ENTERPRISE BANK

2025 ANNUAL REPORT

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Letter to Our Shareholders

Dear Fellow Shareholders:

We are pleased to report that Enterprise Financial Services Group Inc. achieved another strong operating performance for the fiscal year ended September 30, 2025. Our net interest income grew 7% year-over year, which improved our core operating income.

Over the course of the past fiscal year, the large increases in OREO have produced a material increase in earnings. We expect this should continue thru the next fiscal year end as well.

We completed the amendment of the Articles of Incorporation and the By-Laws. Our revised corporate structure should assist us in maintaining our original business plan. Again, the original business plan was to retain 1/3rd of our profits to fund growth, to payout 1/3rd of our profits via dividends to shareholders, and to deploy 1/3rd of the profits to invest in small start-up businesses in our community. We expect this activity to begin during the second half of the next fiscal year, after the Small Business Lending Fund is paid in full.

The subsidiary growth and profit maturation continue to make progress.

We have completed our new five-year business plan. The plan goals show us maturing so that our Return on Average Assets moves to 1.31%, Return on Average Equity moves to 11% and our Efficiency Ratio moves down to 57%.

We encourage you to read the Management Discussion and Analysis of the Annual Report to gain a more thorough understanding of the operational and financial results.

As always, we appreciate your investment, your trust and your ongoing support of Enterprise Financial Services Group Inc.

Sincerely,

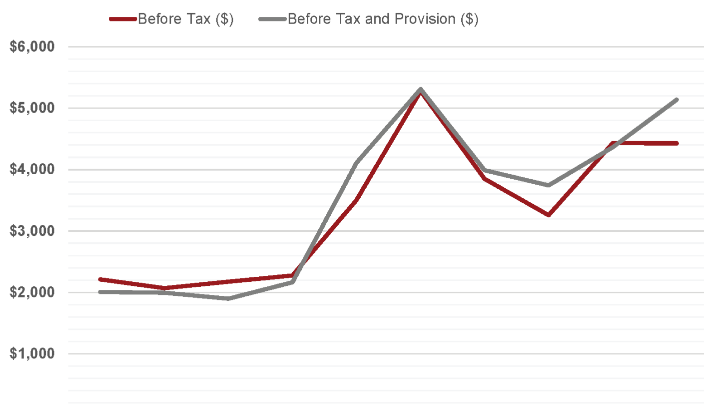
Charles H. Leyh
Chairman of the Board

Douglas W. Lockard
Vice Chairman of the Board

This discussion provides additional information and analysis for the results of operations for Enterprise Financial Services Group, Inc. (the "Company") and its wholly owned subsidiary, Enterprise Bank (the "Bank"), for the fiscal year ended September 30, 2025 ("2025"). This discussion includes results of operations for the Bank's wholly owned subsidiaries including Enterprise Insurance Services, Inc., Enterprise Business Consultants, Inc., Kuzneski & Lockard, Inc., Buildonus, Inc., Enterprise Intangible Assets, LLC, Enterprise OREO, Inc. and Enterprise Child Care, LLC. The following information is provided as a supplement to the audited financial statements and accompanying disclosures included in the Company's 2025 Annual Report.

Peer group data used in preparing the accompanying charts was taken from the Bank's Uniform Bank Performance Report ("UBPR") which is published quarterly by the Federal Financial Institutions Examination Council (“FFIEC”). The Bank’s UBPR designated peer group for the years 2019-2025 includes all insured commercial banks in the United States of America with total assets between $300 million and $1 billion. The Bank’s UBPR designated peer group for years 2018 and prior includes all banks in the United States of America, located in a metropolitan area, with total assets between $100 million and $300 million and two or fewer full-service offices. Please note that UBPR data is prepared on a calendar year basis. Unless specifically noted, when peer data is used in the charts the Bank's data has also been presented on a calendar year basis.

CHART #1
NET INCOME BEFORE TAX ($000s)



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Before Tax ($)	$2,213	$2,070	$2,176	$2,275	$3,504	$5,277	$3,850	$3,257	$4,430	$4,429
Before Tax and Provision ($)	$2,007	$1,995	$1,898	$2,166	$4,111	$5,310	$3,989	$3,744	$4,365	$5,139

OVERALL PERFORMANCE SUMMARY

The Company’s pre-tax net income for each of the last ten fiscal years is shown in Chart #1. This chart also includes the Company’s pre-tax net income, excluding the provision for credit losses, for the same periods. Pre-tax net income excluding provision highlights the Company’s core net operating income, removing the volatility of the provision for loan losses during the pandemic in 2020 and 2021. It also eliminates the impact to core operating income of the Bank’s adoption, in 2023, of ASU 2016-13 Financial Instruments – Credit Losses (CECL).

The Company’s net income before tax for the fiscal year ended September 30, 2025, was $4.4 million. This was equal to the Company’s pre-tax earnings the prior year. Net income before tax, excluding the provision for credit losses, was $5.1 million and an increase of $774,000, or 18%, over the prior year.

The increase in core operating earnings was supported by continued growth in earning assets including loans, and cash and cash equivalents. In 2025, the Bank’s loan portfolio increased $7.2 million or 2.2% while cash and cash equivalents grew $32.3 million or 35%. This growth contributed to an increase in net interest income, before provision for credit losses, of $1 million over the prior year. The growth in cash and cash equivalents was in line with the Bank’s liquidity targets which provide protection for fluctuations in large depositor balances. The Bank’s cash reserves earn a rate of return over the Bank’s cost of funds and contributes to the increase in Net Interest Income.

In 2025, the Bank realized net gains on the sale or valuation of foreclosed real estate in the amount of $2.6 million. This was a $2.0 million increase over net gains of $601,000 realized the prior year. This increase was largely due to the foreclosure of a large warehouse/office complex, made up of several parcels, east of Pittsburgh, PA. The net fair market value of the property exceeded the Bank's investment in the underlying loan. Sale and leasing activities supported the accuracy of the appraised value of the property and therefore a gain of approximately $2.7 million was recorded.

Growth in net interest income and gains on valuation of foreclosed real estate were offset by a $2.6 million increase in other operating expenses and a $775,000 increase in the provision for credit losses. Current year increases in other operating expenses were generally one-time or variable in nature. This included a one-time bonus totaling $1.1 million paid to members of executive management for accomplishments related to enhancement of the Bank's risk management structures and establishment of the real estate operation. It also included increased relationship manager ("RM") compensation expense. RM expense is variable based on net income generated by the RM, net of provision for credit losses. The current year increase in RM expense was in-line with the increases in net interest income and gains on the valuation of foreclosed real estate.

The variance in the provision for credit losses is tied to a large loan charge-off which was the result of flood damage sustained to the supporting real estate collateral. As a result of the flooding, vacancy rates increased which negatively impacted the property's appraised value. Management believes there will be an opportunity to recover some of this loss once the damage is mitigated and occupancy is stabilized. The Bank's base period historical loss ratios were increased because of this charge-off. This had a negative impact on the overall allowance for credit loss calculation as this ratio is applied to the portfolio when estimating future losses.

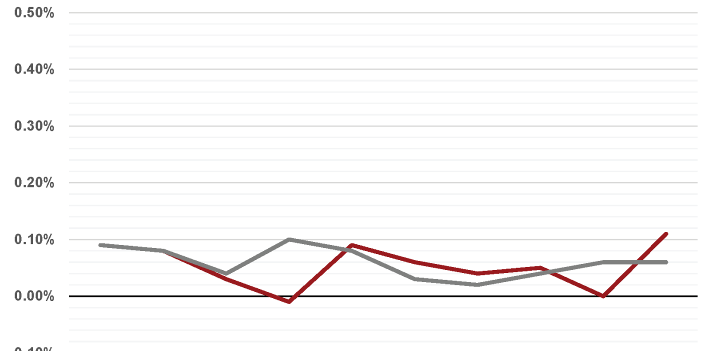
CORE OPERATING PHILOSOPHY

Enterprise Bank, operates with a mission, "To deliver superior, ethical service and value to our clients, shareholders and staff." All decisions are made with this mission statement in mind, as Management strives to strike a balance between the interests of all three stakeholders.

The focus of the business plan is on providing funding and support services as a foundation to support and strengthen small businesses that are in a start-up, growth, or distressed cycle. The Bank prioritizes standing behind its clients in their time of need when the client has exhibited a foundation of strong character and sound management practices. Operating in this niche brings with it additional risks.

Traditional cash flow techniques for evaluating credit are less dependable when a business is starting up or experiencing difficulties. Because of this, the Bank has developed alternative methods of evaluation that emphasize collateral valuation over cash flow projections. The Bank also uses other risk mitigation tools such as government guaranteed lending programs to support the credit when prudent for both the Bank and the client. This alternative way of evaluating credit and mitigating risk allows the Bank to support its clients in circumstances when many other banks are unwilling to help.

CHART #2
NET CHARGE-OFFS / AVERAGE LOANS
(CALENDAR YEAR)



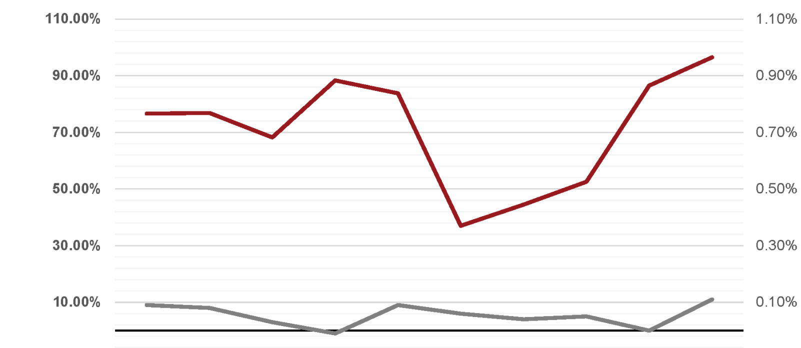
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 (9 mo)
Bank	0.09%	0.08%	0.03%	-0.01%	0.09%	0.06%	0.04%	0.05%	0.00%	0.11%
Peer	0.09%	0.08%	0.04%	0.10%	0.08%	0.03%	0.02%	0.04%	0.06%	0.06%

The success of this strategy can be measured by comparing the Bank's historical loan loss rates to that of its peer group. Chart #2 compares the Bank's loss rates to its peer group for the last ten years. This chart highlights that the Bank's loss rates have been consistently comparable to the peer group despite its unique business plan.

With its reliance on collateral to support underwriting and to mitigate credit losses, the Bank emphasizes the accuracy of its appraisal process and being effective and efficient when the liquidation of collateral becomes necessary. The emphasis on collateral also allows the Bank to be patient and supportive with its workout strategies for clients that are honest and pro-active in this process. As a result, the Bank typically carries a higher level of non-performing assets than its peer group.

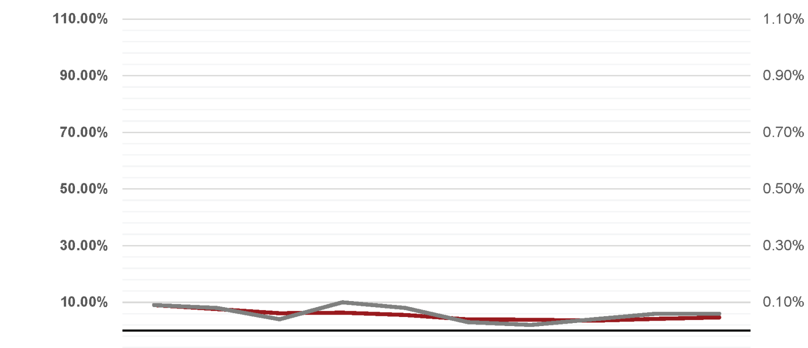
When analyzing the Bank's strength and performance, traditional bank analysis tools are often not good indicators in this business plan. An example of this would be the Texas Ratio. The Texas Ratio is a widely accepted indicator of a bank's strength and is used for projecting future losses in the loan portfolio and as a predictor of potential bank failure.

CHART #3
TEXAS RATIO AND LOSS % - BANK
(CALENDAR YEAR)



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 (9 mo)
Texas Ratio	76.64%	76.81%	68.19%	88.30%	83.75%	37.01%	44.49%	52.57%	86.51%	96.48%
Loss %	0.09%	0.08%	0.03%	-0.01%	0.09%	0.06%	0.04%	0.05%	0.00%	0.11%

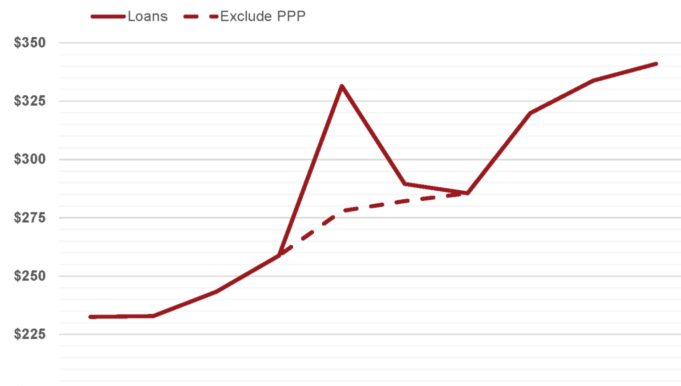
CHART #4
TEXAS RATIO AND LOSS % - PEER
(CALENDAR YEAR)



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 (9 mo)
Texas Ratio	9.01%	7.60%	6.13%	6.35%	5.52%	3.96%	3.87%	3.51%	4.15%	4.64%
Loss %	0.09%	0.08%	0.04%	0.10%	0.08%	0.03%	0.02%	0.04%	0.06%	0.06%

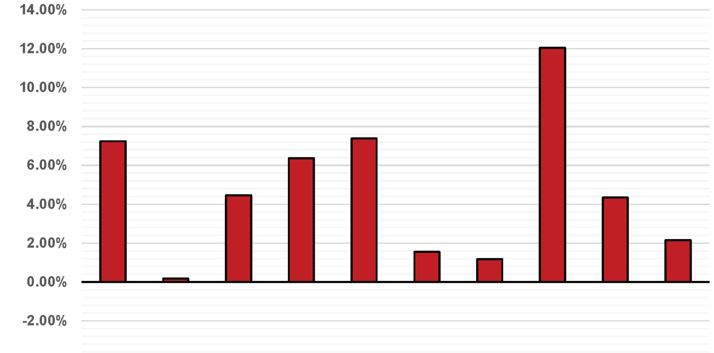
Chart #3 compares the Bank's Texas Ratio and loan loss ratios for the past ten years. Chart #4 illustrates the same for the Bank's peer group. The scale is the same for both charts. A comparison of the two charts clearly indicates that the correlation in the loss rates to the Texas Ratio is significantly less for the Bank than for the peer group. The comparison also highlights the long-term consistency that the Bank has maintained in minimizing losses despite the higher non-performing asset levels.

CHART #5
LOANS RECEVABLE ($ in millions)



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Loans	$232.5	$232.9	$243.3	$258.8	$331.5	$289.5	$285.5	$319.9	$333.8	$341.0
Exclude PPP	$232.5	$232.9	$243.3	$258.8	$277.9	$282.2	$285.5	$319.9	$333.8	$341.0

CHART #6
LOAN GROWTH (%)
(EXCLUDING PPP)



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Growth %	7.24%	0.17%	4.47%	6.37%	7.38%	1.55%	1.17%	12.05%	4.35%	2.16%

LOAN PORTFOLIO AND INTEREST INCOME

The Bank's long-term strategy has been to leverage its existing infrastructure to generate growth in the loan portfolio. The Bank has the facilities and staff in place to support significant growth into the future. Expansion of the loan portfolio supports growth in earnings as net interest income increases while operating overhead costs remain stable. Chart #5 illustrates growth in the Bank's loan portfolio over the past ten fiscal years. In 2025, loans receivable increased to $341.0 million. This represents an increase of $7.2 million or 2.16% over the prior year end balance.

The Bank generated $23.3 million in interest and fee income from the loan portfolio in 2025. This was an increase of $2.4 million, or 11.3% over the prior year. This increase was driven by the growth in the loan portfolio over the past several years and by continued re-pricing of the portfolio in a higher interest rate environment. Much of the portfolio consists of commercial loans with adjustable rates. Rates typically adjust every three to five years based on the five-year treasury or prime rate.

NONACCRUAL LOANS AND REVENUE RECOGNITION

To evaluate the Bank's balance of loans on nonaccrual status and its impact on earnings, it is important to highlight that Management, and its primary regulator, have a difference of opinion in determining when the accrual of interest income on a loan should stop.

According to GAAP, revenue is recognizable when it is both earned and either realized or realizable. For revenue to be considered realizable, a collectability threshold must be met. Management and its primary regulator have different interpretations of when this collectability threshold has been met for loans that are in default.

According to a staff paper jointly published by the International Accounting Standards Board ("IASB") and the Financial Accounting Standards Board ("FASB") in October, 2013, current guidance on the collectability threshold uses two terms: *"reasonably assured"* and *"probable"* with the terms being generally interchangeable.[1] The glossary provided in the GAAP codification includes two definitions of the term probable.[2] One definition cited is "that which can reasonably be expected or believed on the basis of available evidence or logic but is neither certain nor proved." A second definition is *"the future event or events are likely to occur."*

In Management's opinion, these definitions are met when a loan in default meets the following three criteria: (1) The loan is well secured by collateral which is supported by a current valuation from a trusted source; (2) the loan is in the process of collection; and (3) collection is expected to be completed within a time frame that is considered to be reasonable given the facts and circumstances and will result in the loan being brought current or with the collection of all principal and interest contractually due.

The instructions furnished by the regulator for preparation of the Bank's regulatory financial reports provide general guidance on this same topic.[3] The instructions have historically been backed by a more stringent interpretation of the collectability threshold by the regulator. In general, for regulatory purposes, a loan is required to be placed on nonaccrual when it becomes greater than 90 days past due, unless the loan is considered well secured and in the process of collection.

However, the regulators have a more stringent interpretation of what is considered "in the process of collection." In their opinion, for a loan to be considered in the process of collection, the timing and amount of repayment must be reasonably certain and there must be evidence that collection in full of amounts due and unpaid will occur shortly. Their indicated benchmark for an acceptable period is 30 days.[4]

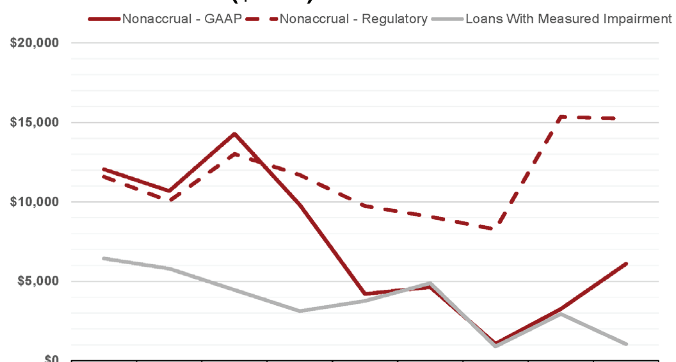
When the Bank is in a well-secured position it provides assurance that as a last resort the contractual principal and interest due from the client can be collected through collateral liquidation. This assurance allows the Bank to be patient and help a client through temporary periods of stress. This willingness to stand behind the client in their time of need is oftentimes the difference between a small business failing or succeeding. Because there can be uncertainty as to the timing of collection in these situations and because the process of liquidating commercial real estate typically takes greater than thirty days, the regulatory interpretation of the standard generally dictates that all loans carried in the Bank's portfolio, that are greater than 90 days past due, must be placed on nonaccrual. This is the case in many instances even though the net fair market value of collateral pledged is significantly more than the Bank's recorded investment in the loan.

It is Management's opinion that the regulator's more stringent collectability threshold is unreasonable, and not in accordance with AAP, given the business model of this institution. This results in a material amount of revenue recognition being deferred until the collection process is complete. Once the process is complete, all previously unrecorded revenue is then recognized as a lump sum. It is Management's opinion that this approach does not properly match revenues to expenses and creates volatility in reported earnings.

[1] Staff Paper, Revenue Recognition – Collectability, October 28, 2013, IFRS/FASB
[2] FASB Accounting Standards Codification - Master Glossary
[3] Instructions for Preparation of Consolidated Reports of Condition and Income (FFIEC 031 and 041)
[4] Bank Accounting Advisory Series, Office of the Comptroller of the Currency, August 2023

It is Management's conclusion that the financial result of this difference in interpretation of the GAAP standard is material to the financial statements. Therefore, there are differences between the financial statements reported to shareholders in this annual report and the financial statements as reported in the Bank's regulatory Call Report. The primary differences are in the balance of loans on nonaccrual status and the timing of interest income recognition for these loans. To maintain transparency for the users of the financial statements, the results of both methods and a description of the differences are presented in Note 23 Reconciliation of Financial Statements to Regulatory Reporting included with the financial statements in this Annual Report.

CHART #7
NONACCRUAL LOANS VS. LOANS WITH MEASURED IMPAIRMENT
($000s)



	2017	2018	2019	2020	2021	2022	2023	2024	2025
Nonaccrual - GAAP	$12,048	$10,685	$14,288	$9,814	$4,198	$4,638	$1,067	$3,260	$6,099
Nonaccrual - Regulatory	$11,577	$10,055	$13,012	$11,693	$9,743	$9,064	$8,264	$15,354	$15,226
Loans With Measured Impairment	$6,435	$5,796	$4,454	$3,122	$3,765	$4,881	$896	$2,946	$1,051

Chart #7 indicates the aggregate balances of loans that are on nonaccrual status for both regulatory and GAAP purposes. The solid line represents the net investment in loans that have been classified as nonaccrual on the Bank's shareholder financial statements. The dotted line represents the net investment in loans that have been classified as nonaccrual on the Bank's regulatory financial statements. The balance of nonaccrual loans, per regulatory classification on September 30, 2025, was $15.2 million. This was a decrease of $100,000 compared to the prior year end. The balance of nonaccrual loans, per financial statement classification, on September 30, 2025, was $6.1 million. This was an increase of $2.8 million compared to the prior year end.

Chart #7 also indicates the historical balance of loans with measured impairment for the same period. Loans with measured impairment have been individually evaluated and are deemed to have incurred some level of loss after consideration of collateral liquidation and any other loss mitigation strategies. Any shortfall of collateral to the basis in the loan is reserved. The balance of loans with measured impairment on September 30, 2025, was $1.1 million. This was a decrease of $1.9 million as compared to the prior year.

Year ended:	(A) Interest Accrual		(B) Cash Basis Payments Received		(C) Interest Charged-off		(D) Combined Total	
	Current Year	Cumulative	Current Year	Cumulative	Current Year	Cumulative	Current Year	Cumulative
September 30, 2012 (1)	289,000.00	289,000.00	-	-	-	-	289,000.00	289,000.00
September 30, 2013	86,000.00	375,000.00	3,000.00	3,000.00	-	-	89,000.00	378,000.00
September 30, 2014	(235,000.00)	140,000.00	280,000.00	283,000.00	-	-	45,000.00	423,000.00
September 30, 2015	123,000.00	263,000.00	647,000.00	930,000.00	-	-	770,000.00	1,193,000.00
September 30, 2016	(83,000.00)	180,000.00	(31,000.00)	899,000.00	-	-	(114,000.00)	1,079,000.00
September 30, 2017	14,000.00	194,000.00	(261,000.00)	638,000.00	-	-	(247,000.00)	832,000.00
September 30, 2018	(66,000.00)	128,000.00	(3,000.00)	635,000.00	-	-	(69,000.00)	763,000.00
September 30, 2019	129,000.00	257,000.00	202,000.00	837,000.00	-	-	331,000.00	1,094,000.00
September 30, 2020	28,000.00	285,000.00	339,000.00	1,176,000.00	-	-	367,000.00	1,461,000.00
September 30, 2021	241,000.00	526,000.00	717,000.00	1,893,000.00	-	-	958,000.00	2,419,000.00
September 30, 2022	39,000.00	565,000.00	234,000.00	2,127,000.00	-	-	273,000.00	2,692,000.00
September 30, 2023	148,000.00	713,000.00	116,000.00	2,243,000.00	(453,000.00)	(453,000.00)	(189,000.00)	2,503,000.00
September 30, 2024	10,000.00	723,000.00	779,000.00	3,022,000.00	(70,000.00)	(523,000.00)	719,000.00	3,222,000.00
September 30, 2025	(338,000.00)	385,000.00	(831,000.00)	2,191,000.00	(488,000.00)	(1,011,000.00)	(1,657,000.00)	1,565,000.00

(A) Interest Accrual *- Interest receivable on loans that are well secured and in the process of collection, as defined by Management, in accordance with GAAP guidance. These amounts have been accrued to interest income in the GAAP (shareholder) financial statements but have not been accrued for regulatory purposes (beginning with method change in 2020).*

(B) Cash Basis Payments Received *– Interest payments received on loans that are well secured and in the process of collection, as defined by Management, in accordance with GAAP guidance. These amounts have been recorded as interest income in the GAAP (shareholder) financial statements but have been applied to reduce the recorded investment in the associated loan for regulatory purposes.*

(C) Interest Charged-off *– This column represents amounts that have been accrued as interest income for GAAP that were later deemed to be uncollectible and charged-off. This typically occurs when updated information adjusts the value of the underlying collateral and the value no longer supports collection of interest amounts that have been accrued in prior periods.*

(1) *September 30, 2012, period change includes any cumulative adjustments to prior periods.*

Column (A) in Table 1 represents interest receivable on loans that, in Management's opinion, are well secured and in the process of collection but do not meet the threshold as set forth in the regulatory reporting guidance. For regulatory purposes, these loans are classified as nonaccrual and the recognition of interest income on an accrual basis has stopped.

In prior years, Management had made the determination that the annual, and cumulative, impact of this adjustment was not material to the financial statements as a whole and continued to follow the regulatory guidance. In early 2020, Management re-evaluated its position and determined that the year-to-year fluctuation was becoming too large to ignore. A change to the income recognition method for the shareholder financial statements was implemented in fiscal year 2020. As a result, for the shareholder financial statements, interest continues to be accrued for loans that are greater than 90 days past due but meet Management's criteria of well-secured and in the process of collection. As shown in Table 1, Column (A), cumulatively, $385,000 in interest income has been accrued, to the shareholder financial statements, through September 30, 2025. This was a reduction of $388,000 from the prior year.

Column (B) in Table 1 represents the annual change and cumulative amount of cash payments for interest received for loans that have a regulatory classification of nonaccrual and have been recorded into interest income in the shareholder financial statements. It is Management's opinion that these payments are from loans that are well-secured, in the process of collection and meet the collectability threshold as defined in GAAP. Management has concluded that the impact of the regulatory interpretation of this concept is material to the financial results of the Company and the financial statements as reported in accordance with GAAP. As such, the shareholder financial statements are not adjusted to mirror the regulatory financial reports for these cash payments.

As shown in Table 1, Column (B), cumulatively, $2,191,000 in interest income has been recorded to the shareholder financial statements for cash received. This was a reduction of $831,000 from the prior year-end. In the regulatory financial statements, all cash received for interest on nonaccrual loans is applied as a reduction to the net investment in the loan until the collateral is fully liquidated and the Bank receives payment in full.

Column (C) represents the amount of interest accrued for GAAP purposes that was later deemed to be uncollectible and therefore charged off. As shown in Table 1, Column (C) $1,011,000 in previously accrued interest has been charged off. Of this amount $488,000 was charged off in the current year. The $1,011,000 primarily represents charge-offs on three separate credits where new information became available that reduced the amount collectible.

The first credit resulted in a charge-off of approximately $484,000 in interest that was accrued in prior years for GAAP but not for regulatory accounting. The primary collateral supporting this credit was an office building. This building was initially valued at $3,800,000 and was under an agreement for sale at that amount. The building was to be sold out of bankruptcy and at the time was 100% occupied. After being under agreement for an extended period, the sale fell through, and the Bank had the property reappraised. In the interim the building was being poorly managed and lost a major tenant. Total occupancy had dropped to 40%, significantly decreasing its value. The updated appraisal done in July 2023, at the time of foreclosure, indicated that the value had dropped to $3,100,000. This was not high enough to support the amount of interest that had been accrued and therefore the uncollectible portion was charged off. Subsequently this property was sold by the Bank for $3,700,000 resulting in a gain on the sale of OREO $597,000. This gain was greater than the amount charged-off in this process.

The second credit resulted in a charge-off of approximately $127,000. The primary collateral supporting this credit was a building formerly occupied by a restaurant that had ceased operations. Upon gaining access to inspect the property it was discovered that a large retaining wall on the site had structural issues. After deducting estimated costs to mitigate the issues with the retaining wall and to get the property ready for sale from the then current appraisal, the net realizable value of the collateral was no longer high enough to support the amount of interest that was accrued and therefore the estimated uncollectible portion was charged-off. This property is currently in the Bank's foreclosed property portfolio.

The third credit resulted in a charge-off of approximately $367,000 in interest that was recorded in prior years for GAAP but not for regulatory accounting. The primary collateral supporting this credit was a multi-use commercial property located in Wheeling, WV. This region was devastated by severe flooding in the Summer of 2025. As a result of this flooding the building sustained significant damage which resulted in the loss of tenants. The property has had a history of flood issues related to poor drainage at the site. This negatively impacted the value of the collateral. The Bank recorded the foreclosed real estate at the post flood valuation. The Bank is in the process of mitigating the flood damage and permanently fixing the drainage issue. Once complete, occupancy at the property can be stabilized in hopes of restoring the property to its original value and mitigating the recorded charge-off.

As illustrated in Column (D), Table 1, cumulatively, through September 30, 2025, there is approximately $1.6 million of interest income that has been recorded in these financial statements that has been deferred for regulatory reporting purposes. This was a reduction of $1.7 million from the prior year-end.

For all columns (A), (B) and (D), for those years where the current year column is negative, this represents time periods where final liquidation of loans has occurred resulting in the recognition of income for regulatory purposes that had been recorded to the GAAP financial statements in prior periods. This is an indication of the unwinding of the timing differences for recognizing interest income on these loans.

Management's ability to make accurate judgements on these credits is driven primarily by the reliability of its appraisal process. The Bank has a solid track history of realizing at or near current appraised values upon final liquidation of its collateral. For the last twelve years the Bank has realized approximately 98% of the current appraised value when liquidating foreclosed real estate.

ALLOWANCE FOR CREDIT LOSSES ("ACL")

On September 30, 2025, the Bank's Allowance for Credit losses was $1.5 million. This was a decrease of $90,000 from the prior year-end. For the year ending September 30, 2025, the Bank's provision for credit losses was $710,000. This was an increase of $775,000 over the prior year. This increase was generally the result of an increase in the Bank's historical charge-off ratio in the base period and an increase in the qualitative adjustment to the allowance.

Charge-offs, net of recoveries, in 2025 were $758,000. This was an increase of $703,000 over the prior year. Charge-offs in 2025 included $488,000 related to loan secured by a large commercial property located in Wheeling, West Virginia. The value of the collateral was negatively impacted by severe flooding that occurred during the year. The level of damage caused vacancy rates to increase which negatively impacted the property value. The Bank has foreclosed on the property and is working to mitigate the damages and increase occupancy to recover on this loss in the future. The increase in the Bank's historical loss ratio in 2025 was largely the result of this charge-off, and it was a large factor in the Bank's increased provision in 2025.

The methodology for calculating the Bank's allowance for credit losses was developed under ASU 2016-13 Financial Instruments - Credit Losses (Topic 326) ("CECL"). CECL requires banks to reserve for expected lifetime credit losses on loans rather than waiting for losses to be incurred. The Bank adopted the CECL methodology in 2023.

The Bank has segregated its loan portfolio into pools of loans that have similar risk characteristics. The two largest pools are the collateral-based pool and the cash flow pool. There is also a group of loans that are individually evaluated for impairment when foreclosure is probable or when loans no longer exhibit the risk characteristics of loans in the other pools. These loans are not included in the other risk-based pools.

The largest pool is the collateral-based pool. This pool is made up of loans to start-up or distressed small businesses. For these types of loans cash flow projections can oftentimes be unreliable so the Bank looks toward collateral as a secondary source of repayment. Because of this the value of the underlying collateral is the most important risk factor for loans in this pool. On September 30, 2025, this pool had a balance of $303.5 million or 89% of gross loans. The allowance for this pool is calculated based on its historical loss percentage applied to the weighted average remaining life of the pool. The historical loss percentage is calculation based on actual losses incurred over a base period of seven years. The weighted average remaining life of the pool is calculated based on historical payment speeds for similar loans. The allowance calculation for this pool also includes qualitative adjustments which are based heavily on forecasts of real estate values in the Bank's market.

The second largest pool is the cash flow pool. This pool is made up of loans to more seasoned businesses with a higher reliance on traditional cash flow metrics in underwriting. On September 30, 2025, this pool had a balance of $16.4 million or 5% of gross loans. Because of the small size of this pool, and its limited loss history, the allowance for this pool is calculated using the Scaled CECL Allowance for Losses Estimator (SCALE). This model was developed by the Federal Reserve for smaller and less complex portfolios. This model uses publicly available loss data from larger peer institutions as a basis for estimating future losses.

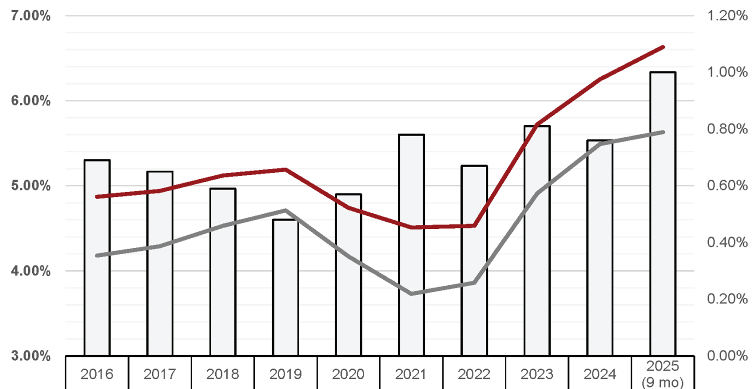
In addition to these two pools the Bank has also identified a group of loans that are individually evaluated for impairment. Loans are included in this group when foreclosure is probable or when the loan no longer exhibits risk characteristics necessary to be included in the other pools. Loans that are being individually evaluated have been removed from the other risk-based pools to prevent duplication when calculating the allowance.

The Bank also calculates an allowance for expected loss on unfunded commitments. This allowance estimates expected losses on commitments that are not unconditionally cancelable and are likely to be funded. This reserve is separate from the allowance for credit losses and is included in accrued expenses and other liabilities on the Consolidated Statements of Financial Condition. On September 30, 2025, the allowance for unfunded commitments was $97,000.

INTEREST RATE PREMIUM

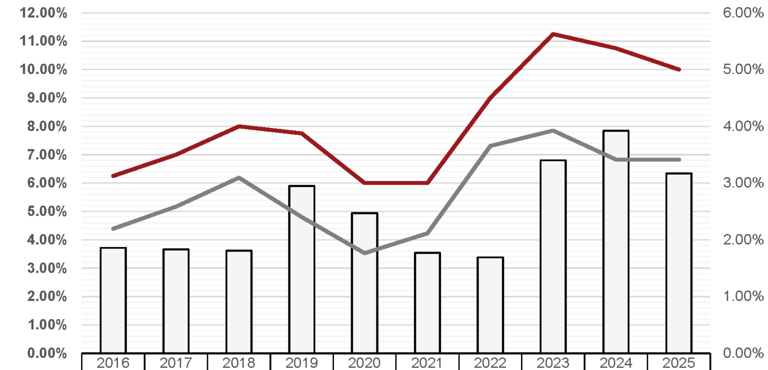
To have success in this business plan the Bank needs to achieve a higher yield on assets than its peer group. The additional yield is necessary to cover higher overhead costs associated with the loan portfolio which include legal and collection expenses, costs to preserve and protect collateral and costs to manage the foreclosed real estate portfolio. These costs are elevated due to the Bank's lending niche which typically carries a higher level of non-performing assets than a conventional loan portfolio.

CHART #8
INTEREST INCOME TO AVERAGE EARNING ASSETS
(SPREAD TO PEER)



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 (9 mo)
Spread	0.69%	0.65%	0.59%	0.48%	0.57%	0.78%	0.67%	0.81%	0.76%	1.00%
Bank	4.87%	4.94%	5.12%	5.19%	4.74%	4.51%	4.53%	5.72%	6.25%	6.63%
Peer	4.18%	4.29%	4.53%	4.71%	4.17%	3.73%	3.86%	4.91%	5.49%	5.63%

CHART #9
SBA MAX RATE (PRIME PLUS 275bps) TO
CONVENTIONAL RISK RATE (5 YEAR SWAP PLUS 250bps)
(ON SEPTEMBER 30)



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Spread	1.86%	1.83%	1.81%	2.95%	2.47%	1.77%	1.69%	3.40%	3.92%	3.17%
SBA Max Rate	6.25%	7.00%	8.00%	7.75%	6.00%	6.00%	9.00%	11.25%	10.75%	10.00%
Conv Rate	4.39%	5.17%	6.19%	4.80%	3.53%	4.23%	7.31%	7.85%	6.83%	6.83%

Chart #8 illustrates the Bank's yield on assets compared to its peer group for the last ten years. The results shown in the chart can be impacted on a year-to-year basis by the timing of recognition of interest for loans on nonaccrual status. For the nine months ending September 30, 2025, the spread was 1.00%. This was impacted by the timing of interest income recognition, for regulatory purposes, on nonaccrual loans that were paid off. Over the long-term the Bank averages a yield on earning assets that is 70bps above its peer group. The long-term average is within an acceptable range to mitigate the additional overhead incurred for managing the loan portfolio.

Management tracks two key benchmark rates to monitor the current rate environment and its impact on the pricing for new loans. The benchmark that most closely correlates to the level of risk in the Bank's loan portfolio is the maximum rate allowable by the SBA for loans with similar terms. For the Bank, that rate is Prime plus 275 basis points. The benchmark that most closely correlates to rates for conventional loans is the 5-year swap rate plus 250 basis points. The spread between these rates indicates the likely spread that is realizable by the Bank when pricing new loans. Chart #9 tracks the two benchmark rates and the spread between them for the past ten years. In 2025 the spread remained above 3% which indicates a positive environment for the Bank when pricing loans.

FORECLOSED REAL ESTATE

Because of the Bank's emphasis on collateral to mitigate risk in the underwriting process, it is important that Management can effectively and efficiently liquidate foreclosed real estate. In a traditional bank setting, the priority is to liquidate the asset as quickly as possible, in an as-is condition, and often at significantly less than the fair market value. Enterprise prioritizes the return of a productive asset to the benefit of the community while at the same time maximizing the value realized, and thus mitigating loss.

The Bank accomplishes this through a team approach that utilizes expertise across many areas of the organization. Property management, real estate brokerage, construction, valuation, legal, accounting and the Relationship Management ("RM") team are all brought together to develop and execute liquidation strategies. As a result, the Bank has established a long history of liquidating properties at or near their appraised values. On average the Bank has historically been able to realize approximately 98% of the current appraised value of properties that it liquidates.

CHART #10
FORECLOSED REAL ESTATE ($000s)

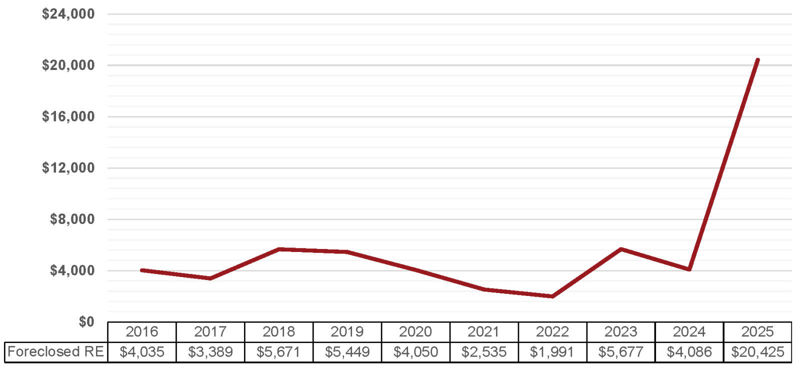


Chart #10 illustrates the balance in the Bank's portfolio of foreclosed properties for the past ten years. On September 30, 2025, the balance was $20.42 million. This was an increase of $16.34 million over the prior year-end balance.

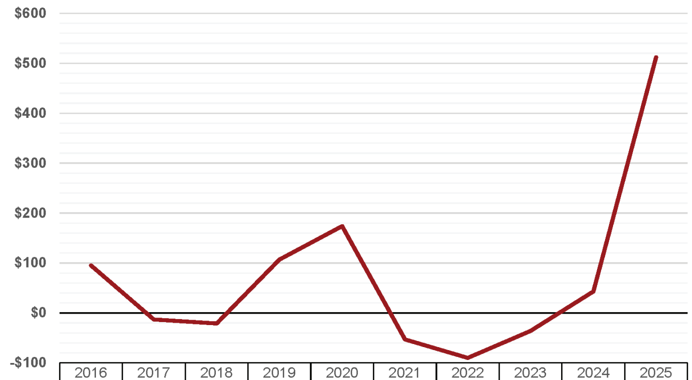
In 2025, the Bank foreclosed on three properties with an aggregate book value of approximately $17.4 million. The largest of these properties was a large office/ warehouse facility in Blairsville, Pa with a book value of $13.9 million at year-end. The appraised value of this facility, less estimated costs to sell, exceeded the Bank's investment in the underlying loan on the date of foreclosure. Sales and leasing activity throughout the year supported the accuracy of the appraised value and a valuation gain was booked for this property in the amount of $2.7 million.

In 2025, the Bank liquidated three properties generating net proceeds of $1.3 million and an aggregate loss of $107,000. The Bank financed $1.0 million of the total proceeds received from the sale of foreclosed real estate.

The Bank obtains a current appraisal for properties that are foreclosed to establish an initial cost basis in the property. Valuation gains are recorded when the appraised value of the property exceeds the Bank's investment in the loan on the foreclosure date. On at least an annual basis properties are re-appraised. Valuation gains or losses are recorded as necessary based on the updated appraisal. Gains cannot be recorded to adjust a property's value above its initial cost basis. In 2025 the Bank recorded an aggregate valuation gain of $2.7 million. This included $2.8 million in gains recorded on properties with an initial appraisal greater than the Bank's investment in the loans. It also included valuation losses of $75,000 recorded from annual valuation updates for properties in the portfolio.

The Bank also establishes a loss contingency based on historical loss experience for vacant properties. In 2025, total valuation losses of $4,000 were recorded in association with this contingency.

CHART #11
FORECLOSED REAL ESTATE
DIRECT HOLDING COSTS/(INCOME) ($000s)



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Foreclosed RE	$95	$(13)	$(21)	$107	$174	$(53)	$(90)	$(36)	$43	$512

Chart #11 provides a history of the Bank's annual costs, net of rental and other income, to carry foreclosed real estate for the past ten years. It is important to note that the chart illustrates direct holding costs only. There is an additional payroll component for costs associated with managing and maintaining properties. This component is included in Bank management and administrative wages. These costs are generally fixed and the Bank has the capacity to service a portfolio much larger than it currently holds.

In 2025, the Bank incurred direct holding costs of $512,000. This was an increase of $469,000 over the prior year. Most of this increase was related to holding costs associated with the Blairsville, PA property discussed earlier in this section. The increased costs were offset by the valuation gain realized. Future expenses for this property will be mitigated by leasing income and agreements of sale in place for the upcoming year.

LIQUIDITY AND FUNDING

Total cash and cash equivalents on September 30, 2025, was $123.9 million. This was a $32.3 million increase over the prior year. The increased liquidity was the direct result of an increase in the balances of large depositor relationships.

The Bank's target balance for cash and cash equivalents is based on its liquidity policy. The target balance anticipates fluctuations in deposit account balances, projected funding needs for loan commitments and required reserves for other anticipated risk factors. The Bank's liquidity requirements are aligned with current and projected capital levels. The Bank is active in the wholesale market for funding and access to these funding sources would be interrupted if the Bank's capital ratios would fall below a well-capitalized regulatory classification.

The Bank's liquidity policy requires that cash is held in reserves when deposits for any relationship exceed a threshold balance. This protects the Bank from volatility that can occur in these accounts. The policy also restricts the Bank from investing funds held for liquidity purposes into long-term fixed rate instruments which carry pricing and interest rate risk. Over the past several years many banks that did not have these restrictions have experienced significant unrealized losses in their fixed rate portfolios as market interest rates increased. This limited their use a source of liquidity as selling them would trigger realized losses and negatively impact their capital ratios. The Bank did not face this issue as funds held at the Federal Reserve are immediately available and carry a variable rate of interest based on the Fed Funds rate.

On September 30, 2025, the Bank held time deposit balances of $209.4 million. This was less than a 1% increase over the prior year. The Bank issues two types of time deposits, those that are issued in the local market and those that are issued in the wholesale markets via deposit brokers. In 2025, the Bank's balance of time deposits issued in the local market decreased $1.7 million, or 3.5%, to a balance of $46.6 million on September 30, 2025. In 2025, the Bank's balance of brokered time deposits increased $3.1 million, or 1.9%, to a balance of $162.8 million on September 30, 2025.

Local market time deposits typically are issued at lower rates than those obtained through wholesale markets. However, it is important to consider the added operational overhead costs associated with issuing local market CDs when comparing the net cost of the two products. The Bank's balance of local market CDs consists of a higher volume of certificates issued at lower balances. This requires more staff resources and increases operating overhead. Conversely, brokered CDs are issued as one master certificate which aggregates a group of smaller accounts. This requires significantly less staff time and processing costs.

The Bank intends to continue its utilization of the brokered CD market as a primary funding source. There are several advantages to this source of funding for the Bank. In addition to lower processing costs, brokered CDs are also well protected from early withdrawal in a rising interest rate environment. Brokered CDs are also a valuable tool for interest rate risk management as the Bank controls the amount and terms of issuance.

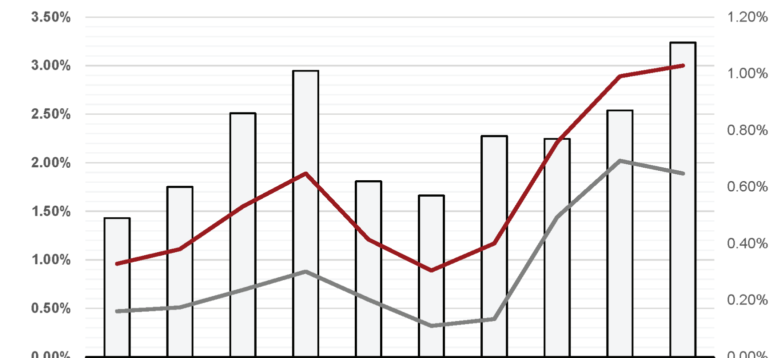
The Bank mitigates the risks associated with wholesale funding by utilizing multiple brokers to protect against interruption in the marketplace or with a particular issuer. The Bank ladders maturities of issued CDs to protect against large blocks of CDs coming due at any one time should a liquidity event occur. The Bank also closely monitors liquidity levels and models various stressed liquidity scenarios.

The Bank maintains several contingent sources of funding to supplement its on balance sheet liquidity. Contingent sources of funds include borrowing capacity with the Federal Home Loan Bank ("FHLB") and the Federal Reserve Discount Window. The Bank also uses a portion of its borrowing capacity at the FHLB as a tool for managing interest rate risk and to take advantage of favorable pricing for funds when available. The Bank tests is contingent sources of funding on at least an annual basis to ensure that they are available for use in the event of an emergency. On September 30, 2025, the Bank had pledged a combined total of $200.1 million in collateral to support a maximum borrowing capacity of $145.1 million at the Federal Reserve and FHLB. At year end the Bank had advances outstanding in the amount of $58.2 million, all with the FHLB. As a result, the Bank had unused capacity of $86.9 million available on September 30, 2025.

COST OF FUNDS

Total interest expense for the Bank increased $1.9 million, or 17%, over the prior year. This was driven by a year over year increase in total deposits of $58.3 million which represented a growth rate of 17%. Also contributing to this increase was continued repricing of the Bank's time deposits in a higher interest rate environment. As discussed earlier, the Bank ladders its CD maturities to protect its liquidity position and to manage interest rate risk. This laddering strategy staggers the maturity of CDs that were issued in a lower interest rate environment. A portion of these continue to mature over time and are either renewed or replaced at higher rates.

CHART #12
INTEREST EXPENSE TO AVERAGE EARNING ASSETS
(SPREAD TO PEER)



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 (9 mo)
Spread	0.49%	0.60%	0.86%	1.01%	0.62%	0.57%	0.78%	0.77%	0.87%	1.11%
Bank	0.96%	1.11%	1.55%	1.89%	1.21%	0.89%	1.17%	2.21%	2.89%	3.00%
Peer	0.47%	0.51%	0.69%	0.88%	0.59%	0.32%	0.39%	1.44%	2.02%	1.89%

Chart #12 shows cost of earning assets for the Bank and its peer group over the past ten years. It also highlights the spread in the ratio between the Bank and its peer group for the same time periods. This chart shows that the Bank's cost of funds rate is consistently above the peer group. The elevated rate is due to the Bank’s reliance on wholesale funding sources rather than building a large retail deposit operation. As mentioned, this is partly offset by reduced overhead expenses.

The Bank's cost of funds increased 11bps in 2025 (nine months) versus the prior year. This was driven by the continued repricing of lower rate CDs as discussed earlier. Also contributing to this increase was the Bank's philosophy for setting rates on its transaction deposits. The Bank adjusts rates on its transaction deposits immediately and in proportion to changes in the benchmark rates associated with these accounts. By doing this the Bank remains transparent and loyal to its clients with money on deposit.

BANK OPERATING OVERHEAD AND EFFICIENCY

Total other operating expenses increased approximately $2.6 million, or 20%, over the prior year. Much of this increase was related to one-time payments or variable expense increases that were offset by additional revenue generated. Core fixed operating overhead for the Bank remained stable with cost increases generally being driven by inflation adjustment. The Bank continues to have capacity available to support significant growth into the future.

The largest component of the current year's increase in operating expenses was personnel costs. Total salaries and employee benefits increased $1.6 million over the prior year. This represented a 23% increase.

A large portion of this increase included a one-time bonus of $1.1 million paid out to executive management. This bonus was compensation for additional work done to enhance the Bank's risk management structures and real estate operations. In addition, performance bonuses were paid to staff at year-end totaling $202,000. This was an increase of $102,000 over performance bonuses paid the prior year.

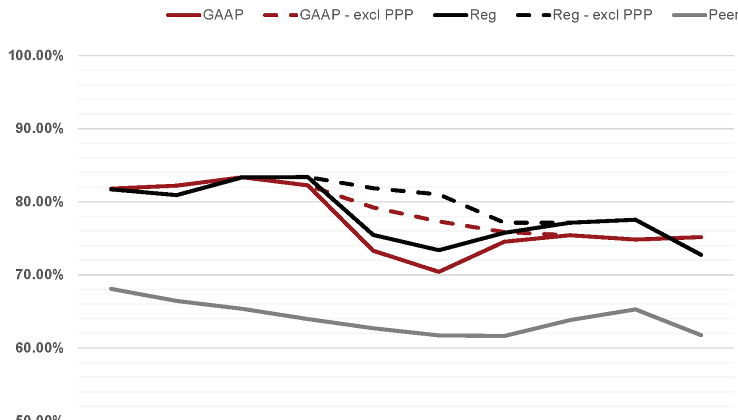
A second factor increasing personnel expense was an increase in relationship manager compensation expense of $326,000. RM expense is variable and correlates to the income they generate, net of loss provisions. This compensation is contractual and was established so that the RM has a personal stake in the success of their clients and in the Bank's overall performance. This year's increase was largely the result of the gains recorded on the valuation of foreclosed real estate, net of holding expenses associated with those properties.

Another driver of the increase in operating expenses for this year was the direct holding costs for foreclosed real estate. Foreclosed real estate expense in 2025 was $775,000. This was a $405,000 increase over the prior year. This increase was directly attributable to a large warehouse/

office complex that was foreclosed this year. The increase in this year's holding expenses was offset by a $2.7 million valuation gain recorded on the property. These holding expenses will be mitigated in 2026 as several parcels are under agreement to sell and there are leases in place to cover costs of the remaining parcels.

Lastly, real estate agency commissions expense in 2025 increased $216,000. This expense is entirely variable and based on revenue generated by agents. In 2025 commission and fee revenue generated in the real estate agency increased $285,000 which offset the increased expense.

CHART #13
EFFICIENCY RATIO (%)
(BANK – FISCAL YEAR; PEER – CALENDAR YEAR)



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
GAAP	81.79%	82.21%	83.35%	82.25%	73.29%	70.41%	74.53%	75.41%	74.82%	75.17%
GAAP - excl PPP	81.79%	82.21%	83.35%	82.25%	79.21%	77.30%	75.86%	75.41%	74.82%	75.17%
Reg	81.69%	80.91%	83.35%	83.38%	75.46%	73.38%	75.75%	77.13%	77.54%	72.74%
Reg - excl PPP	81.69%	80.91%	83.35%	83.38%	81.85%	81.00%	77.12%	77.13%	77.54%	72.74%
Peer	68.08%	66.44%	65.34%	63.95%	62.70%	61.72%	61.64%	63.82%	65.27%	61.76%

The Bank's efficiency ratio is an indicator used by Management to monitor utilization of its infrastructure. Chart #13 compares the Bank's efficiency ratio, on a GAAP and regulatory basis, to its peer group for the past ten years. When analyzing the Bank's efficiency, it is important to recognize the impact of its wholly owned subsidiaries. The subsidiaries are designed to assist to support small business in the areas of bookkeeping, marketing, IT and other advisory services. This type of operation is unique and generally not embedded in the efficiency calculations of the peer group. The Bank has made significant investment in staff, facilities and systems to position its subsidiaries for future growth.

The Bank's elevated efficiency ratio in relation to the peer group is a product of investment into its subsidiary businesses and the capacity available to support growth in core banking operations. As the core banking operation and subsidiary businesses continue to grow the additional revenue generated will add to earnings as fixed overhead costs remain stable. The Bank has the capacity to support significant growth into the future.

SUBSIDIARY OPERATIONS

The Bank has formed several subsidiaries designed to support and strengthen small businesses. Operating companies include a full-service real estate agency, a title insurance and settlement company, and a company that provides advisory services which includes bookkeeping, IT and marketing services. These businesses are focused on providing valuable services at prices that are affordable for a start-up operation.

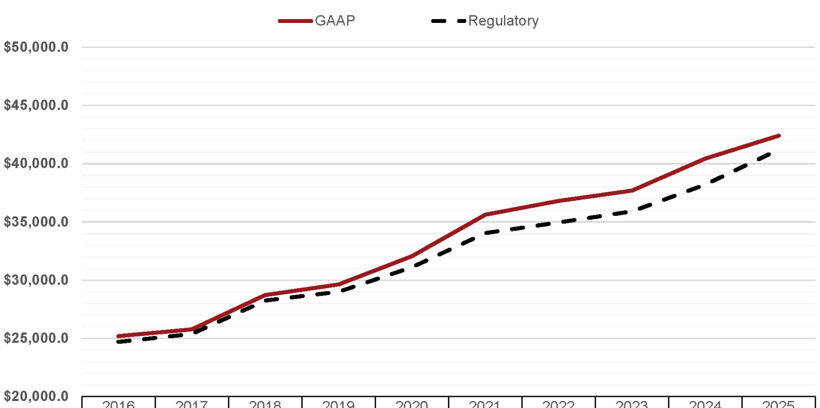
Kuzneski & Lockard, Inc. ("K&L") is a full-service real estate agency headquartered in Indiana, Pennsylvania. The agency also maintains an office at the Company's facility in Allison Park, PA. The agency provides services to commercial and residential clients and supports sales, leasing and management activities for the Bank's portfolio of foreclosed real estate.

In 2025, K&L generated commission and fee revenue, net of commission expenses paid to agents, of $324,000. This was an increase of $69,000 over the prior year. Sales of residential real estate continue to be impacted by the current interest rate environment. Mortgage rates continue to be elevated and above the historical lows experienced earlier in the decade. In addition to this a shift to an online model that focuses on transaction volume at lower margins rather than the traditional full-service model has impacted smaller agencies like K&L. K&L continues to focus its efforts on commercial sales activity in the Pittsburgh market to restore profitability to previous levels.

Enterprise Insurance Services, Inc. provides residential and commercial settlement services along with title and business lines of insurance. The slowdown in residential sales along with a drop-off in re-financing activity has negatively impacted sales volume for this subsidiary over the past few years. In 2025 the subsidiary generated $708,000 in revenue. While this was an increase of $87,000 over the prior year, it is still significantly below the level of the subsidiary's most profitable years. Management continues to focus on refining its efficiency and controlling overhead costs until business activity returns to normal levels.

Enterprise Business Consultants, Inc. provides various services valuable in supporting the growth and success of small business start-ups. Services include but are not limited to bookkeeping, temporary CFO, marketing, web design and IT support. The subsidiary also operates a small business club that provides co-working space, training and networking opportunities to its members. The club concept was developed to utilize excess capacity at the newly renovated Alpha building until other operations grow into the space. In 2025 the subsidiary generated $401,000 in revenue. This was a decrease of $31,000 from the prior year. During the year new leadership was put in place to manage and develop business for the club and to lead the bookkeeping and marketing services lines of business.

CHART #14
TOTAL REGULATORY CAPITAL ($)



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
GAAP	$25,198	$25,779	$28,715	$29,632	$32,062	$35,623	$36,807	$37,694	$40,439	$42,406
Regulatory	$24,697	$25,377	$28,255	$29,001	$31,110	$34,041	$34,956	$35,907	$38,209	$41,205

CAPITAL

Total regulatory capital for the Bank on September 30, 2025, was $42.4 million. This represented an increase of $2 million over the balance on September 30, 2024. Chart #14 highlights the Bank's regulatory capital balance for the past ten-year period. The increase in capital in 2025 represents the Bank's regulatory net income less dividends paid to the holding company. The Bank pays dividends to the holding company to support payment of dividends to common and preferred shareholders and to fund expenses incurred at the holding company level.

In 2025 the company redeemed 1,000 shares of its outstanding preferred stock at a price of $1,000 per share. This resulted in a reduction to the Bank's outstanding balance in preferred stock of $1 million. The balance of preferred stock on September 30, 2025, was $1.5 million. The balance represents the Company's remaining shares outstanding as a participant in the U.S. Treasury's Small Business Lending Fund. The Company is obligated to pay a dividend of 9% per year on its outstanding preferred shares. In 2025 dividends on preferred shares were $523,000. The Company remains on pace to fully redeem the preferred shares as established in its business plan.

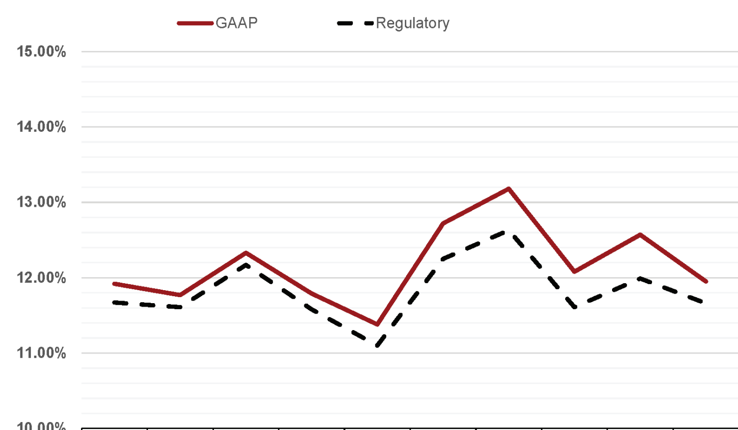
In 2025 the Company re-issued its remaining shares of Treasury Stock. 28,180 shares were re-issued at an average price of $21.47 per share. These shares were re-issued in conjunction with the one-time executive bonuses paid in 2025. Executives received payment of their bonuses, net of taxes, in the form of re-issued treasury shares. This reduced the impact of this bonus payment on the Bank's capital ratios.

An annual dividend of $0.445 per share was paid to holders of common stock in 2025. This represented a total dividend payout by the company of $522,830. The payout to common shareholders in 2025 was an increase of $189,000, or 57%, over the prior year.

In 2025 the Company was restructured adding framework to ensure that the Bank can remain independent and plan for succession to the next generation of leadership. As part of this restructuring Class B common shares were authorized and issued. Five shares of Class B stock was issued at a par value of $0.50 per share. Sale or merger of the Bank would require a majority vote of the class B shareholders. This restructuring also provided the Company the ability to form a subsidiary that will provide capital investment to assist start-ups and promote the growth of local small business. While this subsidiary was formed in 2025 there has been no activity or investment to date.

The Bank's Total Risk Based Capital Ratio (%), as reported on the September 30, 2025, Call Report, was 11.66%. This was a decrease of 33bps from the prior fiscal year end. This decrease was the result of the Company's redemption of $1 million in preferred shares as well as growth in its portfolios of loans and foreclosed real estate. The ratio on September 30, 2025, exceeded the Bank's requirement to remain well-capitalized under the regulator's prompt corrective action provision and above the fully-buffered requirement allowing payment of dividends without restriction. The ratio also exceeded the Board's target which establishes an additional buffer above these requirements.

CHART #15
TOTAL RISK BASED CAPITAL (%)



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
GAAP	11.92%	11.77%	12.33%	11.79%	11.38%	12.72%	13.18%	12.08%	12.57%	11.95%
Regulatory	11.67%	11.61%	12.17%	11.58%	11.10%	12.25%	12.63%	11.61%	11.99%	11.66%

Chart #15 plots the Bank's Total Risk Based Capital Ratio (%) as reported to its regulator for the past ten fiscal year end dates. Given the Bank's usage of wholesale funding sources, it is imperative that the Bank's ratios remain above the well-capitalized threshold of 10.0%. If the Bank's capital ratio were to fall below this threshold its access to funding would be disrupted. The Bank has set internal requirements that are above this threshold and aligned with the institution's risk profile. The additional Board requirement provides a buffer for Management to react prior to any downgrade in classification. On September 30, 2025, all capital ratios complied with the Board set requirements.

elliott davis

Board of Directors
Enterprise Financial Services Group, Inc.
Allison Park, Pennsylvania

Opinion

We have audited the consolidated financial statements of Enterprise Financial Services Group, Inc. and its subsidiaries (the “Company”), which comprise the consolidated balance sheets as of September 30, 2025 and 2024, the related consolidated statements of income, changes in stockholders’ equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Auditor’s Responsibilities for the Audit of the Financial Statements, Continued

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information Included in the Annual Report

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

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

Elliott Davis, LLC

Columbia, South Carolina
January 23, 2026

Consolidated Statements of Financial Condition

ASSETS

	As of September 30, 2025	As of September 30, 2024
Cash and due from banks	$ 8,298,428	$ 617,044
Cash on deposit with Federal Reserve Bank	115,209,186	90,507,802
Interest bearing deposits with banks	364,708	405,381
Cash and Cash Equivalents	**123,872,322**	**91,530,227**
Loans receivable	341,015,737	333,812,842
Allowance for credit losses	(1,531,047)	(1,620,909)
Net Loans	**339,484,690**	**332,191,933**
Accrued interest receivable	1,570,081	2,126,555
Premises and equipment, net	10,745,441	10,959,503
Restricted investments in bank stock	2,516,100	2,714,100
Other assets (See Note 8)	25,404,443	7,154,699
Total Assets	**$ 503,593,077**	**$ 446,677,017**

See Notes to Consolidated Financial Statements

Consolidated Statements of Financial Condition

LIABILITIES AND STOCKHOLDERS' EQUITY

	As of September 30, 2025	As of September 30, 2024
LIABILITIES		
Non-interest bearing deposits	$ 7,725,939	$ 9,665,003
Interest bearing deposits	392,716,323	332,414,740
Total Deposits	**400,442,262**	**342,079,743**
Borrowings	58,366,500	63,366,500
Accrued interest payable	639,537	628,591
Accrued expenses and other liabilities	3,187,362	1,992,780
Total Liabilities	**462,635,661**	**408,067,614**
Commitments and contingencies (See Notes 6 and 17)		
STOCKHOLDERS' EQUITY		
Senior non-cumulative perpetual preferred stock authorized 5,000,000 shares; 1,500 and 2,500 shares issued and outstanding at September 30, 2025 and 2024, respectively, with a liquidation value of $1,000 per share	1,500,000	2,500,000
Common stock, par value $0.50; 9,846,555 shares authorized; 1,200,320 shares issued and outstanding at September 30, 2025 and 2024, respectively	600,160	600,160
Common stock-Class B, par value $0.50; 5 shares authorized; 5 shares issued and outstanding at September 30, 2025	2	-
Additional paid in capital	14,289,270	13,932,779
Retained earnings	24,567,984	21,825,122
Treasury stock, cost, 28,180 shares at September 30, 2024	-	(248,658)
Total Stockholders' Equity	**40,957,416**	**38,609,403**
Total Liabilities and Stockholders' Equity	**$ 503,593,077**	**$ 446,677,017**

See Notes to Consolidated Financial Statements

Consolidated Statements of Income

	For Period Ended September 30, 2025	2024
INTEREST INCOME		
Interest and fees on loans	$ 23,309,293	$ 20,939,095
Interest on Federal Reserve balances	4,442,405	3,864,883
Other interest and dividend income	264,133	273,202
Total Interest Income	**28,015,831**	**25,077,180**
Interest on deposits	10,787,635	9,161,419
Interest on borrowings	2,354,460	2,072,481
Total Interest Expense	**13,142,095**	**11,233,900**
Net Interest Income	**14,873,736**	**13,843,280**
(CREDIT FROM) PROVISION FOR CREDIT LOSSES	**709,887**	**(64,918)**
Net Interest Income After Provision For Credit Losses	**14,163,849**	**13,908,198**
OTHER OPERATING INCOME		
Service charges on deposit accounts	387,948	374,111
Other fee revenue (see Note 12)	2,836,754	2,514,598
Gain/(loss) on sale of foreclosed real estate	(106,806)	764,257
Gain/(loss) on valuation of foreclosed real estate	2,706,546	(162,917)
Total Other Operating Income	**5,824,442**	**3,490,049**
OTHER OPERATING EXPENSES		
Salaries and employee benefits (see Note 13)	8,680,335	7,042,272
Occupancy	613,725	584,350
Furniture and office equipment	419,727	443,549
Data processing and computer equipment	1,048,779	1,004,286
FDIC insurance expense	774,552	657,873
Other (see Note 14)	4,022,452	3,235,961
Total Other Operating Expenses	**15,559,570**	**12,968,291**
Net Income From Continuing Operations, Before Tax	**4,428,721**	**4,429,956**

See Notes to Consolidated Financial Statements

Consolidated Statements of Income

	For Period Ended September 30, 2025	2024
INCOME TAX EXPENSE	**964,779**	**1,006,712**
Net Income	**3,463,942**	**3,423,244**
Preferred stock dividends	198,250	225,000
Net Income Attributable To Common Stockholders	**$ 3,265,692**	**$ 3,198,244**
Net Income Attributable to Common Stockholders, per share (basic)	**$ 2.78**	**$ 2.73**
Net Income Attributable to Common Stockholders, per share (diluted)	**$ 2.78**	**$ 2.73**

See Notes to Consolidated Financial Statements

Consolidated Statements of Stockholders' Equity

	Preferred Stock	Common Stock	Common Stock Class B	Additional Paid In Capital	Retained Earnings	Treasury Stock	Total Stockholders' Equity
BALANCE AT SEPTEMBER 30, 2023	**$ 2,500,000**	**$ 600,160**	**$ -**	**$ 13,932,779**	**$ 18,960,938**	**$ (248,658)**	**$ 35,745,219**
Cash dividends paid on preferred stock ($90.00 per share)	-	-	-	-	(225,000)	-	(225,000)
Cash dividends paid on common stock ($0.285 per share)	-	-	-	-	(334,060)	-	(334,060)
Net income	-	-	-	-	3,423,244	-	3,423,244
BALANCE AT SEPTEMBER 30, 2024	**2,500,000**	**600,160**	**-**	**13,932,779**	**21,825,122**	**(248,658)**	**38,609,403**
Issuance of Class B Common Stock 5 shares; $1.00 per share; $0.50 par value	-	-	2	3	-	-	5
Redemption of Preferred Stock 1,000 shares; $1,000 per share	(1,000,000)	-	-	-	-	-	(1,000,000)
Re-issuance of Treasury Stock 2,762 shares; $19.40 per share	-	-	-	30,099	-	23,477	53,576
Re-issuance of Treasury Stock 25,418 shares; $21.70 per share	-	-	-	326,389	-	225,181	551,570
Cash dividends paid on preferred stock ($90.00 per share)	-	-	-	-	(198,250)	-	(198,250)
Cash dividends paid on common stock ($0.445 per share)	-	-	-	-	(522,830)	-	(522,830)
Net income	-	-	-	-	3,463,942	-	3,463,942
BALANCE AT SEPTEMBER 30, 2025	**$ 1,500,000**	**$ 600,160**	**$ 2**	**$ 14,289,270**	**$ 24,567,984**	**$ -**	**$ 40,957,416**

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended September 30, 2025	Years Ended September 30, 2024
CASH FLOWS FROM OPERATING ACTIVITES		
Net income	$ 3,463,942	$ 3,423,244
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for (credit from) credit losses	709,887	(64,918)
Loss (gain) on sale of foreclosed real estate	106,806	(764,257)
(Gain) loss on valuation of foreclosed real estate	(2,706,546)	162,917
Amortization of deferred loan fees and costs, net	124,655	104,131
Depreciation of premises and equipment	918,166	845,125
Gain on disposition of premises and equipment	(135,080)	(46,985)
(Increase) decrease in deferred tax asset	(432,078)	448,773
Decrease (increase) in accrued interest receivable	556,474	(334,376)
(Increase) decrease in other assets	(1,211,136)	655,239
Increase (decrease) in other liabilities	1,128,926	(353,189)
Increase (decrease) in accrued interest payable	10,946	(110,259)
Net Cash Provided By Operating Activities	**2,534,962**	**3,965,445**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of restricted investments in bank stock	(2,000)	(968,800)
Sale of restricted investments in bank stock	200,000	1,251,300
Net increase in loans	(21,645,312)	(15,371,622)
Purchases of premises and equipment	(814,408)	(657,156)
Net proceeds from the sale of premises and equipment	197,458	31,145
Additional investment in foreclosed real estate	(700,388)	(583,860)
Proceeds from the sale of foreclosed real estate	325,198	4,106,981
Net Cash Used By Investing Activities	**(22,439,452)**	**(12,192,012)**

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended September 30, 2025	Years Ended September 30, 2024
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase in deposits	$ 58,362,519	$ 38,342,121
Dividends paid	(721,080)	(559,060)
Proceeds from re-issuance of treasury stock	605,146	-
Redemption of preferred stock	(1,000,000)	-
Proceeds from borrowings	1,000,000	23,781,500
Repayment on borrowings	(6,000,000)	(31,281,500)
Net Cash Provided By Financing Activities	**52,246,585**	**30,283,061**
Increase In Cash and Cash Equivalents	**32,342,095**	**22,056,494**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**91,530,227**	**69,473,733**
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 123,872,322**	**$ 91,530,227**
SUPPLEMENTARY CASH FLOWS INFORMATION		
Interest Paid	$ 13,131,149	$ 11,344,159
Income Tax Paid	$ 911,060	$ 736,480
NON-CASH INVESTING TRANSACTIONS		
Loans transferred to foreclosed real estate	$ 14,362,055	$ 1,523,731
Loans to facilitate sales of foreclosed real estate	$ 1,020,000	$ 225,250

See Notes to Consolidated Financial Statements

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

General

The accompanying consolidated financial statements include the accounts of Enterprise Financial Services Group, Inc. (the "Company") and its wholly-owned subsidiary Enterprise Bank (the "Bank"). The accompanying statements also include the accounts of the Bank's wholly owned subsidiaries. The Bank's subsidiaries include Enterprise Insurance Services, Inc., Enterprise Business Consultants, Inc., Buildonus, Inc., Enterprise Intangible Assets, LLC, Enterprise OREO, Inc., Enterprise Child Care LLC, and Kuzneski & Lockard, Inc. All significant inter-company accounts and transactions have been eliminated in consolidation.

Enterprise Bank commenced operations as a state bank in October, 1998. The Bank operates from one location in Allison Park, Allegheny County, Pennsylvania. The primary source of revenue is from providing commercial loans to business customers located within Allegheny and its bi-contiguous counties. The Bank is subject to regulation by the Pennsylvania Department of Banking, the Federal Reserve Board and the Federal Deposit Insurance Corporation.

Enterprise Insurance Services, Inc. provides real estate title verification and insurance services. Enterprise Business Consultants, Inc. is a professional services firm that provides bookkeeping, marketing, advertising and web design services for its small business clients. Enterprise Business Consultants, Inc. also operates "The Club" which is a membership oriented service for small businesses that provides training and networking opportunities as well as flexible office and event space for its members. Buildonus, Inc. provides light construction support to the Bank for its foreclosed properties. Buildonus, Inc. has also served in the past as a general contractor for the construction of the Kuzneski & Lockard, Inc. office facility in Indiana, Pennsylvania and for the expansion of the Bank's headquarters in Allison Park, Pennsylvania. Kuzneski & Lockard, Inc. is a full service real estate agency with headquarters in Indiana, Pennsylvania. Enterprise Intangible Assets, LLC holds title to mineral rights the Bank has obtained through foreclosure. Enterprise OREO, Inc. is a holding

Cash and Cash Equivalents

Cash and cash equivalents includes cash in banks with original maturities of less than 90 days. For purposes of reporting cash flows, the Bank has defined cash and cash equivalents as those amounts included in the Consolidated Statements of Financial Condition captioned, "Cash and due from banks", "Cash on deposit with Federal Reserve Bank", and "Interest bearing deposits with banks".

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loans Receivable

Loans that management has the intent and ability to hold for the foreseeable future, or until maturity or payoff, are reported at amortized cost. Amortized cost is the principal balance outstanding, net of purchase premiums and discounts and deferred fees and costs. Interest income is accrued on the unpaid principal balance and is credited to income as earned. Accrued interest receivable related to loans totaled $1,345,505 at September 30, 2025 and was reported in Accrued interest receivable in the Consolidated Statements of Financial Condition. Loan origination fees, net of certain direct origination costs, are deferred and are recognized as an adjustment to the effective yield of the related loan through interest income. The Bank is generally amortizing these amounts over the contractual life of the loan.

The accrual of interest is generally discontinued when a loan becomes 90 days past due and is not well secured and in the process of collection, or when management believes, after considering economic and business conditions and collection efforts, that the principal or interest will not be collectible in the normal course of business. Past due status is based on contractual terms of the loan. A loan is considered to be past due when a scheduled payment has not been received 30 days after the contractual due date.

For interest that has been accrued but unpaid at the time a loan is placed on nonaccrual status, a reversal is made to either interest income in the current year or charged against the allowance for credit losses depending on the period in which the interest was originally accrued.

For loans that are on nonaccrual, with measured impairment, payments received are generally applied against principal. For loans that are on nonaccrual, with no measured impairment, a portion of payments received may be recognized as interest income on a cash basis. Generally, loans are restored to accrual status when the interest due is brought current, the loan has performed in accordance with the contractual terms for a reasonable period of time, and doubt about the ultimate collectability of the total contractual principal and interest has been alleviated.

Management's interpretation of GAAP with regard to the recognition of interest income on loans receivable differs from regulatory reporting guidance. This results in a difference between interest income as presented in this report and interest income as presented in the Bank's regulatory financial reporting. Please refer to Note 23 Reconciliation Of Financial Statements To Regulatory Reporting (Unaudited) for more detail and discussion of these differences.

Allowance for Credit Losses - Loans

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

The allowance for credit losses represents management's estimate of lifetime credit losses inherent in loans as of the balance sheet date. The allowance for credit losses is estimated by management using relevant available information, from both internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. Management's evaluation of the allowance is inherently subjective, as it requires material estimates that may be susceptible to significant change, including the amounts and timing of future cash flows expected to be received on individually evaluated loans.

The Company measures expected credit losses for loans on a pooled basis when similar risk characteristics exist. The Company has identified the following portfolio segments:

Collateral Based Pool - Loans in this pool have been underwritten with an emphasis on collateral values as an important source of repayment. The allowance for credit losses for this portfolio segment is estimated using a weighted average remaining maturity ("WARM") methodology. This methodology applies a historical loss factor to the estimated remaining life of the portfolio on the period end date. The historical loss factor is calculated as an average of the Bank's specific loss history over a base period deemed reasonable based on the estimated remaining life of the portfolio. The weighted average remaining life is estimated based on the remaining contractual life of the loan adjusted for an estimate of expected prepayments.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash Flow Based Pool - Loans in the pool have been underwritten with an emphasis on traditional cash flow analysis when determining the borrower's ability to pay. Due to the Company's limited historical loss experience for loans in this pool, the allowance for credit losses for this segment is estimated using the Scaled CECL for Allowance for Losses Estimator (SCALE). This methodology was developed by the Federal Reserve and estimates expected lifetime loss rates utilizing industry or peer data from the Call Report.

Additionally, the allowance for credit losses calculation includes subjective adjustments for qualitative risk factors that are likely to cause estimated credit losses to differ from historical experience. These qualitative adjustments may increase or reduce reserve levels and may include adjustments for asset quality and portfolio trends, trends in the valuation of underlying collateral, current and forecast economic conditions and other external factors. For forecast information the Bank is typically using forecast periods of up to one year and then reverting back to historical loss data.

Loans that do not share risk characteristics are evaluated on an individual basis. When management determines that foreclosure is probable and the borrower is experiencing financial difficulty, the expected credit losses are based on the fair value of collateral at the reporting date, net of estimated selling costs as appropriate.

Allowance for Credit Losses - Unfunded Commitments

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

The Company records an allowance for credit losses - unfunded commitments, unless the commitments to extend credit are unconditionally cancelable, through a charge to provision for credit losses in the Company's Consolidated Statements of Income. The allowance for credit losses - unfunded commitments is estimated by loan segment at each balance sheet date under the current expected credit loss model using the same methodologies as portfolio loans, taking into consideration the likelihood that funding will occur as well as any third-party guarantees. The allowance for credit losses - unfunded commitments is included in Accrued expenses and other liabilities in the Company's Consolidated Statements of Financial Condition.

Foreclosed Real Estate

Real estate properties acquired through, or in lieu of, loan foreclosure are to be sold and are initially recorded at fair value net of estimated costs to sell on the date of foreclosure establishing a new carrying value. On the date of acquisition, any deficiency between the asset’s net fair value and the basis of the underlying loan is charged to the allowance for credit losses. If the asset’s net fair value exceeds the Bank’s basis in the underlying loan then a gain is recorded and classified as a gain on valuation of foreclosed real estate on the Consolidated Statements of Income. After foreclosure, properties are re-appraised on at least an annual basis. When re-appraised, the property is adjusted to the lower of the carrying amount, which may include capitalized remodeling expenses, or the new fair value less estimated costs to sell. A write-down of the carrying value is recorded as a loss on the valuation of foreclosed real estate on the Consolidated Statements of Income.

The Bank recorded net gains on the valuation of foreclosed real estate of $2,706,546 for the year ended September 30, 2025. The Bank recorded net losses on the valuation of foreclosed real estate of $162,917 for the year ended September 30, 2024. For the year ended September 30, 2025 the Bank recorded gains upon foreclosure, where the net fair market value of the property exceeded the Bank's investment in the loan, on two properties for an aggregate of $2,785,874. No gains were recorded upon foreclosure of properties for the year ended September 30, 2024.

The Bank held foreclosed real estate with an aggregate carrying value, net of valuation allowance, of $20,424,861 and $4,086,375 at September 30, 2025 and 2024, respectively, which is included in Other assets in the Company's Consolidated Statements of Financial Condition.

The Bank had loans with a balance of $155,948 and $947,470 secured by 1-4 family residential real estate that were in the process of foreclosure on September 30, 2025 and 2024, respectively.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Activity in the Bank's portfolio of foreclosed real estate for the years ended September 30, 2025 and 2024 was as follows:

	2025	2024
Beginning Balance	$ 4,086,375	$ 5,677,429
Transferred from loan principal at foreclosure	14,362,055	1,523,731
Additional investment	700,388	583,860
Proceeds from sale	(1,345,198)	(4,332,231)
Gain/(loss) on sales	(106,806)	764,257
Gain/(loss) on valuation	2,706,546	(162,917)
Other	21,501	32,246
Ending Balance	**$ 20,424,861**	**$ 4,086,375**

Premises and Equipment

Land is carried at cost. Premises and equipment are carried at cost less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Estimated useful lives range from three to forty years. Charges for maintenance and repairs are expensed as incurred.

Income Taxes

The applicable federal income tax expense or benefit for the Company's wholly owned subsidiaries is properly allocated to each subsidiary based upon taxable income or loss calculated on a separate company basis. Each subsidiary is responsible for its own federal income tax liability and receives reimbursement for federal income tax benefits.

Deferred income tax assets and liabilities are determined based on the differences between financial statement carrying amounts and the tax basis of existing assets and liabilities. These differences are measured at the enacted tax rates expected to be in effect when such amounts are realized or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion of the deferred tax assets will not be realized. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes.

Deposits

Interest expense on deposits is accrued and charged to expense daily and is paid or compounded in accordance with the terms of the accounts.

Advertising Costs

The Bank follows the policy of charging costs of advertising to expense as incurred. Advertising costs are included in the line item Other in the Other Operating Expenses section of the Consolidated Statements of Income. Total advertising expense for the years ended September 30, 2025 and 2024 was $30,164 and $16,397, respectively.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentration of Risks

The Bank maintains deposits in financial institutions that at times may exceed the federal deposit insurance limits for each account of $250,000. The Bank has not experienced any losses from these deposit relationships.

Fair Value of Financial Instruments

Fair values of financial instruments are estimated using relevant market information and other assumptions, as more fully disclosed in a separate note (see Note 22). Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular items. Changes in assumptions or in market conditions could significantly affect these estimates.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH BALANCES WITH FEDERAL RESERVE BANKS

Regulations of the Board of Governors of the Federal Reserve System impose uniform reserve requirements on all depository institutions with transaction accounts (checking accounts, NOW accounts, etc.). Reserves are maintained in the form of vault cash or cash balances held with the Federal Reserve Bank. The Bank also, from time to time, maintains deposits with the Federal Reserve Bank and other banks for various services such as check clearing. Effective March 26, 2020, in response to the COVID-19 pandemic, the Federal Reserve reduced its reserve requirement ratios to zero percent. As a result, the Bank had no reserve requirement at September 30, 2025 and 2024.

The Federal Reserve Bank paid interest on any required reserves and excess balances during the years ended September 30, 2025 and 2024. The Bank had interest bearing balances with the Federal Reserve of $115,209,186 and $90,507,802 at September 30, 2025 and 2024, respectively. These balances are classified as Cash on deposit with Federal Reserve Bank in the Consolidated Statements of Financial Condition.

NOTE 3 - RESTRICTED INVESTMENTS IN BANK STOCK

Restricted investments in bank stock include equity securities of the Federal Home Loan Bank (“FHLB”) and the Atlantic Community Bankers Bank (“ACBB”) recorded at cost, at September 30, 2025 and 2024 as follows:

	2025	2024
Federal Home Loan Bank stock	$ 2,486,100	$ 2,684,100
Atlantic Community Bankers Bank stock	30,000	30,000
Total	**$ 2,516,100**	**$ 2,714,100**

As a member of the FHLB, the Bank is required to maintain a capital stock investment. The FHLB requires a minimum investment based upon the member's borrowing balance, collateral pledged and participation in other FHLB programs.

FHLB stock does not have a readily determinable fair value and therefore is carried at cost. The investment is periodically evaluated for impairment based on an assessment of recoverability of the cost basis. Cash dividends received on FHLB and ACBB stock are included in Other interest and dividend income in the Consolidated Statements of Income.

NOTE 4 - LOANS RECEIVABLE

The composition of the Bank's loan portfolio at September 30, 2025 and 2024 was as follows:

	2025	2024
Real estate:		
Construction and land development	$ 36,328,934	$ 25,718,302
Mortgage:		
Residential	30,122,983	28,640,907
Commercial	241,942,617	249,514,052
Agricultural	2,188,653	2,220,000
Commercial and industrial loans	29,703,433	26,929,093
Consumer loans	12,873	38,411
Other	1,293	49,854
Total	**340,300,786**	**333,110,619**
Unamortized deferred loan origination costs, net	714,951	702,223
Total	**341,015,737**	**333,812,842**
Less allowance for credit losses	(1,531,047)	(1,620,909)
Net loans	**$ 339,484,690**	**$ 332,191,933**

The Bank grants commercial loans, residential mortgages and consumer loans to customers generally located within Allegheny County and its bi-contiguous counties. Although the Bank has a diversified portfolio, exposure to credit loss can be adversely impacted by downturns in local economic and employment conditions.

On September 30, 2025, the Bank had concentrations in loans to lessors of non-residential buildings (except mini-warehouses), lessors of residential buildings, and hotels (except casino hotels) in the amounts of $66,959,658, $39,236,673 and $31,209,055, respectively. On September 30, 2024, the Bank had concentrations in loans to lessors of non-residential buildings (except mini-warehouses), lessors of residential buildings, and hotels (except casino hotels) in the amounts of $69,415,707, $40,171,944 and $21,720,859, respectively.

NOTE 4 - LOANS RECEIVABLE (CONTINUED)

Risk characteristics applicable to each material segment of the loan portfolio are described as follows:

Construction and Land Development: Construction and land development real estate loans are usually based upon estimates of costs and estimated value of the completed project and include independent appraisal reviews and a financial analysis of the developers and property owners. Sources of repayment of these loans may include permanent loans, sales of developed property or an interim loan commitment from the Bank until permanent financing is obtained. These loans are considered to be higher risk than other real estate loans due to their ultimate repayment being sensitive to interest rate changes, general economic conditions and the availability of long-term financing. Credit risk in these loans may be impacted by the creditworthiness of a borrower, property values and the local economies in the Bank’s market areas.

Residential Real Estate: Residential real estate loans are generally secured by owner-occupied 1-4 family residences. In most instances this collateral is pledged to secure a loan to a commercial borrower. When securing a commercial loan, repayment is generally derived from the cash flow of a borrower’s principal business operation. Repayment of these loans is often dependent on the personal income and credit rating of the borrowers. Credit risk in these loans can be impacted by economic conditions within the Bank’s market areas that might impact property values, performance of the borrower’s business or personal income.

Commercial Real Estate: Commercial real estate loans typically involve larger principal amounts, and repayment of these loans is generally dependent on the successful operations of the property securing the loan or the business conducted on the property securing the loan. Credit risk in these loans may be impacted by the creditworthiness of a borrower, property values and the local economies in the Bank’s market areas.

Commercial and Industrial: The commercial portfolio includes loans to commercial customers for use in financing working capital needs, equipment purchases and expansion. The loans in this category are repaid primarily from the cash flow of a borrower’s principal business operation. Credit risk in these loans is driven by creditworthiness of a borrower and the economic conditions that impact the cash flow stability from business operations. Enterprise Bank puts a strong emphasis on tangible collateral and sometimes uses a government guarantee to mitigate its risk due to the business plan which includes an element of higher risk lending.

Agricultural: The commercial portfolio includes loans to finance agricultural production and other loans to farmers. This can include loans and advances made for the purpose of financing agricultural production, including the growing and storing of crops, the marketing or carrying of agricultural products by the growers thereof, and the breeding, raising, fattening or marketing of livestock. Credit risk in these loans can be impacted by economic conditions that might impact the performance of the borrower's business, personal income or property values.

NOTE 4 - LOANS RECEIVABLE (CONTINUED)

The following is a detail of the Bank's loans, classified by delinquent status, at September 30, 2025 and 2024 along with the value of risk mitigation programs in place to limit the Bank's exposure to loss from these loans.

September 30, 2025		**Days Past Due and Accruing**			**Past Due and**		**Total Loans**
	Current	**30-59**	**60-89**	**90+**	**Accruing Total**	**Nonaccrual**	**Receivable**
Real Estate							
Construction and land development	$ 35,556,516	$ 772,418	$ -	$ -	$ 772,418	$ -	$ 36,328,934
Mortgage:							
Residential	25,997,654	-	-	3,600,000	3,600,000	525,329	30,122,983
Commercial	226,130,903	3,269,845	4,310,244	3,369,040	10,949,129	4,862,585	241,942,617
Agricultural	2,188,653	-	-	-	-	-	2,188,653
Commercial and industrial loans	28,284,489	378,202	329,847	-	708,049	710,895	29,703,433
Consumer loans	12,873	-	-	-	-	-	12,873
Other	1,293	-	-	-	-	-	1,293
Total	**318,172,381**	**4,420,465**	**4,640,091**	**6,969,040**	**16,029,596**	**6,098,809**	**340,300,786**
Less government guaranteed portion	36,422,408	283,651	-	450,142	733,793	561,856	37,718,057
SBA 504 financing (1)	42,918,354	772,418	-	1,437,504	2,209,922	-	45,128,276
Net after SBA credit enhancements	**$ 238,831,619**	**$ 3,364,396**	**$ 4,640,091**	**$ 5,081,394**	**$ 13,085,881**	**$ 5,536,953**	**$ 257,454,453**

(1) SBA loan structure typically carries a loan to value ratio of ≤ 50%

NOTE 4 - LOANS RECEIVABLE (CONTINUED)

September 30, 2024		Days Past Due and Accruing					
	Current	30-59	60-89	90+	Past Due and Accruing Total	Nonaccrual	Total Loans Receivable
Real Estate							
Construction and land development	$ 25,225,927	$ -	$ 492,375	$ -	$ 492,375	$ -	$ 25,718,302
Mortgage:							
Residential	27,288,467	133,116	-	-	133,116	1,219,324	28,640,907
Commercial	230,105,080	4,160,464	-	14,160,644	18,321,108	1,087,864	249,514,052
Agricultural	2,220,000	-	-	-	-	-	2,220,000
Commercial and industrial loans	24,953,311	-	1,023,416	-	1,023,416	952,366	26,929,093
Consumer loans	38,411	-	-	-	-	-	38,411
Other	49,854	-	-	-	-	-	49,854
Total	**309,881,050**	**4,293,580**	**1,515,791**	**14,160,644**	**19,970,015**	**3,259,554**	**333,110,619**
Less government guaranteed portion	37,508,940	-	795,221	3,325,221	4,120,442	1,634,232	43,263,614
SBA 504 financing (1)	33,805,574	280,000	492,375	1,333,330	2,105,705	-	35,911,279
Net after SBA credit enhancements	**$ 238,566,536**	**$ 4,013,580**	**$ 228,195**	**$ 9,502,093**	**$ 13,743,868**	**$ 1,625,322**	**$ 253,935,726**

(1) SBA loan structure typically carries a loan to value ratio of ≤ 50%

NOTE 5 - ALLOWANCE FOR CREDIT LOSSES

Internal Credit Risk Grades

The following summarizes the Bank's internal credit risk grades used as part of its credit risk valuation process for loans as presented in the following tables:

Grade 1 (Excellent risk)

This category includes only credits of the highest quality. Risk of financial deterioration and/or ultimate loss is extremely low. This category typically includes lines of credit and loans fully secured with negotiable securities or bank time deposits, within Bank policy guidelines. This category may include credits to very strong net worth and cash flow borrowers with good collateral, proper guarantees, and a defined short to intermediate term repayment schedule. This category includes the government guaranteed portion of Small Business Administration loans. Collateral may include less than 50% advances against real estate. Credits contain no policy exceptions.

Grade 2 (Above average risk)

This category includes credits of a high quality with minor or no policy exceptions. The risk of serious financial deterioration and/or loss is very low. Typically this category includes credits secured with business assets providing a significant level of protection beyond the loan balance and may include personal real estate collateral when significant equity exists, is personally guaranteed and has a defined repayment agreement. Borrower consistently meets all reporting requirements.

Grade 3 (Satisfactory risk)

This category contains good quality credits. The risk of financial deterioration and/or ultimate loss is low. This category includes unsecured credits to very strong net worth and cash flow borrowers with excellent track records or credit ratings. Loans substantially comply with Bank policy with only minor exceptions. This category typically includes credits which may have been rated a Grade 2 but for over advances on collateral or extended repayment terms. This category may include loans to new or acquired businesses which have good collateral, but lack of a track record. Commercial mortgages with advances less than 75% may be rated in this category. The borrower is generally prompt with reporting requirements, needing only occasional reminders to comply.

Grade 4 (Acceptable risk)

This category contains average quality credits. The risk is acceptable in its current form, but the possibility of financial deterioration exists if adverse conditions occur. This rating may be indicative of factors such as less than favorable earnings trends, untested management abilities, limited secondary sources of repayment, higher than average leverage or marginal collateral. Generally, this category includes monitored business lines of credit and receivable purchase facilities. This category also includes credits which may have one major policy exception or a limited number of minor exceptions, such as advances on real estate in excess of that defined under the Grade 3 category, or having cash flow characteristics which are untested or of duration less than that of the loan. This category will include otherwise higher rated loans to borrowers who frequently fail to meet reporting requirements or incur occasional delinquency.

Grade 5 (Marginal risk and "Watch List")

This category contains credits of below average quality. One or two important negative factors exist which could result in serious financial deterioration leading to a risk of loss. Credit may still be protected by good collateral or guarantor support. This category usually includes loans which have been downgraded due to a repeated delinquency, deterioration of financial condition, including collateral value and/or cash flow, repeated failure to meet reporting requirements or other factors, which, if not corrected, may result in further weakness.

Grade 6 (Classified)

This category contains credits of below average quality with several weaknesses. Weaknesses include significant financial deterioration in collateral value or the Bank's ability to liquidate collateral, financial statements which indicate unacceptable leverage, or cash flow insufficient to service debt.

NOTE 5 - ALLOWANCE FOR CREDIT LOSSES (CONTINUED)

The following table presents the Company's recorded investment in loans by internal risk grade by year of origination as of September 30, 2025:

	Term Loans by Year of Origination, Fiscal year ending September 30,							
	2025	2024	2023	2022	2021	Prior	Revolving	Total
Construction and land development								
Grade 1	$ -	$ 635,499	$ -	$ -	$ -	$ -	$ -	$ 635,499
Grade 2	-	-	-	-	-	-	-	-
Grade 3	7,775,227	2,172,908	122,500	-	-	973,439	128,980	11,173,054
Grade 4	11,975,699	1,486,677	5,946,702	-	1,284,773	1,466,250	2,360,280	24,520,381
Grade 5	-	-	-	-	-	-	-	-
Grade 6	-	-	-	-	-	-	-	-
Total construction and land development	**19,750,926**	**4,295,084**	**6,069,202**	**-**	**1,284,773**	**2,439,689**	**2,489,260**	**36,328,934**
Current period gross write-offs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Mortgage - residential								
Grade 1	2,466,113	2,335,807	422,910	-	382,842	435,142	57,846	6,100,660
Grade 2	150,000	232,681	201,051	808,891	356,195	248,494	297,000	2,294,312
Grade 3	1,348,508	893,359	1,254,269	422,306	159,813	3,035,972	4,786,800	11,901,027
Grade 4	894,225	1,386,230	453,874	164,007	1,214,662	659,599	239,162	5,011,759
Grade 5	-	164,114	-	-	18,628	92,824	-	275,566
Grade 6	3,200,000	-	729,807	-	-	209,852	400,000	4,539,659
Total mortgage - residential	**8,058,846**	**5,012,191**	**3,061,911**	**1,395,204**	**2,132,140**	**4,681,883**	**5,780,808**	**30,122,983**
Current period gross write-offs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Mortgage - commercial								
Grade 1	2,176,970	-	714,375	4,343,858	279,320	7,612,429	-	15,126,952
Grade 2	267,500	310,246	602,629	-	2,066,113	3,424,410	288,377	6,959,275
Grade 3	12,462,727	19,389,659	18,646,839	15,943,693	12,593,973	39,878,096	5,544,613	124,459,600
Grade 4	9,338,937	4,361,298	12,156,885	8,825,601	3,610,658	37,700,220	491,187	76,484,786
Grade 5	-	-	2,033,613	125,437	-	4,646,164	98,949	6,904,163
Grade 6	-	600,190	593,184	4,517,390	464,174	5,832,903	-	12,007,841
Total mortgage - commercial	**24,246,134**	**24,661,393**	**34,747,525**	**33,755,979**	**19,014,238**	**99,094,222**	**6,423,126**	**241,942,617**
Current period gross write-offs	**-**	**-**	**-**	**-**	**-**	**643,041**	**-**	**643,041**

NOTE 5 - ALLOWANCE FOR CREDIT LOSSES (CONTINUED)

	Term Loans by Year of Origination, Fiscal year ending September 30,							
	2025	2024	2023	2022	2021	Prior	Revolving	Total
Agricultural								
Grade 1	-	-	-	-	-	-	-	-
Grade 2	-	-	-	-	-	-	-	-
Grade 3	-	2,188,653	-	-	-	-	-	2,188,653
Grade 4	-	-	-	-	-	-	-	-
Grade 5	-	-	-	-	-	-	-	-
Grade 6	-	-	-	-	-	-	-	-
Total agricultural	**-**	**2,188,653**	**-**	**-**	**-**	**-**	**-**	**2,188,653**
Current period gross write-offs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Commercial and industrial loans								
Grade 1	494,710	464,667	4,239,282	1,746,538	1,667,992	1,292,898	5,573,461	15,479,548
Grade 2	-	-	227,883	733,730	-	-	90,000	1,051,613
Grade 3	1,288,673	-	337,417	161,211	-	2,033,873	3,529,650	7,350,824
Grade 4	182,986	191,656	408,569	146,352	157,467	1,297,552	2,073,824	4,458,406
Grade 5	-	11,572	171,030	-	82,382	118,352	-	383,336
Grade 6	-	-	459,709	-	396,117	123,880	-	979,706
Total commercial and industrial	**1,966,369**	**667,895**	**5,843,890**	**2,787,831**	**2,303,958**	**4,866,555**	**11,266,935**	**29,703,433**
Current period gross write-offs	**-**	**-**	**-**	**-**	**18,704**	**-**	**109,499**	**128,203**
Consumer loans								
Grade 1	-	-	-	-	-	-	-	-
Grade 2	-	-	-	-	-	-	-	-
Grade 3	-	-	-	-	-	-	-	-
Grade 4	-	-	7,919	-	4,954	-	-	12,873
Grade 5	-	-	-	-	-	-	-	-
Grade 6	-	-	-	-	-	-	-	-
Total consumer	**-**	**-**	**7,919**	**-**	**4,954**	**-**	**-**	**12,873**
Current period gross write-offs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

NOTE 5 - ALLOWANCE FOR CREDIT LOSSES (CONTINUED)

	Term Loans by Year of Origination, Fiscal year ending September 30,							
	2025	**2024**	**2023**	**2022**	**2021**	**Prior**	**Revolving**	**Total**
Other								
Grade 1	1,293	-	-	-	-	-	-	1,293
Grade 2	-	-	-	-	-	-	-	-
Grade 3	-	-	-	-	-	-	-	-
Grade 4	-	-	-	-	-	-	-	-
Grade 5	-	-	-	-	-	-	-	-
Grade 6	-	-	-	-	-	-	-	-
Total other	**1,293**	**-**	**-**	**-**	**-**	**-**	**-**	**1,293**
Current period gross write-offs	-	-	-	-	-	-	-	-

The following table presents the Company's recorded investment in loans by internal risk grade by year of origination as of September 30, 2024

	Term Loans by Year of Origination, Fiscal year ending September 30,							
	2024	**2023**	**2022**	**2021**	**2020**	**Prior**	**Revolving**	**Total**
Construction and land development								
Grade 1	$ 1,380,703	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,380,703
Grade 2	-	-	128,695	-	-	-	-	128,695
Grade 3	6,542,478	1,259,543	759,915	-	-	-	-	8,561,936
Grade 4	1,713,072	7,605,711	1,934,662	705,848	1,785,000	-	419,144	14,163,437
Grade 5	-	1,483,531	-	-	-	-	-	1,483,531
Grade 6	-	-	-	-	-	-	-	-
Total construction and land development	**9,636,253**	**10,348,785**	**2,823,272**	**705,848**	**1,785,000**	**-**	**419,144**	**25,718,302**
Current period gross write-offs	-	-	-	-	-	-	-	-
Mortgage - residential								
Grade 1	1,936,338	462,592	-	450,041	139,181	783,155	-	3,771,307
Grade 2	148,000	567,149	711,094	371,657	494,203	838,090	-	3,130,193
Grade 3	1,930,832	4,128,980	466,220	854,369	650,863	2,303,277	4,619,630	14,954,171
Grade 4	1,505,569	1,096,635	169,647	1,419,640	264,513	670,528	-	5,126,532
Grade 5	-	-	-	25,821	46,394	-	-	72,215
Grade 6	-	541,003	-	58,490	234,049	10,208	742,739	1,586,489
Total mortgage - residential	**5,520,739**	**6,796,359**	**1,346,961**	**3,180,018**	**1,829,203**	**4,605,258**	**5,362,369**	**28,640,907**
Current period gross write-offs	-	-	-	-	-	-	-	-

NOTE 5 - ALLOWANCE FOR CREDIT LOSSES (CONTINUED)

	Term Loans by Year of Origination, Fiscal year ending September 30,							
	2024	2023	2022	2021	2020	Prior	Revolving	Total
Mortgage - commercial								
Grade 1	-	701,526	5,667,100	290,460	-	10,633,123	-	17,292,209
Grade 2	-	619,027	276,191	-	1,711,519	2,910,510	15,815	5,533,062
Grade 3	14,862,456	19,033,827	21,111,673	15,279,494	11,781,411	38,318,318	4,529,048	124,916,227
Grade 4	4,359,123	14,132,466	10,104,921	4,085,584	12,765,808	27,470,679	55,000	72,973,581
Grade 5	-	192,960	33,486	472,709	5,375,116	985,984	-	7,060,255
Grade 6	-	2,116,361	5,029,690	8,758,329	-	5,834,338	-	21,738,718
Total mortgage - commercial	**19,221,579**	**36,796,167**	**42,223,061**	**28,886,576**	**31,633,854**	**86,152,952**	**4,599,863**	**249,514,052**
Current period gross write-offs	**-**	**-**	**-**	**-**	**-**	**70,011**	**-**	**70,011**
Agricultural								
Grade 1	-	-	-	-	-	-	-	-
Grade 2	-	-	-	-	-	-	-	-
Grade 3	2,220,000	-	-	-	-	-	-	2,220,000
Grade 4	-	-	-	-	-	-	-	-
Grade 5	-	-	-	-	-	-	-	-
Grade 6	-	-	-	-	-	-	-	-
Total agricultural	**2,220,000**	**-**	**-**	**-**	**-**	**-**	**-**	**2,220,000**
Current period gross write-offs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Commercial and industrial loans								
Grade 1	495,424	5,680,041	1,872,014	2,386,004	-	1,861,849	2,573,375	14,868,707
Grade 2	-	-	-	-	192,537	-	-	192,537
Grade 3	52,919	1,025,473	1,027,783	63,275	293,276	320,358	3,414,090	6,197,174
Grade 4	157,942	615,069	160,147	228,310	453,192	1,012,093	1,710,074	4,336,827
Grade 5	14,042	-	-	36,802	134,464	11,784	-	197,092
Grade 6	-	-	-	386,259	-	64,236	686,261	1,136,756
Total commercial and industrial	**720,327**	**7,320,583**	**3,059,944**	**3,100,650**	**1,073,469**	**3,270,320**	**8,383,800**	**26,929,093**
Current period gross write-offs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

NOTE 5 - ALLOWANCE FOR CREDIT LOSSES (CONTINUED)

	Term Loans by Year of Origination, Fiscal year ending September 30,							
	2024	2023	2022	2021	2020	Prior	Revolving	Total
Consumer loans								
Grade 1	-	-	-	-	-	-	-	-
Grade 2	-	-	-	-	-	-	-	-
Grade 3	-	-	-	-	-	2,981	-	2,981
Grade 4	-	22,390	-	12,202	838	-	-	35,430
Grade 5	-	-	-	-	-	-	-	-
Grade 6	-	-	-	-	-	-	-	-
Total consumer	**-**	**22,390**	**-**	**12,202**	**838**	**2,981**	**-**	**38,411**
Current period gross write-offs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other								
Grade 1	49,854	-	-	-	-	-	-	49,854
Grade 2	-	-	-	-	-	-	-	-
Grade 3	-	-	-	-	-	-	-	-
Grade 4	-	-	-	-	-	-	-	-
Grade 5	-	-	-	-	-	-	-	-
Grade 6	-	-	-	-	-	-	-	-
Total other	**49,854**	**-**	**-**	**-**	**-**	**-**	**-**	**49,854**
Current period gross write-offs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

NOTE 5 - ALLOWANCE FOR CREDIT LOSSES (CONTINUED)

The following table is a summary of the Company's nonaccrual loans by major categories for the periods indicated:

	September 30, 2025			September 30, 2024		
	with No Allowance	Nonaccrual Loans with an Allowance	Total	with No Allowance	Nonaccrual Loans with an Allowance	Total
Mortgage:						
Residential	$ 525,329	$ -	$ 525,329	$ 476,585	$ 742,739	$ 1,219,324
Commercial	4,862,585	-	4,862,585	507,494	580,370	1,087,864
Commercial and industrial loans	123,881	587,014	710,895	-	952,366	952,366
Total	**$ 5,511,795**	**$ 587,014**	**$ 6,098,809**	**$ 984,079**	**$ 2,275,475**	**$ 3,259,554**

The Company recognized $231,483 and $19,005 of interest income on nonaccrual loans during the twelve months ended September 30, 2025 and 2024, respectively.

The following table represents the accrued interest receivables written off by reversing interest income during the twelve months ended September 30:

	2025	2024
Mortgage: Residential	$ 10,143	$ 4,096
Mortgage: Commercial	125,591	-
Commercial and industrial loans	6,034	2,610
Total	**$ 141,768**	**$ 6,706**

NOTE 5 - ALLOWANCE FOR CREDIT LOSSES (CONTINUED)

The Company designates individually evaluated loans on nonaccrual status, as well as other loans that management of the Company designates as having higher risk, as collateral dependent loans. Collateral dependent loans are loans for which the repayment is expected to be provided substantially through the operation or sale of the collateral and the borrower is experiencing financial difficulty. These loans do not share common risk characteristics and are not included within the collectively evaluated loans for determining the allowance for credit losses. Under CECL, for collateral dependent loans, the Company has adopted the practical expedient to measure the allowance for credit losses based on the fair value of collateral, net of estimated selling costs, as appropriate. The allowance for credit losses is calculated on an individual loan basis based on the shortfall between the fair value of the loan's collateral, which is adjusted for estimated costs to sell, and the amortized cost basis of the loan. If the fair value of the collateral exceeds the amortized cost basis of the loan, no allowance is required.

The following table presents the analysis of collateral-dependent loans of the Company as of September 30, 2025:

	Residential Properties	Commercial Properties	Business Assets	Total Loans
Construction and land development	$ -	$ -	$ -	$ -
Mortgage:				
Residential	4,539,659	-	-	4,539,659
Commercial	58,608	11,949,233	-	12,007,841
Agricultural	-	-	-	-
Commercial and industrial loans	-	-	979,706	979,706
Consumer loans	-	-	-	-
Other	-	-	-	-
Total	**$ 4,598,267**	**$ 11,949,233**	**$ 979,706**	**$ 17,527,206**

The following table presents the analysis of collateral-dependent loans of the Company as of September 30, 2024:

	Residential Properties	Commercial Properties	Business Assets	Total Loans
Construction and land development	$ -	$ -	$ -	$ -
Mortgage:				
Residential	1,582,593	-	-	1,582,593
Commercial	216,709	21,525,905	-	21,742,614
Agricultural	-	-	-	-
Commercial and industrial loans	-	-	1,136,755	1,136,755
Consumer loans	-	-	-	-
Other	-	-	-	-
Total	**$ 1,799,302**	**$ 21,525,905**	**$ 1,136,755**	**$ 24,461,962**

NOTE 5 - ALLOWANCE FOR CREDIT LOSSES (CONTINUED)

The following table summarizes activity related to the allowance for credit losses for the year ended September 30, 2025:

	Residential Mortgage	Commercial Mortgage	Construction and Land Development	Commercial & Industrial	Agricultural	Consumer	Other	Total
Beginning balance	$ 268,952	$ 1,075,996	$ 93,152	$ 177,785	$ 4,887	$ 137	$ -	$ 1,620,909
Provision for credit losses	(165,013)	563,093	78,642	189,235	1,959	(70)	-	667,846
Recoveries of previously charged off loans	8,621	1,364	-	3,551	-	-	-	13,536
Charge-offs	-	(643,041)	-	(128,203)	-	-	-	(771,244)
Ending balance	**$ 112,560**	**$ 997,412**	**$ 171,794**	**$ 242,368**	**$ 6,846**	**$ 67**	**$ -**	**$ 1,531,047**

The following table summarizes activity related to the allowance for credit losses for the year ended September 30, 2024:

	Residential Mortgage	Commercial Mortgage	Construction and Land Development	Commercial & Industrial	Agricultural	Consumer	Other	Total
Beginning balance	$ 96,095	$ 1,271,051	$ 75,336	$ 217,335	$ -	$ 330	$ -	$ 1,660,147
Provision for credit losses	161,320	(126,361)	17,816	(42,112)	4,887	(193)	-	15,357
Recoveries of previously charged off loans	11,537	1,317	-	2,562	-	-	-	15,416
Charge-offs	-	(70,011)	-	-	-	-	-	(70,011)
Ending balance	**$ 268,952**	**$ 1,075,996**	**$ 93,152**	**$ 177,785**	**$ 4,887**	**$ 137**	**$ -**	**$ 1,620,909**

NOTE 5 - ALLOWANCE FOR CREDIT LOSSES (CONTINUED)

Modifications Made to Borrowers Experiencing Financial Difficulty

The allowance for credit losses incorporates an estimate of lifetime expected credit losses and is recorded on each asset upon asset origination or acquisition. The starting point for the estimate of the allowance for credit losses is historical loss information, which includes losses from modifications of receivables to borrowers experiencing financial difficulty. The Company uses a weighted average remaining maturity model to determine the allowance for credit losses. An assessment of whether a borrower is experiencing financial difficulty is made on the date of a modification.

Because the effect of most modifications made to borrowers experiencing financial difficulty is already included in the allowance for credit losses because of the measurement methodologies used to estimate the allowance, a change to the allowance for credit losses is generally not recorded upon modification.

The Company's modifications generally are comprised of the granting of an interest only period or a maturity extension. In some cases, the Company will modify a certain loan by providing multiple types of concessions. Typically, this would be the granting of both an interest only period and an extension of the maturity date. For the real estate loans included in the "combination" columns below, multiple types of modifications have been made on the same loan within the current reporting period.

The following table indicates the amortized cost basis of the loans modified to borrowers experiencing financial difficulty, disaggregated by class of loans and type of concession granted. The table also describes the financial effect of the modifications made to borrowers experiencing financial difficulty. Loans with insignificant modifications have been omitted from this table. The Company considers granting a borrower an interest only period or extension of maturity of three months or less during the reporting period to be an insignificant modification.

	Interest only extension		
	Amortized Cost Basis	**% of Total Loan Type**	**Financial Effect**
For twelve months ended September 30, 2025			
Mortgage - residential	$ 254,993	< 1%	Granting of interest only periods in a
Mortgage - commercial	2,552,290	1%	range of 4 to 8 months
Total	**$ 2,807,283**		
For twelve months ended September 30, 2024			
Mortgage - commercial	$ 4,414,085	2%	Granting of interest only periods in a
Commercial and industrial loans	1,344,182	5%	range of 4 to 15 months
Total	**$ 5,758,267**		

NOTE 5 - ALLOWANCE FOR CREDIT LOSSES (CONTINUED)

	Maturity extension			
	Amortized Cost Basis		% of Total Loan Type	Financial Effect
For twelve months ended September 30, 2025				
Mortgage - residential	$	159,458	< 1%	Granting of 5 month interest only period
Total	**$**	**159,458**		

There were no maturity only extensions granted for the twelve months ended September 30, 2024.

	Payment deferrals			
	Amortized Cost Basis		% of Total Loan Type	Financial Effect
For twelve months ended September 30, 2025				
Mortgage - commercial	$	2,353,064	< 1%	Payment deferrals in a range of 6-12 months
Commercial & Industrial		185,931	< 1%	
Total	**$**	**2,538,995**		

There were no payment deferrals granted for the twelve months ended September 30, 2024.

	Combination - Interest only and maturity extension			
	Amortized Cost Basis		% of Total Loan Type	Financial Effect
For twelve months ended September 30, 2025				
Mortgage - commercial	$	279,234	< 1%	Granting of 8 month interest only and maturity extension
	$	**279,234**		
For twelve months ended September 30, 2024				
Mortgage - commercial	$	3,442,835	1%	Granting of 2 month interest only period and maturity extension
Total	**$**	**3,442,835**		

NOTE 5 - ALLOWANCE FOR CREDIT LOSSES (CONTINUED)

Upon the Company's determination that a modified loan (or portion of a loan) has subsequently been deemed uncollectible, the loan (or a portion of the loan) is charged off. Therefore, the amortized cost basis of the loan is reduced by the uncollectible amount and the allowance for credit losses is adjusted by the same amount.

For the years ended September 30, 2025 and 2024 there were no loans that had a payment default that were modified due to financial difficulty in the 12 months prior to default.

The Company closely monitors the performance of loans that are modified to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. The following table depicts the performance of loans that have been modified in the last 12 months:

At September 30, 2025

	Payment Status (Amortized Cost Basis)		
	Current	30-89 Days Past Due	90+ Days Past Due
Mortgage - commercial	$ 3,747,085	$ -	$ 1,437,503
Mortgage - residential	414,451	-	-
Commercial and industrial loans	185,931	-	-
Total	**$ 4,347,467**	**$ -**	**$ 1,437,503**

At September 30, 2024

	Payment Status (Amortized Cost Basis)		
	Current	30-89 Days Past Due	90+ Days Past Due
Mortgage - commercial	$ 7,856,920	-	$ -
Commercial and industrial loans	1,279,946	-	64,236
Total	**$ 9,136,866**	**$ -**	**$ 64,236**

NOTE 5 - ALLOWANCE FOR CREDIT LOSSES (CONTINUED)

Unfunded Commitments

The Company maintains an allowance for off-balance sheet credit exposures such as unfunded balances for existing lines of credit, commitments to extend future credit, as well as both standby and commercial letters of credit when there is a contractual obligation to extend credit and when this extension of credit is not unconditionally cancellable (i.e. commitment cannot be canceled at any time). The allowance for off-balance sheet credit exposures is adjusted as a provision for credit loss expense. The estimate includes consideration of the likelihood that funding will occur, which is based on historical funding trends, and an estimate of expected credit losses on commitments expected to be funded over its estimated life, which are the same loss rates that are used in computing the allowance for credit losses on loans, and are discussed in Note 1. The allowance for credit losses for unfunded loan commitments was $97,389 and $55,348 at September 30, 2025 and 2024, respectively, and is included in Accrued expenses and other liabilities in the Consolidated Statements of Financial Condition.

	2025	2024
Beginning balance	$ 55,348	$ 135,623
Provision for unfunded commitments	42,041	(80,275)
Ending balance	**$ 97,389**	**$ 55,348**

NOTE 6 - FINANCIAL INSTRUMENTS WITH OFF - BALANCE SHEET RISK

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

The Bank's exposure to credit loss is represented by the contractual amount of these commitments. Such financial instruments are recorded when they are funded. The Bank follows the same credit policies in making commitments as it does for on-balance-sheet instruments.

At September 30, 2025 and 2024, the following financial instruments were outstanding whose contract amounts represent credit risk:

	2025	2024
Commitments to grant loans	$ 6,998,576	$ 2,533,400
Unfunded commitments under lines of credit	39,810,646	38,979,318
Standby letters of credit	2,826,756	3,231,956

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

Standby letters of credit are conditional lending commitments issued by the Bank to guarantee the performance of a client to a third party. Those letters of credit are primarily issued to support public and private borrowing arrangements. Essentially, all letters of credit issued have expiration dates within one year. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to clients. The Bank generally holds collateral sufficient to support those commitments. There are no recourse provisions that would enable the Bank to recover any amounts from third parties.

The Bank has concluded that $25,424,074 of off-balance sheet credit exposures are unconditionally cancellable and are therefore not considered for credit loss exposure when determining the allowance for credit losses-unfunded commitments.

NOTE 7 - PREMISES AND EQUIPMENT

The following summarizes major classifications of premises and equipment at September 30, 2025 and 2024:

	2025	2024
Land and improvements	$ 1,947,919	$ 1,946,186
Buildings and improvements	9,187,527	9,187,527
Furniture and equipment	5,757,648	5,562,195
Vehicles	1,143,325	949,222
Accumulated Depreciation	(7,290,978)	(6,685,627)
Total	**$ 10,745,441**	**$ 10,959,503**

Depreciation expense of $918,166 and $845,125 was incurred by the Company for the years ended September 30, 2025 and 2024, respectively and is included in Other operating expense in the Consolidated Statements of Income.

NOTE 8 - OTHER ASSETS

The following summarizes other assets at September 30, 2025 and 2024:

	2025	2024
Foreclosed real estate	$ 20,424,861	$ 4,086,375
Other Repossessed Assets	238,000	-
SBA guarantee receivable	2,688,522	1,535,933
Loan costs receivable	132,256	(643,769)
Deferred tax assets	645,423	213,345
Other receivables	225,595	592,839
Other prepaid expenses	1,002,332	1,323,737
Miscellaneous	47,454	46,239
Total	**$ 25,404,443**	**$ 7,154,699**

NOTE 9 - INTEREST BEARING DEPOSITS

Interest bearing deposits at September 30, 2025 and 2024 are further detailed as follows:

	2025	2024
NOW accounts	$ 133,281,571	$ 77,572,424
Savings accounts	49,999,480	46,833,468
Certificates and other time deposits	209,435,272	208,008,848
Total	**$ 392,716,323**	**$ 332,414,740**

The Bank utilizes the services of deposit brokers to obtain a portion of its total deposits. The Bank had total deposit balances of $166,087,904 and $164,051,176 at September 30, 2025 and 2024, respectively that were obtained through the use of deposit brokers.

The Bank had $12,038,702 and $14,980,397 in outstanding certificates of deposit issued in denominations greater than $250,000 as of September 30, 2025 and 2024, respectively. Generally, deposits in excess of $250,000 are not federally insured.

NOTE 9 - INTEREST BEARING DEPOSITS (CONTINUED)

Certificates and other time deposits had the following maturities as of September 30:

2026	$	75,090,802
2027		40,668,436
2028		45,004,277
2029		47,142,424
2030		1,529,333
	$	**209,435,272**

Time deposits that exceeded the FDIC insurance limit of $250,000 at September 30, 2025 and 2024 were $12,038,702 and $14,980,397, respectively. On September 30, 2025, 38.53% of total deposits were in accounts with balances greater than the FDIC insurance limit of $250,000. On September 30, 2025, the company had two depositor relationships with aggregate balances in excess of 5% of total deposits. The Bank had no deposits that were composed of public funds on September 30, 2025.

NOTE 10 - BORROWINGS

Borrowings at September 30, 2025 and 2024 are as follows:

		2025		**2024**
Federal Home Loan Bank borrowings	$	58,171,500	$	63,171,500
Junior subordinated debentures		195,000		195,000
	$	**58,366,500**	**$**	**63,366,500**

Federal Reserve Bank Discount Window

On September 30, 2025, the Bank had overnight borrowing capacity at the Federal Reserve Bank discount window in the amount of $26,899,032. Loans receivable with a book value of $30,777,694 were pledged to the Federal Reserve Bank of Cleveland as eligible collateral at September 30, 2025. The Bank had no outstanding borrowings at September 30, 2025 and 2024. These funds are advanced when necessary to meet the Bank's short-term liquidity needs. The rate of interest on these borrowings is an adjustable rate equal to the Federal Reserve discount rate, which was 4.25% at September 30, 2025.

NOTE 10 - BORROWINGS (CONTINUED)

Federal Home Loan Bank

The Bank has established a borrowing capacity at the Federal Home Loan Bank (“FHLB”). On September 30, 2025, the Bank had pledged qualifying loans in the amount of $167,205,000 in support of a maximum borrowing capacity of approximately $116,386,500.

Interest on advances is accrued daily and payable on the quarterly interest payment date. Principal payment on advances is due on the maturity date of the advance. Fixed rate advances are subject to a prepayment penalty if principal amounts are repaid prior to the maturity date.

Advances from the FHLB at September 30, 2025 and 2024 consisted of the following:

Loan Type	Maturity Date	Interest Rate	2025	2024
Fixed Rate	March 3, 2025	1.31%	-	5,000,000
Fixed Rate	February 2, 2026	4.64%	2,000,000	2,000,000
Fixed Rate	August 13, 2026	1.14%	3,000,000	3,000,000
Fixed Rate	September 8, 2026	3.94%	7,500,000	7,500,000
Fixed Rate	June 10, 2027	3.70%	10,000,000	10,000,000
Fixed Rate	July 21, 2027	4.66%	10,000,000	10,000,000
Fixed Rate	September 22, 2027	5.03%	1,500,000	1,500,000
Fixed Rate	April 4, 2028	3.76%	6,350,000	6,350,000
Fixed Rate	May 12, 2028	3.64%	2,855,000	2,855,000
Fixed Rate	July 6, 2028	4.55%	685,000	685,000
Fixed Rate	December 20, 2028	4.18%	8,000,000	8,000,000
Fixed Rate	August 22, 2029	4.03%	6,281,500	6,281,500
			$ 58,171,500	**$ 63,171,500**

NOTE 10 - BORROWINGS (CONTINUED)

Junior Subordinated Debentures

The Company had outstanding junior subordinated debt securities ("subordinated debentures") in the amount of $195,000 on September 30, 2025 and 2024.

Interest on the debentures is reset quarterly on the 15th of January, April, July and October at a rate equal to 3-Month Libor plus 4.25% (8.59% as of July 15, 2025, the last reset date). The subordinated debentures mature on December 15, 2037. Subject to regulatory approval the Company may redeem the debentures, in whole or in part, at its option on any interest payment date on or after December 15, 2017, at a redemption price equal to 100% of the principal amount of the debentures.

NOTE 11 - EMPLOYEE BENEFITS PLANS

Enterprise Bank 401(k) Plan

The Bank has a defined contribution pension plan covering all employees. The Bank makes a contribution equal to 3% of wages for each eligible employee regardless of the employee's own elective contributions to the plan. The Bank's contributions for the years ended September 30, 2025 and 2024 were $210,296 and $179,196, respectively. The Bank also has the right to make an additional discretionary contribution to the plan, which is determined by the Board of Directors. The Bank made no additional discretionary contribution to the plan for the years ended September 30, 2025 and 2024.

Employee Stock Ownership Plan

In April 2006, the Bank established the Enterprise Employee Stock Ownership Plan ("ESOP"), which covers substantially all full-time employees of the Bank.

The shares for the ESOP plan were purchased with the proceeds of a $1,650,000 Non-Revolving Promissory Note (the "Note") from Atlantic Community Bankers Bank, which matured April 18, 2016 and was repaid in full.

Compensation expense related to the ESOP totaled $249,787 and $249,961 for the years ended September 30, 2025 and 2024, respectively. Additional expenses incurred in relation to the ESOP plan include professional fees associated with the administration of the plan. Administrative costs of $4,920 and $11,612 were incurred in the years ended September 30, 2025 and 2024, respectively.

The fair value of allocated and unreleased shares held by the ESOP is determined by an annual valuation of the Company's common stock. This valuation is completed by an independent appraisal firm based on data available as of June 30 each year.

There were 184,220 and 179,020 shares held by the ESOP and allocated to beneficiary accounts at September 30, 2025 and 2024, respectively. There were no unallocated shares held by the ESOP during these periods. The fair value of the allocated shares was $5,148,947 at September 30, 2025. This valuation was based on the independent appraisal of the Company's shares completed as of June 30, 2025.

NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)

The Company is obligated, at the option of each beneficiary, to repurchase shares of the ESOP upon the beneficiary's termination or retirement. If the value of the beneficiary's account exceeds $25,000 at the time the beneficiary elects the option to repurchase, the benefit will be paid in five equal annual installments.

At September 30, 2025 there are 40,779 shares subject to the repurchase obligation with a fair value of $1,139,764. Total account balances subject to distribution request, including the shares subject to the repurchase obligation, are $1,158,843 at September 30, 2025. Of this amount, $340,163 would be payable in the year of the beneficiary's' request for distribution. The remainder would be payable over the remaining five year period.

In addition, employees who meet minimum age and service requirements are subject to a diversification option whereby the employee has the right to sell, and the Bank has the obligation to purchase, a portion of their vested shares. At September 30, 2025 there were 4,220 shares pending distribution, with a fair value of $117,949, whereby the diversification option has been exercised.

NOTE 12 - REVENUE RECOGNITION AND ASC 606

The Bank's primary source of revenue is interest income from its commercial lending operations. Interest income is recognized on all interest-earning assets, including commercial loans, based on the constant effective yield of the financial instrument.

The Bank also earns non-interest income from various sources. The Bank recognized fee income from lending operations including fees earned from the issuing of loan commitments, documentation, unfunded commitments under lines of credit, standby letters of credit and financing guarantees. All fee revenue from commercial loans and loan servicing is recognized based on contractual terms, as transactions occur or services are provided. Gains on the sale of loans, if any, are recognized upon cash settlement of the transactions. The Company's other fee for service revenue that falls within the scope of ASC 606 is recognized as revenue as services are provided and the Company satisfies its obligations to the customer.

All of the Company's revenue from contracts with customers that falls within the scope of ASC 606 is recognized in Other operating income in the Consolidated Statements of Income.

NOTE 12 - REVENUE RECOGNITION AND ASC 606 (CONTINUED)

The following table presents the Company's sources of total other operating income for the fiscal years ending September 30, 2025 and 2024:

	2025	2024
Other Operating Income		
Service charges on deposit accounts		
Overdraft fees	$ 20,580	$ 16,065
Other	367,368	358,046
Total	**387,948**	**374,111**
Other fee revenue		
Real estate subsidiary commission income	978,385	720,543
Real estate subsidiary other fee income	100,119	72,952
Consulting subsidiary fee income	401,420	431,591
Rental and other income from foreclosed real estate	263,320	326,081
ATM fee and service charge income	47,347	54,007
Insurance subsidiary income	707,994	621,447
Other fee income	338,169	287,977
Total	**2,836,754**	**2,514,598**
Gain/(Loss) on sale of foreclosed real estate	**(106,806)**	**764,257**
Gain/(Loss) on valuation of foreclosed real estate	**2,706,546**	**(162,917)**
Total Other Operating Income	**$ 5,824,442**	**$ 3,490,049**

NOTE 12 - REVENUE RECOGNITION AND ASC 606 (CONTINUED)

Service Charges on Deposit Accounts and ATM fee and service charge income:

The Company earns fees from its deposit customers for transaction-based, account maintenance, and overdraft services. Transaction-based fees, which include services such as ATM use fees, stop payment charges, statement rendering, and ACH fees, are recognized at the time the transaction is executed as that is the point in time the Company fulfils the customer's request. Account maintenance fees, which relate primarily to monthly maintenance, are earned over the course of a month, representing a period over which the Company satisfies the performance obligation. Overdraft fees are recognized at the point in time that the overdraft occurs. Service charges on deposits are withdrawn from the customer's account balance.

Real estate subsidiary commission and other fee income:

The Bank's wholly owned subsidiary, Kuzneski & Lockard, Inc. ("K&L"), is a full-service real estate agency and its primary source of income is from commissions earned by acting as an agent between buyers and sellers of real estate. Commission revenues are recognized upon settlement of the real estate sale transaction. Other fee based income on services provided to customers that are not commission based are recognized in the period that services are rendered and earned.

Consulting subsidiary fee income:

The Bank's wholly owned subsidiary, Enterprise Business Consultants, Inc. ("EBC"), provides professional services to its customers for a fee. Services include, but are not limited to, bookkeeping, marketing, web design and IT consulting. The customer is generally billed and revenue recognized in the period in which the professional services were provided. EBC oftentimes provides services to clients that are in a distressed situation and therefore collectability of fee revenue is questionable. Under these circumstances revenue recognition is deferred.

Insurance subsidiary income:

The Bank's wholly owned subsidiary, Enterprise Insurance Services, Inc. ("EIS") provides title insurance and real estate transaction settlement services as well as consulting services for the selection of property, business line and employee benefit insurance policies. The primary source of revenue is from commissions earned on the sale of insurance policies. Commission revenue is recognized by the company upon completion of the policy transaction. Revenue from services rendered for real estate settlement transactions is recognized upon completion of the transaction. All other service revenue is recognized monthly as services are rendered. Revenue is deferred on any fee for services where collectability may be questionable.

Construction subsidiary income:

The Bank's wholly owned subsidiary, Buildonus, Inc. provides maintenance and light construction services in support of the Bank's facilities and foreclosed properties. The subsidiary invoices the Bank monthly for completed services. In consolidation, Buildonus revenue is generally eliminated against the corresponding Bank expense.

Rental and other income from foreclosed real estate:

The Bank occasionally forecloses on properties that have existing lease agreements or ongoing lease operations. For these properties the Bank collects rents based on the terms of its lease agreements and recognizes rental income on a monthly basis. In instances where collectability of rents is questionable revenue recognition is deferred until collection is made.

NOTE 12 - REVENUE RECOGNITION AND ASC 606 (CONTINUED)

Gain/(loss) on sale of foreclosed real estate:

The Company records a gain or loss from the sale of foreclosed real estate when control of the property transfers to the buyer, which generally occurs at the time of an executed deed. When the Company finances the sale of foreclosed real estate to the buyer, the Company assesses whether the buyer is committed to perform their obligations under the contract and whether collectability of the transaction price is probable. Once these criteria are met, the foreclosed asset is derecognized and the gain or loss on the sale is recorded upon the transfer of control of the property to the buyer.

Gain/(loss) on valuation of foreclosed real estate:

Properties held in the Company's portfolio of foreclosed real estate are appraised on at least an annual basis. Upon completion of the annual appraisal, properties are adjusted to the lower of the Company's original cost basis or the new appraised value through an adjustment to a valuation allowance. The offset to this adjustment is recognized as a gain or (loss) on the valuation of the foreclosed real estate. In instances where the fair market value of a foreclosed property, net of estimated costs to sell, exceeds the Bank's basis in the loan on the date of foreclosure a valuation gain is recorded. This category is not within the scope of ASC 606.

NOTE 13 - SALARIES AND EMPLOYEE BENEFITS

Salaries and employee benefits expense includes wages and cost of employee benefit plans paid to the employees of the Bank and its subsidiaries. Further detail of the expense for the years ended September 30, 2025 and 2024 is as follows:

	2025	2024
Wages and Benefits		
Bank management and administrative	$ 4,828,864	$ 3,411,812
Enterprise Business Consultants	1,070,316	1,130,073
Kuzneski & Lockard	132,140	132,140
Enterprise Insurance Services	446,479	445,108
Relationship Manager compensation	2,471,666	2,145,889
ASC 310-20 salary deferral for loan origination activities	(269,130)	(222,750)
Total salaries and employee benefits	**$ 8,680,335**	**$ 7,042,272**

Relationship Manager ("RM") compensation is calculated on a formula basis as a percentage of net interest income after provision for credit losses earned by the RM's portfolio.

NOTE 14 - OTHER OPERATING EXPENSES

Further detail of other operating expenses for the years ended September 30, 2025 and 2024 is as follows:

	2025	2024
Business development	$ 548,664	$ 514,251
Foreclosed real estate expense	775,006	369,465
Real estate agency commissions	754,723	538,284
Legal and accounting services	210,021	249,778
Directors' fees	305,445	319,710
Telephone	49,507	44,132
Bank shares tax	339,358	318,262
Other loan and collections	34,507	11,938
Other - Bank operations	546,278	547,693
Other - Subsidiary operations	458,943	322,448
Total	**$ 4,022,452**	**$ 3,235,961**

NOTE 15 - INCOME TAXES

The components of net deferred tax assets and liabilities at September 30, 2025 and 2024 are as follows:

	2025	2024
Deferred tax assets		
Allowance for credit losses - loans	$ 303,675	$ 231,523
Allowance for credit losses - unfunded commitments	20,452	11,623
Deferred compensation	55,123	70,304
Other real estate owned	36,830	101,796
Nonaccrual interest	40,727	40,727
Subsidiary net-operating loss	903,328	424,017
Other	34,465	22,087
Total Deferred Tax Assets	**1,394,600**	**902,077**
Deferred tax liabilities		
Premises and equipment	(599,037)	(527,452)
Deferred loan origination fees	(150,140)	(147,467)
Other	-	(13,813)
Total Deferred Tax Liabilities	**(749,177)**	**(688,732)**
Net Deferred Tax Assets	**$ 645,423**	**$ 213,345**

The Company has determined that no valuation allowance was required for the deferred tax asset balances at September 30, 2025 and 2024, respectively, because it is more likely than not these assets will be realized through future reversals of existing temporary differences and through future taxable income.

The tax provision for financial reporting purposes differs from the amount computed by applying the statutory income tax rate to income before income taxes. The statutory rate was 21% for 2025 and 2024. The differences for the years ended September 30, 2025 and 2024 are as follows:

	2025	2024
Tax at statutory rate	$ 990,031	$ 930,291
Nondeductible and other (benefits) expenses	(25,252)	76,421
Income Tax Expense	**$ 964,779**	**$ 1,006,712**

NOTE 15 - INCOME TAXES (CONTINUED)

The Bank's provision for income taxes for 2025 and 2024 consists of the following:

	2025	2024
Current federal and state tax expense	$ 1,396,857	$ 557,939
Deferred federal tax (benefit) expense	(432,078)	448,773
	$ 964,779	**$ 1,006,712**

The Bank utilizes a comprehensive model to recognize, measure, present and disclose in its financial statements uncertain tax positions that the Company has taken or expects to take on a tax return. At September 30, 2025 and 2024 there were no unrecognized tax benefits that, if recognized, would favorably affect the effective income tax rate. The Bank recognizes interest accrued and penalties (if any) related to unrecognized tax benefits in other expense. $218 and ($2,001) in penalties and interest were recognized for the years ended September 30, 2025 and 2024, respectively.

The Bank has evaluated its tax positions taken for all open tax years. Currently, the 2021 through current tax years are open and subject to examination by the Internal Revenue Service and the Commonwealth of Pennsylvania. Based on the evaluation of the Bank's tax positions and elections, management believes all tax positions taken and corporate elections will be upheld under examination.

NOTE 16 - PREFERRED STOCK

The Company is authorized to issue up to 5,000,000 shares of preferred stock with a par value of $.50 per share. There were 1,500 and 2,500 shares issued and outstanding with liquidation value of $1,500,000 and $2,500,000, or $1,000 per share, on September 30, 2025 and 2024, respectively.

On August 25, 2011 the Company completed a transaction to participate in the U.S. Treasury ("Treasury") sponsored Small Business Lending Fund ("SBLF") program. The Treasury purchased 5,000 shares of Senior Non-Cumulative Perpetual Preferred Stock, Series A (the "Series A Preferred Stock") resulting in proceeds of $5 million to the Bank.

As per the terms of the Securities Purchase Agreement the Bank was required to use a portion of the proceeds from this transaction to repurchase all preferred shares issued on June 12, 2009 as part of the Bank's participation in the Treasury's Capital Purchase Program ("CPP"). Proceeds of $4,200,000 were used to repurchase 4,200 shares of Fixed Rate Cumulative Perpetual Preferred Stock, Series 001 and 002 issued under the CPP. The Series A Preferred Stock dividend rate is 9% per annum until the shares are redeemed.

On March 15, 2022 the Company redeemed 1,250 shares of the outstanding SBLF preferred stock in the amount of $1,250,000, or $1,000 per share.

On April 14, 2023 the Company redeemed 1,250 shares of the outstanding SBLF preferred stock in the amount of $1,250,000 or $1,000 per share.

On March 14, 2025 the Company redeemed 1,000 shares of the outstanding SBLF preferred stock in the amount of $1,000,000 or $1,000 per share.

As is typical with preferred stock, dividend payments for outstanding preferred shares must be current before dividends can be paid on junior shares, including common stock. Outstanding SBLF preferred shares are redeemable at their liquidation value, plus accrued and unpaid dividends, subject to the approval of the Bank's regulators.

NOTE 17 - CONTINGENCIES AND COMMITMENTS

There are ongoing legal proceedings which arise in the normal course of business. In the opinion of management, these will not have a material effect on the financial position or results of operations of the Bank.

NOTE 18 - RELATED PARTY TRANSACTIONS

Some of the Bank's directors and principal officers and their related interests had transactions with the Bank in the ordinary course of business. All loans and commitments to extend loans were made on substantially the same terms, including collateral and interest rates, as those prevailing at the time for comparable transactions. In the opinion of management, these transactions do not involve more than normal risk of collectability or present other unfavorable features.

The aggregate amount of credit extended to these directors and principal officers was $2,729,531 and $2,991,104 (including unused lines of credit) at September 30, 2025 and 2024, respectively.

The following is an analysis of loans to these parties during the year ended September 30, 2025 and 2024:

	2025	2024
Balance at beginning of year	$ 2,737,019	$ 2,576,829
New loans	-	-
Advances	125,000	308,974
Repayments	(461,488)	(148,784)
Balance at end of year	**$ 2,400,531**	**$ 2,737,019**

The aggregate amount of deposits on account at the Bank for directors and principal officers, and their related interests, was $3,999,156 and $2,789,473 as of September 30, 2025 and 2024, respectively.

NOTE 19 - DIVIDEND RESTRICTIONS

The amount of funds available for distributions of dividends may be limited for Pennsylvania banks by regulations promulgated by the Federal Deposit Insurance Corporation and the Pennsylvania Department of Banking, which relate to capital requirements and cumulative earnings. These limitations would not restrict the Bank from paying dividends at current levels.

NOTE 20 - CAPITAL REQUIREMENTS

Banks are subject to regulatory capital requirements administered by federal banking agencies. Capital adequacy guidelines and, additionally for banks, prompt corrective action regulations, involve quantitative measures of assets, liabilities and certain off-balance-sheet items calculated under regulatory accounting practices. Capital amounts and classifications are also subject to qualitative adjustments by regulators. Failure to meet capital requirements can initiate regulatory action.

The final rules implementing Basel Committee on Banking Supervision's capital guidelines for U.S. Banks (Basel III rules) became effective for the Bank on January 1, 2015 with full compliance with all of the requirements being phased in over a multi-year schedule, and fully phased in by January 1, 2019. Under the Basel III rules, the Bank must hold a capital conservation buffer above the adequately capitalized risk-based capital ratios of 2.5%. Management believes, as of September 30, 2025, the Bank meets all capital adequacy requirements to which it is subject.

Prompt corrective action regulations provide five classifications: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized, although these terms are not used to represent overall financial condition. If adequately capitalized, regulatory approval is required to accept brokered deposits. If undercapitalized, capital distributions are limited, as is asset growth and expansion, and capital restoration plans are required.

As of September 30, 2025 and 2024, the most recent regulatory notification categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Bank must maintain minimum total risk-based capital, Tier I risk-based capital, common equity Tier I risk-based capital, and Tier I leverage ratios as set forth in the following table. The requirements for capital adequacy purposes exclude the capital conservation buffer. There are no conditions or events since that notification that management believes have changed the Bank's category.

The numbers in this table are based on information as reported by the Bank to its regulator on the September 30, 2025 and September 30, 2024 call reports. Please refer to Note 23 Reconciliation Of Financial Statements To Regulatory Reporting (Unaudited) for detail and discussion of differences between the Bank's regulatory reporting and the financial statements included in this report.

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
(Dollar amounts in thousands)	**Amount**	**Ratio**	**Amount**	**Ratio**	**Amount**	**Ratio**
As of September 30, 2025:						
Total capital (to risk-weighted assets)	$ 41,205	11.66 %	$ 28,266	≥ 8.00%	$ 35,333	≥ 10.00%
Tier 1 capital (to risk-weighted assets)	40,053	11.34	21,200	≥ 6.00	28,266	≥ 8.00
Common Equity Tier 1 Capital (to risk-weighted assets)	40,053	11.34	15,900	≥ 4.50	22,966	≥ 6.50
Tier 1 capital (to average assets)	40,053	8.10	19,774	≥ 4.00	24,718	≥ 5.00
As of September 30, 2024:						
Total capital (to risk-weighted assets)	$ 38,209	11.99 %	$ 25,499	≥ 8.00%	$ 31,874	≥ 10.00%
Tier 1 capital (to risk-weighted assets)	36,979	11.60	19,124	≥ 6.00	25,499	≥ 8.00
Common Equity Tier 1 Capital (to risk-weighted assets)	36,979	11.60	14,343	≥ 4.50	20,718	≥ 6.50
Tier 1 capital (to average assets)	36,979	8.50	17,407	≥ 4.00	21,759	≥ 5.00

NOTE 21 - EARNINGS PER SHARE

The following table sets forth the composition of the weighted average common shares (denominator) and net income (numerator) used in the basic and diluted earnings per share calculation at September 30, 2025 and 2024:

	2025	2024
Weighted-average common shares (Denominator)		
Weighted-average common shares outstanding	1,200,322	1,200,320
Average treasury shares	(25,454)	(28,180)
Weighted-average common shares and common stock equivalents earnings per share (base, denominator)	**1,174,868**	**1,172,140**
Weighted-average common shares and common stock equivalents outstanding used to calculate diluted earnings per share (diluted, denominator)	**1,174,868**	**1,172,140**
Net Income (Numerator)		
Net Income	$ 3,463,942	$ 3,423,244
Less: Preferred stock dividend	(198,250)	(225,000)
Net income attributable to common shareholders	**$ 3,265,692**	**$ 3,198,244**
Net income attributable to common shareholders, per share		
Basic	**$ 2.78**	**$ 2.73**
Diluted	**$ 2.78**	**$ 2.73**

NOTE 22 - FAIR VALUES OF FINANCIAL INSTRUMENTS

Disclosures About Fair Values of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Nonrecurring Measurements

The following tables present the fair value measurement of assets and liabilities measured at fair value on a nonrecurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2025 and 2024:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
September 30, 2025				
Collateral dependent loans				
Commercial real estate	$ 467,898	$ -	$ -	$ 467,898
Commercial and industrial	542,533	-	-	542,533
Total	**$ 1,010,431**	**$ -**	**$ -**	**$ 1,010,431**
Other Real Estate Owned				
Residential real estate	$ 1,022,165	$ -	$ -	$ 1,022,165
Commercial real estate	1,150,000	-	-	1,150,000
Total	**$ 2,172,165**	**$ -**	**$ -**	**$ 2,172,165**

NOTE 22 - FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
September 30, 2024				
Collateral dependent loans				
Residential real estate	$ 742,498	$ -	$ -	$ 742,498
Commercial real estate	833,077	-	-	833,077
Commercial and industrial	946,080	-	-	946,080
Total	**$ 2,521,655**	**$ -**	**$ -**	**$ 2,521,655**
Other Real Estate Owned				
Commercial real estate	$ 1,393,900	$ -	$ -	$ 1,393,900
Total	**$ 1,393,900**	**$ -**	**$ -**	**$ 1,393,900**

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a nonrecurring basis and recognized in the accompanying balance sheet, as well as the general classification of such assets pursuant to the valuation hierarchy. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

Other Real Estate Owned

Other real estate owned (OREO) is carried at the lower of fair value, less estimated costs to sell, at the acquisition date or current estimated fair value, less estimated costs to sell. Estimated fair value of OREO is based on appraisals or evaluations. OREO is classified within Level 3 of the fair value hierarchy.

Appraisals of OREO are obtained when the real estate is acquired and subsequently on at least an annual basis. Appraisers are selected from the list of approved appraisers maintained by management. Appraisals are only obtained from independent licensed appraisers following Uniform Standards of Professional Appraisal Practice (USPAP). Appraisals are analyzed by Management to detect apparent errors or inconsistencies. The Bank compares and accumulates actual real estate sales price data with the most recent USPAP appraisal to cumulatively assess and monitor accuracy. The cumulative appraisal accuracy percentage exceeds 98% as of September 30, 2025. Sales that are not considered arms length transactions or where the sales price was not negotiated under normal market conditions have been excluded from this analysis.

The tables above indicate the aggregate value of OREO properties that have been adjusted to a fair value, less estimated costs to sell, that is less than the fair value, less estimated costs to sell, at the acquisition date.

NOTE 22 - FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

Collateral dependent loans, net of allowance for credit losses

The Bank has identified collateral dependent loans with fair value considerations as those loans with a recorded investment less the applicable reserve allocation. The estimated fair value of collateral dependent loans is based on the appraised fair value of the collateral, less estimated cost to sell. Collateral dependent loans are classified within level 3 of the fair value hierarchy.

The Bank considers the appraisal or evaluation as the starting point for determining fair value and then considers other factors and events in the environment that may affect the fair value. Appraisals of the collateral securing collateral dependent loans are obtained when the loan is determined to be collateral dependent and subsequently, as deemed necessary, according to Bank policy. Appraisers are selected from the list of approved appraisers maintained by Management. Appraisals are only obtained from independent licensed appraisers following USPAP.

Unobservable (Level 3) Inputs

The following tables present quantitative information about unobservable inputs used in recurring and nonrecurring Level 3 fair value measurements other than goodwill at September 30, 2025 and 2024:

September 30, 2025

	Fair Value	Valuation Technique	Unobservable Inputs	Range
Other real estate owned				
Residential real estate	$ 1,022,165			
Commercial real estate	1,150,000			
Total	**$ 2,172,165**	**Cost, Income and Sales Comparison**	**Estimated Costs to Sell**	**5%-10%**
Collateral-dependent individually evaluated loans				
Commercial real estate	$ 467,898			
Commercial and industrial	542,533			
Total	**$ 1,010,431**	**Cost, Income and Sales Comparison**	**Estimated Costs to Sell**	**5%-10%**

September 30, 2024

	Fair Value	Valuation Technique	Unobservable Inputs	Range
Other real estate owned				
Commercial real estate	$ 1,393,900			
Total	**$ 1,393,900**	**Cost, Income and Sales Comparison**	**Estimated Costs to Sell**	**5%-10%**
Collateral-dependent individually evaluated loans				
Residential real estate	$ 742,498			
Commercial real estate	833,077			
Commercial and industrial	946,080			
Total	**$ 2,521,655**	**Cost, Income and Sales Comparison**	**Estimated Costs to Sell**	**5%-10%**

NOTE 22 - FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

The carrying amounts and estimated fair values of financial instruments not carried at fair value, at September 30, 2025 and 2024 are as follows:

	Fair Value Measurements at September 30, 2025				
	Carrying Amount	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS					
Cash and due from banks	$ 8,298,428	$ 8,298,428	$ -	$ -	$ 8,298,428
Cash on deposit with Federal Reserve Bank	115,209,186	115,209,186	-	-	115,209,186
Interest bearing deposits with banks	364,708	364,708	-	-	364,708
Net loans	339,484,690	-	-	334,633,185	334,633,185
Accrued interest receivable	1,570,081	-	1,570,081	-	1,570,081
Restricted investment in bank stock	2,516,100	N/A	N/A	N/A	N/A
Total financial assets	**467,443,193**	**123,872,322**	**1,570,081**	**334,633,185**	**460,075,588**
FINANCIAL LIABILITIES					
Non interest bearing deposits	7,725,939	-	7,725,939	-	7,725,939
Savings, money market and NOW accounts	183,281,051	-	183,281,051	-	183,281,051
Certificate and other time deposits	209,435,272	-	210,688,795	-	210,688,795
Borrowings	58,366,500	-	58,169,804	-	58,169,804
Accrued interest payable	639,537	-	639,537	-	639,537
Total financial liabilities	**$ 459,448,299**	**$ -**	**$ 460,505,126**	**$ -**	**$ 460,505,126**

NOTE 22 - FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

	Fair Value Measurements at September 30, 2024				
	Carrying Amount	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS					
Cash and due from banks	$ 617,044	$ 617,044	$ -	$ -	$ 617,044
Cash on deposit with Federal Reserve Bank	90,507,802	90,507,802	-	-	90,507,802
Interest bearing deposits with banks	405,381	405,381	-	-	405,381
Net loans	332,191,933	-	-	321,959,931	321,959,931
Accrued interest receivable	2,126,555	-	2,126,555	-	2,126,555
Restricted investment in bank stock	2,714,100	N/A	N/A	N/A	N/A
Total financial assets	**428,562,815**	**91,530,227**	**2,126,555**	**321,959,931**	**415,616,713**
FINANCIAL LIABILITIES					
Non interest bearing deposits	9,665,003	-	9,665,003	-	9,665,003
Savings, money market and NOW accounts	124,405,892	-	124,405,892	-	124,405,892
Certificate and other time deposits	208,008,848	-	208,770,947	-	208,770,947
Borrowings	63,366,500	-	63,046,364	-	63,046,364
Accrued interest payable	628,591	-	628,591	-	628,591
Total financial liabilities	**$ 406,074,834**	**$ -**	**$ 406,516,797**	**$ -**	**$ 406,516,797**

NOTE 23 - RECONCILIATION OF FINANCIAL STATEMENTS TO REGULATORY REPORTING (UNAUDITED)

The Company's financial statements as illustrated in this report differ from the Company's financial statements as reported to its primary regulator for the same periods. Variance between the statements is the result of differences between Management and the Bank's regulator in interpreting certain GAAP accounting standards.

The following outlines the primary areas where management's interpretation differs from that of it's regulator:

1. **Recognition of accrued interest income on loans**

Management's interpretation of GAAP is that interest income on a loan should be accrued when collectability of the Bank's total investment in the loan is "reasonably assured". The Bank's total investment in a loan includes outstanding principal, unpaid interest and any amounts legally reimbursable and outstanding.

According to written guidance provided by FASB, "reasonably assured" and "probable" are interchangeable and defined as "that which can reasonably be expected or believed on the basis of available evidence or logic but is neither certain nor proved."

In Management's opinion the threshold of "reasonably assured" is met when the loan meets the three following criteria: (1) The loan is well secured by collateral which is supported by a current valuation from a trusted source; (2) the loan is in the process of collection; and (3) collection is expected to be completed within a time frame that is considered to be reasonable given the facts and circumstances and will result in the loan being brought current with the collection of all principal and interest contractually due.

The Bank's primary regulator has provided more stringent guidance on when to stop accruing interest on a loan. The instructions furnished by the regulator generally require the accrual of interest on a loan to cease when it becomes greater than 90 days past due, unless the loan is considered well secured and in the process of collection.

In order for a loan to be considered in the process of collection the timing and amount of repayments must be reasonably certain and there must be evidence that collection in full will occur shortly. Their indicated benchmark of an acceptable time frame is 30 days.

The financial statements included with this report are prepared using Management's interpretation of the GAAP standards for the accrual of interest income. When filing regulatory financial statements the Bank continues to follow the instructions provided by the regulator.

2. **Recording cash payments of interest for loans on nonaccrual status**

Management's interpretation of GAAP is that a portion of cash payments received for interest on nonaccrual loans may be recorded as income when the Bank is "reasonably assured" of collecting all outstanding principal on the loan. According to written guidance provided by FASB, "reasonably assured" and "probable" are interchangeable and defined as "that which can reasonably be expected or believed on the basis of available evidence or logic but is neither certain nor proved."

The Bank's regulator has provided more stringent guidance and interprets "reasonably assured" as existing only when no clear possibility of the loss of principal is present. Published regulatory guidance on this topic states, "When doubt exists as to the collectability of the remaining recorded investment in an asset on nonaccrual status, any payments received must be applied to reduce the recorded investment in the asset to the extent necessary to eliminate such doubt."

NOTE 23 - RECONCILIATION OF FINANCIAL STATEMENTS TO REGULATORY REPORTING (UNAUDITED) (CONTINUED)

The regulatory guidance, in many instances, results in cash basis payments being applied as a reduction to the principal balance of the loan, rather than a portion being recorded to income, when management believes that the ultimate collectability of the full amount of principal is probable.

It is management's opinion that the more stringent regulatory interpretation of this standard does not accurately reflect the Bank's financial results given the Bank's collateral evaluation techniques, collection processes and loss history.

The following tables outline the differences between the Company's financial statements included with this report and the Company's financial statements as provided to its regulator for the years ending September 30, 2025 and 2024:

Year ended September 30, 2025:

	As Reported Financial Statements	As Reported Regulatory Reporting	Variance
Consolidated Statements of Financial Condition			
Loans receivable	$ 341,015,737	$ 339,974,689	$ (1,041,048)
Allowance for credit losses	(1,531,047)	(1,090,121)	440,926
Net Loans	**339,484,690**	**338,884,568**	**(600,122)**
Accrued interest receivable	1,570,081	1,326,374	(243,707)
Other Assets	25,404,443	25,768,176	363,733
Total Assets	**503,593,077**	**503,112,981**	**(480,096)**
Accrued expenses and other liabilities	3,187,362	3,432,077	244,715
Total Liabilities	**462,635,661**	**462,880,376**	**244,715**
Retained Earnings	24,567,984	23,843,173	(724,811)
Total Stockholders' Equity	**40,957,416**	**40,232,605**	**(724,811)**
Total Liabilities and Stockholders' Equity	**503,593,077**	**503,112,981**	**(480,096)**

	As Reported Financial Statements	As Reported Regulatory Reporting	Variance
Consolidated Statements of Income			
Interest and fees on loans	$ 23,309,293	$ 24,478,530	$ 1,169,237
Total Interest Income	**28,015,831**	**29,185,068**	**1,169,237**
(Credit From) Provision for Credit Losses	709,887	191,160	(518,727)
Salaries and employee benefits	8,680,335	9,028,019	347,684
Total Other Operating Expenses	**15,559,570**	**15,907,254**	**347,684**
Income Before Income Tax Expense	**4,428,721**	**5,769,001**	**1,340,280**
Income tax expense	964,779	1,246,237	281,458
Net income	**3,463,942**	**4,522,764**	**1,058,822**

NOTE 23 - RECONCILIATION OF FINANCIAL STATEMENTS TO REGULATORY REPORTING (UNAUDITED) (CONTINUED)

Year ended September 30, 2024:

	As Reported Financial Statements	As Reported Regulatory Reporting	Variance
Consolidated Statements of Financial Condition			
Loans receivable	$ 333,812,842	$ 331,593,794	$ (2,219,048)
Allowance for loan losses	(1,620,909)	(1,181,693)	439,216
Net Loans	**332,191,933**	**330,412,101**	**(1,779,832)**
Accrued interest receivable	2,126,555	1,403,417	(723,138)
Other Assets	7,154,699	8,177,981	1,023,282
Total Assets	**446,677,017**	**445,197,329**	**(1,479,688)**
Accrued expenses and other liabilities	1,992,780	2,296,725	303,945
Total Liabilities	**408,067,614**	**408,371,559**	**303,945**
Retained Earnings	21,825,122	20,041,489	(1,783,633)
Total Stockholders' Equity	**38,609,403**	**36,825,770**	**(1,783,633)**
Total Liabilities and Stockholders' Equity	**446,677,017**	**445,197,329**	**(1,479,688)**

	As Reported Financial Statements	As Reported Regulatory Reporting	Variance
Consolidated Statements of Income			
Interest and fees on loans	$ 20,939,095	$ 20,150,152	$ (788,943)
Total Interest Income	**25,077,180**	**24,288,237**	**(788,943)**
(Credit From) Provision for Loan Losses	(64,918)	(62,648)	2,270
Salaries and employee benefits	7,042,272	6,902,493	(139,779)
Total Other Operating Expenses	**12,968,291**	**12,828,512**	**(139,779)**
Income Before Income Tax Expense	**4,429,956**	**3,778,522**	**(651,434)**
Income tax expense	1,006,712	869,911	(136,801)
Net income	**3,423,244**	**2,908,611**	**(514,633)**

NOTE 23 - RECONCILIATION OF FINANCIAL STATEMENTS TO REGULATORY REPORTING (UNAUDITED) (CONTINUED)

The following table outlines differences between the financial statements and regulatory accounting for Bank capital levels:

(Dollar amounts in thousands)	Financial Statements	Regulatory Reporting	Variance
As of September 30, 2025			
Total Stockholders' Equity	$ 40,778	$ 40,053	$ (725)
Total Common Stockholders' Equity	40,778	40,053	(725)
Total Stockholders' Equity plus Allowance for Credit Losses	42,406	41,205	(1,201)
As of September 30, 2024			
Total Stockholders' Equity	$ 38,763	$ 36,979	$ (1,784)
Total Common Stockholders' Equity	38,763	36,979	(1,784)
Total Stockholders' Equity plus Allowance for Credit Losses	40,439	38,209	(2,230)

NOTE 24 - SUBSEQUENT EVENTS

The Company evaluated its September 30, 2025 financial statements for subsequent events through the date of the independent Auditor's Report which is the date the financials statements were available to be issued, noting no items requiring accrual or disclosure.

The Company has disclosed deposit concentrations in Note 9. In relation to current economic conditions, management has monitored deposit concentrations through the date the financial statements were issued noting no significant changes to concentrations. In addition, there has been no significant deposit deterioration through the date the financial statements were issued.

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