

The cover features a dark teal background with a light blue horizontal band. A white rectangular area is positioned at the top, and a green rectangular area is at the bottom. The year '2025' is rendered in a large, white, outlined serif font, centered within the light blue band.

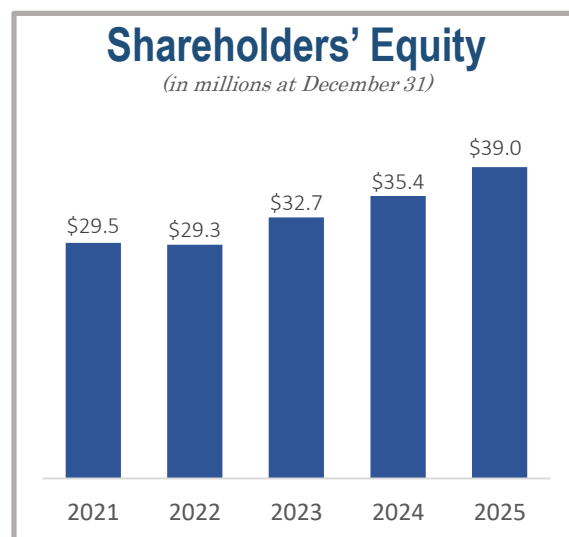
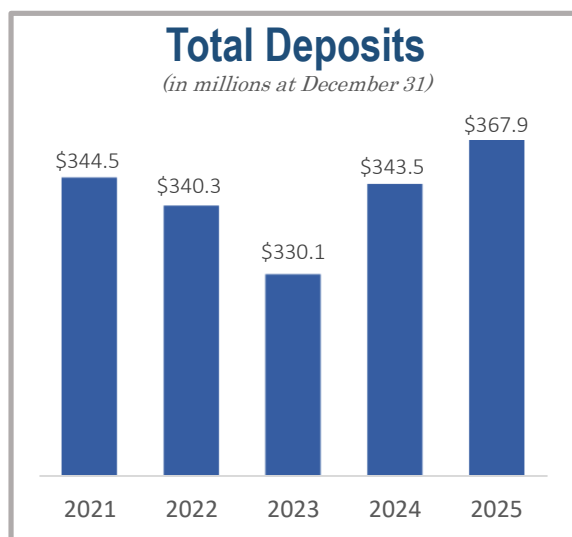
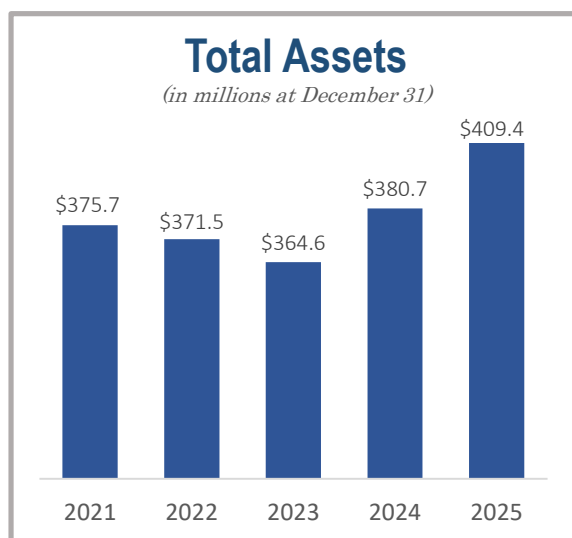
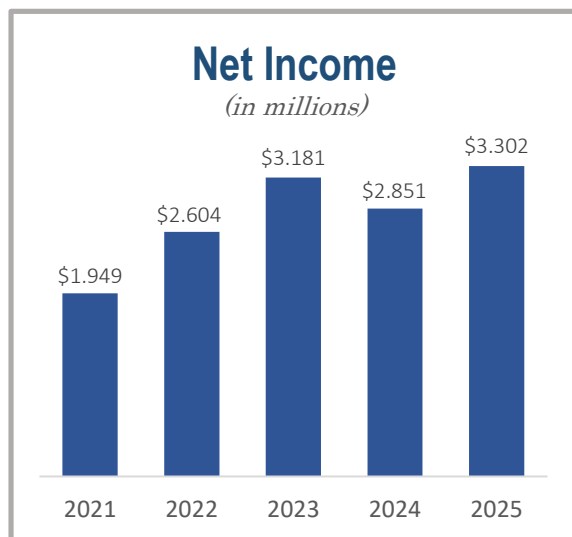
2025

Annual Report

Elmer Bancorp, Inc.

Elmer Bancorp, Inc.

2021–2025 Financial Highlights



ELMER BANCORP, INC.

April 17, 2026

To Fellow Shareholders:

In 2026, the United States celebrates its 250th anniversary and The First National Bank of Elmer is commemorating 123 years of proudly serving the public. It is a time to reflect on the great accomplishments our nation has produced while being cognizant of the challenges we all face.

The world is managing two global conflicts and our industry is coping with technological and regulatory uncertainty. Our bank is effectively aligned to adapt to a changing and challenging financial environment. Our 2025 year-end numbers reflect this ability as we had an outstanding year, both in growth and income.

Our net income for 2025 was \$3.302 million, another record-breaking year of earnings for the bank. Earnings per common share increased to \$2.89 per common share for the year ended December 31, 2025, compared to \$2.50 per common share for the year ended 2024. Loan balances continue to grow, resulting in an increase of \$2.3 million in interest and fees on loans year-over-year. The one-time Bank Owned Life Insurance (“BOLI”) payout of \$530,000 was partially offset by increases in interest paid on deposits, employment costs, professional fees, and occupancy and equipment expenses.

Elmer Bancorp’s total assets crossed the \$400 million mark in 2025 and ended the year at \$409.4 million, an increase of \$28.7 million from the December 31, 2024 total of \$380.7 million. Excluding \$6.5 million in overnight funds from a large temporary deposit in December 2025, total core assets at December 31, 2025 were \$22.2 million higher than December 31, 2024. Total loans were \$327.3 million at December 31, 2025, another record high, and an increase of \$12.9 million from the December 31, 2024 total of \$314.4 million. In addition, overnight investments increased \$16.2 million year-over-year.

Deposits totaled \$367.9 million at December 31, 2025 compared to \$343.5 million at December 31, 2024, an increase of \$24.4 million. Total core deposits (excluding the \$6.5 million large temporary deposit in December 2025) were \$17.9 million higher than December 31, 2024. Our competitive CD and Money Market Promotion rates have contributed to this growth in deposits. Shareholders’ equity at December 31, 2025 totaled \$39.0 million compared to \$35.4 million at year-end 2024, an increase of \$3.6 million. Book value per share at December 31, 2025 was \$33.91 per common share compared to \$30.91 per common share at year-end 2024.

This past year was an eventful year. In March, we opened our Loan Production Office (“LPO”) in Marlton. This office has proven to deliver excellent results while serving our clients in Burlington and Camden Counties. During the year, we implemented Positive Pay, a fraud prevention tool, and we are now a participant of FedNow and Real-Time Payments (RTP) which allows customers to receive deposits from another financial institution within seconds. In October, we launched our newest product, True Grow, a consumer checking account that combines the abilities of a checking account with the interest rate of a high yield savings account. We have also completed renovations at our Elk branch and each location now has new signage as part of our rebranding project.

We continue to pride ourselves on being both proactive and intuitive in meeting our client’s needs. We remain well positioned to maintain our “one-to-one” customer service model while at the same time exploring and implementing digital solutions to our product line. We remain committed to organically growing the bank and being your bank of choice. In closing, we wish to thank our shareholders, our dedicated employees, our loyal clients, and our local communities for their continued faith and support as we look forward to another rewarding year.

Respectfully,



P. Scott Boyer
Chairman of the Board



Brian W. Jones
President & Chief Executive Officer

Elmer Bancorp, Inc. and Subsidiaries Board of Directors



Seated left to right: P. Scott Boyer, Chairman of the Board; Brian W. Jones, Director; Robert A. Woodruff, Jr., Vice Chairman of the Board; Standing left to right: David F. Raczenbek, Director; John E. Rafter, Director; David B. Bostwick, Director; Not pictured: Donald R. Blew, Director

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INDEPENDENT AUDITOR'S REPORT

Board of Directors and Shareholders
Elmer Bancorp, Inc.
Elmer, New Jersey

Opinion

We have audited the accompanying consolidated financial statements of Elmer Bancorp, Inc. and subsidiaries (the "Company"), which comprise the consolidated statements of financial condition as of December 31, 2025 and 2024; the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the years then ended; and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements 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.

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 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 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 within one year after the date that the financial statements are issued or available to be issued.

PITTSBURGH, PA

2009 Mackenzie Way • Suite 340
Cranberry Township, PA 16066
(724) 934-0344

PHILADELPHIA, PA

161 Washington Street • Suite 200
Conshohocken, PA 19428
(610) 278-9800

WHEELING, WV

980 National Road
Wheeling, WV 26003
(304) 233-5030

STEUBENVILLE, OH

511 N. Fourth Street
Steubenville, OH 43952
(304) 233-5030



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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Letter to Shareholders but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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 whether 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.



Cranberry Township, Pennsylvania
April 17, 2026

ELMER BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

	December 31,	
	2025	2024
ASSETS		
Cash and cash equivalents:		
Cash and due from banks	\$ 4,330,486	\$ 4,411,229
Interest-bearing deposits with other institutions	94,641	86,011
Federal funds sold	41,997,000	25,749,000
Total cash and cash equivalents	46,422,127	30,246,240
Securities available-for-sale, at fair value	23,223,228	23,053,444
Restricted stock, at cost	461,900	443,200
Loans receivable, net of allowance for credit losses of \$4,162,188 in 2025 and \$4,035,234 in 2024	323,107,256	310,329,954
Bank owned life insurance (BOLI)	8,848,223	8,100,541
Premises and equipment, net	3,721,601	3,764,246
Deferred income taxes	1,843,352	1,980,884
Other real estate owned (OREO)	-	1,134,000
Accrued interest receivable	1,018,858	949,000
Other assets	772,757	723,644
TOTAL ASSETS	\$ 409,419,302	\$ 380,725,153
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Deposits:		
Non-interest bearing demand deposits	\$ 113,251,262	\$ 108,591,654
Savings, NOW, and money market deposits	164,896,330	157,597,271
Interest-bearing time deposits	89,757,689	77,269,996
Total deposits	367,905,281	343,458,921
Accrued interest payable	251,775	189,866
Accrued expenses and other liabilities	2,212,645	1,693,551
TOTAL LIABILITIES	370,369,701	345,342,338
SHAREHOLDERS' EQUITY		
Common stock, \$0.10 par value; 3,000,000 shares authorized; 1,219,680 shares issued; outstanding 1,151,509 shares at December 31, 2025 and 1,144,709 shares at December 31, 2024	121,968	121,968
Additional paid-in capital	471,326	550,532
Retained earnings	41,171,079	38,444,406
Accumulated other comprehensive loss	(713,006)	(1,532,677)
Treasury stock at cost: 68,171 shares at December 31, 2025 and 74,971 shares at December 31, 2024	(2,001,766)	(2,201,414)
TOTAL SHAREHOLDERS' EQUITY	39,049,601	35,382,815
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 409,419,302	\$ 380,725,153

See accompanying notes to the consolidated financial statements.

ELMER BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Years ended December 31,	
	2025	2024
INTEREST AND DIVIDEND INCOME		
Loans receivable, including fees	\$ 18,367,064	\$ 16,082,743
Securities available-for-sale	328,883	345,008
Federal funds sold	1,729,659	1,836,462
Interest-bearing deposits with other institutions	3,901	5,497
Total interest and dividend income	<u>20,429,507</u>	<u>18,269,710</u>
INTEREST EXPENSE		
Deposits	<u>4,501,065</u>	<u>3,685,161</u>
Total interest expense	<u>4,501,065</u>	<u>3,685,161</u>
NET INTEREST INCOME	15,928,442	14,584,549
Provision for (release of) credit losses	<u>156,379</u>	<u>(47,823)</u>
NET INTEREST INCOME AFTER PROVISION FOR (RELEASE OF) CREDIT LOSSES	<u>15,772,063</u>	<u>14,632,372</u>
NONINTEREST INCOME		
Service charges on deposit accounts	389,715	357,173
Other service charges and fees	492,845	477,499
Income on BOLI	794,667	227,943
Other income	<u>42,408</u>	<u>29,734</u>
Total noninterest income	<u>1,719,635</u>	<u>1,092,349</u>
NONINTEREST EXPENSE		
Salaries and employee benefits	7,880,779	7,044,972
Occupancy and equipment expense, net	1,549,831	1,397,140
Data processing	1,400,051	1,284,362
Federal insurance premiums	285,877	233,955
Professional fees	574,047	357,721
Telecommunications	219,258	203,968
Other expense	<u>1,322,183</u>	<u>1,348,677</u>
Total noninterest expense	<u>13,232,026</u>	<u>11,870,795</u>
Income before income tax expense	4,259,672	3,853,926
Income tax expense	<u>957,765</u>	<u>1,002,600</u>
NET INCOME	<u>\$ 3,301,907</u>	<u>\$ 2,851,326</u>
EARNINGS PER SHARE:		
Basic	\$ 2.89	\$ 2.50
Diluted	\$ 2.89	\$ 2.50
Weighted average basic shares outstanding	1,143,927	1,141,063
Weighted average diluted shares outstanding	1,143,927	1,141,661

See accompanying notes to the consolidated financial statements.

ELMER BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years ended December 31,	
	2025	2024
Net income	\$ 3,301,907	\$ 2,851,326
Other comprehensive income:		
Investment securities available for sale:		
Unrealized gains		
on investment securities available-for-sale	1,060,992	486,857
Tax effect	(222,808)	(102,240)
Net of tax effect	838,184	384,617
Postretirement plan adjustment:		
Net unrealized loss on postretirement plan	(5,110)	(16,364)
Tax effect	1,073	3,436
Reclassification adjustment for net gains recognized in net income	(18,324)	(20,352)
Tax effect	3,848	4,274
Net of tax effect	(18,513)	(29,006)
Other comprehensive income	819,671	355,611
Total comprehensive income	\$ 4,121,578	\$ 3,206,937

See accompanying notes to the consolidated financial statements.

ELMER BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR YEARS ENDED DECEMBER 31, 2025 AND 2024

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Shareholders' Equity
Balance, December 31, 2023	\$ 121,968	\$ 568,709	\$ 36,165,285	\$ (1,888,288)	\$ (2,245,454)	\$ 32,722,220
Net income	-	-	2,851,326	-	-	2,851,326
Cash dividends declared - \$0.50 per share	-	-	(572,205)	-	-	(572,205)
Other comprehensive income	-	-	-	355,611	-	355,611
Issuance of restricted stock (1,500 shares)	-	(44,040)	-	-	44,040	-
Restricted stock compensation expense	-	25,863	-	-	-	25,863
Balance, December 31, 2024	121,968	550,532	38,444,406	(1,532,677)	(2,201,414)	35,382,815
Net income	-	-	3,301,907	-	-	3,301,907
Cash dividends declared - \$0.50 per share	-	-	(575,234)	-	-	(575,234)
Other comprehensive income	-	-	-	819,671	-	819,671
Issuance of restricted stock (7,200 shares)	-	(211,392)	-	-	211,392	-
Forfeiture of restricted stock (400 shares)	-	11,744	-	-	(11,744)	-
Restricted stock compensation expense	-	120,442	-	-	-	120,442
Balance, December 31, 2025	<u>\$ 121,968</u>	<u>\$ 471,326</u>	<u>\$ 41,171,079</u>	<u>\$ (713,006)</u>	<u>\$ (2,001,766)</u>	<u>\$ 39,049,601</u>

See accompanying notes to the consolidated financial statements.

ELMER BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

	Years ended December 31,	
	2025	2024
OPERATING ACTIVITIES		
Net income	\$ 3,301,907	\$ 2,851,326
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	425,651	363,373
Provision for (release of) credit losses	156,379	(47,823)
Investment securities amortization, net	119,267	122,097
Loan origination fees accretion, net	(447,585)	(371,128)
Deferred income taxes	64,250	(25,431)
Net loss on sale of OREO	10,939	-
Restricted stock compensation expense	120,442	25,863
Write-down of foreclosed real estate, net	-	135,000
Increase in accrued interest receivable	(69,859)	(114,808)
Increase in accrued interest payable	61,909	126,033
Income on BOLI	(794,667)	(227,943)
Other, net	301,944	(432,177)
Net cash provided by operating activities	<u>3,250,577</u>	<u>2,404,382</u>
INVESTING ACTIVITIES		
Investment securities available-for-sale:		
Proceeds from maturities, calls, and repayment of principal	771,941	829,190
Purchases of regulatory stock	(23,300)	(27,800)
Redemptions of regulatory stock	4,600	10,100
Increase in loans receivable, net	(12,486,096)	(24,254,738)
Proceeds from sales of OREO	1,123,061	-
Purchases of premises and equipment	(383,007)	(289,167)
Proceeds from BOLI	1,046,985	-
Purchase of BOLI	(1,000,000)	(502,015)
Net cash used in investing activities	<u>(10,945,816)</u>	<u>(24,234,430)</u>
FINANCING ACTIVITIES		
Net increase in deposits	24,446,360	13,396,551
Dividends paid on common stock	(575,234)	(572,205)
Net cash provided by financing activities	<u>23,871,126</u>	<u>12,824,346</u>
Increase (decrease) in cash and cash equivalents	16,175,887	(9,005,702)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>30,246,240</u>	<u>39,251,942</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 46,422,127</u>	<u>\$ 30,246,240</u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	<u>\$ 4,439,157</u>	<u>\$ 3,559,128</u>
Income taxes	<u>\$ 935,000</u>	<u>\$ 1,240,000</u>
Loans transferred to OREO during the year	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the consolidated financial statements.

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Elmer Bancorp, Inc. (the “Corporation”) is a bank holding company incorporated in the State of New Jersey.

The First National Bank of Elmer (the “Bank”) operates under a national bank charter and provides a complete line of business and personal banking products. The Bank operates through its six full-service offices located in Cumberland, Gloucester and Salem counties in New Jersey, including its main office located at 10 South Main Street, Elmer, New Jersey. In addition to our branch offices, the bank also operates a loan production office located in Marlton, NJ to service our clients in Burlington County. The majority of the Bank’s activities are with customers located within Southern New Jersey. The Bank does not have any significant concentrations in any one industry or with any one customer.

The Bank faces significant competition in attracting deposits and originating loans. Our most direct competition for deposits historically has come from the many financial institutions operating in our market area, including commercial banks, savings banks, savings and loan associations, and credit unions, and, to a lesser extent, from other financial service companies, such as brokerage firms and insurance companies. As a national bank, the Bank is subject to regulation by the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation and is periodically examined by such regulatory authorities. As a consequence of the regulation of commercial banking activities, the Bank’s business is particularly susceptible to future federal legislation and regulations.

Basis of Financial Statement Presentation

The accounting and reporting policies of the Corporation conform to accounting principles generally accepted in the United States of America (GAAP). A summary of significant accounting and reporting policies applied in the presentation of the accompanying consolidated financial statements follows.

The accompanying consolidated financial statements include the accounts of Elmer Bancorp, Inc. and its wholly owned subsidiaries, The First National Bank of Elmer and First Elmer Investment Corporation. Since these consolidated financial statements are presented on a consolidated basis, the term “Corporation” as used herein may refer to Elmer Bancorp, Inc. individually as a bank holding company or inclusive of consolidated subsidiaries. All significant inter-company balances and transactions have been eliminated in consolidation. Certain prior period amounts may have been reclassified to conform to current year presentations. Such reclassifications had no effect on consolidated shareholders’ equity or consolidated net income. In the opinion of management, all accounting entries and adjustments, including normal recurring accruals, necessary for a fair presentation of the financial position and the results of operations for the periods presented have been made. Events occurring subsequent to the date of the balance sheet have been evaluated for potential recognition or disclosure in the consolidated financial statements through the date of the issuance of the consolidated financial statements.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the Consolidated Statements of Financial Condition and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for credit losses, fair value measurements, the valuation of other real estate owned, measurement of the defined benefit plan obligation, and the calculation of deferred tax assets.

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For the purpose of reporting the Consolidated Statements of Cash Flows, the Corporation considers cash and cash equivalents to include cash on hand, amounts due from banks, and interest-bearing bank balances with other institutions with original maturities of 90 days or less, and Federal funds sold.

Investment Securities

The Bank classifies investment securities as either available for sale (AFS) or held to maturity (HTM) and currently only holds AFS investment securities. Investment securities classified as AFS are carried at fair value with unrealized gains and losses excluded from earnings and reported in a separate component of equity, net of related income tax effects. Gains and losses on sales of investment securities are recognized upon realization utilizing the specific identification method. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method. See Note 2 and Note 3 for additional information.

Allowance for Credit Losses – Available-for-Sale Securities

The Bank measures expected credit losses on available-for-sale debt securities when the Bank does not intend to sell, or when it is not more likely than not that it will be required to sell, the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through income. For available-for-sale debt securities that do not meet the aforementioned criteria, the Bank evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, the Bank 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 evaluation indicates that a credit loss exists, the present value of cash flows expected to be collected from the security is 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, equal to 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.

The allowance for credit losses on available-for-sale debt securities is included within securities available for sale on the Consolidated Statements of Financial Condition. Changes in the allowance for credit losses are recorded within the provision for credit losses on the Consolidated Statements of Income. Losses are charged against the allowance when the Bank believes the collectability of an available-for-sale security is in jeopardy or when either of the criteria regarding intent or requirement to sell is met. At December 31, 2025 and 2024, no allowance for credit losses was required.

Accrued interest receivable on available-for-sale securities totaled \$76,346 and \$78,659 at December 31, 2025 and 2024, respectively, and is included within accrued interest receivable on the Consolidated Statements of Financial Condition. This amount is excluded from the estimate of expected credit losses.

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Stock

The Bank owns restricted stock investments in the Federal Home Loan Bank of New York (FHLB), the Federal Reserve Bank of Philadelphia (FRB), and the Atlantic Community Bankers Bank (ACBB). These restricted stocks are reflected on the Consolidated Statements of Financial Condition at cost. At December 31, 2025, the Bank held \$358,200 in stock at FHLB, \$23,700 in stock at FRB, and \$80,000 in stock at ACBB. At December 31, 2024, the Bank held \$339,500 in stock at FHLB, \$23,700 in stock at FRB, and \$80,000 in stock at ACBB.

Under the Bank's membership agreement with the FHLB, required stock purchases are based on a percentage of outstanding borrowings and a percentage of unused borrowing capacity and may also include a percentage of assets sold to the FHLB. The stock is bought from and sold to the FHLB based upon its \$100 par value.

These restricted stocks do not have a readily determinable fair value and, as such, are classified as restricted investment in bank stock, are carried at cost and evaluated for impairment, as necessary. The restricted stocks' value is determined by the ultimate recoverability of the par value rather than by recognizing temporary declines. The determination of whether the par value will ultimately be recovered is influenced by criteria such as the following: (a) the significance of the decline in net assets of the FHLB as compared to the capital stock amount and the length of time this situation has persisted, (b) commitments by the FHLB to make payments required by law or regulation and the level of such payments in relation to the operating performance, (c) the impact of legislative and regulatory changes on the customer base of the FHLB, and (d) the liquidity position of the FHLB. Management evaluated the restricted stocks and concluded that the restricted stocks were not impaired for the periods presented herein.

Loans

The Bank provides mortgages, commercial loans, and consumer loans to individuals and businesses. A substantial portion of the loan portfolio is represented by mortgage loans throughout the Southern New Jersey region. The ability of the Bank's debtors to honor their contracts is dependent upon the general economic conditions in this area.

Loans receivable, that management has the intent and ability to hold for the foreseeable future, or until maturity or pay-off, are generally reported at their outstanding principal balances adjusted for any charge-offs, net of unearned discount, allowance for credit losses and unearned loan fees. Unearned discounts on discounted loans are recognized as income over the contractual term of the loans using a method that approximates the interest method. For all other loans, interest is accrued daily on the outstanding principal balances. Loan origination fees are deferred and recognized as an adjustment of the yield on the related loans using the interest method.

The accrual of interest on mortgage loans, commercial loans, and consumer loans is discontinued at the time the loan is generally 90 days delinquent, unless the credit is well-secured and in the process of collection.

All interest accrued but not collected for loans that are placed on nonaccrual or charged off is reversed against interest income. The interest on these loans is accounted for on the cash basis or cost-recovery method, depending on management's assessment of the collectability of principal and interest, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Credit Losses – Loans

The allowance for credit losses (ACL) is a valuation reserve established and maintained by charges against income and is deducted from the amortized cost basis of loans, to present the net amount expected to be collected on the loans. Loans, or portions thereof, are charged off against the ACL when they are deemed uncollectible. Expected recoveries do not exceed the aggregate of amounts previously charged off and expected to be charged off.

The ACL is an estimate of expected credit losses, measured over the contractual life of a loan, that considers the Bank's historical loss experience, current conditions, and forecasts of future economic conditions. Determination of an appropriate ACL is inherently subjective and may have significant changes from period to period.

The methodology for determining the ACL has two main components: evaluation of expected credit losses for certain groups of homogeneous loans that share similar risk characteristics, and evaluation of loans that do not share risk characteristics with other loans.

The ACL is measured on a collective pool basis when similar risk characteristics exist. The Bank has identified the following portfolio segments and measures the allowance for credit losses using the remaining life method: commercial, commercial real estate, construction and development, residential real estate, and consumer.

Historical credit loss experience is the basis for the estimation of expected credit losses. The Bank applies historical loss rates over the remaining lifetime of each pool of loans with similar risk characteristics. The historical loss rates are a mixture of Bank and peer data. After consideration of the historic loss calculation, management applies qualitative adjustments to reflect the current conditions and reasonable and supportable forecasts not already reflected in the historical loss information at the balance sheet date. The reasonable and supportable forecast adjustment is based on broader economic data including GDP, Home Price Index, Fed Funds rate, Treasury rate, housing starts, and unemployment rates. For periods beyond management's reasonable and supportable forecast, the Bank reverts to historical loss rates utilizing a straight-line method over a reversion period.

The qualitative adjustments for current conditions are based upon changes in lending policies and procedures; nature and volume of the portfolio; experience and ability of lending staff; volume and severity of past-due, nonaccrual, and classified loans; quality of the Bank's loan review system; and the existence of and effects of concentrations of credit. These modified historical loss rates are multiplied by the outstanding principal balance of each loan to calculate the required reserve.

The Bank has elected to exclude accrued interest receivable from the measurement of its ACL. Accrued interest receivable on loans totaled \$942,512 and \$870,341 at December 31, 2025 and 2024, respectively, and was reported in accrued interest receivable on the Consolidated Statements of Financial Condition. When a loan is placed on nonaccrual status, any outstanding accrued interest is reversed against interest income.

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Credit Losses – Loans (Continued)

The ACL for individual loans begins with the use of normal credit review procedures to identify whether a loan no longer shares similar risk characteristics with other pooled loans and, therefore, should be individually assessed. The Bank evaluates all loans that meet the criteria of being 90 days or greater past due. The Bank individually evaluates such loans for credit loss and does not aggregate loans by major risk classifications. Specific reserves are established based on the following three acceptable methods measuring the ACL: 1) the present value of expected future cash flows discounted at the loan's original effective interest rate; 2) the loan's observable market price; or 3) the fair value of the collateral when the loan is collateral-dependent. The individual loan evaluations consist primarily of the fair value of collateral method because most of the loans are collateral-dependent. Collateral values are discounted to consider disposition costs when appropriate. A specific reserve is established or a charge-off is taken if the fair value of the loan is less than the loan balance.

A loan is considered collateral-dependent when the debtor is experiencing financial difficulty and repayment is expected to be provided substantially through the sale or operation of the collateral. For all classes of loans deemed collateral-dependent, the Bank elected the practical expedient to estimate expected credit losses based on the collateral's fair value, less cost to sell. Substantially all of the collateral consists of various types of business assets or real estate.

Allowance for Credit Losses on Off-Balance-Sheet Credit Exposures

The Bank estimates expected credit losses over the contractual period in which the Bank is exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the Bank. The allowance for credit losses on off-balance-sheet credit exposures is adjusted through the provision for credit loss expense. The estimate includes consideration of the likelihood that funding will occur and an estimate of expected credit losses on commitments expected to be funded over their estimated life.

Segment Reporting

ASC Topic 280 – Segment Reporting identifies operating segments as components of an enterprise which are evaluated regularly by the Company's Chief Operating Decision Maker, our President/Chief Executive Officer, in deciding how to develop strategy, allocate resources and assess performance. While the Company monitors the revenue streams of the various products and services, operations are managed, and financial performance is evaluated on an entity-wide basis. The Company provides a variety of financial services to individuals and small businesses in Southern New Jersey through its branch network. Its primary deposit products are checking, savings and term certificate accounts, and its primary lending products are commercial, residential and construction mortgages, small business and consumer loans.

Operating segments are aggregated into one segment, as operating results for all segments are similar. Accordingly, all the financial service operations are considered by management to be aggregated in one reportable operating segment, Community Banking.

The chief operating decision maker assesses performance and decides how to allocate resources based on net income that also is reported on the Statements of Income as consolidated net income. Net income is used to monitor budget versus actual results.

The chief operating decision maker uses revenue streams and significant expenses to assess performance and evaluate return on assets and return on equity. The chief operating decision maker uses consolidated net income to benchmark the Company against its competitors. The benchmarking analysis and budget to actual results are used in assessing performance and in establishing compensation.

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Segment Reporting (Continued)

The accounting policies for the Community Banking segment are the same as those of our consolidated entity, which are described in Note 1. Information utilized in the performance assessment by the chief operating decision maker is consistent with the level of aggregation disclosed in the Consolidated Statements of Income. The measure of segment assets is reported on the Statements of Financial Condition as total consolidated assets.

Bank-Owned Life Insurance

The Bank invests in bank-owned life insurance on a chosen group of employees. The policies were purchased to help offset the increase in the costs of various fringe benefit plans, including healthcare. The Bank is the owner of the pre-retirement split-benefit policies and, in accordance with FASB ASC Topic 325 *Investments in Insurance Contracts*, the amount recorded is the cash surrender value, which is the amount realizable. Income from the increase in cash surrender value of the policies is included in noninterest income on the Consolidated Statements of Income. In the event of the death of an insured individual under these policies, the Bank would receive a death benefit, which would be recorded as noninterest income.

The Bank recognizes a liability and related compensation cost for an endorsement split-dollar life insurance arrangement that provides a benefit to specific employees. The amount recognized as a liability represents the present value of the post-retirement cost for the endorsement split-dollar life insurance policies.

Mortgage Servicing Rights (MSR)

The Bank recognizes as a separate asset the rights to service mortgage loans, whether those rights are acquired through purchase or loan origination activities. MSR are amortized in proportion to and over the estimated period of net servicing income. The estimated fair value of MSR is determined through a discounted analysis of future cash flows, incorporating numerous assumptions including servicing income, servicing costs, market discount rates, prepayment speeds, and default rates. Impairment of the MSR is assessed on the fair value of those rights with any impairment recognized as a component of loan servicing fee income. The balance of the fee asset at December 31, 2025 and 2024, was \$17,843 and \$34,039 respectively. The amortization of the servicing rights totaled \$16,196 and \$7,412 for the years ended December 31, 2025 and 2024, respectively.

Other Real Estate Owned (OREO)

Real estate acquired as a result of foreclosure (including in-substance foreclosures), or by deed in lieu of foreclosure is classified as OREO and is initially recorded at the estimated fair market value, less the estimated cost to sell, at the date of foreclosure, thereby establishing a new cost basis. If the fair value declines subsequent to foreclosure, an OREO write-down is recorded through expense and the OREO balance is lowered to reflect the current fair value. Operating costs after acquisition are expensed. The historical average holding period for such properties is generally less than two years. At December 31, 2025, there were no residential real estate loans in the process of foreclosure.

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Premises and Equipment

Land is carried at cost. Buildings, improvements and equipment are stated at cost less accumulated depreciation. Depreciation of equipment is computed on the straight-line method over the assets' estimated useful lives. Buildings and improvements are depreciated over the estimated useful life of the improvement. The estimated useful lives for calculating depreciation are as follows:

<u>Years</u>	
Buildings and improvements	7–39
Furniture, fixtures, and equipment	3–12
Computer equipment	3–5

Maintenance and repairs are charged to operations as incurred. The cost and accumulated depreciation of the premises and equipment retired or sold are eliminated from the property accounts at the time of retirement or sale, and the resulting gain or loss, if applicable, is reflected in current operations. See Note 6 for additional information.

Leases

A lease is defined as a contract, or part of a contract, that conveys the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration. The Company accounts for its leases in accordance with ASC Topic 842, "Leases", which primarily affects the accounting treatment for operating lease agreements in which the Bank is a lessee.

The Company elected to separate lease and non-lease components, but elected not to include short-term leases (i.e., leases with initial terms of twelve months or less) on the Consolidated Balance Sheets.

The Bank's lease agreements often include one or more options to renew at the Bank's discretion. If at lease inception, the Bank considers the exercising of a renewal option to be reasonably certain, the Bank will include the extended term in the calculation of the right-of-use ("ROU") asset and lease liability. Regarding the discount rate, Topic 842 requires the use of the rate implicit in the lease whenever this rate is readily determinable. As this rate is rarely determinable, the Bank utilized its incremental borrowing rate at lease inception, on a collateralized basis, over a similar term.

As a lessee, the Company has one operating lease, which consists of office space. Rent expense was \$26,164 and \$0 for the years ended December 31, 2025 and 2024, respectively. The Company's ROU assets and lease liabilities as of December 31, 2025 were \$121,324 and \$124,808, respectively, and are included in other assets and other liabilities on the Consolidated Balance Sheets.

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 Corporation, (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 Corporation does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity or the ability to unilaterally cause the holder to return the specific asset.

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the consolidated financial statements and consist of taxes currently due and deferred taxes related to temporary differences between book and tax bases of various accounts. Deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

Deferred tax assets and liabilities are reflected at income tax rates applicable to the period. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes. The Corporation files a consolidated federal tax return and individual component state tax returns as required by the current state tax code. See Note 11 for additional information.

During the year ended December 31, 2025, the Company adopted Accounting Standards Update (ASU) 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosure*, which expands the disclosure requirements for income taxes. The amendment in this update improves financial reporting by requiring disclosure of greater disaggregation of information in the income tax rate reconciliation. The amendment in this update also improves financial reporting by requiring disclosure of income taxes paid by jurisdiction to improve visibility of income taxes paid information. The adoption did not have a material impact on the Company's consolidated financial statements. See Note 11 Income Taxes for more information.

Advertising Costs

Advertising costs are charged to expense in the year incurred. Advertising expenses totaled \$163,592 and \$159,174 for the years ended December 31, 2025 and 2024, respectively, which are included in other expenses on the Consolidated Statements of Income.

Off-Balance-Sheet Financial Instruments

Credit-related financial instruments. In the ordinary course of business, the Bank has entered into commitments to extend credit, including commercial letters of credit and standby letters of credit. Such financial instruments are recorded when they are funded. See Note 9 for additional information.

Fair Value of Financial Instruments

The fair value of a financial instrument is the current amount that would be exchanged between willing parties, other than in a forced liquidation. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the Corporation'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. See Note 13 and Note 14 for additional information.

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement Plans

401(k) plan. Employees who are at least 21 years of age may elect to make “before tax” 401(k) contributions to the plan between 1 percent and 100 percent of compensation, up to \$23,500. Eligibility is immediate upon hire. Employees who are at least 50 years of age may make additional “catch-up” contributions up to \$7,500. The Bank will match 50 percent up to 6 percent of compensation deferred by eligible employees. Contributions vest based on the schedule of the plan. See Note 15 for additional information.

Defined benefit post-retirement plan. The Bank has an unfunded defined benefit post-retirement plan that provides life and health insurance benefits to retired individuals. Employees who retire at age 65 or older with a minimum of 25 years of service are eligible for payment of 100 percent of basic health care benefit premiums. The level of benefits paid will continue at the same level as prior to retirement (i.e., employee/spouse coverage). Additionally, optional coverage may be obtained at the expense of the former employee. The plan is reviewed annually and may be modified or terminated at the discretion of the Board of Directors. The Board of Directors voted to change the plan effective January 1, 2009, so that only current retirees and current employees hired before June 30, 1984, who retire at age 65 or after would be eligible under the medical plan provision and only current retirees would continue to receive the life insurance plan provision. Future retirees would no longer be eligible. See Note 15 for additional information.

Restricted stock awards. Expense on restricted stock awards is based on the fair value of the shares on the grant date and is expensed on a straight-line basis over the vesting period.

Treasury Stock

Stock held in the Treasury by the Corporation is accounted for using the cost method, which treats stock held in treasury as a reduction of total shareholders’ equity. As shares of treasury stock are reissued, the shares are issued using the average cost basis of the shares in the treasury at the time of issuance.

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Earnings per Common Share

Earnings per common share is computed by dividing net income available to common shareholders by the weighted-average basic and dilutive common shares outstanding.

	<u>2025</u>	<u>2024</u>
Basic earnings per share computation:		
Net income applicable to common stock	\$ 3,301,907	\$ 2,851,326
Weighted average common shares outstanding	<u>1,143,927</u>	<u>1,141,063</u>
Earnings per share - basic	<u>\$ 2.89</u>	<u>\$ 2.50</u>
Diluted earnings per share computation:		
Net income applicable to common stock	<u>\$ 3,301,907</u>	<u>\$ 2,851,326</u>
Weighted average common shares outstanding for basic earnings per share	1,143,927	1,141,063
Add: Dilutive effects of restricted stock	<u>0</u>	<u>598</u>
Weighted average common shares outstanding for dilutive earnings per share	<u>\$ 1,143,927</u>	<u>\$ 1,141,661</u>
Earnings per share - dilutive	<u>\$ 2.89</u>	<u>\$ 2.50</u>

There were 5,825 and 2,775 shares of restricted stock outstanding during 2025 and 2024, respectively, that were included in the computation of diluted earnings per share as their effect was not anti-dilutive.

Comprehensive Income

Accounting principles generally require that recognized revenue, expenses, gains, and losses be included in net income. Although certain changes in assets and liabilities are reported as a separate component of the equity section of the Consolidated Statements of Financial Condition, such items, along with net income, are components of comprehensive income. See Note 17 for additional information.

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Under Topic ASC 606, the Bank applies the following steps when recognizing revenue from contracts with customers unless the revenue is related to a financial instrument and is scoped out of Topic 606: (i) identify the contract, (ii) identify the performance obligations, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations, and (v) recognize revenue when a performance obligation is satisfied. The Bank's contracts with customers are generally short term in nature, typically due within one year or less or cancellable by the Bank or the Bank's customer upon a short notice period. Performance obligations for the Bank's customer contracts are generally satisfied at a single point in time, typically when the transaction is complete, or over time. The Bank typically receives payment from customers and recognizes revenue concurrent with the satisfaction of our performance obligations. In most cases, this occurs within a single financial reporting period. For payments received in advance of the satisfaction of performance obligations, revenue recognition is deferred until such time as the performance obligations have been satisfied. In cases where the Bank has not received payment despite satisfaction of our performance obligations, an estimate of the amount due in the period our performance obligations have been satisfied is accrued.

Under ASC Topic 606, management determined that the primary sources of revenue emanating from interest and dividend income on loans and investments along with noninterest revenue resulting from investment securities gains, loans servicing, gains on loans sold, and earnings on BOLI are not within scope of this Topic. The main sources of noninterest income within the scope of the standard are service charges on deposit accounts and other service charges and fees. The Bank has contracts with its deposit customers where fees are charged if certain parameters are not met. These agreements can be cancelled at any time by either the Bank or the deposit customer. Revenue from these transactions is recognized on a monthly basis as the Bank has an unconditional right to the fee consideration. The Bank also has transaction fees related to specific transactions or activities resulting from a customer request or activity that include overdraft fees, online banking fees, interchange fees, ATM fees, and other transaction fees. All of these fees are attributable to specific performance obligations of the Bank where the revenue is recognized at a defined point in time upon the completion of the requested service/transaction.

Gains and losses on the sale of OREO are recognized at the completion of the property sale when the buyer obtains control of the real estate and all the performance obligations of the Bank have been satisfied. Evidence of the buyer obtaining control of the asset includes transfer of the property title, physical possession of the asset, and the buyer obtaining control of the risks and rewards related to the asset. If the Bank agrees to provide financing to facilitate the sale of OREO, additional analysis is performed to ensure that the contract for sale identifies the buyer and seller, the asset to be transferred, payment terms, and that the contract has a true commercial substance and that collection of amounts due from the buyer are reasonable. In situations where financing terms are not reflective of current market terms, the transaction price is discounted impacting the gain/loss and the carrying value of the asset. The Bank does not make it a standard practice to provide the financing for OREO sales.

The Bank determined that the level of disaggregation of revenue as reported on the Consolidated Statements of Income provided a sufficient level of detail in order to properly analyze the significant revenue streams of the Bank and, therefore, no further disaggregation of any revenue streams within the scope of ASC 606 was considered to be necessary.

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 2 – INVESTMENT SECURITIES

The amortized cost, gross unrealized gains and losses, and fair values of investment securities are as follows as of December 31, 2025 and 2024:

<u>December 31, 2025</u>	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Investment securities available-for-sale				
Debt securities:				
U.S. treasuries and government agency securities	\$18,529,062	\$ -	\$ (647,345)	\$17,881,717
State and municipal securities	1,516,688	495	(38,034)	1,479,149
Mortgage-backed securities	4,305,128	-	(442,766)	3,862,362
Total securities available-for-sale	<u>\$24,350,878</u>	<u>\$ 495</u>	<u>\$ (1,128,145)</u>	<u>\$23,223,228</u>
<u>December 31, 2024</u>	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Investment securities available-for-sale				
Debt securities:				
U.S. treasuries and government agency securities	\$18,709,174	\$ -	\$ (1,411,334)	\$17,297,840
State and municipal securities	1,521,495	362	(63,718)	1,458,139
Mortgage-backed securities	5,011,417	-	(713,952)	4,297,465
Total securities available-for-sale	<u>\$25,242,086</u>	<u>\$ 362</u>	<u>\$ (2,189,004)</u>	<u>\$23,053,444</u>

At December 31, 2025 and 2024, there was no allowance for credit losses on the investment securities available for sale.

U.S. treasuries and government agency securities, state and municipal securities and mortgage-backed securities with carrying values of \$16,624,156 and \$16,714,871 at December 31, 2025 and 2024, respectively, were pledged to secure public deposits and for other purposes required or permitted by laws.

The following is a schedule of maturities of investment securities available for sale at December 31, 2025. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	<u>Available-for-Sale</u>	
	<u>Amortized Cost</u>	<u>Fair Value</u>
Due within one year	\$ 10,299,907	\$ 10,132,068
Due after one year through five years	8,384,350	7,916,850
Due after five years through ten years	1,695,324	1,629,717
Due after ten years	3,971,297	3,544,593
Total	<u>\$ 24,350,878</u>	<u>\$ 23,223,228</u>

The Bank had no sales of investment securities during the years ended December 31, 2025 and 2024. No investment securities were transferred between classifications during 2025 or 2024.

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 3 – UNREALIZED LOSSES ON INVESTMENT SECURITIES

The following table shows available-for-sale securities gross unrealized losses and fair value for which an allowance for credit losses has not been recorded, aggregated by security category and length of time that individual securities have been in a continuous unrealized loss position, at December 31, 2025 and 2024:

	December 31, 2025					
	Less than Twelve Months		Twelve Months or Greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
U.S. treasuries and government agency securities	\$ -	\$ -	\$17,881,717	\$ (647,345)	\$17,881,717	\$ (647,345)
State and municipal securities	-	-	1,028,654	(38,034)	1,028,654	(38,034)
Mortgage-backed securities	-	-	3,862,362	(442,766)	3,862,362	(442,766)
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$22,772,733</u>	<u>\$ (1,128,145)</u>	<u>\$22,772,733</u>	<u>\$ (1,128,145)</u>

	December 31, 2024					
	Less than Twelve Months		Twelve Months or Greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
U.S. treasuries and government agency securities	\$ -	\$ -	\$17,297,840	\$ (1,411,334)	\$17,297,840	\$ (1,411,334)
State and municipal securities	-	-	1,007,777	(63,718)	1,007,777	(63,718)
Mortgage-backed securities	-	-	4,297,465	(713,952)	4,297,465	(713,952)
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$22,603,082</u>	<u>\$ (2,189,004)</u>	<u>\$22,603,082</u>	<u>\$ (2,189,004)</u>

At December 31, 2025, the Bank had 12 U.S. treasury and government agencies securities, 4 state and municipal securities, and 19 mortgage-backed securities that have been in a gross unrealized loss position for greater than 12 months. Unrealized losses have not been recognized into income because the issuers' bonds are of higher credit quality, management does not intend to sell and it is likely that management will not be required to sell the securities prior to their anticipated recovery, and the decline in the fair value is largely due to changes in interest rates and other market conditions. The issuers continue to make timely principal and interest payments on the bonds. The fair value is expected to recover as the bonds approach maturity.

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 4 – LOANS

Loans receivable consist of the following:

	At December 31,	
	2025	2024
Commercial	\$ 19,314,162	\$ 16,729,589
Commercial real estate:		
Non-owner occupied	83,486,476	80,279,045
Owner occupied	93,632,590	86,771,014
Total commercial real estate	177,119,066	167,050,059
Construction and development	12,934,868	18,094,017
Residential real estate	108,704,861	105,078,694
Consumer	9,700,444	7,919,423
Loans receivable, gross	327,773,401	314,871,782
Less:		
Allowance for credit losses	(4,162,188)	(4,035,234)
Net deferred loan fees	(503,957)	(506,594)
Loans receivable, net	<u>\$ 323,107,256</u>	<u>\$ 310,329,954</u>

The following table presents the amortized cost basis of loans on nonaccrual status and loans past due over 90 days still accruing interest as of December 31, 2025 and 2024, respectively:

	Nonaccrual with no ACL	Nonaccrual with ACL	Total Nonaccrual	Loans Past Due Over 90 Days Still Accruing	Total Nonperforming
December 31, 2025					
Commercial	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial real estate:					
Nonowner occupied	-	-	-	-	-
Owner occupied	-	-	-	429,900	429,900
Construction and development	-	-	-	-	-
Residential real estate	-	-	-	252,188	252,188
Consumer	-	-	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 682,088</u>	<u>\$ 682,088</u>

	Nonaccrual with no ACL	Nonaccrual with ACL	Total Nonaccrual	Loans Past Due Over 90 Days Still Accruing	Total Nonperforming
December 31, 2024					
Commercial	\$ 43,465	\$ -	\$ 43,465	\$ -	\$ 43,465
Commercial real estate:					
Nonowner occupied	-	-	-	-	-
Owner occupied	-	-	-	447,294	447,294
Construction and development	-	-	-	-	-
Residential real estate	-	-	-	351,814	351,814
Consumer	20,277	-	20,277	-	20,277
Total	<u>\$ 63,742</u>	<u>\$ -</u>	<u>\$ 63,742</u>	<u>\$ 799,108</u>	<u>\$ 862,850</u>

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 4 – LOANS (Continued)

The following tables present loans by past-due status as of December 31, 2025 and 2024:

<u>December 31, 2025</u>	<u>Current</u>	<u>30-59 Days Past Due</u>	<u>60-89 Days Past Due</u>	<u>Greater than 90 Days Past Due</u>	<u>Total Past Due</u>	<u>Total Loans</u>
Commercial	\$ 19,314,162	\$ -	\$ -	\$ -	\$ -	\$ 19,314,162
Commercial real estate:						
Non-owner occupied	82,204,015	-	1,282,461	-	1,282,461	83,486,476
Owner occupied	93,145,707	-	56,983	429,900	486,883	93,632,590
Construction and development	12,934,868	-	-	-	-	12,934,868
Residential real estate	107,801,666	-	651,007	252,188	903,195	108,704,861
Consumer	9,700,444	-	-	-	-	9,700,444
Total	<u>\$ 325,100,862</u>	<u>\$ -</u>	<u>\$ 1,990,451</u>	<u>\$ 682,088</u>	<u>\$ 2,672,539</u>	<u>\$ 327,773,401</u>

<u>December 31, 2024</u>	<u>Current</u>	<u>30-59 Days Past Due</u>	<u>60-89 Days Past Due</u>	<u>Greater than 90 Days Past Due</u>	<u>Total Past Due</u>	<u>Total Loans</u>
Commercial	\$ 16,600,464	\$ 85,660	\$ -	\$ 43,465	\$ 129,125	\$ 16,729,589
Commercial real estate:						
Non-owner occupied	77,062,645	2,581,282	635,118	-	3,216,400	80,279,045
Owner occupied	86,254,401	69,319	-	447,294	516,613	86,771,014
Construction and development	18,094,017	-	-	-	-	18,094,017
Residential real estate	104,068,404	519,475	139,001	351,814	1,010,290	105,078,694
Consumer	7,899,146	-	-	20,277	20,277	7,919,423
Total	<u>\$ 309,979,077</u>	<u>\$ 3,255,736</u>	<u>\$ 774,119</u>	<u>\$ 862,850</u>	<u>\$ 4,892,705</u>	<u>\$ 314,871,782</u>

The following tables represent credit exposures by internally assigned grades as of December 31, 2025 and 2024, for the commercial loan portfolio. The grading analysis evaluates the capability of the borrower to repay the contractual obligations of the loan agreements as scheduled. The Bank’s internal credit risk grading system is based on experiences with similarly graded loans.

The Bank’s internally assigned grades are as follows: “Pass” loans are protected by the current net worth and paying capacity of the obligor or by the value of the underlying collateral. “Special Mention” loans have a potential weakness or risk exists, which could cause a more serious problem if not corrected. “Substandard” loans have a well-defined weakness based on objective evidence and are characterized by the distinct possibility that the Bank will sustain some loss if the deficiencies are not corrected. “Doubtful” loans have all the weaknesses inherent in a substandard asset. In addition, these weaknesses make collection or liquidation in full highly questionable and improbable, based on existing circumstances. “Loss” loans are considered uncollectible, or of such value that continuance as an asset is not warranted.

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 4 – LOANS (Continued)

December 31, 2025	Term Loans Amortized Costs Basis by Origination Year						Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	Total
	2025	2024	2023	2022	2021	Prior			
Commercial									
Risk Rating									
Pass	\$ 3,670,250	\$ 85,259	\$ 870,299	\$ 1,309,774	\$ 2,743,921	\$ 1,010,724	\$ 7,906,942	\$ -	\$ 17,597,169
Special Mention	-	-	-	-	-	-	88,682	-	88,682
Substandard	-	-	171,204	-	1,318,687	138,420	-	-	1,628,311
Doubtful	-	-	-	-	-	-	-	-	-
Total	<u>\$ 3,670,250</u>	<u>\$ 85,259</u>	<u>\$ 1,041,503</u>	<u>\$ 1,309,774</u>	<u>\$ 4,062,608</u>	<u>\$ 1,149,144</u>	<u>\$ 7,995,624</u>	<u>\$ -</u>	<u>\$ 19,314,162</u>
Commercial									
Current period gross charge-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,465	\$ -	\$ -	\$ 43,465
Commercial real estate:									
Nonowner occupied									
Risk Rating									
Pass	\$ 13,153,839	\$ 10,054,997	\$ 13,637,335	\$ 11,612,826	\$ 1,059,695	\$ 29,809,325	\$ 970,293	\$ -	\$ 80,298,310
Special Mention	-	-	-	-	-	3,188,166	-	-	3,188,166
Substandard	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-
Total	<u>\$ 13,153,839</u>	<u>\$ 10,054,997</u>	<u>\$ 13,637,335</u>	<u>\$ 11,612,826</u>	<u>\$ 1,059,695</u>	<u>\$ 32,997,491</u>	<u>\$ 970,293</u>	<u>\$ -</u>	<u>\$ 83,486,476</u>
Nonowner occupied									
Current period gross charge-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Owner occupied									
Risk Rating									
Pass	\$ 9,227,614	\$ 21,954,408	\$ 6,460,642	\$ 15,599,632	\$ 6,200,541	\$ 31,554,310	\$ -	\$ -	\$ 90,997,147
Special Mention	-	-	-	691,167	-	1,092,808	-	-	1,783,975
Substandard	-	-	-	-	-	851,468	-	-	851,468
Doubtful	-	-	-	-	-	-	-	-	-
Total	<u>\$ 9,227,614</u>	<u>\$ 21,954,408</u>	<u>\$ 6,460,642</u>	<u>\$ 16,290,799</u>	<u>\$ 6,200,541</u>	<u>\$ 33,498,586</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,632,590</u>
Owner occupied									
Current period gross charge-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction and development									
Risk Rating									
Pass	\$ 9,672,837	\$ 3,184,190	\$ 77,841	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,934,868
Special Mention	-	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-
Total	<u>\$ 9,672,837</u>	<u>\$ 3,184,190</u>	<u>\$ 77,841</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,934,868</u>
Construction and development									
Current period gross charge-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total									
Risk Rating									
Pass	\$ 35,724,540	\$ 35,278,854	\$ 21,046,117	\$ 28,522,232	\$ 10,004,157	\$ 62,374,359	\$ 8,877,235	\$ -	\$ 201,827,494
Special Mention	-	-	-	691,167	-	4,280,974	88,682	-	5,060,823
Substandard	-	-	171,204	-	1,318,687	989,888	-	-	2,479,779
Doubtful	-	-	-	-	-	-	-	-	-
Total	<u>\$ 35,724,540</u>	<u>\$ 35,278,854</u>	<u>\$ 21,217,321</u>	<u>\$ 29,213,399</u>	<u>\$ 11,322,844</u>	<u>\$ 67,645,221</u>	<u>\$ 8,965,917</u>	<u>\$ -</u>	<u>\$ 209,368,096</u>

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 4 – LOANS (Continued)

	Term Loans Amortized Costs Basis by Origination Year						Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	Total
	2024	2023	2022	2021	2020	Prior			
December 31, 2024									
Commercial									
Risk Rating									
Pass	\$ 2,679,280	\$ 995,672	\$ 1,442,700	\$ 4,089,103	\$ 133,770	\$ 1,819,387	\$ 4,961,664	\$ -	\$ 16,121,576
Special Mention	-	-	-	-	-	-	-	-	-
Substandard	-	212,812	-	351,736	-	43,465	-	-	608,013
Doubtful	-	-	-	-	-	-	-	-	-
Total	<u>\$ 2,679,280</u>	<u>\$ 1,208,484</u>	<u>\$ 1,442,700</u>	<u>\$ 4,440,839</u>	<u>\$ 133,770</u>	<u>\$ 1,862,852</u>	<u>\$ 4,961,664</u>	<u>\$ -</u>	<u>\$ 16,729,589</u>
Commercial									
Current period gross charge-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial real estate:									
Nonowner occupied									
Risk Rating									
Pass	\$ 10,234,562	\$ 14,543,150	\$ 11,358,815	\$ 1,931,761	\$ 9,682,892	\$ 29,374,451	\$ 170,000	\$ -	\$ 77,295,631
Special Mention	-	-	-	-	-	402,132	-	-	402,132
Substandard	-	-	-	-	-	2,581,282	-	-	2,581,282
Doubtful	-	-	-	-	-	-	-	-	-
Total	<u>\$ 10,234,562</u>	<u>\$ 14,543,150</u>	<u>\$ 11,358,815</u>	<u>\$ 1,931,761</u>	<u>\$ 9,682,892</u>	<u>\$ 32,357,865</u>	<u>\$ 170,000</u>	<u>\$ -</u>	<u>\$ 80,279,045</u>
Nonowner occupied									
Current period gross charge-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Owner occupied									
Risk Rating									
Pass	\$ 16,603,413	\$ 6,678,205	\$ 19,597,981	\$ 6,489,674	\$ 5,662,283	\$ 30,459,519	\$ 5,378	\$ -	\$ 85,496,453
Special Mention	-	-	-	-	-	751,656	-	-	751,656
Substandard	-	-	-	-	-	522,905	-	-	522,905
Doubtful	-	-	-	-	-	-	-	-	-
Total	<u>\$ 16,603,413</u>	<u>\$ 6,678,205</u>	<u>\$ 19,597,981</u>	<u>\$ 6,489,674</u>	<u>\$ 5,662,283</u>	<u>\$ 31,734,080</u>	<u>\$ 5,378</u>	<u>\$ -</u>	<u>\$ 86,771,014</u>
Owner occupied									
Current period gross charge-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction and development									
Risk Rating									
Pass	\$ 13,578,242	\$ 3,514,525	\$ 1,001,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,094,017
Special Mention	-	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-
Total	<u>\$ 13,578,242</u>	<u>\$ 3,514,525</u>	<u>\$ 1,001,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,094,017</u>
Construction and development									
Current period gross charge-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total									
Risk Rating									
Pass	\$ 43,095,497	\$ 25,731,552	\$ 33,400,746	\$ 12,510,538	\$ 15,478,945	\$ 61,653,357	\$ 5,137,042	\$ -	\$ 197,007,677
Special Mention	-	-	-	-	-	1,153,788	-	-	1,153,788
Substandard	-	212,812	-	351,736	-	3,147,652	-	-	3,712,200
Doubtful	-	-	-	-	-	-	-	-	-
Total	<u>\$ 43,095,497</u>	<u>\$ 25,944,364</u>	<u>\$ 33,400,746</u>	<u>\$ 12,862,274</u>	<u>\$ 15,478,945</u>	<u>\$ 65,954,797</u>	<u>\$ 5,137,042</u>	<u>\$ -</u>	<u>\$ 201,873,665</u>

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 4 – LOANS (Continued)

The following table presents residential real estate and consumer performing and nonperforming loans based solely on payment activity for the periods ended December 31, 2025 and 2024, that have not been assigned an internal risk grade.

	Term Loans Amortized Costs Basis by Origination Year						Revolving	Revolving	Total
	2025	2024	2023	2022	2021	Prior	Loans Amortized Cost Basis	Loans Converted to Term	
December 31, 2025									
Residential real estate									
Payment Performance									
Performing	\$ 12,731,331	\$ 15,521,115	\$ 11,393,522	\$ 21,397,194	\$ 12,695,121	\$ 31,792,038	\$ 1,826,821	\$ -	\$ 107,357,142
Nonperforming	-	-	-	-	-	1,347,719	-	-	1,347,719
Total	<u>\$ 12,731,331</u>	<u>\$ 15,521,115</u>	<u>\$ 11,393,522</u>	<u>\$ 21,397,194</u>	<u>\$ 12,695,121</u>	<u>\$ 33,139,757</u>	<u>\$ 1,826,821</u>	<u>\$ -</u>	<u>\$ 108,704,861</u>
Residential real estate									
Current period gross charge-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Consumer									
Payment Performance									
Performing	\$ 1,735,912	\$ 815,224	\$ 879,124	\$ 858,929	\$ 123,138	\$ 625,338	\$ 4,662,779	\$ -	\$ 9,700,444
Nonperforming	-	-	-	-	-	-	-	-	-
Total	<u>\$ 1,735,912</u>	<u>\$ 815,224</u>	<u>\$ 879,124</u>	<u>\$ 858,929</u>	<u>\$ 123,138</u>	<u>\$ 625,338</u>	<u>\$ 4,662,779</u>	<u>\$ -</u>	<u>\$ 9,700,444</u>
Consumer									
Current period gross charge-offs	\$ 7,529	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,529
Total									
Payment Performance									
Performing	\$ 14,467,243	\$ 16,336,339	\$ 12,272,646	\$ 22,256,123	\$ 12,818,259	\$ 32,417,376	\$ 6,489,600	\$ -	\$ 117,057,586
Nonperforming	-	-	-	-	-	1,347,719	-	-	1,347,719
Total	<u>\$ 14,467,243</u>	<u>\$ 16,336,339</u>	<u>\$ 12,272,646</u>	<u>\$ 22,256,123</u>	<u>\$ 12,818,259</u>	<u>\$ 33,765,095</u>	<u>\$ 6,489,600</u>	<u>\$ -</u>	<u>\$ 118,405,305</u>

	Term Loans Amortized Costs Basis by Origination Year						Revolving	Revolving	Total
	2024	2023	2022	2021	2020	Prior	Loans Amortized Cost Basis	Loans Converted to Term	
December 31, 2024									
Residential real estate									
Payment Performance									
Performing	\$ 13,592,785	\$ 14,802,025	\$ 22,094,371	\$ 14,356,071	\$ 13,926,467	\$ 24,027,007	\$ 1,928,154	\$ -	\$ 104,726,880
Nonperforming	-	-	-	-	-	351,814	-	-	351,814
Total	<u>\$ 13,592,785</u>	<u>\$ 14,802,025</u>	<u>\$ 22,094,371</u>	<u>\$ 14,356,071</u>	<u>\$ 13,926,467</u>	<u>\$ 24,378,821</u>	<u>\$ 1,928,154</u>	<u>\$ -</u>	<u>\$ 105,078,694</u>
Residential real estate									
Current period gross charge-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Consumer									
Payment Performance									
Performing	\$ 1,093,042	\$ 1,217,469	\$ 1,256,505	\$ 148,746	\$ 535,307	\$ 623,497	\$ 3,024,580	\$ -	\$ 7,899,146
Nonperforming	-	-	-	-	-	20,277	-	-	20,277
Total	<u>\$ 1,093,042</u>	<u>\$ 1,217,469</u>	<u>\$ 1,256,505</u>	<u>\$ 148,746</u>	<u>\$ 535,307</u>	<u>\$ 643,774</u>	<u>\$ 3,024,580</u>	<u>\$ -</u>	<u>\$ 7,919,423</u>
Consumer									
Current period gross charge-offs	\$ 5,976	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,976
Total									
Payment Performance									
Performing	\$ 14,685,827	\$ 16,019,494	\$ 23,350,876	\$ 14,504,817	\$ 14,461,774	\$ 24,650,504	\$ 4,952,734	\$ -	\$ 112,626,026
Nonperforming	-	-	-	-	-	372,091	-	-	372,091
Total	<u>\$ 14,685,827</u>	<u>\$ 16,019,494</u>	<u>\$ 23,350,876</u>	<u>\$ 14,504,817</u>	<u>\$ 14,461,774</u>	<u>\$ 25,022,595</u>	<u>\$ 4,952,734</u>	<u>\$ -</u>	<u>\$ 112,998,117</u>

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 4 – LOANS (Continued)

Occasionally, the Company will modify the contractual terms of loans to a borrower experiencing financial difficulties as a way to mitigate loss, proactively work with borrowers in financial difficulty, or to comply with regulations regarding the treatment of certain bankruptcy filing and discharge situations. Loans are designated as modified when, as part of an agreement to modify the original contractual terms of the loan as a result of financial difficulties of the borrower, the Company grants the borrower a concession on the terms that would not otherwise be considered. Typically, such concessions may consist of a reduction in interest rate to a below market rate, taking into account the credit quality of the note, extension of additional credit based on receipt of adequate collateral, or a deferment or reduction of payments (principal or interest) that materially alters the Company's position or significantly extends the note's maturity date, such that the present value of cash flows to be received is materially less than those contractually established at the loan's origination. When principal forgiveness is provided, the amount forgiven is charged off against the allowance for credit losses on loans.

There were four loan modifications to borrowers experiencing financial difficulty during the year ended December 31, 2025. Three loans were past due at the time of the requested relief. The loan modifications consisted of one term extension, one loan increase and two payment delays with amortized costs of \$435,960, \$525,166 and \$1,631,127, respectively at December 31, 2025. The financial effect of the modifications made to borrowers experiencing financial difficulty was not significant to the Company's operations. During the year ended December 31, 2025, there were no modifications made to borrowers experiencing financial difficulty that subsequently defaulted within 12 months of modification.

There were three loan modifications to borrowers experiencing financial difficulty during the year ended December 31, 2024, which were all current in payment status. The loan modifications consisted of one term extension and two payment delays with amortized costs of \$2,581,282 and \$65,436, respectively, at December 31, 2024. The financial effect of the modifications made to borrowers experiencing financial difficulty was not significant to the Company's operations. During the year ended December 31, 2024, there were no modifications made to borrowers experiencing financial difficulty that subsequently defaulted within 12 months of modification.

NOTE 5 – ALLOWANCE FOR CREDIT LOSSES

The following summarizes activity related to the allowance for credit losses, by portfolio segment, for the years ended December 31, 2025 and 2024.

	For the Year ended December 31, 2025						
	Commercial	Commercial Real Estate	Construction and Development	Residential Real Estate	Consumer	Unallocated	Total
Balance, December 31, 2024	\$ 133,041	\$ 1,549,887	\$ 278,274	\$ 1,573,764	\$ 434,955	\$ 65,313	\$ 4,035,234
Provision for (release of) credit losses	129,983	492,355	(136,140)	(295,962)	(317,963)	287,727	160,000
Charge-offs	(43,465)	-	-	-	(7,529)	-	(50,994)
Recoveries	-	4,355	10,000	-	3,593	-	17,948
Balance, December 31, 2025	<u>\$ 219,559</u>	<u>\$ 2,046,597</u>	<u>\$ 152,134</u>	<u>\$ 1,277,802</u>	<u>\$ 113,056</u>	<u>\$ 353,040</u>	<u>\$ 4,162,188</u>

	For the Year ended December 31, 2024						
	Commercial	Commercial Real Estate	Construction and Development	Residential Real Estate	Consumer	Unallocated	Total
Balance, December 31, 2023	\$ 249,473	\$ 1,356,069	\$ 159,726	\$ 1,988,878	\$ 328,960	\$ -	\$ 4,083,106
(Release of) provision for credit losses	(116,432)	180,017	118,548	(415,114)	109,341	65,313	(58,327)
Charge-offs	-	-	-	-	(5,976)	-	(5,976)
Recoveries	-	13,801	-	-	2,630	-	16,431
Balance, December 31, 2024	<u>\$ 133,041</u>	<u>\$ 1,549,887</u>	<u>\$ 278,274</u>	<u>\$ 1,573,764</u>	<u>\$ 434,955</u>	<u>\$ 65,313</u>	<u>\$ 4,035,234</u>

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 5 – ALLOWANCE FOR CREDIT LOSSES (Continued)

During 2025, the bank migrated its allowance for credit losses calculation into a new model. As a result of the migration, there were changes in each individual pool allowance based on the ability of the new model to accept more historical data which resulted in a shift in pool loss rates and qualitative factors. The changes in the allowance for commercial and residential real estate portfolio segments in 2024 were due to continuing changes in the economic conditions and forecasts as well as adjustments to qualitative factors based on certain bank loan portfolio metrics.

A loan is considered collateral-dependent when the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the sale or operation of the collateral. For all classes of loans deemed collateral-dependent, the Company elected the practical expedient to estimate expected credit losses based on the collateral's fair value less cost to sell. Substantially all the collateral supporting collateral-dependent loans consists of real estate, business assets, and other assets. The following table presents the amortized cost basis of collateral-dependent loans as of December 31, 2025:

	Collateral Type		
	Real Estate	Business Assets	Other Assets
Commercial			
Commercial real estate:			
Nonowner occupied	\$ -	\$ -	\$ -
Owner occupied	502,801	-	-
Construction and development	-	-	-
Residential real estate	62,090	-	-
Consumer	-	-	-
Total	<u>\$ 564,891</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 6 – PREMISES AND EQUIPMENT

The following is a summary of the cost and accumulated depreciation of premises and equipment.

	At December 31,	
	2025	2024
Land	\$ 982,651	\$ 982,651
Premises and improvements	6,943,777	6,831,901
Leasehold improvements	15,562	-
Furniture, fixtures, and equipment	<u>2,589,887</u>	<u>2,436,202</u>
Total	10,531,877	10,250,754
Accumulated depreciation	<u>(6,810,276)</u>	<u>(6,486,508)</u>
Premises and equipment, net	<u>\$ 3,721,601</u>	<u>\$ 3,764,246</u>

Depreciation expense for the years ended December 31, 2025 and 2024, amounted to \$425,651 and \$363,373, respectively.

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 7 – DEPOSITS

The aggregate amount of time deposits in denominations of \$250,000 or more at December 31, 2025 and 2024, was approximately \$29,887,384 and \$24,719,571, respectively.

At December 31, 2025, the scheduled maturities of certificates of deposit and other time deposits are as follows:

2026	\$ 83,102,146
2027	4,495,022
2028	451,151
2029	943,431
2030	<u>765,939</u>
Total	<u>\$ 89,757,689</u>

NOTE 8 – BORROWING CAPACITY

The Bank entered into continuing lending agreements regarding advances with the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, and Atlantic Community Bankers Bank.

Under the Federal Reserve Bank agreement, the Bank can borrow overnight advances at the Federal Reserve discount window. Advances are payable on demand and include interest at the rate in effect when the advance is made. In addition, the Bank is required to pledge collateral as agreed upon. As of December 31, 2025 and 2024, the collateral value of the real estate loans pledged was \$99,147,303 and \$89,912,358, respectively, with no outstanding advances.

Under the Federal Home Loan Bank agreement, the Bank can borrow overnight advances with no mandatory pay down to zero within a certain number of days, but acknowledgment must be made daily to maintain a balance. As of December 31, 2025 and 2024, the collateral value of the real estate loans pledged was \$25,773,264 and \$16,098,104, with outstanding unadvanced guarantees covering municipal letters of credit of \$3,000,000 for both 2025 and 2024.

The Bank is eligible to borrow, based on pledged collateral, up to 30 percent of its total assets. As of December 31, 2025, the Bank has a maximum borrowing capacity with the Federal Home Loan Bank of approximately \$122,825,790.

Under the Atlantic Community Bankers Bank agreement, the Bank can borrow overnight advances up to \$4,000,000 with a mandatory pay down to zero within 14 days, with no collateral required. As of December 31, 2025 and 2024, the Bank had no outstanding advances.

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 9 – OFF-BALANCE-SHEET ACTIVITIES

Credit-Related Financial Instruments. To meet the financing needs of its customers in the normal course of business, the Bank is a party to financial instruments with off-balance sheet risk. These financial instruments include commitments to extend credit, standby letters of credit, and commercial letters of credit. Such commitments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the Consolidated Statements of Financial Condition.

The Bank’s exposure to credit loss is represented by the contractual amount of these commitments. The Bank follows the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments. Total reserves for off-balance sheet commitments at December 31, 2025 and 2024, were \$66,043 and \$69,664, respectively, which are included in accrued expenses and other liabilities in the Consolidated Statements of Financial Condition.

The following financial instruments were outstanding whose contract amounts represent credit risk:

	At December 31,	
	2025	2024
Bounce overdraft account commitments	\$ 1,411,490	\$ 1,449,734
Unfunded commitments and lines of credit	30,145,010	31,737,102
Commercial and standby letter of credit	634,039	619,039
Total	\$ 32,190,539	\$ 33,805,875

Commitments to extend credit are agreements to lend to a customer as long as there are no violations of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The amount of collateral obtained, if it is deemed necessary by the Bank upon extension of credit, is based on management’s credit evaluation of the customer.

Unfunded commitments, available commercial lines of credit, and overdraft protection agreements are commitments for possible future extensions of credit to existing customers. These lines of credit may be either unsecured or contain collateral.

Commercial and standby letters of credit are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party. Those letters of credit are primarily issued to support public and private borrowing arrangements. Most letters of credit have expiration dates within one year. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. The Bank holds collateral supporting those commitments for which collateral is deemed necessary.

The Bank was not required to perform on any financial guarantees during the years ended December 31, 2025 and 2024. The Bank did not incur any losses on its commitments during the years ended December 31, 2025 or 2024.

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 10 – SIGNIFICANT GROUP CONCENTRATIONS OF CREDIT RISK

The majority of the Bank’s business activity is with customers located within the southern region of the State of New Jersey.

NOTE 11 – INCOME TAXES

The provision for income taxes consists of:

	For the Years Ended December 31,	
	2025	2024
Federal:		
Current	\$ 574,839	\$ 703,741
Deferred	73,651	(23,941)
Federal expense	648,490	679,800
State:		
Current	318,676	324,290
Deferred	(9,401)	(1,490)
State expense	309,275	322,800
Total	\$ 957,765	\$ 1,002,600

The tax effects of deductible and taxable temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	At December 31,	
	2025	2024
Deferred tax assets (liabilities):		
Allowance for credit losses	\$ 1,274,505	\$ 1,237,461
Deferred loan fees	245,167	240,296
Post retirement benefits	114,032	127,833
Accumulated depreciation	18,347	(44,031)
Net unrealized loss on securities available-for-sale	236,806	459,615
Other	(45,505)	(40,290)
Net deferred tax assets	\$ 1,843,352	\$ 1,980,884

No valuation allowance was established at December 31, 2025 and 2024, in view of certain tax strategies, coupled with the anticipated future taxable income as evidenced by the Corporation’s earnings potential.

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 11 – INCOME TAXES (Continued)

The following is a reconciliation of the Corporation’s effective income tax rate:

	For the Years Ended December 31,			
	2025		2024	
	Amount	% of Pre-tax Income	Amount	% of Pre-tax Income
Provision at statutory rate	\$ 894,531	21.0 %	\$ 809,324	21.0 %
State income tax expense	244,327	5.7	255,012	6.6
Tax exempt interest	(8,619)	(0.2)	(8,642)	(0.2)
BOLI income	(166,880)	(3.9)	(47,868)	(1.2)
Other, net	(5,594)	(0.1)	(5,226)	(0.1)
Actual income tax expense and effective rate	\$ 957,765	22.5 %	\$ 1,002,600	26.1 %

Management evaluated the Corporation’s tax position and concluded that the Corporation had taken no uncertain tax positions that require adjustments to the consolidated financial statements to comply with the provisions of this guidance. Consequently, no accrual for interest and penalties was deemed necessary for the year ended December 31, 2025. The Corporation files tax returns in the U.S. federal jurisdiction and the State of New Jersey. Generally, the Corporation is no longer subject to income tax examinations by the U.S. federal tax authorities for years before December 31, 2022, and by New Jersey tax authorities for years before December 31, 2021. Cash paid for income taxes for Federal and State were \$700,000 and \$235,000 respectively as of December 31, 2025.

NOTE 12 – RELATED PARTIES

The Bank has transactions in the ordinary course of business with directors, principal officers, their immediate families, and affiliated companies in which they are principal stockholders (commonly referred to as related parties), on the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with others. The Bank held deposits of \$2,858,403 and \$2,837,081 for related parties at December 31, 2025 and 2024, respectively. During 2025 and 2024, interest paid by the Bank on these deposits amounted to \$17,979 and \$22,057, respectively.

A summary of the activity on related-party loans, comprised of directors and executive officers and their related companies, consist of the following:

	For the Years Ended December 31,	
	2025	2024
Balance at beginning of year	\$ 40,000	\$ 98,783
Additions	185,000	55,000
Repayments	(225,000)	(113,783)
Balance at end of year	\$ -	\$ 40,000

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 13 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Cash and due from banks, interest-bearing deposits with other institutions, federal funds sold, investment in interest-earning time deposits, bank-owned life insurance, restricted stock, and accrued interest: The carrying amounts of these financial instruments approximate their fair value and are considered Level I measurements.

The estimated fair values and related carrying amounts of the Bank’s remaining financial instruments not carried at fair value on a recurring basis are as follows:

		At December 31, 2025				
		Carrying Value	Fair Value	Level I	Level II	Level III
Financial assets:						
Loans receivable, net	\$ 323,107,256	\$ 313,932,839	\$ -	\$ -	\$ 313,932,839	
Financial liabilities:						
Deposits	\$ 367,905,281	\$ 367,409,400	\$ 278,147,590	\$ -	\$ 89,261,810	
		At December 31, 2024				
		Carrying Value	Fair Value	Level I	Level II	Level III
Financial assets:						
Loans receivable, net	\$ 310,329,954	\$ 297,736,349	\$ -	\$ -	\$ 297,736,349	
Financial liabilities:						
Deposits	\$ 343,458,921	\$ 342,652,522	\$ 266,188,925	\$ -	\$ 76,463,597	

NOTE 14 – FAIR VALUE MEASUREMENT

The following disclosures show the hierarchal disclosure framework associated with the level of pricing observations utilized in measuring assets and liabilities at fair value. The three broad levels of pricing observations are as follows:

- Level I: Quoted prices are available in active markets for identical assets or liabilities as of the reported date.
- Level II: Pricing inputs are other than the quoted prices in active markets, which are either directly or indirectly observable as of the reported date. The nature of these assets and liabilities includes items for which quoted prices are available but traded less frequently and items that are fair-valued using other financial instruments, the parameters of which can be directly observed.
- Level III: Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

This hierarchy requires the use of observable market data when available.

The fair value of investment securities available for sale is equal to the available quoted market price (Level I). If no quoted market price is available, fair value is estimated using the quoted market price for similar securities (Level II).

OREO properties are recorded at the estimated fair market value, less the estimated cost to sell, at the date of foreclosure.

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 14 – FAIR VALUE MEASUREMENT (Continued)

The following tables present the assets reported on the Consolidated Statements of Financial Condition at their fair value as of December 31, 2025 and 2024, by level within the fair value hierarchy. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

		At December 31, 2025			
		Level I	Level II	Level III	Total
Assets measured at fair value on a recurring basis:					
Investment securities available-for-sale:					
U.S. treasuries and government agency securities	\$	-	\$ 17,881,717	\$	-
State and municipal securities		-	1,479,149	-	1,479,149
Mortgage-backed securities		-	3,862,362	-	3,862,362
		At December 31, 2024			
		Level I	Level II	Level III	Total
Assets measured at fair value on a recurring basis:					
Investment securities available-for-sale:					
U.S. treasuries and government agency securities	\$	-	\$ 17,297,840	\$	-
State and municipal securities		-	1,458,139	-	1,458,139
Mortgage-backed securities		-	4,297,465	-	4,297,465
Assets measured at fair value on a nonrecurring basis:					
Other real estate owned	\$	-	\$	-	\$ 1,134,000

The following tables provide a listing of significant unobservable inputs used in the fair value measurement process for items valued utilizing Level III techniques as of December 31, 2024:

At December 31, 2024				
Quantitative Information About Level III Fair Value Measurements				
Fair Value	Valuation Technique(s)	Unobservable Inputs	Range	Weighted Average
Other real estate owned	\$1,134,000	Appraisal of collateral	Appraisal adjustments	17% 17%

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 15 – EMPLOYEE BENEFITS

401k Plan

For the years ended December 31, 2025 and 2024, expense attributed to the 401k plan amounted to \$150,106 and \$117,970, respectively.

Defined Benefit Plan

The following table sets forth the change in plan assets and benefit obligation.

	For the Years Ended December 31,	
	2025	2024
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	\$ 577,942	\$ 579,759
Interest cost	31,864	27,916
Actuarial loss	5,110	16,364
Benefits paid	(50,243)	(46,097)
Projected benefit obligation at end of year	<u>\$ 564,673</u>	<u>\$ 577,942</u>
Change in plan assets:		
Contributions	\$ 50,243	\$ 46,097
Benefits paid	(50,243)	(46,097)
Funded status at end of year	<u>\$ (564,673)</u>	<u>\$ (577,942)</u>
Amounts recognized in Statements of Financial Condition:		
Current liabilities	\$ (49,009)	\$ (47,523)
Noncurrent liabilities	(515,664)	(530,419)
	<u>\$ (564,673)</u>	<u>\$ (577,942)</u>
Amounts recognized in accumulated other comprehensive loss consist of:		
Net gain	\$ (224,356)	\$ (247,790)
Accumulated other comprehensive loss	<u>\$ (224,356)</u>	<u>\$ (247,790)</u>

In 2009, the defined benefit plan was amended to include only current retirees effective January 1, 2009.

The accumulated benefit obligation was \$564,673 and \$577,942 at December 31, 2025 and 2024, respectively.

Components of Net Periodic Benefit Cost

The following are the components of net periodic benefit cost:

	For the Years Ended December 31,	
	2025	2024
Net periodic benefit cost:		
Interest cost	\$ 31,864	\$ 27,916
Amortization of unrecognized gain	(18,324)	(20,352)
Net periodic benefit cost	<u>\$ 13,540</u>	<u>\$ 7,564</u>

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 15 – EMPLOYEE BENEFITS (Continued)

Assumptions

The following are weighted-average assumptions used to determine benefit obligations:

	At December 31,	
	2025	2024
Weighted average assumptions (end of year):		
Discount rate	5.75%	5.75%

The following are weighted-average assumptions used to determine net periodic benefit cost:

	For the Years Ended December 31,	
	2025	2024
Weighted average assumptions (beginning of year):		
Discount rate	5.75%	5.00%
Amortization period - gains and losses (years)	10.37	11.13
Amortization periods - plan amendments (years)	10.37	11.13
First year trend rate	7.00%	6.50%
Ultimate trend rate	4.50%	5.00%
Year rate reaches the ultimate trend rate	2035	2030

The long-term rate of return on plan assets gives consideration to returns currently being earned on plan assets, as well as future rates expected to be returned.

Expected future benefit payments for the fiscal years ending:

2026		\$	49,009
2027			50,378
2028			51,432
2029			52,120
2030			52,397
2031-2035			249,750
Total		\$	505,086

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 15 – EMPLOYEE BENEFITS (Continued)

Restricted Stock Plan

The Corporation maintains a Restricted Stock Plan (the Plan) whereby directors and certain employees are eligible to receive awards of restricted stock based upon performance related requirements. Awards granted under the Plan are in the form of the Corporation’s common stock and may be subject to certain vesting requirements including in the case of employees, continuous employment, or service with the Corporation. The Plan assists the Corporation in attracting, retaining, and motivating employees to make substantial contributions to the success of the Corporation and to increase the emphasis on the use of equity as a key component of compensation. The following table details the vesting, awarding, and forfeiting of unearned restricted shares during 2025:

	Shares	Weighted Average Cost
Nonvested Shares, Beginning of Year	2,775	\$ 19.07
Granted	7,200	23.00
Forfeited	(400)	23.00
Vested	(3,750)	21.62
Nonvested Shares, End of Year	5,825	\$ 22.01

Compensation cost related to restricted stock is recognized based on the market price of the stock at the grant date over the vesting period. Compensation expense related to restricted stock was \$120,443 and \$25,862 for the years ended December 31, 2025 and 2024, respectively. The per share weighted-average grant-date fair value of restricted shares granted during 2025 and 2024 was \$23.00 and \$19.05, respectively. At December 31, 2025, the total compensation cost related to nonvested awards that has not yet been recognized was \$67,641, which is expected to be recognized over the next two years.

NOTE 16 – REGULATORY MATTERS

Loans

Federal law prevents the Corporation from borrowing from the Bank unless the loans are secured by specific collateral. Further, such secured loans are limited in amount to 10 percent of the Bank’s common stock and capital surplus. Loans or advances are limited to 15 percent of the Corporation’s capital stock and surplus.

Dividends

The Bank is subject to a dividend restriction that generally limits the amount of dividends that can be paid by a national bank. Prior approval of the Office of the Comptroller of the Currency (OCC) is required if the total of all dividends declared by a national bank in any calendar year exceeds net profits, as defined for the year, combined with its retained net profits for the two preceding calendar years less any required transfers to surplus.

At December 31, 2025, the Bank’s retained earnings available for the payment of dividends prior to regulatory approval was \$5,158,026, plus 2026 net profits retained up to the date of the dividend declaration.

Capital Requirements

Banks are subject to regulatory capital requirements administered by federal banking agencies. Capital adequacy guidelines 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. Management believes as of December 31, 2025 and 2024, the Bank met all capital adequacy requirements to which it is subject.

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 16 – REGULATORY MATTERS (Continued)

Capital Requirements (Continued)

The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory, and possibly, additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Bank'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 Bank's capital amounts, and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

In addition to the capital requirements, the Federal Deposit Insurance Corporation Improvement Act (FDICIA) established five capital categories ranging from "well capitalized" to "critically undercapitalized." Should any institution fail to meet the requirements to be considered "adequately capitalized", it would become subject to a series of increasingly restrictive regulatory actions.

As of December 31, 2025, the Bank was categorized as well-capitalized under the regulatory framework for prompt corrective action. 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 Total risk-based capital, Common Equity Tier I (CET I) risk-based capital, and Tier I risk-based capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier I leverage ratio (as defined) to average assets (as defined).

The actual capital amounts, ratios and regulatory guidelines for the Bank are as follows:

December 31, 2025	Actual		Minimum Capital Requirement		Minimum To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Risk-based capital ratios:						
Tier 1 risk-based capital	\$ 39,684,090	13.59%	\$ 17,523,763	6.00%	\$ 23,365,018	8.00%
CET 1 risk-based capital	\$ 39,684,090	13.59%	\$ 13,142,823	4.50%	\$ 18,984,077	6.50%
Total risk-based capital	\$ 43,342,003	14.84%	\$ 23,365,018	8.00%	\$ 29,206,272	10.00%
Tier 1 leverage ratio	\$ 39,684,090	9.60%	\$ 16,528,183	4.00%	\$ 20,660,228	5.00%

December 31, 2024	Actual		Minimum Capital Requirement		Minimum To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Risk-based capital ratios:						
Tier 1 risk-based capital	\$ 36,834,757	12.89%	\$ 17,149,193	6.00%	\$ 22,865,590	8.00%
CET 1 risk-based capital	\$ 36,834,757	12.89%	\$ 12,861,895	4.50%	\$ 18,578,292	6.50%
Total risk-based capital	\$ 40,414,075	14.14%	\$ 22,865,590	8.00%	\$ 28,581,988	10.00%
Tier 1 leverage ratio	\$ 36,834,757	9.57%	\$ 15,393,372	4.00%	\$ 19,241,715	5.00%

ELMER BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 17 – ACCUMULATED OTHER COMPREHENSIVE LOSS

The activity in accumulated other comprehensive income (loss) for the years ended December 31, 2025 and 2024, is as follows:

	Accumulated Other Comprehensive Loss		
	Defined Benefit Pension Plan	Unrealized Gains (Losses) on Securities Available-for-Sale	Total
Balance at December 31, 2023	\$ 225,356	\$ (2,113,644)	\$ (1,888,288)
Other comprehensive income (loss) before reclassifications	(12,928)	384,617	371,689
Reclassification adjustments:			
Postretirement plan	(16,078)	-	(16,078)
Period change	(29,006)	384,617	355,611
Balance at December 31, 2024	196,350	(1,729,027)	(1,532,677)
Other comprehensive income (loss) before reclassifications	(4,037)	838,184	834,147
Reclassification adjustments:			
Postretirement plan	(14,476)	-	(14,476)
Period change	(18,513)	838,184	819,671
Balance at December 31, 2025	<u>\$ 177,837</u>	<u>\$ (890,843)</u>	<u>\$ (713,006)</u>

The following table presents significant amounts reclassified out of each component of accumulated other comprehensive loss:

Details About Accumulated Other Comprehensive Income (Loss) Components	Amount Reclassified from Accumulated Other Comprehensive Income (Loss) For the Years Ended:		Affected Line Item in the Consolidated Statements of Income
	December 31, 2025	December 31, 2024	
Defined benefit pension plan ⁽¹⁾ :			
Amortization of unrecognized gains	\$ 18,324	\$ 20,352	Other expense
Related income tax expense	(3,848)	(4,274)	Income tax expense
Net effect on accumulated other comprehensive income (loss) for the period	14,476	16,078	
Total reclassifications for the period	<u>\$ 14,476</u>	<u>\$ 16,078</u>	

(1) Included in the computation of net periodic pension cost. See Note 15, "Employee Benefits" for additional details.

(2) Amounts in parenthesis indicate credits.

NOTE 18 – SUBSEQUENT EVENTS

Management has reviewed events occurring through April 17, 2026, the date the consolidated financial statements were issued, and no subsequent events occurred requiring accrual or disclosure.

The First National Bank of Elmer Management



Seated: Brian W. Jones, President/Chief Executive Officer; Standing left to right: Cynthia L. Volk, Executive Vice President/Chief Financial Officer; Michael P. Madison, Senior Vice President/Chief Lending Officer; Kimberly S. Robinson, Senior Vice President/Operating Officer

ELMER BANCORP, INC. AND SUBSIDIARIES BOARD OF DIRECTORS

P. Scott Boyer *Chairman of the Board*
Robert A. Woodruff, Jr. *Vice Chairman of the Board*
Brian W. Jones *President/Chief Executive Officer*
Donald R. Blew *Director*
David B. Bostwick *Director*
David F. Raczenbek *Director*
John E. Rafter *Director*

Barrie E. Foster *Director Emeritus*
John G. Hoffman *Director Emeritus*
Alan W. Newkirk *Director Emeritus*
Henry D. DuBois, Jr. *Director Emeritus*

ELMER BANCORP, INC. OFFICERS

P. Scott Boyer *Chairman of the Board*
Robert A. Woodruff, Jr. *Vice Chairman of the Board*
Brian W. Jones *President/Chief Executive Officer*
Cynthia L. Volk *Secretary/Treasurer*

THE FIRST NATIONAL BANK OF ELMER BANKING LOCATIONS

Elk Office – 494 Whig Lane, Glassboro, NJ
Elmer Office – 10 South Main Street, Elmer, NJ
Harding Office – 130 Harding Highway, Upper Pittsgrove, NJ
Pittsgrove Office – 806 Centerton Road, Pittsgrove Township, NJ
Upper Deerfield Office – 1168 State Highway 77, Upper Deerfield, NJ
Woodstown Office – 11 Bailey Street, Pilesgrove, NJ

Loan Production Office – 11 Eves Drive, Marlton, NJ

THE FIRST NATIONAL BANK OF ELMER OFFICERS

Brian W. Jones	<i>President/Chief Executive Officer</i>
Cynthia L. Volk	<i>Executive Vice President/Chief Financial Officer</i>
Michael P. Madison	<i>Senior Vice President/ Chief Lending Officer</i>
Kimberly S. Robinson	<i>Senior Vice President/Operating Officer</i>
Timothy K. Anderson	<i>Vice President/Commercial Loan Officer</i>
Kevin C. Cunningham	<i>Vice President/Retail Lending Officer</i>
Ray C. Garcia	<i>Vice President/Commercial Loan Officer</i>
Michelle Hellick	<i>Vice President/Commercial Loan Officer</i>
Anthony M. Marino	<i>Vice President/Commercial Loan Officer</i>
Trevor A. Watson	<i>Vice President/Commercial Loan Officer</i>
Anthony R. Perugini	<i>Vice President/Senior Credit Analyst/Portfolio Manager</i>
Ronald Sulpizi	<i>Vice President/Deposit Operations Manager</i>
Raymond T. Glanville	<i>Vice President/Credit Administration Officer</i>
Christopher S. Greenfield	<i>Vice President/IT Operations Manager</i>
Melanie Prickett	<i>Vice President/Enterprise Risk Officer</i>
Beth A. Waddington	<i>Vice President/BSA Officer</i>
Jessie J. Coles	<i>Vice President/Controller</i>
Kimberly L. Scacco	<i>Vice President/Loan Operations Manager</i>
Luis Maldonado	<i>Vice President/Human Resources Administrator</i>
Charlene Rutherford	<i>Vice President/Branch Administrator</i>
Jodie S. Willis	<i>Assistant Vice President/Branch Retail Operations Manager</i>
Ruth C. Thibault	<i>Assistant Vice President/Community Banking Manager</i>
Elizabeth Connor	<i>Assistant Vice President//Community Banking Manager</i>
Ellen Gaglianone	<i>Assistant Vice President//Community Banking Manager</i>
Julie Allen	<i>Assistant Vice President/Community Banking Manager</i>
Deanna Guerrero-Hernandez	<i>Banking Officer/Community Banking Manager</i>
Monica M. Mora	<i>Banking Officer/Executive Assistant to the President</i>
Linda M. Mihalecz	<i>Banking Officer/Senior Loan Servicing Specialist</i>
Lisa M. Peachey	<i>Banking Officer/Retail Loan Processor/Appraisal Coordinator</i>
Yvonne Owen	<i>Banking Officer/Senior BSA Analyst</i>

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