



ANNUAL REPORT

2026





With a well-capitalized balance sheet, experienced personnel, and a disciplined approach to growth and risk management, Northeast Bank is well-positioned to continue creating value for our shareholders, customers, and employees in fiscal 2027.

Rick Wayne, President & Chief Executive Officer

TO OUR SHAREHOLDERS,

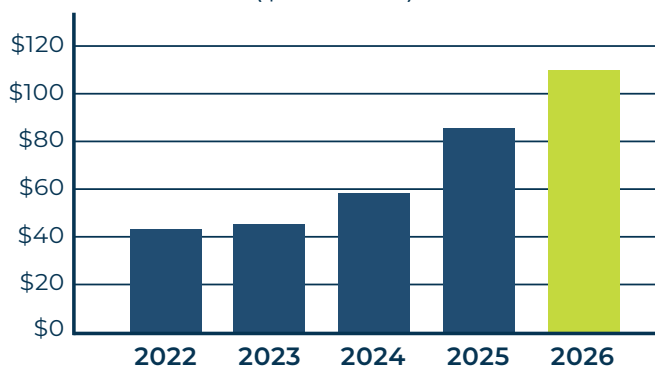
Northeast Bank delivered another year of record net income performance in fiscal 2026, reflecting the continued strength of our business model, ability to scale, and commitment to creating long-term value for our shareholders. Strong loan generation by our National Lending Division, contributions from our Small Business Division, deposit growth in our Community Banking Division, and effective management of our funding sources supported significant growth in earnings, loans, and capital, and contributed to us surpassing \$5 billion in total assets.

These results demonstrate the strength of our business and the ability of our experienced team to identify attractive opportunities while maintaining a prudent approach to credit, liquidity, capital, and risk management.

FINANCIAL HIGHLIGHTS

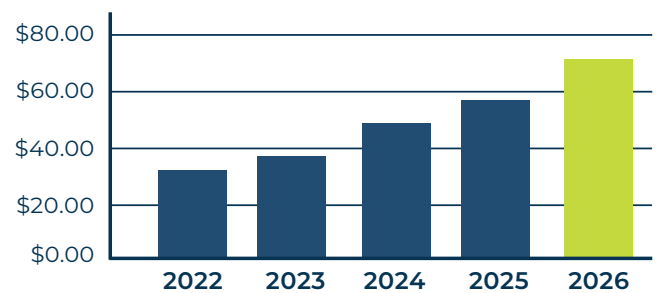
For fiscal 2026, we recorded a record net income of \$107.5 million, an increase of \$24.0 million, or 28.8%, over fiscal 2025. Earnings per diluted common share increased to \$12.74 from \$10.08 in fiscal 2025. Return on average equity was 19.74% and return on average assets was 2.31%. Net interest income increased by \$33.0 million to \$220.4 million, driven primarily by loan growth in the National Lending Division.

Net Income
(\$ in millions)



Fiscal Year Ended June 30.

**Tangible Book Value
per Share⁽¹⁾**



As of June 30,

Strong earnings contributed to an increase in tangible book value per share (non-GAAP) of \$12.60, or 21.7%, to \$70.58 at June 30, 2026.

⁽¹⁾ Tangible book value per share is a non-GAAP measure which represents total shareholders' equity less the sum of preferred stock and intangible assets divided by common shares outstanding.

NATIONAL LENDING

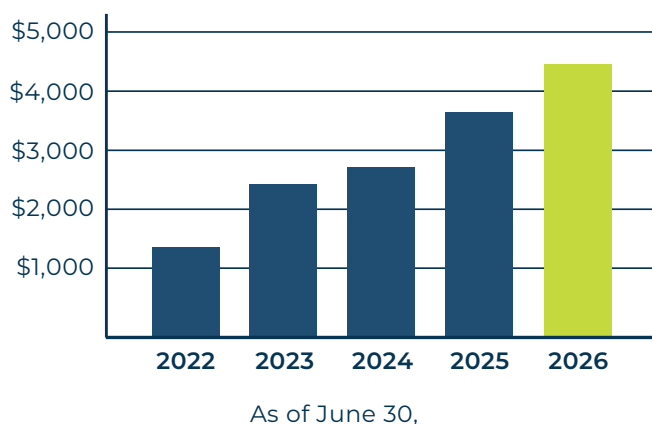
Our National Lending Division remained the Bank's primary growth engine. During fiscal 2026, we purchased loans with a net investment basis of \$797.3 million and originated \$897.4 million of loans. This volume contributed to a year-over-year increase of \$716.2 million, or 19.7%, in the National Lending Division portfolio to \$4.34 billion at June 30, 2026.

Our purchased and originated portfolios generated yields of 8.59% and 7.99%, respectively, underscoring the strength of our asset generation capabilities and our ability to sustain attractive loan yields despite 75 basis points of interest rate reductions by the Federal Reserve during the first half of fiscal 2026.

We continued to demonstrate our disciplined underwriting and asset management capabilities across the portfolio. At June 30, 2026, nonperforming assets represented 0.67% of total assets, compared with 0.83% at June 30, 2025.

National Lending Portfolio

(\$ in millions)



COMMUNITY BANKING AND FUNDING

Our Community Banking Division continued to support the Bank's growth by developing customer relationships and gathering deposits through our seven banking centers in Maine and our government banking channel. Total retail deposits increased by \$202.2 million, or 12.1%, to \$1.87 billion at June 30, 2026 as compared to June 30, 2025.

Fiscal 2026 was another outstanding year for Northeast Bank. We continued to invest in the technology and data infrastructure that will support the Bank's future growth. During the year, we advanced initiatives designed to improve efficiency, decision-making, and cybersecurity, positioning us to leverage emerging technologies, including artificial intelligence, across our organization.

The fundamentals of our business remain strong. With a well-capitalized balance sheet, experienced personnel, and a disciplined approach to growth and risk management, Northeast Bank is well-positioned to continue creating value for our shareholders, customers, and employees in fiscal 2027.

I want to thank our dedicated employees, whose expertise, professionalism, and commitment make our success possible. I also extend my gratitude to our customers for the confidence they place in us and to our Board of Directors for its continued guidance and support of our strategic vision.

Sincerely,

Rick Wayne
President and Chief Executive Officer



FEDERAL DEPOSIT INSURANCE CORPORATION

Washington, D.C. 20429

FORM 10-K

(Mark One)

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

For the fiscal year ended June 30, 2026

OR

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

For the transition period from to

FDIC Certificate No. 19690

NORTHEAST BANK

(Exact name of registrant as specified in its charter)

Maine

(State or other jurisdiction of
incorporation or organization)

01-0029040

(I.R.S. Employer
Identification No.)

27 Pearl Street, Portland, Maine

(Address of principal executive offices)

04101

(Zip Code)

(207) 786-3245

(Registrant's telephone number, including area code)

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

Voting Common Stock, \$1.00 par value
(Title of each class)

NBN
(Trading Symbol)

The Nasdaq Stock Market LLC
(Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large Accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller Reporting Company ☐

Emerging growth company ☐

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the registrant's voting and non-voting common stock held by non-affiliates, computed by reference to the last reported sales price of the registrant's voting common stock on the Nasdaq Global Market on December 31, 2025 was approximately \$766,229,849.

As of August 26, 2026, the registrant had outstanding 8,601,215 shares of voting common stock, \$1.00 par value per share, and zero shares of non-voting common stock, \$1.00 par value per share.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's proxy statement for the 2026 Annual Meeting of Shareholders to be held on November 24, 2026 (the "Proxy Statement") are incorporated by reference in Items 10, 11, 12, 13 and 14 of Part III of this Annual Report on Form 10-K. The registrant intends to file the Proxy Statement with the Federal Deposit Insurance Corporation no later than 120 days after the end of its fiscal year ended June 30, 2026.

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A Note About Forward-Looking Statements

This report contains certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), such as statements relating to the financial condition, prospective results of operations, future performance or expectations, plans, objectives, prospects, credit loss allowance adequacy, simulation of changes in interest rates, capital spending, finance sources, and revenue sources of Northeast Bank ("we," "our," "us," "Northeast" or the "Bank"). These statements relate to expectations concerning matters that are not historical facts. Accordingly, statements that are based on management's projections, estimates, assumptions, and judgments constitute forward-looking statements. These forward looking statements, which are based on various assumptions (some of which are beyond the Bank's control), may be identified by reference to a future period or periods, or by the use of forward-looking terminology such as "believe", "expect", "estimate", "anticipate", "assume", "outlook", "continue", "plan", "approximately", "intend", "objective", "goal", "project", or other similar terms or variations on those terms, or the future or conditional verbs such as "will", "may", "should", "could", and "would".

Such forward-looking statements reflect the Bank's current views and expectations based largely on information currently available to the Bank's management, and on the Bank's current expectations, assumptions, plans, estimates, judgments, and projections about the Bank's business and industry, and they involve inherent risks and uncertainties. Although the Bank believes that these forward-looking statements are based on reasonable estimates and assumptions, they are not guarantees of future performance and are subject to known and unknown risks, uncertainties, contingencies, and other factors. Accordingly, the Bank cannot give you any assurance that its expectations will in fact occur or that its estimates or assumptions will be correct. The Bank cautions you that actual results could differ materially from those expressed or implied by such forward-looking statements as a result of, among other factors: the factors referenced in this report under Item 1A. "Risk Factors"; changes in interest rates and real estate values, changes in employment levels, and general business and economic conditions on a national basis and in the local markets in which the Bank operates; changes in customer behavior due to changing business and economic conditions (including the impact of ongoing armed conflicts, tariffs, inflation, and concerns about liquidity) or legislative or regulatory initiatives; the possibility that future credit losses are higher than currently expected due to changes in economic assumptions, customer behavior, or adverse economic developments; turbulence in the capital and debt markets; competitive pressures from other financial institutions; changes in loan defaults and charge-off rates; changes in the value of securities and other assets, adequacy of credit loss reserves, or deposit levels necessitating increased borrowing to fund loans and investments; changes in, and evolving interpretations of, existing and future laws, rules, and regulations; operational risks including, but not limited to, cybersecurity, fraud, natural disasters, climate change, and future pandemics; the risk that the Bank may not be successful in the implementation of its business strategy; the risk that intangibles recorded in the Bank's financial statements will become impaired; and changes in assumptions used in making such forward-looking statements. These forward-looking statements speak only as of the date of this report and the Bank does not undertake any obligation to update or revise any of these forward-looking statements to reflect events or circumstances occurring after the date of this report or to reflect the occurrence of unanticipated events.

Non-GAAP Financial Measures and Reconciliation to GAAP

In addition to evaluating the Bank's results of operations in accordance with accounting principles generally accepted in the United States ("US GAAP"), management supplements this evaluation with an analysis of certain non-GAAP financial measures, such as net operating earnings, net operating earnings per share, operating return on average assets, operating return on average equity, operating efficiency ratio, total return and operating common dividend payout ratio. These non-GAAP financial measures are utilized for the purposes of measuring performance against the Bank's peer group and other financial institutions, as well as for analyzing its internal performance. The Bank also believes these non-GAAP financial measures help investors better understand the Bank's operating performance and trends and allow for better performance comparisons to other banks. In addition, these non-GAAP financial measures remove the impact of unusual items that may obscure trends in the Bank's underlying performance. These disclosures should not be viewed as a substitute for US GAAP operating results, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other financial institutions.

PART I

Item 1. Business

Overview

Northeast, a Maine state-chartered bank organized in 1872, is a Maine-based financial institution.

As of June 30, 2026, the Bank had total assets of \$5.23 billion, total deposits of \$3.69 billion, and shareholders' equity of \$603.9 million. We gather retail and government banking deposits online and through our seven branches in Maine as well as through our online deposit program, ableBanking; purchase and originate commercial loans, typically secured by real estate, on a nationwide basis through our National Lending Division; and originate government-guaranteed Small Business Administration ("SBA") loans and insured small balance business loans through our Small Business Division.

Strategy

The Bank's goal is to prudently grow its franchise, while maintaining sound operations and risk management, by means of the following strategies:

Continuing to grow the National Lending Division's purchased and originated loan business. We purchase commercial real estate loans nationally. We also originate loans nationally, taking advantage of our core expertise in underwriting and servicing national credits.

Growing our Small Business Division's origination business. We originate loans on a national basis to small businesses, primarily through the SBA 7(a) program, which provides the partial guarantee of the underlying SBA loan, and our insured small balance business loan program.

Continuing our community banking tradition. With a history that dates back to 1872, our Community Banking Division maintains its focus on sales and service, with the goal of attracting and retaining deposits to help fund loan growth.

Generating deposits to fund our business. We offer a full line of deposit products through our seven-branch network located in the Community Banking Division's market. ableBanking is a direct savings platform providing an additional channel to raise core deposits to fund our asset strategy.

Market Area and Competition

National Lending Division and Small Business Division activities are nationwide. The National Lending Division competes primarily with community banks, regional banks, and private equity funds operating nationwide in its bid to acquire primarily commercial real estate loans. We believe that we often have a competitive advantage in bidding against private equity funds on performing loans because those funds generally have higher funding costs and, therefore, higher expectations for return on investment than we do. Furthermore, private equity funds typically do not compete for small balance commercial loans and typically pursue larger, bulk transactions. We believe that the National Lending Division continues to have a competitive advantage in bidding against other banks because we have a specialized group with experience in purchasing commercial real estate loans. Additionally, most banks we compete against are community banks looking to acquire loans in their market; these banks usually have specific criteria for their acquisition activities and do not pursue pools with collateral or geographic diversity.

The Small Business Division originates loans to small businesses nationwide, most often through the SBA's 7(a) program, which provides a partial government guarantee of the underlying SBA loan. The Small Business Division competes primarily with community banks and regional banks who similarly offer loans through the SBA's 7(a) program. Significant assistance in the origination, closing, and servicing of SBA loans is provided by Newity LLC ("Newity"), the Bank's lender services provider. The use of an outsourced lender services provider gives us an advantage over competitors in our ability to efficiently originate and service loans. These loans are originated with the intent to sell the guaranteed portion of the loans in the secondary market. Starting in October 2025, the Bank began originating insured small balance business loans with the assistance in the origination, closing, and servicing of these loans also provided by Newity. These loans are originated with the intent to sell.

The Community Banking Division's market area is centered in the western and south-central regions of Maine. We encounter significant competition in the Community Banking Division market area in originating loans and attracting

deposits. Our competitors include savings banks, commercial banks, credit unions, mutual funds, insurance companies, brokerage and investment banking companies, finance companies, financial technology companies, and other financial intermediaries. Many of our primary competitors there have substantially greater resources, larger established customer bases, higher lending limits, extensive branch networks, numerous ATMs, and greater advertising and marketing budgets. They may also offer services that we do not currently provide.

Lending Activities

General

We conduct our loan-related activities primarily through the National Lending Division and the Small Business Division. We also engage in limited lending through the Community Banking Division. The National Lending Division purchases primarily performing commercial real estate loans, on a nationwide basis, typically at a discount from their unpaid principal balances, producing favorable yields. The National Lending Division also originates commercial real estate and commercial and industrial loans on a nationwide basis. The Small Business Division originates SBA 7(a) loans and insured small balance business loans to provide working capital to small businesses, nationally. Typically, the Bank sells the guaranteed portion of the SBA 7(a) loans, which represents the majority of such loans' exposure, and is actively marketing the insured small balance business loans for sale on the secondary market. The Community Banking Division originates loans directly to businesses located in its market area. At June 30, 2026, our total loan portfolio (including loans held for sale) was \$4.59 billion, of which \$4.34 billion, or 94.6%, was purchased or originated by the National Lending Division, \$234.8 million, or 5.1%, was originated by the Small Business Division, and \$14.1 million, or 0.3%, was originated by the Community Banking Division. The following table sets forth certain information concerning our portfolio loan purchases and originations for the periods indicated (including loans held for sale):

	Years Ended June 30,	
	2026	2025
	(Dollars in thousands)	
Loans, including loans held for sale, beginning of year	\$ 3,790,157	\$ 2,761,157
Additions:		
National Lending Division:		
Originations	897,358	807,923
Purchases	797,268	863,165
Subtotal	1,694,626	1,671,088
Small Business funded originations	254,487	408,517
Community Bank originations	186	400
Total originations and purchases	1,949,299	2,080,005
Reductions:		
Sales of traditional SBA and other loans	(140,882)	(308,773)
Charge-offs	(10,282)	(6,987)
Pay-downs and amortization, net	(996,300)	(735,245)
Total reductions	(1,147,464)	(1,051,005)
Loans, including loans held for sale, end of year	4,591,992	3,790,157

We individually underwrite all loans that we originate and purchase. Our loan underwriting policies are reviewed and approved annually by our Board of Directors (the "Board"). Each loan, regardless of whether it is originated or purchased, must meet underwriting criteria set forth in our lending policies and the requirements of applicable federal and state regulations. All loans are subject to approval procedures and amount limitations, and the Board approves loan relationships exceeding certain prescribed dollar limits. We supplement our own supervision of the loan underwriting and approval process with periodic loan audits by internal personnel and outside professionals experienced in loan review. As of June 30, 2026, the Bank's legal lending limit was \$132.5 million.

Except for SBA loans and insured small balance business loans originated with Newity, our lender services provider, we typically retain servicing rights for all loans that we originate or purchase.

National Lending Division

General. The following table summarizes the National Lending Division loan portfolio as of June 30, 2026:

	Purchased	Originated	Total
	(In thousands)		
Non-owner occupied commercial real estate	\$ 2,479,489	\$ 580,728	\$ 3,060,217
Owner-occupied commercial real estate	184,195	73,256	257,451
Commercial and industrial	14,845	898,601	913,446
1-4 family residential	78,054	33,938	111,992
Total	<u>\$ 2,756,583</u>	<u>\$ 1,586,523</u>	<u>\$ 4,343,106</u>

Since the inception of the National Lending Division through June 30, 2026, we have purchased loans with an aggregate purchase price of \$4.57 billion, of which \$797.3 million was purchased during the fiscal year ended June 30, 2026 ("fiscal 2026" or "fiscal year 2026"). We have also originated National Lending Division loans totaling \$4.86 billion, of which \$897.4 million were originated in fiscal 2026. As of June 30, 2026, the unpaid principal balance of loans purchased or originated by the National Lending Division ranged from \$0 to \$81.9 million, with an average balance of \$1.2 million. The real estate loans were secured principally by multi-family, retail, office, industrial, mixed use, and hospitality properties in 48 states.

The following table shows the National Lending Division loan portfolio stratified by basis as of June 30, 2026:

Range	Amount	Percent of Total
(Dollars in thousands)		
\$0 - \$2,000	\$ 903,296	20.80%
\$2,000 - \$6,000	1,126,585	25.94%
\$6,000 - \$10,000	691,556	15.92%
\$10,000 - \$15,000	584,397	13.46%
Greater than \$15,000	1,037,272	23.88%
Total	<u>\$ 4,343,106</u>	<u>100.00%</u>

The following tables show the National Lending Division loan portfolio by collateral type and location as of June 30, 2026:

Collateral Type	Amount	Percent of Total	State	Amount	Percent of Total
	(Dollars in thousands)			(Dollars in thousands)	
Retail	\$ 896,826	20.65%	NY	\$ 1,872,943	43.13%
Lender Finance ⁽¹⁾	876,622	20.18%	CA	863,461	19.88%
Multifamily	734,791	16.92%	NJ	313,834	7.23%
Mixed Use	394,971	9.09%	FL	149,365	3.44%
Industrial	374,088	8.61%	TX	80,962	1.86%
Office	409,782	9.44%	SC	79,222	1.82%
Hospitality	234,924	5.41%	WA	72,040	1.66%
Other CRE	187,461	4.32%	Non-real estate	295,312	6.80%
All Other	233,641	5.38%	All other states	615,967	14.18%
Total	<u>\$ 4,343,106</u>	<u>100.00%</u>	Total	<u>\$ 4,343,106</u>	<u>100.00%</u>

(1) This segment includes loans to non-bank lenders, which are generally secured by a collateral assignment of the notes and mortgages on loans originated by the non-bank lenders.

Loan Purchase Strategies. The National Lending Division's loan purchasing strategy involves the acquisition of commercial loans, typically secured by real estate or other business assets, located throughout the United States.

We acquire commercial loans typically at a discount to their unpaid principal balances. While we acquire loans on a nationwide basis, we seek to avoid excessive concentration in any single geographic region or in any one collateral type. We do, however, favor geographies with which we have significant experience. We do not seek acquisition opportunities for which the primary collateral is land, construction, or owner-occupied one- to four-family residential property, although in a very limited number of cases, loans secured by such collateral may be included in a pool of otherwise desirable loans.

Purchased loans are sourced on a nationwide basis from banks, insurance companies, investment funds, and government agencies, either directly or indirectly through advisors.

We focus on servicing released, whole loan or lead participation transactions so that we can control the management of the portfolio through our experienced asset management professionals. Purchased loans can be acquired as a single relationship or combined with other borrowers in a larger pool. Loans are bid to a minimal acceptable yield to maturity based on the overall risk of the loan, including expected repayment terms and the underlying collateral value. Updated loan-to-value ratios and loan terms both influence the amount of discount the Bank requires in determining whether a loan meets the Bank's guidelines. We often achieve actual results in excess of our minimal acceptable yield to maturity when a loan is prepaid.

At June 30, 2026, purchased loans had an unpaid principal balance of \$2.90 billion and an amortized cost of \$2.76 billion, representing a total non-credit discount of 4.9%.

The following table shows the purchased loan portfolio as of June 30, 2026 by original purchase price percentage:

Initial Investment as a % of Unpaid Principal Balance	Amount	Percent of Total
(Dollars in thousands)		
0% - 60%	\$ 64,193	2.33%
60% - 70%	48,208	1.75%
70% - 80%	296,693	10.76%
80% - 90%	852,539	30.93%
> 90%	1,494,950	54.23%
Total	<u>\$ 2,756,583</u>	<u>100.00%</u>

Secondary Market for Commercial Loans. Commercial whole loans are typically sold either directly by sellers or through loan sale advisors. Because a central database for commercial whole loan transactions does not exist, we attempt to compile our own statistics by both polling major loan sale advisors to obtain their aggregate trading volume and tracking the deal flow that we see directly via a proprietary database. This data reflects only a portion of the total market, as commercial whole loans that are sold in private direct sales or through other loan sale advisors are not included in our surveys. In recent years, the ratio of performing loans to total loans in the market has increased, in part, because sellers have worked through their most troubled, non-performing loans or are looking to minimize the discount they would receive in a secondary market transaction. Furthermore, we believe that the continued consolidation of the banking industry will create secondary market activity as acquirers often sell non-strategic borrowing relationships or assets that create excess loan concentrations.

Underwriting of Purchased Loans. We review many loan purchase opportunities but only initiate underwriting on a relatively small percentage of these opportunities. As governed by our credit policy, purchased loans are underwritten by a team of in-house, seasoned analysts before being considered for purchase. Prior to commencing underwriting, loans are analyzed for performance characteristics, loan terms, collateral quality, and price expectations. We also consider whether the loans would make our total purchased loan portfolio more or less diverse with respect to geography, loan type, and collateral type. The opportunity is underwritten once it has been identified as fitting our investment parameters. While the extent of underwriting may vary based on investment size, procedures generally include the following:

- A loan analyst reviews and analyzes the seller credit file and our own internal and third-party research in order to assess credit risk;
- With the assistance of local counsel, where appropriate, an in-house attorney makes a determination regarding the quality of loan documentation and enforceability of loan terms;
- In-house real estate specialists perform real estate collateral evaluations, which includes conducting original market research for trends and sale and lease comparables, net operating income estimates, and capitalization rates, and developing a valuation based on current data reflecting what we believe are recent trends;
- An environmental assessment is performed on real estate collateral where appropriate;

- A property inspection is generally performed on all real estate collateral securing a loan, focusing on several characteristics, including, among other things, the physical quality of the property, current occupancy, general quality and occupancy within the neighborhood, market position, and nearby property listings; and
- An underwriting package containing the analysis and results is reviewed and submitted for approval by the National Lending Division Loan Approval Committee.

Collateral Valuation. The estimated value of the real property collateralizing the loan is determined by the National Lending Division's in-house real estate group, which considers, among other factors, the type of property, its condition, location, and its highest and best use in its marketplace. An inspection is conducted for the real property securing all loans bid upon. For loans that exceed a certain dollar threshold as prescribed in our credit policy, members of the National Lending Division typically conduct an in-person site inspection.

We generally view cash flow from operations as the primary source of repayment on purchased loans. The National Lending Division analyzes the current and likely future cash flows generated by the collateral to repay the loan. Also considered are minimum debt service coverage ratios, consisting of the ratio of net operating income to total scheduled principal and interest payments. Consideration of the debt service coverage ratio is critical to the pricing and rating of purchased and originated loans and is analyzed carefully. For purchased loans, care is taken to ensure that, unless significantly offset by other factors in the credit, the purchase price results in an adjusted debt service coverage ratio that is within the Bank's lending limits. Moreover, if the debt service coverage ratio based on the contractual payments, regardless of the Bank's exposure, is significantly below 1.0x, then steps are taken to document alternative sources of repayment or develop a realistic plan to ensure continued performance of the loan.

Loan Pricing. In determining whether we are willing to bid to acquire individual loans or loan pools, and if so, at what price, the National Lending Division considers the following:

- Collateral securing the loan;
- Geographic location;
- Financial resources of the borrower or guarantors, if any;
- Recourse nature of the loan;
- Age and performance of the loan;
- Length of time during which the loan has performed in accordance with its repayment term;
- Yield expected to be earned;
- Current market conditions, including likely competitor bids; and
- Servicing restrictions, if any.

In addition to the factors listed above and despite the fact that purchased loans are typically performing loans, the National Lending Division also estimates the amount that we may realize through collection efforts or foreclosure and sale of the collateral, net of expenses, and the length of time and costs required to complete the collection or foreclosure process in the event a loan becomes non-performing or is non-performing at the time of purchase.

Loan Originations. In addition to purchasing loans, the National Lending Division also originates commercial loans on a nationwide basis. Capitalizing on our purchased loan infrastructure, the National Lending Division is in a position to review and act quickly on a variety of lending opportunities. Risk management, approvals, underwriting, and other due diligence for these loans is similar to that for purchased loans, other than the appraisal and documentation process, which mirrors the Community Banking Division's practice of employing local attorneys and real estate appraisers to assist in the process. We believe that the National Lending Division has an advantage in originating commercial loans because of its ability to utilize in-house staff to quickly and accurately screen loan opportunities and accelerate the underwriting process.

Loan Servicing. We conduct all loan servicing for purchased and originated loans with an in-house team of experienced asset managers who actively manage the loan portfolio. Asset managers initiate and maintain regular borrower contact to help ensure that the loan credit analysis is accurate. Collateral valuations, property inspections, and other collateral characteristics are updated periodically as a result of our ongoing in-house real estate analysis. All asset management activity and analysis is contained within a central database.

Small Business Division

General. The Small Business Division originates loans to small businesses nationwide, most often through the SBA's 7(a) program, which provides a partial government guarantee of the underlying SBA loan. Our loans are typically secured by liens on business assets and/or mortgages on commercial properties, and also benefit from SBA guarantees. We seek to build a loan portfolio that is diverse with respect to geography, loan type, and collateral type. Significant assistance in the origination, closing, and servicing of SBA and insured small balance business loans is provided by Newity, the Bank's lender services provider.

Secondary Market for SBA Guarantees. We typically sell the SBA-guaranteed portion of our variable-rate originations (generally 75-85% of the principal balance) at a premium in the secondary market. We generally retain the 15-25% unguaranteed interest, but do not retain servicing rights to the entire loan as the loans are serviced by Newity.

Underwriting of Small Business Division Loans. Our loan policies and procedures establish guidelines governing our Small Business Division lending program. Generally, these guidelines address the types of loans that we seek, target markets, underwriting and collateral requirements, terms, interest rate and yield considerations, and compliance with laws and regulations. All loans or credit lines are subject to approval procedures and amount limitations. Our policies are reviewed and approved at least annually by our Board to ensure that we are following SBA underwriting guidelines, if applicable.

Loan Servicing. We conduct loan servicing for Small Business Division loans with an in-house team of experienced asset managers who actively manage the loan portfolio. Certain small business loans are serviced by Newity, which follows Bank guidelines and acts at the direction of Bank personnel. Asset managers initiate and maintain regular borrower contact to help ensure that the loan credit analysis is accurate. Collateral valuations, property inspections, and other collateral characteristics are updated periodically as a result of our ongoing in-house real estate analysis. All asset management activity and analysis is contained within a central database.

Community Banking Division

General. The Bank originates commercial and industrial loans, including term loans, lines of credit, and equipment and receivables financing to businesses located primarily in Maine. We also originate multi-family and other commercial real estate loans secured by property primarily in Maine. During the fiscal year ended June 30, 2021, the Bank shuttered its residential mortgage lending division and the portfolio is thus in late stage runoff. At June 30, 2026, the Community Banking Division's portfolio of residential and home equity loans totaled \$10.8 million, or 0.24% of total loans. We also hold a minimal number of mobile home and overdraft and deposit-secured loans.

Underwriting of Community Banking Division Loans. Most of our Community Banking Division originated loans are sourced through relationships between loan officers and current or previous customers. After a loan officer has taken basic information from the borrower, the request is submitted to the Community Banking Division's loan production department. The loan production department obtains comprehensive information from the borrower and third parties, and conducts verification and analysis of the borrower information, which is assembled into a single underwriting package that is submitted for final approval in accordance with the Bank's credit policy.

Investment Activities

Our securities portfolio and short-term investments provide and maintain liquidity, assist in managing the interest rate sensitivity of our balance sheet, and serve as collateral for certain of our obligations. Individual investment decisions are made based on the credit quality of the investment, liquidity requirements, potential returns, cash flow targets, and consistency with our asset/liability management objectives in accordance with the Bank's investment and asset/liability management policies. From time to time, management may also use derivatives to manage interest rate risk associated with the investment portfolio.

Sources of Funds

Deposits, including brokered deposits, have traditionally been the primary source of the Bank's funds for lending and other investment purposes, including loan purchases and originations. In addition to deposits, the Bank obtains funds from the amortization and prepayment of loans and mortgage-backed securities, the sale or maturity of securities, loan sales, advances from the Federal Home Loan Bank of Boston (the "FHLBB"), other term borrowings, proceeds from at-the-market securities offerings, and cash flows generated by operations.

Deposits

We offer a full line of deposit products to customers in western and south-central Maine through our seven-branch network. Our deposit products consist of demand deposit, NOW, money market, savings, and certificate of deposit accounts. Our customers access their funds through ATMs, MasterCard® Debit Cards, wires, Automated Clearing House funds (electronic transfers), and checks. We also offer telephone banking, online banking and bill payment, mobile banking, and remote deposit capture services. Interest rates on our deposits are based upon factors that include prevailing loan demand, deposit maturities, alternative costs of funds, interest rates offered by competing financial institutions and other financial service firms, and general economic conditions.

Our online deposit program, ableBanking, provides an additional channel through which to obtain core deposits to support our growth. AbleBanking, a division of Northeast Bank, had \$19.8 million in money market and time deposits as of June 30, 2026. We also use brokers to gather deposits in support of our liquidity and asset/liability management objectives from time to time. At June 30, 2026, brokered deposits totaled \$1.75 billion.

Borrowings

While we currently consider core deposits (defined as non-maturity deposits and non-brokered time deposits) and brokered deposits as our primary sources of funding to support asset growth, advances from the FHLBB and other sources of wholesale funding remain an important part of our liquidity position and liquidity contingency planning. Per the Bank's policy, we may borrow up to 50% of total assets from the FHLBB. Borrowings are typically collateralized by mortgage loans, including commercial real estate, and securities pledged to the FHLBB. At June 30, 2026, we had \$708.2 million of available borrowing capacity with the FHLBB based on pledged collateral.

The Bank can also borrow from the Federal Reserve Bank of Boston (the "Federal Reserve" or "FRB"), with any such borrowing collateralized by commercial real estate loans pledged to the Federal Reserve. At June 30, 2026, we had \$218.6 million of available borrowing capacity with the Federal Reserve based on pledged collateral.

Employees

As of June 30, 2026, the Bank employed 222 full-time and 3 part-time employees. The Bank's employees are not represented by any collective bargaining unit. The Bank believes that its relations with its employees are good.

Other Subsidiaries

As of June 30, 2026, the Bank had twelve wholly owned non-bank subsidiaries, all of which were established to hold commercial real estate acquired as a result of loan workouts:

- 200 Elm Realty, LLC
- 17 Dogwood Realty, LLC
- 1795 Little Diamond Realty, LLC
- 1872 Peaks Realty, LLC
- 1630 Spectacle Realty, LLC
- 1786 Cliff Realty, LLC
- 691 Rangeley Realty, LLC
- 2219 Blue Goose Realty, LLC
- 5271 Baxter Realty, LLC
- 92 Allagash Wilderness Realty, LLC
- 22 Bates Realty, LLC
- 19 Milliken Realty, LLC

Supervision and Regulation

General

The following discussion addresses elements of the regulatory framework applicable to a bank. This regulatory framework is intended primarily to protect the safety and soundness of depository institutions, the federal deposit insurance fund, and depositors, rather than the shareholders of a bank, such as the Bank. This summary is not a comprehensive analysis of all applicable laws and is qualified by reference to the applicable statutes and regulations.

Regulation of the Bank

As a Maine state-chartered bank, the Bank is subject to supervision, regulation, and examination by the Maine Bureau of Financial Institutions (the “Bureau”) and the Federal Deposit Insurance Corporation (the “FDIC”). The enforcement powers available to federal and state banking regulators include, among other things, the ability to issue cease and desist or removal orders, to terminate insurance of deposits, to assess civil money penalties, to issue directives to increase capital, to place banks into receivership, and to initiate injunctive actions against banking organizations and institution-affiliated parties.

Limitations on Acquisitions of Bank Common Stock. The Change in Bank Control Act prohibits a person or group of persons acting in concert from acquiring “control” of an insured depository institution unless the FDIC has been notified and has not objected to the transaction. For this purpose, a person includes an individual and various types of legal entities. In addition, Maine law requires that any “person or company” obtain the approval of the Maine Superintendent of Financial Institutions before acquiring control of a Maine financial institution. For purposes of Maine law, a “person” means an individual or individuals acting in concert, and a company may be deemed to control a Maine financial institution, among other circumstances, if it would be presumed to control the financial institution under the Change in Bank Control Act, including through acting in concert with other persons or entities. Under the Bank Holding Company Act of 1956, as amended, a company may not acquire control of a bank without first having obtained the approval of the Board of Governors of the Federal Reserve System (the “FRB”).

Deposit Insurance. Deposit obligations of the Bank are insured by the FDIC’s Deposit Insurance Fund (“DIF”) up to \$250,000 per depositor for deposits held in the same right and capacity.

The DIF is funded mainly through quarterly insurance assessments on insured banks based on their assessment base. The FDIC calculates deposit insurance assessment rates for established small banks, which are generally those banks with less than \$10 billion of assets that have been insured for at least five years, using supervisory ratings, financial ratios, and other ratios. For the fiscal years ended June 30, 2026 and 2025, the FDIC insurance assessment expense for the Bank was \$1.9 million and \$2.4 million, respectively.

The FDIC has the authority to adjust deposit insurance assessment rates at any time. In addition, under the Federal Deposit Insurance Act (the “FDIA”), the FDIC may terminate deposit insurance, among other circumstances, upon a finding that: the institution has engaged in unsafe and unsound practices; is in an unsafe or unsound condition to continue operations; or has violated any applicable law, regulation, rule, order, or condition imposed by the FDIC.

Acquisitions and Branching. Prior approval from the Bureau and the FDIC is required for the Bank to acquire another bank or establish a new branch office. Well-capitalized and well-managed banks may acquire other banks in any state, subject to certain deposit concentration limits and other conditions, pursuant to the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994, as amended by the Dodd-Frank Act. In addition, the Dodd-Frank Act authorizes a state-chartered bank, such as the Bank, to establish new branches on an interstate basis to the same extent a bank chartered by the host state may establish branches.

Activities and Investments of Insured State-Chartered Banks. The FDIA generally limits the types of equity investment an FDIC-insured state-chartered bank, such as the Bank, may make and the kinds of activities in which such a bank may engage, as a principal, to those that are permissible for national banks. Further, the Gramm-Leach-Bliley Act of 1999 (“GLBA”) permits national and state banks, to the extent permitted under state law, to engage—via financial subsidiaries—in certain activities that are permissible for subsidiaries of a financial holding company. In order to form a financial

subsidiary, a state-chartered bank must be well capitalized and well managed, and such banks would be subject to certain capital deduction, risk management, and affiliate transaction rules, among other things.

Lending Restrictions. Federal and state laws limit a bank's authority to extend credit to its directors, executive officers, and persons or companies that own, control, or have power to vote more than 10% of any class of securities of a bank or an affiliate of a bank, as well as to entities controlled by such persons. Among other things, extensions of credit to insiders are required to be made on terms that are substantially the same as, and follow credit underwriting procedures that are not less stringent than, those prevailing for comparable transactions with unaffiliated persons. The terms of such extensions of credit may not involve more than the normal risk of repayment or present other unfavorable features and may not exceed certain limitations on the amount of credit extended to such persons, individually and in the aggregate, which limits are based, in part, on the amount of the Bank's capital and surplus. The Dodd-Frank Act explicitly provides that an extension of credit to an insider includes credit exposure arising from a derivatives transaction, repurchase agreement, reverse repurchase agreement, securities lending transaction, or securities borrowing transaction. Additionally, the Dodd-Frank Act requires that asset purchase or sale transactions with insiders must be on market terms, and if the transaction represents more than 10% of the capital and surplus of the bank, approved by a majority of the disinterested directors of the bank.

Brokered Deposits. The FDIA and FDIC regulations generally limit the ability of an insured depository institution to accept, renew, or roll over any brokered deposit unless the institution's capital category is "well capitalized" or, with the FDIC's approval, "adequately capitalized." Additionally, increased reliance on brokered deposits can increase an institution's deposit insurance assessment.

Community Reinvestment Act. The Community Reinvestment Act ("CRA") requires the FDIC to evaluate the Bank's performance in helping to meet the credit needs of the entire communities it serves, including low- and moderate-income neighborhoods, consistent with its safe and sound banking operations, and to take this record into consideration when evaluating certain applications. The Bank's most recent performance evaluation from the FDIC was a "satisfactory" rating. In October 2023, the federal banking agencies, including the FDIC, issued a joint final rule to modernize the CRA regulatory framework; however, that joint final rule was rescinded in July 2025. On July 31, 2026, the FDIC and Office of the Comptroller of the Currency issued a notice of proposed rulemaking to modify the 1995 CRA rules, including by clarifying the product lines that will be subject to evaluation, excluding deposit products from evaluation, and narrowing the criteria for grants and donations to qualify for CRA credit.

Capital Adequacy and Safety and Soundness

Regulatory Capital Requirements. The FDIC has issued risk-based and leverage capital rules applicable to an insured depository institution, such as the Bank. These rules are intended to reflect the relationship between the institution's capital and the degree of risk associated with its operations based on transactions recorded on-balance sheet, as well as off-balance sheet. The FDIC may from time to time require that an institution maintain capital above the minimum levels discussed below, due to its financial condition or actual or anticipated growth.

The capital adequacy rules define qualifying capital instruments and specify minimum amounts of capital as a percentage of assets that depository institutions are required to maintain. Common equity Tier 1 capital for banks consists of common shareholders' equity and related surplus. Tier 1 capital for banks generally consists of the sum of common shareholders' equity, non-cumulative perpetual preferred stock, and related surplus and, in certain cases and subject to limitations, minority interest in consolidated subsidiaries, less goodwill, other non-qualifying intangible assets, and certain other deductions. Tier 2 capital generally consists of hybrid capital instruments, perpetual debt and mandatory convertible debt securities, cumulative perpetual preferred stock, term subordinated debt and intermediate-term preferred stock, and, subject to limitations, allowances for credit losses. The sum of Tier 1 and Tier 2 capital, less certain required deductions, represents qualifying total capital. Accumulated other comprehensive income ("AOCI") (positive or negative) generally must be reflected in Tier 1 capital; however, the Bank made a one-time permanent election to continue to exclude AOCI from capital.

Under the FDIC's capital rules, the Bank is required to maintain a minimum common equity Tier 1 capital to risk-weighted assets ratio of 4.5%, a minimum total Tier 1 capital to risk-weighted assets ratio of 6.0%, a minimum total capital to risk-weighted assets ratio of 8.0%, and a minimum leverage ratio of 4.0%. Additionally, these rules require an institution to maintain a capital conservation buffer of common equity Tier 1 capital above the minimum risk-based capital requirements for "adequately capitalized" institutions that is greater than 2.5% of total risk weighted assets, or face restrictions on the ability to pay dividends, pay discretionary bonuses, and to engage in share repurchases.

An FDIC supervised institution, such as the Bank, is considered “well capitalized” if it: (i) has a total capital ratio of 10.0% or greater; (ii) a Tier 1 capital ratio of 8.0% or greater; (iii) a common equity Tier 1 capital ratio of at least 6.5% or greater; (iv) a leverage capital ratio of 5.0% or greater; and (iv) is not subject to any written agreement, order, capital directive, or prompt corrective action directive to meet and maintain a specific capital level for any capital measure.

Generally, a bank, upon being notified that it is not adequately capitalized (i.e., that it is “undercapitalized”), becomes subject to the prompt corrective action provisions of Section 38 of the FDIA that, for example: (i) restrict payment of capital distributions and management fees; (ii) require that its federal bank regulatory agency, which is the FDIC in the case of the Bank, monitor the condition of the institution and its efforts to restore its capital; (iii) require submission of a capital restoration plan; (iv) restrict the growth of the institution’s assets; and (v) require prior regulatory approval of certain expansion proposals. A bank that is required to submit a capital restoration plan must concurrently submit a performance guarantee by each company that controls the bank. A bank that is “critically undercapitalized” (i.e., has a ratio of tangible equity to total assets that is equal to or less than 2.0%) will be subject to further restrictions, and generally will be placed in conservatorship or receivership within 90 days.

The Bank is currently considered “well capitalized” under all regulatory definitions.

Safety and Soundness Standards. Guidelines adopted by the federal bank regulatory agencies pursuant to the FDIA establish general standards relating to internal controls and information systems, internal audit systems, loan documentation, credit underwriting, interest rate exposure, asset growth, asset quality, earnings, and compensation and benefits. Among other things, the guidelines prohibit excessive compensation as an unsafe and unsound practice and describe compensation as excessive when the amounts paid are unreasonable or disproportionate to the services performed by an executive officer, employee, director, or principal shareholder.

Dividend Restrictions

The FDIC has the authority to use its enforcement powers to prohibit a bank from paying dividends if, in its opinion, the payment of dividends would constitute an unsafe or unsound practice. Federal law also prohibits the payment of dividends by a bank that will result in the bank failing to meet its applicable capital requirements on a pro forma basis. Maine law requires the approval of the Bureau for any dividend that would reduce a bank’s capital below prescribed limits. In addition, the ability of shareholders to participate in any distribution of the assets or earnings of the Bank through the payment of such dividends or otherwise is necessarily subject to the prior claims of creditors of the Bank (including depositors).

Consumer Protection Regulation

The Bank is subject to a number of federal and state laws designed to protect consumers and prohibit unfair or deceptive business practices. These laws include the Equal Credit Opportunity Act, the Fair Housing Act, Home Ownership Protection Act, the Fair Credit Reporting Act, as amended by the Fair and Accurate Credit Transactions Act of 2003 (“FACT Act”), GLBA, the Truth in Lending Act (“TILA”), CRA, the Home Mortgage Disclosure Act, the National Flood Insurance Act, the Electronic Fund Transfer Act, the Truth-in-Savings Act, the Expedited Funds Availability Act, and various state law counterparts. These laws and regulations mandate certain disclosure requirements and regulate the manner in which financial institutions must interact with customers when taking deposits, making loans, collecting loans and providing other services. Further, the Consumer Financial Protection Bureau (“CFPB”) also has a broad mandate to prohibit unfair, deceptive, or abusive acts and practices and is specifically empowered to require certain disclosures to consumers and draft model disclosure forms. Failure to comply with consumer protection laws and regulations can subject financial institutions to enforcement actions, fines, and other penalties. The FDIC and the Bureau examine the Bank for compliance with consumer protection laws and the FDIC enforces CFPB rules with respect to the Bank.

Privacy and Customer Information Security. The GLBA requires financial institutions to implement policies and procedures regarding the disclosure of nonpublic personal information about consumers to nonaffiliated third parties. In general, the Bank must provide its customers with an initial and annual disclosure that explains its policies and procedures regarding the disclosure of such nonpublic personal information and, except as otherwise required or permitted by law, the Bank is prohibited from disclosing such information, except as provided in such policies and procedures. However, an annual disclosure is not required to be provided by a financial institution if the financial institution only discloses information under exceptions from the GLBA that do not require an opt-out to be provided and if there has been no change in its privacy policies and procedures since its most recent disclosure provided to consumers. The GLBA also requires that the Bank develop, implement, and maintain a comprehensive written information security program designed to ensure the

security and confidentiality of customer information (as defined under the GLBA); to protect against anticipated threats or hazards to the security or integrity of such information; and to protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to any customer. The Bank is also required to send a notice to customers whose “sensitive information” has been compromised if unauthorized use of the information is “reasonably possible.” All fifty states, as well as the District of Columbia, Puerto Rico, Guam and the U.S. Virgin Islands, have enacted legislation concerning breaches of data security and the duties of a bank in response to data breaches. Congress continues to consider federal legislation that would require consumer notice of data security breaches. Pursuant to the FACT Act, the Bank has developed and implemented a written identity theft prevention program to detect, prevent, and mitigate identity theft in connection with the opening of certain accounts or certain existing accounts. Additionally, the FACT Act amended the Fair Credit Reporting Act to generally prohibit a person from using information received from an affiliate to make a solicitation for marketing purposes to a consumer, unless the consumer is given notice and a reasonable opportunity and method to opt out of the making of such solicitations.

Anti-Money Laundering

The Bank Secrecy Act. Under the Bank Secrecy Act (“BSA”), a financial institution is required to have systems in place to detect certain transactions, based on the size and nature of the transaction. Financial institutions are generally required to report to the United States Treasury any cash transactions involving more than \$10,000. In addition, among other circumstances, financial institutions are required to file suspicious activity reports for any transactions or series of transactions that involve at least \$5,000 and which the financial institution knows, suspects, or has reason to suspect involves illegal funds, is designed to evade the requirements of the BSA, or has no lawful purpose. The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the “USA PATRIOT Act”), which amended the BSA, is designed to deny terrorists and others the ability to obtain anonymous access to the U.S. financial system. The USA PATRIOT Act has significant implications for financial institutions and businesses of other types involved in the transfer of money. The USA PATRIOT Act, together with the implementing regulations of various federal regulatory agencies, has caused financial institutions, such as the Bank, to adopt and implement additional policies or amend existing policies and procedures with respect to, among other things, anti-money laundering compliance, suspicious activity, currency transaction reporting, customer identity verification, and customer risk analysis. In evaluating an application to acquire a bank, merge banks, or effect a purchase of assets and assumption of deposits and other liabilities, the applicable federal banking regulator must consider the anti-money laundering compliance record of both the applicant and the target.

OFAC. The United States has imposed economic sanctions that affect transactions with designated foreign countries, nationals, and others. These sanctions, which are administered by the U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”), take many different forms. Generally, however, they contain one or more of the following elements: (i) restrictions on trade with or investment in, a sanctioned country, including prohibitions against direct or indirect imports from and exports to a sanctioned country and prohibitions on “U.S. persons” engaging in financial or other transactions relating to a sanctioned country, or with certain designated persons and entities; (ii) a blocking of assets in which the government or specially designated nationals of the sanctioned country have an interest, by prohibiting transfers of property subject to U.S. jurisdiction (including property in the possession or control of U.S. persons); and (iii) restrictions on certain transactions with or involving certain persons or entities. Blocked assets (for example, property and bank deposits) cannot be paid out, withdrawn, set off, or transferred in any manner without a license from OFAC. Failure to comply with these sanctions could have serious legal and reputational consequences for the Bank.

Available Information

The Bank’s Investor Relations information can be obtained through our Internet address, investor.northeastbank.com/investor-relations. The Bank makes available on or through its Investor Relations page, without charge, its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed with, or furnished to, the FDIC as soon as reasonably practicable after such reports have been filed or furnished to the FDIC. The Bank’s reports filed with, or furnished to, the FDIC are also available at the FDIC’s website at www.FDIC.gov. In addition, the Bank makes available, free of charge, its press releases and Code of Ethics through the Bank’s Investor Relations page. Information on our website is not incorporated by reference into this document and should not be considered part of this report.

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. You should carefully consider the following risks and uncertainties, together with all other information in this report, including our financial statements and related notes, before investing in our common stock. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business. If any of these known or unknown risks or uncertainties actually occur, our business, financial condition, and results of operations could be impaired. In that event, the market price for our common stock could decline and you may lose your investment. Certain statements below are forward-looking statements. See "A Note About Forward-Looking Statements."

Risks Associated With Our Business

Changes in interest rates have hurt, and may continue to hurt, our net interest income and profitability.

The majority of our assets and liabilities are monetary in nature. As a result, our earnings and growth are significantly affected by interest rates, which are subject to the influence of economic conditions generally, both domestic and foreign, to events in the capital markets, and to the monetary and fiscal policies of the United States and its agencies, particularly the FRB. The nature and timing of any changes in such general economic conditions, events, or policies and their effect on us cannot be controlled and are extremely difficult to predict. Changes in interest rates can affect our net interest income as well as the value of our assets and liabilities. Net interest income is the difference between (i) interest income on interest-earning assets, such as loans and securities, and (ii) interest expense on interest-bearing liabilities, such as deposits and borrowings. Changes in market interest rates, changes in the relationships between short-term and long-term market interest rates, or the yield curve, or changes in the relationships between different interest rate indices can affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities. This difference could result in an increase in interest expense relative to interest income, and therefore reduce our net interest income. Further, declines in market interest rates may trigger loan prepayments, which in many cases are within our customers' discretion, and which in turn may serve to reduce our net interest income if we are unable to lend those funds to other borrowers or invest the funds at the same or higher interest rates.

We may be adversely affected by volatility in United States and global economic conditions and changes in fiscal, monetary, trade, and regulatory policies.

The economy in the United States and globally has experienced volatility in recent years and may continue to experience such volatility for the foreseeable future. Unfavorable or uncertain economic conditions can be caused by: declines in economic growth, business activity, or investor or business confidence; limitations on the availability of, or increases in the cost, of credit and capital; increases in inflation or changes in interest rates; uncertainties regarding fiscal and monetary policies; the timing and impact of changing governmental policies, including changes in guidance and interpretation by regulatory authorities; changes in trade policies by the United States or other countries; supply chain disruptions; consumer spending; employment levels; labor shortages; challenging labor market conditions; wage stagnation; federal government shutdowns; energy prices; home prices; commercial property values; bankruptcies or a default by a significant market participant or class of counterparties; fluctuations in equity, commodity, and futures prices; the implied volatility of interest rates and credit spreads; natural disasters; climate change; epidemics; pandemics; terrorist attacks; acts of war; or a combination of these or other factors.

Volatile business and economic conditions could have adverse effects on our business, including but not limited to the following:

- investors may have less confidence in the equity markets in general and in financial services industry stocks in particular, which could place downward pressure on our stock price and resulting market valuation;
- increased cost of debt capital or decreased access to credit markets;
- economic and market developments may further affect consumer and business confidence levels and may cause declines in credit usage and adverse changes in payment patterns, causing increases in delinquencies and default rates;
- our ability to assess the creditworthiness of our customers may be impaired if the models and approaches we use to select, manage, and underwrite loans become less predictive of future behaviors;
- we could suffer decreases in demand for loans or other financial products and services or decreased deposits or other investments in accounts with us;
- competition in the financial services industry could intensify as a result of the increasing consolidation of financial services companies in connection with current market conditions or otherwise; and

- the value of loans and other assets or the collateral securing loans may decrease.

Inflation can have an adverse impact on our business and on our customers.

The future of inflation and other economic factors remain uncertain, and the FRB may increase or decrease interest rates faster or slower than anticipated. With an increase in inflation rates, small- to medium-sized businesses may be impacted by higher costs, as they are not able to leverage economies of scale to mitigate cost pressures compared to larger businesses. Sustained higher interest rates by the FRB, changes to fiscal policy, including the expansion of U.S. federal deficit spending and resultant debt issuance, could also affect market interest rates, push down asset prices, and weaken economic activity. Consequently, the ability of our customers to repay their loans may deteriorate, and in some cases this deterioration may occur quickly, which would adversely impact our results of operations and financial condition. Furthermore, a prolonged period of inflation could cause wages and other costs to increase, which could adversely affect our results of operations and financial condition.

A significant portion of loans held in our loan portfolio were originated by third parties, and such loans may not have been subject to the same level of due diligence that the Bank would have conducted had it originated the loans.

At June 30, 2026, 60.0% of the loans held in our loan portfolio were originated by third parties, and therefore may not have been subject to the same level of due diligence that the Bank would have conducted had it originated the loans. Although the National Lending Division conducts a comprehensive review of all loans that it purchases, loans originated by third parties may lack current financial information and may have incomplete legal documentation and outdated appraisals. As a result, the National Lending Division may not have information with respect to an acquired loan which, if known at the time of acquisition, would have caused it to reduce its bid price or not bid for the loan at all. This may adversely affect our yield on loans or cause us to increase our allowance for credit losses.

Our experience with loans held in our loan portfolio that were originated by third parties is limited.

At June 30, 2026, the loans held in our loan portfolio that were originated by third parties had been held by us for approximately 2.3 years, calculated on a weighted average basis. Consequently, we have had only a relatively short period of time to evaluate the performance of those loans and the price at which we purchased them. Further experience with these loans may provide us with information that could cause us to increase our allowance for credit losses.

Our loan portfolio includes commercial real estate and commercial and industrial loans, which in general might be riskier than certain other types of loans.

At June 30, 2026, our commercial real estate mortgage and commercial and industrial loan portfolios comprised 97.4% of total loans. Commercial loans generally carry larger loan balances and involve a higher risk of nonpayment or late payment than residential mortgage loans. These loans, and purchased loans in particular, may lack standardized terms and may include a balloon payment feature. The ability of a borrower to make or refinance a balloon payment may be affected by numerous factors, including the financial condition of the borrower, prevailing economic conditions, and prevailing interest rates. Repayment of these loans is generally more dependent on the economy and the successful operation of a business. Because of the risks associated with commercial loans, we may experience higher rates of default than if the portfolio were more heavily weighted toward residential mortgage loans. Higher rates of default could have an adverse effect on our financial condition and results of operations.

SBA lending is an important part of our business. Our SBA lending program is dependent upon the U.S. federal government, and we face specific risks associated with originating SBA loans.

Our SBA lending program is dependent upon the U.S. federal government. We are designated by the SBA as a Preferred Lender. As an SBA Preferred Lender, we are able to offer SBA loans to our customers without the potentially lengthy SBA approval process for application, servicing, or liquidation actions required for lenders that are not SBA Preferred Lenders. The SBA periodically reviews the lending operations of participating lenders to assess, among other things, whether the lender exhibits prudent risk management. When weaknesses are identified, the SBA may request corrective actions or impose enforcement actions, including the potential loss of the SBA Preferred Lender designation. If we lose our status as an SBA Preferred Lender, we may lose some or all of our SBA loan customers to lenders who are SBA Preferred Lenders, and as a result we could experience a material adverse effect on our financial results.

Any changes to the SBA program, including but not limited to changes to the level of guarantee provided by the federal government on SBA loans, changes to program specific rules impacting volume eligibility under the guaranty program, as well as changes to the program amounts authorized by Congress or funding for the SBA program may also have a material adverse effect on our business. Recent rule changes during fiscal year 2026 have impacted the Bank's SBA origination volume. In addition, any default by the U.S. government on its obligations or any prolonged government shutdown, such as the government shutdown in the Fall of 2025, could, among other things, impede our ability to originate SBA loans or sell such loans in the secondary market, which could materially and adversely affect our business, financial condition, and results of operations. In addition, when we originate SBA 7(a) loans, we incur credit risk on the non-guaranteed portion of the loans, and if a customer defaults on a loan, we share any loss and recovery related to the loan pro-rata with the SBA.

We are subject to a variety of risks in connection with any sale of loans we may conduct.

Our Small Business Division routinely sells the guaranteed portion of newly originated SBA guaranteed business loans and intends to sell all or a portion of newly originated insured small balance business loans. We may also sell other loans or loan portfolios. In conducting these sales, we may make certain representations and warranties to the purchaser concerning the loans sold and the procedures under which those loans were underwritten, originated and serviced. If some of these representations and warranties are invalid, we may be required to refund premiums, indemnify the purchaser for related costs or losses, or we may be required to repurchase part or all of the affected loans. We may also be required to repurchase loans as a result of borrower fraud or in the event of early payoffs or payment defaults by the borrower on a loan we have sold. Additionally, our ability to sell such loans is dependent on the existence of sufficient demand in the secondary markets. If market demand for such loans decreases or fails to exist, we may be unable to sell these loans at the anticipated premiums or at all. If we are unable to sell these loans, or sell these loans at a lower than expected market price, we may slow or discontinue origination of these product types and our business, financial condition, and results of operations could be adversely affected.

Weakness or deterioration in economic conditions, both in our market area and more generally, could adversely affect our financial condition and results of operations.

Our financial performance generally, and in particular the ability of borrowers to pay interest on, and repay principal of, outstanding loans and the value of collateral securing those loans, is highly dependent upon the business environment in the markets in which we operate in the United States. In addition, our loan portfolio includes commercial loans acquired or originated by the National Lending Division that are secured by assets located nationwide. Deterioration in the economic conditions, including high unemployment levels, could result in the following consequences:

- Loan delinquencies may increase;
- Problem assets and foreclosures may increase;
- Demand for our products and services may decline;
- Collateral for our loans may decline in value, in turn reducing a customer's borrowing power, and reducing the value of collateral securing a loan; and
- The net worth and liquidity of loan guarantors may decline, impairing their ability to honor commitments to us.

If our allowance for credit losses is not sufficient to cover actual loan losses, our earnings may decrease.

We periodically make a determination of an allowance for credit losses based on available information, including, but not limited to, the quality of the loan portfolio as indicated by trends in loan risk ratings, payment performance, economic conditions, the value of the underlying collateral and the level of non accruing and criticized loans. Management relies on its asset managers and credit quality reviews, its experience, and its evaluation of economic conditions, among other factors, in determining the amount of provision required for the allowance for credit losses. Provisions to this allowance result in an expense for the period. If, as a result of general economic conditions, previously incorrect assumptions, or an increase in defaulted loans, we determine that additional increases in the allowance for credit losses are necessary, additional expenses may be incurred.

Determining the allowance for credit losses inherently involves a high degree of subjectivity and requires us to make significant estimates of current credit risks and trends, all of which may undergo material changes. We cannot be sure that

we will be able to limit losses on those loans that are identified. We have in the past, and in the future may be, required to increase our allowance for credit losses for any of several reasons. State and federal regulators, in reviewing our loan portfolio as part of a regulatory examination, may request that we increase our allowance for credit losses. Any increases in our allowance for credit losses will result in a decrease in our net income and, possibly, our capital, and could have an adverse effect on our financial condition and results of operations.

Environmental liability associated with our lending activities could result in losses.

In the course of business, we may acquire, through foreclosure, properties securing loans we have originated or purchased that are in default. Particularly in commercial real estate lending, there is a risk that hazardous substances could be discovered on these properties. In this event, we might be required to remove these substances from the affected properties at our sole cost and expense or we may be held liable to a government entity or to third parties for property damage, personal injury, and investigation and cleanup costs incurred by these parties in connection with environmental contamination or we may be required to investigate or clean up hazardous or toxic substances or chemical releases at a property. The costs associated with investigation or remediation activities could substantially exceed the value of the affected properties. We may not have adequate remedies against the prior owner or other responsible parties and could find it difficult or impossible to sell the affected properties. If we become subject to significant environmental liabilities, our business, financial condition, and results of operations could be adversely affected.

The fair value of our investment securities can fluctuate due to factors outside of our control.

Factors beyond our control can significantly influence the fair value of securities in our portfolio and can cause potential adverse changes to the fair value of these securities. These factors include, but are not limited to, rating agency actions with respect to individual securities, defaults by the issuer or with respect to the underlying securities, and changes in market interest rates and continued instability in the capital markets. Any of these factors, among others, could cause other-than-temporary impairments and realized and/or unrealized losses in future periods and declines in other comprehensive income, which could materially and adversely affect our business, results of operations, and financial condition. The process for determining whether impairment of a security is other than-temporary usually requires complex, subjective judgments about the future financial performance and liquidity of the issuer and any collateral underlying the security in order to assess the probability of receiving all contractual principal and interest payments on the security. Significant negative changes to valuations could result in impairments in the value of our securities portfolio, which could have an adverse effect on the our financial condition or results of operations.

Potential downgrades of U.S. government securities by one or more of the credit ratings agencies could have a material adverse effect on our operations, earnings, and financial condition.

A possible future downgrade of the sovereign credit ratings of the U.S. government and a decline in the perceived creditworthiness of U.S. government-related obligations could impact our ability to obtain funding that is collateralized by affected instruments, as well as affect the pricing of that funding when it is available. We cannot predict if, when, or how any changes to the credit ratings or perceived creditworthiness of these organizations will affect economic conditions. Such ratings actions could result in a significant adverse impact on us. Among other things, a downgrade in the U.S. government's credit rating could adversely impact the value of our securities portfolio and may trigger requirements that we post additional collateral for trades relative to these securities. A downgrade of the sovereign credit ratings of the U.S. government or the credit ratings of related institutions, agencies, or instruments could significantly exacerbate the other risks to which we are subject and any related adverse effects on our business, financial condition, and results of operations.

Loss of deposits or a change in deposit mix could increase our cost of funding.

Deposits are a low-cost and stable source of funding. We compete with banks and other financial institutions for deposits. Funding costs may increase if we lose deposits and are forced to replace them with more expensive sources of funding, if clients shift their deposits into higher-cost products, or if we need to raise interest rates to avoid losing deposits. Higher funding costs reduce our net interest margin, net interest income, and net income.

We are subject to liquidity risk.

Liquidity is the ability to meet cash-flow needs on a timely basis by converting assets into cash or cash equivalents and by increasing liabilities at a reasonable cost. Liquidity sources include the amount of unencumbered or "free" investment portfolio securities that we own, borrowings, cash flow from loan and investment principal payments and pre-payments,

loan sales, and proceeds from at-the-market securities offerings. Our liquidity is used principally to originate or purchase loans, to repay deposits and other liabilities when they come due, and to fund operating costs. We also require funds for dividends to shareholders, repurchases of shares, and for general corporate purposes. Customer demand for non-maturity deposits can be difficult to predict. Changes in market interest rates, increased competition within our markets, and other factors may make deposit gathering more difficult. Disruptions in the capital markets or interest rate changes may make the terms of wholesale funding sources, which include FHLB advances, less favorable and may make it difficult to sell securities when needed to provide additional liquidity. Additionally, actual events involving limited liquidity, defaults, non-performance, or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry, or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. As a result, there is a risk that the cost of funding will increase or that we will not have sufficient funds to meet our obligations when they come due.

We may not be able to attract and retain qualified key employees, which could adversely affect our business prospects, including our competitive position and results of operations.

Our success is dependent upon our ability to attract and retain highly-skilled individuals. There is significant competition for those individuals with the experience and skills required to conduct many of our business activities. We may not be able to hire or retain the key personnel that we depend upon for success. Frequently, we compete in the market for talent with entities that are not subject to comprehensive regulation, including with respect to incentive compensation. The unexpected loss of services of one or more of these or other key personnel could have a material adverse impact on our business because of their skills, knowledge of the markets in which we operate, customer relationships, years of industry experience, and the difficulty of promptly finding qualified replacement personnel.

We may incur significant losses as a result of ineffective risk management processes and strategies.

We seek to monitor and control our risk exposure through: a risk and control framework encompassing a variety of separate but complementary financial, credit, operational, compliance, and legal reporting systems; internal controls; management review processes; and other mechanisms. In some cases, management of our risks depends upon the use of analytical and/or forecasting models, which, in turn, rely on assumptions and estimates. If the models used to mitigate these risks are inadequate, or the assumptions or estimates are inaccurate, incomplete or otherwise flawed, we may fail to adequately protect against risks and may incur losses. In addition, there may be risks that exist, or that develop in the future, that we have not appropriately anticipated, identified, or mitigated, which could lead to unexpected losses and our results of operations or financial condition could be materially adversely affected.

We face continuing and growing security risks to our information base, including the information we maintain relating to our customers.

In the ordinary course of business, we rely on electronic communications and information systems to conduct our business and to store sensitive data, including financial information regarding customers. Our electronic communications and information systems infrastructure, as well as the systems infrastructures of the third-party vendors we use to meet our data processing and communication needs, could be susceptible to cyber-attacks, such as denial of service attacks, hacking, terrorist activities or identity theft. Financial services institutions and companies engaged in data processing have reported breaches in the security of their websites or other systems, some of which have involved sophisticated and targeted attacks intended to obtain unauthorized access to confidential information, destroy data, disable or degrade service or sabotage systems, often through the introduction of computer viruses or malware, cyber-attacks and other means. Denial of service attacks have been launched against a number of large financial services institutions. Hacking and identity theft risks, in particular, could cause serious reputational harm. Notwithstanding the strength of defensive measures, cybersecurity threats and the tactics, techniques and procedures used in cyberattacks change, develop and evolve rapidly and continuously, including from growth in third-party services that facilitate or carry out cyber-attacks and from emerging technologies, including artificial intelligence, which may be used to enhance the tactics, techniques and procedures described above and facilitate new cyber threats. Although to date we have not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that we will not suffer such losses in the future. A failure or circumvention of our security systems could have a material adverse effect on our business operations and financial condition.

We regularly assess and test our security systems and disaster preparedness, including back-up systems, but the risks are substantially escalating. As a result, cyber-security and the continued enhancement of our controls and processes to protect

our systems, data and networks from attacks, unauthorized access or significant damage remain a priority. Accordingly, we may be required to expend additional resources to enhance our protective measures or to investigate and remediate any information security vulnerabilities or exposures. Any breach of our system security could result in disruption of our operations, unauthorized access to confidential customer information, significant regulatory costs, litigation exposure and other possible damages, loss or liability. Such costs or losses could exceed the amount of available insurance coverage, if any, and would adversely affect our earnings. Also, any failure to prevent a security breach or to quickly and effectively deal with such a breach could negatively impact customer confidence, damaging our reputation and undermining our ability to attract and keep customers.

We may not be able to successfully implement future information technology system enhancements, which could adversely affect our business operations and profitability.

We invest significant resources in information technology system enhancements in order to provide functionality and security at an appropriate level. This includes significant investment into developing an internal data warehouse. We may not be able to successfully implement and integrate future system enhancements, which could adversely impact our ability to provide timely and accurate financial information in compliance with legal and regulatory requirements, which could result in sanctions from regulatory authorities. Such sanctions could include fines and suspension of trading in our stock, among others. In addition, future system enhancements could have higher than expected costs and/or result in operating inefficiencies, which could increase the costs associated with the implementation as well as ongoing operations. We also may not realize the benefits we expect to receive from the investment.

Failure to properly utilize or realize system enhancements that are implemented in the future could result in impairment charges that adversely impact our financial condition and results of operations and could result in significant costs to remediate or replace the defective components. In addition, we may incur significant training, licensing, maintenance, consulting, and amortization expenses during and after systems implementations, and any such costs may continue for an extended period of time.

We rely on other companies to provide key components of our business infrastructure.

Third-party vendors provide key components of our business infrastructure, such as internet connections, network access, data warehouse, and core application processing. While we have processes in place designed to carefully select these third-party vendors, we do not control their actions. Any problems caused by these third parties, including as a result of their not providing us their services for any reason or their performing their services poorly, could adversely affect our ability to deliver products and services to our customers or otherwise conduct our business efficiently and effectively. Replacing these third-party vendors could also entail significant delay and expense.

Natural disasters, acts of terrorism, future pandemics, and other external events could harm our business.

Natural disasters can disrupt our operations, result in damage to our properties, reduce or destroy the value of the collateral for our loans, and negatively affect the economies in which we operate, which could have a material adverse effect on our results of operations and financial condition. A significant natural disaster, such as a tornado, hurricane, blizzard, flood, fire, or earthquake, could have a material adverse impact on our ability to conduct business, and our insurance coverage may be insufficient to compensate for losses that may occur. Public health crises, such as future pandemics and epidemics, acts of terrorism, war, civil unrest, violence, or human error could cause disruptions to our business or the economy as a whole. While we have established and regularly test disaster recovery procedures, the occurrence of any such event could have a material adverse effect on our business, financial condition, and results of operations.

Severe weather, natural disasters and other external events could significantly impact our operations and results.

Severe weather or natural disasters, such as tornados, drought and other adverse external events, could have a significant effect on our ability to conduct business. Such events could affect the stability of our deposit base, impair the ability of borrowers to repay outstanding loans, impair the value of collateral securing loans, cause significant property damage, result in loss of revenue and/or cause us to incur additional expenses. Accordingly, the occurrence of any such severe weather or natural disaster event could have a material adverse effect on our business, which, in turn, could adversely affect our financial condition and results of operations.

Changes in U.S. trade policies, including the imposition of tariffs and retaliatory tariffs, may adversely affect our business, financial condition, and results of operations.

There have been significant changes to U.S. trade policies, including tariffs affecting China, Canada and Mexico, and there continues to be significant discussion regarding other potential changes to U.S. trade policies, treaties, and tariffs, including the potential for additional tariffs. In addition, retaliatory tariffs have been imposed and additional retaliatory tariffs are likely. Tariffs, retaliatory tariffs or other trade restrictions on products and materials that our customers import or export could cause the prices of our customers' products to increase, which could reduce demand for such products. Any of these effects could adversely affect the ability of our customers to pay their loans, particularly those reliant on imports. If our borrowers are unable to pay their loans, it would adversely affect our financial condition and results of operations. At this time, we are unable to predict whether and to what extent additional or higher tariffs or retaliatory tariffs will be imposed and the impact such actions will have on our customers.

Damage to our reputation could significantly harm our business, including our competitive position and business prospects.

We are dependent on our reputation as a trusted and responsible financial company, for all aspects of our relationships with customers, employees, vendors, third party service providers, regulators, and others with whom we conduct business or potential future business. Our ability to attract and retain customers and employees could be adversely affected if our reputation is damaged. Our actual or perceived failure to address various issues, including our ability to: (a) identify and address potential conflicts of interest, ethical issues, money-laundering, or privacy issues; (b) meet legal and regulatory requirements; (c) maintain the privacy of customer and accompanying personal information; (d) maintain adequate record keeping; (e) engage in proper sales and trading practices; and (f) identify the legal, reputational, credit, liquidity, and market risks inherent in our products, could give rise to reputational risk that could cause harm to us and our business prospects. Failure to appropriately address any of these issues could also give rise to additional regulatory restrictions and legal risks, which could, among other consequences, increase the size and number of legal claims and damages asserted or subject us to enforcement actions, fines, and penalties and cause us to incur related costs and expenses.

The proliferation of social media websites utilized by us and other third parties, as well as the personal use of social media by our employees and others, including personal blogs and social network profiles, also may increase the risk that negative, inappropriate, or unauthorized information may be posted or released publicly that could harm our reputation or have other negative consequences, including as a result of our employees interacting with our customers in an unauthorized manner in various social media outlets. Any damage to our reputation could affect our ability to retain and develop the business relationships necessary to conduct business, which in turn could negatively impact our financial condition, results of operations, and the market price of our common stock.

Internal controls may fail or be circumvented.

Effective internal controls and procedures over financial reporting are necessary to help ensure reliable financial reporting, prevent fraud, and operate successfully as a public company. Management is responsible for maintaining an effective system of internal control and assessing system effectiveness. Any system of controls, however well designed and operated, is based in part on certain assumptions and can provide only reasonable, not absolute, assurances that the objectives of the system are met. If we fail to implement and maintain effective internal control over financial reporting, our ability to accurately and timely report our financial results could be impaired, which could result in late filings of our periodic reports under the Exchange Act (as made applicable to the Bank through FDIC regulations), restatements of our consolidated financial statements, or suspension or delisting of our common stock from the Nasdaq Global Market. Such events could have an adverse effect on our business, profitability, financial condition, and results of operations and could further result in the loss of investor confidence, cause the trading price of our shares of common stock to decline, limit our access to the capital markets or other financing sources, and subject us to investigations, enforcement actions, or regulatory penalties.

Our future growth, if any, may require us to raise additional capital, but that capital may not be available when we need it.

We may need to raise additional capital in the future to provide us with sufficient capital resources and liquidity to support our operations or growth. We have an active at-the-market offering, whereby we are authorized to issue up to \$75.0 million of common stock, of which \$65.4 million remains available to issue at June 30, 2026. Our ability to raise additional capital will depend, in part, on conditions in the capital markets at that time, which are outside of our control, and our financial

performance. Accordingly, we may be unable to raise additional capital, if and when needed, on acceptable terms, or at all. If we cannot raise additional capital when needed, our ability to further expand our operations through internal growth and acquisitions could be materially impaired. In addition, if we decide to raise additional equity capital, investors' interests could be diluted. Our failure to meet any applicable regulatory guideline related to our lending activities or any capital requirement otherwise imposed upon us or to satisfy any other regulatory requirement could subject us to certain activity restrictions or to a variety of enforcement remedies available to the regulatory authorities, including limitations on our ability to pay dividends or pursue acquisitions, the issuance by regulatory authorities of a capital directive to increase capital, or the termination of deposit insurance by the FDIC.

The soundness of other financial institutions could adversely affect us.

Our ability to engage in routine funding transactions could be adversely affected by the actions and commercial soundness of other financial institutions. Financial services institutions are interrelated as a result of trading, clearing, counterparty, and other relationships. We have exposure to many different counterparties, and we routinely execute transactions with counterparties in the financial industry, including brokers and dealers, other commercial banks, investment banks, mutual and hedge funds, and other financial institutions. As a result, defaults by, or even rumors or questions about, one or more financial services institutions, or the financial services industry generally, could lead to market-wide liquidity problems and losses or defaults by us or by other institutions and organizations. Many of these transactions expose us to credit risk in the event of default of our counterparty or client. In addition, our credit risk may be exacerbated when the collateral held by us cannot be liquidated or is liquidated at prices not sufficient to recover the full amount of the financial instrument exposure due to us. There is no assurance that any such losses would not materially and adversely affect our results of operations.

We are subject to claims and litigation.

From time to time, customers, vendors, or other parties may make claims and take legal action against us. We maintain reserves for certain claims when deemed appropriate based upon our assessment that a loss is probable, estimable, and consistent with applicable accounting guidance. At any given time, we have a variety of legal actions asserted against us in various stages of litigation. Resolution of a legal action can often take years. We are also involved, from time to time, in other reviews, investigations, and proceedings (both formal and informal) by governmental and self-regulatory agencies regarding our business, including, among other things, accounting and operational matters, certain of which may result in adverse judgments, settlements, fines, penalties, injunctions, or other relief. The number and risk of these investigations and proceedings has increased in recent years with regard to many firms in the financial services industry due to legal changes to the consumer protection laws provided for by the Dodd-Frank Act. There have also been numerous highly publicized legal claims against financial institutions involving fraud or misconduct by employees, and we run the risk that employee misconduct could occur. It is not always possible to deter or prevent employee misconduct, and the precautions we take to prevent and detect this activity may not be effective in all cases.

Risks Associated With the Industry

Competition in the financial services industry is intense and could result in us losing business or experiencing reduced margins.

We compete with community, regional, national, and global banks, non-bank licensed lenders and private equity funds in purchasing or originating loans, attracting deposits, and selling other customer products and services. Many of our primary competitors have substantially greater resources, larger established customer bases, higher lending limits, extensive branch networks, numerous ATMs, and greater advertising and marketing budgets. Additionally, due to their size, many competitors may be able to achieve economies of scale and, as a result, may offer a broader range of products and services, as well as better pricing for those products and services than we can. Emerging technologies, such as artificial intelligence (including machine learning and generative artificial intelligence) and quantum computing, have the potential to further intensify competition and accelerate disruption in the financial services industry. In recent years, non-financial services firms, such as financial technology companies, have begun to offer services traditionally provided by financial institutions. These firms attempt to use technology and mobile platforms to enhance the ability of companies and individuals to borrow, save and invest money. Many of these non-financial services competitors have fewer regulatory constraints and may have lower cost structures than we do. Our long-term success depends on our ability to develop and execute strategic plans and initiatives; to develop competitive products and technologies; and to attract, retain and develop a highly skilled employee workforce. We may not be as timely or successful in assessing the evolving competitive landscape and developing or introducing new products and services as our competitors. Our business may be negatively impacted if we, or our third-party providers, do not timely develop and apply emerging technologies, or if our initiatives in these areas are deficient or fail. Our, or our third-party providers', inability, or resistance to timely innovate or adapt operations, products and services

to evolving regulatory and market environments, industry standards and consumer preferences could result in service disruptions, harm our business, and adversely affect our results of operations and reputation.

Our business may be adversely affected if we fail to adapt our products and services to evolving industry standards and consumer preferences.

The financial services industry is undergoing rapid technological changes with frequent introductions of new technology-driven products and services. The widespread adoption of new technologies, including payment systems, could require substantial expenditures to modify or adapt our existing products and services. We might not be successful in developing or introducing new or modified products and services; integrating new products or services into our existing offerings; responding or adapting to changes in consumer behavior, preferences, spending, investing and/or saving habits; achieving market acceptance of our products and services; reducing costs in response to pressures to deliver products and services at lower prices; or sufficiently developing and maintaining loyal customers.

The FDIC's assessment rates could adversely affect our financial condition and results of operations.

The FDIC insures deposits at FDIC-insured depository institutions, such as the Bank, up to applicable limits. If the deposit insurance fund of the FDIC is unable to meet its funding requirements, there may need to be further special assessments or increases in deposit insurance premiums. We are generally unable to control the amount of premiums that we are required to pay for FDIC insurance. If there is an increase in bank or financial institution failures, we may be required to pay even higher FDIC premiums than recent levels. Any future additional assessments, increases, or required prepayments in FDIC insurance premiums may materially adversely affect results of operations, including by reducing our profitability or limiting our ability to pursue certain business opportunities.

Our financial statements are based in part on assumptions and estimates, which, if wrong, could cause unexpected losses in the future.

Pursuant to US GAAP, we are required to use certain assumptions and estimates in preparing our financial statements, including in determining credit loss reserves and the fair value of certain assets and liabilities, among other items. If assumptions or estimates underlying our financial statements are incorrect, we may experience material losses.

Changes in accounting standards can materially impact our financial statements.

Our accounting policies and methods are fundamental to how we record and report our financial condition and results of operations. From time to time, the Financial Accounting Standards Board ("FASB") or regulatory authorities change the financial accounting and reporting standards that govern the preparation of our financial statements. These changes can be hard to predict and can materially impact how we record and report our financial condition and results of operations. In some cases, we could be required to apply a new or revised standard retroactively, resulting in our restating prior period financial statements. Future changes in accounting standards could materially impact how we report our financial condition, may require costly technology changes, additional training and personnel, and other expense that could negatively impact our results. We cannot predict whether such standards will be adopted or their resultant impact.

Changes in tax laws and regulations and differences in interpretation of tax laws and regulations may adversely impact our financial statements.

Local, state, or federal tax authorities may interpret tax laws and regulations differently than we do and challenge tax positions that we have taken on tax returns. This may result in differences in the treatment of revenues, deductions, credits and/or differences in the timing of these items. The differences in treatment may result in payment of additional taxes, interest, or penalties that could have a material adverse effect on our results.

Risks Associated With Our Regulatory Environment

We operate in a highly regulated industry, and new laws and regulations, or changes in existing laws and regulations, could limit or restrict our activities and could have an adverse impact on our operations.

We are subject to extensive federal and state regulation. Federal and state laws and regulations govern numerous matters, including: changes in the ownership or control of banks; maintenance of adequate capital and the financial condition of a financial institution; permissible types, amounts and terms of extensions of credit and investments; the level of reserves

against deposits; and restrictions on dividend payments. The FDIC and the Bureau have the power to issue cease and desist orders to prevent or remedy unsafe or unsound practices or violations of law by banks subject to their regulation. These and other restrictions limit the manner in which we may conduct business and obtain financing.

The laws, rules, regulations, and supervisory guidance and policies applicable to us are subject to regular modification and change. We expect to become subject to future laws, rules, and regulations beyond those currently proposed, adopted, or contemplated in the United States, as well as evolving interpretations of existing and future laws, rules, and regulations. These changes may, among other things: subject us to additional costs, including costs of compliance; limit the types of financial services and products we may offer; and/or increase the ability of non-banks to offer competing financial services and products. Failure to comply with laws, regulations, or policies could result in enforcement and other legal actions by federal and state authorities, including criminal and civil penalties, the loss of FDIC insurance, revocation of a banking charter, other sanctions by regulatory agencies, civil money penalties, and/or reputation damage, which could have a material adverse effect on our business, financial condition, and results of operations. See "Supervision and Regulation" in Item 1, "Business."

Regulatory capital requirements force banks to maintain capital as a percentage of their assets, with an emphasis on common equity as opposed to other components of capital. The need to maintain capital and liquidity, and regulatory scrutiny with respect to capital levels, may limit our business activities, including lending and our ability to expand. It could also result in our being required to take steps to increase our regulatory capital and may dilute shareholder value or limit our ability to pay dividends or otherwise return capital to our investors through stock repurchases.

We are subject to stringent capital requirements which may adversely impact return on equity, require additional capital raises, or limit the ability to pay dividends or repurchase shares.

Federal regulations establish minimum capital requirements for insured depository institutions, including minimum risk-based capital and leverage ratios, and define "capital" for calculating these ratios. The minimum capital requirements are: (i) a common equity Tier 1 capital ratio of 4.5%; (ii) a Tier 1 to risk-based assets capital ratio of 6%; (iii) a total capital ratio of 8%; and (iv) a Tier 1 leverage ratio of 4%. The regulations also establish a "capital conservation buffer" of 2.5%, which, if complied, will result in the following minimum ratios: (i) a common equity Tier 1 capital ratio of 7.0%; (ii) a Tier 1 to risk-based assets capital ratio of 8.5%; and (iii) a total capital ratio of 10.5%. An institution will be subject to limitations on paying dividends, engaging in share repurchases, and paying discretionary bonuses if its capital level falls below the capital conservation buffer amount. The application of these capital requirements could, among other things, require us to maintain higher capital resulting in lower returns on equity, and we may be required to obtain additional capital to comply or result in regulatory actions if we are unable to comply with such requirements. See "Supervision and Regulation" in Item 1, "Business."

We are subject to numerous laws designed to protect consumers, including the Community Reinvestment Act and fair lending laws, and failure to comply with these laws could lead to a wide variety of sanctions.

The Community Reinvestment Act, the Equal Credit Opportunity Act, the Fair Housing Act, and other fair lending laws and regulations impose community investment and nondiscriminatory lending requirements on financial institutions. The CFPB, the Department of Justice, and other federal agencies are responsible for enforcing these laws and regulations. A successful regulatory challenge to an institution's performance under the Community Reinvestment Act, the Equal Credit Opportunity Act, the Fair Housing Act, or other fair lending laws and regulations could result in a wide variety of sanctions, including damages and civil money penalties, injunctive relief, restrictions on mergers and acquisitions, restrictions on expansion, and restrictions on entering new business lines. Private parties may also have the ability to challenge an institution's performance under fair lending laws in private class action litigation. Such actions could have a material adverse effect on our business, financial condition, and results of operations.

We may become subject to enforcement actions even though noncompliance was inadvertent or unintentional.

The financial services industry is subject to intense scrutiny from bank supervisors in the examination process and aggressive enforcement of federal and state regulations, particularly with respect to mortgage-related practices and other consumer compliance matters, and compliance with anti-money laundering, BSA, and OFAC regulations, and economic sanctions against certain foreign countries and nationals. Enforcement actions may be initiated for violations of laws and regulations and unsafe or unsound practices. We maintain systems and procedures designed to ensure that we comply with applicable laws and regulations; however, some legal/regulatory frameworks provide for the imposition of fines or penalties for noncompliance even though the noncompliance was inadvertent or unintentional and even though there was in

place at the time systems and procedures designed to ensure compliance. Failure to comply with these and other regulations, and supervisory expectations related thereto, may result in fines, penalties, lawsuits, regulatory sanctions, reputation damage, or restrictions on our business.

We face significant legal risks, both from regulatory investigations and proceedings and from private actions brought against us.

As a participant in the financial services industry, many aspects of our business involve substantial risk of legal liability. From time to time, customers and others make claims and take legal action pertaining to the performance of our responsibilities. Whether customer claims and legal action related to the performance of our responsibilities are founded or unfounded, if such claims and legal actions are not resolved in a manner favorable to us, they may result in significant expenses, diversion of management's time and attention, and financial liability. Any financial liability or reputational damage could have a material adverse effect on our business, which, in turn, could have a material adverse effect on our financial condition and results of operations. There is no assurance that litigation with private parties will not increase in the future. Actions against us may result in judgments, settlements, fines, penalties, or other results adverse to us, which could materially adversely affect our business, financial condition or results of operations, or cause serious reputational harm to us.

Risks Associated With Our Common Stock

Market volatility has affected and may continue to affect the value of our common stock.

The price of our common stock can fluctuate widely in response to a variety of factors. In addition, the trading volume in our common stock may fluctuate and cause significant price variations to occur. We cannot assure you that the market price of our common stock will not fluctuate or decline significantly. Some of the factors that could cause fluctuations or declines in the price of our common stock include, but are not limited to, actual or anticipated variations in reported operating results, recommendations by securities analysts, the level of trading activity in our common stock, new services or delivery systems offered by competitors, business combinations involving our competitors, operating and stock price performance of companies that investors deem to be comparable to the Bank, news reports relating to trends or developments in the credit, mortgage and housing markets as well as the financial services industry, and changes in government regulations.

Our common stock trading volume may not provide adequate liquidity for investors.

Our voting common stock is listed on the Nasdaq Global Market. The average daily trading volume for our voting common stock is less than the corresponding trading volume for larger financial institutions. Due to this relatively low trading volume, significant sales of our voting common stock, or the expectation of these sales, may place significant downward pressure on the market price of our common stock. No assurance can be given that a more active trading market in our common stock will develop in the foreseeable future or can be maintained.

We may not be able to pay dividends and, if we pay dividends, we cannot guarantee the amount and frequency of such dividends.

The continued payment of dividends on shares of our common stock will depend upon our debt and equity structure, earnings and financial condition, need for capital in connection with possible future acquisitions, growth, approval of our Board, and other factors, including economic conditions, regulatory restrictions, and tax considerations. We cannot guarantee that we will pay dividends or, if we pay dividends, the amount and frequency of these dividends.

We may issue additional shares of common or preferred stock in the future, which could dilute a shareholder's ownership of common stock.

Our articles of incorporation authorize our Board, generally without shareholder approval, to, among other things, issue additional shares of common or preferred stock. We also have an active at-the-market securities offering, whereby we are authorized to issue up to \$75.0 million of common stock, of which \$65.4 million remains available to issue at June 30, 2026. The issuance of any additional shares of common or preferred stock could be dilutive to a shareholder's ownership of our common stock. To the extent that we issue options or warrants to purchase common stock in the future and the options or warrants are exercised, our shareholders may experience further dilution. Holders of shares of our common stock have

no preemptive rights that entitle holders to purchase their pro rata share of any offering of shares of any class or series. Future offerings could reduce the value of shares of our common stock and dilute a shareholder's interest in the Bank.

Our common stock is not insured by any governmental entity.

Our common stock is not a deposit account or other obligation of any bank and is not insured by the FDIC or any other governmental entity.

Anti-takeover provisions could negatively impact our shareholders.

Federal law imposes restrictions, including regulatory approval requirements, on persons seeking to acquire control over us. Provisions of Maine law and provisions of our articles of incorporation and by-laws could make it more difficult for a third party to acquire control of us or have the effect of discouraging a third party from attempting to acquire control of us. We have a classified Board, meaning that approximately one-third of our directors are elected annually. Additionally, our articles of organization authorize our Board to issue preferred stock without shareholder approval and such preferred stock could be issued as a defensive measure in response to a takeover proposal. Other provisions that could make it more difficult for a third party to acquire us even if an acquisition might be in the best interest of our shareholders include: supermajority voting requirements to remove a director from office without cause; restrictions on shareholders calling a special meeting; a requirement that only directors may fill a Board vacancy; and provisions regarding the timing and content of shareholder proposals and nominations.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Northeast uses, processes, and stores data for and about our customers, employees, partners, and suppliers. We have implemented a cybersecurity risk management program that is designed to identify, assess, and mitigate risks from cybersecurity threats to this data and our systems.

Risk Management Oversight and Governance

Under the ultimate direction of our CEO and executive management team, our Information Security Committee has primary management responsibility for overseeing the Bank's management of cybersecurity risks. It is chaired by our Senior Information Security Engineer, who reports directly to our Chief Information and Innovation Officer (the "CIIO"). Key members of this committee include our CIIO, Director of Information Technology, Information Security Officer (the "ISO"), and Chief Risk Officer. Significant information discussed at this monthly meeting is reported to, and reviewed with, the Bank's Senior Management Risk and Compliance Committee and the Risk Management Committee of the Board. Our CIIO has primary responsibility for managing our cybersecurity threat management program. He has more than 20 years of experience in financial institution technology leadership roles, having previously worked at Depository Trust Clearing Corporation as the Executive Director, Head of AI, Digital Strategy and Innovation, and other engineering and information security oversight roles. Reporting to the CIIO, the Bank's Director of Information Technology and Senior Information Security Engineer are very experienced in, and adept at, managing the Bank's Information Security program, and they keep current with the ever-evolving cybersecurity threats. They regularly communicate with qualified third-party vendors that support the Bank and its technology operations infrastructure.

Our ISO reports to our Chief Risk Officer, so is independent from the Bank's Information Technology team that owns the technical security implementations and operational cybersecurity activities. The ISO is responsible for overseeing the Bank's information security governance and policy framework and acts as an independent authority responsible for ensuring that the Bank's information security practices meet regulatory requirements, industry standards, and internal risk tolerances, while providing regular reporting to executive management and the Board. Our ISO is experienced in implementing and managing cybersecurity programs.

In addition to frequent communication outside of committee meetings, the Information Security Committee meets monthly and as circumstances warrant to discuss and review prevention, detection, mitigation, and remediation of risks from cybersecurity threats. When appropriate, the ISO will consult with the Bank's internal legal counsel or external legal consultant specializing in cybersecurity to gain insight on a particular situation. When appropriate, meetings will also

include members of the Bank's executive management team. On a regular basis, the Director of Information Technology updates the executive management team on developments within the cybersecurity industry.

The Board has delegated oversight of the Bank's cybersecurity program to the Risk Management Committee of the Board. As provided in the Risk Management Committee Charter, this Committee is responsible for reviewing the cybersecurity risk management program and compliance with related policies. Related reporting to the Risk Management Committee includes security initiatives, significant existing and emerging cybersecurity risks (including risk arising from the use and proliferation of artificial intelligence), any cybersecurity incidents, and the impact, if any, on the Bank and its stakeholders from any significant cybersecurity incidents. Our ISO meets quarterly with the Risk Management Committee to discuss management's ongoing cybersecurity risk management program. She provides information about the nature of risks the Bank faces, how management assesses such risks – including in terms of likelihood and severity of impact, and progress on vulnerability remediation. Our CISO meets periodically with the Risk Management Committee to review current developments in the cybersecurity landscape, including AI-driven cybersecurity risks, and risk mitigations in place. In turn, the Chair of the Risk Management Committee provides a quarterly update to the full Board that includes a summary of the presentation to enable discussion of cybersecurity risk management at the full Board level.

Processes for the Identification of Cybersecurity Threats

Under the guidance of the CISO and ISO, we have adopted a cybersecurity risk management program that addresses four key areas:

- Identification of assets at risk from cybersecurity threats;
- Identification of potential sources of cybersecurity threats;
- Assessment of the status of protections in place to prevent or mitigate cybersecurity threats; and
- Given that landscape, how to manage the remaining cybersecurity risks.

Our risk assessment and mitigation program is centered on three key components:

- Identification of risks, which involve input from different third-party partners that specialize in threat management for the financial services industry;
- Consulting with third-party partners to evaluate the likelihood of the risks manifesting, the severity of the potential consequences, and prioritization of different risk items based on, among other things, importance to the business and cost/benefit analysis to fully address such risks; and
- Execution – establishment of a program to address such risks.

Our Information Security Engineering team is responsible for continually monitoring our information systems for vulnerabilities and mitigating issues. The team works with other groups in the Bank and third-party partners to understand the severity of the potential consequences of a cybersecurity incident and to make decisions about how to prioritize mitigation and other initiatives based on, among other factors, materiality to the business. The Information Security team has processes designed to keep the Bank apprised of the different threats in the cybersecurity landscape – this includes interacting with intelligence networks, working with researchers, discussions with peers at other companies, monitoring social media, reviewing government alerts and other news items, and attending security conferences. The team also regularly monitors the Bank's internal network and customer-facing network to identify security risks.

We have an enterprise-wide employee education program designed to raise awareness of cybersecurity threats to reduce our vulnerability as well as to encourage consideration of cybersecurity risks across functions. The Bank's employees are required to complete Information Security training on an annual basis. In addition, new hires are required to complete the new hire Information Security training program. The Bank conducts periodic social engineering testing to supplement employee education.

As part of the assessment of protections we have in place to mitigate risks from cybersecurity threats, we engage third parties to conduct risk assessments on and audits of our information technology systems. To assess the effectiveness of our program, we have engaged experienced consultants to conduct penetration testing and other vulnerability analyses. The Bank's outsourced Internal Audit function provides the Audit Committee with reporting on independent assurance of our risk management processes, including cybersecurity risk management.

Before purchasing third-party technology or engaging with solutions that involve exposure to the Bank's assets or sensitive information, our Third-Party Relationship Management Policy requires sufficient due diligence on all such third parties so that a risk-based security review may be performed by the Enterprise Risk Management and Information Technology teams, prior to such third parties being approved to work with the Bank.

The Bank is not aware of any risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, which have materially affected or are reasonably likely to materially affect the Bank, including our business strategy, results of operations, or financial condition.

Item 2. Properties

At June 30, 2026, the Bank conducted its business from its headquarters in Portland, Maine, an office in Boston, Massachusetts, an office in Lewiston, Maine, and an office in New York, New York. The Bank also conducts business from its seven bank branches in Maine, including its headquarters. The Bank believes that all of its facilities are well maintained and suitable for the purpose for which they are used.

In addition to its Portland, Maine; Boston, Massachusetts; Lewiston, Maine; and New York, New York offices, the Bank leases two of its other locations. For information regarding the Bank's lease commitments, refer to Note 4 "Premises, Equipment and Leases" of the Notes to the Financial Statements in Item 8 of this Annual Report.

Item 3. Legal Proceedings

From time to time, the Bank is subject to certain legal proceedings and claims in the ordinary course of business. Management presently believes that the ultimate outcome of these proceedings, individually and in the aggregate, will not be material to the Bank or its financial position. The Bank establishes reserves for specific legal matters when it determines that the likelihood of an unfavorable outcome is probable, and the loss is reasonably estimable. Legal proceedings are subject to inherent uncertainties, and unfavorable rulings could occur that could cause the Bank to establish litigation reserves or could have, individually or in the aggregate, a material adverse effect on its business, financial condition, or operating results.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

The Bank's voting common stock currently trades on the Nasdaq Stock Market under the symbol "NBN". As of the close of business on August 24, 2026, there were approximately 339 registered shareholders of record of voting common stock.

Holders of the Bank's common stock are entitled to receive dividends when and if declared by the Board out of funds legally available. The Bank currently pays a quarterly cash dividend in the amount of \$0.01 per share of the Bank's common stock. While the Bank expects comparable cash dividends may be paid in the future, the amount and timing of future dividends will depend on, among other things, the financial condition of the Bank, regulatory considerations, and other factors. See "Item 1. Business—Supervision and Regulation."

The information required with respect to our equity compensation plans will be included in the Proxy Statement and is incorporated herein by reference.

On December 12, 2022, the Board approved and the Bank initiated an at-the-market securities offering of up to \$50.0 million of common stock. On November 6, 2023, the Bank received approval to extend the at-the-market offering through November 30, 2024. The Bank issued the entirety of the approved \$50.0 million.

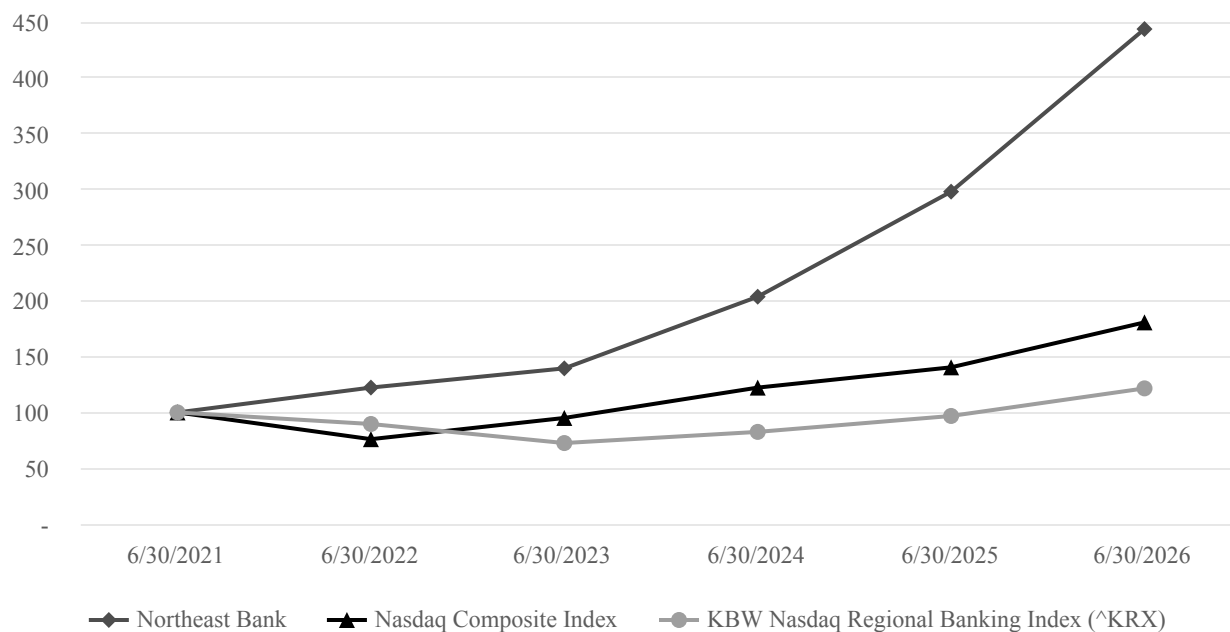
On December 9, 2024, the Board approved and the Bank initiated an at-the-market securities offering of up to \$75.0 million of common stock. On December 15, 2025, the Bank received approval to extend the at-the-market offering through December 31, 2026. At June 30, 2026, the Bank has \$65.4 million left available to issue under the offering. The Bank did not issue any common shares during fiscal year 2026.

The Bank's offerings of its equity securities are exempt from registration requirements under Section 3(a)(2) of the Securities Act.

Stock Performance Graph

Below is a line graph comparing the yearly percentage change in the cumulative total shareholder return on the Bank's voting common stock, based on the market price of the Bank's voting common stock, with the total return on companies within the Nasdaq Composite Index and the KBW Nasdaq Regional Banking Index. The calculation of cumulative return assumes a \$100 investment in the Bank's common stock, the Nasdaq Composite Index, and the KBW Nasdaq Regional Banking Index on June 30, 2021. It also assumes that all dividends are reinvested during the relevant periods.

Total Return Performance



Index	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025	6/30/2026
Northeast Bank	\$ 100.00	\$ 122.30	\$ 139.50	\$ 203.75	\$ 297.92	\$ 443.69
Nasdaq Composite Index	100.00	\$ 76.04	\$ 95.06	\$ 122.26	\$ 140.44	\$ 180.74
KBW Nasdaq Regional Banking	100.00	\$ 89.64	\$ 72.56	\$ 82.57	\$ 96.84	\$ 121.58

Item 6. [Reserved]

Not applicable.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following table sets forth our selected financial and operating data on a historical basis. The data set forth below does not purport to be complete. It should be read in conjunction with, and is qualified in its entirety by, the more detailed information, including the Bank's Financial Statements and related notes, appearing elsewhere herein.

	As of and for the Years Ended June 30,				
	2026	2025	2024	2023	2022
(Dollars in thousands, except per share data)					
Selected operating data:					
Interest and dividend income	\$ 368,950	\$ 325,540	\$ 257,886	\$ 177,171	\$ 88,536
Interest expense	148,569	138,167	109,314	58,735	5,112
Net interest income	220,381	187,373	148,572	118,436	83,424
(Credit) Provision for credit losses	(456)	8,744	1,768	2,303	(2,462)
Noninterest income	16,119	25,457	5,880	5,258	24,445
Other noninterest expense	89,775	78,390	64,568	56,536	48,783
Income before income taxes	147,181	125,696	88,116	64,855	61,548
Income tax expense	39,705	42,253	29,885	21,028	19,385
Net income	<u>\$ 107,476</u>	<u>\$ 83,443</u>	<u>\$ 58,231</u>	<u>\$ 43,827</u>	<u>\$ 42,163</u>
Per share data:					
Earnings per common share:					
Basic	\$ 12.94	\$ 10.31	\$ 7.69	\$ 6.02	\$ 5.40
Diluted	12.74	10.08	7.58	5.96	5.34
Cash dividends	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04
Book value	70.58	57.98	46.34	38.69	33.37
Selected balance sheet data:					
Total assets	\$5,227,725	\$ 4,279,068	\$ 3,132,203	\$ 2,869,938	\$ 1,582,759
Total loans	4,484,788	3,756,389	2,746,651	2,520,360	1,304,866
Deposits	3,689,761	3,375,600	2,339,463	1,937,207	1,287,693
Borrowings and lease liability	856,218	339,235	365,442	584,533	19,451
Total shareholders' equity	603,853	494,286	376,634	296,663	248,321
Other ratios:					
Return on average assets	2.31%	2.38%	1.98%	1.88%	2.68%
Return on average equity	19.74%	20.74%	17.46%	16.48%	17.40%
Efficiency ratio (1)	37.96%	34.28%	41.80%	45.57%	45.22%
Average equity to average total assets	11.68%	11.29%	11.31%	11.42%	15.42%
Common dividend payout ratio	0.32%	0.40%	0.53%	0.67%	0.75%
Tier 1 leverage capital ratio	11.90%	11.64%	12.30%	10.38%	16.13%
Total capital ratio	14.71%	14.70%	14.82%	12.30%	19.47%

(1) The efficiency ratio represents noninterest expense divided by the sum of net interest income (before the loan loss provision) plus noninterest income.

The Management's Discussion and Analysis of Financial Condition and Results of Operations, which follows, presents a review of the operating results of the Bank for fiscal 2026 and the year ended June 30, 2025 ("fiscal 2025"). This discussion and analysis is intended to assist you in understanding the results of our operations and financial condition. You should read this discussion together with your review of the Bank's Financial Statements and related notes and other statistical information included in this report.

Overview

The Bank's financial and strategic highlights for fiscal 2026 include the following:

- Net income for fiscal 2026 was \$107.5 million, or \$12.74 per diluted common share, compared to \$83.4 million, or \$10.08 per diluted common share, for fiscal 2025.
- Generated loans of \$1.9 billion, primarily under the National Lending Division, with purchased loans totaling \$797.3 million and originated loans totaling \$897.4 million, earning average portfolio yields of 8.59% and 7.99%, respectively. The purchased loan yield of 8.59% includes regularly scheduled interest and accretion, and accelerated accretion and fees recognized on loan payoffs. The Bank also monitors the "total return" on its purchased loan portfolio, a non-GAAP measure that includes scheduled accretion, accelerated accretion, gains on asset sales, gains on real estate owned, release of allowance for credit losses on purchased loans, and other noninterest income recorded. On this basis, the purchased loan portfolio earned a total return of 8.86% for fiscal 2026.

	Years Ended June 30,					
	2026			2025		
	Purchased	Originated	Total	Purchased	Originated	Total
(Dollars in thousands)						
Loans purchased or originated during the period:						
Unpaid principal balance	\$ 856,410	\$ 897,358	\$ 1,753,768	\$ 946,112	\$ 807,923	\$ 1,754,035
Net investment basis	797,268	897,358	1,694,626	863,165	807,923	1,671,088
Loan returns during the period:						
Yield	8.59%	7.99%	8.38%	8.62%	9.27%	8.90%
Total Return on Purchased Loans (1)	8.86%	N/A	8.86%	8.71%	N/A	8.71%
Total loans as of period end:						
Unpaid principal balance	\$ 2,897,286	\$ 1,586,523	\$ 4,483,809	\$ 2,554,266	\$ 1,251,768	\$ 3,806,034
Net investment basis	2,756,583	1,586,523	4,343,106	2,375,157	1,251,768	3,626,925

(1) The total return on purchased loans represents scheduled accretion, accelerated accretion, gains on asset sales, gains on real estate owned, release of allowance for credit losses on purchased loans, and other noninterest income recorded during the period divided by the average invested balance, which includes purchased loans held for sale, on an annualized basis. The total return on purchased loans does not include the effect of purchased loan charge-offs or recoveries in the periods shown. Total return on purchased loans is considered a non-GAAP financial measure. See reconciliation in below table entitled "Total Return on Purchased Loans."

Results of Operations for the years ended June 30, 2026 and 2025

General

Net income for fiscal 2026 was \$107.5 million, or \$12.74 per diluted common share, compared to \$83.4 million, or \$10.08 per diluted common share, for fiscal 2025.

Items of significance affecting the Bank's earnings included:

- An increase in net interest and dividend income before provision for credit losses, which grew to \$220.4 million for fiscal 2026, as compared to \$187.4 million for fiscal 2025. The increase was due to increased loan interest income, primarily in the National Lending Division portfolio, partially offset by increased deposit and borrowings interest expense.

The following table summarizes interest income and related yields recognized on the Bank's loans:

	Interest Income and Yield on Loans					
	Years Ended June 30,					
	2026			2025		
	Average Balance (1)	Interest Income	Yield	Average Balance (1)	Interest Income	Yield
(Dollars in thousands)						
Community Banking	\$ 16,031	\$ 1,129	7.04%	\$ 20,843	\$ 1,409	6.76%
Small Business	191,467	18,705	9.77%	103,525	11,766	11.37%
National Lending:						
Originated	1,363,914	108,954	7.99%	1,083,654	100,479	9.27%
Purchased	2,577,454	221,307	8.59%	2,242,832	193,307	8.62%
Total National Lending	3,941,368	330,261	8.38%	3,326,486	293,786	8.83%
Total	<u>\$ 4,148,866</u>	<u>\$ 350,095</u>	8.44%	<u>\$ 3,450,854</u>	<u>\$ 306,961</u>	8.90%

(1) Includes loans held for sale.

The yield on purchased loans is affected by unscheduled loan payoffs, which result in the immediate recognition of the prepaid loans' non-credit discount into interest income. The following table details the "total return" on purchased loans, which includes total transactional income of \$23.9 million for fiscal 2026, an increase of \$12.2 million from fiscal 2025. The following table summarizes the total return recognized on the purchased loan portfolio:

	Years Ended June 30,			
	2026		2025	
	Income	Return (1)	Income	Return (1)
	(Dollars in thousands)			
Regularly scheduled interest and accretion	\$ 204,361	7.93%	\$ 183,762	8.19%
Transactional income:				
Release of allowance for credit losses on purchased loans	6,945	0.27%	2,138	0.10%
Accelerated accretion and loan fees	16,944	0.66%	9,545	0.43%
Total transactional income	23,889	0.93%	11,683	0.52%
Total	<u>\$ 228,250</u>	8.86%	<u>\$ 195,445</u>	8.71%

(1) The total return on purchased loans represents scheduled accretion, accelerated accretion, gain on asset sales, gains on real estate owned, release of allowance for credit losses on purchased loans, and other noninterest income recorded during the period divided by the average invested balance, which includes purchased loans held for sale, on an annualized basis. The total return does not include the effect of purchased loan charge-offs or recoveries in the periods shown. Total return is considered a non-GAAP financial measure.

- The provision for credit losses for fiscal 2026 was a credit of \$456 thousand, a decrease of \$9.2 million from a provision of \$8.7 million provision fiscal 2025. The decrease was primarily related to decreases in individual reserves required on purchased loans, partially offset by increased reserves on the Small Business Division portfolio in fiscal 2026.
- A decrease of \$9.3 million in noninterest income, primarily due to a decrease in gain on sale of SBA loans of \$11.1 million, due to lower sale volume of \$156.4 million in SBA loans sold during the year ended June 30, 2026 as compared to \$341.7 million during the year ended June 30, 2025 due to less SBA loan originations.
- An increase of \$11.4 million in noninterest expense, primarily due to the following:
 - An increase in salaries and employee benefits expense of \$6.1 million, primarily due to increases in regular, stock, and incentive compensation expense;
 - An increase in loan expense of \$3.8 million, primarily due to increased expenses in connection with the origination of SBA 7(a) loans and insured small balance business loans; and
 - An increase in professional fees of \$1.0 million, primarily due to increased audit, legal, and consulting costs.

Net Interest Income

The following table sets forth average balance sheets, average yields and costs, and certain other information for the periods indicated:

	Year Ended June 30,					
	2026			2025		
	Average Balance	Interest Income/ Expense (1)	Average Yield/ Rate (1)	Average Balance	Interest Income/ Expense (1)	Average Yield/ Rate (1)
Assets:						
Interest-earning assets:						
Investment securities	\$ 30,078	\$ 1,247	4.15%	\$ 39,044	\$ 1,677	4.30%
Loans (2) (3)	4,148,866	350,095	8.44%	3,450,854	306,961	8.90%
Federal Home Loan Bank stock	22,430	1,310	5.84%	16,016	1,280	7.99%
Short-term investments (4)	414,566	16,298	3.93%	325,747	15,622	4.80%
Total interest-earning assets	4,615,940	368,950	7.99%	3,831,661	325,540	8.50%
Cash and due from banks	2,070			2,147		
Other non-interest earning assets	43,005			51,921		
Total assets	<u>\$ 4,661,015</u>			<u>\$ 3,885,729</u>		
Liabilities & Shareholders' Equity:						
Interest-bearing liabilities:						
NOW accounts	\$ 664,795	\$ 22,936	3.45%	\$ 587,824	\$ 23,491	4.00%
Money market accounts	78,679	1,500	1.91%	122,094	3,505	2.87%
Savings accounts	208,184	5,024	2.41%	192,357	6,021	3.13%
Time deposits	2,408,279	97,678	4.06%	1,960,859	88,964	4.54%
Total interest-bearing deposits	3,359,937	127,138	3.78%	2,863,134	121,981	4.26%
Federal Home Loan Bank advances	500,688	20,574	4.11%	349,094	15,278	4.38%
Lease liability	18,102	857	4.73%	19,540	908	4.65%
Total interest-bearing liabilities	3,878,727	148,569	3.83%	3,231,768	138,167	4.28%
Non-interest bearing liabilities:						
Demand deposits and escrow accounts	162,761			151,010		
Other liabilities	75,117			64,174		
Total liabilities	4,116,605			3,446,952		
Shareholders' equity	544,409			438,777		
Total liabilities and shareholders' equity	<u>\$ 4,661,014</u>			<u>\$ 3,885,729</u>		
Net interest income		<u>\$ 220,381</u>			<u>\$ 187,373</u>	
Interest rate spread			4.16%			4.22%
Net interest margin (5)			4.77%			4.82%
Cost of funds (6)			3.68%			4.08%

(1) Interest income and yield are stated on a fully tax-equivalent basis using the statutory tax rate.

(2) Includes loans held for sale

(3) Nonaccrual loans are included in the computation of average, but unpaid interest has not been included for purposes of determining interest income.

(4) Short-term investments include FHLBB overnight deposits and other interest-bearing deposits.

(5) Net interest margin is calculated as net interest income divided by total interest-earning assets.

(6) Cost of funds is calculated as total interest expense divided by total interest-bearing liabilities plus demand deposits and escrow accounts.

The following table presents the extent to which changes in volume and interest rates of interest earning assets and interest-bearing liabilities have affected the Bank's interest income and interest expense during the periods indicated. Information is provided in each category with respect to (i) changes attributable to changes in volume (changes in volume multiplied by prior period rate), (ii) changes attributable to changes in rates (changes in rates multiplied by prior period volume) and (iii) changes attributable to a combination of changes in rate and volume (change in rates multiplied by the changes in volume).

Changes attributable to the combined impact of volume and rate have been allocated proportionately to the changes due to volume and the changes due to rate (with items in parenthesis indicating a decrease).

	Year Ended June 30, 2026 Compared to the Year Ended June 30, 2025		
	Change Due to Volume	Change Due to Rate	Total Change
	(Dollars in thousands)		
Interest earning assets:			
Investment securities	\$ (373)	\$ (57)	\$ (430)
Loans	59,642	(16,508)	43,134
FHLBB stock	429	(399)	30
Short-term investments	3,811	(3,135)	676
Total increase in interest income	63,509	(20,099)	43,410
Interest-bearing liabilities:			
Interest-bearing deposits	19,791	(14,634)	5,157
Federal Home Loan Bank advances	6,289	(993)	5,296
Finance lease obligations	(67)	16	(51)
Total increase in interest expense	26,013	(15,611)	10,402
Total increase in net interest and dividend income	\$ 37,496	\$ (4,488)	\$ 33,008

For fiscal 2026, the \$37.5 million volume-related change in net interest income was mainly the result of the increase in average loans, which increased by \$698.0 million, partially offset by the increase in average interest-bearing deposits, which increased by \$496.8 million, compared to fiscal 2025. The rate-related decrease in fiscal 2026 compared to fiscal 2025 was principally due to the asset-side impact of Federal Open Market Committee ("FOMC") rate cuts in the first and second quarters of fiscal 2026, partially offset by a decrease in rates offered on deposits. For fiscal 2026, the net interest margin earned of 4.77% was 5 basis points lower than that earned for fiscal 2025, primarily due to lower yields on loans, partially offset by lower rates paid on deposits.

The Bank's total cost of funds decreased to 3.68% in fiscal 2026, from 4.08% in fiscal 2025, due to a decrease in rates offered on the deposit portfolio.

Provision for Credit Losses

Provision for credit losses decreased by \$9.2 million to a credit of \$456 thousand for fiscal 2026, compared to a provision of \$8.7 million for fiscal 2025. The decrease was primarily related to decreases in individual reserves required on purchased loans, partially offset by increased reserves on the Small Business Division portfolio in fiscal 2026. At June 30, 2026 and 2025, the allowance for credit losses was \$58.4 million and \$47.9 million, respectively, and the ratio of allowance for credit losses to total loans was 1.30% and 1.28%, respectively.

Net charge-offs for fiscal 2026 totaled \$10.0 million, representing approximately 0.24% of the Bank's average portfolio loan balance during fiscal 2026. This compares to net charge-offs of \$6.3 million, or 0.18%, in fiscal 2025, representing an increase of \$3.7 million in fiscal 2026.

For additional information on the allowance for credit losses, see "Asset Quality."

Noninterest Income

Noninterest income for fiscal 2026 totaled \$16.1 million, a decrease of \$9.3 million, or 36.7%, from the year ended June 30, 2025, primarily due to a decrease in gain on sale of SBA loans of \$11.1 million, due to lower sale volume of \$156.4 million in SBA loans sold during the year ended June 30, 2026 as compared to \$341.7 million during the year ended June 30, 2025.

Noninterest Expense

Noninterest expense for fiscal 2026 totaled \$89.8 million, an increase of \$11.4 million, or 14.5%, from fiscal 2025. When compared to fiscal 2025, the increase was principally due to the following:

- An increase in salaries and employee benefits expense of \$6.1 million, primarily due to increases in regular, stock, and incentive compensation expense;
- An increase in loan expense of \$3.8 million, primarily due to increased expenses in connection with the origination of SBA 7(a) loans and insured small balance business loans; and
- An increase in professional fees of \$1.0 million, primarily due to increased audit, legal, and consulting costs.

Income Taxes

Income tax expense for fiscal 2026 totaled \$39.7 million, representing 27.0% of pre-tax income, as compared to \$42.3 million, or 33.6% of pre-tax income, in fiscal 2025. The decrease in effective tax rate is primarily due to tax credits purchased during the quarter ended June 30, 2026, which reduced income tax expense by \$2.8 million and reduced the effective tax rate by 1.9%, as well as favorable changes in state tax laws which reduced the blended state tax rate.

Results of Operations for the years ended June 30, 2025 and 2024

General

Net income for fiscal 2025 was \$83.4 million, or \$10.08 per diluted common share, compared to \$58.2 million, or \$7.58 per diluted common share, for the year ended June 30, 2024.

Items of significance affecting the Bank's earnings included:

- An increase in net interest and dividend income before provision for credit losses, which grew to \$187.4 million for fiscal 2025, as compared to \$148.6 million for the year ended June 30, 2024. The increase was due to increase loan interest income, primarily in the National Lending Division portfolio, partially offset by increased deposit and borrowings interest expense

The following table summarizes interest income and related yields recognized on the Bank's loans:

	Interest Income and Yield on Loans					
	Years Ended June 30,					
	2025			2024		
	Average Balance (1)	Interest Income	Yield	Average Balance (1)	Interest Income	Yield
(Dollars in thousands)						
Community Banking	\$ 20,843	\$ 1,409	6.76%	\$ 25,267	\$ 1,622	6.42%
Small Business	103,525	11,766	11.37%	32,581	4,270	13.11%
National Lending:						
Originated	1,083,654	100,479	9.27%	954,316	94,488	9.90%
Purchased	2,242,832	193,307	8.62%	1,580,485	142,342	9.01%
Total National Lending	3,326,486	293,786	8.83%	2,534,801	236,830	9.34%
Total	<u>\$ 3,450,854</u>	<u>\$ 306,961</u>	8.90%	<u>\$ 2,592,649</u>	<u>\$ 242,722</u>	9.36%

(1) Includes loans held for sale.

The yield on purchased loans is affected by unscheduled loan payoffs, which result in the immediate recognition of the prepaid loans' discount into interest income. The following table details the "total return" on purchased loans, which includes total transactional income of \$11.7 million for fiscal 2025, a decrease of \$792 thousand from the year ended June 30, 2024. The following table summarizes the total return recognized on the purchased loan portfolio:

	Years Ended June 30,			
	2025		2024	
	Income	Return (1)	Income	Return (1)
	(Dollars in thousands)			
Regularly scheduled interest and accretion	\$ 183,762	8.19%	\$ 133,009	8.42%
Transactional income:				
Release of allowance for credit losses on purchased loans	2,138	0.10%	1,558	0.10%
Accelerated accretion and loan fees	9,545	0.43%	9,333	0.59%
Total transactional income	11,683	0.52%	10,891	0.69%
Total	\$ 195,445	8.71%	\$ 143,900	9.11%

(1) The total return on purchased loans represents scheduled accretion, accelerated accretion and gains on real estate owned recorded during the period divided by the average invested balance, which includes purchased loans held for sale, on an annualized basis. The total return does not include the effect of purchased loan charge-offs or recoveries in the periods shown. Total return is considered a non-GAAP financial measure.

- The provision for credit losses for fiscal 2025 was \$8.7 million, an increase of \$6.9 million from \$1.8 million for fiscal . The increase in the provision for credit losses was due to \$1.01 billion in loan growth, as compared to loan growth of \$240.7 million during the year ended June 30, 2024 and higher qualitative allocation to the SBA portfolio due to higher level of charge-offs as the portfolio continued to grow.
- An increase of \$19.6 million in noninterest income, principally due to the following:
 - An increase in gain on sale of SBA loans of \$19.9 million, due to the sale of \$341.7 million in SBA loans during the year ended June 30, 2025 as compared to the sale of \$68.9 million during the year ended June 30, 2024; and
 - An increase in unrealized gain on equity securities of \$127 thousand; partially offset by,
 - A decrease in correspondent fee income of \$139 thousand due to a decrease in average paycheck protection program ("PPP") loans held by The Loan Source, Inc ("Loan Source").
- An increase of \$13.8 million in noninterest expense, primarily due to the following:
 - An increase in salaries and employee benefits expense of \$6.4 million, primarily due to increases in regular and stock compensation expense and bonus expense;
 - An increase in loan acquisition and collection expense of \$5.3 million, primarily due to increased expenses in connection with the origination of SBA 7(a) loans; and
 - An increase in FDIC insurance expense of \$1.1 million, primarily due to overall growth in total assets.

Net Interest Income

The following table sets forth average balance sheets, average yields and costs, and certain other information for the periods indicated:

	Year Ended June 30,					
	2025			2024		
	Average Balance	Interest Income/ Expense (1)	Average Yield/ Rate (1)	Average Balance	Interest Income/ Expense (1)	Average Yield/ Rate (1)
Assets:						
Interest-earning assets:						
Investment securities	\$ 39,044	\$ 1,677	4.30%	\$ 59,983	\$ 2,246	3.74%
Loans (2) (3)	3,450,854	306,961	8.90%	2,592,649	242,722	9.36%
Federal Home Loan Bank stock	16,016	1,280	7.99%	19,257	1,700	8.83%
Short-term investments (4)	325,747	15,622	4.80%	209,285	11,218	5.36%
Total interest-earning assets	3,831,661	325,540	8.50%	2,881,174	257,886	8.95%
Cash and due from banks	2,147			2,493		
Other non-interest earning assets	51,921			64,570		
Total assets	<u>\$ 3,885,729</u>			<u>\$ 2,948,237</u>		
Liabilities & Shareholders' Equity:						
Interest-bearing liabilities:						
NOW accounts	\$ 587,824	\$ 23,491	4.00%	\$ 517,134	\$ 22,652	4.38%
Money market accounts	122,094	3,505	2.87%	209,080	7,039	3.37%
Savings accounts	192,357	6,021	3.13%	129,455	3,999	3.09%
Time deposits	1,960,859	88,964	4.54%	1,112,548	54,701	4.92%
Total interest-bearing deposits	2,863,134	121,981	4.26%	1,968,217	88,391	4.49%
Federal Home Loan Bank advances	349,094	15,278	4.38%	434,388	20,032	4.61%
Capital lease obligations	19,540	908	4.65%	21,165	891	4.21%
Total interest-bearing liabilities	3,231,768	138,167	4.28%	2,423,770	109,314	4.51%
Non-interest bearing liabilities:						
Demand deposits and escrow accounts	151,010			165,789		
Other liabilities	64,174			25,092		
Total liabilities	3,446,952			2,614,651		
Shareholders' equity	438,777			333,586		
Total liabilities and shareholders' equity	<u>\$ 3,885,729</u>			<u>\$ 2,948,237</u>		
Net interest income		<u>\$ 187,373</u>			<u>\$ 148,572</u>	
Interest rate spread			4.22%			4.44%
Net interest margin (5)			4.89%			5.16%
Cost of funds (6)			4.08%			4.22%

(1) Interest income and yield are stated on a fully tax-equivalent basis using the statutory tax rate.

(2) Includes loans held for sale.

(3) Nonaccrual loans are included in the computation of average, but unpaid interest has not been included for purposes of determining interest income.

(4) Short-term investments include FHLBB overnight deposits and other interest-bearing deposits.

(5) Net interest margin is calculated as net interest income divided by total interest-earning assets.

(6) Cost of funds is calculated as total interest expense divided by total interest-bearing liabilities plus demand deposits and escrow accounts.

The following table presents the extent to which changes in volume and interest rates of interest earning assets and interest-bearing liabilities have affected the Bank's interest income and interest expense during the periods indicated. Information is provided in each category with respect to (i) changes attributable to changes in volume (changes in volume multiplied by prior period rate), (ii) changes attributable to changes in rates (changes in rates multiplied by prior period volume), and (iii) changes attributable to a combination of changes in rate and volume (change in rates multiplied by the changes in volume).

Changes attributable to the combined impact of volume and rate have been allocated proportionately to the changes due to volume and the changes due to rate.

	Year Ended June 30, 2025 Compared to the Year Ended June 30, 2024		
	Change Due to Volume	Change Due to Rate	Total Change
	(In thousands)		
Interest earning assets:			
Investment securities	\$ (868)	\$ 299	\$ (569)
Loans	76,703	(12,464)	64,239
FHLBB stock	(268)	(152)	(420)
Short-term investments	5,681	(1,277)	4,404
Total increase in interest income	81,248	(13,594)	67,654
Interest-bearing liabilities:			
Interest-bearing deposits	41,208	(7,618)	33,590
Federal Home Loan Bank advances	(3,791)	(963)	(4,754)
Finance lease obligations	(71)	88	17
Total increase in interest expense	37,346	(8,493)	28,853
Total increase in net interest and dividend income	\$ 43,902	\$ (5,101)	\$ 38,801

For fiscal 2025, the \$43.9 million volume-related change in net interest income was mainly the result of the increase in average loans, which increased by \$858.2 million, partially offset by the increase in average interest-bearing deposits, which increased by \$894.9 million, compared to the year ended June 30, 2024 ("fiscal 2024"). The rate-related decrease in fiscal 2025 compared to fiscal 2024 was principally due to the asset-side impact of FOMC rate cuts in the second quarter of fiscal 2025, partially offset by an decrease in rates offered on deposits. For fiscal 2025, the net interest margin earned of 4.89% was 27 basis points lower than that earned for fiscal 2024, primarily due to higher average balances in loans and deposits, with lower yields on loans, partially offset by lower rates paid on deposits.

The Bank's total cost of funds decreased to 4.08% in fiscal 2025, from 4.22% in fiscal 2024, due to a decrease in rates offered on the deposit portfolio.

Provision for Credit Losses

The provision for credit losses for fiscal 2025 was \$8.7 million, an increase of \$6.9 million from \$1.8 million for fiscal 2024. The increase in the provision for credit losses was due to \$1.01 billion in loan growth, as compared to loan growth of \$226.3 million during fiscal 2024 and higher qualitative allocation to the SBA portfolio due to higher level of charge-offs as the portfolio continued to grow. At June 30, 2025 and 2024, the allowance for credit losses was \$47.9 million and \$26.7 million, respectively, and the ratio of allowance for credit losses to total loans was 1.28% and 0.97%, respectively.

Net charge-offs for fiscal 2025 totaled \$6.3 million, representing approximately 0.18% of the Bank's average portfolio loan balance during fiscal 2025. This compares to net charge-offs of \$6.2 million, or 0.24%, in fiscal 2024, representing an increase of \$0.1 million in fiscal 2025.

For additional information on the allowance for loan losses, see "Asset Quality."

Noninterest Income

Noninterest income for fiscal 2025 totaled \$25.5 million, an increase of \$19.6 million, or 332.9%, from fiscal 2024. When compared to fiscal 2024, the increase was principally due to the following:

- An increase in gain on sale of SBA loans of \$19.9 million, due to the sale of \$341.7 million in SBA loans during fiscal 2025 as compared to the sale of \$68.9 million in SBA loans during fiscal 2024.
- A increase in unrealized gain on equity securities of \$127 thousand; partially offset by,
- A decrease in correspondent fee income of \$139 thousand from the recognition of correspondent fees and net servicing income due to a decrease in average PPP loans held by Loan Source.

Noninterest Expense

Noninterest expense for fiscal 2025 totaled \$78.4 million, an increase of \$13.8 million, or 21.4%, from fiscal 2024. When compared to fiscal 2024, the increase was principally due to the following:

- An increase in salaries and employee benefits expense of \$6.4 million, primarily due to increases in regular and stock compensation expense and bonus expense;
- An increase in loan acquisition and collection expense of \$5.3 million, primarily due to increased expenses in connection with the origination of SBA 7(a) loans; and
- An increase in FDIC insurance expense of \$1.1 million, primarily due to overall growth in total assets.

Income Taxes

Income tax expense for fiscal 2025 totaled \$42.3 million, representing 33.6% of pre-tax income, as compared to \$29.9 million, or 33.9% of pre-tax income, in fiscal 2024. The slight decrease in the Bank's effective tax rate was primarily due to changes in state tax apportionment.

Financial Condition

Overview

The Bank's total assets were \$5.23 billion at June 30, 2026, representing an increase of \$948.7 million, or 22.2%, compared to \$4.28 billion at June 30, 2025. Significant changes in the Bank's balance sheet include:

- The loan portfolio held for investment increased by \$728.4 million, or 19.4%, compared to June 30, 2025. The increase was principally due to growth in the National Lending Division purchased portfolio and the National Lending Division originated portfolio. The National Lending Division purchased loans totaling \$797.3 million and originated loans totaling \$897.4 million during fiscal 2026.
- Deposits increased by \$314.2 million, or 9.3%, from June 30, 2025. The increase was primarily attributable to an increase in time deposits of \$275.5 million, or 12.3%. The significant drivers in the change in time deposits were an increase in brokered time deposits, which increased by \$155.4 million, and Community Banking Division time deposits, which increased by \$142.0 million, compared to June 30, 2025.
- Shareholders' equity increased by \$109.6 million, or 22.2%, from June 30, 2025, primarily due to net income of \$107.5 million and stock-based compensation of \$7.9 million, partially offset by the cancellation of restricted stock to cover tax obligations on restricted stock vests, which resulted in a \$5.3 million decrease in shareholders' equity.

Cash and Cash Equivalents

Cash and short-term investments increased by \$20.8 million, or 5.0%, primarily due to net income of \$107.5 million, a \$314.2 million increase in deposits, and a \$518.7 million increase in borrowings, partially offset by a \$728.4 million increase in loans.

Securities

The securities portfolio totaled \$97.6 million and \$22.7 million at June 30, 2026 and 2025, respectively. The increase of \$74.9 million primarily resulted from purchases of agency commercial mortgage-backed securities.

The Bank's securities portfolio was comprised primarily of commercial mortgage-backed securities guaranteed by government sponsored enterprises and mortgage-backed securities guaranteed by government sponsored enterprises. The composition of the Bank's securities portfolio at the dates indicated follows:

	June 30, 2026		June 30, 2025	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(In thousands)			
U.S. Government agency securities	\$ -	\$ -	\$ 13,997	\$ 14,026
Agency commercial mortgage-backed securities	90,230	89,411	-	-
Agency mortgage-backed securities	558	550	1,314	1,282
Equity investments measured at net asset value	8,310	7,674	8,048	7,396
Total investment securities	<u>\$ 99,098</u>	<u>\$ 97,635</u>	<u>\$ 23,359</u>	<u>\$ 22,704</u>

The table below sets forth certain information regarding the contractual maturities and weighted average yields of the Bank's debt securities portfolio at June 30, 2026. Actual maturities of mortgage-backed securities will differ from contractual maturities due both to scheduled amortization and prepayments.

	Within One Year		After One Year Through Five Years		After Five Years Through Ten Years	
	Fair Value	Yield	Fair Value	Yield	Fair Value	Yield
	(Dollars in thousands)					
U.S. Government agency securities	\$ —	—%	\$ —	—%	\$ —	—%
Agency commercial mortgage-backed securities	—	—%	—	—%	89,411	4.34%
Agency mortgage-backed securities	57	2.51%	493	2.49%	—	—%
Total available-for-sale debt securities	<u>\$ 57</u>	<u>2.51%</u>	<u>\$ 493</u>	<u>2.49%</u>	<u>\$ 89,411</u>	<u>4.34%</u>

	After Ten Years		Total	
	Fair Value	Yield	Fair Value	Yield
	(Dollars in thousands)			
U.S. Government agency securities	\$ —	—%	\$ —	—%
Agency commercial mortgage-backed securities	—	—%	89,411	4.34%
Agency mortgage-backed securities	—	—%	550	2.49%
Total available-for-sale debt securities	<u>\$ —</u>	<u>—%</u>	<u>\$ 89,961</u>	<u>4.33%</u>

The other securities measured at net asset value have no scheduled maturity date. However, the Bank's securities can be redeemed quarterly and daily at the closing net asset value.

Management reviews the portfolio of securities on an ongoing basis to determine if there have been any unrealized losses that must be recognized into income. The Bank measures expected credit losses on available-for-sale securities based upon the unrealized gain or loss position of the security. No allowance for credit losses was recognized on the investment portfolio during fiscal 2026. For available-for-sale debt securities in an unrealized loss position, the Bank evaluates qualitative criteria to determine any expected loss unless the Bank intends to sell, or it is not more likely than not that the Bank will be required to sell before recovery of the amortized cost. No unrealized losses have been recognized into income during fiscal 2026.

Loans

Total loans, including loans held for sale, totaled \$4.59 billion at June 30, 2026, compared to \$3.79 billion at June 30, 2025. The increase of \$801.8 million, or 21.2%, for fiscal 2026 was principally due to increases in the National Lending Division purchased loan portfolio, the National Lending Division originated loan portfolio, and the Small Business Division portfolio. The National Lending Division purchased loans totaling \$797.3 million and originated loans totaling \$897.4 million during fiscal 2026.

The composition of the Bank's loan portfolio (excluding loans held for sale) at the dates indicated is as follows:

	June 30, 2026		June 30, 2025	
	Amount	Percent of Total	Amount	Percent of Total
	(Dollars in thousands)			
Commercial real estate	\$ 3,330,334	74.26%	\$ 2,733,794	72.78%
Commercial and industrial	1,031,362	23.00%	903,278	24.05%
Residential real estate	122,747	2.74%	119,158	3.17%
Consumer	345	—%	159	—%
Total loans	4,484,788	100.00%	3,756,389	100.00%
Less: Allowance for credit losses	(58,419)		(47,930)	
Loans, net	<u>\$ 4,426,369</u>		<u>\$ 3,708,459</u>	

The Bank's loan portfolio (excluding loans held for sale) by lending division follows:

	Community Banking	National Lending	Small Business	Total	Percent of Total
<u>June 30, 2026</u>	(Dollars in thousands)				
Originated loans:					
Commercial real estate: NOO Pass	\$ 407	\$ 575,625	\$ 3,060	\$ 579,092	12.91%
Commercial real estate: NOO Criticized	353	5,103	604	6,060	0.14%
Commercial real estate: O/O Pass	1,375	73,256	6,618	81,249	1.81%
Commercial real estate: O/O Criticized	2	—	247	249	0.01%
Commercial and industrial Pass	573	897,809	105,378	1,003,760	22.38%
Commercial and industrial Criticized	315	792	11,650	12,757	0.28%
Residential real estate	10,755	33,938	—	44,693	1.00%
Consumer	345	—	—	345	0.01%
Subtotal	14,125	1,586,523	127,557	1,728,205	38.53%
Purchased loans:					
Commercial real estate: NOO Pass	—	2,456,130	—	2,456,130	54.77%
Commercial real estate: NOO Criticized	—	23,358	—	23,358	0.52%
Commercial real estate: O/O Pass	—	180,462	—	180,462	4.02%
Commercial real estate: O/O Criticized	—	3,734	—	3,734	0.08%
Commercial and industrial Pass	—	14,005	—	14,005	0.31%
Commercial and industrial Criticized	—	840	—	840	0.02%
Residential real estate	—	78,054	—	78,054	1.74%
Subtotal	—	2,756,583	—	2,756,583	61.47%
Total	<u>\$ 14,125</u>	<u>\$ 4,343,106</u>	<u>\$ 127,557</u>	<u>\$ 4,484,788</u>	<u>100.00%</u>

	Community Banking	National Lending	Small Business	Total	Percent of Total
<u>June 30, 2025</u>					
Originated loans:					
Commercial real estate: NOO Pass	\$ 2,058	\$ 357,631	\$ 3,464	\$ 363,153	9.67%
Commercial real estate: NOO Criticized	282	2,387	677	3,346	0.09%
Commercial real estate: O/O Pass	1,729	71,437	8,386	81,552	2.17%
Commercial real estate: O/O Criticized	4	—	115	119	—%
Commercial and industrial Pass	783	780,191	94,120	875,094	23.30%
Commercial and industrial Criticized	—	3,905	4,444	8,349	0.22%
Residential real estate	13,241	36,217	—	49,458	1.32%
Consumer	161	—	—	161	—%
Subtotal	18,258	1,251,768	111,206	1,381,232	36.77%
Purchased loans:					
Commercial real estate: NOO Pass	—	2,087,793	—	2,087,793	55.58%
Commercial real estate: NOO Criticized	—	25,246	—	25,246	0.67%
Commercial real estate: O/O Pass	—	164,673	—	164,673	4.38%
Commercial real estate: O/O Criticized	—	7,910	—	7,910	0.21%
Commercial and industrial Pass	—	18,349	—	18,349	0.49%
Commercial and industrial Criticized	—	1,486	—	1,486	0.04%
Residential real estate	—	69,700	—	69,700	1.86%
Subtotal	—	2,375,157	—	2,375,157	63.23%
Total	\$ 18,258	\$ 3,626,925	\$ 111,206	\$ 3,756,389	100.00%

The following table summarizes the scheduled maturity of the Bank's loan portfolio at June 30, 2026. Demand loans, loans having no stated repayment schedule, and overdraft loans are reported as being due in less than one year.

Scheduled Loan Maturities					
	Within One Year	After One Year Through Five Years	After Five Years Through Fifteen Years	After Fifteen Years	Total
(In thousands)					
Mortgages:					
Residential:					
Originated	\$ 22,118	\$ 13,332	\$ 3,458	\$ 5,785	\$ 44,693
Purchased	11,410	27,110	38,101	1,433	78,054
Commercial:					
Originated	261,353	385,240	5,991	14,066	666,650
Purchased	615,743	966,049	537,232	544,660	2,663,684
Non-mortgage loans:					
Commercial:					
Originated	316,337	561,502	118,727	19,951	1,016,517
Purchased	432	13,647	766	-	14,845
Consumer	289	29	18	9	345
Total loans	\$ 1,227,682	\$ 1,966,909	\$ 704,293	\$ 585,904	\$ 4,484,788

Loans Due After One Year, by Interest Rate Type				
	Fixed rate		Floating or Adjustable	Total
	(In thousands)			
Mortgages:				
Residential:				
Originated	\$ 7,042	\$ 15,533	\$ 22,575	
Purchased	18,370	48,274	66,644	
Commercial:				
Originated	65,499	339,798	405,297	
Purchased	957,266	1,090,675	2,047,941	
Non-mortgage loans:				
Commercial:				
Originated	4,428	695,752	700,180	
Purchased	8,156	6,257	14,413	
Consumer	56	—	56	
Total	<u>\$ 1,060,817</u>	<u>\$ 2,196,289</u>	<u>\$ 3,257,106</u>	

Approximately 64.6% of total loans were variable rate products at June 30, 2026, compared to 65.1% at June 30, 2025.

Other Assets

Premises and equipment, net, decreased by \$1.7 million, or 6.9%, compared to June 30, 2025. The decrease was primarily due to depreciation and amortization.

Real estate owned ("REO") increased to \$9.6 million from \$560 thousand at June 30, 2025. The increase is due to \$10.0 million of transfers of loans to REO during the year ended June 30, 2026, partially offset by sales of REO.

The cash surrender value of the Bank's bank-owned life insurance ("BOLI") assets decreased by \$541 thousand, or 2.8%, to \$18.8 million at June 30, 2026, compared to \$19.3 million at June 30, 2025. The decrease in cash surrender value was due to payouts of two policies, partially offset by an increase in cash surrender value of the remaining policies. BOLI assets are invested in the general account of three insurance companies and in separate accounts of a fourth insurance company. A general account policy's cash surrender value is supported by the general assets of the insurance company. A separate account policy's cash surrender value is supported by assets segregated from the general assets of the insurance company. Standard and Poor's rated these companies A+ or better at June 30, 2026. Interest earnings, net of mortality costs, increase the cash surrender value. These interest earnings are based on interest rates that reset each year and are subject to minimum guaranteed rates. These increases in cash surrender value are recognized in noninterest income and are not subject to income taxes. Management considers BOLI an illiquid asset. BOLI represented 2.8% of the Bank's total capital at June 30, 2026.

FHLBB stock totaled \$36.0 million and \$15.3 million at June 30, 2026 and 2025, respectively. The increase in stock holdings corresponds to the increase in FHLBB advances.

Deposits

Total deposits increased by \$314.2 million to \$3.69 billion as of June 30, 2026 from \$3.38 billion as of June 30, 2025. The increase was primarily due to an increase in time deposits, savings, and interest checking deposits, partially offset by a decrease in money market accounts. The increase in time deposits was attributable primarily to increased use of brokered time deposits which increased from \$1.59 billion as of June 30, 2025 to \$1.75 billion as of June 30, 2026.

As of June 30, 2026, \$151.2 million, or 4% of the Bank's total deposits, were uninsured. This balance included \$63.3 million of interest reserves and restricted deposit accounts.

The following tables set forth certain information relative to the composition of the Bank's average deposit accounts and the weighted average interest rate on each category of deposits for the periods indicated:

	Average Balance	Weighted Average Rate	Percent of Total Average Deposits
<u>Year Ended June 30, 2026</u>	(Dollars in thousands)		
Non-interest bearing demand deposits and escrow accounts	\$ 162,761	0.00%	4.63%
Regular savings	208,184	2.41%	5.91%
NOW accounts	664,795	3.45%	18.87%
Money market accounts	78,679	1.91%	2.23%
Time deposits	2,408,279	4.06%	68.36%
Total average deposits	<u>\$ 3,522,698</u>	3.61%	<u>100.00%</u>
<u>Year Ended June 30, 2025</u>			
Non-interest bearing demand deposits and escrow accounts	\$ 151,010	0.00%	5.01%
Regular savings	192,357	3.13%	6.38%
NOW accounts	587,824	4.00%	19.50%
Money market accounts	122,094	2.87%	4.05%
Time deposits	1,960,859	4.54%	65.06%
Total average deposits	<u>\$ 3,014,144</u>	4.05%	<u>100.00%</u>

There were \$197.1 million and \$156.0 million of non-brokered time deposits greater than \$250 thousand as of June 30, 2026 and 2025, respectively.

The scheduled maturity of non-brokered time deposits greater than \$250 thousand is set forth below:

	June 30, 2026 (In thousands)
3 months or less	\$ 83,430
Over 3 through 6 months	67,556
Over 6 through 12 months	35,924
Over 12 months	10,146
Total time certificates greater than \$250 thousand	<u>\$ 197,056</u>

Borrowings

FHLBB advances are the Bank's primary source of funding other than deposits. In fiscal 2026, total borrowings increased by \$518.7 million, or 162.0%, to \$838.9 million at June 30, 2026 from \$320.2 million at June 30, 2025.

Pledges of residential real estate loans, certain commercial real estate loans, securities, and certain FHLBB deposits free of liens or pledges are required to secure outstanding advances and available additional borrowing capacity from the FHLBB. At June 30, 2026, the Bank had pledged \$2.25 billion of certain loans and securities to secure outstanding advances and provide additional borrowing capacity.

The Bank can also borrow from the Federal Reserve Bank of Boston (the "FRBB"), with any such borrowing collateralized by commercial real estate loans pledged to the FRBB. At June 30, 2026, we had \$218.6 million of available borrowing capacity based on pledged collateral from the FRBB, compared to \$265.3 million at June 30, 2025.

Asset Quality

Allowance for Credit Losses

The allowance for credit losses is maintained at a level that management considers adequate to provide for probable credit losses based upon evaluation of known and inherent risks in the loan portfolio. The allowance is generally increased by providing for credit losses through a charge to expense and by recoveries of portions or all of loans previously charged-off and is reduced by loans being charged-off.

At June 30, 2026, the allowance for credit losses totaled \$58.4 million, or 1.30% of total loans, as compared to \$47.9 million, or 1.28%, of total loans, at June 30, 2025. The year-over-year increase in the Bank's allowance for credit losses

was principally the result of overall loan growth. The following table sets forth activity in the Bank's allowance for credit losses for the periods indicated:

	Years Ended June 30,		
	2026	2025	2024
	(Dollars in thousands)		
Allowance at beginning of period	\$ 47,930	\$ 26,709	\$ 7,304
CECL Impact	—	—	20,115
Initial ACL on Purchased Loans	20,963	18,768	3,680
Loans charged-off during the period:			
Residential real estate	—	341	82
Commercial real estate (1)	3,180	4,046	2,016
Commercial and industrial	7,093	2,586	4,126
Consumer	9	14	55
Total loans charged-off	10,282	6,987	6,279
Recoveries on loans previously charged-off:			
Residential real estate	8	146	7
Commercial real estate	111	380	80
Commercial and industrial	123	170	34
Consumer	22	—	—
Total recoveries	264	696	121
Net loans charged off (recovered)	10,018	6,291	6,158
(Credit) provision for credit losses	(456)	8,744	1,768
Allowance at end of period	\$ 58,419	\$ 47,930	\$ 26,709
Total loans at end of period	\$ 4,484,788	\$ 3,756,389	\$ 2,746,651
Average loans outstanding during the period	4,145,625	3,450,854	2,592,649
Allowance as a percentage of total loans	1.30%	1.28%	0.97%
Ratio of net charge-offs to average loans outstanding	0.24%	0.18%	0.24%
Allowance as a percentage of non-performing loans	231.71%	136.90%	94.51%

The following table sets forth charge-offs and recoveries by loan category for the years indicated:

	For the Year Ended June 30,				Ratio of Net Charge-offs to Average Loans
	Total Charge-offs	Total Recoveries	Net Charge-offs (Recoveries)	Average Loans	
	(Dollars in thousands)				
<u>2026</u>					
Commercial Real Estate	\$ 3,180	\$ 111	\$ 3,069	\$ 3,034,664	0.10 %
Commercial and Industrial	7,093	123	6,970	994,395	0.70 %
Residential Real Estate	—	8	(8)	116,393	(0.01)%
Consumer	9	22	(13)	173	(7.51)%
Total	\$ 10,282	\$ 264	\$ 10,018	\$ 4,145,625	0.24 %
<u>2025:</u>					
Commercial Real Estate	\$ 4,046	\$ 380	\$ 3,666	\$ 2,573,283	0.14 %
Commercial and Industrial	2,586	170	2,416	768,829	0.31 %
Residential Real Estate	341	146	195	108,425	0.18 %
Consumer	14	—	14	317	4.42 %
Total	\$ 6,987	\$ 696	\$ 6,291	\$ 3,450,854	0.18 %
<u>2024:</u>					
Commercial Real Estate	\$ 2,016	\$ 80	\$ 1,936	\$ 2,001,003	0.10 %
Commercial and Industrial	4,126	34	4,092	520,080	0.79 %
Residential Real Estate	82	7	75	71,022	0.11 %
Consumer	55	—	55	544	10.11 %
Total	\$ 6,279	\$ 121	\$ 6,158	\$ 2,592,649	0.24 %

The following table allocates the allowance for credit losses by loan category and the percent of loans in each category to total loans at the dates indicated below:

	As of June 30,					
	2026		2025		2024	
	Amount	Percent of Loans to Total Loans	Amount	Percent of Loans to Total Loans	Amount	Percent of Loans to Total Loans
	(Dollars in thousands)					
Commercial real estate	\$ 41,364	70.80%	\$ 35,727	74.54%	\$ 20,121	75.33%
Commercial and industrial	15,940	27.29%	11,040	23.03%	5,822	21.80%
Residential real estate	1,115	1.91%	1,163	2.43%	766	2.87%
Consumer	—	—%	—	—%	—	—%
Total	<u>\$ 58,419</u>	<u>100.00%</u>	<u>\$ 47,930</u>	<u>100.00%</u>	<u>\$ 26,709</u>	<u>100.00%</u>

As of June 30, 2026, past due loans totaled \$24.0 million, or 0.54% of total loans, compared to past due loans totaling \$30.1 million, or 0.80% of total loans, as of June 30, 2025.

The following table reflects the annual trend of total loans 30 days or more past due, as a percentage of total loans:

	As of June 30,				
	2026	2025	2024	2023	2022
Past due loans to total loans	0.54%	0.80%	0.95%	0.52%	0.53%

Non-performing Assets

The table below sets forth the amounts and categories of the Bank's non-performing assets at the dates indicated:

	As of June 30,		
	2026	2025	2024
Nonperforming loans:	(Dollars in thousands)		
Originated portfolio:			
Commercial real estate	\$ 5,764	\$ 3,033	\$ 1,407
Commercial and industrial	6,472	5,158	6,520
Residential real estate	2,730	2,394	2,502
Consumer	4	2	—
Total originated portfolio	<u>14,970</u>	<u>10,585</u>	<u>10,429</u>
Purchased portfolio:			
Commercial real estate	9,606	22,232	14,159
Commercial and industrial	554	1,407	1,806
Residential real estate	82	785	1,867
Total purchased portfolio	<u>10,242</u>	<u>24,424</u>	<u>17,832</u>
Total nonperforming loans	<u>25,212</u>	<u>35,011</u>	<u>28,261</u>
Real estate owned and other repossessed collateral	<u>9,601</u>	<u>560</u>	<u>—</u>
Total nonperforming assets	<u>\$ 34,813</u>	<u>\$ 35,571</u>	<u>\$ 28,261</u>
Nonperforming loans that are current	\$ 4,608	\$ 6,198	\$ 5,843
Non-performing loans to total loans	0.56%	0.93%	1.02%
Non-performing assets to total assets	0.67%	0.83%	0.90%

As of June 30, 2026, the Bank had \$9.6 million in REO as compared to \$560 thousand in real estate owned as of June 30, 2025. The real estate and personal property collateral for commercial loans are recorded at fair value less estimated costs to sell upon transfer to acquired assets. Revenues and expenses are recognized in the period when received or incurred on other real estate and in substance foreclosures. Gains and losses on disposition are recognized in noninterest income.

The Bank continues to focus on asset quality and allocate significant resources to credit policy, loan review, asset management, collection, and workout functions. Despite this ongoing effort, there can be no assurance that adverse changes in the real estate markets and economic conditions will not result in higher non-performing assets levels in the future and negatively impact our results of operations through higher provision for credit losses, net loan charge-offs, decreased accrual of income, and increased noninterest expense.

Potential Problem Loans

Commercial real estate and commercial loans are periodically evaluated under a ten-point rating system. These ratings are guidelines in assessing the risk of a particular loan. The Bank had \$25.0 million and \$35.1 million of loans rated substandard or worse at June 30, 2026 and 2025, respectively. The following tables present the Bank's loans by risk rating:

	Commercial Real Estate	Commercial and Industrial	Residential Real Estate ⁽¹⁾	Consumer	Total
<u>June 30, 2026</u>	(In thousands)				
Loans rated 1- 6 ⁽²⁾	\$ 3,296,933	\$ 1,017,765	\$ 120,318	\$ 345	\$ 4,435,361
Loans rated 7	18,085	6,333	-	-	24,418
Loans rated 8	15,316	7,264	2,429	-	25,009
Loans rated 9	-	-	-	-	-
Loans rated 10	-	-	-	-	-
Total	<u>\$ 3,330,334</u>	<u>\$ 1,031,362</u>	<u>\$ 122,747</u>	<u>\$ 345</u>	<u>\$ 4,484,788</u>
<u>June 30, 2025</u>	(In thousands)				
Loans rated 1- 6 ⁽²⁾	\$ 2,697,173	\$ 893,443	\$ 116,172	\$ 159	\$ 3,706,947
Loans rated 7	11,114	3,260	-	-	14,374
Loans rated 8	25,507	6,575	2,986	-	35,068
Loans rated 9	-	-	-	-	-
Loans rated 10	-	-	-	-	-
Total	<u>\$ 2,733,794</u>	<u>\$ 903,278</u>	<u>\$ 119,158</u>	<u>\$ 159</u>	<u>\$ 3,756,389</u>

(1) Certain of the Bank's loans made for commercial purposes, but secured by residential collateral, are rated under the Bank's risk-rating system.

(2) Includes loans rated 11 (P Portfolio)

Risk Management

Management and the Board recognize that taking and managing risk is fundamental to the business of banking. Through the development, implementation, and monitoring of its policies with respect to risk management, the Bank strives to measure, evaluate, and control the risks it faces. The Board and management understand that an effective risk management system is critical to the Bank's safety and soundness. Chief among the risks faced by us are credit risk, market risk (including interest rate risk), liquidity risk, and operational (transaction) risk.

Credit Risk

The Bank considers credit risk to be the most significant risk that it faces, in that it has the greatest potential to affect the financial condition and operating results of the Bank. Credit risk is managed through a combination of policies and limits established by the Board, the monitoring of compliance with these policies and limits, and the periodic evaluation of loans in the portfolio, including those with problem characteristics. The Bank also utilizes the services of independent third parties to provide loan review services, which consist of a variety of monitoring techniques after a loan is purchased or originated.

In general, the Bank's policies establish limits on the maximum amount of credit that may be granted to a single borrower (including affiliates), the aggregate amount of loans outstanding by type in relation to total assets and capital, and concentrations of loans by size, property type, and geography. Underwriting criteria, such as collateral and debt service coverage ratios and approval limits are also specified in loan policies. The Bank's policies also address the performance of periodic credit reviews, the risk rating of loans, when loans should be placed on non-performing status, and factors that should be considered in establishing the Bank's allowance for credit losses. For additional information, refer to "Asset Quality" above and Item 1, "Business—Lending Activities."

Market Risk

Market risk is the risk of loss due to adverse changes in market prices and rates, and typically encompasses exposures such as sensitivity to changes in market interest rates, foreign currency exchange rates, and commodity prices. The Bank has no direct exposure to foreign currency exchange or commodity price movements. Because net interest income is our primary source of revenue, interest rate risk is a significant market risk to which the Bank is exposed.

Interest rate risk can be defined as the exposure of future net interest income to adverse movements in interest rates. Net interest income is affected by changes in interest rates as well as by fluctuations in the level, mix, and duration of the Bank's assets and liabilities. Over and above the influence that interest rates have on net interest income, changes in rates also affect the volume of lending activity, the ability of borrowers to repay loans, the volume of loan prepayments, the flow and mix of deposits, and the market value of the Bank's assets and liabilities.

The Bank's management has established an Asset Liability Management Committee ("ALCO"), which is responsible for managing the Bank's interest rate risk in accordance with policies and limits approved annually by the Board. With regard to the management of market risk, the ALCO is in charge of managing the Bank's mix of assets and funding sources to produce results that are consistent with the Bank's liquidity, capital adequacy, growth, and profitability goals.

Exposure to interest rate risk is monitored and managed as necessary by the Bank through periodic evaluations of the current interest rate risk inherent in its rate-sensitive assets and liabilities, coupled with determinations of the level of risk considered appropriate given the Bank's capital and liquidity requirements, business strategy, and performance objectives. Through such management, the Bank seeks to mitigate the potential volatility in its net interest income due to changes in interest rates in a manner consistent with the risk appetite established by the Board.

The ALCO's primary tool for measuring, evaluating, and managing interest rate risk is income simulation analysis on a flat balance sheet. The balance sheet is held flat so that volume does not mask interest rate risk. Income simulation analysis then measures the interest rate risk inherent in the Bank's balance sheet at a given point in time by showing the effect of interest rate shifts on net interest income over defined time horizons. These simulations take into account the specific repricing, maturity, prepayment, and call options of financial instruments that vary under different interest rate scenarios. The ALCO reviews simulation results to determine whether the exposure to a decline in net interest income remains within established tolerance levels over the simulation horizons and to develop appropriate strategies to manage this exposure. The Bank considers a variety of specified rate scenarios, including instantaneous rate shocks, against static (or flat) rates when measuring interest rate risk, and evaluates results over two consecutive twelve-month periods. All changes are measured in comparison to the projected net interest income that would result from an "unchanged" scenario, where interest rates remain stable over the measured time horizon(s). As of June 30, 2026, the income simulation analysis for the first twelve-month period indicated that exposure to changing interest rates fell within the Bank's policy levels of tolerance.

While the ALCO reviews simulation assumptions to ensure they are reasonable, and back-tests simulation results on a periodic basis as a monitoring tool, income simulation analysis may not always prove to be an accurate indicator of the Bank's interest rate risk or future earnings. There are inherent shortcomings in income simulation, given the number and variety of assumptions that must be made to perform it. For example, the projected level of future market interest rates and the shape of future interest rate yield curves have a major impact on income simulation results. Many assumptions concerning the repricing of financial instruments, the degree to which non-maturity deposits react to changes in market rates, and the expected prepayment rates on loans, mortgage-backed securities, and callable debt securities are also inherently uncertain. In addition, as income simulation analysis assumes that the Bank's balance sheet will remain static over the simulation horizon, the results do not reflect the Bank's expectations for future balance sheet growth, nor changes in business strategy that the Bank could implement in response to rate shifts to mitigate its loss exposures. As such, although the analysis described above provides an indication of the Bank's sensitivity to interest rate changes at a point in time, these estimates are not intended to and do not provide a precise forecast of the effect of changes in market interest rates on the Bank's net interest income and will differ from actual results.

Assuming a 200 basis point increase and 100 basis point decrease in interest rates starting on June 30, 2026 and over a period of 12 months, we estimate that our net interest income would increase by 3.3% and decrease by 0.2%, respectively. These results indicate a low level of asset sensitivity in our balance sheet within 12 months. An asset-sensitive position implies that there are more rate-sensitive assets than rate-sensitive liabilities repricing or maturing within specific time horizons, which would generally suggest a favorable impact on net interest income in periods of rising interest rates and a negative impact in periods of falling rates. A liability-sensitive position would generally suggest the opposite: a negative impact on net interest income in periods of rising rates and a positive impact in periods of falling rates.

	Up 200 Basis Points	Down 100 Basis Points
June 30, 2026	3.3%	(0.2%)
June 30, 2025	0.4%	0.7%

Liquidity Risk

Liquidity risk is defined as the risk associated with an organization's ability to meet current and future financial obligations of a short-term nature. The Bank uses its liquidity on a regular basis to fund existing and future loan commitments, to pay interest on deposits and on borrowings, to fund maturing certificates of deposit and borrowings, to fund other deposit withdrawals, to invest in other interest-earning assets, to make dividend payments to shareholders, and to meet operating expenses. The Bank's primary sources of liquidity consist of deposit inflows, FHLBB advances, and the amortization, prepayment and maturities of loans and securities. While scheduled payments from the amortization and maturities of loans and securities are relatively predictable sources of funds, deposit flows and loan and investment prepayments can be greatly influenced by general interest rates, economic conditions, and competition. In addition to these regular sources of funds, the Bank may choose to sell portfolio loans and securities or sell its own securities as part of an at-the-market securities offering to meet liquidity demands.

We monitor and forecast our liquidity position. There are several interdependent methods used by us for this purpose, including daily review of Federal Funds positions, monthly review of balance sheet changes, monthly review of liquidity ratios, quarterly review of liquidity forecasts, and periodic review of contingent funding plans. Using these methods, the Bank actively manages its liquidity position under the direction of the ALCO.

The following is a summary of the unused borrowing capacity of the Bank at June 30, 2026 available to meet our short-term funding needs:

	As of June 30, 2026 (In thousands)	
Brokered time deposits	\$ 864,621	Subject to policy limitation of 50% of total assets
Federal Home Loan Bank of Boston	708,230	Unused advance capacity subject to eligible and qualified collateral
Federal Reserve Borrower-in-Custody	218,557	Unused advance capacity subject to eligible and qualified collateral
Other available lines	7,500	
Total unused borrowing capacity	<u>\$ 1,798,908</u>	

Retail deposits and other core deposit sources, including deposit listing services, are used by the Bank to manage its overall liquidity position. Additionally, the Bank uses wholesale funding, such as FHLBB advances and brokered deposits, as a source of liquidity, and also has the ability to raise additional amounts, which remains an important part of our liquidity contingency planning. While we closely monitor and forecast our liquidity position, it is affected by asset growth, deposit withdrawals, and meeting other contractual obligations and commitments. The accuracy of our forecast assumptions may increase or decrease our overall available liquidity. To utilize the FHLBB advance capacity, the purchase of additional capital stock in the FHLBB may be required.

At June 30, 2026, the Bank had \$1.80 billion of immediately accessible additional liquidity, defined as cash that the Bank reasonably believes could be raised within seven days in addition to what the Bank has through collateralized borrowings, brokered deposits, or security sales. This position represented 34.4% of total assets. The Bank also had \$434.4 million of cash and cash equivalents at June 30, 2026.

Management believes that there are adequate funding sources to meet its liquidity needs for the foreseeable future. Primary funding sources are the repayment of principal and interest on loans, the renewal of time deposits, brokered time deposits, the potential for growth in the deposit base, and the credit availability from the FHLBB and the FRBB. Management does not believe that the terms and conditions that will be present at the renewal of these funding sources will significantly impact the Bank's operations, due to its management of the maturities of its assets and liabilities.

Operational Risk

Operational risk, which we define as the risk of loss from failed internal processes, people and systems, and external events, is inherent in all of our business activities. The principal ways in which we manage operational risk include the establishment of departmental and business-specific policies and procedures, internal controls, and monitoring

requirements. Some specific examples include our information security program, business continuity planning and testing, our vendor management program, reconciliation processes, our enterprise risk assessment process, and new product and/or system introduction processes. Periodic internal audits provide an important independent check on adherence to policies, procedures, and controls designed to mitigate risk exposure.

To address these risks, management has a Senior Management Risk and Compliance Committee, whose responsibility is to proactively identify, accurately measure, and adequately monitor and control the risks assumed by the Bank in its various products and lines of business to ensure safe and sound operations and that the risks assumed by the Bank are consistent with the risk appetite established by the Board.

Off-Balance Sheet Risk

The Bank is a party to financial instruments some of which have off-balance sheet risk in the normal course of business. These financial instruments include commitments to extend credit, unused lines of credit, and standby letters of credit. These instruments involve, to varying degrees, elements of credit and interest-rate risk in excess of the amounts recognized on the balance sheet. The contract or notional amounts of these instruments reflect the extent of the Bank's involvement in particular classes of financial instruments.

The Bank's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit, unused lines of credit, and standby letters of credit is represented by the contractual amount of those instruments. Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total committed amounts do not necessarily represent future cash requirements. To control the credit risk associated with entering into commitments and issuing letters of credit, the Bank uses the same credit quality, collateral policies, and monitoring controls in making commitments and letters of credit as it does with its lending activities.

Standby letters of credit are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loans to customers.

Unused lines of credit and commitments to extend credit typically result in loans with a market interest rate.

A summary of the amounts of the Bank's contractual obligations and other commitments with off-balance sheet risk as of June 30, 2026 follows:

	Payments Due – By Period				
	Total	Less Than 1 Year	1-3 Years	4-5 Years	After 5 Years
	(In thousands)				
Contractual obligations:					
Federal Home Loan Bank advances	\$ 838,932	\$ 324,206	\$ 514,726	\$ -	\$ -
Lease liability	21,242	2,576	5,279	4,665	8,722
Total contractual obligations	<u>\$ 860,174</u>	<u>\$ 326,782</u>	<u>\$ 520,005</u>	<u>\$ 4,665</u>	<u>\$ 8,722</u>
	Amount of Commitment Expiring – By Period				
	Total	Less Than 1 Year	1-3 Years	4-5 Years	After 5 Years
	(In thousands)				
Commitments with off-balance sheet risk:					
Commitments to extend credit	\$ 41,855	\$ 41,855	\$ -	\$ -	\$ -
Unused lines of credit	26,136	23,000	100	2,734	302
Standby letters of credit	-	-	-	-	-
Total commitments	<u>\$ 67,991</u>	<u>\$ 64,855</u>	<u>\$ 100</u>	<u>\$ 2,734</u>	<u>\$ 302</u>

Capital

Shareholders' equity increased by \$109.6 million, or 22.2%, from June 30, 2025, primarily due to net income of \$107.5 million and stock-based compensation of \$7.9 million, partially offset by the cancellation of restricted stock to cover tax obligations on restricted stock vests, which resulted in a \$5.3 million decrease in shareholders' equity.

See Note 7, "Capital and Regulatory Matters," of the Notes to the Financial Statements for information on the Bank's capital ratios. Regulatory capital ratios for the Bank currently exceed all applicable requirements.

Impact of Inflation

The Financial Statements and related notes have been presented in terms of historic dollars without considering changes in the relative purchasing power of money over time due to inflation. Unlike industrial companies, nearly all of the assets and virtually all of the liabilities of the Bank are monetary in nature. As a result, interest rates have a more significant impact on the Bank's performance than the general level of inflation. Over short periods of time, interest rates may not necessarily move in the same direction or in the same magnitude as inflation. See Item 1A. Risk Factors for further discussion of inflation and its overall impact to the Bank.

Impact of New Accounting Standards

See Note 1, "Summary of Significant Accounting Policies," of the Notes to the Financial Statement regarding the FASB issued statements and interpretations affecting the Bank.

Critical Accounting Policies and Estimates

Critical accounting policies are those that involve significant judgments and assessments by management, and that could potentially result in materially different results under different assumptions and conditions. The Bank considers the following to be its critical accounting policies:

Allowance for Credit Losses ("ACL")

The ACL is evaluated quarterly and represents management's estimate of expected credit losses over the expected life of the loans at the balance sheet date. The ACL is a valuation account that is deducted from the amortized cost basis of loans to present the net amount expected to be collected on the loans. The lifetime expected credit losses are re-evaluated on an ongoing basis throughout the life of the loans. The ACL is comprised of reserves measured on a collective (pool) basis, based on a lifetime loss-rate model when similar risk characteristics exist. Loans that do not share risk characteristics are evaluated on an individual basis. Loans, or portions thereof, are charged off against the allowance when they are deemed uncollectible. Recoveries of amounts previously charged off are recorded through the ACL. The determination of the loans on which full collectability is not reasonably assured, the estimates of the fair value of the underlying collateral, and the assessment of economic and other conditions are subject to assumptions and judgments by management. Valuation allowances could differ materially as a result of changes in, or different interpretations of, these assumptions and judgments.

See Note 1, "Summary of Significant Accounting Policies," and Note 4, "Loans, Allowance for Credit Losses and Credit Quality," of the Notes to the Financial Statements for further discussion on the policy and processes.

Purchased Loans

The Bank prospectively adopted ASU 2025-08 Financial Instruments—Credit Losses (Topic 326): Purchased Loans effective October 1, 2025. The Bank evaluates purchased loans to determine if there has been more than insignificant deterioration in credit quality since origination and classifies such loans purchased with credit deterioration ("PCD"). For PCD loans and any purchased seasoned loans, the ACL is established through the purchase price of the loan. Any remaining difference between the purchase price and principal balance of the loans is established as an interest rate mark, which is amortized into income over the life of the loan. Significant judgment is required by management when determining the initial ACL on PCD and purchased seasoned loans, including the methodology utilized in determining the ACL and such assumptions as the amount and timing of principal and interest cash flows expected to be collected on the loans and the market rate used to discounting those cash flows.

See Note 1, “Summary of Significant Accounting Policies,” and Note 4, “Loans, Allowance for Credit Losses and Credit Quality,” of the Notes to the Financial Statements for further discussion on the policy and processes.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

See Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Risk Management” for quantitative and qualitative disclosures about market risk.

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Northeast Bank

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Northeast Bank (the Bank) as of June 30, 2026 and 2025, the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for each of the three years in the period ended June 30, 2026, and the related notes to the financial statements (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as of June 30, 2026 and 2025, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 2026, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Bank's internal control over financial reporting as of June 30, 2026, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013, and our report dated August 28, 2026 expressed an unqualified opinion on the effectiveness of the Bank's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on the Bank's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Bank in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

Allowance for Credit Losses

As described in Notes 1 and 3 of the financial statements, the Bank's allowance for credit losses on loans totaled \$58.4 million as of June 30, 2026.

The allowance consists of two components: a loan-specific component for estimating credit losses for individual loans that do not share similar risk characteristics with other loans and a pooled component for estimating credit losses for pools of loans that share similar risk characteristics. The allowance for the pooled component includes a qualitative factor adjustment that is derived from an estimate of expected credit losses primarily using an expected loss methodology that incorporates risk parameters such as probability of default ("PD") and loss given default ("LGD") which are derived from internally developed model estimation approaches, and which vary if the loan portfolio is originated or purchased. The PD represents the best estimate of the loans in the portfolio to enter a state of default, which is inherently forward-looking, and therefore incorporates both recent data as well as supportable estimates of the future delinquency of the portfolio and may be a function of forecasts, including economic forecasts. The LGD is derived from both the Bank's internally developed stress scenarios on the underlying real estate collateral securing loans, which vary by collateral type and loan risk characteristics, and from actual internal loss data on loan portfolios that have experienced losses.

We identified the determination and evaluation of the PD and LGD models of the qualitative factor adjustment as a critical audit matter because auditing the underlying assumptions in the allowance model involves a high degree of complexity and auditor judgment given the high degree of subjectivity exercised by management in developing the allowance for credit losses. These assumptions in the models include the PD estimate of the loans in the portfolio to enter a state of default, which is inherently forward-looking, and the LGD estimate which is partially derived from internally developed stress scenarios on the underlying real estate collateral securing loans.

Our audit procedures related to management's evaluation and establishment of the PD and LGD models of the qualitative factor adjustment for the allowance for credit losses for collectively evaluated loans included the following, among others:

- We obtained an understanding of the relevant controls related to the PD and LGD models of the qualitative factor adjustment for the allowance for credit losses and tested such controls for design and operating effectiveness, including controls over management's establishment, review and approval of these models and factors.
- We tested management's process and significant judgments in the evaluation and establishment of the PD and LGD models of the qualitative factor adjustment for the allowance for credit losses for collectively evaluated loans, which included:
 - Validating the source information and data used by management in the PD and LGD models by comparing to the relevant internal or external information and data from which it was derived, as well as testing the completeness and accuracy of the source information and data used by management.
 - Evaluating the reasonableness of management's judgments related to the PD and LGD models, which include the internally developed stress scenarios to potential losses based on the inputs to the models that were derived from the underlying source information and data utilized in the determination of the qualitative factors.

/s/ RSM US LLP

We have served as the Bank's auditor since 2015.

Philadelphia, Pennsylvania
August 28, 2026

NORTHEAST BANK
BALANCE SHEETS

(In thousands, except share and per share data)

	June 30, 2026	June 30, 2025
Assets		
Cash and due from banks	\$ 2,908	\$ 2,908
Short-term investments	431,466	410,711
Total cash and cash equivalents	434,374	413,619
Available-for-sale debt securities, at fair value	89,961	15,308
Equity securities, at fair value	7,674	7,396
Total securities	97,635	22,704
Loans held for sale	107,204	33,768
Loans:		
Commercial real estate	3,330,334	2,733,794
Commercial and industrial	1,031,362	903,278
Residential real estate	122,747	119,158
Consumer	345	159
Total loans	4,484,788	3,756,389
Less: Allowance for credit losses	(58,419)	(47,930)
Loans, net	4,426,369	3,708,459
Premises and equipment, net	23,011	24,704
Real estate owned and other possessed collateral, net	9,601	560
Federal Home Loan Bank stock, at cost	36,031	15,295
Loan servicing rights, net	534	699
Bank-owned life insurance	18,788	19,329
Accrued interest receivable	19,419	16,897
Other assets	54,759	23,034
Total assets	<u>\$ 5,227,725</u>	<u>\$ 4,279,068</u>
Liabilities and Shareholders' Equity		
Deposits:		
Demand	\$ 180,140	\$ 159,274
Savings and interest checking	916,915	880,016
Money market	73,640	92,716
Time	2,519,066	2,243,594
Total deposits	3,689,761	3,375,600
Federal Home Loan Bank advances	838,932	320,191
Lease liability	17,286	19,044
Other liabilities	77,893	69,947
Total liabilities	4,623,872	3,784,782
Commitments and contingencies		
Shareholders' equity		
Preferred stock, \$1.00 par value, 1,000,000 shares authorized; no shares issued and outstanding at June 30, 2026 and 2025	—	—
Voting common stock, \$1.00 par value, 25,000,000 shares authorized; 8,555,360 and 8,525,362 shares issued and outstanding at June 30, 2026 and 2025, respectively	8,555	8,525
Non-voting common stock, \$1.00 par value, 3,000,000 shares authorized; No shares issued and outstanding at June 30, 2026 and 2025	—	—
Additional paid-in capital	101,297	98,728
Retained earnings	494,166	387,035
Accumulated other comprehensive loss	(165)	(2)
Total shareholders' equity	603,853	494,286
Total liabilities and shareholders' equity	<u>\$ 5,227,725</u>	<u>\$ 4,279,068</u>

The accompanying notes are an integral part of these financial statements.

NORTHEAST BANK
STATEMENTS OF INCOME

(Dollars in thousands, except share and per share data)

	Years Ended June 30,		
	2026	2025	2024
Interest and dividend income:			
Interest and fees on loans	\$ 350,095	\$ 306,961	\$ 242,722
Interest on available-for-sale securities	1,247	1,677	2,246
Other interest and dividend income	17,608	16,902	12,918
Total interest and dividend income	368,950	325,540	257,886
Interest expense:			
Deposits	127,138	121,981	88,391
Federal Home Loan Bank advances	20,574	15,278	20,032
Obligation under lease agreements	857	908	891
Total interest expense	148,569	138,167	109,314
Net interest and dividend income before provision for credit losses	220,381	187,373	148,572
(Credit) provision for credit losses	(456)	8,744	1,768
Net interest and dividend income after provision for credit losses	220,837	178,629	146,804
Noninterest income:			
Fees for other services to customers	1,338	1,553	1,684
Gain on sales of SBA loans	12,040	23,159	3,296
Net unrealized gain (loss) on equity securities	16	123	(4)
Loss on real estate owned, other repossessed collateral and premises and equipment, net	(297)	-	(29)
Correspondent fee income	331	83	222
Bank-owned life insurance income	925	499	466
Gain on recovery of insured credit losses	1,633	-	-
Other noninterest income	133	40	245
Total noninterest income	16,119	25,457	5,880
Noninterest expense:			
Salaries and employee benefits	54,121	47,983	41,613
Occupancy and equipment expense	4,682	4,553	4,272
Professional fees	3,614	2,594	2,365
Data processing fees	6,512	6,156	5,324
Marketing expense	500	423	1,000
Loan acquisition and collection expense	12,318	8,558	3,255
FDIC insurance expense	1,894	2,367	1,262
Other noninterest expense	6,134	5,756	5,477
Total noninterest expense	89,775	78,390	64,568
Income before income tax expense	147,181	125,696	88,116
Income tax expense	39,705	42,253	29,885
Net income	<u>\$ 107,476</u>	<u>\$ 83,443</u>	<u>\$ 58,231</u>
Weighted-average shares outstanding:			
Basic	8,302,779	8,093,828	7,573,217
Diluted	8,438,218	8,277,547	7,679,007
Earnings per common share:			
Basic	\$ 12.94	\$ 10.31	\$ 7.69
Diluted	12.74	10.08	7.58
Cash dividends declared per common share	\$ 0.04	\$ 0.04	\$ 0.04

The accompanying notes are an integral part of these financial statements.

NORTHEAST BANK
STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	Years Ended June 30,		
	2026	2025	2024
Net income	\$ 107,476	\$ 83,443	\$ 58,231
Other comprehensive (loss) income, before tax:			
Change in net unrealized (loss) gain on available-for-sale securities	(223)	248	733
Total other comprehensive (loss) income, before tax	(223)	248	733
Income tax benefit (expense) related to other comprehensive (loss) income	60	(67)	(198)
Other comprehensive (loss) income, net of tax	(163)	181	535
Comprehensive income	<u>\$ 107,313</u>	<u>\$ 83,624</u>	<u>\$ 58,766</u>

The accompanying notes are an integral part of these financial statements.

NORTHEAST BANK
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In thousands, except share and per share data)

	Preferred Stock		Voting Common Stock		Non-voting Common Stock		Additional Paid-in Capital		Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount					
Balance at June 30, 2023	—	\$ —	7,668,650	\$ 7,669	—	\$ —	\$ 42,840	\$ 246,872	\$ (718)	\$ 296,663	
Cumulative effect adjustment due to adoption of CECL accounting standard under ASC 326, net of income taxes								(870)		(870)	
Net income								58,231		58,231	
Other comprehensive income, net of tax									535	535	
Common stock repurchased			342,896	342			17,901			18,243	
Dividends on common stock at \$0.04 per share								(306)		(306)	
Stock-based compensation							5,302			5,302	
Issuance of restricted common stock			157,991	158			(158)				
Cancellations and forfeiture of restricted common stock			(41,847)	(41)			(1,123)			(1,164)	
Balance at June 30, 2024			8,127,690	8,128			64,762	303,927	(183)	376,634	
Net income								83,443		83,443	
Other comprehensive income, net of tax									181	181	
Common stock issued, net of issuance costs			319,068	319			30,932			31,251	
Dividends on common stock at \$0.04 per share							-	(335)		(335)	
Stock-based compensation							6,777			6,777	
Issuance of restricted common stock			131,456	131			(131)				
Cancellations and forfeiture of restricted common stock			(52,852)	(53)			(3,612)			(3,665)	
Balance at June 30, 2025			8,525,362	8,525			98,728	387,035	(2)	494,286	
Net income								107,476		107,476	
Other comprehensive income, net of tax									(163)	(163)	
Dividends on common stock at \$0.04 per share								(345)		(345)	
Stock-based compensation							7,940			7,940	
Issuance of restricted common stock			88,340	88			(88)				
Cancellations and forfeiture of restricted common stock			(58,342)	(58)			(5,283)			(5,341)	
Balance at June 30, 2026			8,555,360	8,555			101,297	494,166	(165)	603,853	

The accompanying notes are an integral part of these financial statements.

NORTHEAST BANK
STATEMENTS OF CASH FLOWS
(In thousands)

	Years Ended June 30,		
	2026	2025	2024
Operating activities:			
Net income	\$ 107,476	\$ 83,443	\$ 58,231
Adjustments to reconcile net income to net cash provided by operating activities:			
(Credit) provision for credit losses	(456)	8,744	1,768
Loss (gain) recognized on real estate owned and other repossessed collateral and premises and equipment, net	297	—	(11)
Net unrealized (gain) loss on equity securities	(16)	(123)	4
Accretion of loans, net	(76,421)	(62,220)	(44,395)
Originations of loans held for sale	(222,445)	(319,758)	(75,666)
Net proceeds from sales of loans held for sale	156,382	341,686	68,879
Gain on sales of loans held for sale	(12,040)	(23,159)	(3,296)
Decrease in loan servicing rights	165	285	546
Bank-owned life insurance income	(925)	(499)	(466)
Depreciation of premises and equipment	3,143	3,147	3,063
Deferred income tax expense (benefit)	3,009	(2,435)	(285)
Stock-based compensation	7,940	6,777	5,302
Amortization (accretion) of available-for-sale debt securities, net	1	(378)	(316)
Changes in other assets and liabilities:			
Other assets	(36,530)	(666)	(9,926)
Other liabilities	7,881	19,283	(871)
Net cash (used in) provided by operating activities	(62,539)	54,127	2,561
Investing activities:			
Purchases of available-for-sale debt securities	(90,227)	(7,638)	(20,599)
Proceeds from maturities and principal payments on investment securities, net	14,487	41,674	25,827
Loan purchases	(797,268)	(863,165)	(382,047)
Loan originations, principal collections, and purchased loan paydowns, net	150,923	(91,667)	212,006
Proceeds from bank owned life insurance death benefits	1,466	—	—
Purchases and disposals of premises and equipment, net	(1,450)	(707)	(2,450)
Purchases of Federal Home Loan Bank stock	(39,382)	(33,499)	(17,942)
Redemptions of Federal Home Loan Bank stock	18,646	33,955	26,835
Proceeds from sales of real estate owned and other repossessed collateral	641	1,200	120
Net cash used in investing activities	(742,164)	(919,847)	(158,250)
Financing activities:			
Net change in deposits	314,161	1,036,137	402,256
Proceeds from short-term Federal Home Loan Bank advances, net	—	—	(311,000)
Proceeds from long-term Federal Home Loan Bank advances	543,523	—	115,999
Paydowns on long-term Federal Home Loan Bank advances	(24,782)	(24,999)	(22,424)
Dividends paid on common stock	(345)	(335)	(306)
Issuances of common stock	—	31,251	18,243
Repayment of lease liability	(1,758)	(1,208)	(1,666)
Cancellations for tax withholdings on restricted common stock	(5,341)	(3,665)	(1,164)
Net cash provided by financing activities	825,458	1,037,181	199,938
Net change in cash and cash equivalents	20,755	171,461	44,249
Cash and cash equivalents, beginning of year	413,619	242,158	197,909
Cash and cash equivalents, end of year	<u>\$ 434,374</u>	<u>\$ 413,619</u>	<u>\$ 242,158</u>
Supplemental schedule of cash flow information:			
Interest paid	\$ 152,277	\$ 129,653	\$ 108,413

Income taxes paid, net		33,574		41,429		35,517
Supplemental schedule of noncash investing and financing activities:						
Transfers from loans to real estate owned and other repossessed collateral, net	\$	9,979	\$	1,760	\$	129
Transfers from loans to allowance for credit losses at adoption of ASC 326		—		—		18,885
Transfers from retained earnings and deferred tax asset to allowance for credit losses		—		—		1,230

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The accounting and reporting policies of Northeast Bank (the “Bank”) conform to accounting principles generally accepted in the United States of America (“US GAAP”) and conform to practices within the financial services industry.

Business

The Bank is a Maine state-chartered bank. The Bank is subject to supervision and regulation by the Maine Bureau of Financial Institutions (the “Bureau”) and the FDIC. The Bank faces competition from banks and other financial institutions. The Bank provides a range of banking services to individual and corporate customers throughout south-central and western Maine and conducts loan purchasing and origination activities nationwide.

Use of Estimates

The financial statements have been prepared in conformity with US GAAP. In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the balance sheet and reported amounts of revenue and expenses during the reporting periods. Actual results could differ significantly from those estimates.

Material estimates that are particularly susceptible to significant change relate to the ongoing determination of the allowance for credit losses and the initial determination of the allowance for credit losses on loans that are deemed to be purchased credit deteriorated and purchased seasoned loans.

Concentrations of Credit Risk

Most of the Community Banking Division's business activity is with customers located within the State of Maine. However, the business activities of the Bank's National Lending Division and Small Business Division are diversified across the country. In all regions, the Bank's focus is to originate and purchase commercial real estate and commercial and industrial loans and originate small business loans. Repayment of loans is expected from cash flows of the borrower. Losses on secured loans are limited by the value of the collateral upon default of the borrowers. The Bank does not have any significant concentrations to any one industry or customer.

Cash and Cash Equivalents

Cash and due from banks represents cash held on hand at branches and in deposit accounts with other financial institutions. Short-term investments represents balances held on reserve with the Federal Reserve Bank of Boston. For purposes of presentation in the statements of cash flows, cash and cash equivalents consist of cash and due from banks and short-term investments. The Bank is required to maintain a certain reserve balance in the form of cash or deposits with other financial institutions. At June 30, 2026 and 2025, such reserve balances totaled \$1.6 million and \$150 thousand, respectively.

Securities

Securities for which the Bank has the positive intent and ability to hold to maturity are classified as held to maturity and carried at amortized cost. Those securities held for indefinite periods of time, but not necessarily to maturity are classified as available-for-sale. Securities held for indefinite periods of time include securities that management intends to use as part of its asset/liability, liquidity, or capital management strategies and may be sold in response to changes in interest rates, maturities, asset/liability mix, liquidity needs, regulatory capital needs, or other business factors. Debt securities available-for-sale are carried at estimated fair value with unrealized gains and losses reported on an after-tax basis in shareholders' equity as accumulated other comprehensive income or loss. Equity investments measured at net asset value are carried at estimated fair value with changes in unrealized gains and losses recorded in noninterest income in the statements of income.

Interest and dividends on securities are recorded on the accrual method. Premiums and discounts on securities are amortized or accreted into interest income by the level-yield method over the remaining period to contractual maturity, adjusted for the effect of actual prepayments in the case of mortgage-backed securities. These estimates of prepayment assumptions are made based upon the actual performance of the underlying security, current interest rates, the general

market consensus regarding changes in mortgage interest rates, the contractual repayment terms of the underlying loans, the priority rights of the investors to the cash flows from the mortgage securities, and other economic conditions. When differences arise between anticipated prepayments and actual prepayments, the effective yield is recalculated to reflect actual payments to date and anticipated future payments. Unamortized premium or discount is adjusted to the amount that would have existed had the new effective yield been applied since purchase, with a corresponding charge or credit to interest income.

Security transactions are recorded on the trade date. Realized gains and losses are determined using the specific identification method and are recorded in noninterest income.

Expected credit losses on available-for-sale securities are measured for securities in an unrealized loss position and presented as an allowance for credit losses on the balance sheet. In determining the allowance for credit losses, the Bank considers various factors, which include among other considerations (1) the present value of the cash flows expected to be collected compared to the amortized cost of the security, (2) duration and magnitude of the decline in value, (3) the financial condition of the issuer or issuers, and (4) structure of the security. If the Bank does not expect to recover the entire amortized cost basis of the security, an allowance for credit losses for available-for-sale securities would be recorded, with a related charge to earnings, limited by the difference of the amortized cost of the security to its fair value. Subsequent measurements of the ACL for available-for-sale securities may result in a reversal to the allowance for credit losses, not to exceed the amount initially recognized. In addition, the Bank has elected to exclude accrued interest from the measurement of the allowance for credit losses for available-for-sale debt securities and to continue to write-off uncollectible accrued interest receivable by reversing interest income. If the Bank intends to sell, or it is not more likely than not that the Bank will be required to sell a security in an unrealized loss position, before recovery of the amortized cost, then the Bank will recognize the entire difference between the security's amortized cost basis and its fair value as a write-down of the investment balance with a charge to earnings.

Federal Home Loan Bank Stock

During the periods presented, the Bank has owned an investment in the stock of the Federal Home Loan Bank of Boston ("FHLBB"). No readily-available market exists for this stock, and it has no quoted market value. The Bank, as a member of the FHLBB, is required to maintain investments in the capital stock of the FHLBB equal to its membership base investments plus an activity-based investment determined according to the Bank's level of outstanding FHLBB advances. The Bank reviews its investments in FHLBB stock periodically to determine whether an ACL is required. The Bank reviews recent public filings, rating agency analysis, and other factors, when making the determination. As of June 30, 2026, no ACL has been recognized.

Loans Held for Sale and Loan Servicing

Loans originated and held for sale in the secondary market are carried at the lower of cost or fair value with any losses recognized in noninterest income. Primarily all U.S. Small Business Administration ("SBA") loans and insured small balance business loans are designated as held for sale based on intent to sell, which is determined on a monthly basis. The guaranteed portions of the SBA loans are transferred to held for sale and are carried at the lower of cost or fair value. Realized gains and losses on sales of SBA loans are determined using the allocation of participating interests sold and retained and recognized at the point of sale. Direct loan origination costs and fees related to loans held for sale are deferred upon origination and are recognized as an adjustment to the gain or loss on the date of sale.

The Bank has servicing rights related to legacy SBA loans originated and purchased in previous years, which is recognized as an asset and classified in loan servicing rights, net on the balance sheet. No servicing rights are recorded in relation to the Bank's current loan sale activity. Servicing rights were capitalized at the net present value of the fee income and servicing cost spread upon the sale of the related loans. The Bank uses the amortization method to subsequently measure servicing assets. The servicing rights are amortized over the estimated weighted average life of the loans. The Bank's assumptions with respect to prepayments, which affect the estimated average life of the loans, are adjusted quarterly and as necessary to reflect current circumstances. The Bank evaluates the estimated life and fair value of its servicing portfolio based on data that is disaggregated to reflect note rate, type, and term on the underlying loans. The Bank performs an assessment of capitalized SBA servicing rights for impairment based on the current fair value of those rights. Fair value of the servicing rights 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, prepayment speeds, and default rates and losses. Impairment is recognized through a valuation allowance to the extent that fair value is less than the capitalized amount. If the Bank later

determines that all or a portion of the impairment no longer exists, a reduction of the allowance may be recorded as an increase to income.

Loans

Loans are carried at the principal amounts outstanding adjusted by partial charge-offs and net of deferred loan costs or fees and non-credit related purchase discounts or premiums. Loan fees, certain direct origination costs, and purchase discounts and premiums are deferred and amortized into interest income over the expected term of the loan using the level-yield method. When a loan is paid off, the unamortized portion is recognized in interest income. Interest income is accrued based upon the daily principal amount outstanding, except for loans on nonaccrual status.

The Bank has purchased loans, some of which have experienced more than insignificant credit deterioration since origination and are classified as purchased credit deteriorated loans ("PCD"). Any loans which have not experienced more than insignificant credit deterioration since origination and were acquired more than 90 days subsequent to origination are considered purchased seasoned loans ("PSL"). The initial ACL for PCDs and PSLs is determined on an individual basis and allocated to the individual loans. The sum of the loan's purchase price and ACL becomes its initial amortized cost. The difference between the initial amortized cost and the par value of the loan is a discount or premium, which is amortized into interest income over the life of the loan. Subsequent changes to the ACL are recorded through the provision for credit loss expense.

Loans are generally placed on nonaccrual status when they are past due 90 days as to either principal or interest, or when, in management's judgment, the collectability of interest or principal of the loan has been significantly impaired. When a loan has been placed on nonaccrual status, previously accrued and uncollected interest is reversed against interest income on loans. Interest on nonaccrual loans is accounted for using the cost-recovery method when collectability is doubtful. A loan is returned to accrual status when collectability of principal is reasonably assured and the loan has performed for a reasonable period of time.

A loan that has been modified is considered a Troubled Loan Modification ("TLM") when the modification is made to a borrower experiencing financial difficulty and the modification has a direct impact to the contractual cash flows. If both of the aforementioned criteria are met, then the modification is considered a TLM and subject to the enhanced disclosure requirements. The Bank evaluated whether it had granted a concession by comparing the restructured debt terms to the expected cash flows at acquisition plus any additional cash flows expected to be collected arising from changes in estimate after acquisition. As a result, if a loan is modified to be consistent with, or better than, the Bank's expectations at acquisition, the modified loan would generally not qualify as a TLM. Nonaccrual loans that are restructured generally remain on nonaccrual status for a minimum period of six months to demonstrate that the borrower can meet the restructured terms. If the restructured loan is on accrual status prior to being modified, it is reviewed to determine if the modified loan should remain on accrual status. If the borrower's ability to meet the revised payment schedule is not reasonably assured, the loan is classified as a nonaccrual loan.

Allowance for Credit Losses

The ACL represents management's estimate of expected credit losses over the expected life of the loans at the balance sheet date. The ACL is a valuation account that is deducted from the amortized cost basis of loans to present the net amount expected to be collected on the loans. Management evaluates the need for an allowance for unfunded commitments in a manner consistent with the ACL. The allowance for unfunded commitments is accounted for in other liabilities on the balance sheet.

The Bank recognizes lifetime expected credit losses immediately when a financial asset is originated or purchased. The lifetime expected credit losses are re-evaluated on an ongoing basis for the life of the loans. The ACL is comprised of reserves measured on a collective (pool) basis based on a lifetime loss-rate model when similar risk characteristics exist. Loans that do not share risk characteristics are evaluated on an individual basis. Loans, or portions thereof, are charged off against the allowance when they are deemed uncollectible. Recoveries of amounts previously charged off are recorded through the ACL.

The Bank manages its loan portfolio proactively to effectively identify problem credits and assess trends early, implement effective work-out strategies, and take charge-offs as promptly as deemed necessary and practical. In addition, the Bank continuously reassesses its underwriting standards in response to credit risk posed by changes in economic conditions.

Segmentation

For the purpose of determining the ACL on loans, the Bank disaggregates its loans into portfolio segments. Each portfolio segment possesses unique risk characteristics that are considered when determining the appropriate level of allowance. As of June 30, 2026 and 2025, the Bank's loan portfolio segments, as determined based on the unique risk characteristics of each, include the following:

- *Commercial Real Estate – Non-Owner-Occupied (Commercial Real Estate: NOO)*: Non-owner-occupied commercial real estate loans are, in substance, all commercial real estate loans that are not categorized by the Bank as owner-occupied commercial real estate loans. Non-owner-occupied commercial real estate loans are investment properties for which the primary source for repayment of the loan by the borrower is derived from rental income associated with the property or the proceeds of the sale, refinancing, or permanent refinancing of the property. Non-owner-occupied commercial real estate loans consist of mortgage loans to finance investments in real property that may include, but are not limited to, multi-family residential, commercial/retail office space, industrial/warehouse space, hotels, assisted living facilities, and other specific use properties. This segment also includes construction loans. Collateral values are determined based upon appraisals and evaluations in accordance with established policy guidelines. Maximum loan-to-value ratios at origination are governed by established policy and regulatory guidelines. This segment is further broken out as follows:
 - Pass: This sub-segment includes all pass-rated loans.
 - Criticized: This sub-segment includes all criticized loans (special mention, substandard, and lower).
- *Commercial Real Estate – Owner-Occupied (Commercial Real Estate: OO)*: Generally, owner-occupied commercial real estate loans are properties that are owned and operated by the borrower, and the primary source for repayment is the cash flow from the ongoing operations and activities conducted by the borrower's business. Owner-occupied commercial real estate loans consist of mortgage loans to finance investments in real property that may include, but are not limited to, commercial/retail office space, restaurants, and other specific use properties. Collateral values are determined based upon appraisals and evaluations in accordance with established policy guidelines. Maximum loan-to-value ratios at origination are governed by established policy and regulatory guidelines. This segment is further broken out as follows:
 - Pass: This sub-segment includes all pass-rated loans.
 - Criticized: This sub-segment includes all criticized loans (special mention, substandard, and lower).
- *Commercial and Industrial (C&I)*: Loans in this segment are made to businesses and are generally secured by the assets of the business. Repayment is expected from the cash flows of the business. This segment also includes loans to non-bank lenders, which are generally secured by a collateral assignment of the notes and mortgages on loans originated by the non-bank lenders. This segment is further broken out as follows:
 - Pass: This sub-segment includes all pass-rated loans.
 - Criticized: This sub-segment includes all criticized loans (special mention, substandard, and lower).
- *Residential Real Estate*: All loans in this segment are collateralized by residential real estate and repayment is primarily dependent on the credit quality, loan-to-value ratio, and income of the individual borrower. The overall health of the economy, particularly unemployment rates and housing prices, has a significant effect on the credit quality in this segment. This segment also includes home equity loans and lines of credit.
- *Consumer*: Loans in this segment are generally unsecured, and repayment is dependent on the credit quality of the individual borrower. Repayment of consumer loans is generally based on the earnings of individual borrowers, which may be adversely impacted by regional labor market conditions.

For residential and consumer loans, a charge-off is recorded no later than the point at which a loan is 180 days past due if the loan balance exceeds the fair value of the collateral, less estimated costs to sell. For commercial loans, a charge-off is recorded on a case-by-case basis when all or a portion of the loan is deemed to be uncollectible. Subsequent recoveries, if any, are credited to the allowance.

Premises and Equipment

Premises and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are computed by the straight-line method over the estimated useful lives of the assets or the respective lease terms, whichever is shorter. Right of use assets are included in premises and equipment and amortized over the lease term or

estimated useful life, whichever is shorter. Maintenance and repairs are charged to expense as incurred and the cost of major renewals and betterments are capitalized.

Real Estate Owned and Other Repossessed Collateral

Assets in control of the Bank or acquired through foreclosure or repossession are held for sale and are initially recorded at the lower of amortized cost of the loan which was foreclosed upon or repossessed or fair value less estimated costs to sell at the date control is established, resulting in a new cost basis. The amount by which the recorded investment in the loan exceeds the fair value (net of estimated cost to sell) of the foreclosed asset is charged to the allowance for credit losses. Subsequent declines in the fair value of the foreclosed asset below the new cost basis are recorded through the use of a valuation allowance or through a direct write-off. Subsequent increases in the fair value may only be recorded to the extent of any previously recognized valuation allowance. Rental revenue received and gains and losses recognized on foreclosed assets are included in other noninterest income, whereas operating expenses and changes in the valuation allowance relating to foreclosed assets are included in other noninterest expense.

Impairment of Long-Lived Assets

The Bank reviews long-lived assets, including premises and equipment, for impairment whenever events or changes in business circumstances indicate that the remaining useful life may warrant revision or that the carrying amount of the long-lived asset may not be fully recoverable. The Bank performs discounted cash flow analyses to determine if impairment exists. If impairment is determined to exist, any related impairment loss is calculated based on fair value. Impairment losses on assets to be disposed of, if any, are based on the estimated proceeds to be received, less costs of disposal.

Bank-Owned Life Insurance

Increases in the cash surrender value of bank-owned life insurance policies, as well as death benefits received net of any cash surrender value, are recorded in noninterest income, and are not subject to income taxes. The cash surrender values of the policies not previously endorsed to participants are recorded as assets of the Bank. Any amounts owed to participants relating to these policies are recorded as liabilities of the Bank. The Bank reviews the financial strength of the insurance carriers prior to the purchase of life insurance policies and no less than annually thereafter.

Revenue Recognition

A portion of the Bank's noninterest income is derived from contracts with customers, and as such, the revenue recognized depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Bank expects to be entitled in exchange for those goods or services. The Bank accounts for such revenues in accordance with ASC 606 - Revenue from Contracts with Customers and considers the terms of the contract and all relevant facts and circumstances when applying this guidance. To ensure its alignment with this core principle, the Bank measures revenue and the timing of recognition by applying the following five steps:

1. Identify the contract(s) with customers
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognize revenue when (or as) the entity satisfies a performance obligation

The primary areas of income within the scope of ASC 606, deposit and interchange fees, are components of noninterest income in the Bank's Statements of Income and are discussed below.

Deposit and interchange fees are comprised of deposit account related charges and income generated from electronic payment interchanges. Deposit account charges consist of certain transactional analysis fees net of earning balance credits, monthly account service fees, and transactional fees, such as overdraft fees. Analysis and monthly account services fees are recognized over the period the service is performed. For transactional fees, the revenue is recognized at a point of time and payment is typically received as the service is rendered. Interchange income is generated primarily from retail debit card transactions processed through the card payment network. The revenue is recognized when the service is performed.

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. The Bank's policy is to recognize interest and penalties assessed on uncertain tax positions in income tax expense (See Note 9). The Bank exercises judgment in evaluating the amount and timing of recognition of the resulting tax assets and liabilities. Additionally, see Note 9 for detail regarding reserves for uncertain tax positions as of June 30, 2026 and 2025.

Excess tax benefits or deficiencies in relation to stock-based compensation are recorded in the income statement as part of the income tax expense on a prospective basis. For interim reporting purposes, the excess tax benefits or deficiencies are recorded as discrete items in the period in which they arise. Excess tax benefits are presented as an operating activity in the statement of cash flows. The total income tax benefit recorded in income tax expense relating to excess tax benefits on stock-based compensation for the years ended June 30, 2026, 2025, and 2024 was \$888 thousand, \$253 thousand, and \$165 thousand, respectively.

Stock-Based Compensation

The Bank's stock-based compensation plans provide for awards of stock options, restricted stock, and other stock-based compensation to directors, officers and employees. The cost of employee services received in exchange for awards of equity instruments is based on the grant-date fair value of those awards. Compensation cost is recognized over the requisite service period as a component of compensation expense. For awards with graded vesting, compensation cost is recognized on a straight-line basis over the requisite service period for the entire award. The Bank uses the market price of the Bank's common stock at the date of grant for restricted stock awards.

Derivative Instruments

Derivative instruments are carried on the balance sheet as other assets or other liabilities at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument is determined by whether it has been designated and qualifies as part of a hedging relationship, and, further, by the type of hedging relationship. As of June 30, 2026, all of the Bank's derivative instruments were designated as fair value hedges. Gains and losses on derivative instruments designated as fair value hedges, as well as the change in the fair value on the hedged item, are recorded in noninterest income in the statements of income. Gains and losses due to changes in the fair value of the interest rate swap agreements offset changes in the fair value of the hedged portion of the hedged item. At the inception of a hedge, the Bank documents certain items, including but not limited to the following: the relationship between hedging instruments and hedged items, Bank risk management objectives, hedging strategies, and the evaluation of hedge transaction effectiveness. Documentation includes linking all derivatives designated as hedges to specific assets and liabilities on the balance sheet or to specific forecasted transactions.

Comprehensive Income

Comprehensive income consists of net income and other comprehensive income (loss). Other comprehensive income (loss) includes unrealized gains and losses on securities available-for-sale for the portion of unrealized gains and losses which are not offset by a change in the fair value of a fair value hedge.

Earnings Per Share

Basic earnings per share is calculated using the two-class method. The two-class method is an earnings allocation formula under which earnings per share is calculated from common stock and participating securities according to dividends declared and participation rights in undistributed earnings. Under this method, all earnings distributed and undistributed, are allocated to participating securities and common shares based on their respective rights to receive dividends. Unvested share-based payment awards that contain non-forfeitable rights to dividends are considered participating securities (i.e., unvested restricted stock), not subject to performance-based measures. Basic earnings per share is calculated by dividing net income available to common shareholders by the weighted-average number of common shares outstanding (inclusive of participating securities). Diluted earnings per share have been calculated in a manner similar to that of basic earnings per share, except that the weighted-average number of common shares outstanding is increased to include the number of

additional common shares that would have been outstanding if all potentially dilutive common shares (such as those resulting from the exercise of stock options or the attainment of performance measures) were issued during the period, computed using the treasury stock method.

Transfer of Financial Assets

Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Bank, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and (3) the Bank does not maintain effective control over the transferred assets. We have no repurchase agreements in place with respect to financial assets.

Transfers of a portion of a loan must meet the criteria of a participating interest to qualify as a transfer of a financial asset. If it does not meet the criteria of a participating interest, the transfer must be accounted for as a secured borrowing. In order to meet the criteria for a participating interest, all cash flows from the loan must be divided proportionately, the rights of each loan holder must have the same priority, and the loan holders must have no recourse to the transferor other than standard representations and warranties and no loan holder has the right to pledge or exchange the entire loan.

The Bank sells financial assets in the normal course of business, the majority of which are related to the SBA-guaranteed portion of SBA loans, as well as commercial loan sales through participation agreements, and other individual or portfolio loan and securities sales. In accordance with accounting guidance for asset transfers, the Bank considers any ongoing involvement with transferred assets in determining whether the assets can be derecognized from the balance sheet. With the exception of servicing, the Bank's continuing involvement with financial assets sold is minimal and generally limited to market customary representation and warranty clauses.

When the Bank sells financial assets, it may retain servicing rights and/or other interests in the financial assets. The gain or loss on sale depends on the previous carrying amount of the transferred financial assets, the servicing right recognized (if any), the consideration received, and any liabilities incurred in exchange for the transferred assets. Upon transfer, any servicing assets and other interests held by the Bank are carried at the lower of cost or fair value.

Advertising Costs

Advertising costs are expensed as incurred.

Segment Reporting

The Bank is managed and operated using a single segment concept, as one reportable business segment. See Note 16 — Segment Reporting for more information.

Recent Accounting Pronouncements

In December 2023, the FASB issued Accounting Standards Update (“ASU”) 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. This ASU modifies the rules on income tax disclosures to require entities to disclose (1) specific categories in the rate reconciliation, (2) the income or loss from continuing operations before income tax expense or benefit (separated between domestic and foreign), and (3) income tax expense or benefit from continuing operations (separated by federal, state, and foreign). This ASU also requires entities to disclose their income tax payments to international, federal, state and local jurisdictions, among other changes. This ASU takes effect in annual reporting periods beginning after December 15, 2024. The Bank adopted this guidance on a prospective basis beginning with the annual period ending June 30, 2026 and has provided these enhanced income tax disclosures in Note 9. Income Taxes of these Notes to Financial Statements.

In November 2025, the FASB issued ASU 2025-08, *Financial Instruments—Credit Losses (Topic 326): Purchased Loans*. This ASU expands the use of the gross-up method to purchased financial assets without credit deterioration (“non-PCD assets”) that are ‘purchased seasoned loans’ and provides criteria for determining whether non-PCD assets qualify as ‘purchased seasoned loans’. The initial ACL for purchased seasoned loans is recognized as a component of the purchase price, as opposed to through the Provision for Credit Losses. The Bank adopted this standard on a prospective basis as of October 1, 2025 and the amendments in this ASU are applied to loans that are acquired on or after this date. Since adoption, the Bank has purchased \$703.7 million in unpaid principal balance of loans to which this standard is applicable.

An initial ACL of \$2.2 million was recognized as a component of the purchase price for the purchased seasoned loans within these pools.

2. Securities

The following presents a summary of the amortized cost, gross unrealized holding gains and losses, and fair value of securities:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
June 30, 2026	(In thousands)			
Agency commercial mortgage-backed securities	\$ 90,230	\$ —	\$ (819)	\$ 89,411
Agency mortgage-backed securities	558	—	(8)	550
Total available-for-sale debt securities	90,788	—	(827)	89,961
Equity investments measured at net asset value	8,310	—	(636)	7,674
Total securities	<u>\$ 99,098</u>	<u>\$ —</u>	<u>\$ (1,463)</u>	<u>\$ 97,635</u>
June 30, 2025				
U.S. Government agency securities	\$ 13,997	\$ 31	\$ (2)	\$ 14,026
Agency mortgage-backed securities	1,314	—	(32)	1,282
Total available-for-sale debt securities	15,311	31	(34)	15,308
Equity investments measured at net asset value	8,048	—	(652)	7,396
Total securities	<u>\$ 23,359</u>	<u>\$ 31</u>	<u>\$ (686)</u>	<u>\$ 22,704</u>

At June 30, 2026, the Bank held no securities of any single issuer (excluding the U.S. Government and federal agencies) with a book value that exceeded 10% of shareholders' equity.

When securities are sold, the adjusted cost of the specific security sold is used to compute the gain or loss on sale. There were no securities sold during the years ended June 30, 2026, 2025, or 2024. At June 30, 2026, securities with a fair value of \$90.0 million were pledged as collateral to secure potential FHLBB advances, compared to \$15.3 million at June 30, 2025.

The following summarizes the Bank's gross unrealized losses and fair values aggregated by investment category and length of time that individual debt securities have been in a continuous unrealized loss position:

	Less than 12 Months		More than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
June 30, 2026	(In thousands)					
Agency commercial mortgage-backed securities	\$ 89,411	\$ (819)	\$ —	\$ —	\$ 89,411	\$ (819)
Agency mortgage-backed securities	—	—	550	(8)	550	(8)
Total available-for-sale securities	<u>\$ 89,411</u>	<u>\$ (819)</u>	<u>\$ 550</u>	<u>\$ (8)</u>	<u>\$ 89,961</u>	<u>\$ (827)</u>
June 30, 2025						
U.S. Government agency securities	\$ 3,000	\$ (2)	\$ —	\$ —	\$ 3,000	\$ (2)
Agency mortgage-backed securities	—	—	1,282	(32)	1,282	(32)
Total available-for-sale securities	<u>\$ 3,000</u>	<u>\$ (2)</u>	<u>\$ 1,282</u>	<u>\$ (32)</u>	<u>\$ 4,282</u>	<u>\$ (34)</u>

At June 30, 2026 and 2025, all of the Bank's debt securities were issued or guaranteed by either government agencies or government-sponsored enterprises. As a result, the Bank has determined these securities to have a zero-loss expectation and did not recognize an allowance for credit losses on these securities at June 30, 2026 and 2025. The unrealized losses on the Bank's securities at June 30, 2026 and 2025 are attributable to changes in interest rates.

The Bank does not intend to sell these securities and has determined, based upon available evidence, that it is more likely than not that the Bank will not be required to sell these securities before the recovery of its amortized cost basis.

The securities measured at net asset value include a fund that seeks to invest in securities either issued or guaranteed by the U.S. government or its agencies, as well as a fund that primarily invests in the federally guaranteed portion of SBA 7(a) loans that adjust quarterly or monthly and are indexed to the Prime Rate. The underlying composition of these funds is primarily government agencies, other investment-grade securities, or the guaranteed portion of SBA 7(a) loans, as applicable. As of June 30, 2026, the effective duration of the fund that seeks to invest in securities either issued or guaranteed by the U.S. government or its agencies is 4.37 years.

The amortized cost and fair values of available-for-sale debt securities by contractual maturity are shown below as of June 30, 2026. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized Cost	Fair Value
	(In thousands)	
Due within one year	\$ —	\$ —
Due after one year through five years	—	—
Due after five years through ten years	90,230	89,411
Due after ten years	—	—
Agency mortgage-backed securities	558	550
Total available-for-sale debt securities	<u>\$ 90,788</u>	<u>\$ 89,961</u>

3. Loans, Allowance for Credit Losses and Credit Quality

The composition of the Bank's loan portfolio is as follows on the dates indicated.

	June 30, 2026	June 30, 2025
	(In thousands)	
Commercial real estate: NOO Pass	\$ 3,161,364	\$ 2,615,349
Commercial real estate: NOO Criticized	34,109	30,133
Commercial real estate: O/O Pass	269,738	253,469
Commercial real estate: O/O Criticized	5,683	9,887
Commercial and industrial Pass	1,016,535	891,883
Commercial and industrial Criticized	13,958	9,812
Residential real estate	125,159	122,780
Consumer	346	160
	<u>4,626,892</u>	<u>3,933,473</u>
Net deferred loan (fees) costs	(1,401)	2,025
Net discount on purchased loans	(140,703)	(179,109)
Allowance for credit losses	(58,419)	(47,930)
Loans, net	<u>\$ 4,426,369</u>	<u>\$ 3,708,459</u>

Loans pledged as collateral with the FHLBB for outstanding borrowings totaled \$2.10 billion and \$1.69 billion and provided additional borrowing capacity which totaled \$708.2 million and \$858.5 million, at June 30, 2026 and 2025, respectively.

The Bank sold no National Lending Division purchased loans during the years ended June 30, 2026, 2025, and 2024.

During the years ended June 30, 2026 and 2025, the Bank purchased loans with a total investment basis of \$797.3 million and \$863.2 million, respectively.

Related Party Loans

Certain of the Bank's related parties are credit customers of the Bank in the ordinary course of business. All loans and commitments included in such transactions are on such terms, including interest rates, repayment terms, and collateral, as

those prevailing at the time for comparable transactions with persons who are not affiliated with the Bank and do not involve more than a normal risk of collectability or present other features unfavorable to the Bank.

There were no loans outstanding to directors, officers, principal shareholders, and their associates as of June 30, 2026 and 2025.

Allowance for Credit Losses

The ACL represents management's estimate of expected credit losses over the expected life of the loans at the balance sheet date. The ACL is a valuation account that is deducted from the amortized cost basis of loans to present the net amount expected to be collected on the loans. Management evaluates the need for an allowance for unfunded commitments in a manner consistent with the ACL. The allowance for unfunded commitments is accounted for in other liabilities on the balance sheet.

The Bank recognizes lifetime expected credit losses immediately when a financial asset is originated or purchased. The lifetime expected credit losses are re-evaluated on an ongoing basis for the life of the loans. The ACL is comprised of reserves measured on a collective (pool) basis based on a lifetime loss-rate model when similar risk characteristics exist. Loans that do not share risk characteristics are evaluated on an individual basis. Loans, or portions thereof, are charged off against the allowance when they are deemed uncollectible. Recoveries of amounts previously charged off are recorded through the ACL.

The Bank manages its loan portfolio proactively to effectively identify problem credits and assess trends early, implement effective work-out strategies, and take charge-offs as promptly as deemed necessary and practical. In addition, the Bank continuously reassesses its underwriting standards in response to credit risk posed by changes in economic conditions.

See Note 1 for further information on the Bank's methodology for its ACL.

The following table presents the Bank's activity in the ACL by portfolio segment for the period ended:

	Beginning Balance	Initial Allowance on Purchased Loans	Credit Loss Expense	Charge-Offs	Recoveries	Total
<u>Year Ended June 30, 2026</u>	(In thousands)					
CRE NOO Pass	\$ 32,061	\$ 20,266	\$ (15,887)	\$ (255)	\$ —	\$ 36,185
CRE NOO Criticized	2,072	91	3,672	(2,269)	18	3,584
CRE O/O Pass	937	441	(77)	—	—	1,301
CRE O/O Criticized	658	—	199	(656)	93	294
C&I Pass	8,639	21	1,108	(9)	—	9,759
C&I Criticized	2,401	—	10,741	(7,084)	123	6,181
Residential Real Estate	1,162	144	(199)	—	8	1,115
Consumer	—	—	(13)	(9)	22	—
Total	<u>\$ 47,930</u>	<u>\$ 20,963</u>	<u>\$ (456)</u>	<u>\$ (10,282)</u>	<u>\$ 264</u>	<u>\$ 58,419</u>

	Beginning Balance	Initial Allowance on Purchased Loans	Credit Loss Expense	Charge-Offs	Recoveries	Total
<u>Year Ended June 30, 2025</u>			(In thousands)			
CRE NOO Pass	\$ 17,259	\$ 18,518	\$ (3,716)	\$ —	\$ —	\$ 32,061
CRE NOO Criticized	1,421	—	3,648	(3,377)	380	2,072
CRE O/O Pass	657	166	115	—	—	938
CRE O/O Criticized	784	—	542	(669)	—	657
C&I Pass	4,657	—	4,022	(40)	—	8,639
C&I Criticized	1,165	—	3,612	(2,546)	170	2,401
Residential Real Estate	766	84	507	(341)	146	1,162
Consumer	—	—	14	(14)	—	—
Total	<u>\$ 26,709</u>	<u>\$ 18,768</u>	<u>\$ 8,744</u>	<u>\$ (6,987)</u>	<u>\$ 696</u>	<u>\$ 47,930</u>

	Beginning Balance	CECL Impact	Initial Allowance on Purchased Loans	Credit Loss Expense	Charge-Offs	Recoveries	Total
<u>Year Ended June 30, 2024</u>				(In thousands)			
CRE NOO Pass	\$ 2,919	\$ 11,922	\$ 2,725	\$ (307)	\$ —	\$ —	\$ 17,259
CRE NOO Criticized	491	1,177	—	1,101	(1,348)	—	1,421
CRE O/O Pass	510	325	71	(249)	—	—	657
CRE O/O Criticized	401	560	—	411	(668)	80	784
C&I Pass	1,829	3,379	884	(1,264)	(171)	—	4,657
C&I Criticized	864	2,463	—	1,759	(3,955)	34	1,165
Residential Real Estate	281	298	—	262	(82)	7	766
Consumer	9	(9)	—	55	(55)	—	—
Total	<u>\$ 7,304</u>	<u>\$ 20,115</u>	<u>\$ 3,680</u>	<u>\$ 1,768</u>	<u>\$ (6,279)</u>	<u>\$ 121</u>	<u>\$ 26,709</u>

Methodology

The ACL consists of two components: a loan-specific component for estimating credit losses for individual loans that do not share similar risk characteristics with other loans; and a pooled component for estimating credit losses for pools of loans that share similar risk characteristics.

Loans Individually Evaluated

Loans that do not share risk characteristics with existing pools, which are primarily loans with a principal balance in excess of \$50 thousand on nonaccrual status and/or risk-rated substandard or worse, are evaluated on an individual basis. The specific credit loss reserve is calculated as the amount by which the amortized cost basis of the financial asset exceeds the fair value of the underlying collateral less estimated cost to sell. The allowance against any such loan may be zero if the fair value of the collateral less estimated cost to sell at the measurement date exceeds the amortized cost basis of that specific loan. For all performing individually significant PCD loans, the allowance is calculated under the discounted cash flow approach, where the expected cash flows are discounted to the reporting date and compared to the amortized cost basis of the financial asset.

Loans Collectively Evaluated

Management segments loans of similar risk characteristics using the open pool method. Each segment's loss rate is calculated using net charge-offs over the expected average life of each segment, divided by the average loan balance over that same period. The historic loss factor is an average of the loss rate over a three-year look-back period. These historic loss factors are then adjusted up or down based on management's assessment of quantitative and qualitative factors to reflect the extent to which the historic experience does not reflect future expectations of the current portfolio.

During the quarter ended June 30, 2024, the Bank updated its ACL for loans methodology to include most purchased loans in loans collectively evaluated, with the exception of loans on nonaccrual status and/or risk-rated substandard or worse and

individually significant PCD loans. Previously, the Bank separately evaluated all purchased loans individually, based on the fair value of the underlying collateral less estimated costs to sell as compared to the amortized cost basis. The change did not have a material impact on the ACL for loans at June 30, 2024.

Assumptions and Inputs in Quantitative and Qualitative ACL

Assumptions and model inputs are reviewed in accordance with model monitoring practices and as information becomes available. As of June 30, 2026, the significant model inputs and assumptions used within the model for purposes of estimating the ACL on loans collectively were:

Macroeconomic (loss) drivers. The following macroeconomic variables were used to calculate the expected probability of default over the forecast and reversion period:

- Real gross domestic product, or GDP, growth
- Unemployment rate
- Housing and commercial real estate, or CRE, price indices
- Interest rate spreads

The forecasts utilized at June 30, 2026 reflect the immediate and longer-term effects of inflationary conditions, lower GDP growth, and higher unemployment.

Reasonable and supportable forecast period. The model utilizes a two-year reasonable and supportable forecast period which reverts to long-term expectations on a straight-line basis over a one year period.

Prepayment speeds. The estimate of prepayment speed for each loan segment was derived using internally sourced prepayment data, which is updated at least annually or more frequently, if needed.

Qualitative factors. The Bank's qualitative assessment considers nine environmental factors that potentially impact the expected losses within the loan portfolio, with an additional factor designed to address model limitations. The qualitative adjustment recorded for the collective component is derived from an estimate of expected credit losses calculated using an internally developed probability of default ("PD") and loss given default ("LGD") model. The PD represents the best estimate of the loans in the portfolio to enter a state of default. This is inherently forward-looking and therefore incorporates both recent data as well as supportable estimates of the future delinquency of the portfolio, considering the effect of reasonable and supportable forecasts as appropriate. In order to quantify losses in the event of default, the LGD is derived from a combination of internal loss data on loan portfolios that have experienced losses and the Bank's internally developed risk scenarios on the underlying real estate collateral securing loans for loans with limited loss history. Beginning in December 2024, the Bank implemented a further qualitative adjustment to the collective component of the ACL on the purchased loan portfolio. This adjustment utilizes a loan level collateral assessment to establish a baseline collective ACL for purchased loans and then scales this baseline based on recent collateral trends.

As of June 30, 2026, management believes that the methodology for calculating the allowance is sound and that the allowance provides a reasonable basis for determining and reporting on expected losses over the lifetime of the Bank's loan portfolios.

Credit Quality

The Bank utilizes an eleven-point internal loan rating system for commercial real estate, construction, commercial and industrial, and certain residential loans as follows:

Loans rated 1-6, and 11: Loans in these categories are considered "pass" rated loans. Loans in categories 1-5 are considered to have low to average risk. Loans rated 6 are considered marginally acceptable business credits and have more than average risk. Loans rated 11, or the P Portfolio, are loans that are managed by exception. These are typically higher-quality loans with relatively low exposures and deemed to require minimal management.

Loans rated 7: Loans in this category are considered "special mention." These loans show signs of potential weakness and are being closely monitored by management.

Loans rated 8: Loans in this category are considered “substandard.” Loans classified as substandard are inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Assets so classified have a well-defined weakness or weaknesses that jeopardize the orderly repayment of the debt.

Loans rated 9: Loans in this category are considered “doubtful.” Loans classified as doubtful have all the weaknesses inherent in one graded 8 with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions and values, highly questionable and improbable.

Loans rated 10: Loans in this category are considered “loss” and of such little value that their continuance as loans is not warranted.

On an annual basis, or more often if needed, the Bank formally reviews the credit quality and ratings of all loans subject to risk ratings. Annually, the Bank engages an independent third-party to review a significant portion of loans within these segments. Management considers the results of these reviews when evaluating its qualitative factors. Risk ratings on purchased loans, with and without evidence of credit deterioration at acquisition, are determined relative to the Bank’s recorded investment in that loan, which may be significantly lower than the loan’s unpaid principal balance. The Bank typically does not assign risk ratings to Community Banking Division’s residential real estate loans; however, management reviews certain credit indicators, such as delinquency and nonaccrual status, to identify any loans which should be evaluated individually.

Based on the most recent analysis performed, the risk category of loans by portfolio segment by vintage was as follows as of and for the dates indicated (origination year is on a calendar year basis). Balances include net deferred loan fees of \$1.4 million and net discount on purchased loans of \$140.7 million.

	2026	2025	2024	2023	2022	Prior	Revolving	Total
<u>As of and for the year ended June 30, 2026</u>	(In thousands)							
Commercial real estate – non-owner-occupied								
Pass	\$ 168,315	\$ 221,899	\$ 55,766	\$ 74,437	\$ 629,304	\$ 1,867,052	\$ 18,449	\$ 3,035,222
Special Mention	—	—	—	—	9,418	7,799	—	17,217
Substandard or lower	—	—	2,295	—	2,295	7,611	—	12,201
Total commercial real estate – non owner-occupied	<u>\$ 168,315</u>	<u>\$ 221,899</u>	<u>\$ 58,061</u>	<u>\$ 74,437</u>	<u>\$ 641,017</u>	<u>\$ 1,882,462</u>	<u>\$ 18,449</u>	<u>\$ 3,064,640</u>
Current period gross charge-offs	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,075</u>	<u>\$ 449</u>	<u>\$ —</u>	<u>\$ 2,524</u>
Commercial real estate – owner-occupied								
Pass	\$ 5,811	\$ 21,568	\$ 3,303	\$ 4,191	\$ 51,157	\$ 175,681	\$ —	\$ 261,711
Special Mention	—	—	—	—	—	868	—	868
Substandard or lower	—	—	—	—	37	3,078	—	3,115
Total commercial real estate – owner-occupied	<u>\$ 5,811</u>	<u>\$ 21,568</u>	<u>\$ 3,303</u>	<u>\$ 4,191</u>	<u>\$ 51,194</u>	<u>\$ 179,627</u>	<u>\$ —</u>	<u>\$ 265,694</u>
Current period gross charge-offs	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 656</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 656</u>
Commercial and industrial								
Pass	\$ 281,708	\$ 412,293	\$ 220,326	\$ 57,455	\$ 13,984	\$ 30,191	\$ 1,808	\$ 1,017,765
Special Mention	5	3,538	2,404	307	32	47	—	6,333
Substandard or lower	792	2,580	2,507	191	19	1,175	—	7,264
Total commercial and Industrial	<u>\$ 282,505</u>	<u>\$ 418,411</u>	<u>\$ 225,237</u>	<u>\$ 57,953</u>	<u>\$ 14,035</u>	<u>\$ 31,413</u>	<u>\$ 1,808</u>	<u>\$ 1,031,362</u>
Current period gross charge-offs	<u>\$ 9</u>	<u>\$ 4,468</u>	<u>\$ 1,538</u>	<u>\$ 114</u>	<u>\$ 960</u>	<u>\$ 3</u>	<u>\$ 1</u>	<u>\$ 7,093</u>
Residential real estate								
Pass	\$ 6,507	\$ 27,529	\$ 1,998	\$ 11,331	\$ 25,365	\$ 47,506	\$ 82	\$ 120,318
Special Mention	—	—	—	—	—	—	—	—
Substandard or lower	—	—	—	—	2,347	82	—	2,429
Total Residential real estate	<u>\$ 6,507</u>	<u>\$ 27,529</u>	<u>\$ 1,998</u>	<u>\$ 11,331</u>	<u>\$ 27,712</u>	<u>\$ 47,588</u>	<u>\$ 82</u>	<u>\$ 122,747</u>
Current period gross charge-offs	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Consumer	<u>\$ —</u>	<u>\$ 256</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 89</u>	<u>\$ —</u>	<u>\$ 345</u>
Current period gross charge-offs	<u>\$ —</u>	<u>\$ 9</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 9</u>

	2025	2024	2023	2022	2021	Prior	Revolving	Total
<u>As of and for the Year Ended June 30, 2025</u>								
	(In thousands)							
Commercial real estate – non-owner-occupied								
Pass	\$ 65,491	\$ 83,145	\$ 88,167	\$ 469,271	\$ 402,947	\$ 1,327,222	\$ 14,703	\$ 2,450,946
Special Mention	—	—	-	607	—	6,314	—	\$ 6,921
Substandard or lower	—	—	—	2,380	-	19,291	—	\$ 21,671
Total commercial real estate – non owner-occupied	<u>\$ 65,491</u>	<u>\$ 83,145</u>	<u>\$ 88,167</u>	<u>\$ 472,258</u>	<u>\$ 402,947</u>	<u>\$ 1,352,827</u>	<u>\$ 14,703</u>	<u>\$ 2,479,538</u>
Current period gross charge-offs	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 3,377</u>	<u>\$ —</u>	<u>\$ 3,377</u>
Commercial real estate – owner-occupied								
Pass	\$ 6,306	\$ 4,397	\$ 11,966	\$ 43,258	\$ 12,321	\$ 167,977	\$ —	\$ 246,225
Special Mention	—	—	—	—	—	4,193	—	\$ 4,193
Substandard or lower	—	—	-	36	—	3,800	—	\$ 3,836
Total commercial real estate – owner-occupied	<u>\$ 6,306</u>	<u>\$ 4,397</u>	<u>\$ 11,966</u>	<u>\$ 43,294</u>	<u>\$ 12,321</u>	<u>\$ 175,970</u>	<u>\$ —</u>	<u>\$ 254,254</u>
Current period gross charge-offs	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 669</u>	<u>\$ —</u>	<u>\$ 669</u>
Commercial and industrial								
Pass	\$ 349,406	\$ 335,229	\$ 93,957	\$ 57,206	\$ 14,344	\$ 43,148	\$ 153	\$ 893,443
Special Mention	205	2,387	552	54	—	62	—	\$ 3,260
Substandard or lower	147	870	157	3,910	—	1,491	—	\$ 6,575
Total commercial and Industrial	<u>\$ 349,758</u>	<u>\$ 338,486</u>	<u>\$ 94,666</u>	<u>\$ 61,170</u>	<u>\$ 14,344</u>	<u>\$ 44,701</u>	<u>\$ 153</u>	<u>\$ 903,278</u>
Current period gross charge-offs	<u>\$ 527</u>	<u>\$ 707</u>	<u>\$ 272</u>	<u>\$ 11</u>	<u>\$ —</u>	<u>\$ 1,069</u>	<u>\$ —</u>	<u>\$ 2,586</u>
Residential real estate								
Pass	\$ 25,432	\$ 330	\$ 10,633	\$ 25,292	\$ 10,499	\$ 43,826	\$ 160	\$ 116,172
Special Mention	—	—	—	—	—	—	—	\$ —
Substandard or lower	—	—	-	2,202	-	784	—	\$ 2,986
Total Residential real estate	<u>\$ 25,432</u>	<u>\$ 330</u>	<u>\$ 10,633</u>	<u>\$ 27,494</u>	<u>\$ 10,499</u>	<u>\$ 44,610</u>	<u>\$ 160</u>	<u>\$ 119,158</u>
Current period gross charge-offs	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 341</u>	<u>\$ —</u>	<u>\$ 341</u>
Consumer	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2</u>	<u>\$ 159</u>	<u>\$ —</u>	<u>\$ 161</u>
Current period gross charge-offs	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 14</u>	<u>\$ —</u>	<u>\$ 14</u>

Past Due and Nonaccrual Loans

The following table presents the amortized cost basis of loans on nonaccrual status and loans past due over 89 days still accruing as of the following dates:

	June 30, 2026			June 30, 2025		
	Nonaccrual with No ACL	Total Nonaccrual	Past due Over 89 Days Still Accruing	Nonaccrual with No ACL	Total Nonaccrual	Past due Over 89 Days Still Accruing
(In thousands)						
CRE NOO Pass	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
CRE NOO Criticized	11,177	12,093	—	13,181	21,468	—
CRE O/O Pass	—	—	—	—	—	—
CRE O/O Criticized	3,060	3,277	—	3,755	3,797	—
C&I Pass	—	—	—	—	—	—
C&I Criticized	1,319	7,026	—	5,461	6,566	—
Residential real estate	2,668	2,812	—	3,179	3,179	—
Consumer	-	4	—	2	2	—
Total	<u>\$ 18,224</u>	<u>\$ 25,212</u>	<u>\$ —</u>	<u>\$ 25,578</u>	<u>\$ 35,012</u>	<u>\$ —</u>

The following is a loan aging analysis by portfolio segment (including loans past due over 90 days and nonaccrual loans) and loans past due over 90 days and accruing as of the following dates:

	30-59 Days	60-89 Days	Past Due 90 Days or More-Still Accruing	Past Due 90 Days or More- Nonaccrual	Total Past Due	Total Current	Total Loans	Non- Accrual Loans
<u>June 30, 2026</u>	(In thousands)							
CRE NOO Pass	\$ —	\$ 204	\$ —	\$ —	\$ 204	\$ 3,035,018	\$ 3,035,222	\$ —
CRE NOO Criticized	173	3,380	—	7,674	11,227	18,191	29,418	12,093
CRE O/O Pass	272	—	—	—	272	261,439	261,711	—
CRE O/O Criticized	191	13	—	2,842	3,046	937	3,983	3,277
C&I Pass	345	93	—	—	438	1,017,327	1,017,765	—
C&I Criticized	1,191	1,956	—	2,933	6,080	7,517	13,597	7,026
Residential real estate	82	-	—	2,685	2,767	119,980	122,747	2,812
Consumer	—	—	—	4	4	341	345	4
Total loans	<u>\$ 2,254</u>	<u>\$ 5,646</u>	<u>\$ —</u>	<u>\$ 16,138</u>	<u>\$ 24,038</u>	<u>\$ 4,460,750</u>	<u>\$ 4,484,788</u>	<u>\$ 25,212</u>
<u>June 30, 2025</u>								
CRE NOO Pass	\$ -	\$ -	\$ —	\$ —	\$ -	\$ 2,450,946	\$ 2,450,946	\$ —
CRE NOO Criticized	-	-	—	20,424	20,424	8,168	28,592	21,468
CRE O/O Pass	—	—	—	—	—	246,225	246,225	—
CRE O/O Criticized	115	57	—	3,544	3,716	4,313	8,029	3,797
C&I Pass	72	253	—	—	325	893,118	893,443	—
C&I Criticized	582	427	—	1,232	2,241	7,594	9,835	6,566
Residential real estate	89	213	—	3,136	3,438	115,720	119,158	3,179
Consumer	—	—	—	2	2	159	161	2
Total loans	<u>\$ 858</u>	<u>\$ 950</u>	<u>\$ —</u>	<u>\$ 28,338</u>	<u>\$ 30,146</u>	<u>\$ 3,726,243</u>	<u>\$ 3,756,389</u>	<u>\$ 35,012</u>

Interest income that would have been recognized if loans on nonaccrual status had been current in accordance with their original terms is estimated to have been \$2.4 million for the year ended June 30, 2026.

The Bank's policy is to reverse previously recorded interest income when a loan is placed on nonaccrual. The Bank did not record any interest income on its nonaccrual loans for the year ended June 30, 2026 and 2025. At June 30, 2026 and 2025, total accrued interest receivable on loans, which has been excluded from reported amortized cost basis on loans, was \$18.9 million and \$16.6 million, respectively, and reported within Accrued Interest Receivable on the balance sheets. An allowance was not carried on the accrued interest receivable at either date.

Collateral-Dependent Loans

The following table presents the amortized cost basis of collateral-dependent loans by class of loans as of the following date:

	June 30, 2026	June 30, 2025
	(In thousands)	
Commercial real estate: NOO Pass	\$ 205	\$ —
Commercial real estate: NOO Criticized	11,812	21,697
Commercial real estate: O/O Pass	—	—
Commercial real estate: O/O Criticized	3,000	3,836
Commercial and industrial Pass	—	—
Commercial and industrial Criticized	1,368	4,566
Residential real estate	2,668	3,392
Consumer	—	2
Total	<u>\$ 19,053</u>	<u>\$ 33,493</u>

Collateral-dependent loans are loans for which the repayment is expected to be provided substantially by the underlying collateral and there are no other available and reliable sources of repayment. Substantially all collateral supporting

collateral-dependent financial assets consists of various types of real estate, including commercial properties, such as retail centers, multifamily properties, industrial buildings, mixed use properties, office buildings, lodging, and residential properties.

Loan Modifications for Borrowers Experiencing Financial Difficulty

The Bank evaluates all loan modifications made to borrowers experiencing financial difficulty according to the accounting guidance for loan refinancing and restructuring to determine whether such loan modification should be accounted for as a new loan or a continuation of the existing loan. The Bank's loan modifications for borrowers experiencing financial difficulty are generally accounted for as a continuation of the existing loan.

The Bank offers several types of loans and receivables modification programs to borrowers experiencing financial difficulty, primarily interest rate reductions, term extensions, principal forgiveness, and other-than-insignificant payment deferrals. In such instances, the Bank may modify loans and receivables with the intention to minimize future losses and improve collectability, while providing customers with temporary or permanent financial relief.

In some cases, the Bank provides multiple types of concessions on the same loan. For the loans included in the "combination" columns below, multiple types of modifications have been made on the same loan within the current reporting period. The combination is at least two of the following: a term extension, principal forgiveness, an other-than-insignificant payment delay, and/or an interest rate reduction.

The following table presents the amortized cost basis of loans at June 30, 2026 and June 30, 2025 that were both experiencing financial difficulty and modified during the year, by class and by type of modification. The percentage of the amortized cost basis of loans that were modified to borrowers in financial distress as compared to the amortized cost basis of each class of financing receivable is also presented below.

	Term Extension	Rate Reduction	Other-than- Insignificant Payment Delay	Total Class of Financing Receivable
	(Dollar in thousands)			
<u>Year Ended June 30, 2026</u>				
CRE NOO Pass	\$ —	\$ 2,360	\$ —	0.08%
CRE NOO Criticized	7,250	—	173	25.23%
CRE O/O Pass	—	—	—	—%
CRE O/O Criticized	—	—	—	—%
C&I Pass	—	—	—	—%
C&I Criticized	—	—	2,262	16.64%
Residential real estate	—	—	—	—%
Consumer	—	—	—	—%
Total loans	<u>\$ 7,250</u>	<u>\$ 2,360</u>	<u>\$ 2,435</u>	<u>0.27%</u>
<u>Year Ended June 30, 2025</u>				
CRE NOO Pass	\$ —	\$ 39,473	\$ 8,818	1.97%
CRE NOO Criticized	—	5,383	828	21.73%
CRE O/O Pass	522	—	—	0.21%
CRE O/O Criticized	31	—	126	1.82%
C&I Pass	—	—	727	7.39%
C&I Criticized	—	—	—	—%
Residential real estate	—	—	—	—%
Consumer	—	—	—	—%
Total loans	<u>\$ 553</u>	<u>\$ 44,856</u>	<u>\$ 10,499</u>	<u>1.60%</u>

The financial effect of loan modifications for borrowers experiencing financial difficulty made during the periods indicated, segment by class of financing receivable, is as follows:

Year Ended June 30, 2026

Term Extension:

CRE NOO Criticized	1 loan was granted a term extension. The financial effect was deemed "de minimis."
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Rate Reduction:

CRE NOO Pass	1 loan was granted a rate reduction. The financial effect was deemed "de minimis."
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Other-than-Insignificant Payment Delay:

CRE NOO Criticized	2 loans were granted a payment deferral. The financial effect was deemed "de minimis."
C&I Criticized	75 loans were granted 3-month to 6-month payment deferrals. The financial effect was deemed "de minimis".

Year Ended June 30, 2025

Term Extension:

CRE O/O Pass	1 loan was granted a forbearance. The financial effect was deemed "de minimis."
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CRE O/O Criticized	1 loan was granted a forbearance. The financial effect was deemed "de minimis."
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Rate Reduction:

CRE NOO Pass	5 loans were granted a rate reduction. The financial effect was deemed "de minimis."
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CRE NOO Criticized	1 loan was granted a rate reduction. The financial effect was deemed "de minimis."
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Other-than-Insignificant Payment Delay:

CRE NOO Pass	2 loans were granted a payment deferral. The financial effect was deemed "de minimis."
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CRE NOO Criticized	1 loan was granted a payment deferral. The financial effect was deemed "de minimis."
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CRE O/O Criticized	1 loan was granted a payment deferral. The financial effect was deemed "de minimis."
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C&I Pass	52 loans were granted 3-month to 6-month payment deferrals. The financial effect was deemed "de minimis".
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The Bank has not committed to lend any additional amounts to the borrowers included in the previous table.

The Bank closely monitors the performance of loans that are modified to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. The following table presents the performance of such loans that have been modified in the last 12 months as of June 30, 2026 and 2025:

	30-59 Days Past Due	60-89 Days Past Due	Greater than 89 Days Past Due	Total Past Due
<u>June 30, 2026</u>	(In thousands)			
CRE NOO Pass	\$ —	\$ —	\$ —	\$ —
CRE NOO Criticized	—	—	—	—
CRE O/O Pass	—	—	—	—
CRE O/O Criticized	—	—	—	—
C&I Pass	—	—	—	—
C&I Criticized	35	83	196	314
Residential real estate	—	—	—	—
Consumer	—	—	—	—
Total loans	<u>\$ 35</u>	<u>\$ 83</u>	<u>\$ 196</u>	<u>\$ 314</u>
<u>June 30, 2025</u>				
CRE NOO Pass	\$ —	\$ —	\$ —	\$ —
CRE NOO Criticized	—	—	—	—
CRE O/O Pass	—	—	—	—
CRE O/O Criticized	—	—	—	—
C&I Pass	—	—	—	—
C&I Criticized	—	31	53	84
Residential real estate	—	—	—	—
Consumer	—	—	—	—
Total loans	<u>\$ —</u>	<u>\$ 31</u>	<u>\$ 53</u>	<u>\$ 84</u>

The Bank considers loans past due 90 days or more to be in payment default. The following table presents the amortized cost basis of loans at the time of default that had a payment default during the year and were modified in the twelve months prior to that default to borrowers experiencing financial difficulty:

	Years Ended June 30,	
	2026	2025
	(In thousands)	
CRE NOO Pass	\$ —	\$ —
CRE NOO Criticized	—	2,244
CRE O/O Pass	—	—
CRE O/O Criticized	—	—
C&I Pass	—	—
C&I Criticized	210	298
Residential real estate	—	—
Consumer	—	—
Total loans	<u>\$ 210</u>	<u>\$ 2,542</u>

Upon the Bank's determination that a modified loan (or portion of a loan) has subsequently been deemed uncollectible, the loan (or a portion of the loan) is written off. Therefore, the amortized cost basis and the corresponding allowance for credit losses of the loan is adjusted accordingly.

Purchased Credit Deteriorated Loans

The Bank has purchased loans, some of which have experienced more than insignificant credit deterioration since origination. The initial ACL is determined on an individual basis and allocated to the individual loans. The sum of the loan's purchase price and ACL becomes its initial amortized cost. The difference between the initial amortized cost and the par value of the loan is a discount or premium, which is amortized into interest income over the life of the loan. Subsequent

changes to the ACL are recorded through the provision for credit losses. The carrying amount of such loans purchased during the year ended June 30, 2026 and 2025 is as follows:

	June 30, 2026	June 30, 2025
	(In thousands)	
Purchase price of loans at acquisition	\$ 260,343	\$ 796,924
Allowance for credit losses at acquisition	18,774	18,768
Noncredit discount (premium) at acquisition	16,745	55,595
Par value of acquired loans at acquisition	<u>\$ 295,862</u>	<u>\$ 871,287</u>

4. Premises, Equipment and Leases

Premises, equipment and leases consist of the following:

	June 30, 2026	June 30, 2025	Estimated Useful Life
	(In thousands)		(In years)
Land	\$ 1,068	\$ 1,068	n/a
Buildings	3,628	2,938	39
Right-of-use assets	22,677	22,677	Term of lease
Leasehold and building improvements	4,313	4,284	5-39 (or term of lease, if shorter)
Furniture, fixtures and equipment	6,843	6,836	3-7
Total	<u>38,529</u>	<u>37,803</u>	
Less accumulated depreciation	<u>15,518</u>	<u>13,099</u>	
Net premises and equipment	<u>\$ 23,011</u>	<u>\$ 24,704</u>	

Depreciation and amortization of premises and equipment included in occupancy and equipment expense was \$3.1 million, \$3.3 million, and \$3.1 million for the years ended June 30, 2026, 2025, and 2024, respectively.

The Bank leases five properties used in operations under terms of various non-cancelable leases, most of which include renewal options. All leases are considered to be finance leases. The leases contain renewal options and escalation clauses which provide for increased rental expense as these leases expire. Amortization of the right-of-use assets under such leases totaled \$2.0 million, \$2.1 million, and \$2.0 million for the years ended June 30, 2026, 2025, and 2024, respectively.

The weighted average remaining lease term for finance leases at June 30, 2026 was 8.3 years and the weighted average discount rate was 4.79%.

Approximate future minimum lease payments over the remaining terms of the Bank's leases at June 30, 2026 are as follows:

Fiscal year	Minimum lease payments
	(In thousands)
2027	\$ 2,576
2028	2,617
2029	2,662
2030	2,567
2031	2,097
Thereafter	8,723
Total lease payments	<u>\$ 21,242</u>
Less: imputed interest	<u>3,956</u>
Total lease liability	<u>\$ 17,286</u>

5. Deposits

The composition of deposits is as follows:

	June 30, 2026	June 30, 2025
	(In thousands)	
Demand	\$ 180,140	\$ 159,274
NOW	705,950	671,981
Money market	73,640	92,716
Regular savings	210,965	208,035
Time certificates	2,519,066	2,243,594
Total deposits	<u>\$ 3,689,761</u>	<u>\$ 3,375,600</u>

There were \$197.1 million and \$156.0 million of non-brokered time certificates greater than \$250 thousand as of June 30, 2026 and 2025, respectively. There were \$1.75 billion and \$1.59 billion of brokered deposits as of June 30, 2026 and 2025, respectively.

The scheduled maturities of time certificates by fiscal year at June 30, 2026 are as follows:

Fiscal Year	(In thousands)
2027	\$ 2,124,786
2028	267,188
2029	100,464
2030	26,328
2031	300
Total	<u>\$ 2,519,066</u>

6. Borrowings

Borrowings consist of advances from the FHLBB and the Federal Reserve Bank of Boston ("FRBB") Borrower-in-custody ("BIC").

Short-term Federal Home Loan Bank Advances

At June 30, 2026 and June 30, 2025, the Bank had \$125.0 million short-term FHLBB advances and no advances, respectively.

Long-term Federal Home Loan Bank Advances

Maturities of advances from the FHLBB for the periods ending June 30, 2026 are summarized as follows:

	June 30, 2026	
	Outstanding Balance	Weighted Average Contractual Rate
Stated Maturity	(Dollars in thousands)	
2026	209,206	3.90%
2027	190,000	3.82%
2028	439,726	3.99%
2029	—	—%
Thereafter	—	—%
Ending balance	<u>\$ 838,932</u>	<u>3.93%</u>

At June 30, 2026 and 2025, one FHLBB advance totaling \$50.0 million was subject to call provisions, and as such, may be called prior to the stated maturity. Certain mortgage loans and available-for-sale securities, free of liens, pledges, and encumbrances have been pledged under a blanket agreement to secure these advances. The Bank is required to own stock in the FHLBB in order to borrow from the FHLBB.

At June 30, 2026, the Bank had approximately \$708.2 million of additional capacity to borrow from the FHLBB, compared to \$858.5 million as of June 30, 2025.

Federal Reserve Bank of Boston Borrower-in-Custody

The Bank has a borrower-in-custody collateral arrangement with the FRBB for usage of the discount window. The terms of the agreement call for the pledging of certain assets of the Bank under the agreement. At June 30, 2026 and 2025, there were no borrowings outstanding under this agreement. At June 30, 2026, the Bank had approximately \$218.6 million of capacity to borrow from the FRBB BIC, compared to \$265.3 million as of June 30, 2025.

Finance Leases

No new leases were capitalized during the year ended June 30, 2026. During the year ended June 30, 2025, the Bank renewed the lease for its branch located in Poland, Maine. As a result, the Bank capitalized \$241 thousand during the year. The new lease has a five-year term and includes a rent-free period. The Bank utilized a discount rate of 4.21%, which approximates the borrowing rate for an FHLBB advance for a similar term.

7. Capital and 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 Bank's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of 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.

The prompt corrective action regulations define specific capital categories based on an institution's capital ratios. The capital categories, in declining order, are "well capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized," and "critically undercapitalized."

As of June 30, 2026 and 2025, the most recent notification from the Bank's regulator 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 Common Equity Tier 1 capital, Total capital, Tier 1 capital, and Tier 1 leverage ratios as set forth in the table below. There are no conditions or events since that notification that management believes have changed the institution's regulatory designation as "well-capitalized" under the regulatory framework for prompt corrective action.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios as set forth in the table below. At June 30, 2026 and 2025, the Bank's ratios exceeded the regulatory requirements. Management believes that the Bank met all capital adequacy requirements to which it was subject as of June 30, 2026 and 2025. The Bank's regulatory capital ratios are set forth below as of June 30, 2026 and 2025:

	Actual		Minimum Capital Requirements		Minimum To Be Well Capitalized Under Prompt Corrective Action Provisions		Minimum Capital Ratio with Capital Conservation Buffer
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Ratio
<u>June 30, 2026</u>							
(Dollars in thousands)							
Common equity tier 1 capital to risk-weighted assets	\$ 603,921	13.46%	\$ 201,957	>4.5%	\$ 291,715	>6.5%	7.0%
Total capital to risk-weighted assets	660,052	14.71%	359,034	>8.0%	448,793	>10.0%	10.5%
Tier 1 capital to risk-weighted assets	603,921	13.46%	269,276	>6.0%	359,034	>8.0%	8.5%
Tier 1 capital to average assets	603,921	11.90%	203,065	>4.0%	253,832	>5.0%	4.0%
<u>June 30, 2025</u>							
Common equity tier 1 capital to risk-weighted assets	\$ 494,011	13.45%	\$ 165,334	>4.5%	\$ 238,815	>6.5%	7.0%
Total capital to risk-weighted assets	539,964	14.70%	293,927	>8.0%	367,408	>10.0%	10.5%
Tier 1 capital to risk-weighted assets	494,011	13.45%	220,445	>6.0%	293,927	>8.0%	8.5%
Tier 1 capital to average assets	494,011	11.64%	146,963	>4.0%	183,704	>5.0%	4.0%

In addition to the minimum regulatory capital required for capital adequacy purposes included in the table above, the Bank is required to maintain a capital conservation buffer, in the form of common equity, in order to avoid restrictions on capital distributions and discretionary bonuses.

8. Earnings Per Common Share (“EPS”)

EPS is computed by dividing net income allocated to common shareholders by the weighted-average common shares outstanding. The following table shows the weighted-average number of common shares outstanding for the periods indicated. Shares issuable relative to restricted stock awards granted have been reflected as an increase in the shares outstanding used to calculate diluted EPS, after applying the treasury stock method. The number of shares outstanding for basic and diluted EPS is presented as follows:

	Years ended June 30,		
	2026	2025	2024
	(In thousands, except share and per share data)		
Net income	\$ 107,476	\$ 83,443	\$ 58,231
Average number of common shares outstanding	8,553,336	8,385,508	7,851,822
Less: average unvested non-participating restricted stock awards	(250,557)	(291,680)	(278,605)
Weighted average shares used in calculation of basic EPS	8,302,779	8,093,828	7,573,217
Effect of dilutive unvested restricted stock awards	135,439	183,719	105,790
Weighted average shares used in calculation of diluted earnings per share	8,438,218	8,277,547	7,679,007
Earnings per common share:	\$ 12.94	\$ 10.31	\$ 7.69
Diluted earnings per common share:	12.74	10.08	7.58

No stock options were excluded from the calculation of diluted EPS due to the exercise price for the years ended June 30, 2026, 2025 and 2024.

9. Income Taxes

Beginning with the annual period ending June 30, 2026, the Bank adopted the guidance within ASU 2023-09, Income Taxes (Topic 740), which expanded disclosure requirements to increase visibility into various income tax components that affect the reconciliation of the effective tax rate to the statutory rate, as well as the qualitative and quantitative aspects of those components. This guidance was adopted on a prospective basis effective as of and for the year ended June 30, 2026; therefore, disclosures from prior periods remain unchanged.

The components of current and deferred income tax expense are as follows:

	Years Ended June 30,		
	2026	2025	2024
	(In thousands)		
Current provision			
Federal	\$ 23,542	\$ 25,661	\$ 17,584
State	13,154	19,027	12,389
Total current provision	36,696	44,688	29,973
Deferred benefit			
Federal	1,461	(1,584)	(1,122)
State	1,548	(851)	1,034
Total deferred benefit	3,009	(2,435)	(88)
Total tax provision	\$ 39,705	\$ 42,253	\$ 29,885

The reconciliations between the statutory federal income tax rate of 21% and the Bank's effective tax rates are as follows:

	Year Ended June 30, 2026,	
	Amount	Rate
	(Dollars in thousands)	
Expected income tax expense at federal tax rate	\$ 30,908	21.0%
State tax, net of federal tax benefit ⁽¹⁾	11,615	7.9%
Tax credits	(2,797)	(1.9%)
Nontaxable or nondeductible items		
Non-taxable BOLI income	(194)	(0.1%)
Stock compensation excess tax federal benefits	(1,461)	(1.0%)
162(m) disallowance	1,687	1.1%
Other	(53)	—%
Total income tax expense	\$ 39,705	27.0%

(1) State and local taxes in California, New York City, and New York State made up the majority (approximately 81 percent) of the tax effect in this category.

	Years Ended June 30,	
	2025	2024
	(In thousands)	
Expected income tax expense at federal tax rate	\$ 26,396	\$ 18,504
State tax, net of federal tax benefit	14,358	9,976
Non-taxable BOLI income	(104)	(98)
Stock compensation excess tax federal benefits	(253)	(108)
State tax apportionment change	—	627
162(m) disallowance	1,477	931
Other	379	53
Total income tax expense	\$ 42,253	\$ 29,885

The income taxes paid (net of refunds received) during the year ended June 30, 2026 is as follows:

	Year Ended June 30, 2026,	
	(In thousands)	
U.S. federal tax	\$	18,200
U.S. state and local tax ⁽¹⁾		
New York State		4,637
New York City		4,083
California		3,579
All other		3,075
Total income taxes paid	\$	<u>33,574</u>

(1) Amounts separately stated for jurisdictions exceeding 5% of total income tax paid (net of refunds).

The tax effect of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at June 30 follows:

	2026	2025
	(In thousands)	
Deferred tax assets		
Allowance for credit losses	\$ 2,257	\$ 3,942
Loan basis differential	581	534
Finance leases	4,906	5,593
Compensation and benefits	2,892	19
Stock-based compensation	945	3,118
Unrealized loss on investment securities	61	1
Interest on nonperforming loans	1,999	2,300
Mark to market on SBA loans held for sale	246	741
Accrued interest payable	5,050	6,320
Other	245	11
Gross deferred tax asset	<u>19,182</u>	<u>22,579</u>
Less: valuation allowance	<u>—</u>	<u>—</u>
Total deferred tax assets	<u>19,182</u>	<u>22,579</u>
Deferred tax liabilities		
Prepaid expenses	271	301
Premises and equipment	5,166	5,985
Gain on recovery of insured credit losses	463	—
Other	152	215
Total deferred tax liability	<u>6,052</u>	<u>6,501</u>
Net deferred tax asset	<u>\$ 13,130</u>	<u>\$ 16,078</u>

The net deferred tax asset was included in other assets on the accompanying balance sheets as of June 30, 2026 and 2025.

In accordance with ASC 740, Income Taxes, deferred tax assets are to be reduced by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The realization of the tax benefit depends upon the existence of sufficient taxable income within the carry-back and future periods. The Bank believes that it is more likely than not that the net deferred tax asset as of June 30, 2026 will be realized, based upon the ability to generate future taxable income as well as the availability of current and historical taxable income.

From time to time, the Internal Revenue Service (the "IRS") and state tax authorities may review or challenge specific tax positions taken by the Bank in its ordinary course of business. The Bank accounts for uncertainties in income taxes by reserving for tax positions that may not be upheld under examination. Increases to the Bank's unrealized tax positions occur as a result of accruing for the unrecognized tax benefit as well the accrual of interest and penalties related to prior year positions. Decreases in the Bank's unrealized tax positions occur as a result of the statute of limitation lapsing on prior year positions or settlements relating to outstanding positions. The Bank reserves for uncertain tax positions, as well as related interest and penalties, as a component of income tax expense therefore affecting the effective tax rate. The Bank had no uncertain tax positions for the years ended June 30, 2026, 2025 or 2024.

The Bank is currently open to audit under the statute of limitations by the IRS and state taxing authorities for the fiscal year ended June 30, 2023 tax return and forward.

10. Employee Benefit Plans

401(k) Plan

The Bank offers a contributory 401(k) plan that is available to all full-time salaried and hourly-paid employees upon the first pay cycle of the month following start of employment. Employees may contribute up to 100% of their base compensation, subject to IRS limitations. The Bank will match 50% of each employee's contribution up to the first 6% contributed. For the years ended June 30, 2026, 2025, and 2024, the Bank contributed \$752 thousand, \$562 thousand, and \$562 thousand, respectively.

Deferred Compensation

The Bank has individual deferred compensation agreements with five former senior officers. The Bank recognized deferred compensation expense of \$21 thousand, \$23 thousand, and \$25 thousand for the years ended June 30, 2026, 2025, and 2024, respectively. At June 30, 2026 and 2025 the Bank's deferred compensation liability was \$346 thousand and \$380 thousand, respectively.

11. Stock-Based Compensation

A summary of restricted stock activity for the year ended June 30, 2026 follows:

	Shares	Weighted Average Grant Date Fair Value
Unvested at beginning of period	292,360	\$ 54.00
Granted	88,340	102.39
Vested	(80,723)	51.82
Cancelled to cover taxes	(49,336)	48.23
Forfeited	(9,006)	60.75
Unvested at end of period	241,635	73.34

Employee stock-based compensation expense (included in salaries and employee benefits) totaled \$7.7 million, \$6.5 million, and \$5.0 million for the years ended June 30, 2026, 2025, and 2024, respectively. Director stock-based compensation expense (included in other noninterest expense) totaled \$285 thousand for each of the years ended June 30, 2026, 2025, and 2024. The tax benefit related to stock-based compensation expense totaled \$986 thousand, \$1.2 million, and \$655 thousand for the years ended June 30, 2026, 2025, and 2024, respectively. The estimated amount and timing of future pre-tax stock-based compensation expense to be recognized are as follows:

	Years Ending June 30,					Total
	2027	2028	2029	2030	2031	
	(In thousands)					
Restricted stock	\$ 5,785	\$ 3,236	\$ 402	\$ —	\$ —	\$ 9,423

12. Derivative Instruments

The Bank uses derivative instruments to manage our exposure to interest rate risk as part of our asset and liability risk management activities. These derivatives are reported at fair value in other assets or other liabilities. Designating derivatives as accounting hedges allows for gains and losses on those derivatives to be recognized in the same period and in the same income statement line item as the earnings impact of the hedged items.

At June 30, 2026, the Bank had posted cash collateral totaling \$1.4 million, with dealer banks related to derivative instruments.

Fair Value Hedges

Derivatives hedging the risks associated with changes in the fair value of assets or liabilities are considered fair value hedges. During the year ended June 30, 2026, the Bank utilized pay-fixed, receive-variable interest rate swaps designated as fair value hedges to mitigate the effect of changing interest rates on the fair values of fixed-rate commercial mortgage-backed available-for-sale securities (the "hedged item"). The gains and losses on our fair value hedges, as well as the offsetting change in fair value of the hedged item, are recorded in the same income statement line item - Other non-interest income.

A summary of the Bank's fair value hedge relationships as of June 30, 2026 is as follows:

	June 30, 2026		
	Fair Value		
	Notional Amount ⁽¹⁾	Asset Derivative	Liability Derivative
	(In Thousands)		
Interest rate swaps	\$ 90,599	\$ 666	\$ 65

(1) Notional amounts, which represent the extent of involvement in the derivatives market, are used to determine the contractual cash flows required in accordance with the terms of the agreement. These amounts are typically not exchanged, significantly exceed amounts subject to credit or market risk and are not reflected in the balance sheets.

(2) Derivative assets are included in other assets and derivative liabilities are included in other liabilities on the balance sheet.

There were no derivative instruments held during the twelve months ended June 30, 2025.

The effects of the Bank's fair value hedge relationships on the income statement during the twelve months ended June 30, 2026 are as follows:

	Income Statement Location of Gain (Loss)	Amount of Gain (Loss) Recognized in Income	
		Years Ended June 30,	
		2026	
		(In Thousands)	
Interest rate swaps	Other noninterest income	\$	601
Hedged item	Other noninterest income		(601)

The impact of fair value hedge accounting on the carrying value of the hedged item is as follows:

Balance Sheet Location	June 30, 2026	
	Amortized Cost of the Hedged Item	Cumulative Basis Adjustment
	(In Thousands)	
Available-for-sale debt securities	\$ 90,230	\$ 601

13. Commitments, Contingent Liabilities and Other Off-Balance Sheet Risks

The Bank is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers and to reduce its own exposure to fluctuations in interest rates. These financial instruments include commitments to extend credit and standby letters of credit. Those instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized on the balance sheets. The contract amounts of those instruments reflect the extent of involvement the Bank has in particular classes of financial instruments.

The Bank's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit and standby letters of credit is represented by the contractual amount of those instruments. The Bank uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments.

Financial instruments with contract amounts, which represent credit risk, are as follows:

	June 30,	
	2026	2025
	(In thousands)	
Commitments to originate loans	\$ 41,855	\$ 12,201
Unused lines of credit	26,136	18,025
Standby letters of credit	-	-

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Bank evaluates each customer's credit worthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Bank upon extension of credit, is based on management's credit evaluation of the counterparty. Collateral held varies but may include accounts receivable, inventory, property, plant and equipment, and income-producing commercial properties. The Bank has recorded an allowance for possible losses on commitments and unfunded loans totaling \$226 thousand and \$177 thousand as of June 30, 2026 and 2025, respectively.

Standby letters of credit are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party. Those guarantees are issued to support private borrowing arrangements. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. As of June 30, 2026 and 2025, the maximum potential amount of the Bank's obligation was zero for financial and standby letters of credit. The Bank's outstanding letters of credit generally have a term of less than one year. If a letter of credit is drawn upon, the Bank may seek recourse through the customer's underlying line of credit. If the customer's line of credit is also in default, the Bank may take possession of the collateral, if any, securing the line of credit.

Legal Proceedings

The Bank is party to litigation and claims arising in the normal course of business. Management believes that the liabilities, if any, arising from such litigation and claims will not be material to the Bank's financial position or results of operations.

14. Other Comprehensive Income (Loss)

The components of other comprehensive income (loss) follow:

	Years Ended June 30,					
	2026			2025		
	Pre-tax Amount	Tax (Expense) Benefit	After-tax Amount	Pre-tax Amount	Tax (Expense) Benefit	After-tax Amount
	(In thousands)					
Change in net unrealized gain (loss) on available-for-sale securities	\$ (223)	\$ 60	\$ (163)	\$ 248	\$ (67)	\$ 181
Total other comprehensive income (loss)	<u>\$ (223)</u>	<u>\$ 60</u>	<u>\$ (163)</u>	<u>\$ 248</u>	<u>\$ (67)</u>	<u>\$ 181</u>

	Year Ended June 30, 2024		
	Pre-tax Amount	Tax Expense	After-tax Amount
	(In thousands)		
Change in net unrealized gain on available- for-sale securities	\$ 733	\$ (198)	\$ 535
Total other comprehensive income	<u>\$ 733</u>	<u>\$ (198)</u>	<u>\$ 535</u>

Accumulated other comprehensive loss is comprised of the following:

	June 30, 2026	June 30, 2025	June 30, 2024
	(In thousands)		
Unrealized loss on available-for-sale securities	\$ (226)	\$ (3)	\$ (251)
Income tax benefit	61	1	68
After tax amount	(165)	(2)	(183)
Accumulated other comprehensive loss ⁽¹⁾	<u>\$ (165)</u>	<u>\$ (2)</u>	<u>\$ (183)</u>

(1) There were no reclassifications out of accumulated other comprehensive loss to net income during the years ended June 30, 2026, 2025 and 2024.

15. Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. The Bank uses prices and inputs that are current as of the measurement date, including during periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many instruments. This condition could cause an instrument to be reclassified from one level to another. When market assumptions are not readily available, the Bank's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. If there has been a significant decrease in the volume and level of activity for the asset or liability, regardless of the valuation technique(s) used, the objective of a fair value measurement remains the same.

ASC 820, Fair Value Measurement, defines fair value and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 — Valuations based on significant 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.

Level 3 — Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Bank in determining fair value is greatest for instruments categorized in Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Valuation techniques - There have been no changes in the valuation techniques used during the current period.

Transfers - There were no transfers of assets and liabilities measured at fair value on a recurring or nonrecurring basis during the current period.

Assets and Liabilities Measured at Fair Value on a Recurring Basis:

Securities - Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Examples of such instruments include publicly-traded common and preferred stocks. If quoted prices are not available, then fair values are estimated by using pricing models (i.e., matrix pricing) and market interest rates and credit assumptions or quoted prices of securities with similar characteristics and are classified within Level 2 of the valuation hierarchy. Examples of such instruments include government agency and government sponsored enterprise mortgage-backed securities, as well as certain preferred and trust preferred stocks. Level 3 securities are securities for which significant unobservable inputs are utilized.

Certain investments are measured at fair value using the net asset value per share. These securities include a fund that seeks to invest in securities either issued or guaranteed by the U.S. government or its agencies, as well as a

fund that primarily invests in the federally guaranteed portion of SBA 7(a) loans. The Bank's investment in securities either issued or guaranteed by the U.S. government or its agencies can be redeemed daily at the closing net asset value per share. The Bank's investment in SBA 7(a) loans can be redeemed quarterly with 60 days' notice. Net asset value represents the redemption value of the securities and as such, the securities are classified within Level 1 of the fair value hierarchy.

Derivative instruments - Interest rate derivative contracts are traded in over-the-counter markets where quoted market prices are not readily available. The valuation of the Bank's interest rate swaps are determined using widely accepted valuation techniques including discounted cash flow analyses on the expected cash flows of derivatives. These analyses reflect the contractual terms of the derivatives, including the period to maturity, and use observable market-based inputs, including forward interest rate curves and implied volatilities. Unobservable inputs, such as credit valuation adjustments are insignificant to the overall valuation of the Bank's derivative financial instruments. Accordingly, the Bank has determined that its interest rate derivatives fall within Level 2 of the fair value hierarchy.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis:

Collateral dependent criticized loans - Valuations of criticized loans measured at fair value are determined by a review of collateral values which approximate fair value. Certain inputs used in appraisals are not always observable, and therefore individually evaluated loans are generally categorized as Level 3 within the fair value hierarchy.

Real estate owned and other repossessed collateral - The fair values of real estate owned and other repossessed collateral are estimated based upon appraised values less estimated costs to sell. Certain inputs used in appraisals are not always observable, and therefore may be categorized as Level 3 within the fair value hierarchy. When inputs used in appraisals are primarily observable, they are classified as Level 2.

Loan servicing rights - The fair value of the SBA servicing rights is based on a valuation model that calculates the present value of estimated future net servicing income. Adjustments are only recorded when the discounted cash flows derived from the valuation model are less than the carrying value of the asset. Certain inputs are not observable, and therefore loan servicing rights are generally categorized as Level 3 within the fair value hierarchy.

Fair Value of other Financial Instruments:

Assets and liabilities measured at fair value on a recurring basis are summarized below:

	Total		Level 1		Level 2		Level 3	
<u>June 30, 2026</u>	(In thousands)							
<u>Assets</u>								
Securities:								
U.S. Government agency securities	\$	—	\$	—	\$	—	\$	—
Agency commercial mortgage-backed securities		89,411		—		89,411		—
Agency mortgage-backed securities		550		—		550		—
Equity investments measured at net asset value		7,674		7,674		—		—
Derivative assets		666		—		666		—
<u>Liabilities</u>								
Derivative liabilities		65		—		65		—
<u>June 30, 2025</u>								
<u>Assets</u>								
Securities:								
U.S. Government agency securities	\$	14,026	\$	—	\$	14,026	\$	—
Agency commercial mortgage-backed securities		—		—		—		—
Agency mortgage-backed securities		1,282		—		1,282		—
Equity investments measured at net asset value		7,396		7,396		—		—

Assets measured at fair value on a nonrecurring basis are summarized below:

	Total	Level 1	Level 2	Level 3
<u>June 30, 2026</u>	(In thousands)			
Collateral dependent criticized loans	\$ 616	\$ —	\$ —	\$ 616
Loan servicing rights	359	—	—	359
Real estate owned and other repossessed	9,601	—		9,601
<u>June 30, 2025</u>				
Collateral dependent criticized loans	\$ 7,260	\$ —	\$ —	\$ 7,260
Loan servicing rights	427	—	—	427
Real estate owned and other repossessed	560	—		560

The table below presents quantitative information about significant unobservable inputs (Level 3) for assets measured at fair value on a nonrecurring basis at the dates indicated:

	Fair Value		Valuation Technique
	June 30, 2026	June 30, 2025	
	(In thousands)		
Collateral dependent criticized loans	\$ 616	\$ 7,260	Appraisal of collateral ⁽¹⁾
Loan servicing rights	359	427	Discounted cash flow ⁽²⁾
Real estate owned	9,601	560	Appraisal of collateral ⁽¹⁾

(1) Fair value is generally determined through independent appraisals of the underlying collateral. The Bank may also use another available source of collateral assessment to determine a reasonable estimate of the fair value of the collateral. Appraisals may be adjusted by management for qualitative factors such as economic factors and estimated liquidation expenses. This adjustment was 20%.

(2) Fair value is determined using a discounted cash flow model. The unobservable inputs include anticipated rate of loan prepayments and discount rates. The range of prepayment assumptions used was 0% to 52.9%. For discount rates, the range was 4.4% to 20.6%. The weighted average prepayment rate was 17.1% and the weighted average discount rate was 16.8%.

The table below summarizes the total gains (losses) on assets measured at fair value on a non-recurring basis for the years ended June 30, 2026, 2025, and 2024:

	Years Ended June 30,		
	2026	2025	2024
	(In thousands)		
Collateral dependent criticized loans	\$ (169)	\$ (1,385)	\$ (1,616)
Loan servicing rights	122	94	161
Real estate owned	—	—	—
Total	<u>\$ (47)</u>	<u>\$ (1,291)</u>	<u>\$ (1,455)</u>

The following table presents the estimated fair value of the Bank's financial instruments:

	Carrying Amount	Total	Level 1	Level 2	Level 3
(In thousands)					
<u>June 30, 2026</u>					
<u>Financial assets:</u>					
Cash and cash equivalents	\$ 434,374	\$ 434,374	\$ 434,374	\$ —	\$ —
Securities	89,961	89,961	—	89,961	—
Equity investments measured at net asset value	7,674	7,674	7,674	—	—
Federal Home Loan Bank stock	36,031	36,031	—	36,031	—
Loans held for sale	107,204	108,125	—	108,125	—
Loans, net	4,426,369	4,439,038	—	—	4,439,038
Accrued interest receivable	19,419	19,419	—	19,419	—
Derivative assets	666	666	—	666	—
<u>Financial liabilities:</u>					
Deposits	3,689,761	3,599,206	—	3,599,206	—
Federal Home Loan Bank advances	838,932	837,080	—	837,080	—
Lease liability	17,286	17,631	—	17,631	—
Accrued interest payable	17,810	17,810	—	17,810	—
Derivative liabilities	65	65	—	65	—
<u>June 30, 2025</u>					
<u>Financial assets:</u>					
Cash and cash equivalents	\$ 413,619	\$ 413,619	\$ 413,619	\$ —	\$ —
Securities	15,308	15,308	—	15,308	—
Equity investments measured at net asset value	7,396	7,396	7,396	—	—
Federal Home Loan Bank stock	15,295	15,295	—	15,295	—
Loans held for sale	33,768	33,768	—	33,768	—
Loans, net	3,708,459	3,614,349	—	—	3,614,349
Accrued interest receivable	16,897	16,897	—	16,897	—
<u>Financial liabilities:</u>					
Deposits	3,375,600	3,332,035	—	3,332,035	—
Federal Home Loan Bank advances	320,191	322,964	—	322,964	—
Lease liability	19,044	19,342	—	19,342	—
Accrued interest payable	21,519	21,519	—	21,519	—

16. Segment Reporting

Determination of the CODM

The Bank's Chief Operating Decision Maker ("CODM") is its Chief Executive Officer ("CEO"). The CEO makes the overall decisions about the Bank's resource allocation and assesses the performance of the Bank.

Determination and identification of operating segments

The CODM manages the Bank as one operating segment. This determination is based upon an evaluation of the products and services provided, the functions the Bank performs, and the type and location of customer services. Substantially, all of the Bank's revenues, assets, and liabilities are derived from deposits and loans offered in the United States to customers located in the United States. All decisions regarding the allocation of financial, operational, and other resources are managed under this one segment. As part of the determination for the allocation of resources, the CODM regularly reviews net income as the measure of profit or loss. The accounting policies used to measure the profit and loss are the same as those described in the summary of significant accounting policies in Note 1. In addition, as part of the assessment of the performance of the entity, the CODM also reviews the financial statements for significant expenses which include both cash and noncash items such as amortization and stock-based compensation.

Segment results

As the Bank's financial information as of and for the years ended June 30, 2026, 2025, and 2024 conform with US GAAP and the Bank is managed on a single operating business segment, we collectively refer to the accompanying financial statements for the Segment Results for the measures of profit or loss, as well as total assets.

17. Subsequent Events

The Bank evaluated all events that occurred subsequent to June 30, 2026 through the date of the issued financial statements with no subsequent events being noted as of the date of this filing.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures*Evaluation of Disclosure Controls and Procedures*

The Bank carried out an evaluation, under the supervision and with the participation of the Bank's management, including the Bank's Chief Executive Officer and Chief Financial Officer, of the effectiveness of its disclosure controls and procedures, as defined in Exchange Act Rules 13a-15(e) and 15d-15(e). Based upon the evaluation, the Bank's Chief Executive Officer and Chief Financial Officer concluded that as of June 30, 2026, the Bank's disclosure controls and procedures were effective to ensure that information required to be disclosed in the Bank's reports filed or submitted under the Exchange Act is (i) recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms (ii) accumulated and communicated to the Bank's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding disclosure.

An evaluation was performed under the supervision and with the participation of the Bank's management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our internal controls and procedures over financial reporting (as defined in Rule 13a-15(e) of the Exchange Act) as of the end of the period covered by this annual report. In addition, no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) occurred during the fourth quarter of our fiscal year ended June 30, 2026 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal controls over financial reporting. The standard measures adopted by management in making its evaluation are the measures in *Internal Control—Integrated Framework (2013)* published by the Committee of Sponsoring Organizations of the Treadway Commission. We do not expect that our disclosure controls and procedures will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, errors, and instances of fraud, if any, within the Bank have been or will be detected. The inherent limitations include, among other things, the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Controls and procedures also can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management or employee override of the controls and procedures. The design of any system of controls and procedures is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls and procedures may become inadequate because of changes in conditions or deterioration in the degree of compliance with its policies or procedures. Because of the inherent limitation in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected.

As of June 30, 2026, management assessed the effectiveness of the Bank's internal control over financial reporting based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO. Based on this assessment, management concluded that the Bank's internal control over financial reporting as of June 30, 2026 was effective.

RSM US LLP, an independent registered public accounting firm that audited the financial statements of the Bank included in this annual report, has issued an audit opinion on the effectiveness of the Bank's internal control over financial reporting as of June 30, 2026. The report, which expresses an unqualified opinion on the effectiveness of the Bank's internal control over financial reporting as of June 30, 2026, is included in this Item under the heading "Report of Independent Registered Public Accounting Firm."

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Northeast Bank

Opinion on the Internal Control Over Financial Reporting

We have audited Northeast Bank's (the Bank) internal control over financial reporting as of June 30, 2026, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. In our opinion, the Bank maintained, in all material respects, effective internal control over financial reporting as of June 30, 2026, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the balance sheets as of June 30, 2026 and 2025, and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for each of the three years in the period ended June 30, 2026, of the Bank and our report dated August 28, 2026 expressed an unqualified opinion.

Basis for Opinion

The Bank's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Bank's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Bank in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ RSM US LLP

Philadelphia, Pennsylvania
August 28, 2026

Changes in Internal Control over Financial Reporting

There have been no significant changes in our internal controls, or in other factors that could significantly affect our internal controls, subsequent to the date the Chief Executive Officer and Chief Financial Officer completed their evaluation, including any corrective actions with regard to significant deficiencies or material weaknesses.

Item 9B. Other Information

Insider Trading Arrangements

During the quarter ended June 30, 2026, none of the Bank's directors or executive officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, modified, or terminated (other than due to completion) any contract, instruction, or written plan for the purchase or sale of Bank securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement" (as such terms are defined in Item 408 of Regulation S-K).

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by Item 10 shall be included in the Proxy Statement and is incorporated herein by reference.

Item 11. Executive Compensation

The information required by Item 11 shall be included in the Proxy Statement and is incorporated herein by reference. However, information disclosed in the Proxy Statement pursuant to Item 402(v) of Regulation S-K relating to pay versus performance is not incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters

The information required by Item 12 shall be included in the Proxy Statement and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by Item 13 shall be included in the Proxy Statement and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

The information required by Item 14 shall be included in the Proxy Statement and is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) Financial Statements and Financial Statement Schedules

Balance Sheets as of June 30, 2026 and 2025

Statements of Income for the years ended June 30, 2026, 2025, and 2024

Statements of Comprehensive Income for the years ended June 30, 2026, 2025, and 2024

Statements of Changes in Shareholders' Equity for the years ended June 30, 2026, 2025, and 2024

Statements of Cash Flows for the years ended June 30, 2026, 2025, and 2024

Notes to Financial Statements

(b) Exhibits

- 2.1 Agreement and Plan of Merger, dated as of January 7, 2019, by and between Northeast Bank and Northeast Bancorp (incorporated by reference to Exhibit 2.1 of the Current Report on Form 8-K, filed with the FDIC on May 15, 2019).
- 3.1 Amended and Restated Articles of Incorporation of Northeast Bank (incorporated by reference to Exhibit 3.1 of the Current Report on Form 8-K, filed with the FDIC on May 15, 2019).
- 3.2 Amended and Restated Bylaws of Northeast Bank (incorporated by reference to Exhibit 3.2 of the Current Report on Form 8-K filed with the FDIC on May 15, 2019).
- 4.1 Description of Registrant's Securities. (incorporated by reference to Exhibit 4.1 of the Current Report on Form 10-K filed with the FDIC on September 11, 2020).
- 10.1+ Form of Indemnification Agreement, dated as of December 29, 2010, by and between Northeast Bancorp and each of the members of the Board (1).
- 10.2+ Employment Agreement, dated December 30, 2010, by and between Northeast Bancorp and Richard Wayne (1).
- 10.3+ Northeast Bank 2021 Stock Option and Incentive Plan (incorporated by reference to Exhibit 10.1 of the Quarterly Report on Form 10-Q filed with the FDIC on May 7, 2021).
- 10.4+ Amendment to the Northeast Bank 2021 Stock Option and Incentive Plan, dated September 18, 2024 (incorporated by reference to Exhibit 10.11 of the Annual Report on Form 10-K filed with the FDIC on September 11, 2025).
- 10.5+ Form of Restricted Stock Award Agreement under the Northeast Bank 2021 Stock Option and Incentive Plan (incorporated by reference to Exhibit 10.17 of the Annual Report on Form 10-K filed with the FDIC on September 8, 2023).
- 10.6+ Form of Performance Restricted Stock Award Agreement under the Northeast Bank 2021 Stock Option and Incentive Plan (incorporated by reference to Exhibit 10.18 of the Annual Report on Form 10-K filed with the FDIC on September 8, 2023).
- 10.7+ Form of Restricted Stock Award Agreement under the Northeast Bank 2021 Stock Option and Incentive Plan (incorporated by reference to Exhibit 10.19 of the Annual Report on Form 10-K filed with the FDIC on September 18, 2024).
- 10.8+ Form of Performance Restricted Stock Award Agreement under the Northeast Bank 2021 Stock Option and Incentive Plan (incorporated by reference to Exhibit 10.19 of the Annual Report on Form 10-K filed with the FDIC on September 18, 2024).
- 10.9+ Form of Performance Restricted Stock Award Agreement under the Northeast Bank 2021 Stock Option and Incentive Plan, as amended August 19, 2025.*
- 10.10+ Form of Restricted Stock Award Agreement under the Northeast Bank 2021 Stock Option and Incentive Plan, as amended August 18, 2026.*

- 10.11+ Form of Performance Restricted Stock Award Agreement under the Northeast Bank 2021 Stock Option and Incentive Plan, as amended August 18, 2026.*
- 10.12 Equity Distribution Agreement, dated December 9, 2024, by and among Northeast Bank, Piper Sandler & Co., and Keefe Bruyette & Woods, Inc. (incorporated by reference to Exhibit 1.1 of the Current Report on Form 8-K filed with the FDIC on December 9, 2024).
- 10.13 Marketing Services Agreement, dated October 1, 2024, by and between Northeast Bank and Newity LLC (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed with the FDIC on October 25, 2024)
- 10.14 Amended and Restated Lender Service Provider Agreement, dated October 17, 2024, by and between Northeast Bank and Newity LLC (incorporated by reference to Exhibit 10.2 of the Current Report on Form 8-K filed with the FDIC on October 25, 2024)
- 10.15 Insurance Lending Servicing Agreement, dated September 21, 2025, by and between Northeast Bank and Newity LLC (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed with the FDIC on September 24, 2025)
- 10.16 First Amendment to Insurance Lending Servicing Agreement, dated June 30, 2026, by and between Northeast Bank and Newity LLC*
- 19.1 Northeast Bank Insider Trading Policy*
- 21 Subsidiaries of Northeast Bank*
- 31.1 Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
- 31.2 Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
- 32.1 Rule 13a-14(b) Certifications of the Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
- 97 Northeast Bank Incentive Compensation Clawback and Forfeiture Policy (incorporated by reference to Exhibit 97 of the Annual Report on Form 10-K filed with the FDIC on September 18, 2024).

* Filed herewith

** Furnished herewith

+ Management contract or compensatory plan or agreement

- (1) Previously filed by Northeast Bancorp, the Bank's former holding company, with the Securities and Exchange Commission on Northeast Bancorp's Current Report on Form 8-K filed on January 5, 2011, and assumed by the Bank pursuant to the Agreement and Plan of Merger dated as of January 7, 2019, by and between Northeast Bank and Northeast Bancorp.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NORTHEAST BANK

Date: August 28, 2026

By: /s/ RICHARD WAYNE

Richard Wayne
Chief Executive Officer
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ RICHARD WAYNE Richard Wayne	Chief Executive Officer and Director (Principal Executive Officer)	August 28, 2026
/s/ SANTINO DELMOLINO Santino Delmolino	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	August 28, 2026
/s/ MATTHEW BOTEIN Matthew Botein	Chairman of the Board	August 28, 2026
/s/ CHERYL DORSEY Cheryl Dorsey	Director	August 28, 2026
/s/ WILLIAM MAYER William Mayer	Director	August 28, 2026
/s/ JOHN C. ORESTIS John C. Orestis	Director	August 28, 2026
/s/ DAVID TANNER David Tanner	Director	August 28, 2026
/s/ JUDITH E. WALLINGFORD Judith E. Wallingford	Director	August 28, 2026

BOARD OF DIRECTORS

Matthew B. Botein | Chairman
Co-Founder & Managing Partner
Gallatin Point Capital LLC

John C. Orestis
President & Chief Executive Officer
North Country Associates

Rick Wayne
President & Chief Executive Officer
Northeast Bank

Cheryl Lynn Dorsey
President
Echoing Green

David A. Tanner
Managing Director
Three Mile Capital LLC

William P. Mayer
Retired Partner
Goodwin Procter LLP

Judith E. Wallingford
Retired President
The Maine Water Company

SENIOR MANAGEMENT

Rick Wayne
President & Chief Executive Officer

Patrick Dignan
Chief Operating Officer

Robert Banaski
Chief Retail Banking Officer

Bethany Belanger
SVP, Director of Retail Banking

Meegan Casey
SVP, Legal Counsel

Matthew Colpitts
SVP, Director of Treasury Management
Services

Christopher Cooper
General Counsel

Timothy Covel
SVP, Portfolio Management

Gregory D'Antona
SVP, Director of Compliance Risk
Management

Chris Delamater
SVP, Director of Customer Experience

Santino Delmolino
Chief Financial Officer

Brian Doherty
Managing Director, Portfolio Management

Christine Downey
Chief Risk Officer

Brian Fenwick
Managing Director, Commercial Real
Estate Credit

Thomas Gillespie
SVP, Commercial Real Estate Credit

Louise Gillis
SVP, Senior Loan Servicing Manager

Lindsay Guttell
SVP, Asset Management

Taylor Hatch
SVP, Director of Banking Operations

Christopher Hickey
Managing Director, Asset Management

Jennifer Howard
SVP, Portfolio Management

Shandi Howell
SVP, Director of Operational Risk
Management

Heidi Jacques
SVP, Director of Human Resources

Bindiya Jain
SVP, Director of Loan Servicing

Julie Jenkins
SVP, Information Security Officer

David Kenneally
SVP, Portfolio Management

Steven Kennedy
SVP, Asset Management

Kaukab "Ali" Khan
Chief Information & Innovation Officer

Michelle Labbe
SVP, Attorney

Jonathan Levirne
Managing Director, Business Development

Theresa Morrison
Managing Director, Commercial Real
Estate

Jerry Murphy
SVP, Commercial Real Estate Credit

Suzan Nicholson
SVP, Credit Risk Management

Kelly Palmer
SVP, Director of Credit Risk Management

Darren Poirier
SVP, Treasurer

Rebecca Rand
SVP, Director of Accounting

Libby Reynolds
SVP, Director of Deposit Operations

Sarah Shomphe
SVP, Commercial Real Estate

Jason Simcock
SVP, Senior Government Banker

Jack Sullivan
SVP, Asset Management

Rajee Suresh
SVP, AI Product and Solutions Design

Tim Tower
SVP, Portfolio Management

David Toye
SVP, SBA Lending

Tracy Wallingford
SVP, AML/CFT Officer



SHAREHOLDER INFORMATION

Annual Meeting

12:00 pm ET, Tuesday, November 24, 2026
at the Offices of Northeast Bank
1 Marina Park Drive
Boston, MA 02210

Transfer Agent

Computershare, Inc.
150 Royall Street, Suite 101
Canton, MA 02021
800.942.5909

Annual Report on Form 10-K and Other Financial Information

A copy of Northeast Bank's Annual Report on Form 10-K filed with the Federal Deposit Insurance Corporation may be obtained from the Bank by sending a written request to:

Shareholder Relations
Northeast Bank
27 Pearl Street
Portland, ME 04101

The common stock of Northeast Bank trades on NASDAQ under the symbol NBN.

Forward-Looking Statements

Certain statements in this report that are not historical facts may be considered forward-looking statements. For more information regarding factors that could cause actual results to differ materially from those projected in the forward-looking statements, see "A Note About Forward-Looking Statements" in the Bank's 2026 Annual Report on Form 10-K.

Northeast Bank is an Equal Opportunity Employer.

CORPORATE OFFICES

Northeast Bank

1 Marina Park Drive
Floor 8
Boston, MA 02210
617.585.3200

Northeast Bank

27 Pearl Street
Portland, ME 04101
207.774.1426

Northeast Bank

35 Canal Street
Lewiston, ME 04240
207.786.3245

Connecting All Locations

800.284.5989
NortheastBank.com

COMMERCIAL REAL ESTATE LENDING OFFICE

NEW YORK

Representative Office
250 West 55th Street
Suite 1601
New York, NY 10019
617.775.3600

BANKING CENTERS

AUBURN

836 Center Street
Auburn, ME 04210
207.783.5632

AUGUSTA

235 Western Avenue
Augusta, ME 04330
207.623.0603

BETHEL

11 Main Street
Bethel, ME 04217
207.824.2117

BRUNSWICK

186 Maine Street
Brunswick, ME 04011
207.729.8711

POLAND

1399 Maine Street
Poland, ME 04274
207.998.3475

PORTLAND

27 Pearl Street
Portland, ME 04101
207.774.1426

SOUTH PARIS

235 Main Street
South Paris, ME 04281
207.743.8168