**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**

# FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended June 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from_____to_____

**Commission File Number: 001-41764**

**BV FINANCIAL, INC.**
(Exact Name of Registrant as Specified in Its Charter)

| **Maryland** | **14-1920944** |
|---|---|
| (State of Other Jurisdiction of Incorporation or Organization) | (I.R.S. Employer Identification No.) |

**7114 North Point Road, Baltimore, MD, 21219**
(Address of Principal Executive Offices) (Zip Code)

**(410) 477-5000**
(Registrant's Telephone Number, Including Area Code)

**Not applicable**
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of Act:

| **Title of each class** | **Trading Symbol(s)** | **Name of each exchange on which registered** |
|---|---|---|
| Common Stock, par value $0.01 per share | BVFL | The NASDAQ Stock Market LLC |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large Accelerated Filer | ☐ | Accelerated Filer | ☐ |
| Non-accelerated Filer | ☒ | Smaller Reporting Company | ☒ |
| Emerging growth company | ☒ | | |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 7, 2026, the registrant had 8,470,604 shares of common stock outstanding.

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***BV FINANCIAL, INC. AND SUBSIDIARIES***

## CONSOLIDATED BALANCE SHEETS

| (dollars in thousands, except per share amounts) | June 30, 2026 (unaudited) | December 31, 2025 |
|---|---|---|
| **Assets** | | |
| Cash | $ 8,664 | $ 5,616 |
| Interest-bearing deposits in other banks | 60,238 | 50,089 |
| Cash and cash equivalents | **68,902** | **55,705** |
| Equity investment | 405 | 404 |
| Securities available for sale | 32,218 | 33,226 |
| Securities held to maturity (fair value of $5,083 and $5,102, ACL of $1 and $2) | 5,647 | 5,736 |
| Total loans | 710,625 | 754,921 |
| Allowance for credit losses | (6,214) | (6,437) |
| Net loans | 704,411 | 748,484 |
| Premises and equipment, net | 12,223 | 12,493 |
| Federal Home Loan Bank of Atlanta stock, at cost | 661 | 2,324 |
| Investment in life insurance | 20,642 | 20,441 |
| Accrued interest receivable | 3,020 | 3,149 |
| Goodwill | 14,420 | 14,420 |
| Intangible assets, net | 561 | 651 |
| Deferred tax assets, net | 7,558 | 7,563 |
| Other assets | 7,288 | 7,617 |
| **Total assets** | **$ 877,956** | **$ 912,213** |
| **Liabilities and Stockholders' Equity** | | |
| **Liabilities** | | |
| Noninterest-bearing deposits | $ 138,384 | $ 138,360 |
| Interest-bearing deposits | 537,506 | 537,734 |
| Total deposits | **675,890** | **676,094** |
| FHLB borrowings | — | 35,000 |
| Other liabilities | 18,865 | 17,315 |
| **Total liabilities** | **694,755** | **728,409** |
| **Stockholders' equity** | | |
| Preferred stock, $0.01 par value; 1,000,000 shares authorized; none issued or outstanding. | — | — |
| Common stock, $0.01 par value; 45,000,000 shares authorized at June 30, 2026 and December 31, 2025; 8,520,245 shares issued and outstanding as of June 30, 2026 and 8,852,813 issued and outstanding as of December 31, 2025 | 85 | 88 |
| Paid-in capital | 63,629 | 68,834 |
| Retained earnings | 127,543 | 122,990 |
| Unearned common stock held by employee stock ownership plan | (6,879) | (6,978) |
| Accumulated other comprehensive loss | (1,177) | (1,130) |
| **Total stockholders' equity** | **183,201** | **183,804** |
| **Total liabilities and stockholders' equity** | **$ 877,956** | **$ 912,213** |

*See notes to consolidated financial statements.*

## CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

| (dollars in thousands, except per share amounts) | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| **Interest Income** | **2026** | **2025** | **2026** | **2025** |
| Loans, including fees | $ 11,165 | $ 11,334 | $ 22,308 | $ 22,075 |
| Investment securities available for sale | 282 | 324 | 571 | 674 |
| Investment securities held to maturity | 45 | 46 | 90 | 93 |
| Other interest income | 713 | 562 | 1,318 | 1,305 |
| **Total interest income** | **12,205** | **12,266** | **24,287** | **24,147** |
| **Interest Expense** | | | | |
| Interest on deposits | 2,771 | 2,622 | 5,423 | 5,223 |
| Interest on FHLB borrowings | (104) | 23 | 215 | 194 |
| Interest on subordinated debentures | — | 465 | — | 931 |
| **Total interest expense** | **2,667** | **3,110** | **5,638** | **6,348** |
| **Net interest income** | **9,538** | **9,156** | **18,649** | **17,799** |
| (Recovery of) provision for credit losses | (216) | 178 | (227) | 475 |
| Net interest income after provision for credit losses | **9,754** | **8,978** | **18,876** | **17,324** |
| **Noninterest Income** | | | | |
| Service fees on deposits | 105 | 112 | 215 | 216 |
| Fees from debit cards | 182 | 177 | 346 | 341 |
| Income from investment in life insurance | 116 | 114 | 202 | 201 |
| (Loss) on sale of fixed assets | (135) | — | (135) | — |
| Other income | 199 | 311 | 367 | 485 |
| **Total noninterest income** | **467** | **714** | **995** | **1,243** |
| **Noninterest Expense** | | | | |
| Compensation and related benefits | 3,512 | 4,018 | 9,292 | 8,542 |
| Occupancy | 476 | 379 | 932 | 823 |
| Data processing | 437 | 395 | 836 | 792 |
| Advertising | 19 | 3 | 33 | 9 |
| Professional fees | 315 | 249 | 551 | 479 |
| Equipment | 89 | 94 | 178 | 185 |
| Foreclosed real estate and holding costs | — | — | (5) | 2 |
| Amortization of intangible assets | 45 | 45 | 90 | 90 |
| FDIC insurance premiums | 87 | 84 | 172 | 165 |
| Other | 510 | 488 | 1,009 | 845 |
| **Total noninterest expense** | **5,490** | **5,755** | **13,088** | **11,932** |
| **Net income before tax** | **4,731** | **3,937** | **6,783** | **6,635** |
| Income tax expense | 1,269 | 1,076 | 2,230 | 1,675 |
| **Net income** | **$ 3,462** | **$ 2,861** | **$ 4,553** | **$ 4,960** |
| **Basic earnings per share** | $ 0.43 | $ 0.29 | $ 0.56 | $ 0.50 |
| **Diluted earnings per share** | $ 0.42 | $ 0.29 | $ 0.55 | $ 0.50 |

*See notes to consolidated financial statements.*

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited)

| (dollars in thousands) | Three Months Ended June 30, 2026 | Three Months Ended June 30, 2025 | Six Months Ended June 30, 2026 | Six Months Ended June 30, 2025 |
|---|---|---|---|---|
| **Net income** | $ 3,462 | $ 2,861 | $ 4,553 | $ 4,960 |
| **Other comprehensive income** | | | | |
| Unrealized (loss) gain on securities available for sale | (16) | 103 | (65) | 370 |
| Income tax expense (benefit) relating to securities available for sale | 5 | (28) | 18 | (101) |
| Other comprehensive (loss) income | (11) | 75 | (47) | 269 |
| **Total comprehensive income** | **$ 3,451** | **$ 2,936** | **$ 4,506** | **$ 5,229** |

*See notes to consolidated financial statements.*

## CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(unaudited)

For the Three Months Ended June 30, 2026 and 2025

| (dollars in thousands) | Common stock | Paid-in capital | Unearned common stock held by ESOP | Retained earnings | Accumulated other comprehensive loss | Total |
|---|---|---|---|---|---|---|
| **Balance, March 31, 2026** | $ 87 | $ 67,564 | $ (6,929) | $ 124,081 | $ (1,166) | $ 183,637 |
| Net income | — | — | — | 3,462 | — | 3,462 |
| Other comprehensive income (loss) (net of tax of $5) | — | — | — | — | (11) | (11) |
| Stock compensation | — | 699 | — | — | — | 699 |
| Repurchased shares to authorized and unissued | (2) | (4,634) | — | — | — | (4,636) |
| Employee Stock Ownership Plan ("ESOP") shares committed to be released | — | — | 50 | — | — | 50 |
| **Balance, June 30, 2026** | **$ 85** | **$ 63,629** | **$ (6,879)** | **$ 127,543** | **$ (1,177)** | **$ 183,201** |

| (dollars in thousands) | Common stock | Paid-in capital | Unearned common stock held by ESOP | Retained earnings | Accumulated other comprehensive loss | Total |
|---|---|---|---|---|---|---|
| **Balance, March 31, 2025** | $ 106 | $ 94,915 | $ (7,115) | $ 111,594 | $ (1,427) | $ 198,073 |
| Net income | — | — | — | 2,861 | — | 2,861 |
| Other comprehensive income (net of tax of ($28)) | — | — | — | — | 75 | 75 |
| Stock compensation | — | 1,220 | — | — | — | 1,220 |
| Repurchased shares to authorized and unissued | (3) | (4,281) | — | — | — | (4,284) |
| ESOP shares committed to be released | — | — | 46 | — | — | 46 |
| **Balance, June 30, 2025** | **$ 103** | **$ 91,854** | **$ (7,069)** | **$ 114,455** | **$ (1,352)** | **$ 197,991** |

*See notes to consolidated financial statements.*

## CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(unaudited)

For the Six Months Ended June 30, 2026 and 2025

| (dollars in thousands) | Common stock | Paid-in capital | Unearned common stock held by ESOP | Retained earnings | Accumulated other comprehensive loss | Total |
|---|---|---|---|---|---|---|
| **Balance, December 31, 2025** | $ 88 | $ 68,834 | $ (6,978) | $ 122,990 | $ (1,130) | $ 183,804 |
| Net income | — | — | — | 4,553 | — | 4,553 |
| Other comprehensive income (loss) (net of tax of $18) | — | — | — | — | (47) | (47) |
| Stock compensation | | 1,390 | — | — | — | 1,390 |
| Repurchased shares to authorized and unissued | (3) | (6,595) | — | — | — | (6,598) |
| Employee Stock Ownership Plan ("ESOP") shares committed to be released | — | — | 99 | — | — | 99 |
| **Balance, June 30, 2026** | **$ 85** | **$ 63,629** | **$ (6,879)** | **$ 127,543** | **$ (1,177)** | **$ 183,201** |

| (dollars in thousands) | Common stock | Paid-in capital | Unearned common stock held by ESOP | Retained earnings | Accumulated other comprehensive loss | Total |
|---|---|---|---|---|---|---|
| **Balance, December 31, 2024** | $ 106 | $ 94,679 | $ (7,160) | $ 109,495 | $ (1,621) | $ 195,499 |
| Net income | — | — | — | 4,960 | — | 4,960 |
| Other comprehensive income (net of tax of ($101)) | — | — | — | — | 269 | 269 |
| Stock compensation | — | 2,437 | — | — | — | 2,437 |
| Repurchased shares to authorized and unissued | (3) | (5,262) | — | — | — | (5,265) |
| ESOP shares committed to be released | — | — | 91 | — | — | 91 |
| **Balance, June 30, 2025** | **$ 103** | **$ 91,854** | **$ (7,069)** | **$ 114,455** | **$ (1,352)** | **$ 197,991** |

*See notes to consolidated financial statements.*

## CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

| (dollars in thousands) | Six Months Ended June 30, 2026 | 2025 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net income | $ 4,553 | $ 4,960 |
| Adjustments to reconcile net income to net cash provided by operating activities | | |
| Net amortization (accretion) of discounts and premiums | 26 | (315) |
| (Recovery) provision of credit losses | (227) | 475 |
| Proceeds received on foreclosed real estate | — | 2 |
| Accretion of deferred loan fees/costs | 3 | (59) |
| Amortization of intangible assets | 90 | 90 |
| Amortization of debt issuance costs | — | 78 |
| Depreciation of premises and equipment | 387 | 398 |
| Deferred tax expense (benefit) | 23 | (512) |
| Increase in cash surrender value of life insurance | (202) | (201) |
| Stock-based compensation expense | 1,390 | 2,437 |
| ESOP compensation expense | 99 | 91 |
| Decrease in accrued interest and other assets | 459 | 228 |
| Increase in other liabilities | 1,519 | 1,536 |
| **Net cash provided by operating activities** | **8,120** | **9,208** |
| **Cash flows from investing activities** | | |
| (Increase) decrease in equity trading account | (1) | 15 |
| Proceeds from maturities and principal payments of investment securities available for sale | 12,667 | 9,683 |
| Purchases of investment securities available for sale | (11,750) | (7,225) |
| Proceeds from maturities and principal payments of investment securities held to maturity | 90 | 148 |
| Decrease (increase) in loans | 44,327 | (13,495) |
| Purchase of premises and equipment | (117) | (356) |
| Proceeds from sale of Federal Home Loan Bank of Atlanta stock | 1,663 | 1,014 |
| Purchase of Federal Home Loan Bank of Atlanta stock | — | (304) |
| **Net cash provided by (used in) investing activities** | **46,879** | **(10,520)** |
| **Cash flows provided from financing activities** | | |
| Net (decrease) increase in deposits | (204) | 7,400 |
| Advances from the Federal Home Loan Bank of Atlanta | — | 6,000 |
| Repayment of advances from the Federal Home Loan Bank of Atlanta | (35,000) | (21,000) |
| Repurchase of shares | (6,598) | (5,265) |
| **Net cash used in financing activities** | **(41,802)** | **(12,865)** |
| **Net increase in cash and cash equivalents** | 13,197 | (14,177) |
| Cash and cash equivalents at beginning of period | 55,705 | 70,500 |
| **Cash and cash equivalents at end of period** | **$ 68,902** | **$ 56,323** |
| **Supplementary cash flows information** | | |
| Interest paid | **$ 5,430** | **$ 6,049** |
| Income taxes paid | **$ 2,037** | **$ 1,368** |
| **Supplementary noncash transactions** | | |
| | | |
| **Noncash investing and financing activities:** | | |
| Net change on equity investments | $ — | $ — |
| Net change on available for sale securities | 65 | (243) |
| Net change on loans | — | (98) |
| Deferred tax assets | (18) | 102 |
| Net change in adjusted other comprehensive income | (47) | 269 |

*See notes to consolidated financial statements.*

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### General

The unaudited consolidated financial statements and other financial information contained in this Quarterly Report on Form 10-Q should be read in conjunction with the audited consolidated financial statements and related notes of BV Financial, Inc. ("BV Financial," the "Company" or "we") included in our Annual Report on Form 10-K for the year ended December 31, 2025.

### Business

BV Financial was organized as a federal corporation and savings and loan holding company in January 2005 as part of the mutual holding company reorganization of Bay-Vanguard Federal Savings Bank. In February 2019, the Company became a Maryland-chartered corporation and a bank holding company and BayVanguard Federal Savings Bank changed its charter to a Maryland state savings bank with the new name of BayVanguard Bank (the "Bank").

On January 19, 2023, BayVanguard, M.H.C, Inc., the then mutual holding company of the Company and the Bank (the "MHC"), adopted a Plan of Conversion and Reorganization pursuant to which the MHC reorganized from the two-tier mutual holding company structure to the fully-public stock holding company structure (the "Conversion"). The Conversion was consummated on July 31, 2023 on which date the MHC ceased to exist. As part of the Conversion, the Company sold 9,798,980 shares of its common stock at a price of $10.00 per share. Each outstanding share of Company common stock owned by the public stockholders of the Company was converted into new shares of Company common stock based on an exchange ratio of 1.5309-to-1. The Company had 11,375,803 shares of Company common stock outstanding as a result of the Conversion.

The Company is a registered bank holding company subject to comprehensive regulation and examination by the Board of Governors of the Federal Reserve System (the "Federal Reserve Board").

The Bank is headquartered in Baltimore, Maryland and is a full-service community-oriented financial institution dedicated to serving the banking needs of consumers and businesses. The Bank is engaged primarily in the business of attracting deposits from the general public and using such funds to originate one- to- four family real estate, construction, multi-family, commercial real estate, farm, marine loans, commercial and consumer loans.

The Bank's deposits are insured up to the applicable legal limits by the Federal Deposit Insurance Corporation's (the "FDIC") Deposit Insurance Fund. The Bank is a member of the Federal Home Loan Bank System.

### Principles of Consolidation

The consolidated financial statements include the accounts of the Company, the Bank and the Bank's subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

### Basis of Financial Statement Presentation and Significant Estimates

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the consolidated balance sheet and revenues and expenses for the period. These estimates and assumptions affect the amounts reported in the financial statements and the disclosures provided, and actual results could differ.

**Significant Group Concentrations of Credit Risk**

A significant portion of the Company's activities are with customers located within the Baltimore metropolitan area and on the Eastern Shore of Maryland. The Company does not have any significant concentrations in any one industry or with any one customer.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, amounts due from banks, cash items in the process of clearing, and interest-bearing deposits with banks with original maturities of less than 90 days.

**Securities**

The Company classifies investment securities as held to maturity ("HTM") or available for sale ("AFS"). Debt securities that the Company has the positive intent and ability to hold to maturity are classified as HTM and are reported at amortized cost (including amortization of premiums or accretion of discounts). Net unrealized gains and losses for debt securities classified as AFS are recognized as increases or decreases in other comprehensive income or loss, net of taxes, and excluded from the determination of net income.

Equity securities are reported at fair value with unrealized gains and losses included in net gains/losses in noninterest income.

Realized gains and losses on sales of securities are determined using the specific identification method and are included in earnings. Premiums and discounts are recognized in interest income using the interest method over the terms of the securities. Premiums on callable debt securities are amortized through the earliest call date.

When the fair value of an AFS debt security has declined below its amortized cost basis, the Company is required to assess whether the decline is from a credit loss or other factors. For any individual security, an analysis is performed on the individual security using the latest available information to determine if the decline in fair value is attributable to a credit loss. If such determination is made, the Company would record an allowance for credit loss ("ACL") for the debt instrument. We recognized no credit losses on AFS securities during the three or six months ended June 30, 2026 and June 30, 2025.

For HTM debt securities, an allowance will be recognized when lifetime credit losses are expected, in an amount that reflects the expected contractual credit losses, even when the risk of such loss is remote. Any security, either explicitly or implicitly guaranteed by the U.S. Government is excluded from this analysis. This includes U.S. Treasury securities, securities issued by agencies of the U.S. Government and mortgage-backed securities issued by Ginnie Mae, Fannie Mae and Freddie Mac.

The ACL for HTM securities is computed using bond global default rates tracked by S&P with a loss given default of 45%. Accrued interest receivable on the HTM debt securities excluded from this analysis totaled $42,000 at June 30, 2026. At June 30, 2026 and 2025, the ACL for HTM securities was $1,000 and $2,651, respectively.

**Federal Home Loan Bank Stock**

Federal law requires a member institution of the Federal Home Loan Bank System to hold stock of its district Federal Home Loan Bank (the "FHLB") in an amount determined by both asset size and borrowings from the FHLB. Purchases and sales of stock are made directly with the FHLB at par value.

The Bank held $661,000 and $2.3 million of FHLB restricted stock at June 30, 2026 and December 31, 2025, respectively.

The restricted stock is carried at cost. Management evaluates whether this investment is impaired based on its assessment of the ultimate recoverability of the investment rather than by recognizing temporary declines in value. The determination of whether a decline affects the ultimate recoverability of the investment is influenced by criteria such as (1) the significance of the decline in net assets of the FHLB as compared to the capital stock amount for the FHLB and the length of time this

situation has persisted, (2) commitments by the FHLB to make payments required by law or regulation and (3) the impact of legislative and regulatory changes on institutions and, accordingly, on the customer base of the FHLB.

**Loans Receivable**

Loans receivable are stated at unpaid principal balances, adjusted for premiums and discounts on loans purchased, the undisbursed portion of loans in process, net deferred loan origination fees and costs, fair value adjustments on loans acquired in a merger, and the ACL. Interest income is accrued on the unpaid principal balance. Loan origination fees and costs are deferred and recognized as an adjustment to the yield of the related loans. The Company is amortizing these amounts over the contractual life of the loan using the interest method. For purchased loans, the related premium or discount is recognized over the contractual life of the purchased loan and is included as part of interest income. The accrual of interest is generally discontinued when the contractual payment of principal or interest has become 90 days past due or management has serious doubts about further collectability of principal or interest, even though the loan is currently performing. A loan may remain on accrual status if it is in the process of collection and is either guaranteed or well secured. When a loan is placed on non-accrual status, unpaid interest credited to income is reversed. Interest received on non-accrual loans generally is either applied against principal or reported as interest income, according to management's judgment as to the collectability of principal. Generally, loans are restored to accrual status when the obligation is brought current, has performed in accordance with the contractual terms for a reasonable period of time and the ultimate collectability of the total contractual principal and interest is no longer in doubt.

**Allowance for Credit Losses**

The ACL is an estimate of the expected credit losses for loans held for investment and for off-balance sheet exposures. ASC 326, "Financial Instruments-Credit Losses," requires an immediate recognition of the credit losses expected to occur over the lifetime of a financial asset whether originated or purchased. Charge-offs are recorded to the ACL when management believes a loan is uncollectible. Subsequent recoveries, if any, are credited to the ACL. Management believes the ACL is maintained in accordance with GAAP and is in compliance with appropriate regulatory guidelines.

The ACL includes quantitative estimates of losses for collectively and individually evaluated loans. The quantitative estimate for collectively evaluated loans (other than investor commercial real estate loans) is determined using the average charge-off method that utilizes historical losses for all Maryland banks with assets less than $1 billion beginning in March 2000. The loss history is updated through the most recent quarter-end prior to the reporting period. The investor commercial real estate portfolio utilizes the national loss history for banks with assets less than $1 billion over the same time period. Investor commercial real estate loans are made nationwide, therefore, management deems it appropriate to utilize national loss rates when evaluating this portfolio. Adjustments are made to the historical loss factors under each scenario for economic conditions, portfolio concentrations, collateral values, the level and trend of delinquent and non-accrual loans and internal changes in staffing, loan policies and monitoring of the portfolio. Loans are selected for individual evaluation primarily based on their payment status and whether the loan has been placed on non-accrual status. Loans on non-accrual status include all loans greater than 90 days delinquent and other loans with sufficient weaknesses identified by management to place these loans on non-accrual status.

The ACL is measured on a collective basis when similar risk factors exist as determined by internal loan coding and assignment to a portfolio segment.

The Company utilizes reasonable and supportable forecasts of future economic conditions when estimating the ACL on loans. The model's calculation uses an adjustment for a 12-month forecast period utilizing the most recent 12-month economic forecast from the Federal Reserve Board for national gross domestic product ("GDP") and the unemployment rate. The model compares the average history of loss rates described above to the forecasted GDP and unemployment rate to determine the necessity and amount of any forward looking adjustment.

The establishment of the ACL is significantly affected by management's judgment and by economic and other uncertainties, and different amounts may be reported under different conditions or assumptions. The FDIC and the Maryland Office of the Commissioner of Financial Regulation, as an integral part of their examination process, periodically review the ACL for reasonableness and, as a result of such reviews, we may be required to increase our ACL or recognize loan charge-offs.

The calculation of ACL excludes accrued interest receivable balances because these balances are reversed in a timely manner against previously recognized interest income when a loan is placed on non-accrual status.

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

The Company's off-balance sheet credit instruments primarily consist of unfunded commitments on existing loans. In the ordinary course of business, the Company enters into commitments to extend credit. Such financial instruments are recorded on the balance sheet when they are funded.

The Company records a reserve for unfunded commitments on off-balance sheet credit exposures through a charge to the provision for credit loss expense. The reserve is estimated by loan segment at each measurement date under the ASC 326 model using the same methodologies as portfolio loans, taking into consideration the likelihood that funding will occur, and is included in other liabilities on the Company's Consolidated Balance Sheets.

**Foreclosed Real Estate**

Foreclosed real estate and repossessed assets are composed of property acquired through a foreclosure proceeding or acceptance of a deed in lieu of foreclosure. If the fair value of the asset, net of estimated selling costs, is less than the related loan balance at the time of acquisition, a charge against the ACL is recorded. After foreclosure, valuations are periodically performed by management and the assets are carried at the lower of cost or fair value less estimated costs to sell. Revenues and expenses from operations and changes in the valuation allowance are included in noninterest income and expenses.

**Premises and Equipment**

Land is stated at cost. Premises and equipment are stated at cost less accumulated depreciation. Depreciation is computed based on the straight-line method over the estimated useful lives of the respective assets. Expenditures for improvements are capitalized while costs for maintenance and repairs are expensed as incurred.

**Leases**

The Company determines if an arrangement is a lease at inception. All of the Company’s leases are currently classified as operating leases and are included in other assets and other liabilities on the Company’s Consolidated Balance Sheets. Periodic operating lease costs are recorded in occupancy expenses on the Company's Consolidated Statements of Income.

Right-of-use (“ROU”) assets represent the Company’s right to use an underlying asset for the lease term, and lease liabilities represent the Company’s obligation to make lease payments arising from the lease arrangements. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of the expected future lease payments over the remaining lease term. In determining the present value of future lease payments, the Company uses its incremental borrowing rate based on the information available at the lease commencement date. The operating ROU assets are adjusted for any lease payments made at or before the lease commencement date, initial direct costs, any lease incentives received and, for acquired leases, any favorable or unfavorable fair value adjustments. The present value of the lease liability may include the impact of options to extend or terminate the lease when it is reasonably certain that the Company will exercise such options provided in the lease terms. Lease expense is recognized on a straight-line basis over the expected lease term. Lease agreements that include lease and non-lease components, such as common area maintenance charges, are accounted for separately.

**Investment in Life Insurance**

Investment in life insurance is reflected at the net cash surrender value to the Company.

**Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets acquired. Goodwill is evaluated for impairment at least annually and on an interim basis if an event or circumstance indicates it is likely an impairment has occurred. Any impairment of goodwill would be recorded against income in the period of impairment.

**Intangible Assets**

Intangible assets, consisting of core deposit intangibles, represent purchased assets that also lack physical substance but can be distinguished from goodwill because of contractual or other legal rights or because the asset is capable of being sold or exchanged on its own or in combination with a related contract, asset or liability. Core deposit intangibles are amortized on an accelerated basis over an estimated useful life. Core deposit intangibles are evaluated annually for impairment. Any impairment of intangible assets would be recorded against income in the period of impairment.

**Deferred Income Taxes**

Deferred income taxes are recognized for temporary differences between the financial reporting basis and income tax basis of assets and liabilities based on enacted tax rates expected to be in effect when such amounts are realized or settled. Deferred tax assets are recognized only to the extent that it is more likely than not that such amounts will be realized based on consideration of available evidence. The Company historically filed state tax returns and pays state taxes in Maryland and Florida. For the 2025 tax year, tax returns will be filed in additional states. The amount of taxes in each state is based on the revenues received in those jurisdictions.

**Statements of Cash Flows**

Cash and cash equivalents in the statements of cash flows include cash, federal funds sold and interest-bearing deposits in other banks. Federal funds are generally purchased and sold for one-day periods.

**Transfers of Financial Assets**

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

**Earnings Per Share**

Basic earnings per share are computed by dividing net income by the weighted average number of common shares outstanding for the appropriate period. Diluted earnings per share are computed by dividing net income by the weighted average shares outstanding as adjusted for the dilutive effect of stock options based on the treasury stock method. Unearned ESOP shares are removed from the weighted average number of shares in the calculations. As of June 30, 2026 and June 30, 2025, the Company had 886,846 and 931,579 outstanding stock options, respectively. Options with an exercise price greater than the average market price of the common shares are excluded from the calculation as their effect would be anti-dilutive. There were no anti-dilutive options outstanding for the three or six months ended June 30, 2026 or 2025.

Information related to the calculation of earnings per share is presented in Note 13.

**Stock-Based Compensation**

The Company accounts for stock-based compensation under the fair value method of accounting. For stock options, the Company uses a Black-Scholes valuation model to measure stock-based compensation expense at the date of grant. Compensation expense related to stock-based awards is recognized over the period during which an individual is required to provide service in exchange for such award.

**Revenue Recognition**

Management is required by accounting pronouncements governing the recognition of revenue to recognize revenue when the Company transfers promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company records revenue from contracts with customers in accordance with ASC 606, "Revenue from Contracts with Customers." Under ASC 606, the Company must identify the contract with a customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract, and recognize revenue when (or as) the Company satisfies a performance obligation.

The Company's primary sources of revenue are derived from interest and dividends earned on loans, investment securities, and other financial instruments that are not within the scope of ASC 606. The Company evaluated the nature of its contracts with customers and determined that further disaggregation of revenue from contracts with customers into more granular categories beyond what is presented in the Consolidated Statements of Income was not necessary. The Company generally fully satisfies its performance obligations on its contracts with customers as services are rendered and the transaction prices are typically fixed; charged either on a periodic basis or based on activity.

**Accounting Standards Updates**

In November 2024, the Financial Accounting Standards Board ("FASB") issued 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40).* The purpose of this amendment is to improve the disclosures about a public business entity's expenses and address requests from investors for more detailed information about the types of expenses (including purchases of inventory, employee compensation, depreciation, amortization, and depletion) in commonly presented expense captions (such as cost of sales and research and development). The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. The Company is currently evaluating the impact these changes may have on our consolidated financial statements.

In November 2025, the FASB issued ASU 2025-08, *Credit Losses (Topic 326): Purchased Loans.* ASU 2025-08 requires that purchased seasoned loans be accounted for using the gross-up approach. The gross-up approach requires recognition of an ACL for the estimate of credit losses at the acquisition date. The ACL is recorded with an offsetting gross-up adjustment to the purchase price of the acquired financial asset. The standard is effective for fiscal years beginning after December 15, 2026 and for interim periods within those annual reporting periods. Early adoption is permitted. The Company is evaluating the date of adoption and the impact of the changes to its consolidated financial statements and existing disclosures.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements*. ASU 2025-11 clarifies interim disclosure requirements and provides a comprehensive list of interim disclosures that are required by GAAP. The ASU also includes a disclosure principle that requires entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. The standard is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is evaluating the impact of the changes to its consolidated financial statements and existing disclosures.

## NOTE 2 - SECURITIES

AFS securities at June 30, 2026 and December 31, 2025 consisted of the following:

| (dollars in thousands) | June 30, 2026 Amortized cost | Gross unrealized gains | Gross unrealized losses | Fair value |
|---|---|---|---|---|
| *Available for sale* | | | | |
| Agencies | $ 275 | $ — | $ — | $ 275 |
| Corporate securities | 2,233 | 3 | 116 | 2,120 |
| Mortgage-backed securities | 24,462 | 11 | 1,518 | 22,955 |
| Treasuries | 6,872 | — | 4 | 6,868 |
| Total | $ 33,842 | $ 14 | $ 1,638 | $ 32,218 |

| (dollars in thousands) | December 31, 2025 Amortized cost | Gross unrealized gains | Gross unrealized losses | Fair value |
|---|---|---|---|---|
| *Available for sale* | | | | |
| Agencies | $ 404 | $ — | $ — | $ 404 |
| Corporate securities | 1,482 | — | 121 | 1,361 |
| Mortgage-backed securities | 20,570 | 19 | 1,473 | 19,116 |
| Treasuries | 12,329 | 16 | — | 12,345 |
| Total | $ 34,785 | $ 35 | $ 1,594 | $ 33,226 |

HTM securities at June 30, 2026 and December 31, 2025 consisted of the following:

| (dollars in thousands) | June 30, 2026 Amortized Cost | Gross Unrecognized Gains | Gross Unrecognized Losses | Fair Value |
|---|---|---|---|---|
| *Held to maturity* | | | | |
| Corporate securities[(1)] | $ 3,199 | $ — | $ 120 | $ 3,079 |
| Mortgage-backed securities | 2,448 | 2 | 446 | 2,004 |
| Total | $ 5,647 | $ 2 | $ 566 | $ 5,083 |

| (dollars in thousands) | December 31, 2025 Amortized Cost | Gross Unrecognized Gains | Gross Unrecognized Losses | Fair Value |
|---|---|---|---|---|
| *Held to maturity* | | | | |
| Corporate securities[(1)] | $ 3,198 | $ — | $ 200 | $ 2,998 |
| Mortgage-backed securities | 2,538 | 4 | 438 | 2,104 |
| Total | $ 5,736 | $ 4 | $ 638 | $ 5,102 |

(1) Amount is net of Current Expected Credit Loss ("CECL") credit reserve of $1,000 at June 30, 2026 and $2,000 at December 31, 2025.

The Company pledged securities with an amortized cost of $27.6 million and a fair value of $25.8 million at June 30, 2026 to secure deposits from municipalities. At December 31, 2025, the Company pledged securities with an amortized cost of $32.1 million and a fair value of $30.3 million to secure deposits from municipalities. The amortized cost and fair value of securities as of June 30, 2026 and December 31, 2025, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because the securities may be called or prepaid with or without prepayment penalties.

| (dollars in thousands) | June 30, 2026 Available for sale Amortized cost | Available for sale Fair value | Held to maturity Amortized cost | Held to maturity Fair value |
|---|---|---|---|---|
| Maturing | | | | |
| Due under one year | $ 21,468 | $ 21,433 | $ 3,329 | $ 3,211 |
| Due after one year through five years | 2,269 | 2,155 | 70 | 67 |
| Due after five years through ten years | 590 | 556 | 254 | 243 |
| Due after ten years | 9,515 | 8,074 | 1,994 | 1,562 |
| Total | $ 33,842 | $ 32,218 | $ 5,647 | $ 5,083 |

All mortgage-backed securities are guaranteed by Freddie Mac, Fannie Mae or Ginnie Mae.

Investment securities with unrealized losses for continuous periods of less than 12 months and 12 months or longer are as follows:

| | Less than 12 months | | 12 months or longer | | Total | |
|---|---|---|---|---|---|---|
| **June 30, 2026** (dollars in thousands) | **Unrealized losses** | **Fair value** | **Unrealized losses** | **Fair value** | **Unrealized losses** | **Fair value** |
| *Available for sale* | | | | | | |
| Corporate securities | $ 8 | $ 492 | $ 108 | $ 875 | $ 116 | $ 1,367 |
| Mortgage-backed securities | 25 | 8,377 | 1,493 | 13,222 | 1,518 | 21,599 |
| Treasuries | 4 | 6,867 | — | — | 4 | 6,867 |
| Total | $ 37 | $ 15,736 | $ 1,601 | $ 14,097 | $ 1,638 | $ 29,833 |
| *Held to maturity* | | | | | | |
| Corporate securities [1] | $ — | $ — | $ 120 | $ 3,080 | 120 | 3,080 |
| Mortgage-backed securities | 1 | 52 | 444 | 1,778 | 446 | 1,830 |
| Total | $ 1 | $ 52 | $ 564 | $ 4,858 | $ 566 | $ 4,910 |

| | Less than 12 months | | 12 months or longer | | Total | |
|---|---|---|---|---|---|---|
| **December 31, 2025** (dollars in thousands) | **Unrealized losses** | **Fair value** | **Unrealized losses** | **Fair value** | **Unrealized losses** | **Fair value** |
| *Available for sale* | | | | | | |
| Agency securities | $ — | $ — | $ — | $ — | $ — | $ — |
| Corporate securities | 11 | 489 | 110 | 872 | 121 | 1,361 |
| Mortgage-backed securities | 1 | 564 | 1,472 | 14,076 | 1,473 | 14,640 |
| Total | $ 12 | $ 1,053 | $ 1,582 | $ 14,948 | $ 1,594 | $ 16,001 |
| *Held to maturity* | | | | | | |
| Corporate securities [1] | $ — | $ — | $ 200 | $ 2,998 | $ 200 | $ 2,998 |
| Mortgage-backed securities | — | 1 | 438 | 1,895 | 438 | 1,896 |
| Total | $ — | $ 1 | $ 638 | $ 4,893 | $ 638 | $ 4,894 |

(1) Fair value amount is net of CECL credit reserve of $1,000 at June 30, 2026 and $2,000 at December 31, 2025.

As of June 30, 2026 and December 31, 2025, the Company determined that for its available-for-sale debt securities in an unrealized loss position, it did not intend to sell nor was it more likely than not that it would be required to sell any security and that the decline in fair value was not due to credit factors, but due to changes in interest rates and other factors. Accordingly, at June 30, 2026 and December 31, 2025, the Company did not record an ACL for its AFS debt securities.

We monitor the credit quality of HTM debt securities through both internal analysis performed on a quarterly basis and credit ratings when available. The following table reflects the credit ratings for the HTM debt securities at June 30, 2026.

| (dollars in thousands) | AAA | A- | BBB/BBB+ | BBB- | Not Rated | Total |
|---|---|---|---|---|---|---|
| Corporate securities | $ — | $ 500 | $ 1,249 | $ 700 | $ 750 | $ 3,199 |
| Mortgage-backed securities | 2,448 | — | — | — | — | 2,448 |
| | $ 2,448 | $ 500 | $ 1,249 | $ 700 | $ 750 | $ 5,647 |

The following table provides a breakdown of our HTM debt securities by year of origination at June 30, 2026.

| (dollars in thousands) | Total | 2026 | 2025 | 2024 | 2023 | 2022 | Prior |
|---|---|---|---|---|---|---|---|
| Corporate securities | $ 3,199 | $ — | $ — | $ — | $ — | $ 750 | $2,449 |
| Mortgage-backed securities | 2,448 | — | — | — | — | 1,774 | 674 |
| | $ 5,647 | $ — | $ — | $ — | $ — | $ 2,524 | $3,123 |

The following table is a roll forward of our ACL on HTM debt securities at June 30, 2026 and 2025.

| (dollars in thousands) | Three Months Ended June 30, 2026 | Three Months Ended June 30, 2025 | Six Months Ended June 30, 2026 | Six Months Ended June 30, 2025 |
|---|---|---|---|---|
| Beginning balance | $ 1 | $ 3 | $ 2 | $ 4 |
| (Recovery) for credit losses | — | — | (1) | (1) |
| Ending Balance | $ 1 | $ 3 | $ 1 | $ 3 |

## NOTE 3 – LOANS RECEIVABLE

Portfolio loans, net of deferred costs and fees, are summarized by type as follows at June 30, 2026 and December 31, 2025:

| | Period Ended | | | |
|---|---|---|---|---|
| | June 30, 2026 | | December 31, 2025 | |
| (dollars in thousands) | Amount | Percent | Amount | Percent |
| Real estate | | | | |
| One to four family - owner occupied | $ 164,069 | 23.09% | $ 163,964 | 21.72% |
| One to four family - non owner occupied | 86,643 | 12.19% | 94,511 | 12.52% |
| Commercial owner occupied | 77,779 | 10.95% | 79,730 | 10.56% |
| Commercial investor | 311,057 | 43.79% | 321,675 | 42.60% |
| Construction and land | 23,844 | 3.36% | 36,441 | 4.83% |
| Farm loans | 8,077 | 1.14% | 7,231 | 0.96% |
| Total real estate loans | 671,469 | 94.50% | 703,552 | 93.19% |
| | | | | |
| Marine and other consumer loans | 13,210 | 1.86% | 14,914 | 1.98% |
| Guaranteed by U.S. Government | 2,062 | 0.29% | 2,175 | 0.29% |
| Commercial | 23,884 | 3.36% | 34,280 | 4.54% |
| Total consumer and commercial | 39,156 | 5.50% | 51,369 | 6.81% |
| | | | | |
| Total loans | 710,625 | 100.0% | 754,921 | 100.0% |
| Allowance for credit losses | (6,214) | | (6,437) | |
| Total loans, net of deferred costs and fees | $ 704,411 | | $ 748,484 | |

Net deferred loan origination fees at June 30, 2026 and December 31, 2025 totaled $2.2 million and $2.2 million, respectively.

In the normal course of banking business, risks related to specific loan categories are as follows:

Real Estate Loans – Real estate loans are typically made to consumers and businesses and are secured by real estate. Credit risk arises from the borrower's continuing financial stability, which can be adversely impacted by the economy as well as borrower-specific occurrences. Also impacting credit risk are any shortfalls in the value of the real estate in relation to the outstanding loan balance in the event of a default or subsequent liquidation of the collateral.

Residential lending repayment is generally dependent on economic and market conditions in the Company's lending area. Commercial real estate, commercial and construction loan repayments are generally dependent on the operations of the related properties or the financial condition of its borrower or guarantor. Accordingly, repayment of such loans can be more susceptible to adverse conditions in the real estate market and the regional economy.

Marine Loans – Marine loans are typically made to consumers and are secured by boats. Credit risk is similar to real estate loans above as it is subject to the borrower's continuing financial stability and the value of the collateral securing the loan. Marine loans may entail greater risk than residential mortgage loans, as they are collateralized by assets that depreciate rapidly. Repossessed collateral for a defaulted loan may not provide an adequate source of repayment for the outstanding and small remaining deficiency often does not warrant further substantial collection efforts against the borrower.

Other Consumer – Other consumer loans include installment loans and personal lines of credit which may be secured or unsecured. Credit risk is similar to real estate loans above as it is subject to the borrower's continuing financial stability and the value of the collateral securing the loan, if any. Consumer loans may entail greater risk than residential mortgage loans, particularly in the case of consumer loans that are unsecured or secured by assets that depreciate rapidly. Repossessed collateral for a defaulted consumer loan may not provide an adequate source of repayment for the outstanding loan and a small remaining deficiency often does not warrant further substantial collection efforts against the borrower.

Guaranteed by the U.S. Government – Loans guaranteed by the U.S. Government do not present similar risks as reflected in the other categories mentioned herein because of an explicit guarantee is provided by the government, therefore substantially mitigating any risk of loss in the event of credit deterioration.

Commercial – Commercial loans are secured or unsecured loans used for business purposes. Loans are typically secured by accounts receivable, inventory, equipment and/or other assets of the business. Credit risk arises from the successful operation of the business, which may be affected by competition, rising interest rates, tariffs, regulatory changes and adverse conditions in the local and regional economy.

Non-accrual loans as of June 30, 2026 and December 31, 2025 were as follows:

| | June 30, 2026 | | | December 31, 2025 | | |
|---|---|---|---|---|---|---|
| (dollars in thousands) | No Allowance | With an Allowance | Total | No Allowance | With an Allowance | Total |
| Real estate | | | | | | |
| One to four family - owner occupied | $ 1,229 | $ — | $ 1,229 | $ 811 | $ — | $ 811 |
| One to four family - non owner occupied | 257 | — | 257 | 174 | — | 174 |
| Commercial owner occupied | 804 | — | 804 | 860 | — | 860 |
| Commercial investor | 372 | — | 372 | — | — | — |
| Construction and land | — | — | — | 26 | — | 26 |
| Commercial | | | — | — | — | — |
| Farm loans | — | — | — | — | — | — |
| Total real estate loans | 2,662 | — | 2,662 | 1,871 | — | 1,871 |
| Marine and other consumer loans | 371 | — | 371 | 10 | — | 10 |
| Commercial | 286 | 94 | 380 | 286 | 94 | 380 |
| Total consumer and commercial loans | 657 | 94 | 751 | 296 | 94 | 390 |
| Total non-accrual loans | $ 3,319 | $ 94 | $ 3,413 | $ 2,167 | $ 94 | $ 2,261 |

Loans can be current but classified as non-accrual due to customer operating results or payment history. All interest accrued but not collected from loans that are placed on non-accrual status or charged off is reversed against interest income. In accordance with the Company's policy, such interest income is recognized on a cash basis or cost-recovery method, until qualifying for return to accrual status. Interest that would have been accrued under the terms of the non-accrual loans had such loans been performing according to their terms was approximately $170,000 for the six months ended June 30, 2026 and $453,000 for the six months ended June 30, 2025.

The Company considers a loan to be past due or delinquent when the terms of the contractual obligation are not met by the borrower. An analysis of days past due loans as of June 30, 2026 was as follows:

| | June 30, 2026 | | | | | |
|---|---|---|---|---|---|---|
| (dollars in thousands) | 30 - 59 Days Past Due | 60 - 89 Days Past Due | 90+ Days Past Due | Total Past Due | Current Loans | Total Loans |
| Real estate | | | | | | |
| One to four family - owner occupied | $ 496 | $ 773 | $ 608 | $ 1,877 | $ 162,192 | $ 164,069 |
| One to four family - non owner occupied | 116 | — | 116 | 232 | 86,411 | 86,643 |
| Commercial owner occupied | 1,020 | — | 292 | 1,312 | 76,467 | 77,779 |
| Commercial investor | — | 670 | 372 | 1,042 | 310,015 | 311,057 |
| Construction and land | — | — | — | — | 23,844 | 23,844 |
| Farm loans | — | — | — | — | 8,077 | 8,077 |
| Total real estate loans | 1,632 | 1,443 | 1,388 | 4,463 | 667,006 | 671,469 |
| Marine and other consumer loans | 37 | 45 | 371 | 453 | 12,757 | 13,210 |
| Guaranteed by U.S. Government | — | — | — | — | 2,062 | 2,062 |
| Commercial | — | — | 380 | 380 | 23,504 | 23,884 |
| Total consumer and commercial loans | 37 | 45 | 751 | 833 | 38,323 | 39,156 |
| Total loans | $ 1,669 | $ 1,488 | $ 2,139 | $ 5,296 | $ 705,329 | $ 710,625 |

An analysis of days past due loans as of December 31, 2025 was as follows:

| | December 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| (dollars in thousands) | 30 - 59 Days Past Due | 60 - 89 Days Past Due | 90+ Days Past Due | Total Past Due | Current Loans | Total Loans |
| Real estate | | | | | | |
| One to four family - owner occupied | $ 4,700 | $ 379 | $ 787 | $ 5,866 | $ 158,098 | $ 163,964 |
| One to four family - non owner occupied | 104 | — | 174 | 278 | 94,233 | 94,511 |
| Commercial owner occupied | — | 566 | 294 | 860 | 78,870 | 79,730 |
| Commercial investor | — | — | — | — | 321,675 | 321,675 |
| Construction and land | — | — | 26 | 26 | 36,415 | 36,441 |
| Farm loans | — | — | — | — | 7,231 | 7,231 |
| Total real estate loans | 4,804 | 945 | 1,281 | 7,030 | 696,522 | 703,552 |
| Marine and other consumer loans | 384 | 44 | 10 | 438 | 14,476 | 14,914 |
| Guaranteed by U.S. Government | — | — | — | — | 2,175 | 2,175 |
| Commercial | — | — | 380 | 380 | 33,900 | 34,280 |
| Total consumer and commercial loans | 384 | 44 | 390 | 818 | 50,551 | 51,369 |
| Total loans | $ 5,188 | $ 989 | $ 1,671 | $ 7,848 | $ 747,073 | $ 754,921 |

### *Allowance for Credit Losses*

The following tables detail activity in the ACL at and for the three and six months ended June 30, 2026 and 2025. An allocation of the allowance to one category of loans does not prevent the Company from using that allowance to absorb losses in a different category.

| **Three months ended** | June 30, 2026 | | | | |
|---|---|---|---|---|---|
| (dollars in thousands) | Beginning Balance | Charge-offs | Recoveries | Provisions (Recovery) | Ending Balance |
| Real estate | | | | | |
| One to four family - owner occupied | $ 1,552 | $ — | $ 1 | $ (27) | $ 1,526 |
| One to four family - non owner occupied | 504 | — | 14 | (87) | 431 |
| Commercial owner occupied | 418 | — | — | (2) | 416 |
| Commercial investor | 2,923 | — | — | (80) | 2,843 |
| Construction and land | 104 | — | — | (26) | 78 |
| Farm loans | 17 | — | — | 54 | 71 |
| Total real estate loans | 5,518 | — | 15 | (168) | 5,365 |
| Marine and other consumer loans | 470 | (6) | 6 | (33) | 437 |
| Guaranteed by U.S. Government | — | — | — | 83 | 83 |
| Commercial | 411 | — | — | (82) | 329 |
| Total consumer and commercial | 881 | (6) | 6 | (32) | 849 |
| Total loans | $ 6,399 | $ (6) | $ 21 | $ (200) | $ 6,214 |

***BV FINANCIAL, INC. AND SUBSIDIARIES***

| **Three months ended** | **June 30, 2025** | | | | |
|---|---|---|---|---|---|
| (dollars in thousands) | **Beginning Balance** | **Charge-offs** | **Recoveries** | **Provisions (recovery)** | **Ending Balance** |
| Real estate | | | | | |
| One to four family - owner occupied | $ 1,647 | $ — | $ 13 | $ 551 | $ 2,211 |
| One to four family - non owner occupied | 617 | — | 14 | 36 | 667 |
| Commercial owner occupied | 495 | — | — | — | 495 |
| Commercial investor | 4,032 | — | — | (299) | 3,733 |
| Construction and land | 955 | — | 1 | (88) | 868 |
| Farm loans | 73 | — | — | 24 | 97 |
| Total real estate loans | 7,819 | — | 28 | 224 | 8,071 |
| Marine and other consumer loans | 396 | — | 1 | (27) | 370 |
| Commercial | 673 | — | — | 45 | 718 |
| Total consumer and commercial | 1,069 | — | 1 | 18 | 1,088 |
| Total loans | $ 8,888 | $ — | $ 29 | $ 242 | $ 9,159 |

| **Six months ended** | **June 30, 2026** | | | | |
|---|---|---|---|---|---|
| (dollars in thousands) | **Beginning Balance** | **Charge-offs** | **Recoveries** | **Provisions (recovery)** | **Ending Balance** |
| Real estate | | | | | |
| One to four family - owner occupied | $ 1,306 | $ — | $ 2 | $ 218 | $ 1,526 |
| One to four family - non owner occupied | 537 | — | 33 | (139) | 431 |
| Commercial owner occupied | 329 | — | — | 87 | 416 |
| Commercial investor | 3,060 | — | — | (217) | 2,843 |
| Construction and land | 328 | — | — | (250) | 78 |
| Farm loans | 23 | — | — | 48 | 71 |
| Total real estate loans | 5,583 | — | 35 | (253) | 5,365 |
| Marine and other consumer loans | 438 | (9) | 7 | 1 | 437 |
| Guaranteed by U.S. Government | — | — | — | 83 | 83 |
| Commercial | 416 | — | — | (87) | 329 |
| Total consumer and commercial | 854 | (9) | 7 | (3) | 849 |
| Total loans | $ 6,437 | $ (9) | $ 42 | $ (256) | $ 6,214 |

| **Six months ended** | **June 30, 2025** | | | | |
|---|---|---|---|---|---|
| (dollars in thousands) | **Beginning Balance** | **Charge-offs** | **Recoveries** | **Provisions (recovery)** | **Ending Balance** |
| Real estate | | | | | |
| One to four family - owner occupied | $ 1,858 | $ — | $ 16 | $ 337 | $ 2,211 |
| One to four family - non owner occupied | 742 | — | 30 | (105) | 667 |
| Commercial owner occupied | 511 | — | — | (16) | 495 |
| Commercial investor | 3,592 | — | — | 141 | 3,733 |
| Construction and land | 940 | — | 2 | (74) | 868 |
| Farm loans | 69 | — | — | 28 | 97 |
| Total real estate loans | 7,712 | — | 48 | 311 | 8,071 |
| Marine and other consumer loans | 399 | (5) | 1 | (25) | 370 |
| Commercial | 411 | — | — | 307 | 718 |
| Total consumer and commercial | 810 | (5) | 1 | 282 | 1,088 |
| Total loans | $ 8,522 | $ (5) | $ 49 | $ 593 | $ 9,159 |

The following table summarizes the ACL provision activity for the three and six months ended June 30, 2026 and 2025.

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| (dollars in thousands) | 2026 | 2025 | 2026 | 2025 |
| Provision for (recovery of) credit losses - loans | $ (200) | $ 242 | $ (256) | $ 593 |
| Provision for (recovery of) allowance for securities - HTM | — | (1) | (1) | (1) |
| Provision for (recovery of ) allowance for credit losses - unfunded commitments | (16) | (63) | 30 | (117) |
| Provision for (recovery of) credit losses per the consolidated statements of income | $ (216) | $ 178 | $ (227) | $ 475 |

## Term Loans by Origination Year

| (dollars in thousands) | Term Loans Amortized Cost Basis by Origination Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Balance at June 30, 2026** | **2026** | **2025** | **2024** | **2023** | **2022** | **Prior** | **Revolving** | **Total** |
| One to four family - owner occupied | | | | | | | | |
| Pass | $ 14,422 | $ 33,682 | $ 18,038 | $ 5,262 | $ 7,387 | $ 73,864 | $ 10,519 | $ 163,174 |
| Special Mention | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | — | 895 | — | 895 |
| Doubtful | — | — | — | — | — | — | — | — |
| Loss | — | — | — | — | — | — | — | — |
| Total One to four family - owner occupied | $ 14,422 | $ 33,682 | $ 18,038 | $ 5,262 | $ 7,387 | $ 74,759 | $ 10,519 | $ 164,069 |
| Current Period Gross Write-off | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| One to four family - non owner occupied | | | | | | | | |
| Pass | $ 3,675 | $ 8,425 | $ 3,646 | $ 12,232 | $ 24,804 | $ 33,418 | $ — | $ 86,200 |
| Special Mention | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | — | 443 | — | 443 |
| Doubtful | — | — | — | — | — | — | — | — |
| Loss | — | — | — | — | — | — | — | — |
| Total One to four family - non owner occupied | $ 3,675 | $ 8,425 | $ 3,646 | $ 12,232 | $ 24,804 | $ 33,861 | $ — | $ 86,643 |
| Current Period Gross Write-off | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Commercial owner occupied | | | | | | | | |
| Pass | $ 4,294 | $ 3,581 | $ 4,032 | $ 19,446 | $ 10,179 | $ 34,392 | $ — | $ 75,924 |
| Special Mention | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | — | 1,855 | — | 1,855 |
| Doubtful | — | — | — | — | — | — | — | — |
| Loss | — | — | — | — | — | — | — | — |
| Total Commercial owner occupied | $ 4,294 | $ 3,581 | $ 4,032 | $ 19,446 | $ 10,179 | $ 36,247 | $ — | $ 77,779 |
| Current Period Gross Write-off | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Commercial investor | | | | | | | | |
| Pass | $ 5,795 | $ 33,422 | $ 47,826 | $ 57,693 | $ 74,237 | $ 91,712 | $ — | $ 310,685 |
| Special Mention | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | — | 372 | — | 372 |
| Doubtful | — | — | — | — | — | — | — | — |
| Loss | — | — | — | — | — | — | — | — |
| Total Commercial investor | $ 5,795 | $ 33,422 | $ 47,826 | $ 57,693 | $ 74,237 | $ 92,084 | $ — | $ 311,057 |
| Current Period Gross Write-off | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Construction and land | | | | | | | | |
| Pass | $ 1,240 | $ 7,276 | $ 13,990 | $ 265 | $ 419 | $ 654 | $ — | $ 23,844 |
| Special Mention | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | — | — | — | — |
| Doubtful | — | — | — | — | — | — | — | — |
| Loss | — | — | — | — | — | — | — | — |
| Total Construction and land | $ 1,240 | $ 7,276 | $ 13,990 | $ 265 | $ 419 | $ 654 | $ — | $ 23,844 |
| Current Period Gross Write-off | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Farm loans | | | | | | | | |
| Pass | $ 1,301 | $ — | $ 1,804 | $ — | $ 294 | $ 4,678 | $ — | $ 8,077 |
| Special Mention | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | — | — | — | — |
| Doubtful | — | — | — | — | — | — | — | — |
| Loss | — | — | — | — | — | — | — | — |
| Total Farm loans | $ 1,301 | $ — | $ 1,804 | $ — | $ 294 | $ 4,678 | $ — | $ 8,077 |
| Current Period Gross Write-off | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Marine and other consumer loans | | | | | | | | |
| Pass | $ 26 | $ 731 | $ 1,209 | $ 2,320 | $ 1,484 | $ 7,078 | $ — | $ 12,848 |
| Special Mention | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | — | 362 | — | 362 |
| Doubtful | — | — | — | — | — | — | — | — |
| Loss | — | — | — | — | — | — | — | — |
| Total Marine and other consumer loans | $ 26 | $ 731 | $ 1,209 | $ 2,320 | $ 1,484 | $ 7,440 | $ — | $ 13,210 |
| Current Period Gross Write-off | $ — | $ — | $ — | $ — | $ — | $ 6 | $ — | $ 6 |
| Guaranteed by U.S. Government | | | | | | | | |
| Pass | $ — | $ — | $ — | $ — | $ — | $ 2,062 | $ — | $ 2,062 |
| Special Mention | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | — | — | — | — |
| Doubtful | — | — | — | — | — | — | — | — |
| Loss | — | — | — | — | — | — | — | — |
| Total Guaranteed by U.S. Government | $ — | $ — | $ — | $ — | $ — | $ 2,062 | $ — | $ 2,062 |
| Current Period Gross Write-off | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Commercial | | | | | | | | |
| Pass | $ 569 | $ 12,137 | $ 6,201 | $ 186 | $ 1,217 | $ 3,194 | $ — | $ 23,504 |
| Special Mention | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | 380 | — | — | 380 |
| Doubtful | — | — | — | — | — | — | — | — |
| Loss | — | — | — | — | — | — | — | — |
| Total Commercial | $ 569 | $ 12,137 | $ 6,201 | $ 186 | $ 1,597 | $ 3,194 | $ — | $ 23,884 |
| Current Period Gross Write-off | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |

| (dollars in thousands) | Term Loans Amortized Cost Basis by Origination Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Balance at June 30, 2026** | 2026 | 2025 | 2024 | 2023 | 2022 | Prior | Revolving | Total |
| Total Loans | | | | | | | | |
| Pass | $ 31,322 | $ 99,254 | $ 96,746 | $ 97,404 | $ 120,021 | $ 251,052 | $ 10,519 | $ 706,318 |
| Special Mention | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | 380 | 3,927 | — | 4,307 |
| Doubtful | — | — | — | — | — | — | — | — |
| Loss | — | — | — | — | — | — | — | — |
| Total loans | $ 31,322 | $ 99,254 | $ 96,746 | $ 97,404 | $ 120,401 | $ 254,979 | $ 10,519 | $ 710,625 |

## Term Loans by Origination Year

| (dollars in thousands) | Term Loans Amortized Cost Basis by Origination Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Balance at December 31, 2025** | **2025** | **2024** | **2023** | **2022** | **2021** | **Prior** | **Revolving** | **Total** |
| One to four family - owner occupied | | | | | | | | |
| Pass | $ 34,231 | $ 23,919 | $ 5,315 | $ 7,503 | $ 12,345 | $ 68,285 | $ 11,790 | $ 163,388 |
| Special Mention | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | 329 | 247 | — | 576 |
| Doubtful | — | — | — | — | — | — | — | — |
| Loss | — | — | — | — | — | — | — | — |
| Total One to four family - owner occupied | $ 34,231 | $ 23,919 | $ 5,315 | $ 7,503 | $ 12,674 | $ 68,532 | $ 11,790 | $ 163,964 |
| Current Period Gross Write-off | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| One to four family - non owner occupied | | | | | | | | |
| Pass | $ 8,148 | $ 4,737 | $ 12,480 | $ 26,808 | $ 14,860 | $ 27,113 | $ — | $ 94,146 |
| Special Mention | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | — | 365 | — | 365 |
| Doubtful | — | — | — | — | — | — | — | — |
| Loss | — | — | — | — | — | — | — | — |
| Total One to four family - non owner occupied | $ 8,148 | $ 4,737 | $ 12,480 | $ 26,808 | $ 14,860 | $ 27,478 | $ — | $ 94,511 |
| Current Period Gross Write-off | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Commercial owner occupied | | | | | | | | |
| Pass | $ 3,905 | $ 4,100 | $ 19,694 | $ 10,299 | $ 5,646 | $ 34,164 | $ — | $ 77,808 |
| Special Mention | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | 294 | 1,628 | — | 1,922 |
| Doubtful | — | — | — | — | — | — | — | — |
| Loss | — | — | — | — | — | — | — | — |
| Total Commercial owner occupied | $ 3,905 | $ 4,100 | $ 19,694 | $ 10,299 | $ 5,940 | $ 35,792 | $ — | $ 79,730 |
| Current Period Gross Write-off | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Commercial investor | | | | | | | | |
| Pass | $ 34,551 | $ 34,460 | $ 61,241 | $ 80,765 | $ 66,609 | $ 44,049 | $ — | $ 321,675 |
| Special Mention | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | — | — | — | — |
| Doubtful | — | — | — | — | — | — | — | — |
| Loss | — | — | — | — | — | — | — | — |
| Total Commercial investor | $ 34,551 | $ 34,460 | $ 61,241 | $ 80,765 | $ 66,609 | $ 44,049 | $ — | $ 321,675 |
| Current Period Gross Write-off | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Construction and land | | | | | | | | |
| Pass | $ 7,957 | $ 26,805 | $ 271 | $ 348 | $ 448 | $ 586 | $ — | $ 36,415 |
| Special Mention | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | — | 26 | — | 26 |
| Doubtful | — | — | — | — | — | — | — | — |
| Loss | — | — | — | — | — | — | — | — |
| Total Construction and land | $ 7,957 | $ 26,805 | $ 271 | $ 348 | $ 448 | $ 612 | $ — | $ 36,441 |
| Current Period Gross Write-off | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Farm loans | | | | | | | | |
| Pass | $ — | $ 311 | $ — | $ 300 | $ 1,744 | $ 4,876 | $ — | $ 7,231 |
| Special Mention | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | — | — | — | — |
| Doubtful | — | — | — | — | — | — | — | — |
| Loss | — | — | — | — | — | — | — | — |
| Total Farm loans | $ — | $ 311 | $ — | $ 300 | $ 1,744 | $ 4,876 | $ — | $ 7,231 |
| Current Period Gross Write-off | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Marine and other consumer loans | | | | | | | | |
| Pass | $ 883 | $ 2,042 | $ 2,408 | $ 1,587 | $ 4,698 | $ 3,296 | $ — | $ 14,914 |
| Special Mention | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | — | — | — | — |
| Doubtful | — | — | — | — | — | — | — | — |
| Loss | — | — | — | — | — | — | — | — |
| Total Marine and other consumer loans | $ 883 | $ 2,042 | $ 2,408 | $ 1,587 | $ 4,698 | $ 3,296 | $ — | $ 14,914 |
| Current Period Gross Write-off | $ — | $ — | $ — | $ — | $ — | $ 14 | $ — | $ 14 |
| Guaranteed by U.S. Government | | | | | | | | |
| Pass | $ — | $ — | $ — | $ — | $ — | $ 2,175 | $ — | $ 2,175 |
| Special Mention | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | — | — | — | — |
| Doubtful | — | — | — | — | — | — | — | — |
| Loss | — | — | — | — | — | — | — | — |
| Total Guaranteed by U.S. Government | $ — | $ — | $ — | $ — | $ — | $ 2,175 | $ — | $ 2,175 |
| Current Period Gross Write-off | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Commercial | | | | | | | | |
| Pass | $ 12,267 | $ 6,851 | $ 138 | $ 1,339 | $ 4,726 | $ 8,579 | $ — | $ 33,900 |
| Special Mention | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | 380 | — | — | — | 380 |
| Doubtful | — | — | — | — | — | — | — | — |
| Loss | — | — | — | — | — | — | — | — |
| Total Commercial | $ 12,267 | $ 6,851 | $ 138 | $ 1,719 | $ 4,726 | $ 8,579 | $ — | $ 34,280 |
| Current Period Gross Write-off | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |

| (dollars in thousands) | Term Loans Amortized Cost Basis by Origination Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Balance at December 31, 2025** | 2025 | 2024 | 2023 | 2022 | 2021 | Prior | Revolving | Total |
| Total Loans | | | | | | | | |
| Pass | $ 101,942 | $ 103,225 | $ 101,547 | $ 128,949 | $ 111,076 | $ 193,123 | $ 11,790 | $ 751,652 |
| Special Mention | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | 380 | 623 | 2,266 | — | 3,269 |
| Doubtful | — | — | — | — | — | — | — | — |
| Loss | — | — | — | — | — | — | — | — |
| Total loans | $ 101,942 | $ 103,225 | $ 101,547 | $ 129,329 | $ 111,699 | $ 195,389 | $ 11,790 | $ 754,921 |

***Classified Assets.*** Federal regulations provide for the classification of loans and other assets, such as debt and equity securities considered to be of lesser quality, as "substandard," "doubtful" or "loss." An asset is considered "substandard" if it is inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. "Substandard" assets include those characterized by the "distinct possibility" that the insured institution will sustain "some loss" if the deficiencies are not corrected. Assets classified as "doubtful" have all of the weaknesses inherent in those classified "substandard," with the added characteristic that the weaknesses present make "collection or liquidation in full," on the basis of currently existing facts, conditions, and values, "highly questionable and improbable." Assets classified as "loss" are those considered "uncollectible" and of such little value that their continuance as assets without the establishment of a specific loss allowance is not warranted. Assets which do not currently expose the insured institution to sufficient risk to warrant classification in one of the aforementioned categories but possess weaknesses are designated as "special mention" by our management.

When an insured institution classifies problem assets as either substandard or doubtful, it may establish general allowances in an amount deemed prudent by management to cover expected credit losses. General allowances represent loss allowances which have been established to cover expected credit losses associated with lending activities, but which, unlike specific allowances, have not been allocated to particular problem assets. When an insured institution classifies problem assets as "loss," it is required either to establish a specific allowance for losses equal to 100% of that portion of the asset so classified or to charge-off such amount. An institution's determination as to the classification of its assets and the amount of its valuation allowances is subject to review by the regulatory authorities, such that additional general or specific loss allowances may be required.

In connection with the filing of our periodic reports with the FDIC and in accordance with our classification of assets policy, we regularly review the problem loans in our portfolio to determine whether any loans require classification in accordance with applicable regulations.

Through our loan evaluation process, we have identified certain loans for which the primary source of loan repayment may no longer be a viable option. The Company is dependent on the liquidation of the collateral to provide funds for repayment of the loan. The following table shows the loans determined by management to be collateral dependent at June 30, 2026.

| (dollars in thousands) | Loan Balance Real Estate | Estimated Collateral Values Real Estate | Loan Balance Business\Other Assets | Estimated Collateral Values Business\Other Assets |
|---|---|---|---|---|
| One to four family - owner occupied | $ 1,229 | $ 6,849 | $ — | $ — |
| One to four family - non-owner occupied | 257 | 655 | — | — |
| Commercial owner occupied real estate | 804 | 2,125 | — | — |
| Commercial investor real estate | 372 | 2,485 | — | — |
| Commercial | 380 | 786 | — | 122 |
| Marine and other consumer | 371 | — | — | 576 |
| Total | $ 3,413 | $ 12,900 | $ — | $ 698 |

The following table shows the loans determined by management to be collateral dependent at December 31, 2025.

| (dollars in thousands) | Real Estate | Estimated Collateral Values Real Estate | Loan Balance Business/Other Business\Other Assets | Estimated Collateral Values Business\Other Assets |
|---|---|---|---|---|
| One to four family - owner occupied | $ 811 | $ 4,535 | $ — | $ — |
| One to four family - non-owner occupied | 174 | 495 | — | — |
| Commercial owner occupied real estate | 860 | 2,250 | — | — |
| Construction and land | 26 | 625 | — | — |
| Commercial | 380 | 664 | — | 122 |
| Marine and other consumer | 10 | — | — | 50 |
| Total | $ 2,261 | $ 8,569 | $ — | $ 172 |

Borrowers experiencing financial difficulty ("BEFD") modifications included in the collateral dependent schedule above, as of June 30, 2026 were as follows:

| (dollars in thousands) | Number of Loans | Amortized Cost |
|---|---|---|
| One to four family - owner occupied | 9 | $ 1,126 |
| One to four family - non owner occupied | 1 | 123 |
| Commercial owner occupied | 1 | 513 |
| Commercial | — | — |
| Total BEFD modification loans | 11 | $ 1,762 |
| | | |
| Modifications on non-accrual | 1 | $ 513 |

There were no BEFD modifications past due as of June 30, 2026 or December 31, 2025.

The following tables details the amortized cost basis for loans modified to borrowers experiencing financial difficulty during the three and six months ended June 30, 2026.

| | Three months ended June 30, 2026 | | | |
|---|---|---|---|---|
| (dollars in thousands) | Term Extensions | Payment Deferral and Term Extensions | Total | Percentage of Total Loans |
| Commercial owner occupied real estate | $ 513 | — | 513 | 0.07% |
| Total | $ 513 | $ — | $ 513 | 0.07% |

| | Six months ended June 30, 2026 | | | |
|---|---|---|---|---|
| (dollars in thousands) | Term Extensions | Payment Deferral and Term Extensions | Total | Percentage of Total Loans |
| One to four family - owner occupied | $ 82 | $ — | $ 82 | 0.01% |
| Commercial owner occupied real estate | 513 | — | 513 | 0.07% |
| Total | $ 595 | $ — | $ 595 | 0.08% |

The following tables details the amortized cost basis for loans modified to borrowers experiencing financial difficulty during the three and six months ended June 30, 2025.

| | Three months ended June 30, 2025 | | | |
|---|---|---|---|---|
| (dollars in thousands) | Term Extensions | Payment Deferral and Term Extensions | Total | Percentage of Total Loans |
| One to four family - owner occupied | $ 101 | $ — | $ 101 | 0.01% |
| Total | $ 101 | $ — | $ 101 | 0.01% |

| | Six months ended June 30, 2025 | | | |
|---|---|---|---|---|
| (dollars in thousands) | Term Extensions | Payment Deferral and Term Extensions | Total | Percentage of Total Loans |
| One to four family - owner occupied | $ 101 | $ — | $ 101 | 0.01% |
| Commercial | 650 | — | 650 | 0.09% |
| Total | $ 751 | $ — | $ 751 | 0.10% |

## NOTE 4 - GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and other intangible assets are presented in the tables below.

| (dollars in thousands) | As of June 30, 2026 | As of December 31, 2025 |
|---|---|---|
| Goodwill | $ 14,420 | $ 14,420 |

| | June 30, 2026 | | | December 31, 2025 | | |
|---|---|---|---|---|---|---|
| (dollars in thousands) | Carrying Amount | Accumulated Amortization | Net | Carrying Amount | Accumulated Amortization | Net |
| Core deposit intangible | $ 1,868 | $ 1,307 | $ 561 | $ 1,868 | $ 1,217 | $ 651 |

As of June 30, 2026 future estimated annual amortization expense is as follows:

| Year ending | (dollars in thousands) |
|---|---|
| 2026 | $ 91 |
| 2027 | 180 |
| 2028 | 180 |
| 2029 | 71 |
| 2030 | 30 |
| Thereafter | 9 |
| Total Estimated Amortization Expense | $ 561 |

Management performed its annual analysis of goodwill and core deposit intangibles during the third quarter of 2025 and concluded that there was no impairment at September 30, 2025. At June 30, 2026, management's analysis concluded that there were no changes in the Company's financial statements or operations subsequent to the annual analysis that would indicate that it was more likely than not that goodwill or core deposit intangible was impaired.

## NOTE 5 – FORECLOSED REAL ESTATE

Foreclosed real estate assets are presented net of the valuation allowance. The Company considers foreclosed real estate as classified assets for regulatory and financial reporting. Foreclosed real estate carrying amounts reflect management’s estimate of the realizable value of these properties incorporating current appraised values, local real estate market conditions and related selling costs. The Company did not have any foreclosed real estate at June 30, 2026 and December 31, 2025.

The Company did not incur any foreclosed real estate expenses during the three months ended June 30, 2026 or June 30, 2025.

The Company had $46,000 and $294,000 in loans secured by residential real estate for which formal foreclosure proceedings were in process as of June 30, 2026 and December 31, 2025, respectively.

The table below shows the foreclosed real estate roll forward balance as of June 30, 2026.

| (dollars in thousands) | June 30, 2026 | December 31, 2025 |
|---|---|---|
| Beginning of period balance | $ — | $ 159 |
| Principal payments | — | (185) |
| Gain on sale | — | 26 |
| End of period balance | $ — | $ — |

## NOTE 6 - DEPOSITS

Deposits consisted of the following:

| (dollars in thousands) | June 30, 2026 Balance | June 30, 2026 Percentage | December 31, 2025 Balance | December 31, 2025 Percentage |
|---|---|---|---|---|
| Noninterest-bearing checking accounts | $ 138,384 | 20.47% | $ 138,360 | 20.46% |
| Interest-bearing checking accounts | 69,324 | 10.26% | 80,882 | 11.96% |
| Money market accounts | 131,081 | 19.39% | 123,264 | 18.23% |
| Savings accounts | 127,754 | 18.90% | 129,436 | 19.14% |
| Certificates of deposit | 209,347 | 30.98% | 204,152 | 30.21% |
| Total deposits | $ 675,890 | 100.00% | $ 676,094 | 100.00% |

At June 30, 2026, and December 31, 2025, the Bank had an account relationship with a local government entity that comprised 2.4% and 2.8% of total deposits, respectively. The Company had $50.1 million and $50.3 million of brokered certificates of deposit at June 30, 2026 and December 31, 2025, respectively.

At June 30, 2026 and December 31, 2025, the Bank had $38.4 million and $35.7 million in certificates of deposits of $250,000 or more, respectively. Deposits in excess of $250,000 may not be insured by the FDIC.
At June 30, 2026 scheduled maturities of certificates of deposit are as follows:

| (dollars in thousands) | June 30, 2026 |
|---|---|
| Within one year | $ 72,111 |
| Year 2 | 14,717 |
| Year 3 | 59,321 |
| Year 4 | 27,454 |
| Year 5 | 35,744 |
| Thereafter | — |
| Total certificates of deposit | $ 209,347 |

## NOTE 7 - BORROWINGS

A summary of the Company's borrowings at June 30, 2026 and December 31, 2025 are indicated as follows:

| (dollars in thousands) | Maturity | June 30, 2026 Balance | June 30, 2026 Rate | December 31, 2025 Balance | December 31, 2025 Rate |
|---|---|---|---|---|---|
| Federal Home Loan Bank Advance | 2026 | $ — | — | $ 10,000 | 3.88% |
| Federal Home Loan Bank Advance | 2027 | — | — | 10,000 | 3.53% |
| Federal Home Loan Bank Advance | 2028 | — | — | 15,000 | 3.55% |
| Total Borrowings | | — | | 35,000 | |

## NOTE 8 – LEASE COMMITMENTS

### Operating Leases

The Company determines if an arrangement is a lease at inception. All of the Company's leases are currently classified as operating leases and are included in other assets and other liabilities on the Company's Consolidated Balance Sheets. Periodic operating lease costs are recorded in occupancy expenses of premises on the Company's Consolidated Statements of Income.

Right-of-use ("ROU") assets represent the Company's right to use an underlying asset for the lease term, and lease liabilities represent the Company's obligation to make lease payments arising from the lease arrangements. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of the expected future lease payments over the remaining lease term. In determining the present value of future lease payments, the Company uses its incremental borrowing rate based on the information available at the lease commencement date. The operating ROU assets are adjusted for any lease payments made at or before the lease commencement date, initial direct costs, any lease incentives received and, for acquired leases, any favorable or unfavorable fair value adjustments. The present value of the lease liability

may include the impact of options to extend or terminate the lease when it is reasonably certain that the Company will exercise such options provided in the lease terms. Lease expense is recognized on a straight-line basis over the expected lease term. Lease agreements that include lease and non-lease components, such as common area maintenance charges, are accounted for separately.

The table below details the right of use asset (net of accumulated amortization), lease liability and other information related to the Company's operating leases:

| (dollars in thousands) | Consolidated Balance Sheet Classification | June 30, 2026 | December 31, 2025 |
|---|---|---|---|
| Operating lease right of use asset | Other assets | $ 594 | $ 709 |
| Operating lease liabilities | Other liabilities | $ 633 | $ 751 |
| Other information related to leases: | | | |
| Weighted average remaining lease term of operating leases | | 3.5 years | 4.0 years |
| Weighted average discount rate of operating leases | | 4.75% | 4.47% |

The table below details the Company's lease cost, which is included in occupancy expense in the Consolidated Statements of Income.

| (dollars in thousands) | Three months ended June 30, 2026 | Three months ended June 30, 2025 | Six months ended June 30, 2026 | Six months ended June 30, 2025 |
|---|---|---|---|---|
| Operating lease cost | $ 77 | $ 74 | $ 157 | $ 145 |
| Cash paid for lease liability | $ 61 | $ 59 | $ 121 | $ 118 |

A maturity analysis of operating lease liabilities and reconciliation of the undiscounted cash flows to the total operating lease liability is as follows:

| (dollars in thousands) | As of June 30, 2026 |
|---|---|
| Lease payments due: | |
| Within one year | $ 187 |
| After one but within two years | 90 |
| After two but within three years | 75 |
| After three but within four years | 75 |
| After four but within five years | 75 |
| After five years | 154 |
| Total undiscounted lease payments | 656 |
| Less: imputed interest | 23 |
| Present value of operating lease liabilities | $ 633 |

## NOTE 9 – CONTINGENCIES

Various legal claims arise from time to time in the normal course of business, which, in the opinion of management, after consultation with legal counsel, will have no material effect on the Company's consolidated financial position or results of operations.

## NOTE 10 – REGULATORY MATTERS

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 possible additional discretionary actions by the regulators that, if undertaken, could have a direct material effect on the Company's 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 classifications are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

The Basel III Capital Rules became effective for the Bank on January 1, 2015 (subject to a phase-in period for certain provisions). Quantitative measures established by the Basel III Capital Rules to ensure capital adequacy require the maintenance of minimum amounts and ratios (set forth in the table below) of Common Equity Tier 1 capital, Tier 1 capital, and Total capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier 1 capital to adjusted quarterly average assets (as defined).

In connection with the adoption of the Basel III Capital Rules, the Bank elected to opt-out of the requirement to include accumulated other comprehensive income in Common Equity Tier 1 capital. Common Equity Tier 1 capital for the Bank is reduced by goodwill and other intangible assets, net of associated deferred tax liabilities and subject to transition provisions.

Insured depository institutions are required to meet the following in order to qualify as "well capitalized:" (1) a common equity Tier 1 risk-based capital ratio of 6.5%; (2) a Tier 1 risk-based capital ratio of 8%; (3) a total risk-based capital ratio of 10%; and (4) a Tier 1 leverage ratio of 5%.

The maintenance of a capital conservation buffer of 2.5% is also required. The Basel III Capital Rules also provide for a "countercyclical capital buffer" that is applicable to only certain covered institutions and does not have any current applicability to the Bank. The aforementioned capital conservation buffer is designed to absorb losses during periods of economic stress. Banking institutions with a ratio of Common Equity Tier 1 capital to risk-weighted assets above the minimum but below the conservation buffer (or below the combined capital conservation buffer and countercyclical capital buffer, when the latter is applied) will face constraints on dividends, equity repurchases, and compensation based on the amount of the shortfall.

| | | | | | | |
|---|---|---|---|---|---|---|
| | Actual | | For capital adequacy purposes | | To be well capitalized under prompt corrective action provisions | |
| **As of June 30, 2026** | **Amount** | **Ratio** | **Amount** | **Ratio** | **Amount** | **Ratio** |
| | (dollars in thousands) | | | | | |
| Tier 1 Leverage ratio | $ 150,618 | 17.13% | $ 35,168 | 4.00% | $ 43,960 | 5.00% |
| Tier 1 capital (to risk-weighted assets) | $ 150,618 | 22.40% | $ 40,351 | 6.00% | $ 53,802 | 8.00% |
| Common Equity Tier 1 Capital Ratio (to risk-weighted assets) | $ 150,618 | 22.40% | $ 30,263 | 4.50% | $ 43,714 | 6.50% |
| Total Capital ratio (to risk-weighted assets) | $ 156,959 | 23.34% | $ 53,802 | 8.00% | $ 67,252 | 10.00% |

| | | | | | | |
|---|---|---|---|---|---|---|
| | Actual | | For capital adequacy purposes | | To be well capitalized under prompt corrective action provisions | |
| **As of December 31, 2025** | **Amount** | **Ratio** | **Amount** | **Ratio** | **Amount** | **Ratio** |
| | (dollars in thousands) | | | | | |
| Tier 1 Leverage ratio | $ 147,851 | 16.44% | $ 35,976 | 4.00% | $ 44,970 | 5.00% |
| Tier 1 capital (to risk-weighted assets) | $ 147,851 | 21.13% | $ 41,989 | 6.00% | $ 55,986 | 8.00% |
| Common Equity Tier 1 Capital Ratio (to risk-weighted assets) | $ 147,851 | 21.13% | $ 31,492 | 4.50% | $ 45,488 | 6.50% |
| Total Capital ratio (to risk-weighted assets) | $ 154,386 | 22.06% | $ 55,986 | 8.00% | $ 69,982 | 10.00% |

## NOTE 11 – FAIR VALUE MEASUREMENTS

The Company adopted Accounting Standards Codification ("ASC") Topic 820, *"Fair Value Measurements"* and ASC Topic 825, *"The Fair Value Option for Financial Assets and Financial Liabilities,"* which provides a framework for measuring and disclosing fair value under U.S. GAAP. ASC Topic 820 requires disclosures about the fair value of assets and liabilities recognized in the consolidated balance sheet in periods subsequent to initial recognition, whether the measurements are made on a recurring basis (for example, AFS investment securities) or on a nonrecurring basis (for example, individually evaluated loans).

ASC Topic 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market

participants on the measurement date. ASC Topic 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The Company utilizes fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. AFS securities are recorded at fair value on a recurring basis. Additionally, from time to time, the Company may be required to record at fair value other assets on a nonrecurring basis such as loans held for investment and certain other assets. These nonrecurring fair value adjustments typically involve application of lower of cost or market accounting or write-downs of individual assets.

The Company groups assets and liabilities at fair value in three levels, based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine the fair value. These hierarchy levels are:

Level 1 inputs - Unadjusted quoted prices in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.

Level 2 inputs - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs - Unobservable inputs for determining the fair values of assets or liabilities that reflect an entity's own assumptions about the assumptions that market participants would use in pricing the assets or liabilities.

Transfers between levels of the fair value hierarchy are recognized on the actual date of the event or circumstances that caused the transfer, which generally coincides with the Company's quarterly valuation process. Intra-quarter transfers in and out of level 3 assets and liabilities recorded at fair value on a recurring basis are disclosed. There were no such transfers during the three and six months ended June 30, 2026 and 2025.

Following is a description of valuation methodologies used for assets and liabilities recorded at fair value:

***Securities Available for Sale***

AFS investment securities are recorded at fair value on a recurring basis. Standard inputs include quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions and other factors such as credit loss assumptions. Level 1 securities include those traded on an active exchange, such as the New York Stock Exchange, and money market funds. Level 2 securities include Treasury securities that are traded by dealers or brokers in active over-the-counter markets, agency and mortgage-backed securities issued by government sponsored entities ("GSEs"), municipal bonds and corporate debt securities. Securities classified as Level 3 include asset-backed securities in less liquid markets.

***Equity Securities Carried at Fair Value Through Income***

Equity securities carried at fair value through income are recorded at fair value on a recurring basis. Standard inputs include quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions and other factors such as credit loss assumptions. Level 1 equity securities include those traded on an active exchange, such as the New York Stock Exchange. Level 2 equity securities include mutual funds with asset-backed securities issued by GSEs as the underlying investment supporting the fund. Equity securities classified as Level 3 include mutual funds with asset-backed securities in less liquid markets.

### *Loans Receivable*

The Company does not record loans at fair value on a recurring basis; however, from time to time, a loan is individually evaluated and an ACL is established. Loans for which it is probable that payment of interest and principal will not be made in accordance with the contractual terms of the loan are segregated individually. Management estimates the fair value of individually evaluated loans using one of several methods, including the collateral value, market value of similar debt, or discounted cash flows. Individually evaluated loans not requiring an allowance are those for which the fair value of expected repayments or collateral exceed the recorded investment in such loans.

In accordance with FASB ASC 820, loans where an allowance is established based on the fair value of collateral (loans with impairment) require classification in the fair value hierarchy. When the fair value of the collateral is based on an observable market price (e.g., contracted sales price), the Company records the loan as nonrecurring Level 2. When the fair value of the collateral dependent loan is derived from an appraisal, the Company records the loan as nonrecurring Level 3. Fair value is reassessed at least quarterly or more frequently when circumstances occur that indicate a change in the fair value. The fair values of collateral dependent loans that are not measured based on collateral values are measured using discounted cash flows and considered to be Level 3 inputs.

### *Foreclosed Real Estate*

Foreclosed real estate is adjusted for fair value upon transfer of the loans to foreclosed assets. Subsequently, foreclosed real estate is reported at the lower of carrying value or fair value. Fair value is based on independent market prices, appraised value of the collateral or management's estimation of the value of the collateral. When the fair value of the collateral is based on an observable market price (e.g., contracted sales price), the Company records the foreclosed asset as nonrecurring Level 2 when the fair value is derived from an appraisal, the Company records the foreclosed asset at nonrecurring Level 3.

### *Assets and Liabilities Recorded at Fair Value on a Recurring Basis*

The tables below present the recorded amount of assets as of June 30, 2026 and December 31, 2025 measured at fair value on a recurring basis.

| As of June 30, 2026 | Total | Level 1 Quoted prices in active markets for identical assets | Level 2 Significant other observable inputs | Level 3 Significant other unobservable inputs |
|---|---|---|---|---|
| | | (dollars in thousands) | | |
| Securities available for sale | | | | |
| Agencies | $ 275 | $ — | $ 275 | $ — |
| Corporate securities | 2,120 | — | 2,120 | — |
| Mortgage-backed securities | 22,955 | — | 22,955 | — |
| Treasuries | 6,868 | — | 6,868 | — |
| | $ 32,218 | $ — | $ 32,218 | $ — |

| As of December 31, 2025 | Total | Level 1 Quoted prices in active markets for identical assets | Level 2 Significant other observable inputs | Level 3 Significant other unobservable inputs |
|---|---|---|---|---|
| | | (dollars in thousands) | | |
| Securities available for sale | | | | |
| Agencies | $ 404 | $ — | $ 404 | $ — |
| Corporate securities | 1,361 | — | 1,361 | — |
| Mortgage-backed securities | 19,116 | — | 19,116 | — |
| Treasuries | 12,345 | — | 12,345 | — |
| | $ 33,226 | $ — | $ 33,226 | $ — |

The Company may be required to measure certain assets at fair value on a nonrecurring basis in accordance with U.S. GAAP. These include assets that are measured at the lower of cost or market that were recognized at fair value below cost at the end of the period. Assets measured at fair value on a non-recurring basis as of June 30, 2026 and December 31, 2025 were included in the tables below.

| As of June 30, 2026 | Total | Level 1 Quoted prices in active markets for identical assets | Level 2 Significant other observable inputs | Level 3 Significant other unobservable inputs |
|---|---|---|---|---|
| (dollars in thousands) | | | | |
| Individually evaluated loans | $ 3,413 | $ — | $ — | $ 3,413 |
| Foreclosed real estate and repossessed assets | — | — | — | — |
| | $ 3,413 | $ — | $ — | $ 3,413 |

| As of December 31, 2025 | Total | Level 1 Quoted prices in active markets for identical assets | Level 2 Significant other observable inputs | Level 3 Significant other unobservable inputs |
|---|---|---|---|---|
| (dollars in thousands) | | | | |
| Individually evaluated loans | $ 2,261 | $ — | $ — | $ 2,261 |
| Foreclosed real estate and repossessed assets | — | — | — | — |
| | $ 2,261 | $ — | $ — | $ 2,261 |

## NOTE 12 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments require disclosure of fair value information, whether or not recognized in the consolidated balance sheets, when it is practical to estimate the fair value. A financial instrument is defined as cash, evidence of an ownership interest in an entity or a contractual obligation which requires the exchange of cash. Certain items are specifically excluded from the financial instrument fair value disclosure requirements, including the Company's common stock, foreclosed real estate, premises and equipment and other assets and liabilities.

The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies. However, considerable judgment is required to interpret market data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts. Therefore, any aggregate unrealized gains or losses should not be interpreted as a forecast of future earnings or cash flows. Furthermore, the fair values disclosed should not be interpreted as the aggregate current value of the Company.

The Company's estimated fair values of financial instruments are presented in the following table.

| (dollars in thousands) | Fair value hierarchy | June 30, 2026 Carrying amount | June 30, 2026 Fair value | December 31, 2025 Carrying amount | December 31, 2025 Fair value |
|---|---|---|---|---|---|
| Financial assets | | | | | |
| Cash and cash equivalents | Level 1 | $ 68,902 | $ 68,902 | $ 55,705 | $ 55,705 |
| Equity investment | Level 1 | 405 | 405 | 404 | 404 |
| Securities held to maturity | Level 2 | 5,647 | 5,083 | 5,736 | 5,102 |
| Securities available for sale | Level 2 | 32,218 | 32,218 | 33,226 | 33,226 |
| Federal Home Loan Bank of Atlanta stock | Level 2 | 661 | 661 | 2,324 | 2,324 |
| Loans receivable | Level 3 | 704,411 | 699,143 | 748,484 | 747,337 |
| Accrued interest receivable | Level 2 | 3,020 | 3,020 | 3,149 | 3,149 |
| Financial liabilities | | | | | |
| Deposits with maturities | Level 3 | $ 209,347 | $ 208,159 | $ 204,152 | $ 204,873 |
| FHLB Borrowings | Level 2 | — | — | 35,000 | 35,000 |
| Accrued interest payable | Level 2 | 641 | 641 | 432 | 432 |

## NOTE 13 – EARNINGS PER SHARE

Basic earnings per common share represent income available to common shareholders, divided by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflect additional common shares that would have been outstanding if dilutive potential common shares had been issued. Potential common shares that may have been issued by the Company related to stock options were determined using the treasury stock method and included in the calculation of dilutive common stock equivalents.

For the three and six months ended June 30, 2026, and 2025, there were no stock options which were excluded from the calculation as their effect would be anti-dilutive. Options with an exercise price greater than the average market price of the common shares are excluded from the calculation as their effect would be anti-dilutive. Basic and diluted earnings per share have been computed based on weighted-average common and common equivalent shares outstanding as follows:

| (Amounts in thousands, except per share data) | Three Months Ended June 30, 2026 Basic | Three Months Ended June 30, 2026 Diluted | Three Months Ended June 30, 2025 Basic | Three Months Ended June 30, 2025 Diluted | Six Months Ended June 30, 2026 Basic | Six Months Ended June 30, 2026 Diluted | Six Months Ended June 30, 2025 Basic | Six Months Ended June 30, 2025 Diluted |
|---|---|---|---|---|---|---|---|---|
| Net income | $ 3,462 | $ 3,462 | $ 2,861 | $ 2,861 | $ 4,553 | $ 4,553 | $ 4,960 | $ 4,960 |
| Weighted average common shares outstanding | 8,013 | 8,013 | 9,859 | 9,859 | 8,077 | 8,077 | 9,878 | 9,878 |
| Dilutive securities | | | | | | | | |
| Stock options | — | 240 | — | 55 | — | 223 | — | 75 |
| Adjusted weighted average shares outstanding | 8,013 | 8,253 | 9,859 | 9,914 | 8,077 | 8,300 | 9,878 | 9,953 |
| Earnings per share amount | $ 0.43 | $ 0.42 | $ 0.29 | $ 0.29 | $ 0.56 | $ 0.55 | $ 0.50 | $ 0.50 |

## NOTE 14 – INCOME TAXES

The Company files a consolidated federal income tax return with its subsidiaries. Deferred tax assets and liabilities are determined using the liability (or balance sheet) method which requires that deferred tax assets and liabilities be recognized using enacted tax rates for the effect of temporary differences between the book and tax bases of recorded assets and liabilities. If it is more likely than not that some portion or the entire deferred tax asset will not be realized, deferred tax assets will be reduced by a valuation allowance. It is the Company's policy to recognize accrued interest and penalties related to unrecognized tax benefits as a component of tax expense.

| (dollars in thousands) | Three Months Ended June 30, 2026 | 2025 | Six Months Ended June 30, 2026 | 2025 |
|---|---|---|---|---|
| Current expense | | | | |
| Federal | $ 1,059 | $ 987 | $ 1,657 | $ 1,516 |
| State | 359 | 437 | 550 | 671 |
| Total current expense | 1,418 | 1,424 | 2,207 | 2,187 |
| Deferred expense | (149) | (348) | 23 | (512) |
| Income tax expense | $ 1,269 | $ 1,076 | $ 2,230 | $ 1,675 |

## NOTE 15 – SEGMENT REPORTING

The Company operates a single reportable business segment that is comprised of commercial banking. The Company's CEO is deemed the Chief Operating Decision Maker (the "CODM"). The CODM evaluates the financial performance of the Company by evaluating revenue streams, significant expenses, and budget to actual results in assessing the Company's single reporting segment and in the determination of allocating resources. The CODM uses consolidated net income to benchmark the Company against peers and to evaluate performance and allocate resources. Significant revenue and expense categories evaluated by the CODM are consistent with the presentation of the Consolidated Statement of Income.

## NOTE 16 – SUBSEQUENT EVENTS

None.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### General

Management's discussion and analysis is intended to enhance your understanding of our financial condition and results of operations. The financial information in this section is derived from the accompanying financial statements. You should read the financial information in this section in conjunction with the business and financial information contained in this Quarterly Report on Form 10-Q and in the Company's 2025 Annual Report on Form 10-K as filed with the Securities and Exchange Commission on March 27, 2026.

### Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which can be identified by the use of words such as "estimate," "project," "believe," "intend," "anticipate," "assume," "plan," "seek," "expect," "will," "may," "should," "indicate," "would," "contemplate," "continue," "target" and words of similar meaning. These forward-looking statements include, but are not limited to:

- statements of our goals, financial condition and performance, intentions and expectations;
- statements regarding our business plans, prospects, growth and operating strategies;
- statements regarding the quality of our loan and investment portfolios; and
- estimates of our risks and future costs and benefits.

These forward-looking statements are based on our current beliefs and expectations and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. We are under no duty to and do not undertake any obligation to update any forward-looking statements after the date of this Quarterly Report on Form 10-Q.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements:

- general economic conditions, either nationally or in our market areas, that are worse than expected, including as a result of unemployment levels and labor shortages, and any potential recession or slowed economic growth;
- changes in the level and direction of loan delinquencies and charge-offs and changes in estimates of the adequacy of the ACL;
- changes in the economic assumptions and methodology used to calculate the ACL;
- our ability to access cost-effective funding;
- changes in liquidity, including the size and composition of our deposit portfolio and the percentage of uninsured deposits in the portfolio;
- fluctuations in real estate values and both residential and commercial real estate market conditions;
- our continued ability to originate loans outside of our market area;
- our ability to implement and update our business strategies;
- competition among depository and other financial institutions;
- inflation and changes in the interest rate environment that reduce our margins and yields, the fair value of financial instruments or our level of loan originations or prepayments on loans we have made and make;
- adverse changes in the securities markets;

- changes in laws or government regulations or policies affecting financial institutions, including changes in regulatory fees and capital requirements and insurance premiums;
- the imposition of tariffs or other domestic or international governmental policies, trade restrictions and retaliatory measures impacting our borrowers and the broader economy;
- the impact of a potential government shutdown;
- the current or anticipated impact of military conflict, terrorism or other geopolitical events;
- changes in the quality or composition of our loan or investment portfolios;
- technological changes that may be more difficult or expensive than expected;
- risks associated with cybersecurity threats, data breaches, ransomware attacks, or other failures in our operational or security systems and infrastructure, including the risks arising from our dependence on third-party service providers and vendors;
- the failure to maintain current technologies and/or successfully implement future information technology enhancements and the operational risks associated with the adoption of artificial intelligence and other emerging technologies;
- the inability of third-party providers to perform as expected;
- our ability to manage market risk, credit risk and operational risk in the current economic environment;
- our ability to enter new markets successfully and capitalize on growth opportunities;
- our ability to successfully integrate into our operations any assets, liabilities, customers, systems and management personnel we may acquire, and our ability to realize related revenue synergies and cost savings within expected time frames and any goodwill charges related thereto;
- changes in investor sentiment and consumer spending, borrowing and savings habits;
- changes in accounting policies and practices, as may be adopted by the bank regulatory agencies, the Financial Accounting Standards Board, the Securities and Exchange Commission or the Public Company Accounting Oversight Board;
- our ability to attract and retain key employees;
- our compensation expense associated with equity allocated or awarded to our employees; and
- changes in the financial condition, results of operations or future prospects of issuers of securities that we own.

Because of these and other uncertainties, our actual future results may be materially different from the results indicated by these forward-looking statements. Except as required by law or regulation, we do not undertake, and we specifically disclaim any obligation to release publicly the results of any revisions that may be made to any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

**Critical Accounting Policies and Use of Critical Accounting Estimates**

Our accounting policies are integral to understanding the results reported. We consider accounting policies that require management to exercise significant judgment or discretion or to make significant assumptions that have, or could have, a material impact on the carrying value of certain assets or on income to be critical accounting policies.

***Allowance for Credit Losses***

The ACL is an estimate of the expected credit losses for loans held for investment and for off-balance sheet exposures. ASC 326, "Financial Instruments-Credit Losses," requires an immediate recognition of the credit losses expected to occur over the lifetime of a financial asset whether originated or purchased. Charge-offs are recorded to the ACL when management believes a loan is uncollectible. Subsequent recoveries, if any, are credited to the ACL. Management believes the ACL is maintained in accordance with GAAP and in compliance with appropriate regulatory guidelines. The ACL includes

quantitative estimates of losses for collectively and individually evaluated loans. The quantitative estimate for collectively evaluated loans (other than investor commercial real estate loans) is determined using the average charge-off method that utilizes historical losses for all Maryland banks with assets less than $1 billion beginning in March 2000. The investor commercial real estate portfolio utilizes the national loss history for banks with assets less than $1 billion over the same time period. Investor commercial real estate loans are made nationwide, therefore, management deems it appropriate to utilize national loss rates when evaluating this portfolio. Adjustments are made to the historical loss factors under each scenario for economic conditions, portfolio concentrations, collateral values, the level and trend of delinquent and non-accrual loans and internal changes in staffing, loan policies and monitoring of the portfolio. Loans are selected for individual evaluation primarily based on their payment status and whether the loan has been placed on non-accrual status. Loans on non-accrual status include all loans greater than 90 days delinquent and other loans with weaknesses sufficient for management to place these loans on non-accrual status. The ACL is measured on a collective basis when similar risk factors exist as determined by internal loan coding and assignment to a portfolio segment. The Company utilizes reasonable and supportable forecasts of future economic conditions when estimating the ACL on loans. The model's calculation uses an adjustment for a 12-month forecast period utilizing the most recent 12-month economic forecast from the Federal Reserve Board for national gross domestic product ("GDP") and the national unemployment rate. The model compares the average history of loss rates described above to the forecasted GDP and unemployment to determine the necessity and amount of any forward-looking adjustment. The establishment of the ACL is significantly affected by management's judgment and by economic and other uncertainties, and different amounts may be reported under different conditions or assumptions. The Federal Deposit Insurance Corporation and the Maryland Office of the Commissioner of Financial Regulation, as an integral part of their examination process, periodically review the ACL for reasonableness and, as a result of such reviews, we may be required to increase our ACL or recognize loan charge-offs. The calculation of ACL excludes accrued interest receivable balances because these balances are reversed in a timely manner against previously recognized interest income when a loan is placed on non-accrual.

***Goodwill***

The excess purchase price over the fair value of net assets from acquisitions, or goodwill, is evaluated for impairment at least annually and on an interim basis if an event or circumstance indicates it is likely impairment has occurred. Goodwill impairment is determined by comparing the fair value of a reporting unit to its carrying amount. In any given year, the Company may elect to perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is in excess of its carrying value. If it is not more likely than not that the fair value of the reporting unit is in excess of the carrying value, or if the Company elects to bypass the qualitative assessment, a quantitative impairment test is performed. In performing a quantitative test for impairment, the fair value of net assets is estimated based on analyses of the Company’s market value, discounted cash flows, and peer values. The determination of goodwill impairment is sensitive to market conditions and other key assumptions used in determining or allocating fair value. Variability in the market and changes in assumptions or subjective measurements used to estimate fair value are reasonably possible and may have a material impact on our consolidated financial statements or results of operations. Our annual goodwill impairment test is performed each year as of September 30. The Company performed its 2025 goodwill impairment qualitative assessment and determined its goodwill was not considered impaired.

***Deferred Income Taxes***

At June 30, 2026, we had a net deferred tax asset totaling $7.6 million. In accordance with ASC Topic 740 “Income Taxes,” we use the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. If currently available information raises doubt as to the realization of the deferred tax assets, a valuation allowance is established. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. We exercise significant judgment in evaluating the amount and timing of recognition of the resulting deferred tax assets and liabilities. These judgments require us to make projections of future taxable income. The judgments and estimates we make in determining our deferred tax assets are subjective and are reviewed on a regular basis as regulatory, economic or business factors change. Any reduction in estimated future taxable income may require us to record a valuation allowance against our deferred tax assets. A valuation allowance that results in additional income tax expense in the period in which it is recognized would negatively affect income. Management believes, based upon current

facts, that it is more likely than not that there will be sufficient taxable income in future years to realize its federal and state deferred tax asset.

**Comparison of Financial Condition at June 30, 2026 (unaudited) and December 31, 2025**

***Assets.*** Total assets were $877.9 million at June 30, 2026, a decrease of $34.3 million, or 3.8%, from $912.2 million at December 31, 2025. The decrease was due primarily to the decrease of $44.3 million in loans, partially offset by an increase of $13.2 million in cash and cash equivalents.

***Cash and Cash Equivalents.*** Cash and cash equivalents increased $13.2 million, or 23.8%, to $68.9 million at June 30, 2026 from $55.7 million at December 31, 2025. The increase in cash was primarily a result of the pay-downs in loans.

***Loans.*** Loans receivable decreased $44.3 million, or 5.9%, to $710.6 million at June 30, 2026 from $754.9 million at December 31, 2025. Real estate loans decreased $32.1 million while consumer and commercial loans decreased $12.2 million.

***Allowance for Credit Losses.*** The allowance for credit losses – loans decreased $223,000 to $6.2 million at June 30, 2026 compared to $6.4 million at December 31, 2025. The ratio of our allowance for credit losses to total loans was 0.87% at June 30, 2026 compared to 0.85% at December 31, 2025, while the allowance for credit losses to non-performing loans was 182.1% at June 30, 2026 compared to 284.7% at December 31, 2025.

***Securities.*** Securities available for sale decreased by $1.0 million, or 3.0%, from December 31, 2025 as paydowns and maturities were not fully replaced with new purchases. The held-to-maturity portfolio experienced a slight decrease due to paydowns.

***Liabilities.*** Total liabilities decreased $33.7 million, or 4.6%, to $694.8 million at June 30, 2026 from $728.4 million at December 31, 2025. The decrease was due primarily to the decrease in FHLB borrowings of $35.0 million. The Company had no advances outstanding at June 30, 2026.

***Deposits.*** Total deposits decreased $204,000, or 0.03% to $675.9 million at June 30, 2026 from $676.1 million at December 31, 2025. Interest-bearing deposits decreased $228,000, or 0.04%, to $537.5 million at June 30, 2026 from $537.7 million at December 31, 2025, while noninterest bearing deposits remained unchanged at $138.4 million.

***Stockholders' Equity.*** Stockholders' equity decreased $603,000, or 0.3%, to $183.2 million at June 30, 2026 from $183.8 million at December 31, 2025 primarily due to stock repurchases offset by net income.

## Comparison of Operating Results for the Three Months Ended June 30, 2026 and 2025

***Average Balances and Yields.*** The following table sets forth average balance sheets, average yields and costs, and certain other information for the periods indicated. No tax-equivalent yield adjustments have been made, as the effects would be immaterial. All average balances are daily average balances. Non-accrual loans are included in the computation of average balances only. The yields set forth below include the effect of deferred fees, discounts, and premiums that are amortized or accreted to interest income or interest expense. Average balances exclude loans held for sale, if applicable. Net deferred loan origination fees totaled $2.2 million and $2.3 million at June 30, 2026 and 2025, respectively.

| | For the Three Months Ended June 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2026 | | | 2025 | | |
| (dollars in thousands) | Average Outstanding Balance | Interest | Average Yield/Rate[1] | Average Outstanding Balance | Interest | Average Yield/Rate[1] |
| | (Unaudited) | | | | | |
| **Interest-earning assets:** | | | | | | |
| Loans | $ 721,303 | $ 11,165 | 6.21% | $ 752,181 | $ 11,334 | 6.04% |
| Securities available-for-sale | 32,614 | 282 | 3.47% | 34,770 | 324 | 3.74% |
| Securities held-to-maturity | 7,396 | 45 | 2.44% | 6,624 | 46 | 2.79% |
| Cash, cash equivalents and other interest-earning assets | 73,450 | 713 | 3.92% | 49,450 | 562 | 4.60% |
| **Total interest-earning assets** | 834,763 | 12,205 | 5.86% | 843,025 | 12,266 | 5.84% |
| Noninterest-earning assets | 65,598 | | | 64,324 | | |
| **Total assets** | $ 900,361 | | | $ 907,349 | | |
| **Interest-bearing liabilities:** | | | | | | |
| Interest-bearing demand deposits | $ 70,143 | 153 | 0.87% | $ 76,698 | 159 | 0.83% |
| Savings deposits | 115,314 | 145 | 0.50% | 120,584 | 106 | 0.35% |
| Money market deposits | 130,067 | 744 | 2.29% | 125,686 | 766 | 2.44% |
| Certificates of deposit | 221,400 | 1,729 | 3.13% | 197,488 | 1,591 | 3.23% |
| **Total interest-bearing deposits** | 536,924 | 2,771 | 2.07% | 520,456 | 2,622 | 2.02% |
| Federal Home Loan Bank advances | 22,418 | (104) | (1.86)% | 1,978 | 23 | 4.66% |
| Subordinated debentures | — | — | — | 34,945 | 465 | 5.34% |
| **Total borrowings** | 22,418 | (104) | (1.86)% | 36,923 | 488 | 5.30% |
| **Total interest-bearing liabilities** | 559,342 | 2,667 | 1.91% | 557,379 | 3,110 | 2.24% |
| Noninterest-bearing demand deposits | 139,862 | | | 134,841 | | |
| Other noninterest-bearing liabilities | 18,063 | | | 16,930 | | |
| **Total liabilities** | 717,267 | | | 709,150 | | |
| Equity | 183,094 | | | 198,199 | | |
| **Total liabilities and equity** | $ 900,361 | | | $ 907,349 | | |
| Net interest income | | $ 9,538 | | | $ 9,156 | |
| Net interest rate spread(2) | | | 3.95% | | | 3.60% |
| **Net interest-earning assets**(3) | $ 275,421 | | | $ 285,646 | | |
| Net interest margin(4) | | | 4.58% | | | 4.36% |
| Average interest-earning assets to interest-bearing liabilities | 149.24% | | | 151.25% | | |

(1) Annualized.
(2) Net interest rate spread represents the difference between the weighted average yield on interest-earning assets and the weighted average rate of interest-bearing liabilities.
(3) Net interest-earning assets represent total interest-earning assets less total interest-bearing liabilities.
(4) Net interest margin represents net interest income divided by average total interest-earning assets.

The following table sets forth the effects of changing rates and volumes on our net interest income for the three months ended June 30, 2026 and 2025. The rate column shows the effects attributable to changes in rate (changes in rate multiplied by prior volume). The volume column shows the effects attributable to changes in volume (changes in volume multiplied by current rate). The total column represents the sum of the prior columns. For purposes of this table, changes attributable to both rate and volume which cannot be segregated have been allocated proportionately based on the changes due to rate and volume.

| | For the three months ended June 30, 2026 Interest Income Increase (Decrease) Due to (In thousands) | | |
|---|---|---|---|
| | **Volume** | **Rate** | **Total** |
| Interest income: | | | |
| Loans receivable | $ (478) | $ 309 | $ (169) |
| Investment securities AFS | (19) | (23) | (42) |
| Investment securities HTM | 5 | (6) | (1) |
| Total Investment securities | (14) | (29) | (43) |
| Equity Investments | — | — | — |
| Short-term investments and other interest-earning assets | 234 | (83) | 151 |
| Total interest-earning assets | $ (258) | $ 197 | $ (61) |
| Interest expense: | | | |
| Deposits | $ 85 | $ 64 | $ 149 |
| FHLB Borrowings | (95) | (32) | (127) |
| Subordinated Debentures | (465) | — | (465) |
| Total Borrowings | (560) | (32) | (592) |
| Total interest-bearing liabilities | (475) | 32 | (443) |
| Change in net interest income | $ 217 | $ 165 | $ 382 |

***BV FINANCIAL, INC. AND SUBSIDIARIES***

| | For the six months ended June 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2026 | | | 2025 | | |
| (dollars in thousands) | **Average Outstanding Balance** | **Interest** | **Average Yield/Rate[1]** | Average Outstanding Balance | Interest | Average Yield/Rate[1] |
| | | | (Unaudited) | | | |
| **Interest-earning assets:** | | | | | | |
| Loans | $ 730,542 | $ 22,308 | 6.16% | $ 745,958 | $ 22,075 | 5.97% |
| Securities available-for-sale | 33,073 | 571 | 3.48% | 35,821 | 674 | 3.79% |
| Securities held-to-maturity | 7,716 | 90 | 2.35% | 6,971 | 93 | 2.69% |
| Cash, cash equivalents and other interest-earning assets | 69,357 | 1,318 | 3.85% | 58,091 | 1,305 | 4.55% |
| **Total interest-earning assets** | 840,688 | 24,287 | 5.83% | 846,841 | 24,147 | 5.75% |
| Noninterest-earning assets | 65,489 | | | 64,667 | | |
| **Total assets** | $ 906,177 | | | $ 911,508 | | |
| **Interest-bearing liabilities:** | | | | | | |
| Interest-bearing demand deposits | $ 72,925 | 320 | 0.88% | $ 78,414 | 330 | 0.85% |
| Savings deposits | 115,572 | 292 | 0.51% | 121,516 | 206 | 0.34% |
| Money market deposits | 127,407 | 1,428 | 2.26% | 125,326 | 1,530 | 2.46% |
| Certificates of deposit | 220,277 | 3,383 | 3.10% | 196,440 | 3,157 | 3.24% |
| **Total interest-bearing deposits** | 536,181 | 5,423 | 2.04% | 521,696 | 5,223 | 2.02% |
| Federal Home Loan Bank advances | 28,674 | 215 | 1.51% | 8,453 | 194 | 4.63% |
| Subordinated debentures | — | — | — | 34,925 | 931 | 5.38% |
| **Total borrowings** | 28,674 | 215 | 1.51% | 43,378 | 1,125 | 5.23% |
| **Total interest-bearing liabilities** | 564,855 | 5,638 | 2.01% | 565,074 | 6,348 | 2.27% |
| Noninterest-bearing demand deposits | 139,835 | | | 133,419 | | |
| Other noninterest-bearing liabilities | 18,353 | | | 15,940 | | |
| **Total liabilities** | 723,043 | | | 714,433 | | |
| Equity | 183,134 | | | 197,075 | | |
| **Total liabilities and equity** | $ 906,177 | | | $ 911,508 | | |
| Net interest income | | $ 18,649 | | | $ 17,799 | |
| Net interest rate spread(2) | | | 3.82% | | | 3.48% |
| **Net interest-earning assets(3)** | $ 275,833 | | | $ 281,767 | | |
| Net interest margin(4) | | | 4.47% | | | 4.24% |
| Average interest-earning assets to interest-bearing liabilities | 148.83% | | | 149.86% | | |

(1) Annualized.
(2) Net interest rate spread represents the difference between the weighted average yield on interest-earning assets and the weighted average rate of interest-bearing liabilities.
(3) Net interest-earning assets represent total interest-earning assets less total interest-bearing liabilities.
(4) Net interest margin represents net interest income divided by average total interest-earning assets.

The following table sets forth the effects of changing rates and volumes on our net interest income for the six months ended June 30, 2026 and 2025. The rate column shows the effects attributable to changes in rate (changes in rate multiplied by prior volume). The volume column shows the effects attributable to changes in volume (changes in volume multiplied by current rate). The total column represents the sum of the prior columns. For purposes of this table, changes attributable to both rate and volume which cannot be segregated have been allocated proportionately based on the changes due to rate and volume.

| | For the six months ended June 30, 2026 Interest Income Increase (Decrease) Due to (In thousands) | | |
|---|---|---|---|
| | **Volume** | **Rate** | **Total** |
| Interest income: | | | |
| Loans receivable | $ (471) | $ 704 | $ 233 |
| Investment securities AFS | (47) | (56) | (103) |
| Investment securities HTM | 9 | (12) | (3) |
| Total Investment securities | (38) | (68) | (106) |
| Equity Investments | — | (3) | (3) |
| Short-term investments and other interest-earning assets | 215 | (199) | 16 |
| Total interest-earning assets | $ (294) | $ 434 | $ 140 |
| Interest expense: | | | |
| Deposits | $ 147 | $ 54 | $ 201 |
| FHLB Borrowings | 151 | (130) | 21 |
| Subordinated Debentures | (931) | — | (931) |
| Total Borrowings | (780) | (130) | (910) |
| Total interest-bearing liabilities | (633) | (76) | (709) |
| Change in net interest income | $ 339 | $ 510 | $ 849 |

***Net Income.*** Net income was $3.5 million, or $0.42 per diluted share, for the three months ended June 30, 2026 compared to $2.9 million, or $0.29 per diluted share, for the three months ended June 30, 2025. Net income was $4.6 million or $0.55 per diluted share for the six months ended June 30, 2026 compared to $5.0 million, or $0.50 per diluted share, for the six months ended June 30, 2025. The decrease in income for the six months ended June 30, 2026 was primarily due to the $2.2 million first quarter executive transition expense and the related tax impact.

***Interest Income.*** Interest income decreased $61,000, or 0.5%, to $12.2 million for the three months ended June 30, 2026 from $12.3 million for the three months ended June 30, 2025. The decrease was due primarily to a decrease in interest income on loans and securities, partially offset by an increase in other interest income on cash and cash equivalents. Interest income on loans decreased $169,000, or 1.5%, to $11.2 million for the three months ended June 30, 2026 from $11.3 million for the three months ended June 30, 2025 due primarily to decreases in the average balances of $30.9 million. The weighted average yield on loans increased 17 basis points to 6.21% for the three months ended June 30, 2026 compared to 6.04% for the three months ended June 30, 2025, as variable rate loans reset to higher interest rates and the rates on new loans exceeded the rates on paid off loans due to the higher interest rate environment. Interest income on cash and cash equivalents increased $151,000 to $713,000 for the three months ended June 30, 2026 from $562,000 for the three months ended June 30, 2025 primarily due to an increase in average balance of $24.0 million.

Interest income increased $140,000 or 0.6%, to $24.3 million for the six months ended June 30, 2026 from $24.1 million for the six months ended June 30, 2025. The increase was due primarily to an increase in interest income on loans, partially offset by a decrease in interest on investment securities. Interest income on loans increased $233,000, or 1.1%, to $22.3 million for the six months ended June 30, 2026 from $22.1 million for the six months ended June 30, 2025 due primarily to an increase in the yields earned on the portfolio offset by lower balances. The weighted average yield on loans increased 19 basis points to 6.16% for the six months ended June 30, 2026 compared to 5.97% for the six months ended June 30, 2025, as variable rate loans reset to higher interest rates and the rates on new loans exceeded the rates on paid off loans due to the higher interest rate environment.

***Interest Expense.*** Interest expense decreased $443,000 or 14.2% to $2.7 million for the three months ended June 30, 2026 from $3.1 million at June 30, 2025. The decrease in interest expense was primarily due to the pay-off of the subordinated debentures in December 2025, and the early pay-off of FHLB borrowings which resulted in a gain (decrease in interest expense) in June 2026.

Interest expense decreased $710,000 or 11.2% to $5.6 million for the six months ended June 30, 2026 from $6.3 million at June 30, 2025. The decrease was primarily due to the pay-off of the subordinated debentures in December 2025 and the pay-off of the FHLB advances in June with the corresponding gain, partially offset by an increase in deposit expenses due primarily to higher average balances.

***Net Interest Income.*** Net interest income was $9.5 million for the three months ended June 30, 2026 compared to $9.2 million for the three months ended June 30, 2025. The net interest margin for the three months ended June 30, 2026 was 4.58% compared to 4.36% for the three months ended June 30, 2025. The increase in net interest income was primarily due to higher yields on interest earning assets and lower interest expense due to the pay-offs of subordinated debt and borrowings.

Net interest income was $18.6 million for the six months ended June 30, 2026, compared to $17.8 million in the six months ended June 30, 2025. The net interest margin for the six months ended June 30, 2026 was 4.47% compared to 4.24% for the six months ended June 30, 2025. The increase in net interest income was primarily due to higher yields earned on loans and lower interest expense due to the pay-off of the FHLB borrowings in 2026 and the pay-off of the subordinated debentures in December 2025.

***Provision for Credit Losses.*** The Company recorded a recovery of the provision for credit losses of $216,000 for the three months ended June 30, 2026 compared to a provision for credit losses of $178,000 for the three months ended June 30, 2025. Our allowance for credit losses - loans was $6.2 million at June 30, 2026 and $6.4 million at December 31, 2025. The ratio of our allowance for credit losses - loans to total loans was 0.87% at June 30, 2026 compared to 0.85% at December 31, 2025, while the allowance for credit losses - loans to non-performing loans was 182.1% at June 30, 2026 compared to 284.7% at December 31, 2025.

***Non-interest Income.*** For the three months ended June 30, 2026, noninterest income totaled approximately $467,000 compared to $714,000 for the quarter ended June 30, 2025. The decrease was attributable to the $135,000 write-down of a former branch location to estimated sales proceeds and lower miscellaneous fees on loans and deposits.

For the six months ended June 30, 2026 noninterest income totaled $1.0 million compared to $1.2 million for the six months ended and June 30, 2025. The decrease was due to lower miscellaneous loan and deposit fees and the write-down of the former branch location.

***Non-interest Expense.*** For the three months ended June 30, 2026, noninterest expense totaled $5.5 million compared to $5.8 million for the three months ended June 30, 2025. Decreases in compensation and benefits of $506,000 due lower staffing and lower expenses of the 2024 Equity plan was offset by increases in other categories. Occupancy expense increased by $97,000 primarily due to costs of repairing a branch location after a major water leak. Professional fees increased due to higher legal expenses, data processing expense increased due to new product implementation fees and other expenses increased due to higher loan-related expenses.

For the six months ended June 30, 2026, noninterest expense totaled $13.1 million as compared to $11.9 million in the six months ended June 30, 2025. Compensation and benefits expense increased $750,000 due to the $2.2 million cost of the executive transition in the first quarter offset by lower staffing and lower costs of the 2024 Equity plan. Occupancy expense increased by $109,000 due to the branch repair costs noted above and higher heating bills in the first quarter.

***Income Tax Expense.*** For the three months ended June 30, 2026, income tax expense was $1.3 million for an effective tax rate of 26.8%. For the three months ended June 30, 2025, income tax expense was $1.1 million for an effective tax rate of 27.3%.

For the six months ended June 30, 2026, income tax expense was $2.2 million for an effective tax rate of 32.9%. For the six months ended June 30, 2025, income tax expense was $1.7 million for an effective tax rate of 25.2%. The increase in the effective tax rate is primarily attributable to the non-deductible portion of the executive transition payment.

**Asset Quality.** Non-performing assets at June 30, 2026 totaled $3.4 million, all nonperforming loans, compared to $2.3 million at December 31, 2025, also all nonperforming loans. At June 30, 2026, the allowance for credit losses on loans was $6.2 million,

which represented 0.87% of total loans and 182.1% of non-performing loans compared to $6.4 million at December 31, 2025, which represented 0.85% of total loans and 284.7% of non-performing loans.

***Liquidity and Capital Resources***

***Liquidity***. Liquidity describes our ability to meet financial obligations that arise in the ordinary course of business. Liquidity is primarily needed to meet the borrowing and deposit withdrawal requirements of our customers and to fund current and planned expenditures. Our primary sources of funds are deposits, principal and interest payments on loans and securities and proceeds from maturities of securities. We also have the ability to borrow from the FHLB. At June 30, 2026, we had a $142.3 million available under a line of credit with the FHLB, with no borrowings outstanding. The Company also has a $20.0 million short-term unsecured facility from a correspondent bank.

While maturities and scheduled amortization of loans and securities can be predictable sources of funds, deposit flows and loan prepayments are greatly influenced by general interest rates, economic conditions, and competition. Our most liquid assets are cash and short-term investments, including interest-bearing demand deposits. The levels of these assets are dependent on our operating, financing, lending, and investing activities during any given period. We are committed to maintaining a strong liquidity position.

We monitor our liquidity position on a daily basis. We anticipate that we will have sufficient funds to meet our current funding commitments. Based on our deposit retention experience and current pricing strategy, we anticipate that a significant portion of maturing time deposits will be retained. However, if a substantial portion of these deposits is not retained, we may utilize FHLB advances, brokered deposits or raise interest rates on deposits to attract new accounts, which may result in higher levels of interest expense. At June 30, 2026, the Company had $50.1 million in brokered deposits compared to $50.3 million in brokered deposits at June 30, 2025. In addition, we had $56.7 million of municipal deposits at June 30, 2026, which represented 8.4% of total deposits. The Bank's uninsured deposits totaled $150.1 million, or 22.2% of total deposits, of which $52.9 million were secured using the market value of pledged collateral or letters of credit issued by FHLB, and an additional $4.6 million were deposits of the Company at the Bank.

***Capital Resources***. At June 30, 2026, the Bank exceeded all of its regulatory capital requirements and was categorized as well capitalized. Management is not aware of any conditions or events since the most recent notification that would change our category.

### Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable, as the Company is a smaller reporting company.

### Item 4. Controls and Procedures

An evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as amended) as of June 30, 2026. Based on that evaluation, the Company's management, including the Chief Executive Officer and the Chief Financial Officer, concluded that the Company's disclosure controls and procedures were effective.

During the quarter ended June 30, 2026, there have been no changes in the Company's internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## Part II – Other Information

### Item 1. Legal Proceedings

The Company is subject to various legal actions arising in the normal course of business. In the opinion of management, the resolution of these legal actions is not expected to have a material adverse effect on the Company's financial condition or results of operations.

### Item 1A. Risk Factors

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the risk factors discussed under the heading "Risk Factors" contained in the Annual Report on Form 10-K for the year ended December 31, 2025. The Company's evaluation of the risk factors applicable to it has not changed materially from those disclosed in the Annual Report on Form 10-K for the year ended December 31, 2025.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On October 17, 2025, the Company announced that it had adopted a stock repurchase program for up to 10% of the Company's outstanding shares of common stock (approximately 953,609 shares). The program expired on June 30, 2026.

On May 5, 2026, the Company announced that it had adopted a stock repurchase program for up to 10% of the Company's outstanding shares of common stock (approximately 861,000 shares). The Company is not obligated to repurchase any particular number of shares or any shares in any specific time period.

The following table provides information on repurchases by the Company of its common stock under the Company's Board approved program during the quarter ended June 30, 2026.

| Period | Total Number of Shares Purchased | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs |
|---|---|---|---|---|
| April 1 - 30, 2026 | 78,194 | $ 19.93 | 78,194 | 57,157 |
| May 1 - 31, 2026 | 41,810 | 19.83 | 41,810 | 876,347 |
| June 1 - 30, 2026 | 110,488 | 20.17 | 110,488 | 765,859 |
| Total | 230,492 | $ 20.03 | 230,492 | |

### Item 3. Defaults Upon Senior Securities

Not applicable.

### Item 4. Mine Safety Disclosures

Not applicable.

### Item 5. Other Information

During the three months ended June 30, 2026, none of our directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

**Item 6. Exhibits**

| | |
|---|---|
| 3.1 | Amended and Restated Articles of Incorporation of BV Financial, Inc. (1) |
| 3.2 | Amended and Restated Bylaws of BV Financial, Inc. (2) |
| 31.1 | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32 | Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 101 | The following materials for the quarter ended June 30, 2026, formatted in Inline XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Income, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Changes in Stockholders' Equity, (v) Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document and included in Exhibit 101) |

(1) Incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form 8-A (Commission File No. 001-41764), filed on July 31, 2023.
(2) Incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form S-1, as amended (Commission File No. 333-270496), filed on March 13, 2023.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**BV FINANCIAL, INC.**

Date: August 12, 2026

/s/ Timothy L. Prindle
Timothy L. Prindle
President and Chief Executive Officer

Date: August 12, 2026

/s/ Michael J. Dee
Michael J. Dee
Executive Vice President and Chief Financial Officer

**Exhibit 31.1**

**Certification of Chief Executive Officer**
**Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Timothy L. Prindle, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BV Financial, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant is made known to me by others within the entity, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2026

/s/ Timothy L. Prindle
Timothy L. Prindle
President and Chief Executive Officer

**Exhibit 31.2**

**Certification of Chief Financial Officer Pursuant to**
**Section 302 of the Sarbanes-Oxley Act of 2002**

I, Michael J. Dee, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BV Financial, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant is made known to me by others within the entity, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2026

/s/ Michael J. Dee
Michael J. Dee
Executive Vice President and Chief Financial Officer

**Exhibit 32**

**Certification of Chief Executive Officer and Chief Financial Officer**
**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Timothy L. Prindle, President and Chief Executive Officer of BV Financial, Inc. (the "Company"), and Michael J. Dee, Executive Vice President and Chief Financial Officer of the Company, each certify in their capacity as an officer of the Company that they have reviewed the Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 (the "Report") and that, to the best of their knowledge:

1. The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 12, 2026

/s/ Timothy L. Prindle
Timothy L. Prindle
President and Chief Executive Officer

Date: August 12, 2026

/s/ Michael J. Dee
Michael J. Dee
Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.