:		
Loans-ESOP	\$ 137	\$ 141
Total interest and dividend income	137	141
Interest expense:		
Total interest expense	—	—
Net interest income	137	141
Noninterest income	—	—
Noninterest expense	2,051	1,866
Loss before income taxes	(1,914)	(1,725)
Income tax benefit	(388)	(343)
Loss before equity in undistributed earnings of bank	(1,526)	(1,382)
Equity in undistributed earnings of bank	2,946	501
Net income (loss)	<b>\$ 1,420</b>	<b>\$ (881)</b>

**1895 BANCORP OF WISCONSIN, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 20 – Parent Company Only Financial Statements (continued)**

	<b>Years ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>(in thousands)</b>	
<b>Cash flows from operating activities</b>		
Net income (loss)	\$ 1,420	\$ (881)
Adjustments to reconcile net income (loss) to net cash from operating activities:		
Equity in undistributed income of bank	(2,946)	(501)
Stock compensation expense	561	674
Deferred income tax benefit	(388)	(343)
Changes in operating assets and liabilities:		
Net change in other assets	51	(38)
Net change in other liabilities	70	(66)
Net cash used in operating activities	<u>(1,232)</u>	<u>(1,155)</u>
<b>Cash flows from investing activities</b>		
Principal payments received on ESOP loan receivable	143	137
Net cash provided by investing activities	<u>143</u>	<u>137</u>
<b>Cash flows from financing activities</b>		
Repurchase of common stock for cancellation	(4,188)	(1,147)
Stock options exercised	—	82
Cash dividends received from bank	500	—
Retirement of common stock	(99)	(85)
Net cash used in financing activities	<u>(3,787)</u>	<u>(1,150)</u>
Net decrease in cash and cash equivalents	(4,876)	(2,168)
Cash and cash equivalents at beginning of year	5,793	7,961
Cash and cash equivalents at end of year	<u>\$ 917</u>	<u>\$ 5,793</u>