2025 ANNUAL REPORT

HOCKING VALLEY BANCSHARES, INC

HOLDING COMPANY OF HOCKING VALLEY BANK

Our Board of Directors

Kimberly Kelly
Board Chair
Hocking Valley BancShares, Inc. & Hocking Valley Bank
Owner
Good, Inc.

Polly Sumney
President & CEO
Hocking Valley BancShares, Inc. & Hocking Valley Bank

Bob Norris
Retired Local Banker

Dr. Ben Holter
CEO
IronScripts

Scott Nisley
Director Emeritus
Former Bank President

Mike Putman
Board Vice Chair
Hocking Valley BancShares, Inc. & Hocking Valley Bank
President
White Funeral Home, Inc. and Hughes Funeral Home, Inc.

Bob Gall
Partner
Mollica, Gall, Sloan & Sillery, LPA

Aaron Thomas
Owner
A-Roc Entertainment

Sarah Greene
Vice President & Secretary
Hocking Valley BancShares, Inc. & Hocking Valley Bank

Bick Weissenrieder
Director Emeritus
Former Board Chair

At a Glance

Hocking Valley BancShares, Inc. is the holding company for Hocking Valley Bank. Founded in 1963, Athens based Hocking Valley Bank provides a full range of banking solutions for consumers and businesses of all sizes. Hocking Valley Bank takes pride in its deep customer relationships, strong community support, and long-standing commitment to the neighborhoods we serve.

2025 Hocking Valley Bank Financial Highlights

STATEMENT OF INCOME	2025	2024
Net Interest Income	$11,743,999	$9,655,717
Noninterest Income	$1,129,858	$1,131,776
Noninterest Expense, including income tax	$8,768,936	$7,798,317
Net Income	**$4,104,921**	**$2,989,176**

PERFORMANCE RATIOS		
Return on Average Assets	1.17%	0.88%
Return on Average Equity	11.75%	9.72%
Net Interest Margin	3.53%	2.98%
Loan Delinquency Rate	0.38%	0.31%

BALANCE SHEET		
Total Assets	$356,049,980	$329,534,849
Total Loans, gross	$205,537,907	$202,253,448
Deposits	$315,921,360	$292,318,463
Total Equity Capital	$36,353,284	$32,861,712

To Our Shareholders,

On behalf of everyone at Hocking Valley Bank, thank you for your support and partnership this past year. Our institution saw both significant progress in our financial performance and an important leadership transition during 2025. We are proud of how our team skillfully navigated this period with focus and professionalism. As we enter our next chapter, we do so carrying the same principles that have defined our bank since its founding in 1963: strategic growth, sound risk governance, local decision-making and an unwavering commitment to relationship-driven community banking.

There was a time when we described ourselves with the tagline *"Invested in You."* That phrase reflected a simple truth: without a healthy and prosperous community, our institution could not thrive, nor could we honor our commitments to shareholders. That belief continues to guide us today as we innovate, advance, and meet the demands of our dynamic region.

Earnings and Performance Highlights

In 2025, Hocking Valley Bank delivered solid financial results, driven by effective asset-liability management, higher asset yields and sustained credit quality. Operating net income totaled $4.1 million, a 37.3 % increase from 2024.

- Net interest income grew by 21.9% year-over-year, reflecting thoughtful balance sheet positioning and a favorable rate environment. The bank's net interest margin expanded 55 basis points to 3.53%. Investment income increased by 43.6% to $2.9 million.

- Loan portfolio performance contributed positively to the results. Net interest income on loans increased 12% from the prior year, benefiting from the repricing of certain loan modifications implemented during COVID.

- Profitability ratios improved significantly. Return on assets rose 29 basis points to 1.17%, while return on equity increased 203 basis points to 11.75% reflecting enhanced earnings performance and effective capital utilization.

- Asset quality remained sound. Non-performing loans represented 0.32% of total loans at year-end. Exposure to higher-risk sectors remains limited, and credit trends across the portfolio continue to perform within expectations.

- Capital levels remained healthy throughout the year. Book value per share for the consolidated holding company increased to $33.46 in 2025, compared to $28.52 in 2024, reflecting prudent capital management to support the bank's long-term stability.

- The last reported trade price on the OTCID exchange was $29.00 per share at year-end 2025, up from $19.22 at year-end 2024, representing a 50.9% increase and underscoring growing shareholder value.

Beyond the numbers, 2025 was a year that showcased the heart of our community banking model – responsible growth, deep local relationships, and a commitment to the creating lasting value for both our shareholders and the communities we serve.

Honoring Experience and Embracing the Future

Leadership evolves, but our core philosophy remains constant: maintaining our purpose while delivering meaningful impact. As we look ahead to 2026, we celebrate a notable milestone in our bank's leadership. Craig Sweeney, Senior Vice President of Lending, will retire at the end of April after nearly 45 years of dedicated service. Craig will continue to consult for the bank, sharing his expertise and providing guidance to ensure a smooth transition for our team.

Stepping into this role is Cherokee Stover, whose promotion reflects both her deep experience and meaningful connection to the communities we serve. Having already been an integral part of our lending team, Cherokee brings expertise, insight, and a mission-driven approach that aligns with our core values. Together, Craig's enduring legacy and Cherokee's capable leadership ensure that our bank will continue to make thoughtful decisions, manage risk responsibly, and deliver meaningful impact for the residents, small businesses, non-profits, and neighborhoods we're proud to serve.

Looking Ahead with Gratitude

Our foundation is strong. Our strategy is clear. And we remain, as we have always been, deeply invested in the success of those who call this region home.

We're grateful for our passionate and dedicated staff and know that we're stronger, bolder and better positioned for continued success thanks to their expertise. Our trusted shareholders are invested in the growth of our community, bringing commitment and valued perspectives that help shape our future and ensure it remains strong, resilient, and purpose driven.

We wouldn't be here today without the insight of our founders more than 60 years ago, but we'll be here tomorrow because of what we've achieved and will continue to accomplish together.

Thank you.

Kimberly Kelly
Chair of Board of Directors

Polly Sumney
President & Chief Executive Officer

CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

Hocking Valley Bancshares, Inc. and Subsidiaries

Consolidated Financial Statements

December 31, 2025 and 2024

with Independent Auditors' Report

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CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders
Hocking Valley Bancshares, Inc. and Subsidiaries

Opinion
We have audited the accompanying consolidated financial statements of Hocking Valley Bancshares, Inc. and Subsidiaries which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Hocking Valley Bancshares, Inc. and Subsidiaries as of December 31, 2025 and 2024, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Hocking Valley Bancshares, Inc. and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 generally accepted auditing standards 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 judgement made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

Other Information Included in the Corporation's Annual Report
Management is responsible for the other information included in the Corporation's Annual Report. The other information comprises general information to stockholders, but it does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance on it.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
March 6, 2026

Hocking Valley Bancshares, Inc. and Subsidiaries
Consolidated Balance Sheets
December 31, 2025 and 2024

		2025	2024
Assets:			
Cash and cash equivalents:			
Cash and due from banks	$	2,305,238	3,959,248
Federal funds sold		10,000	10,000
Interest bearing deposits		42,121,161	14,915,535
		44,436,399	18,884,783
Investment securities, available-for-sale at fair value		95,908,910	96,799,354
Investments in affordable housing partnerships		463,937	553,428
Accrued interest receivable		974,890	898,021
Federal Home Loan Bank stock, at cost		292,100	292,100
Federal Reserve Bank stock, at cost		112,350	112,350
United Bankers' Bank stock, at cost		173,600	173,600
Property and equipment, net		3,771,643	3,844,274
Bank owned life insurance		8,572,362	8,317,659
Deferred tax asset, net		1,632,440	2,532,445
Prepaid expenses and other assets		100,338	22,697
Loans receivable, net of allowance for credit losses of $2,495,584 and $2,537,717 as of December 31, 2025 and 2024, respectively		203,042,323	199,715,732
Total assets	$	359,481,292	332,146,443
Liabilities and stockholders' equity:			
Deposits	$	313,766,135	291,074,891
Accrued interest payable		163,412	126,218
Securities sold under repurchase agreements		1,130,194	1,663,487
Deferred compensation liability		1,732,786	1,886,040
Accrued expenses and other liabilities		1,094,055	1,942,284
Total liabilities		317,886,582	296,692,920
Common stock; no par value; 4,500,000 shares authorized; 1,243,290 shares issued; 1,243,290 shares outstanding at December 31, 2025 and 2024		745,250	745,250
Additional paid-in capital		680,156	636,416
Retained earnings		42,734,350	39,473,818
Accumulated other comprehensive loss:			
Unrealized loss on securities available-for-sale, net of tax benefit of $600,233 in 2025 and $1,435,964 in 2024		(2,258,020)	(5,401,961)
Treasury stock, at cost, 12,001 and 0 as of December 31, 2025 and 2024		(307,026)	-
Total stockholders' equity		41,594,710	35,453,523
Total liabilities and stockholders' equity	$	359,481,292	332,146,443

See accompanying notes to the consolidated financial statements.

Hocking Valley Bancshares, Inc. and Subsidiaries
Consolidated Statements of Income
Years Ended December 31, 2025 and 2024

		2025	2024
Interest income:			
Interest and fees on loans	$	12,121,104	10,898,924
Interest on investment securities		1,570,802	1,324,355
Interest bearing deposits and other		1,477,161	843,823
		15,169,067	13,067,102
Interest expense:			
Deposits		3,342,692	3,299,328
Borrowings and repurchase agreements		3,677	11,666
		3,346,369	3,310,994
Net interest income		11,822,698	9,756,108
Provision (recovery) for credit losses		(18,157)	35,000
Provision for credit losses on unfunded commitments		25,657	-
		7,500	35,000
Net interest income after provision for credit losses		11,815,198	9,721,108
Noninterest income:			
Gain on sale of loans		45,442	22,235
Service charges on deposits		230,798	230,494
ATM/Interchange fees		563,025	587,550
Increase in cash surrender value of life insurance		254,704	247,875
Other income		74,927	80,729
		1,168,896	1,168,883
Noninterest expenses:			
Salaries and employee benefits		4,163,622	4,056,818
Occupancy and equipment expense		676,072	528,022
FDIC insurance premiums		150,500	165,600
Data processing expense		1,011,134	824,274
ATM and debit card expense		620,944	371,458
Professional fees		243,627	229,091
Advertising and marketing		126,633	106,064
State franchise tax		255,034	240,880
Other expenses		572,927	616,107
		7,820,493	7,138,314
Income before income taxes		5,163,601	3,751,677
Income tax expense		1,007,982	703,179
Net income	$	4,155,619	3,048,498

See accompanying notes to the consolidated financial statements.

Hocking Valley Bancshares, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
Years Ended December 31, 2025 and 2024

		2025	2024
Net income	$	4,155,619	3,048,498
Other comprehensive income:			
Unrealized holding gains during the period on available-for-sale securities, net of tax expense of $835,731 and $513,283 in 2025 and 2024, respectively		3,143,941	1,930,923
Comprehensive income	$	7,299,560	4,979,421

See accompanying notes to the consolidated financial statements.

Hocking Valley Bancshares, Inc. and Subsidiaries
Consolidated Statements of Changes in Stockholders' Equity
Years Ended December 31, 2025 and 2024

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Stockholders' Equity
Balance at January 1, 2024	1,243,290	$ 745,250	566,424	37,295,622	(7,332,884)	-	31,274,412
Net income	-	-	-	3,048,498	-	-	3,048,498
Other comprehensive income, net of tax	-	-	-	-	1,930,923	-	1,930,923
Stock based compensation	-	-	69,992	-	-	-	69,992
Dividends declared	-	-	-	(870,302)	-	-	(870,302)
Balance at December 31, 2024	1,243,290	$ 745,250	636,416	39,473,818	(5,401,961)	-	35,453,523
Net income	-	-	-	4,155,619	-	-	4,155,619
Other comprehensive income, net of tax	-	-	-	-	3,143,941	-	3,143,941
Stock based compensation	-	-	43,740	-	-	-	43,740
Stock repurchased	-	-	-	-	-	(307,026)	(307,026)
Dividends declared	-	-	-	(895,087)	-	-	(895,087)
Balance at December 31, 2025	1,243,290	$ 745,250	680,156	42,734,350	(2,258,020)	(307,026)	41,594,710

See accompanying notes to the consolidated financial statements.

Hocking Valley Bancshares, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

		2025	2024
Cash flows from operating activities:			
Net income	$	4,155,619	3,048,498
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation		349,479	261,542
Deferred compensation expense		-	99,150
Stock based compensation expense		43,740	69,992
Provision (recovery) losses on loans		(18,157)	35,000
Provision for credit losses on unfunded commitments		25,657	-
Investment securities amortization, net		143,174	430,270
Loans originated for sale in secondary market		(2,512,850)	(1,427,518)
Proceeds from sale of loans on secondary market		2,564,409	1,452,272
Gain on sale of loans		(45,442)	(22,235)
Earnings on bank-owned life insurance		(254,703)	(247,875)
Deferred income tax expense		64,274	106,112
Effects of change in operating assets and liabilities:			
Accrued interest receivable		(76,869)	18,279
Prepaid expenses and other assets		(77,641)	33,716
Accrued interest payable		37,194	25,013
Accrued expenses and other liabilities		(848,229)	179,786
Net cash provided by operating activities		3,549,655	4,062,002
Cash flows from investing activities:			
Purchase of property and equipment		(276,848)	(423,974)
Proceeds from maturity of available-for-sale investments		24,965,000	17,696,000
Principal repayments of available-for-sale investments		1,805,943	1,224,288
Purchase of available-for-sale investments		(21,954,510)	(3,916,657)
Proceeds from sale of Federal Home Loan Bank stock		-	10,200
Net increase in loans		(3,340,208)	(6,719,359)
Net cash provided by investing activities		1,199,377	7,870,498
Cash flows from financing activities:			
Net change in deposits		22,691,244	(2,822,768)
Net change in securities sold under repurchase agreements		(533,293)	(2,577,167)
Payments on deferred compensation		(153,254)	(185,641)
Treasury stock purchases		(307,026)	-
Dividends paid		(895,087)	(833,003)
Net cash provided by (used in) financing activities		20,802,584	(6,418,579)
Net change in cash and cash equivalents		25,551,616	5,513,921
Cash and cash equivalents - beginning of year		18,884,783	13,370,862
Cash and cash equivalents - end of year	$	44,436,399	18,884,783
Supplemental disclosure of cash flow information:			
Interest paid	$	3,309,175	3,285,981
Income taxes paid	$	813,739	731,669
Supplemental disclosure of noncash activities:			
Dividends payable	$	310,823	310,823

See accompanying notes to the consolidated financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following items set forth the significant accounting policies that Hocking Valley Bancshares, Inc. and Subsidiaries (the Company) follows in preparing and presenting its consolidated financial statements.

Nature of operations and principles of consolidation
The consolidated financial statements include the accounts of Hocking Valley Bancshares, Inc. and its wholly owned subsidiaries, Hocking Valley Bank (the Bank) and HVBS Holdings, LLC. The Company is a bank holding company whose activities are primarily limited to holding the stock of its wholly-owned subsidiaries. The Bank generates commercial, mortgage and consumer loans through its five offices located in Athens County serving the county as well as the adjacent area. The Bank operates under a state bank charter and provides traditional banking services. As a state-chartered member bank, the Bank is subject to regulation by the State of Ohio Division of Financial Institutions, the Federal Reserve Bank of Cleveland and the Federal Deposit Insurance Corporation (FDIC). The Bank has a wholly owned subsidiary, HVB Investments, Inc., which was formed for the purpose of holding investment securities. HVBS Holdings, LLC owns property that is leased for parking space. All significant intercompany transactions have been eliminated in consolidation.

Basis of presentation
The accounting and reporting policies of the Company conform with accounting principles generally accepted in the United States of America (GAAP) as contained in the Accounting Standards Codification (ASC) issued by the Financial Accounting Standards Board (FASB) and with general practices within the financial services industry.

Estimates
The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions based on available information. These estimates and assumptions affect the amounts reported in the consolidated financial statements and the disclosures provided. Significant estimates include the allowance for credit losses. Actual results could differ from those estimates.

Concentrations of credit risk
Most of the Company's business activity is with customers located within Athens County and adjacent counties. Therefore, the Company's exposure to credit risk is significantly affected by changes in the economy in that area.

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Company places its cash and temporary interest-bearing deposits with high credit quality financial institutions. At times, such investments may be in excess of the FDIC insurance limit. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Cash and cash equivalents
Cash and cash equivalents include cash, deposits with other financial institutions with original maturities less than 90 days, overnight deposits from the Federal Home Loan Bank of Cincinnati and federal funds sold.

Investment securities
Investment securities are classified upon acquisition into one of three categories: held-to-maturity, available-for-sale, or trading.

Investment securities are classified as held-to-maturity and carried at amortized cost when management has the positive intent and ability to hold them to maturity. Investment securities are classified as available-for-sale when they might be sold before maturity for any reason, including liquidity needs, changes in market interest rates, or asset-liability management strategies. Investment securities available-for-sale are carried at fair value, with unrealized holding gains and losses reported separately in stockholders' equity. Investment securities are classified as trading when held for short-term periods in anticipation of market gains and are carried at fair value. At December 31, 2025 and 2024, all investment securities were available-for-sale.

Amortization of premiums and accretion discounts are recorded as interest income using the interest method over the terms of the securities. Amortization of premiums is based on call date of securities in accordance with GAAP. Gains and losses on sales are recorded on the trade date and determined using the specific identification method.

The Bank has invested in low-income housing tax credits through entities that assist corporations in investing in limited partnerships and limited liability companies that own, develop and operate low-income residential rental properties for purposes of qualifying for the Housing Tax credit. These investments assist in achieving goals associated with the Community Reinvestment Act. These investments are accounted for under the proportional amortization method which recognizes the amortization of the investment in proportion to the tax credit and other tax benefits received. Investment tax credits are accounted for using the flow-through method, which results in a direct reduction of federal income taxes for the year in which the credits arise. These investments are included in Investments in affordable housing partnerships on the consolidated balance sheets. For the years ended December 31, 2025 and 2024, the direct reduction of income taxes payable was approximately $59,669 and $90,644, respectively.

The Company has future commitments to fund low income housing investments of the following as of December 31, 2025:

2026	$ 20,457
2027	19,697
2028	9,187
2029	4,754
2030	4,766
Thereafter	808
	$ 59,669

Loans
Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at the principal balance outstanding, net of purchase premiums and discounts, deferred loan fees and costs, and the allowance for credit losses. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and recognized in interest income using the level-yield method without anticipating prepayments.

Interest income on mortgage and commercial loans is discontinued at the time the loan is 90 days delinquent unless the loan is well-secured and in process of collection. Consumer loans are typically charged-off no later than four payments past due. Past due status is based on the contractual terms of the loan. In all cases, loans are placed on nonaccrual status or charged-off at an earlier date if collection of principal or interest is considered doubtful.

All interest accrued but not received for loans placed on nonaccrual status is reversed against interest income. Interest received on such loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual status. Under the cost-recovery method, interest income is not recognized until the loan balance is reduced to zero. Under the cash-basis method, interest income is recorded when the payment is received in cash. 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

Available-for-sale securities
For available-for-sale debt 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 the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through income. For debt securities available-for-sale that do not meet the aforementioned criteria, the Company evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost basis. Any impairment that has not been recorded through an allowance for credit losses is recognized in other comprehensive income. Changes in the allowance for credit losses are recorded as credit loss expense (or reversal). Losses are charged against the allowance when management believes the uncollectibility of an available-for-sale security is confirmed or when either of the criteria regarding intent or requirement to sell is met.

Accrued interest on available-for-sale debt securities totaled $336,464 and $317,001 at December 31, 2025 and 2024, respectively, and is excluded from the estimate of credit losses.

The company recorded no allowance for credit losses on available-for-sale debt securities as of December 31, 2025 and 2024.

Loans
The allowance for credit losses is a valuation account that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the loans. Loans are charged-off against the allowance when management believes the uncollectibility of a loan balance is confirmed. Expected recoveries do not exceed the aggregate of amounts previously charged-off and expected to be charged off.

Management estimates the allowance balance using relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience utilizing the weighted average remaining maturity methodology and a peer group of comparable banks provides the basis for the estimation of expected credit losses. The peer group consists of banks within 90 miles of Athens, Ohio. Adjustments to historical loss information are made for differences in current loan-specific risk characteristics such as differences in underwriting standards, portfolio mix, delinquency level, or term as well as for changes in environmental conditions, such as changes in the value of underlying collateral, national and local economic conditions, changes in portfolio volume and nature, changes in staff depth of knowledge and experience, and effect of concentrations.

The allowance for credit losses is measured on a collective (pool) basis when similar risk characteristics exist. The Company has identified the portfolio segments and measures the allowance for credit losses using the risks characteristics as described in Note 3.

Loans that do not share risk characteristics are evaluated on an individual basis. Loans evaluated individually are not also included in the collective evaluation. When management determines that foreclosure is probable or when the borrower is experiencing financial difficulty at the reporting date and repayment is expected to be provided substantially through the operation or sale of the collateral. Expected credit losses are based on the fair value of the collateral at the reporting date, adjusted for selling costs as appropriate.

Determining the Contractual Term: Expected credit losses are estimated over the contractual term of the loans, adjusted for expected prepayments when appropriate. The contractual term excludes expected extensions, renewals, and modifications unless either of the following applies: management has a reasonable expectation at the reporting date that a loan modification will be executed with an individual borrower or the extension or renewal options are included in the original or modified contract at the reporting date and are not unconditionally cancellable by the Company.

Accrued interest receivable on loans totaled $638,425 and $581,020 at December 31, 2025 and 2024, respectively, and is excluded from the estimate of credit loss.

Unfunded commitments
Management performs a quarterly evaluation of the allowance for credit losses on loans and unfunded commitments. Consideration is given to a variety of factors in establishing this estimate including, but not limited to, current economic conditions, delinquency statistics, geographic and industry concentrations, the adequacy of the underlying collateral, the financial strength of the borrower, results of internal loan reviews and other relevant factors. This evaluation is inherently subjective as it requires material estimates that may be susceptible to significant change.

Other real estate owned
Foreclosed real estate is carried at the lower of cost or fair value less estimated selling costs. When foreclosed real estate is acquired, any required adjustment is charged to the allowance for credit losses. All subsequent activity is included in current operations. Other real estate owned totaled $0 at December 31, 2025 and 2024, respectively.

Property and equipment
Land is carried at cost. Property and equipment is stated at cost less accumulated depreciation. Depreciation of property and equipment is provided by using a straight-line method over the estimated useful lives of the related assets. Buildings and improvements are depreciated over useful lives ranging from 10 to 39 years. Furniture and equipment are depreciated over useful lives ranging from 3 to 10 years.

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

Restricted stock
The Bank is a member of the Federal Home Loan Bank ("FHLB") of Cincinnati. Additionally, the Bank is a member of the Federal Reserve Bank ("FRB") system. Members are required to own a certain amount of stock based on their level of borrowings and other factors and may invest in additional amounts. FHLB and FRB stock are carried at cost, classified as restricted securities, and periodically evaluated for impairment based on ultimate recovery of par value. Both cash and stock dividends are reported as income. The Company owns stock in United Bankers' Bank which is carried at cost and cash dividends are reported as income.

Stock based compensation
Compensation cost is recognized for restricted stock issued to employees based on the fair value of these awards at the date of grant. The market price of the Company's common stock at the date of grant is used for restricted stock awards. Compensation cost is recognized over the required service period, generally defined as the vesting period for the award.

Revenue from Contracts with Customers
The Company records revenue from contracts with customers in accordance with ASC 606, *Revenue from Contracts with Customers* (ASC 606). Under ASC 606, the Company must identify the contract with a customer, identify the performance obligation(s) within the contract, determine the transaction price, allocate the transaction price to the performance obligation(s) within the contract, and recognize revenue when (or as) the performance obligation(s) are/is satisfied. The core principle under ASC 606 requires the Company to recognize revenue to depict the transfer of services or products to customers in an amount that reflects the consideration that it expects to be entitled to receive in exchange for those services or products recognized as performance obligations are satisfied. The Company generally fully satisfies its performance obligations on its contracts with customers as services are rendered and the transaction prices are typically fixed; charged either on a periodic basis or based on activity. Since performance obligations are satisfied as services are rendered and the transaction prices are fixed, there is little judgement involved in applying ASC 606 that significantly affects the determination of the amount and timing of revenue from contracts with customers.

The majority of the Company's revenue is not subject to ASC 606, including net interest income, loan servicing income, fees related to loans and loan commitments, increase in cash surrender value of bank owned life insurance, and gain on sales of loans and securities.

A description of the Bank's revenue streams accounted for under ASC 606 follows:

Service charges on deposits
Service charges on deposits consist of account analysis fees (i.e., net fees earned on analyzed business accounts), monthly service fees, and other deposit account related fees. The Company's performance obligation for account analysis fees and monthly service fees is generally satisfied, and the related revenue recognized, over the period in which the service is provided. Other deposit account related fees

are largely transactional based, and therefore, the Company's performance obligation is satisfied, and related revenue recognized, at a point in time. Payment for service charges on deposit accounts is primarily received immediately or in the following month through a direct charge to customers' accounts.

ATM/Interchange fees

Fees, exchange, and other service charges are primarily comprised of debit card income, ATM fees and other service charges. Debit card income is primarily comprised of interchange fees earned whenever the Company's debit cards are processed through card payment networks such as Visa or Mastercard. ATM fees are primarily generated when a Company cardholder uses a non-Company ATM, or a non-Company cardholder uses a Company ATM. The Company's performance obligation for fees, exchange, and other service charges are largely satisfied, and related revenue recognized, when the services are rendered or upon completion. Payment is typically received immediately or in the following month.

Other

Other noninterest income consists of other recurring revenue streams such as wire transfer fees, safe deposit box rental fees, item processing fees and other miscellaneous revenue streams. Wire transfer fees represent revenue from processing wire transfers. Safe deposit box rental fees are charged to the customer on an annual basis and recognized upon receipt of payment. The Company determined that since rentals and renewals occur fairly consistently over time, revenue is recognized on a basis consistent with the duration of the performance obligation. Item processing fee income represents fees charged to other financial institutions for processing their transactions. Payment is typically received in the following month. Also included in other is gain on sale of other real estate owned (OREO). The Company records a gain or loss from the sale of OREO when control of the property transfers to the buyer, which generally occurs at the same time of an executed deed. When this occurs, the OREO asset is derecognized and the gain or loss on sale is recorded upon the transfer of control of the property to the buyer.

Income taxes

Income tax expense is the total of the current year income tax due or refundable and the change in deferred tax assets and liabilities. Deferred tax assets and liabilities are the expected future tax amounts for the temporary differences between carrying amounts and tax basis of assets and liabilities, computed using enacted tax rates. A valuation allowance, if needed, reduces deferred tax assets to the amount expected to be realized.

A tax position is recognized as a benefit only if it is more likely than not that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

The Company recognizes interest related to income tax matters as interest expense and penalties related to income tax matters as other expense. No amounts were recognized as interest or penalties for the years ended December 31, 2025 and 2024.

Benefit plans

Employee 401(k) and profit-sharing plan expense is the amount of matching contributions. Pension expense for three other plans described in note 11 are charged to earnings according to valuations received from third-parties which also determine carrying value of the liabilities. Benefit payments are made according to the agreements with former employees and officers.

Comprehensive income (loss)
Comprehensive income consists of net income and other comprehensive income. Other comprehensive income (loss) includes unrealized gains (losses) on securities available-for-sale, which is also recognized as a separate component of equity, net of tax.

Advertising expense
The Company expenses all advertising costs as incurred and these costs are immaterial to the consolidated financial statements.

Loss contingencies
Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable, and an amount or range of loss can be reasonably estimated. Management does not believe there are currently any such matters that will have a material effect on the consolidated financial statements.

Treasury Stock
The Company may repurchase shares of its own common stock from time to time. Repurchased shares are recorded as treasury stock, a contra-equity account in the consolidated balance sheet.
Treasury stock is recorded at the cost paid to repurchase the shares, including any direct transaction costs. When treasury shares are reissued, the Company uses the cost method. Any excess of the reissuance price over cost is recorded as an increase to additional paid-in capital. If the reissuance price is less than cost, the difference is first charged to additional paid in capital to the extent available, with any remaining deficit charged to retained earnings. The Company may also retire treasury shares at the discretion of management. Upon retirement, the cost of the shares is allocated to the appropriate equity accounts in accordance with U.S. GAAP.

Dividend restriction
Banking regulations require maintaining certain capital levels and may limit the dividends paid by the Bank to the Company or by the Company to stockholders. Dividends paid by the Bank to the Corporation are the primary source of funds for dividends by the Company to its stockholders.

Fair value of financial instruments
Fair values of financial instruments are estimated using relevant market information and other assumptions, as more fully disclosed in a separate note. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular items. Changes in assumptions or in market conditions could significantly affect the estimates.

Off-balance sheet financial instruments
In the ordinary course of business, the Company has entered into off-balance sheet financial instruments consisting of commitments to extend credit. Such financial instruments are recorded in the consolidated financial statements when they become payable.

Reclassifications
Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements. Reclassifications had no effect on prior year net income or equity.

Subsequent events
The Company evaluates events and transactions occurring subsequent to the date of the consolidated financial statements for matters requiring recognition or disclosure in the consolidated financial

statements. The accompanying consolidated financial statements consider events through March 6, 2026, the date on which the consolidated financial statements were available to be issued.

2. INVESTMENT SECURITIES:

The carrying amounts and fair values of investment securities, by category, are as follows:

	December 31, 2025 Available-for-Sale			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale:				
US Treasuries	$ 37,246,901	21,609	1,121,384	36,147,126
Agency securities	28,074,423	64,709	580,950	27,558,182
Municipal securities	11,383,012	14,266	403,599	10,993,679
Mortgage-backed securities	21,572,827	124,412	975,233	20,722,006
Certificates of deposit	490,000	-	2,083	487,917
	$ 98,767,163	224,996	3,083,249	95,908,910

	December 31, 2024 Available-for-Sale			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale:				
US Treasuries	$ 45,124,883	-	2,784,570	42,340,313
Agency securities	31,691,167	-	1,593,730	30,097,437
Municipal securities	15,523,967	-	925,586	14,598,381
Mortgage-backed securities	10,807,262	-	1,526,407	9,280,855
Certificates of deposit	490,000	-	7,632	482,368
	$ 103,637,279	-	6,837,925	96,799,354

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

	December 31, 2025	
	Amortized Cost	Fair Value
Due in one year or less	$ 24,210,256	23,887,975
Due after one year through five years	51,875,846	50,163,731
Due after five years through ten years	7,082,115	6,815,505
Due after ten years	15,598,946	15,041,699
	$ 98,767,163	95,908,910

Securities with a carrying value of $78.5 million and $80.1 million were pledged at December 31, 2025 and 2024, respectively, to secure certain deposits and for other purposes as permitted or required by law.

The tables below indicate the length of time individual investment securities have been in a continuous loss position.

	December 31, 2025					
	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
US Treasuries	$ 995,547	1,927	33,389,375	1,119,457	34,384,922	1,121,384
Agency securities	3,398,231	14,638	18,220,424	566,312	21,618,655	580,950
Municipal securities	589,167	14,484	9,951,015	389,115	10,540,182	403,599
Certificates of deposits	-	-	487,917	2,083	487,917	2,083
Mortgage-backed securities	4,513,688	42,959	7,347,769	932,274	11,861,457	975,233
	$ 9,496,633	74,008	69,396,500	3,009,241	78,893,133	3,083,249
Number of investments	8		66		74	

	December 31, 2024					
	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
US Treasuries	$ -	-	42,340,313	2,784,570	42,340,313	2,784,570
Agency securities	4,379,337	105,673	25,718,100	1,488,057	30,097,437	1,593,730
Municipal securities	1,054,712	15,264	13,543,669	910,322	14,598,381	925,586
Certificates of deposits	-	-	482,368	7,632	482,368	7,632
Mortgage-backed securities	1,663,788	58,451	7,617,067	1,467,956	9,280,855	1,526,407
	$ 7,097,837	179,388	89,701,517	6,658,537	96,799,354	6,837,925
Number of investments	8		83		91	

Management has the ability and intent not to sell these securities for the foreseeable future and the decline in fair value is attributed to fluctuations in market interest rates. The fair values are expected to recover as securities approach their respective maturity dates. No allowance for credit loss has been recorded on these securities.

3. LOANS RECEIVABLE:

Loans receivable at December 31, 2025 and 2024 consist of the following:

	2025	2024
Construction	$ 11,478,687	20,619,928
1-4 family residential	100,088,760	98,030,654
Commercial	88,003,677	76,827,089
Consumer	6,261,016	7,087,815
Total loans	205,832,140	202,565,486
Allowance for credit losses	(2,495,584)	(2,537,717)
Deferred loan fees	(294,233)	(312,037)
Loans receivable, net	$ 203,042,323	199,715,732

The risk characteristics applicable to each segment of the loan portfolio are described as follows:

Construction loans related to both residential and commercial loans are underwritten utilizing feasibility studies, independent reviews and financial analysis of the developers and property owners. Construction loans are generally based on estimates of costs and value associated with the complete project. These estimates may be inaccurate. Construction loans often involve the disbursement of substantial funds with repayment substantially dependent on the success of the ultimate project. Sources of repayment for these types of loans may be pre-committed permanent loans from approved long-term lenders, sales of developed property or an interim loan commitment from the Bank until permanent financing is obtained. These loans are closely monitored by on-site inspections and are considered to have higher risks than other real estate loans due to their ultimate repayment being sensitive to interest rate changes, governmental regulation of real property, general economic conditions and the availability of financing.

Residential mortgage loans are secured by 1-4 family residences and are generally owner-occupied but do include investment properties. The Company generally establishes a maximum loan-to-value and requires private mortgage insurance (owner-occupied) if that ratio is exceeded. Repayment of these loans is dependent upon personal income of the borrowers (owner-occupied) and rental income (investment). This repayment can be impacted by the economic conditions in their market area. Repayment can also be impacted by changes in property values of residential properties. Risk is mitigated by the fact that the loans are of smaller individual amounts and spread over a large number of borrowers.

The Company originates commercial business lines of credit and loans, which are secured by non-real estate business assets such as equipment, receivables, inventories and commercial real estate. Commercial business lending generally involves additional risks compared to 1-4 family residential lending because repayment generally depends on the successful operation of the borrowers' business. Repayment of such loans may be subject, to a greater extent than residential loans, to adverse conditions in the real estate market or the economy. Commercial and industrial loans have greater credit risk than 1-

4 family residential real estate loans. The Company's policies limit the amount of loans to a single borrower or group of related borrowers to reduce this risk.

The Company originates consumer loans to qualified borrowers whose monthly income can be relied upon as a source of repayment. A written application or personal financial statement completed by the borrower must always be prepared. Consumer credit is classified as installment lending, personal revolving credit, loan advantage, and home equity lines of credit. Credit terms will be extended to individuals based on their own merits. Payment experience on consumer loans secured by the income of the borrower typically depends on the successful income generation of the borrower. Consequently, the repayment of the loan may be subject to adverse conditions in the financial condition of the borrower or the economy in general.

Allowance for Credit Losses and Recorded Investment in Loan Receivables
December 31, 2025

		Construction	1-4 family residential	Commercial	Consumer	Total
Allowance for credit losses:						
Beginning balance	$	84,529	1,378,559	891,425	183,204	2,537,717
Provision (recovery)		(1,035)	(8,940)	(7,208)	(974)	(18,157)
Charge-offs		-	(6,604)	(14,005)	(4,610)	(25,219)
Recoveries		-	1,243	-	-	1,243
Ending balance	$	83,494	1,364,258	870,212	177,620	2,495,584
Ending balance: Individually evaluated for impairment	$	-	-	-	-	-
Ending balance: Collectively evaluated for impairment	$	83,494	1,364,258	870,212	177,620	2,495,584
Loans receivable:						
Ending balance	$	11,478,687	100,088,760	88,003,677	6,261,016	205,832,140
Ending balance: Individually evaluated for impairment	$	-	665,492	2,361,284	15,634	3,042,410
Ending balance: Collectively evaluated for impairment	$	11,478,687	99,423,268	85,642,393	6,245,382	202,789,730

Allowance for Credit Losses and Recorded Investment in Loan Receivables
December 31, 2024

	Construction	1-4 family residential	Commercial	Consumer	Total
Allowance for credit losses:					
Beginning balance	$ 80,966	1,361,521	878,151	193,131	2,513,769
Provision	3,563	16,938	13,274	1,225	35,000
Charge-offs	-	-	-	(14,126)	(14,126)
Recoveries	-	100	-	2,974	3,074
Ending balance	$ 84,529	1,378,559	891,425	183,204	2,537,717
Ending balance: Individually evaluated for impairment	$ -	-	38,206	-	38,206
Ending balance: Collectively evaluated for impairment	$ 84,529	1,378,559	853,219	183,204	2,499,511
Loans receivable:					
Ending balance	$ 20,619,928	98,030,654	76,827,089	7,087,815	202,565,486
Ending balance: Individually evaluated for impairment	$ -	823,448	115,329	2,268	941,045
Ending balance: Collectively evaluated for impairment	$ 20,619,928	97,207,206	76,711,760	7,085,547	201,624,441

The Company categorizes loans into credit risk categories based on relevant information about the ability of borrowers to service their debt such as current financial information, historical payment experience, credit documentation, public information and current economic trends. “Pass” rated loans included all risk-rated loans other than those classified as watch, special mention, substandard and doubtful. “Watch” loans display conditions that warrant additional monitoring and management oversight. “Special mention” loans have a potential weakness that deserves management’s close attention. These potential weaknesses may result in deterioration of repayment prospects for the loan or of the Company’s credit position at some future date. “Substandard” loans are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans with this classification have a well-defined weakness or weaknesses that jeopardize the repayment of the debt. They are characterized by the distinct possibility that the Company will sustain some loss if the deficiencies are not corrected. “Doubtful” loans have all the weaknesses inherent in those loans classified as substandard with the added characteristic that the weaknesses make collection or repayment in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

Credit Risk Profile by Internally Assigned Grade
December 31, 2025

	Construction	1-4 family residential	Commercial	Consumer	Total
Grade:					
Pass	$ 11,478,687	99,085,988	76,698,905	6,245,382	193,508,962
Watch	-	352,119	6,680,639	-	7,032,758
Special mention	-	-	2,248,010	-	2,248,010
Substandard	-	650,653	2,376,123	15,634	3,042,410
Doubtful	-	-	-	-	-
Total	$ 11,478,687	100,088,760	88,003,677	6,261,016	205,832,140

The following table summarizes loans by delinquency, nonaccrual status and impaired loans:

	30-89 Days Past Due	Over 89 Days Past Due	Total Past Due	Total Current and Accruing	Total Loans	Nonaccrual
Construction	$ -	-	-	11,478,687	11,478,687	-
1-4 family residential	444,690	92,621	537,311	99,551,449	100,088,760	227,950
Commercial	-	420,808	420,808	87,582,869	88,003,677	425,783
Consumer	-	15,634	15,634	6,245,382	6,261,016	11,882
Total	$ 444,690	529,063	973,753	204,858,387	205,832,140	665,615

There were loans totaling $13,617 with a recorded investment over 89 days past due that were accruing at December 31, 2025. No nonaccrual loans as of December 31, 2025 had an allowance reserved against them.

Credit Risk Profile by Internally Assigned Grade
December 31, 2024

	Construction	1-4 family residential	Commercial	Consumer	Total
Grade:					
Pass	$ 20,619,928	96,907,484	75,804,355	7,083,385	200,415,152
Watch	-	371,827	907,405	-	1,279,232
Special mention	-	-	-	-	-
Substandard	-	751,343	115,329	4,430	871,102
Doubtful	-	-	-	-	-
Total	$ 20,619,928	98,030,654	76,827,089	7,087,815	202,565,486

The following table summarizes loans by delinquency, nonaccrual status and impaired loans:

		30-89 Days Past Due	Over 89 Days Past Due	Total Past Due	Total Current and Accruing	Total Loans	Nonaccrual
Construction	$	-	-	-	20,619,928	20,619,928	-
1-4 family residential		295,697	154,450	450,147	97,580,507	98,030,654	274,612
Commercial		23,715	115,329	139,044	76,688,045	76,827,089	139,106
Consumer		41,406	2,162	43,568	7,044,247	7,087,815	-
Total	$	360,818	271,941	632,759	201,932,727	202,565,486	413,718

There were loans totaling $16,938 with a recorded investment over 89 days past due that were accruing at December 31, 2024. No nonaccrual loans as of December 31, 2024 had an allowance reserved against them.

As of December 31, 2025 and based on the most recent analysis performed, the risk category of loans by class of loans is a follows:

Loans Amortized by Cost Basis by Origination Year

		2025	2024	2023	2022	2021	Prior	Total
Construction								
Risk Rating:								
Pass	$	5,706,492	4,055,701	465,804	338,920	58,346	853,424	11,478,687
Watch		-	-	-	-	-	-	-
Special mention		-	-	-	-	-	-	-
Substandard		-	-	-	-	-	-	-
Doubtful		-	-	-	-	-	-	-
Total	$	5,706,492	4,055,701	465,804	338,920	58,346	853,424	11,478,687
Current period gross write offs	$	-	-	-	-		-	-

		2025	2024	2023	2022	2021	Prior	Total
1-4 Family Residential								
Risk Rating:								
Pass	$	14,112,067	10,317,215	12,045,367	12,250,773	11,685,416	38,675,150	99,085,988
Watch		3,756	-	-	-	-	348,363	352,119
Special mention		-	-	-	-	-	-	-
Substandard		18,279	100,811	-	-	92,830	438,733	650,653
Doubtful		-	-	-	-	-	-	-
Total	$	14,134,102	10,418,026	12,045,367	12,250,773	11,778,246	39,462,246	100,088,760
Current period gross write offs	$	-	-	-	-	-	6,604	6,604

		2025	2024	2023	2022	2021	Prior	Total
Commercial								
Risk Rating:								
Pass	$	8,257,117	2,291,492	16,375,841	11,642,352	6,381,999	31,750,104	76,698,905
Watch		376,248	-	-	3,889,992	54,773	2,359,626	6,680,639
Special mention		2,248,010	-	-	-	-	-	2,248,010
Substandard		-	-	-	408,218	1,950,340	17,565	2,376,123
Doubtful		-	-	-	-	-	-	-
Total	$	10,881,375	2,291,492	16,375,841	15,940,562	8,387,112	34,127,295	88,003,677
Current period gross write offs	$	-	-	-	-	-	14,005	14,005

		2025	2024	2023	2022	2021	Prior	Total
Consumer								
Risk Rating:								
Pass	$	1,397,174	905,889	518,082	541,896	597,955	2,284,386	6,245,382
Watch		-	-	-	-	-	-	-
Special mention		-	-	-	-	-	-	-
Substandard		15,634	-	-	-	-	-	15,634
Doubtful		-	-	-	-	-	-	-
Total	$	1,412,808	905,889	518,082	541,896	597,955	2,284,386	6,261,016
Current period gross write offs	$	-	1,305	422	1,160	-	1,723	4,610

As of December 31, 2024 and based on the most recent analysis performed, the risk category of loans by class of loans is a follows:

Loans Amortized by Cost Basis by Origination Year

		2024	2023	2022	2021	Prior	Total
Construction							
Risk Rating:							
Pass	$	8,041,117	10,200,274	1,350,884	67,341	960,312	20,619,928
Watch		-	-	-	-	-	-
Special mention		-	-	-	-	-	-
Substandard		-	-	-	-	-	-
Doubtful		-	-	-	-	-	-
Total	$	8,041,117	10,200,274	1,350,884	67,341	960,312	20,619,928
Current period gross write offs	$	-	-	-	-	-	-

		2024	2023	2022	2021	Prior	Total
1-4 Family Residential							
Risk Rating:							
Pass	$	11,742,854	15,512,343	13,306,773	13,016,069	43,329,445	96,907,484
Watch		-	-	-	-	371,827	371,827
Special mention		-	-	-	-	-	-
Substandard		20,824	-	-	29,922	700,597	751,343
Doubtful		-	-	-	-	-	-
Total	$	11,763,678	15,512,343	13,306,773	13,045,991	44,401,869	98,030,654
Current period gross write offs	$	-	-	-	-	-	-

		2024	2023	2022	2021	Prior	Total
Commercial							
Risk Rating:							
Pass	$	4,943,397	18,990,003	12,510,297	6,729,634	32,631,024	75,804,355
Watch		-	-	-	50,000	857,405	907,405
Special mention		-	-	-	-	-	-
Substandard		-	-	-	-	115,329	115,329
Doubtful		-	-	-	-	-	-
Total	$	4,943,397	18,990,003	12,510,297	6,779,634	33,603,758	76,827,089
Current period gross write offs	$	-	-	-	-	-	-

		2024	2023	2022	2021	Prior	Total
Consumer							
Risk Rating:							
Pass	$	1,471,969	824,186	793,801	902,720	3,090,709	7,083,385
Watch		-	-	-	-	-	-
Special mention		-	-	-	-	-	-
Substandard		-	-	1,579	583	2,268	4,430
Doubtful		-	-	-	-	-	-
Total	$	1,471,969	824,186	795,380	903,303	3,092,977	7,087,815
Current period gross write offs	$	-	-	9,898	544	3,684	14,126

The following tables presents the amortized costs basis of collateral-dependent loans by class of loans as of December 31, 2025.

	Real Estate	UCC Filing
Commercial	$ 2,361,284	-
Commercial real estate:		
Construction	-	-
Other	14,839	-
Consumer:		
Credit Card	-	-
Other	-	-
Auto	-	15,634
Residential:		
Prime	650,653	-
Total	$ 3,026,776	15,634

The following tables presents the amortized costs basis of collateral-dependent loans by class of loans as of December 31, 2024.

	Real Estate	UCC Filing
Commercial	$ 115,329	-
Commercial real estate:		
Construction	-	-
Other	23,777	-
Consumer:		
Credit Card	-	-
Other	-	-
Auto	-	2,268
Residential:		
Prime	799,671	-
Total	$ 938,777	2,268

The credit loss expense includes the evaluation of impaired loans under generally accepted accounting principles. A loan is considered to be impaired when based upon current information and events, it is probable that the Bank will be unable to collect all amounts due according to the contractual terms of the loan. Impairment is primarily measured based on the fair value of the loan's collateral. Impairment losses are included in credit loss expense. This treatment does not apply to large groups of smaller balance homogeneous loans that are collectively evaluated for impairment, except for those loans restructured under a troubled debt restructuring.

Occasionally, the Bank modifies loans to borrowers in financial distress by providing term extension or interest rate reduction. In some cases, the Bank provides multiple types of concessions on one loan. Typically, one type of concession, such as a term extension, is granted initially. If the borrower continues to experience financial difficulty, another concession may be granted. For the years ended December 31, 2025 and 2024, there were no loans where a single or multiple types of modifications have been made within the current reporting period.

The Company is servicing loans for others that are not included in the accompanying consolidated financial statements. The unpaid principal balance of these loans was approximately $34.6 million and $34.1 million for the years ended December 31, 2025 and 2024, respectively. Management has determined that managing servicing rights are not material.

The Company has made loans to directors and officers in the ordinary course of business on substantially the same terms and conditions, including interest rates and collateral, as those prevailing at the same time for comparable transactions with other customers.

The following is an analysis of the activity of such loans for the years ended December 31, 2025 and 2024:

	2025	2024
Balance, beginning of the year	$ 4,547,000	4,935,900
Loans originated	1,862,800	105,600
Repayments, net of draws	(233,300)	(424,800)
Removals	(693,000)	(69,700)
Balance, end of the year	$ 5,483,500	4,547,000

4. PROPERTY AND EQUIPMENT:

Property and equipment are summarized by major classification as follows:

	2025	2024
Land	$ 993,839	993,839
Buildings	7,370,023	7,254,019
Network Infrastructure	390,475	70,286
Furniture and equipment	4,616,299	4,775,709
	13,370,636	13,093,853
Less accumulated depreciation	(9,598,993)	(9,249,579)
Property and equipment, net	$ 3,771,643	3,844,274

Depreciation expense for the years ended December 31, 2025 and 2024 was $349,479 and $261,542, respectively.

5. DEPOSITS:

	2025	2024
Demand deposits	$ 196,873,755	190,643,268
Savings deposits	31,889,055	31,564,560
Time deposits, $250,000 or more	41,608,180	28,865,957
Time deposits, less than $250,000	43,395,145	40,001,106
	$ 313,766,135	291,074,891

Interest bearing deposits at the years ended December 31, 2025 and 2024 was $218,584,793 and $206,449,255, respectively.

At December 31, 2025, scheduled maturities of time deposits are as follows:

2026	$ 83,097,324
2027	700,926
2028	694,073
2029	251,360
2030	136,399
Thereafter	123,243
	$ 85,003,325

Interest expense on deposits is summarized as follows:

	2025	2024
Demand deposits	$ 290,117	270,450
Savings deposits	66,394	48,374
Time deposits	2,986,181	2,980,504
	$ 3,342,692	3,299,328

Deposits received from officers and directors were approximately $3,146,126 and $2,456,826 as of December 31, 2025 and 2024, respectively.

6. BORROWINGS:

The Company owns stock of the Federal Home Loan Bank (FHLB) of Cincinnati, Ohio. This stock allows the Company to borrow long-term advances from the FHLB which the Company uses to fund long-term fixed rate mortgage loans. The FHLB advances are secured by the Company's first-mortgage 1-4 family loan portfolio and the Company's FHLB stock.

At December 31, 2025 and 2024, there was no balance due on advances from the FHLB.
The Company has a borrowing capacity of approximately $30.5 million with the FHLB as of December 31, 2025. In addition, the Company has letters of credit available to secure public funds with the FHLB totaling $2 million. The Company has borrowing capacity of $11.0 million in unsecured lines of credit with other financial institutions.

7. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS:

Securities sold under agreements to repurchase mature within one day from the transaction date. Information concerning securities sold under agreements to repurchase is summarized as follows:

	2025	2024
Average balance during the year	$ 1,396,841	2,952,071
Average interest rate during the year	1.62%	1.00%
Maximum month-end balance during the year	$ 1,497,740	4,201,791
Year-end balance	$ 1,130,194	1,663,487
Obligations of U.S. Government Agencies underlying the agreements at year-end:		
Book value	$ 2,785,000	6,435,000
Fair value	2,700,780	7,006,013

8. INCOME TAX:

	2025	2024
Income tax expense (benefit):		
Current	$ 943,708	597,067
Deferred	64,274	106,112
	$ 1,007,982	703,179

The tax effects of the temporary differences that created deferred tax assets and liabilities were as follows:

	2025	2024
Deferred tax assets:		
Deferred compensation	$ 363,885	396,068
Allowance for credit losses	524,073	532,921
Depreciation	113,231	132,741
Net unrealized loss on securities available-for-sale	600,233	1,435,964
Deferred loan fees	61,780	65,513
Total deferred tax assets	1,663,202	2,563,207
Deferred tax liabilities:		
FHLB stock dividends	(30,762)	(30,762)
Total deferred tax liabilities	(30,762)	(30,762)
Net deferred tax assets	$1,632,440	2,532,445

All deferred tax assets and liabilities are related to federal income taxes.

The provision for federal income taxes differs from the amount computed by applying the statutory rate to income before income taxes in the years ended December 31, 2025 and 2024, as indicated in the following analysis:

	2025		2024	
Tax based on statutory rate	$ 1,084,356	21.0%	787,851	21.0%
Effect of tax-exempt interest	(22,244)	(0.4)	(27,985)	(0.7)
Bank owned life insurance	(53,488)	(1.0)	(52,054)	(1.4)
Other, net	(642)	(0.0)	(4,633)	(0.2)
	$ 1,007,982	19.6%	703,179	18.7%

9. COMMITMENTS AND CONTINGENCIES:

In the normal course of business there are outstanding commitments and contingent liabilities, such as commitments to extend credit and standby letters of credit, which are not included in the accompanying consolidated financial statements. The Bank’s exposure to credit loss in the event of nonperformance by the other party to the financial instruments for commitments to extend credit and standby letters of credit is represented by the contractual or notional amount of those instruments. The Bank uses the same credit policies in making such commitments as they do for instruments that are included in the consolidated balance sheet.

Financial instruments whose contract amount represents credit risk were approximately as follows:

	2025	2024
Commitments to extend credit	$ 28,046,000	23,880,000
Standby letters of credit	2,000,000	1,610,000

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract and are unconditionally cancelable by the bank. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Company evaluates each customer’s credit worthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary, is based on management’s credit evaluation. Collateral held varies but may include accounts receivable, inventory, property and equipment, and income-producing commercial properties. Standby letters of credit are conditional commitments issued by the Company to guarantee the performance of a customer to a third party.

The Company is also subject to claims and lawsuits which arise primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the consolidated financial position of the Company.

10. REGULATORY MATTERS:

Banks and bank holding companies are subject to regulatory capital requirements administered by federal banking agencies. Capital adequacy guidelines and, additionally for banks, prompt corrective action regulations, involve quantitative measures of assets, liabilities, and certain off balance sheet items calculated under regulatory accounting practices. Capital amounts and classifications are also subject to qualitative judgments by regulators. Failure to meet capital requirements can initiate regulatory action. The net unrealized gain or loss on available-for-sale securities is excluded in computing regulatory capital. Management believes as of December 31, 2025, the Company and Bank meet all capital adequacy requirements to which they are subject.

Prompt corrective action regulations provide five classifications: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized, although these terms are not used to represent overall financial condition. If adequately capitalized, regulatory approval is required to accept brokered deposits. If undercapitalized, capital distributions are limited, as is asset growth and expansion, and capital restoration plans are required. At year-end 2025 and 2024, the most recent regulatory notifications categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since that notification that management believes have changed the Bank's category.

In 2020, the Bank adopted the community bank leverage ratio (CBLR) f ramework for qualifying community banking organizations, consistent with Section 201 of the Economic Growth, Regulatory Relief, and Consumer Protection Act. A qualifying community banking organization is defined as having less than $10 billion in total consolidated assets, a leverage ratio greater than 9%, off-balance sheet exposures of 25% or less of total consolidated assets, and trading assets and liabilities of 5% or less of total consolidated assets.

The CBLR removes the requirement for qualifying banking organizations to calculate and report risk-based capital, but rather only requires a Tier 1 to average assets (leverage) ration. Qualifying banking organizations that elect to use the CBLR framework and that maintain a leverage ratio of greater than required minimums will be considered to have satisfied the generally applicable risk based and leverage capital requirements in the agencies' capital rules (generally applicable rule) and, if applicable, will be considered to have met the well capitalized requirements for purposes of section 38 of the Federal Deposit Insurance Act.

An eligible banking organization can opt out of the CBLR framework and revert to the risk-weighting framework without restriction. As of December 31, 2025, both the Company and Bank were qualifying community banking organizations as defined by the federal banking agencies and elected to measure capital adequacy under the CBLR framework.

The Company and Bank's CBLR as of December 31, 2025 and 2024 was 10.74% and 11.35%, respectively, and therefore the Bank is categorized as "well capitalized."

11. BENEFIT PLANS:

401(k) Plan: A 401(k) benefit plan allows employee contributions from full time employees working over 1,000 hours per year who are age 18 with at least three months of service. Employees are able to enroll in the plan at the beginning of each new quarter in the calendar year. Employee contributions are limited to the permissible amounts as defined by the Internal Revenue Service. The Company matches employee contributions at 50% up to 6% of the employee's base salary. The Company also makes a profit-sharing contribution at the discretion of its Board of Directors of 7% of employees' base wage regardless of whether the employee contributes to the Plan. The expense of the 401(k) plan was $318,004 and $290,094 for the years ended December 31, 2025 and 2024, respectively.

Salary Continuation/Supplemental Executive Plan:
The Company has an unfunded salary continuation plan and supplemental executive plan for the former Board Chair and former CEO which provides 20 years of retirement income beginning the first day of the month following their retirement. Accrual of this liability is based upon a 7.229% discount rate with no inflation adjustment. Income tax deductions are allowable only as retirement benefits are paid. Payments for the former Board Chair began in 2019 and payments for the former CEO began in 2020. The following amounts are included in the accompanying consolidated financial statements:

	2025	2024
Accrued pension liability	$ 1,732,786	1,793,686
Pension expense	118,591	123,684
Benefits paid	195,900	195,900

Health Plan: The Company has an unfunded plan which serves as a health insurance subsidy and provides payments for 2 former employees and the spouse of the former Bank president and director. Accrual of this liability is based on a 4.69% discount rate and a 5.00% inflation adjustment. Income tax deductions are allowable only as benefits are paid. This plan was terminated during 2025. The following amounts are included in the accompanying consolidated financial statements:

	2025	2024
Accrued insurance liability	$ -	99,150
Benefits paid	6,796	12,804

Pension Plan: The Company has an unfunded pension plan for a former officer of the Bank, which provides monthly retirement income to the officer. Accrual of this liability is based on estimated payments remaining for the one person receiving benefits. Income tax deductions are allowable only as retirement benefits are paid. The Company paid benefits of $1,500 and $3,000 for the years ended December 31, 2025 and 2024, respectively.

12. STOCK BASED COMPENSATION:

In June 2012, the Company adopted the Hocking Valley Bancshares, Inc. Restricted Stock Plan for the issuance of restricted stock to employees of the Company. The aggregate number of shares of common stock reserved and available for issuance pursuant to awards granted under this Plan is 30,000 shares. The Board of Directors of the Company established a trust to hold shares to be awarded. All shares at inception held in the trust have voting rights and any shares that have not yet been awarded are voted by the trustees. The awards are granted at the discretion of the Board of Directors and vest over a six-year term with 20% vesting occurring each year beginning at two years after grant. Total recognized compensation expense was $43,740 and $69,992 for the years ended December 31, 2025 and 2024, respectively and unvested expense as of December 31, 2025 that will be recorded as expense in future periods is $302,907. The Company accounts for forfeitures in the period they occur. There are 12,820 shares remaining in the Plan for future grants.

Information related to restricted stock grants for the years ended December 31, 2025 and 2024 is as follows:

	Shares	Weighted Average Grant Date Fair Value
Unvested at January 1, 2024	22,225	$21.60
Vested	(2,602)	$24.95
Outstanding at December 31, 2024	19,623	$21.46
Vested	(3,473)	$20.99
Forfeited	(6,370)	$22.00
Unvested at December 31, 2025	9,780	$21.34

13. FAIR VALUES OF FINANCIAL INSTRUMENTS:

GAAP defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

There are three levels of inputs that may be used to measure fair values:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.

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

- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Following is a description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Investment securities
Fair value on available-for-sale securities were based upon a market approach. Securities which are fixed income instruments that are not quoted on an exchange, but are traded in active markets, are valued using prices obtained from our custodian, which used third party data service providers and are classified as Level 2 inputs. Available-for-sale securities include US Treasuries, agency securities, municipal securities, mortgage-backed securities and certificates of deposit.

	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other observable inputs (Level 3)
December 31, 2025:				
Assets:				
US Treasuries	$ 36,147,126	-	36,147,126	-
Agency securities	27,558,182	-	27,558,182	-
Municipal securities	10,993,679	-	10,993,679	-
Mortgage-backed securities	20,722,006	-	20,722,006	-
Certificates of deposit	487,917	-	487,917	-
	$ 95,908,910	-	95,908,910	-

	Total	(Level 1)	(Level 2)	(Level 3)
December 31, 2024:				
Assets:				
US Treasuries	$ 42,340,313	-	42,340,313	-
Agency securities	30,097,437	-	30,097,437	-
Municipal securities	14,598,381	-	14,598,381	-
Mortgage-backed securities	9,280,855	-	9,280,855	-
Certificates of deposit	482,368	-	482,368	-
	$ 96,799,354	-	96,799,354	-

14. CONDENSED FINANCIAL INFORMATION (PARENT COMPANY ONLY):

Presented below is condensed financial information comprising the financial position, results of operations and cash flows of the Parent Company only:

Condensed Balance Sheet

	2025	2024
Assets:		
Cash and cash equivalents	$ 3,950,763	1,359,731
Investment securities, available for sale	701,511	697,826
United Bankers' Bank stock	173,600	173,600
Investment in Hocking Valley Bank	36,353,283	32,861,712
Investment in HVBS Holdings, LLC	192,108	171,109
Other assets	534,266	500,368
Total assets	$ 41,905,531	35,764,346
Liabilities:	$ 310,823	310,823
Stockholders' equity:		
Common stock; no par value; 4,500,000 shares authorized, 1,243,290 shares issued; and 1,243,290 shares outstanding at December 31, 2025 and 2024, respectively	$ 745,250	745,250
Additional paid-in capital	680,156	636,416
Retained earnings	42,734,350	39,473,818
Treasury stock	(307,026)	-
Accumulated other comprehensive loss	(2,258,020)	(5,401,961)
Total stockholders' equity	41,594,710	35,453,523
Total liabilities and stockholders' equity	$ 41,905,533	35,764,346

Condensed Statement of Income

	2025	2024
Interest and dividend income	$ 78,702	100,389
General and administrative expenses	(48,999)	(53,770)
	29,703	46,619
Equity in earnings of Hocking Valley Bank	4,104,917	2,989,184
Equity in earnings of HVBS Holdings, LLC	20,999	12,695
Net income	$ 4,155,619	3,048,498

Condensed Statement of Cash Flows

	2025	2024
Operating activities:		
Net income	$ 4,155,619	3,048,498
Adjustments to reconcile net income to net cash from operating activities:		
Deferred income tax	(3,410)	(2,802)
Stock based compensation expense	43,740	69,992
Investment securities amortization	5,537	5,421
Equity in undistributed earnings of Hocking Valley Bank	(354,917)	(1,639,184)
Equity in undistributed earnings of HVBS Holdings, LLC	(20,999)	(12,695)
Changes in other assets and liabilities	(32,425)	(54,780)
Net cash provided by operating activities	3,793,145	1,414,450
Investing activities:		
Net cash provided by investing activities	-	-
Financing activities:		
Purchase of treasury stock	(307,026)	-
Dividends paid	(895,087)	(833,003)
Net cash used in financing activities	(1,202,113)	(833,003)
Net change in cash	2,591,032	581,447
Cash – beginning of year	1,359,731	778,284
Cash – end of year	$ 3,950,763	1,359,731

Noncash disclosure:
Hocking Valley Bancshares, Inc has dividends payable at December 31, 2025 and 2024 totaling $310,823.

Hocking Valley Bank Officers

Polly Sumney
President & CEO

Sarah Greene
Vice President

Craig Sweeney
Senior Vice President

Lindsey Hamlin
Vice President

Cherokee Stover
Senior Vice President

Brandon Garrett
Loan Officer

Anna Montle
Vice President & CFO

Wendy Ohlinger
Loan Officer

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