



**2025 FINANCIAL STATEMENTS &
RELATED DATA**



Community Investors Bancorp, Inc.

P.O. Box 766 • Bucyrus, Ohio • Phone: (419) 562-7055

2025 Annual Report President's Letter

Dear Shareholders,

Reflecting on Fiscal Year 2025, I am filled with gratitude for the trust you place in Community Investors Bancorp, Inc. This year was not just about numbers—it was about people, relationships, and the positive momentum we built together. Our commitment to being the Bank of Choice for our communities inspired us to reach new heights, both financially and in the ways we serve and connect with you.

We continued to refine our policies and procedures, making our team more responsive and agile. Our multi-pronged approach to liquidity—focusing on deposit growth, contingent fund availability, and leveraging state programs—has paid off. We also completed the rollout of our Enterprise Risk Management program, enhancing our ability to anticipate and manage risks.

Our commitment to the "3 C's"—Care, Curiosity, and Courage—remains central. Our team's ownership mindset and collaborative spirit have enabled us to navigate challenges and seize opportunities. The new executive management team has settled into their roles, driving process improvements and enhancing customer service.

Every decision we made this year was guided by a simple question: "How can we better serve our customers, support our communities, and create lasting value for our stakeholders?"

- For our customers, we focused on listening and responding to your needs. Our disciplined lending and deposit growth were driven by your confidence in us, and we worked hard to make banking easier, more secure, and more personal.
- For our communities, our financial strength enabled us to give back in meaningful ways. Our employees partnered with local nonprofits to address food insecurity, support education, and empower small businesses. Through volunteerism, fundraising, and leadership on nonprofit boards, our team provided hundreds of meals for the backpack program, volunteered time to local organizations for community support and fund-raising efforts, and delivered financial literacy workshops. These efforts are a direct reflection of our core values—Care, Curiosity, and Courage—and the belief that a strong bank builds a stronger community.
- For our stakeholders, we remained transparent and engaged, sharing regular updates and inviting feedback. We improved our efficiency ratio, reduced risk by lowering Federal Home Loan Bank (FHLB) borrowings and fortified our capital base. Our capital ratios remain well above regulatory thresholds, ensuring we are well-positioned for sustainable growth and continued investment in our people and technology.

Our strategic planning continues to guide us toward intentional, long-term growth. This year:

- Total Assets grew to \$336.4 million, up 7.9% from 2024, and Total Deposits increased 13.9% to \$269.3 million, reflecting robust customer confidence.
- Net Income rose 60.5% to \$1.83 million (\$2.30 per share), strengthening our ability to invest in our people and technology.
- Net Interest Income improved to \$9.8 million, up from \$8.2 million last year, driven by disciplined lending and deposit growth.
- Efficiency Ratio improved, with noninterest expense well-managed relative to income, supporting operational effectiveness.
- Debt Reduction: We reduced FHLB borrowings by over \$10 million year-over-year, lowering risk and enhancing our balance sheet.
- Stockholders' Equity increased 12% to \$19.8 million and capital ratios remain well above regulatory thresholds further fortifying our capital base.

Community Investors Bancorp, Inc. enters 2026 with a stronger financial foundation, improved profitability, and enhanced risk management. Continued focus on operational efficiency, capital deployment, and strategic growth will be key to sustaining momentum and addressing remaining challenges.

As we look to 2026 and beyond, we will continue to execute our strategic plan, invest in our people, and pursue opportunities for growth. Our foundation is solid, and our team is ready to deliver value for our shareholders, customers, and communities.

On behalf of the entire First Federal team, thank you for your continued support and confidence.

A handwritten signature in dark ink, appearing to read "Steven R. Crall". The signature is fluid and cursive, with the first name "Steven" and last name "Crall" clearly distinguishable.

Steven R. Crall
President & CEO



Community Investors Bancorp, Inc.

Independent Auditor's Report and Consolidated Financial Statements

June 30, 2025 and 2024



Community Investors Bancorp, Inc.
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June 30, 2025 and 2024

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Independent Auditor's Report

Board of Directors and Stockholders
Community Investors Bancorp, Inc.
Bucyrus, Ohio

Opinion

We have audited the consolidated financial statements of Community Investors Bancorp, Inc. and its subsidiaries (Company), which comprise the consolidated balance sheets as of June 30, 2025 and 2024, and the related consolidated statements of income, and comprehensive income, stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Community Investors Bancorp, Inc. and subsidiaries as of June 30, 2025 and 2024, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Community Investor Bancorp, Inc.'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Investor Bancorp, Inc.'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.

Forvis Mazars, LLP

**Cincinnati, Ohio
September 26, 2025**

Community Investors Bancorp, Inc.
Consolidated Balance Sheets
June 30, 2025 and 2024
(Dollars in Thousands, Except Per Share Amounts)

	2025	2024
ASSETS		
Cash and due from banks	\$ 4,740	\$ 4,646
Interest-bearing deposits	9,119	3,047
Federal funds sold	830	429
Cash and cash equivalents	14,689	8,122
Interest-bearing time deposits	245	245
Available-for-sale debt securities	22,333	23,191
Loans held for sale	1,846	5,040
Loans, net of allowance for credit losses of \$2,531 and \$2,270 at June 30, 2025 and 2024, respectively	276,457	255,658
Premises and equipment	5,155	5,362
Federal Home Loan Bank and other restricted stock	5,123	4,796
Bank owned life insurance	4,255	4,114
Interest receivable	2,102	1,636
Mortgage servicing rights	741	872
Other assets	3,036	2,210
Goodwill and intangibles	420	425
Total Assets	\$ 336,402	\$ 311,671
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Deposits		
Demand	\$ 45,048	\$ 39,297
Savings, NOW, and money market	99,884	92,697
Time	124,328	104,390
Total deposits	269,260	236,384
Federal Home Loan Bank advances	39,384	49,539
Other borrowings	5,664	5,759
Advances from borrowers for taxes and insurance	105	342
Interest payable	661	693
Deferred federal income taxes	524	356
Other liabilities	980	896
Total Liabilities	316,578	293,969
Stockholders' Equity		
Common stock, \$0.01 par value; authorized 4,000,000 shares; issued 1,525,297 shares; outstanding 794,142 shares	15	15
Additional paid-in capital	5,299	5,299
Retained earnings	23,024	21,529
Accumulated other comprehensive loss	(1,040)	(1,667)
Treasury stock, at cost		
Common; 731,155 shares	(7,474)	(7,474)
Total Stockholders' Equity	19,824	17,702
Total Liabilities and Stockholders' Equity	\$ 336,402	\$ 311,671

Community Investors Bancorp, Inc.
Consolidated Statements of Income
June 30, 2025 and 2024
(Dollars in Thousands, Except Per Share Amounts)

	2025	2024
Interest and Dividend Income		
Loans	\$ 16,969	\$ 14,584
Securities		
Taxable	359	318
Tax-exempt	24	120
Dividends on Federal Home Loan Bank stock	438	346
Deposits with financial institutions and other	310	76
	<u>18,100</u>	<u>15,444</u>
Total Interest and Dividend Income	<u>18,100</u>	<u>15,444</u>
Interest Expense		
Deposits	5,828	4,843
Federal Home Loan Bank advances	2,038	2,127
Other	419	265
	<u>8,285</u>	<u>7,235</u>
Total Interest Expense	<u>8,285</u>	<u>7,235</u>
Net Interest Income	9,815	8,209
Provision for Credit Losses		
Loans	185	50
Off-balance-sheet credit exposures	21	(6)
	<u>206</u>	<u>44</u>
Total Provision for Credit Losses	<u>206</u>	<u>44</u>
Net Interest Income After Provision for Credit Losses	<u>9,609</u>	<u>8,165</u>
Noninterest Income		
Net gains on loan sales	2,631	2,793
Other	1,100	830
	<u>3,731</u>	<u>3,623</u>
Total Noninterest Income	<u>3,731</u>	<u>3,623</u>
Noninterest Expense		
Salaries and employee benefits	6,543	6,149
Net occupancy and equipment expense	759	827
Data processing fees	992	901
Professional fees	483	305
Franchise taxes	192	159
FDIC insurance premiums	279	382
Other	1,841	1,592
	<u>11,089</u>	<u>10,315</u>
Total Noninterest Expense	<u>11,089</u>	<u>10,315</u>
Income Before Income Tax	2,251	1,474
Provision for Income Taxes	422	334
Net Income	<u>\$ 1,829</u>	<u>\$ 1,140</u>
Basic and Diluted Earnings Per Share	<u>\$ 2.30</u>	<u>\$ 1.44</u>

See Notes to Consolidated Financial Statements

Community Investors Bancorp, Inc.
Consolidated Statements of Comprehensive Income
Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

	<u>2025</u>	<u>2024</u>
Net Income	<u>\$ 1,829</u>	<u>\$ 1,140</u>
Net Unrealized Gain on Available-for-Sale Securities	793	699
Tax Expense	<u>166</u>	<u>146</u>
Other Comprehensive Income	<u>627</u>	<u>553</u>
Comprehensive Income	<u><u>\$ 2,456</u></u>	<u><u>\$ 1,693</u></u>

See Notes to Consolidated Financial Statements

Community Investors Bancorp, Inc.
Consolidated Statements of Stockholder's Equity
Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
Balance, June 30, 2023	\$ 15	\$ 5,299	\$ 21,200	\$ (2,220)	\$ (7,474)	\$ 16,820
Cumulative change for adoption of ASC 326 (see Note 1)	-	-	(508)	-	-	(508)
Balance, July 1, 2023	15	5,299	20,692	(2,220)	(7,474)	16,312
Net income	-	-	1,140	-	-	1,140
Other comprehensive income	-	-	-	553	-	553
Dividends on common stock, \$0.40 per share	-	-	(303)	-	-	(303)
Balance, June 30, 2024	15	5,299	21,529	(1,667)	(7,474)	17,702
Net income	-	-	1,829	-	-	1,829
Other comprehensive income	-	-	-	627	-	627
Dividends on common stock, \$0.40 per share	-	-	(334)	-	-	(334)
Balance, June 30, 2025	<u>\$ 15</u>	<u>\$ 5,299</u>	<u>\$ 23,024</u>	<u>\$ (1,040)</u>	<u>\$ (7,474)</u>	<u>\$ 19,824</u>

See Notes to Consolidated Financial Statements

Community Investors Bancorp, Inc.
Consolidated Statements of Cash Flows
Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

	2025	2024
Operating Activities		
Net income	\$ 1,829	\$ 1,140
Items not requiring (providing) cash		
Depreciation and amortization	299	345
Provision for loan losses	185	44
Amortization of premiums and discounts on securities	30	107
Amortization of intangible asset	5	5
Deferred income taxes	(13)	68
Increase in cash surrender value of bank-owned life insurance	(141)	(143)
Changes in		
Loans held for sale	3,195	(80)
Interest receivable	(466)	(529)
Other assets	(680)	(326)
Interest payable and other liabilities	53	73
Net Cash Provided by Operating Activities	4,296	703
Investing Activities		
Purchase of available-for-sale securities	(2,011)	-
Proceeds from calls, maturities, and paydowns of available-for-sale securities	3,632	5,231
Net change in loans	(20,983)	(40,939)
Purchase of bank-owned life insurance	-	(440)
Purchase of premises and equipment	(93)	(124)
Purchase of FHLB and other restricted stock	(328)	(1,075)
Net Cash Used in Investing Activities	(19,783)	(37,347)
Financing Activities		
Net increase in deposit accounts	32,876	22,202
Proceeds from Federal Home Loan Bank advances	4,000	45,500
Repayment of Federal Home Loan Bank advances	(14,156)	(31,400)
Proceeds from other borrowings	-	2,500
Repayment of other borrowings	(95)	(91)
Dividends paid on common stock	(334)	(303)
Net change in advances from borrowers for taxes and insurance	(237)	6
Net Cash Provided by Financing Activities	22,054	38,414
Increase in Cash and Cash Equivalents	6,567	1,769
Cash and Cash Equivalents, Beginning of Year	8,122	6,353
Cash and Cash Equivalents, End of Year	\$ 14,689	\$ 8,122
Supplemental Cash Flows Information		
Interest paid	\$ 8,316	\$ 7,138
Income taxes paid	310	429

See Notes to Consolidated Financial Statements

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Community Investors Bancorp, Inc. (Company) is a thrift holding company whose principal activity is the ownership and management of its wholly-owned subsidiary, First Federal Community Bank of Bucyrus (Bank). The Bank is primarily engaged in providing a full range of banking and financial services to individual and corporate customers in northern Ohio. The Bank faces competition from other financial institutions and is subject to the regulation of certain federal and state agencies and undergoes periodic examinations by those regulatory authorities.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and the Bank. All significant intercompany accounts and transactions have been eliminated in consolidation.

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.

Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for credit losses, valuation of real estate acquired in connection with foreclosures, or in satisfaction of loans. In connection with the determination of the allowance for credit losses and the valuation of foreclosed assets held for sale, management obtains independent appraisals for significant properties.

Cash Equivalents

The Company considers all liquid investments with original maturities of three months or less to be cash equivalents.

From time to time, the Company's cash accounts may exceed the FDIC's insured limit of \$250,000. Management considers the risk of loss to be low.

Interest-Bearing Time Deposits

Interest-bearing time deposits in banks mature within one year and are carried at cost.

Community Investors Bancorp, Inc.
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Table Dollars in Thousands, Except Per Share Amounts)

Debt Securities

Debt securities held by the Company generally are classified and recorded in the consolidated financial statements as follows:

Classified as	Description	Recorded at
Available for sale (AFS)	Securities not classified as HTM or trading	Fair value, with unrealized gains and losses (for which no allowance for credit losses are recorded) excluded from earnings and reported in other comprehensive income (loss)
Held to maturity (HTM)	Certain debt securities that management has the positive intent and ability to hold to maturity	Amortized cost, net of allowance for credit losses
Trading	Securities that are bought and held principally for the purpose of selling in the near term and therefore, held for only a short period of time	Fair value, with changes in fair value included in earnings

Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the securities. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

When the fair value of securities is below the amortized cost and the Company will not be required to sell the security before recovery of its amortized cost basis, the Company evaluates whether the decline in fair value has resulted from credit losses or other factors. If the present value of cash flows expected to be collected from the security are less than the amortized costs basis of the security, an allowance for credit losses is recorded for the credit loss, limited to the amount that the fair value is less than the amortized cost basis. Any impairment that has not been recorded through an allowance for credit losses is recognized in other comprehensive income (loss):

Circumstances of Impairment Considerations	Accounting Treatment	
	Credit Component	Remaining Portion
Not intended for sale and more likely than not that the Company will not have to sell before recovery of cost basis	Recognized as an allowance for credit loss	Recognized in other comprehensive income
Intended for sale or more likely than not that the Company will be required to sell before recovery of cost basis		Recognized in earnings

Allowance for Credit Losses – Available-for-Sale Securities

For available-for-sale securities in an unrealized loss position, the Company first assesses whether (i) there is intention to sell or (ii) it is more likely than not that the Company will be required to sell the security before recovery of its amortized cost basis. If either case is affirmative, any previously recognized allowances are charged off and the security's amortized cost is written down to fair value through income. If neither case is affirmative, the security is evaluated to determine whether the decline in fair value has resulted from credit losses

Community Investors Bancorp, Inc.
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or other factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency and any adverse conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost basis. Any impairment that has not been recorded through an allowance for credit losses is recognized in other comprehensive income (loss). Adjustments to the allowance are reported in our income statement as a component of credit loss expense. The Company excludes accrued interest receivable on available-for-sale securities from the estimate of credit losses. Available-for-sale securities are charged off against the allowance or, in the absence of any allowance, written down through income when deemed uncollectible by management or when either of the aforementioned criteria regarding intent or requirement to sell is met.

Prior to the adoption of ASU 2016-13, declines in the fair value of held-to-maturity and available-for-sale securities below their cost that were deemed to be other than temporary were reflected in earnings as realized losses. In estimating other-than-temporary impairment losses prior to July 1, 2023, the Company considered, among other things, (i) the length of time and the extent to which the fair value had been less than cost, (ii) the financial condition and near-term prospects of the issuer and (iii) the intent and our ability to retain our investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

Loans Held for Sale

Mortgage loans originated and intended for sale in the secondary market are carried at the lower of cost or fair value in the aggregate. Net unrealized losses, if any, are recognized through a valuation allowance by charges to noninterest income. Gains and losses on loan sales are recorded in noninterest income and direct loan origination costs and fees are deferred at origination of the loan and are recognized in noninterest income upon sale of the loan.

Loans

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at their outstanding principal balances adjusted for unearned income, charge-offs, the allowance for loan losses, any unamortized deferred fees or costs on originated loans, and unamortized premiums or discounts on purchased loans.

For loans amortized at cost, interest income is accrued based on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, as well as premiums and discounts, are deferred and amortized as a level yield adjustment over the respective term of the loan.

The accrual of interest on all loans is discontinued at the time the loan is 90 days past due unless the credit is well-secured and in process of collection. Past-due status is based on the contractual terms of the loan. In all cases, loans are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful.

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

Community Investors Bancorp, Inc.
Notes to Consolidated Financial Statements
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(Table Dollars in Thousands, Except Per Share Amounts)

Allowance for Credit Losses – Loans

The allowance for credit losses is established as losses are estimated to have occurred through a provision for credit losses charged to income. Credit losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for credit losses is evaluated on a regular basis by management.

Groups of loans with similar risk characteristics are collectively evaluated. Loans that do not share risk characteristics are evaluated on an individual basis. Loans with similar risk characteristics are grouped into homogenous segments, or pools, for analysis.

The Company has implemented third party software and utilizes the cash flow methodology without the present value component for all loan segments. The reserve determined by the cash flow analysis is the sum of expected losses. No discounting is performed in the reserve calculation. Expected losses are calculated via a gross loss rate and recovery rate assumption, and unemployment has been utilized as the single loss driver in the ACL calculation. Loss rates are based on a selected peer group. The peer group utilizes banks with a similar geography and asset size to the Company. Inputs into the ACL calculation include estimates for prepayment and curtailment rates for on balance sheet exposures. The modeling of expected prepayment speeds and curtailment rates are based on the Company's data and derived from the third-party software database.

The Company's expected credit loss model considers historical credit loss experience, peer data, current market and economic conditions, and forecasted changes in market and economic conditions if such forecasts are considered reasonable and supportable. The Company has elected to forecast the first four quarters of the credit loss estimate and revert to a long-run average of each considered economic factor as permitted in ASC 326-20-30-9.

The Company qualitatively adjusts model results for risk factors that are not considered within the modeling processes but are nonetheless relevant in assessing the expected credit losses within the loan pools. These qualitative factors and other qualitative adjustments may increase or decrease the Company's estimate of expected credit losses by a calculated percentage or amount based upon the estimated level of risk. The various risks that may be considered in making qualitative adjustments include, among other things, the impact of:

- i) Changes in lending policies and procedures, including changes in underwriting standards and practices for collections, write-offs, and recoveries
- ii) Actual and expected changes in international, national, regional, and local economic and business conditions and developments that affect the collectibility of the loan pools
- iii) Changes in the nature and volume of the loan pools and in the terms of the underlying loans
- iv) Changes in the experience, ability, and depth of our lending management and staff
- v) Changes in volume and severity of past due financial assets, the volume of non-accrual assets, and the volume and severity of adversely classified or graded assets
- vi) Changes in the quality of our credit review function
- vii) Changes in the value of the underlying collateral for loans that are non-collateral dependent
- viii) The existence, growth, and effect of any concentrations of credit
- ix) Other factors such as the regulatory, legal and technological environments; competition; and events such as natural disasters or health pandemics

Community Investors Bancorp, Inc.
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(Table Dollars in Thousands, Except Per Share Amounts)

For those loans that are individually evaluated, an allowance is established when the collateral value of the loan is lower than the carrying value of that loan. The general component covers nonclassified loans and is estimated using relevant available information from internal and external sources, related to past events, current conditions and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. Adjustments to historical loss information are made for differences in current loan specific risk characteristics and are applied as a qualitative factor.

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

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

The allowance for credit losses on off-balance-sheet credit exposures is a liability account, representing expected credit losses over the contractual period for which the Company is exposed to credit risk resulting from a contractual obligation to extend credit. No allowance is recognized if the Company has the unconditional right to cancel the obligation. The allowance is reported as a component of accrued interest payable and other liabilities in the consolidated balance sheets. Adjustments to the allowance are reported in the consolidated income statement as a component of credit loss expense. The allowance for credit losses on off-balance-sheet credit exposures is described more fully in Note 3.

Premises and Equipment

Depreciable assets are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are capitalized and depreciated using the straight-line method over the terms of the respective leases or the estimated lives of the improvements, whichever is shorter. Maintenance and repairs are charged to expense when incurred; major improvements are capitalized.

Federal Home Loan Bank Stock

Federal Home Loan Bank stock is a required investment for institutions that are members of the Federal Home Loan Bank system. The required investment in the common stock is based on a predetermined formula, carried at cost and evaluated for impairment. Both cash and stock dividends are reported as income.

Bank-Owned Life Insurance

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

Foreclosed Assets Held for Sale

Assets acquired through, or in lieu of, loan foreclosure are held for sale and are initially recorded at fair value less cost to sell at the date of foreclosure, establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less cost to sell. Revenue and expenses from operations and changes in the valuation allowance are included in net income or expense from foreclosed assets.

Community Investors Bancorp, Inc.
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Table Dollars in Thousands, Except Per Share Amounts)

At June 30, 2025 and 2024, there was \$619,897 and \$42,677, respectively, in foreclosed residential real estate properties recorded as a result of obtaining physical possession of the property.

At June 30, 2025 and 2024, the recorded investment of consumer mortgage loans secured by residential real estate properties for which formal foreclosure proceeds are in process was \$0.

Mortgage Servicing Rights

Mortgage servicing assets are recognized separately when rights are acquired through purchase or through sale of financial assets. Under the servicing assets and liabilities accounting guidance (ASC 860-50), servicing rights resulting from the sale or securitization of loans originated by the Company are initially measured at fair value at the date of transfer. The Company subsequently measures each class of servicing asset using the amortization method. Under the amortization method, servicing rights are amortized in proportion to and over the period of estimated net servicing income. The amortized assets are assessed for impairment based on fair value at each reporting date.

Fair value is based on market prices for comparable mortgage servicing contracts, when available, or alternatively, is based on a valuation model that calculates the present value of estimated future net servicing income. The valuation model incorporates assumptions that market participants would use in estimating future net servicing income, such as the cost to service, the discount rate, the custodial earnings rate, an inflation rate, ancillary income, prepayment speeds, and default rates and losses. These variables change from quarter to quarter as market conditions and projected interest rates change and may have an adverse impact on the value of the mortgage servicing rights and may result in a reduction to noninterest income.

Each class of separately recognized servicing assets subsequently measured using the amortization method are evaluated and measured for impairment. Impairment is determined by stratifying rights into tranches based on predominant characteristics, such as interest rate, loan type and investor type. Impairment is recognized through a valuation allowance for an individual tranche, to the extent that fair value is less than the carrying amount of the servicing assets for that tranche. The valuation allowance is adjusted to reflect changes in the measurement of impairment after the initial measurement of impairment. Fair value in excess of the carrying amount of servicing assets for that stratum is not recognized.

Servicing fee income is recorded for fees earned for servicing loans. The fees are based on a contractual percentage of the outstanding principal or a fixed amount per loan and are recorded as income when earned. The amortization of mortgage servicing rights is netted against loan servicing fee income.

Goodwill

Goodwill is evaluated annually for impairment or more frequently if impairment indicators are present. The Company elected the accounting alternative for evaluating goodwill impairment triggering events and performs a goodwill impairment triggering event evaluation only as of the end of each reporting period. A qualitative assessment is performed to determine whether the existence of events or circumstances leads to a determination that it is more likely than not the fair value of a reporting unit is less than the carrying amount, including goodwill. If, based on the evaluation, it is determined to be more likely than not that the fair value of a reporting unit is less than the carrying value, then goodwill is tested further for impairment. The quantitative impairment test consists of calculating the fair value of a reporting unit and comparing it to the carrying amount, including goodwill. The goodwill impairment loss, if any, is measured as the amount by which the carrying amount of a reporting unit, including goodwill, exceeds its fair value. Subsequent increases in goodwill value are not recognized in the consolidated financial statements.

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Intangible Assets

Intangible assets with finite lives are being amortized on the straight-line basis over a period of seven years. Such assets are periodically evaluated as to the recoverability of carrying values.

Treasury Stock

Common stock shares repurchased are recorded at cost. Cost is determined by the weighted average cost method.

Revenue Recognition

The Company applies *Revenue from Contracts with Customers* (Topic 606) to some of its revenue. The majority of the Company's revenues come from interest income and other sources, including loans, leases and securities that are outside the scope of Topic 606. The Company's services that fall within the scope of Topic 606 are presented within noninterest income in the accompanying consolidated statements of income and are recognized as revenue as the Company satisfies its obligation to the customer.

Revenue-generating activities that are within the scope of ASC 606 and that are presented as noninterest income in the Company's consolidated statements of income include:

Service charges and fees on deposit accounts - these include general service fees charged for deposit account maintenance and activity and transaction-based fees charged for certain services, such as debit card, wire transfer, or overdraft activities. Revenue is recognized when the performance obligation is completed, which is generally after a transaction is completed or monthly for account maintenance services.

Income Taxes

The Company accounts for income taxes in accordance with income tax accounting guidance (ASC 740, *Income Taxes*). The income tax accounting guidance results in two components of income tax expense: current and deferred. Current income tax expense reflects taxes to be paid or refunded for the current period by applying the provisions of the enacted tax law to the taxable income or excess of deductions over revenues. The Company determines deferred income taxes using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax basis of assets and liabilities, and enacted changes in tax rates and laws are recognized in the period in which they occur. Deferred income tax expense results from changes in deferred tax assets and liabilities between periods. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence available, it is more likely than not that some portion or all of a deferred tax asset will not be realized.

Tax positions are recognized if it is more likely than not, based on the technical merits, that the tax position will be realized or sustained upon examination. The term more likely than not means a likelihood of more than 50%; the terms examined and upon examination also include resolution of the related appeals or litigation processes, if any. A tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more-likely-than-not recognition threshold considers the facts, circumstances and information available at the reporting date and is subject to management's judgment.

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If necessary, the Company recognizes interest and penalties on income taxes as a component of income tax expense.

The Company files consolidated income tax returns with its subsidiary. With a few exceptions, the Company is no longer subject to examination by tax authorities for years before 2022. As of June 30, 2025, the Company had no material uncertain income tax positions.

Earnings Per Share

Basic earnings per share represents income available to common stockholders divided by the weighted-average number of common shares outstanding during each period. Diluted earnings per share reflects additional potential common shares that would have been outstanding if dilutive potential common shares had been issued, as well as any adjustment to income that would result from the assumed issuance. Treasury stock shares are not deemed outstanding for earnings per share calculations.

Comprehensive Income

Comprehensive income consists of net income and other comprehensive income (loss), net of applicable income taxes. Other comprehensive income includes unrealized appreciation on available-for-sale securities. All of the accumulated other comprehensive income recorded on the consolidated balance sheets relates to accumulated unrealized appreciation of available-for-sale securities.

Advertising

Advertising costs are expensed as incurred.

Adoption of New Accounting Standards

On July 1, 2023, the Company adopted ASU 2016-13: *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The Company adopted ASC 326 using a modified retrospective method for all financial instruments measured at amortized cost and off-balance-sheet credit exposures. Reporting periods beginning after July 1, 2023 are presented under ASC 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. The Company recorded a \$508,000 impact to retained earnings as of July 1, 2023 for the cumulative effect of adopting ASC 326.

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The following table describes the impact of ASC 326 on the adoption date:

	July 1, 2023		
	As Reported Under ASC 326	Pre-ASC 326 Adoption	Impact of ASC 326 Adoption
Assets			
Residential real estate	\$ 1,409	\$ 823	\$ 586
Nonresidential real estate	155	218	(63)
Commercial	535	600	(65)
Consumer and other	115	149	(34)
Total allowance for credit losses on loans	<u>\$ 2,214</u>	<u>\$ 1,790</u>	<u>\$ 424</u>
Liabilities			
Allowance for credit losses on off balance sheet credit exposures	<u>\$ 106</u>	<u>\$ -</u>	<u>\$ 106</u>
Equity			
Total pre-tax impact			\$ 530
Tax effect			<u>(22)</u>
Decrease to retained earnings			<u>\$ 508</u>

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Note 2. Debt Securities

The amortized cost and approximate fair values, together with gross unrealized gains and losses of securities are as follows:

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Approximate Fair Value</u>
Available-for-Sale Securities				
June 30, 2025				
U.S. government agencies	\$ 16,381	\$ 4	\$ 632	\$ 15,753
Corporate	17	-	-	17
U.S. government agency mortgage-backed securities	3,532	-	513	3,019
U.S. government agency collateralized-mortgage securities	163	-	6	157
State and political subdivisions	3,558	1	172	3,387
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 23,651</u>	<u>\$ 5</u>	<u>\$ 1,323</u>	<u>\$ 22,333</u>
June 30, 2024				
U.S. government agencies	\$ 16,365	\$ -	\$ 1,228	\$ 15,137
U.S. government agency mortgage-backed securities	3,963	-	572	3,391
U.S. government agency collateralized-mortgage securities	229	-	12	217
State and political subdivisions	4,745	-	299	4,446
Equity securities				-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 25,302</u>	<u>\$ -</u>	<u>\$ 2,111</u>	<u>\$ 23,191</u>

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The amortized cost and fair value of available-for-sale securities at June 30, 2025, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties:

	Available-for-Sale	
	Amortized Cost	Fair Value
Within one year	\$ 7,656	\$ 7,553
One to five years	11,843	11,201
Five to ten years	440	386
After ten years	17	17
	19,956	19,157
U.S. government agency mortgage-backed securities	3,532	3,019
U.S. government agency collateralized-mortgage securities	163	157
Totals	<u>\$ 23,651</u>	<u>\$ 22,333</u>

The carrying value of securities pledged as collateral, to secure public deposits, and for other purposes, was \$1,735,000 and \$9,661,000 at June 30, 2025 and 2024, respectively.

There were no debt securities sold during the years ended June 30, 2025 and 2024.

Certain investments in debt securities are reported in the financial statements at an amount less than their historical cost. Total fair value of these investments at June 30, 2025 and 2024, was \$21,182,000 and \$23,191,000, which is approximately 95% and 100%, respectively, of the fair value of the Company's total investment portfolio. These declines primarily resulted from changes in market interest rates.

The following tables show the Company's investments' gross unrealized losses and fair value of the Company's investments with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment class and length of time that individual securities have been in a continuous unrealized loss position at June 30, 2025 and 2024:

Description of Securities	June 30, 2025					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. government agencies	\$ 998	\$ 1	\$ 13,758	\$ 631	\$ 14,756	\$ 632
U.S. government agency mortgage-backed securities	-	-	3,176	513	3,176	513
U.S. government agency collateralized-mortgage securities	-	-	163	6	163	6
State and political subdivisions	-	-	3,087	172	3,087	172
Totals	<u>\$ 998</u>	<u>\$ 1</u>	<u>\$ 20,184</u>	<u>\$ 1,322</u>	<u>\$ 21,182</u>	<u>\$ 1,323</u>

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Description of Securities	June 30, 2024					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. government agencies	\$ -	\$ -	\$ 15,137	\$ 1,228	\$ 15,137	\$ 1,228
U.S. government agency mortgage-backed securities	-	-	3,391	572	3,391	572
U.S. government agency collateralized-mortgage securities	-	-	217	12	217	12
State and political subdivisions	-	-	4,446	299	4,446	299
Totals	\$ -	\$ -	\$ 23,191	\$ 2,111	\$ 23,191	\$ 2,111

U.S. Government Agencies

The unrealized losses on the Company's investments in direct obligations of U.S. Government agencies were caused by interest rate increases. The contractual terms of those investments do not permit the issuer to settle the securities at a price less than the amortized cost basis of the investments. Because the Company does not intend to sell the investments and it is not more likely than not the Company will be required to sell the investments before recovery of its amortized cost basis, which may be maturity, the Company has not recorded an allowance for credit losses at June 30, 2025.

U.S. Government Agency Mortgage-Backed Securities

The unrealized losses on the Company's investment in residential mortgage-backed securities were caused by changes in interest rates and illiquidity. The Company expects to recover the amortized cost basis over the term of the securities. Because the decline in market value is attributable to change in interest rates and illiquidity, and not credit quality, and because the Company does not intend to sell the investments and it is not more likely than not the Company will be required to sell the investments before recovery of their amortized cost basis, which may be maturity, the Company has not recorded an allowance for credit losses at June 30, 2025.

U.S. Government Agency Collateralized-Mortgage Securities

The unrealized losses on the Company's investment in collateralized-mortgage securities were caused by changes in interest rates and illiquidity. The Company expects to recover the amortized cost basis over the term of the securities. Because the decline in market value is attributable to change in interest rates and illiquidity, and not credit quality, and because the Company does not intend to sell the investments and it is not more likely than not the Company will be required to sell the investments before recovery of their amortized cost basis, which may be maturity, the Company has not recorded an allowance for credit losses at June 30, 2025.

State and Political Subdivisions

The unrealized losses on the Company's investments in securities of state and political subdivisions were caused by changes in interest rates and illiquidity. The contractual terms of those investments do not permit the issuer to settle the securities at a price less than the amortized cost basis of the investments. Because the Company does not intend to sell the investments and it is not more likely than not the Company will be required to sell the investments before recovery of their amortized cost basis, which may be maturity, the Company has not recorded an allowance for credit losses at June 30, 2025.

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Note 3. Loans and Allowance for Credit Losses

Categories of loans at June 30, 2025 include:

	<u>2025</u>	<u>2024</u>
Residential real estate	\$ 183,259	\$ 168,167
Nonresidential real estate	11,823	17,618
Commercial	74,527	60,860
Consumer and other	<u>9,379</u>	<u>11,283</u>
Total loans	278,988	257,928
Less allowance for credit losses	<u>2,531</u>	<u>2,270</u>
Net loans	<u>\$ 276,457</u>	<u>\$ 255,658</u>

The following tables present the activity in the allowance for credit losses based on portfolio segment as of June 30, 2025 and 2024:

	<u>June 30, 2025</u>				
	<u>Residential Real Estate</u>	<u>Non- Residential Real Estate</u>	<u>Commercial</u>	<u>Consumer</u>	<u>Total</u>
Allowance for Credit Losses					
Balance, July 1, 2024	\$ 1,801	\$ 183	\$ 628	\$ (342)	\$ 2,270
Provision for credit losses	61	7	132	(15)	185
Charge-offs	(16)	-	(76)	(43)	(135)
Recoveries	<u>41</u>	<u>3</u>	<u>130</u>	<u>37</u>	<u>211</u>
Balance, June 30, 2025	<u>\$ 1,887</u>	<u>\$ 193</u>	<u>\$ 814</u>	<u>\$ (363)</u>	<u>\$ 2,531</u>

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	June 30, 2024				
	<u>Residential Real Estate</u>	<u>Non- Residential Real Estate</u>	<u>Commercial</u>	<u>Consumer</u>	<u>Total</u>
Allowance for Credit Losses					
Balance, July 1, 2023 prior to adoption of ASC 326	\$ 823	\$ 218	\$ 600	\$ 149	\$ 1,790
Impact of adoption of ASC 326	586	(63)	(65)	(34)	424
Adjusted balance after adopting ASC 326	1,409	155	535	115	2,214
Provision for credit losses	350	25	83	(408)	50
Charge-offs	-	-	(11)	(253)	(264)
Recoveries	42	3	21	204	270
Balance, June 30, 2024	<u>\$ 1,801</u>	<u>\$ 183</u>	<u>\$ 628</u>	<u>\$ (342)</u>	<u>\$ 2,270</u>

	June 30, 2025				
	<u>Residential Real Estate</u>	<u>Non- Residential Real Estate</u>	<u>Commercial</u>	<u>Consumer</u>	<u>Total</u>
Allowance for Credit Losses					
Ending balance, individually evaluated for impairment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ 11</u>
Ending balance, collectively evaluated for impairment	<u>\$ 1,887</u>	<u>\$ 193</u>	<u>\$ 803</u>	<u>\$ (363)</u>	<u>\$ 2,520</u>
Loans					
Ending balance	<u>\$ 183,259</u>	<u>\$ 11,823</u>	<u>\$ 74,527</u>	<u>\$ 9,379</u>	<u>\$ 278,988</u>
Ending balance, individually evaluated for impairment	<u>\$ 1,885</u>	<u>\$ 2,202</u>	<u>\$ 1,170</u>	<u>\$ 260</u>	<u>\$ 5,517</u>
Ending balance, collectively evaluated for impairment	<u>\$ 181,374</u>	<u>\$ 9,621</u>	<u>\$ 73,357</u>	<u>\$ 9,119</u>	<u>\$ 273,471</u>

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	June 30, 2024				
	Residential Real Estate	Non- Residential Real Estate	Commercial	Consumer	Total
Allowance for Credit Losses					
Ending balance, individually evaluated for impairment	\$ -	\$ -	\$ 14	\$ -	\$ 14
Ending balance, collectively evaluated for impairment	\$ 1,801	\$ 183	\$ 614	\$ (342)	\$ 2,256
Loans					
Ending balance	\$ 168,167	\$ 17,618	\$ 60,860	\$ 11,283	\$ 257,928
Ending balance, individually evaluated for impairment	\$ 473	\$ 3,342	\$ 804	\$ 59	\$ 4,678
Ending balance, collectively evaluated for impairment	\$ 167,694	\$ 14,276	\$ 60,056	\$ 11,224	\$ 253,250

Changes in the allowance for credit losses for off-balance sheet credit exposures for the year ended June 30, 2025 and 2024 were as follows:

	June 30, 2025				
	Residential Real Estate	Non- Residential Real Estate	Commercial	Consumer	Total
Allowance for credit losses for off- balance sheet credit exposures					
Balance, July 1, 2024	\$ 41	\$ 3	\$ 27	\$ 29	\$ 100
Provision for credit losses	7	6	13	(5)	21
Charge-offs	-	-	-	-	-
Recoveries	-	-	-	-	-
Balance, June 30, 2025	\$ 48	\$ 9	\$ 40	\$ 24	\$ 121

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	June 30, 2024				
	Residential Real Estate	Non- Residential Real Estate	Commercial	Consumer	Total
Allowance for credit losses for off-balance sheet credit exposures					
Balance, July 1, 2023 prior to adoption of ASC 326	\$ -	\$ -	\$ -	\$ -	\$ -
Impact of adoption of ASC 326	43	5	36	22	106
Adjusted balance after adopting ASC 326	43	5	36	22	106
Provision for credit losses	(2)	(2)	(9)	7	(6)
Charge-offs	-	-	-	-	-
Recoveries	-	-	-	-	-
Balance, June 30, 2024	<u>\$ 41</u>	<u>\$ 3</u>	<u>\$ 27</u>	<u>\$ 29</u>	<u>\$ 100</u>

The Bank has adopted a standard loan grading system for all loans.

Definitions:

Pass: Loans that do not exhibit the characteristics of the other three categories will be passed over and thereby classified as "Pass." These are loans that are performing as planned and show no material evidence of diminished value or added risk. The borrower is in compliance with loan covenants. All term loans are paying as agreed. It is the intention of management to avoid the adverse classification of good assets by defaulting to this category in the absence of evidence to the contrary.

Special Mention: Loans that do not currently expose the Company to a sufficient degree of risk to warrant classification under this policy but do possess credit deficiencies or potential weaknesses deserving management's close attention shall be designated Special Mention. These loans have a potential weakness or pose an unwarranted financial risk that, if not corrected, could weaken the loan and increase risk in the future.

Substandard: Loans classified Substandard are inadequately protected by current net worth and paying capacity of the obligor or of the collateral pledged. Loans so classified must have a well-defined weakness or weaknesses. They are characterized by the distinct possibility that the Company will sustain some loss if the deficiencies are not corrected. The possibility that liquidation would not be timely requires a substandard classification even if there is little likelihood of a loss.

Doubtful: Loans classified Doubtful have all the weaknesses inherent in those classified Substandard with the added characteristic that the weaknesses make collection in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

Risk characteristics of each loan portfolio segment are described as follows:

Residential Real Estate and Consumer

Residential real estate and consumer loans consist of two segments - residential mortgage loans and personal loans. For residential mortgage loans that are secured by 1-4 family residences and are generally owner-occupied, the Company generally establishes a maximum loan-to-value ratio and requires private mortgage insurance if that ratio is exceeded. Home equity loans are typically secured by a subordinate interest in 1-4 family

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residences, and consumer personal loans are secured by consumer personal assets, such as automobiles or recreational vehicles. Some consumer personal loans are unsecured, such as small installment loans and certain lines of credit. Repayment of these loans is primarily dependent on the personal income of the borrowers, which can be impacted by economic conditions in their market areas, such as unemployment levels. Repayment can also be impacted by changes in property values on residential properties. Risk is mitigated by the fact that the loans are of smaller individual amounts and spread over a large number of borrowers.

Non-Residential Real Estate

Non-residential real estate loans are viewed primarily as cash flow loans and secondarily as loans secured by real estate. Non-residential real estate lending typically involves higher loan principal amounts and the repayment of these loans is generally dependent on the successful operation of the property securing the loan or the business conducted on the property securing the loan. Non-residential real estate loans may be more adversely affected by conditions in the real estate markets or in the general economy. The characteristics of properties securing the Company's non-residential portfolio are diverse, but with geographic location almost entirely in the Company's market area. Management monitors and evaluates commercial real estate loans based on collateral, geography and risk grade criteria. In general, the Company avoids financing single purpose projects unless other underwriting factors are present to help mitigate risk. In addition, management tracks the level of owner-occupied non-residential estate versus non owner-occupied loans.

Commercial

Commercial loans are primarily based on the identified cash flows of the borrower and secondarily on the underlying collateral provided by the borrower. The cash flows of borrowers, however, may not be as expected and the collateral securing these loans may fluctuate in value. Most commercial loans are secured by the assets being financed or other business assets, such as accounts receivable or inventory, and may include a personal guarantee. Short-term loans may be made on an unsecured basis. In the case of loans secured by accounts receivable, the availability of funds for the repayment of these loans may be substantially dependent on the ability of the borrower to collect amounts due from its customers.

Consumer

The consumer loan portfolio consists of various term and line of credit loans such as automobile loans and loans for other personal purposes. Repayment for these types of loans will come from a borrower's income sources that are typically independent of the loan purpose. Credit risk is driven by consumer economic factors (such as unemployment and general economic conditions in the Company's market area) and the creditworthiness of a borrower.

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The following tables present the credit risk profile of the Company's loan portfolio based on rating category and payment activity as of June 30, 2025 and 2024:

	June 30, 2025						
	2025	2024	2023	2022	2021	Before	Total
Residential real estate							
Pass	\$ 27,876	\$ 35,566	\$ 29,563	\$ 35,222	\$ 17,721	\$ 34,173	\$ 180,121
Special mention	-	-	-	-	-	15	15
Substandard	-	-	-	908	-	2,215	3,123
Doubtful	-	-	-	-	-	-	-
Total	<u>\$ 27,876</u>	<u>\$ 35,566</u>	<u>\$ 29,563</u>	<u>\$ 36,130</u>	<u>\$ 17,721</u>	<u>\$ 36,403</u>	<u>\$ 183,259</u>
Gross Charge-Offs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>
Nonresidential real estate							
Pass	\$ 21	\$ 962	\$ 2,462	\$ 4,458	\$ 2,402	\$ 1,518	\$ 11,823
Special mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-
Total	<u>\$ 21</u>	<u>\$ 962</u>	<u>\$ 2,462</u>	<u>\$ 4,458</u>	<u>\$ 2,402</u>	<u>\$ 1,518</u>	<u>\$ 11,823</u>
Gross Charge-Offs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commercial							
Pass	\$ 11,659	\$ 16,808	\$ 15,486	\$ 7,880	\$ 11,219	\$ 10,200	\$ 73,252
Special mention	-	-	-	-	-	-	-
Substandard	-	687	367	-	-	221	1,275
Doubtful	-	-	-	-	-	-	-
Total	<u>\$ 11,659</u>	<u>\$ 17,495</u>	<u>\$ 15,853</u>	<u>\$ 7,880</u>	<u>\$ 11,219</u>	<u>\$ 10,421</u>	<u>\$ 74,527</u>
Gross Charge-Offs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61</u>	<u>\$ 15</u>	<u>\$ 76</u>
Consumer and other							
Pass	\$ 1,424	\$ 2,536	\$ 2,306	\$ 1,409	\$ 852	\$ 814	\$ 9,341
Special mention	-	-	-	-	-	-	-
Substandard	-	-	28	3	-	7	38
Doubtful	-	-	-	-	-	-	-
Total	<u>\$ 1,424</u>	<u>\$ 2,536</u>	<u>\$ 2,334</u>	<u>\$ 1,412</u>	<u>\$ 852</u>	<u>\$ 821</u>	<u>\$ 9,379</u>
Gross Charge-Offs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 43</u>

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	June 30, 2024					
	2024	2023	2022	2021	2020	Before
Residential real estate						
Pass	\$ 50,744	\$ 40,233	\$ 33,556	\$ 13,477	\$ 6,789	\$ 23,368
Special mention	-	-	-	-	-	-
Substandard	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-
Total	<u>\$ 50,744</u>	<u>\$ 40,233</u>	<u>\$ 33,556</u>	<u>\$ 13,477</u>	<u>\$ 6,789</u>	<u>\$ 23,368</u>
Gross Charge-Offs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Nonresidential real estate						
Pass	\$ 1,926	\$ 4,822	\$ 3,138	\$ 4,102	\$ 50	\$ 1,273
Special mention	-	-	-	-	-	-
Substandard	-	703	864	82	-	658
Doubtful	-	-	-	-	-	-
Total	<u>\$ 1,926</u>	<u>\$ 5,525</u>	<u>\$ 4,002</u>	<u>\$ 4,184</u>	<u>\$ 50</u>	<u>\$ 1,931</u>
Gross Charge-Offs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commercial						
Pass	\$ 18,161	\$ 14,697	\$ 7,284	\$ 10,374	\$ 3,619	\$ 5,792
Special mention	-	-	-	-	-	-
Substandard	-	158	300	460	-	15
Doubtful	-	-	-	-	-	-
Total	<u>\$ 18,161</u>	<u>\$ 14,855</u>	<u>\$ 7,584</u>	<u>\$ 10,834</u>	<u>\$ 3,619</u>	<u>\$ 5,807</u>
Gross Charge-Offs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11</u>
Consumer and other						
Pass	\$ 4,032	\$ 3,392	\$ 2,007	\$ 454	\$ 188	\$ 1,065
Special mention	-	-	-	-	-	-
Substandard	-	29	103	5	-	8
Doubtful	-	-	-	-	-	-
Total	<u>\$ 4,032</u>	<u>\$ 3,421</u>	<u>\$ 2,110</u>	<u>\$ 459</u>	<u>\$ 188</u>	<u>\$ 1,073</u>
Gross Charge-Offs	<u>\$ -</u>	<u>\$ 109</u>	<u>\$ -</u>	<u>\$ 104</u>	<u>\$ -</u>	<u>\$ 40</u>

The following tables present the Company's loan portfolio aging analysis as of June 30, 2025 and 2024:

	June 30, 2025					
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans Receivable
Residential real estate	\$ -	\$ 284	\$ 672	\$ 956	\$ 182,303	\$ 183,259
Non-residential real estate	-	-	-	-	11,823	11,823
Commercial	894	687	-	1,581	72,946	74,527
Consumer	259	-	17	276	9,103	9,379
Total	<u>\$ 1,153</u>	<u>\$ 971</u>	<u>\$ 689</u>	<u>\$ 2,813</u>	<u>\$ 276,175</u>	<u>\$ 278,988</u>

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	June 30, 2024						
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans Receivable	Total Loans >90 Days and Accruing
Residential real estate	\$ -	\$ -	\$ 931	\$ 931	\$ 167,236	\$ 168,167	\$ -
Non-residential real estate	-	-	-	-	17,618	17,618	-
Commercial	724	445	741	1,910	58,950	60,860	-
Consumer	8	5	46	59	11,224	11,283	-
Total	<u>\$ 732</u>	<u>\$ 450</u>	<u>\$ 1,718</u>	<u>\$ 2,900</u>	<u>\$ 255,028</u>	<u>\$ 257,928</u>	<u>\$ -</u>

Subsequent to adoption of ASU 326, new vintage disclosures were required along with evaluation of loan collateral dependency. The following table presents the amortized cost basis of collateral dependent loans, by the primary type of collateral type, which are individually evaluated to determined expected credit losses, and related ACL allocation to these loans as of June 30, 2025 and 2024:

	June 30, 2025	
	Real Estate	ACL Allocation
Residential real estate	1,885	-
Non-residential real estate	2,202	-
Commercial	1,170	11
Consumer	260	-
Total	<u>\$ 5,517</u>	<u>\$ 11</u>

	June 30, 2024	
	Real Estate	ACL Allocation
Residential real estate	\$ 473	\$ -
Non-residential real estate	3,342	-
Commercial	804	15
Consumer	59	-
Total	<u>\$ 4,678</u>	<u>\$ 15</u>

Interest income recognized is not materially different than interest income that would have been recognized on a cash basis.

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The following table presents the Company's nonaccrual loans at June 30, 2025 and 2024:

	2025			2024		
	Nonaccrual with No ACL	Nonaccrual	Loans Past Due 90 Days or More Still Accruing	Nonaccrual	ACL on Loans	Loans Past Due 90 Days or More Still Accruing
Residential real estate	\$ -	\$ -	\$ -	\$ 1,344	\$ -	\$ -
Non-residential real estate	661	-	-	-	-	-
Commercial	-	11	-	647	-	-
Consumer	-	-	17	66	-	-
Total	<u>\$ 661</u>	<u>\$ 11</u>	<u>\$ 17</u>	<u>\$ 2,057</u>	<u>\$ -</u>	<u>\$ -</u>

At June 30, 2025 and 2024, the Company had no new loans modified to borrowers experiencing financial difficulty.

The Company had no modifications to borrowers with financial difficulty modified in the past 12 months that subsequently defaulted.

Note 4. Loan Sales and Loan Servicing

Mortgage loans serviced for the Federal Home Loan Bank of Cincinnati (FHLB) are not included in the accompanying balance sheets. The unpaid principal balances of mortgage loans serviced for the FHLB were \$82,546,000 and \$84,974,000 at June 30, 2025 and 2024, respectively.

The following summarizes the activity pertaining to mortgage servicing rights measured using the amortization method at as of June 30, 2025 and 2024:

	2025	2024
Mortgage servicing rights		
Balance, beginning of year	\$ 872	\$ 901
Additions	72	180
Amortization	(203)	(209)
Balance, end of year	<u>\$ 741</u>	<u>\$ 872</u>
Fair value, beginning of year	\$ 1,494	\$ 1,345
Fair value, end of year	1,337	1,494

The loans serviced for others result from loan sales transactions with the FHLB that provide for establishment of a Lender Risk Account (LRA), which represents a recourse obligation for absorbing potential losses on loans sold and an asset to the Company. The funds withheld to settle recourse obligations totaled \$2,187,000 and \$2,168,000 at June 30, 2025 and 2024, respectively; however, these receivables are recorded at their fair value at the time of the establishment of the LRA. In the event that the estimated losses are not realized within the portfolio, the LRA agreements provide for repayment of these funds to the Company in seven annual installments

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beginning five years after the sale date or in 26 annual installments beginning five years after the sale date. The carrying value of the LRA is equal to the initial fair value plus an interest component less any cash receipts, which totaled \$1,558,000 and \$1,552,000 at June 30, 2025 and 2024, respectively. The LRA balance is included in other assets on the consolidated balance sheets.

Note 5. Premises and Equipment

Major classifications of premises and equipment, stated at cost, are as follows:

	2025	2024
Land	\$ 1,979	\$ 1,979
Buildings and improvements	5,500	5,459
Equipment	3,395	3,344
	10,874	10,782
Less accumulated depreciation	5,719	5,420
Net premises and equipment	<u>\$ 5,155</u>	<u>\$ 5,362</u>

Note 6. Goodwill

The changes in the carrying amount of goodwill for the year ended June 30, 2025 and 2024 was:

	2025	2024
Balance as of July 1	\$ 400,000	\$ 400,000
Goodwill acquired during the year	-	-
Balance as of June 30	<u>\$ 400,000</u>	<u>\$ 400,000</u>

On October 21, 2021, the Company acquired Lighthouse Commercial Mortgage, a mortgage broker in Columbus, Ohio for \$450,000. The acquisition of Lighthouse resulted in the acquisition of \$10,000 in tangible assets, as well as \$40,000 in intangible assets, and generated goodwill of \$400,000. The intangible asset recognized is being amortized over a seven-year period and resulted in amortization expense during the year of approximately \$4,000. This acquisition allows the Bank to enter a new market and look at more efficient methods of increasing non-interest income and is not expected to have a material impact on the operations of the Company.

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Note 7. Time Deposits

Time deposits in denominations of \$250,000 or more were \$69,062,000 and \$61,451,000 at June 30, 2025 and 2024, respectively.

At June 30, 2025, the scheduled maturities of time deposits are as follows:

2026	\$ 102,397
2027	17,855
2028	1,865
2029	1,388
2030	823
	\$ 124,328

Note 8. Borrowings

Federal Home Loan Bank advances are secured by certain, qualifying mortgage loans with a carrying amount of \$170,959,000 and the Company's investment in Federal Home Loan Bank stock June 30, 2025. Advances, at interest rates ranging from 1.42% to 5.23%, are subject to restrictions or penalties in the event of prepayment.

Aggregate annual maturities of Federal Home Loan Bank advances at June 30, 2025, are as follows:

2026	\$ 23,158
2027	14,116
2028	2,110
	\$ 39,384

On January 20, 2023, the Company entered into a line of credit with the United Bankers Bank (UBB) in the amount of \$7,000,000, which expires on January 3, 2026. The note has a variable interest rate (prime rate) which was 7.50% as of June 30, 2025. There was \$5,000,000 and \$2,500,000 outstanding on the line at June 30, 2025 and 2024, respectively. The collateral on the promissory note is 100 shares of Community Investors Community Bancorp, Inc. stock.

On May 20, 2019, the Company entered into a line of credit with the United Bankers Bank (UBB) in the amount of \$3,000,000, which expires on May 20, 2026 and has a fixed interest rate of 4.25%. There was \$663,795 and \$758,807 outstanding on the line at June 30, 2025 and 2024, respectively.

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Note 9. Income Taxes

The provision for income taxes includes these components:

	<u>2025</u>	<u>2024</u>
Taxes currently payable	\$ 435	\$ 266
Deferred income taxes	(13)	68
Income tax expense	<u>\$ 422</u>	<u>\$ 334</u>

A reconciliation of income tax expense at the statutory rate to the Company's actual income tax expense is shown below:

	<u>2025</u>	<u>2024</u>
Computed at the statutory rate (21%)	\$ 473	\$ 309
Decrease resulting from		
Tax-exempt interest	(4)	(3)
Tax-exempt BOLI income	(30)	(17)
Other	(17)	45
Actual tax expense	<u>\$ 422</u>	<u>\$ 334</u>

The tax effects of temporary differences related to deferred taxes shown on the balance sheets were:

	<u>2025</u>	<u>2024</u>
Deferred tax assets		
Allowance for loan losses	\$ 543	\$ 495
Nonaccrual loan interest	-	1
Unrealized losses on available-for-sale securities	275	444
Loans held for sale	10	26
Deferred loan fees	87	72
	<u>915</u>	<u>1,038</u>
Deferred tax liabilities		
Depreciation	(396)	(401)
Other Cash Basis Items	(215)	(128)
Federal Home Loan Bank stock dividends	(274)	(274)
Mortgage servicing rights	(156)	(183)
Lender risk account	(327)	(326)
Other	(71)	(82)
	<u>(1,439)</u>	<u>(1,394)</u>
Net deferred tax liability	<u>\$ (524)</u>	<u>\$ (356)</u>

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Retained earnings at June 30, 2025 and 2024, include approximately \$0.9 million, for which no deferred federal income tax liability has been recognized. These amounts represent an allocation of income to bad debt deductions for tax purposes only. Reduction of amounts allocated for purposes other than tax bad debt losses or adjustments arising from carryback of net operating losses would create income for tax purposes only, which would be subject to the then-current corporate income tax rate. The deferred income tax liabilities on the preceding amounts that would have been recorded if they were expected to reverse into taxable income in the foreseeable future were approximately \$185,000 at both June 30, 2025 and 2024.

Note 10. Regulatory Matters

The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities and certain off-balance-sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the table below). Management believes, as of June 30, 2025 and 2024, that the Bank meets all capital adequacy requirements to which it is subject.

As of June 30, 2025, the most recent notification from Office of the Comptroller of the Currency 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 table. There are no conditions or events since that notification that management believes have changed the Bank's category.

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

	Actual		For Capital Adequacy Purposes		To be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of June 30, 2025						
Total risk-based capital (to risk-weighted assets)	\$ 28,456	11.1%	\$ 20,427	8.0%	\$ 25,534	10.0%
Tier I capital (to risk-weighted assets)	25,804	10.1	15,320	600.0%	20,427	8.0
Common equity Tier I capital (to risk-weighted assets)	25,804	10.1	11,490	450.0%	16,597	6.5
Tier I capital (to adjusted total assets)	25,804	8.1	12,813	400.0%	16,016	5.0
As of June 30, 2024						
Total risk-based capital (to risk-weighted assets)	\$ 26,857	11.1%	\$ 19,393	8.0%	\$ 24,241	10.0%
Tier I capital (to risk-weighted assets)	24,487	10.1	14,544	600.0%	19,393	8.0
Common equity Tier I capital (to risk-weighted assets)	24,487	10.1	10,908	450.0%	15,756	6.5
Tier I capital (to adjusted total assets)	24,487	8.0	12,284	400.0%	15,355	5.0

The Bank is subject to certain restrictions on the amount of dividends that it may declare without prior regulatory approval. Generally, the Bank's payment of dividends is limited to net income for the current year plus the two preceding calendar years, less capital distributions paid over the comparable time period. However, certain regulatory restrictions exist regarding the ability of the Bank to pay dividends.

Note 11. Related Party Transactions

At June 30, 2025 and 2024, the Company had loans outstanding to executive officers, directors, significant shareholders and their related interests, in the amount of approximately \$1,869,000 and \$1,218,000, respectively.

In management's opinion, such loans and other extensions of credit and deposits were made in the ordinary course of business and were made on substantially the same terms (including interest rates and collateral) as those prevailing at the time for comparable transactions with other persons. Further, in management's opinion, these loans did not involve more than normal risk of collectability or present other unfavorable features.

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Deposits from related parties held by the Company at June 30, 2025 and 2024, totaled approximately \$2,189,000 and \$1,306,000, respectively.

Note 12. Employee Benefits

The Company has a defined contribution 401(k) plan covering substantially all employees. Employees may contribute up to the annual deferral limit as defined by the Internal Revenue Service. The Company matches 100% of the employee's contribution on the first 3% of the employee's compensation and 50% of the employee's contribution on the next 2% of the employee's compensation. Employer contributions charged to expense for 2025 and 2024 were \$179,000 and \$153,000, respectively.

Note 13. Earnings Per Share

Earnings per share were computed as follows:

	<u>2025</u>	<u>2024</u>
Basic earnings per share		
Net income	<u>\$ 1,829</u>	<u>\$ 1,140</u>
Weighted average common shares outstanding	<u>794,142</u>	<u>794,142</u>
Basic and diluted earnings per share	<u>\$ 2.30</u>	<u>\$ 1.44</u>

There were no options to purchase shares of common stock or other dilutive securities as of June 30, 2025 and 2024.

Note 14. Disclosures About Fair Value 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 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 the entity can access at the measurement date
- 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

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Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2025 and 2024:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Fair Value			
June 30, 2025				
U.S. government agencies	\$ 15,753	\$ -	\$ 15,753	\$ -
Corporate	17	-	17	-
U.S. government agency mortgage-backed securities	3,019	-	3,019	-
U.S. government agency collateralized-mortgage obligations	157	-	157	-
State and political subdivisions	3,387	-	3,387	-
June 30, 2024				
U.S. government agencies	\$ 15,137	\$ -	\$ 15,137	\$ -
U.S. government agency mortgage-backed securities	3,391	-	3,391	-
U.S. government agency collateralized-mortgage obligations	217	-	217	-
State and political subdivisions	4,446	-	4,446	-

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such assets pursuant to the valuation hierarchy. There are no liabilities measured at fair value on a recurring basis. There have been no significant changes in the valuation techniques during the year ended June 30, 2025.

Available-for-sale Securities

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 are not available, securities are classified within Level 3 of the hierarchy. There are no Level 3 securities.

Nonrecurring Measurements

There were no assets measured at fair value on a nonrecurring basis at June 30, 2025 and 2024.

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Fair Value of Financial Instruments

The following tables present estimated fair values of the Company's financial instruments and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2025 and 2024:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Carrying Value			
June 30, 2025				
Financial assets				
Cash and cash equivalents	\$ 14,689	\$ 14,689	\$ -	\$ -
Interest-bearing time deposits	245	-	245	-
Loans held for sale	1,846	-	1,846	-
Loans, net of allowance for loan losses	276,457	-	-	281,536
Federal Home Loan Bank stock	5,123	-	5,123	-
Interest receivable	2,102	-	2,102	-
Financial liabilities				
Deposits	269,260	135,124	124,711	-
Federal Home Loan Bank advances	39,384	-	39,546	-
Other borrowings	5,664	-	5,687	-
Advances from borrowers for taxes and insurance	105	-	105	-
Interest payable	661	-	661	-

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		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Carrying Value			
June 30, 2024				
Financial assets				
Cash and cash equivalents	\$ 8,122	\$ 8,122	\$ -	\$ -
Interest-bearing time deposits	245	-	245	-
Loans held for sale	5,040	-	5,040	-
Loans, net of allowance for loan losses	255,658	-	-	253,874
Federal Home Loan Bank stock	4,796	-	4,796	-
Interest receivable	1,636	-	1,636	-
Financial liabilities				
Deposits	236,384	119,573	105,364	-
Federal Home Loan Bank advances	49,539	-	47,009	-
Other borrowings	5,759	-	5,465	-
Advances from borrowers for taxes and insurance	342	-	342	-
Interest payable	693	-	693	-

The following methods were used to estimate the fair value of all other financial instruments recognized in the accompanying balance sheets at amounts other than fair value.

Cash and Cash Equivalents

The carrying amount approximates fair value.

Interest-bearing Time Deposits

The carrying amount approximates fair value.

Loans Held for Sale

The carrying amount approximates fair value due to the insignificant time between origination and date of sale. The carrying amount is the amount funded and accrued interest.

Loans

Fair values of loans are estimated on an exit price basis incorporating discounts for credit, liquidity, and marketability factors.

Accrued Interest Receivable and Payable, Federal Home Loan Bank Stock, and Advances From Borrowers for Taxes and Insurance

The carrying amount approximates fair value. The carrying amount is determined using the interest rate, balance, and last payment date.

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Deposits

Fair value of term deposits is estimated by discounting the future cash flows using rates of similar deposits with similar maturities.

The estimated fair value of demand, NOW, savings, and money market deposits is the book value since rates are regularly adjusted to market rates and amounts are payable on demand at the reporting date.

Federal Home Loan Bank Advances, PPPLF, and Other borrowings

Fair value is estimated by discounting the future cash flows using rates of similar advances and notes with similar maturities. These rates were obtained from current rates offered.

Commitments to Originate Loans, Forward Sale Commitments, Letters of Credit, and Lines of Credit

The fair value of commitments to originate loans is estimated using the fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the present creditworthiness of the counterparties. For fixed-rate loan commitments, fair value also considers the difference between current levels of interest rates and the committed rates.

The fair value of commitments to sell securities is estimated based on current market prices for securities of similar terms and credit quality.

The fair values of letters of credit and lines of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate or otherwise settle the obligations with the counterparties at the reporting date.

Note 15. Commitments and Credit Risk

Commitments to originate loans are agreements to lend to a customer 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. Since a portion of the commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Each customer's creditworthiness is evaluated on a case-by-case basis. The amount of collateral obtained, if deemed necessary, is based on management's credit evaluation of the counterparty. Collateral held varies, but may include accounts receivable, inventory, property, plant and equipment, commercial real estate, and residential real estate.

Lines of credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Lines of credit generally have fixed expiration dates. Since a portion of the line may expire without being drawn upon, the total unused lines do not necessarily represent future cash requirements. Each customer's creditworthiness is evaluated on a case-by-case basis. The amount of collateral obtained, if deemed necessary, is based on management's credit evaluation of the counterparty. Collateral held varies but may include accounts receivable, inventory, property, plant and equipment, commercial real estate, and residential real estate.

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Management uses the same credit policies in granting lines of credit as it does for on-balance-sheet instruments:

	2025	2024
Commitments to make loans	\$ 9,772	\$ 6,394
Unused home equity lines of credit	12,307	11,184
Unused commercial lines of credit	14,404	17,713
Total	<u>\$ 36,483</u>	<u>\$ 35,291</u>

Note 16. Condensed Financial Information (Parent Company Only)

Presented below is condensed financial information as to financial position, results of operations and cash flows of the Company:

Condensed Balance Sheets

	2025	2024
Assets		
Cash and due from banks	\$ 3	\$ 1
Investment in common stock of subsidiary	25,183	23,246
Prepaid expenses and other assets	302	214
Total assets	<u>\$ 25,488</u>	<u>\$ 23,461</u>
Liabilities and Stockholders' Equity		
Liabilities		
Other borrowings	\$ 5,664	\$ 5,759
Stockholders' Equity	19,824	17,702
Total liabilities and stockholders' equity	<u>\$ 25,488</u>	<u>\$ 23,461</u>

Community Investors Bancorp, Inc.
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Table Dollars in Thousands, Except Per Share Amounts)

Condensed Statements of Income and Comprehensive Income

	Year Ending June 30,	
	2025	2024
Income - Dividends From Subsidiary	\$ 909	\$ 841
Total Expenses	494	326
Income Before Income Tax and Equity in Undistributed Income of Subsidiary	415	515
Income Tax Benefit	(104)	(68)
Income Before Equity in Undistributed Income of Subsidiary	519	584
Equity in Undistributed Income of Subsidiary	1,310	556
Net Income	\$ 1,829	\$ 1,140
Comprehensive Income	2,456	1,693

Condensed Statements of Cash Flows

	Year Ending June 30,	
	2025	2024
Operating Activities		
Net income	\$ 1,829	\$ 1,140
Items not providing cash	(1,398)	(3,292)
Net Cash Provided by (Used in) Operating Activities	431	(2,152)
Financing Activities		
Dividends paid on common stock	(334)	(303)
Proceeds from other borrowings	-	2,500
Repayment of other borrowings	(95)	(91)
Net Cash Provided by (Used in) Financing Activities	(429)	2,106
Net Change in Cash and Cash Equivalents	2	(46)
Cash and Cash Equivalents at Beginning of Year	1	47
Cash and Cash Equivalents at End of Year	\$ 3	\$ 1

Note 17. Subsequent Events

Subsequent events have been evaluated through September 26, 2025, which is the date the consolidated financial statements were available to be issued.

Board of Directors

Dawn S. Ratliff

Chairman of the Board

President – ADM Benefit Plans Agency, Inc.

Phillip W. Gerber

Vice Chairman of the Board

Retired – President and Chief Executive Officer of

First Federal Community Bank

Steven R. Crall

President and Chief Executive Officer of

First Federal Community Bank

Roger R. Miller

Certified Public Accountant

Mizick, Miller & Company, Inc.

Jason R. McMullen

President/Owner

Total Warehousing Services,

Crossroads Original Designs, and

Cooper's Mill

David E. Wise

President, Wise Funeral Service

Steve Bridgford

Owner J&F Construction

Gary Frankhouse

Owner, My Floors, Kitchen &

Bath Remodeling

Honorary Directors

Philip E. Harris

Chairman of the Board, Retired

Retired - Manager, Global Logistics Integration

The Timken Company

John D. Mizick

Certified Public Accountant Mizick,

Miller & Company, Inc.

Thomas P. Moore

Retired ---- President/ General Mgr

Brokensword Broadcasting Co.

Dale C. Hoyles

Chairman of the Board, Retired Senior

Vice President/Treasurer of Centurion

Financial

John W. Kennedy-Deceased

Retired President and Chief Executive Officer of

First Federal Community Bank

Michael J. Romanoff

Co-Owner Val-Casting, Inc.

D. Brent Fissel

Dentist-D. Brent Fissel, DDS

Executive Officers

Steven R. Crall

President and Chief Executive Officer

Jeffrey K. Urban

*Senior Vice President/ Chief Risk Officer &
Shareholder Relations*

Eric J. Savidge

Senior Vice President/ Chief Lending Officer

John E. England

Vice President/ Residential Secondary Market

Kriste A. Slagle

Vice President/ Chief Administrative Officer

Elise M. Jones

Vice President/ Chief Financial Officer

Jared R. Butler

Vice President/ Chief Information Officer

Donna M. Conley

Vice President/ Director of Commercial Lending

Vice Presidents

Kathy D. Young

Director of Internal Audit

Monica L. Sack

Director of Retail and Risk Operations

Travis M. Smith

Commercial Lending Officer

Walker K. Carr

Commercial & Ag Loan Officer

Assistant Vice Presidents

Sonya R. Coffman

Mortgage Lending Officer

Angie M. Adkins

Mortgage Lending Officer

Michelle Studer

Client Services Officer

Stephanie Sigrist

Loan Officer

Kayla E. Love

Compliance & BSA Officer

Derek B. Shell

*Director of Retail Business
Analytics*

Karlie N. Kurtzman

Loan Processing Manager

General Counsel

Sears, Pry, Griebeling and McBride
120 North Lane Street
Bucyrus, Ohio 44820

Special Legal Counsel

Vorys, Sater, Seymour and Pease LLP
52 East Gay St.
Columbus, Ohio 43215

Silver, Freedman, Taff & Tiernan
3299 K Street NW
Suite 100
Washington, DC 20007

Transfer Agent and Registrar

Computershare
P.O. Box 43006
Providence, RI 02940

Investment Banker & Financial Advisor

Mariner Wealth Advisers (fka Heber, Fuger Wendin)
36700 Woodward Avenue, Suite 201
Bloomfield Hills, MI 48304-4109

Major Market Makers

Janney Montgomery Scott LLC
Community Banc Investments, Inc.

BRANCH ADDRESSES AND MANAGERS

Main Office
P.O. Box 749
119 S. Sandusky Avenue
Bucyrus, Ohio 44820
419-562-7055
800-222-4955

Retail Branches

South Branch

875 S. Sandusky Ave.
Bucyrus, Ohio 44820
Drive-up ATM
419-562-7167

New Washington

220 W. Mansfield St.
New Washington, Ohio 44854
Drive-up ATM
419-492-2101

East Branch

2020 E. Mansfield St.
Bucyrus, Ohio 44820
Drive-up ATM
419-562-7066

Marysville

251 Coleman's Crossing Blvd.
Marysville, Ohio 43040
Drive-up ATM
937-642-3421

Crestline

350 N. Seltzer St.
Crestline, Ohio 44827
Drive-up ATM
419-405-4035

Loan Production Offices

Columbus Mortgage Lending Center
1820 Northwest Blvd.
Grandview, Ohio 43212
614-430-8100

Delaware Lending Center
18 E. William St. Suite 3
Delaware, Ohio 43015
740-417-8911

Bellefontaine Lending Center
1534 S. Main St.
Bellefontaine, Ohio 43311
937-565-4515

Marion Lending Center
163 E. Center St., Ste. 100A
Marion, Ohio 43302

Urbana Lending Center
238 Patrick Avenue
Urbana, Ohio 43078

Westerville Lending Center
670 Meridian Way, Ste. 102
Westerville, Ohio 43082

Visit First Federal Community Bank on the worldwide web at www.ffcb.com

STOCKHOLDER SERVICES

Computershare serves as primary transfer agent and as dividend disbursing agent for Community Investors Bancorp, Inc. shares. Communications regarding changes of address, transfer of shares, lost certificates and dividends should be sent to:

Computershare
P.O. Box 43006
Providence, RI 02940-3006

Overnight mail delivery
150 Royalton Street
Canton, MA 02021
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