



AUDITED FINANCIAL STATEMENTS

**AS OF AND YEAR ENDED DECEMBER 31, 2025 AND FIFTEEN MONTHS
ENDED DECEMBER 31, 2024**

Contents

Independent Auditors' Report	1
------------------------------	---

Financial Statements	
Consolidated Balance Sheets	F-2
Consolidated Statements of Operations	F-3
Consolidated Statements of Comprehensive Income	F-4
Consolidated Statements of Changes in Stockholders' Equity	F-5
Consolidated Statements of Cash Flows	F-6
Notes to Consolidated Financial Statements	F-8



INDEPENDENT AUDITORS' REPORT

Board of Directors and Stockholders
Westbury Bancorp, Inc. and Subsidiary
Pewaukee, Wisconsin

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Westbury Bancorp, Inc. and Subsidiary, which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations, comprehensive income, changes in stockholders' equity, and cash flows for the year ended December 31, 2025 and the period October 1, 2023 through December 31, 2024, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Westbury Bancorp, Inc. and Subsidiary as of December 31, 2025 and 2024, and the results of their operations and their cash flows for the year ended December 31, 2025 and the period October 1, 2023 through December 31, 2024 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
April 15, 2026

Westbury Bancorp, Inc. and Subsidiary

Consolidated Balance Sheets

December 31, 2025 and December 31, 2024

(Dollars in Thousands, except per share data)

	Year ended December 31, 2025	Fifteen months ended December 31, 2024
Assets		
Cash and due from banks	\$ 14,993	\$ 11,086
Interest-bearing deposits	93,344	52,570
Cash and cash equivalents	108,337	63,656
Debt securities available-for-sale	96,872	97,840
Debt securities held to maturity, at amortized cost (\$643 and \$1,324 fair value at December 31, 2025 and December 31, 2024, respectively)	649	1,371
Loans held for sale, at lower of cost or market	2,888	709
Loans, net of allowance for credit losses of \$6,017 and \$6,094 at December 31, 2025 and December 31, 2024 respectively	540,879	608,786
Federal Home Loan Bank stock, at cost	1,360	1,755
Office properties and equipment, net	15,976	16,618
Cash surrender value of life insurance	17,019	16,540
Deferred tax asset, net	2,000	3,736
Other assets	4,846	5,436
Total assets	\$ 790,826	\$ 816,447
Liabilities and Stockholders' Equity		
Liabilities		
Deposits	\$ 713,112	\$ 729,728
Bank term debt	11,500	12,500
Advance payments by borrowers for property taxes and insurance	72	37
Other liabilities	6,257	4,771
Total liabilities	730,941	747,036
Commitments and Contingencies (Notes 7, 9 14, 16, and 17)		
Stockholders' Equity		
Preferred stock \$0.01 par value, 50,000,000 shares authorized; none issued or outstanding	—	—
Common stock \$0.01 par value, 100,000,000 shares authorized; 5,901,554 and 5,867,540 shares issued at December 31, 2025 and December 31, 2024 respectively	59	58
Additional paid-in capital	72,737	68,507
Retained earnings	114,601	107,955
Accumulated other comprehensive loss	(7,402)	(11,046)
Less common stock repurchased, 4,826,295 and 4,199,893 shares at cost, at December 31, 2025 and December 31, 2024 respectively	(120,110)	(96,063)
Total stockholders' equity	59,885	69,411
Total liabilities and stockholders' equity	\$ 790,826	\$ 816,447

See Notes to Consolidated Financial Statements

Westbury Bancorp, Inc. and Subsidiary

Consolidated Statements of Operations

Year Ended December 31, 2025 and Fifteen Months Ended December 31, 2024, respectively

(Dollars in Thousands, except per share data)

	Year ended December 31, 2025	15 months ended December 31, 2024
Interest and dividend income:		
Loans	\$ 29,583	\$ 40,257
Investments - nontaxable	222	355
Investments - taxable	1,544	1,950
Interest bearing deposits	3,542	1,486
Total interest and dividend income	34,891	44,048
Interest expense:		
Deposits	5,631	8,071
Advances from the Federal Home Loan Bank	–	1,250
Notes payable	823	970
Total interest expense	6,454	10,291
Net interest income before provision for credit losses	28,437	33,757
Provision for credit losses	–	180
Net interest income after provision for credit losses	28,437	33,577
Non-interest income:		
Service fees on deposit accounts	3,410	4,515
Gain on sales of loans, net	251	354
Servicing fee income, net of amortization and impairment	–	(33)
Insurance and securities sales commissions	1	–
Loss on sales of securities	–	(927)
Gain (Loss) on sales of branches and other assets	24	(947)
Increase in cash surrender value of life insurance	479	559
Rental income from real estate operations	420	617
Other income	834	1,488
Total non-interest income	5,419	5,626
Non-interest expense:		
Salaries and employee benefits	16,209	15,973
Occupancy	2,320	3,092
Data processing	2,975	4,286
Accounting, legal and other professional fees	619	838
FDIC insurance premiums	370	461
Other expenses	3,254	3,899
Total non-interest expense	25,747	28,549
Income before income tax expense	8,109	10,654
Income tax expense	1,463	1,863
Net income	\$ 6,646	\$ 8,791
Earnings per share:		
Basic	4.66	5.15
Diluted	4.37	4.91

See Notes to Consolidated Financial Statements.

Consolidated Statements of Operations of Comprehensive Income

Year Ended December 31, 2025 and Fifteen Months Ended December 31, 2024, respectively

(Dollars in Thousands)

	Year ended December 31, 2025	15 months ended December 31, 2024
Net income	\$ 6,646	\$ 8,791
Other comprehensive income, before tax:		
Unrealized gain on available-for-sale securities	5,008	5,608
Reclassification adjustment for realized losses included in net income	—	927
Other comprehensive income, before tax	<u>5,008</u>	<u>6,535</u>
Income tax expense related to items of other comprehensive income	<u>(1,364)</u>	<u>(2,460)</u>
Other comprehensive income, net of tax	<u>3,644</u>	<u>4,075</u>
Comprehensive income	<u>\$ 10,290</u>	<u>\$ 12,866</u>

See Notes to Consolidated Financial Statements.

Westbury Bancorp, Inc. and Subsidiary

Consolidated Statements of Changes in Stockholders' Equity
Year Ended December 31, 2025 and Fifteen Months Ended December 31, 2024, respectively
(Dollars in Thousands, except per share data)

	Preferred Stock	Common Stock	Additional Paid In Capital	Retained Earnings	Unearned ESOP Shares	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
Balance, September 30, 2023	\$ —	\$ 56	\$ 64,998	\$ 99,164	—	\$ (15,121)	\$ (86,917)	\$ 62,180
Net income	—	—	—	8,791	—	—	—	8,791
Other comprehensive income, net of tax	—	—	—	—	—	4,075	—	4,075
Repurchase of 310,816 shares of common stock	—	—	—	—	—	—	(9,146)	(9,146)
Exercise of 147,059 stock options	—	2	2,583	—	—	—	—	2,585
Stock based compensation expense	—	—	926	—	—	—	—	926
Balance, December 31, 2024	—	58	68,507	107,955	—	(11,046)	(96,063)	69,411
Net income	—	—	—	6,646	—	—	—	6,646
Other comprehensive income, net of tax	—	—	—	—	—	3,644	—	3,644
Repurchase of 626,402 shares of common stock	—	—	—	—	—	—	(24,047)	(24,047)
Exercise of 121,673 stock options	—	1	2,547	—	—	—	—	2,548
Stock based compensation expense	—	—	1,683	—	—	—	—	1,683
Balance, December 31, 2025	\$ —	\$ 59	\$ 72,737	\$ 114,601	\$ —	\$ (7,402)	\$ (120,110)	\$ 59,885

See Notes to Consolidated Financial Statements.

Westbury Bancorp, Inc. and Subsidiary

Consolidated Statements of Cash Flows

Year Ended December 31, 2025 and Fifteen Months Ended December 31, 2024, respectively

(Dollars in Thousands)

	December 31, 2025	December 31, 2024
Cash Flows From Operating Activities		
Net income	\$ 6,646	\$ 8,791
Adjustments to reconcile net income to cash provided by operating activities:		
Provision for credit losses	–	180
Depreciation and amortization	1,008	1,530
Net amortization of securities premiums and discounts	542	943
Loss on sale of mortgage servicing rights	–	61
Loss on sales of available-for-sale securities	–	927
(Gain) loss on sales of office properties and equipment	(24)	947
Loans originated for sale	(18,196)	(22,220)
Proceeds from sale of loans	15,766	22,466
Loss (gain) on sale of loans, net	251	(354)
Stock based compensation expense	1,683	926
Deferred income taxes	372	803
Increase in cash surrender value of life insurance	(479)	(559)
Net change in:		
Other assets	591	(51)
Other liabilities and advance payments by borrowers for property taxes and insurance	1,520	(4,310)
Net cash provided by operating activities	9,680	10,080
Cash Flows From Investing Activities		
Purchases of securities available-for-sale	(2,694)	(212)
Proceeds from sales of securities available-for-sale	–	15,666
Proceeds from maturities, prepayments, and calls of securities available-for-sale	8,148	10,421
Proceeds from maturities, prepayments, and calls of securities held-to-maturity	702	196
Sale of mortgage servicing rights	–	47
Sale of FHLB stock	395	–
Purchase of FHLB stock	–	(129)
Net decrease in loans	67,907	66,284
Proceeds from sales of office properties and equipment	24	876
Purchases of office properties and equipment	(365)	(1,240)
Net cash provided by investing activities	74,117	91,909

Westbury Bancorp, Inc. and Subsidiary**Consolidated Statements of Cash Flows****Year Ended December 31, 2025 and Fifteen Months Ended December 31, 2024, respectively****(Dollars in Thousands)****Continued**

	December 31, 2025	December 31, 2024
Cash Flows From Financing Activities		
Net (decrease) increase in deposits	(16,616)	692
Net advances (payments) on short-term Federal Home Loan Bank advances	–	(50,000)
Net payment on bank term debt	(1,000)	(1,450)
Proceeds from exercise of stock options	2,547	2,583
Repurchase of common stock	(24,047)	(9,146)
Net cash used in financing activities	(39,116)	(57,321)
Net increase in cash and cash equivalents	44,681	44,668
Cash and cash equivalents at beginning of period	63,656	18,988
Cash and cash equivalents at end of period	\$ 108,337	\$ 63,656
Supplemental Disclosures of Cash Flow Information		
Interest paid (including amounts credited to deposits)	\$ 6,456	\$ 10,315
Federal Taxes Paid	(1,090)	(1,469)
State Taxes Paid	–	–

See Notes to Consolidated Financial Statements.

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

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

Nature of operations: Westbury Bancorp, Inc. (the "Company") is a Maryland bank holding company headquartered in Pewaukee, Wisconsin and provides a variety of financial services to individuals and small businesses throughout Southeastern Wisconsin. The Company owns 100% of the stock of Westbury Bank (the "Bank"). The Bank's primary deposit products are checking, savings, money market and term certificate accounts and its primary lending products are commercial, residential mortgage and consumer loans. The Bank is subject to competition from other financial institutions and non-financial institutions providing financial products. Additionally, the Company and the Bank are subject to the regulations of certain regulatory agencies and undergo periodic examination by those regulatory agencies.

Organization and principles of consolidation: The consolidated financial statements include the accounts of the Company and the Bank. The financial statements of the Bank include the accounts of one wholly-owned limited liability company (LLC) formed to own certain of the Bank's foreclosed properties. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of estimates: In preparing the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP), management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for credit losses and the valuation of deferred tax assets.

Fiscal year change: In 2024, the Company decided to change its fiscal year end from September 30 to December 31. As a result, the statements of operations, statement of changes and cash flows are presented for fifteen months for the period ending December 31, 2024.

Cash and cash equivalents: For purposes of the consolidated statements of cash flows, cash and cash equivalents include cash, due from banks, and interest-bearing deposits.

The Company maintains amounts due from banks that, at times, may exceed federally insured limits. Management monitors these correspondent relationships and has historically experienced no losses. Accordingly, in the opinion of management, no material risk of loss exists.

Debt Securities: Unless classified as "held-to-maturity", all debt securities are classified as "available-for-sale" and recorded at fair value, with unrealized gains and losses excluded from earnings and reported in accumulated other comprehensive income, net of the related deferred tax effect. Debt securities are classified as "held-to-maturity" and recorded at amortized cost when management has the ability and intent to hold the securities to maturity.

Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the debt securities.

Effective October 1, 2023, with the adoption of ASC 326, for available for sale debt securities in an unrealized loss position, the Company first assesses whether it intends to sell, or it is more likely than not that it will be required to sell the security before recovery of its amortized cost basis. If either of these criteria are met, the security's amortized cost basis is written down to fair value through the income statement. If these criteria are not met, the Company evaluates whether the decline in value has resulted from credit losses or other factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes in the underlying credit rating of the security, and adverse conditions specifically related to the security. If it is determined that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of the cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded, which is limited by the amount that the fair value is less than the amortized cost basis. Any impairment that has not been recorded through an allowance for credit losses is recognized as a component of other comprehensive income. Changes in the allowance for credit losses are recorded as a provision for credit loss.

Effective October 1, 2023, with the adoption of ASC 326, for held to maturity debt securities, management measures expected credit losses on a collective basis by major security type.

Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

Loans held for sale: Loans held for sale are recorded at the lower of cost or fair value as determined on an aggregate basis. Fees received from the borrower and the direct costs of loan originations are deferred and recorded as an adjustment to the sales price, when such loans are sold.

Loans: The Company grants commercial, mortgage and consumer loans to customers principally located in Southeastern Wisconsin. The ability of the Company's loan customers to meet the terms of their loans is dependent upon the general economic conditions in this area and real estate values.

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or pay-off are generally reported at their outstanding unpaid principal balances adjusted for charge-offs, the allowance for credit losses, and deferred loan fees or costs on an originated basis. Interest income is accrued on the unpaid principal balance. Loan origination and commitment fees and certain direct loan origination costs on loans receivable are deferred, and the net amounts amortized as an adjustment of the related loan's yield. These amounts are amortized, using the level-yield method, over the contractual life of the related loans. Unamortized deferred amounts are included in interest income upon repayment or sale of the related loan.

The accrual of interest on loans is discontinued at the time the loan is ninety days delinquent, unless the loan is well-secured and in the process of collection. Past due status is based on the contractual terms of the loan. In all cases, loans are placed on nonaccrual status or charged-off at an earlier date if collection of principal or interest is considered doubtful. All interest accrued but not collected for loans that are placed on nonaccrual status or charged-off is reversed against interest income. The interest on these loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Allowance for credit losses on loans: The allowance for credit losses on loans is a valuation account that is deducted from the amortized cost basis of loans to present the net amount expected to be collected. The allowance for credit losses on loans is determined using an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. The allowance for credit losses on loans is adjusted through the provision for credit losses to the amount of amortized cost basis not expected to be collected at the balance sheet date. Loan losses are charged off against the allowance for credit losses on loans when the Company determines the loan balance to be uncollectible.

Residential Real Estate: Residential real estate loans generally possess a lower inherent risk of loss relative to other real estate portfolio segments. Credit quality is primarily influenced by the borrower's repayment capacity, collateral value, and interest rate structure. Economic trends such as unemployment levels, wage stability, and housing market conditions are closely correlated with borrower performance. Weak economic conditions may impair borrowers' ability to repay and may negatively impact collateral values.

Multifamily: Multifamily loans typically exhibit a moderate level of inherent credit risk, driven by property cash flows and market demand for rental housing. Credit quality is influenced by local employment trends, rental market strength, and vacancy rates. Adverse economic developments or oversupply in rental markets may reduce occupancy and rental income, impairing the property's ability to generate sufficient cash flow to service debt obligations.

Commercial Real Estate – Non-Owner Occupied: Non-owner-occupied commercial real estate loans generally possess a higher inherent risk of loss than other real estate segments, excluding construction and land development. These loans rely primarily on the property's ability to generate rental income rather than the financial strength of an operating business. Credit quality is sensitive to economic cycles, tenant stability, lease rollover risk, and vacancy trends. Market oversupply or declining economic conditions may reduce property cash flows and increase the likelihood of borrower default.

Commercial Real Estate – Owner Occupied: Owner-occupied commercial real estate loans typically exhibit a moderate inherent risk of loss, as repayment is supported by both the operating business and the underlying real estate collateral. Credit quality is closely tied to the financial performance of the business occupying the property. Economic conditions, industry-specific trends, and borrower cash flow stability significantly influence repayment capacity. Weak business performance may impair the borrower's ability to service debt obligations.

Construction and Land Development: Construction and land development loans generally possess the highest inherent risk of loss among real estate portfolio segments. Key risks include cost overruns, project delays, and sensitivity to real estate market conditions. Credit quality is influenced by construction demand, material and labor

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

costs, and the borrower's ability to complete and stabilize the project within budget and timeline expectations. Declines in real estate values or reduced market absorption rates may impair the economic viability of projects.

Commercial Business: Commercial business loans typically exhibit a moderate level of inherent credit risk, as repayment depends on the ongoing cash flow generation of operating companies. Credit quality is influenced by borrower financial performance, industry conditions, competitive pressures, and broader economic trends such as employment levels and consumer demand. Weak economic conditions or industry-specific downturns may reduce business revenues and impair the borrower's capacity to service debt obligations.

Consumer and Other: The consumer and other loan portfolio is generally comprised of a large number of smaller-balance loans made to individuals. These loans typically possess a higher inherent risk of loss due to limited collateral support and the sensitivity of consumer repayment capacity to economic conditions. Credit quality is closely correlated with unemployment trends, household income stability, and consumer debt levels. Weak economic conditions may impair borrowers' ability to meet their obligations.

Included in Consumer and Other:

Home Equity Lines of Credit (HELOCs): HELOCs are secured by residential real estate and exhibit risk characteristics influenced by borrower repayment capacity, collateral values, and housing market trends. Credit quality is sensitive to changes in home values and borrower financial stability.

Other Consumer Loans: Other consumer loans include unsecured or lightly secured credit products used for personal expenditures. These loans generally carry higher inherent credit risk due to limited collateral and greater sensitivity to changes in employment and household financial conditions.

The measurement of expected credit losses encompasses information about historical events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. Qualitative adjustments to historical loss information are made for differences in current loan-specific risk characteristics such as differences in underwriting standards, portfolio mix or delinquencies, as well as for changes in environmental conditions, such as changes in unemployment rates, property values or other relevant factors.

Expected credit losses are estimated on a collective basis for groups of loans that share similar risk characteristics. Factors that may be considered in aggregating loans for this purpose include but are not necessarily limited to, product or collateral type, geography and internal risk ratings. For loans that do not share similar risk characteristics with other loans such as collateral dependent loans, expected credit losses are determined on an individual basis.

Expected credit losses are estimated over the contractual terms of the loans, adjusted for expected prepayments. The contractual term excludes expected extensions, renewals and modifications unless the extension or renewal options are included in the original or modified contract at the reporting date and are not unconditionally cancellable by the Company.

The allowance for credit losses on loans estimate incorporates a reasonable and supportable economic forecast through the use of externally developed macroeconomic scenarios applied in the model. The model includes both current and forecasted unemployment rates. The length of the reasonable and supportable forecast period is evaluated at each reporting period and adjusted if deemed necessary. Currently, the Company uses a one year reasonable and supportable forecast period in estimating the allowance for credit losses on loans. After the reasonable and supportable forecast period, the model effectively reverts to long-term mean loss on a straight-line basis over twelve months.

Loans are charged off against the allowance for credit losses on loans in the period in which they are deemed uncollectible and recoveries are credited to the allowance for credit losses on loans when received. Expected recoveries on loans previously charged off and expected to be charged off are included in the allowance for credit losses on loans estimate. Once a loan is downgraded to Substandard, an assessment of collateral value is made; any outstanding loan balance in excess of fair value less cost to sell is charged off at no later than 180 days of delinquency. Additionally, any outstanding balance in excess of fair value of collateral less cost to sell is charged off when the asset is foreclosed by the Company. Commercial and other consumer loans are charged off when, in management's judgment, they are considered to be uncollectible.

The weighted average remaining maturity ("WARM") method is used for each of the loan categories. The WARM method considers an estimate of expected credit losses over the remaining life of the financial assets and uses average annual charge-off

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

rates to estimate the allowance for credit losses. For amortizing assets, the remaining contractual life is adjusted by the expected scheduled payments and prepayments. The average annual charge-off rate is applied to the amortization-adjusted remaining life to determine the unadjusted lifetime historical charge-off rate.

To estimate a CECL loss rate for the pool, management first identifies the loan losses recognized between the pool date and the reporting date for the pool and determines which loan losses were related to loans outstanding at the pool date. The loss rate method then divides the loan losses recognized on loans outstanding as of the pool date by the outstanding loan balance as of the pool date.

The Company's expected loss estimate is anchored in historical credit loss experience, with an emphasis on all available portfolio data. The Company's historical look-back period includes October 2016 through the current period, on an annual basis. When historical loss experience is not sufficient for a specific portfolio, the Company may supplement its own portfolio data with external models or data.

Qualitative reserves reflect management's overall estimate of the extent to which current expected credit losses on collectively evaluated loans will differ from historical loss experience. The analysis takes into consideration other analytics performed within the Company, such as enterprise and concentration management, along with other credit-related analytics as deemed appropriate. Management attempts to quantify qualitative reserves whenever possible. The CECL methodology applied focuses on evaluation of qualitative and environmental factors, including, but not limited to: (i) evaluation of facts and issues related to specific loans; (ii) management's ongoing review and grading of the loan portfolio; (iii) consideration of historical loan loss and delinquency experience on each portfolio segment; (iv) trends in past due and nonperforming loans; (v) the risk characteristics of the various loan segments; (vi) changes in the size and character of the portfolio; (vii) existing economic conditions; (viii) concentrations of loans to specific borrowers or industries; (ix) the fair value of underlying collateral; and (x) other qualitative and quantitative factors which could affect expected credit losses.

The Company's CECL estimate applies a forecast that incorporates macroeconomic trends and other environmental factors. Management utilized national, regional and local leading economic indexes, as well as management judgment, as the basis for the forecast period. The historical loss rate was utilized as the base rate, and qualitative adjustments were utilized to reflect the forecast and other relevant factors.

The Company also considers qualitative adjustments to the quantitative baseline. For example, the Company considers the impact of current environmental factors at the reporting date that did not exist over the period from which historical experience was used. Relevant factors include, but are not limited to, concentrations of credit risk (geographic, large borrower and industry), economic trends and conditions, changes in underwriting standards, experience and depth of lending staff, trends in delinquencies and the level of criticized loans.

The Company establishes a specific reserve for individually evaluated loans which do not share similar risk characteristics with the loans evaluated using a collective or pooled basis. These individually evaluated loans are removed from the pooling approach discussed above for the quantitative baseline, and include non-accrual loans and other loans as deemed appropriate by management.

Although management believes the allowance for credit losses on loans to be adequate, ultimate losses may vary from its estimates. At least quarterly, the board of directors evaluates the adequacy of the allowance for credit losses on loans, including consideration of the relevant risks in the portfolio, current economic conditions, and other factors.

Federal Home Loan Bank stock: Federal Home Loan Bank (FHLB) stock consists of the Company's required investment in the capital stock of the FHLB. No ready market exists for these securities and they have no quoted market value; as such the stock is carried at cost. Management reviews FHLB stock for impairment based on the ultimate recoverability of the cost basis in the FHLB stock, and no impairment has been identified as a result of these reviews.

Foreclosed real estate: Real estate acquired by foreclosure or by deed in lieu of foreclosure is initially recorded at fair value less cost to sell at the date of foreclosure, establishing a new cost basis. Costs relating to the development and improvement of property are capitalized; holding costs are charged to expense. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of their carrying amount or fair value less cost to sell. Revenues and expenses from operations and changes in the valuation allowance are included in net expenses from foreclosed real estate.

Real estate held for investment/sale: Real estate held for investment consists of rental properties. Rental properties are carried at the lower of cost less provisions for depreciation computed by the straight-line method over the estimated life of the property, or fair value less costs to sell. Rental revenue is recognized on a straight-line basis over the term of the lease unless another systemic and rational basis is more representative of the time pattern in which the use benefit is derived from the leased property. The difference between rental income earned on a straight-line basis and the cash rent due under provisions of the

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

lease agreements is recorded as deferred rent receivable and is included as a component of other assets in the accompanying consolidated balance sheets.

A property is considered held for sale when a contract for sale is entered into or when management has committed to a plan to sell an asset, the asset is actively marketed, and sale is expected to occur within one year. Property reported as held for sale is reported at the lower of the carrying amount or fair value less costs to sell and is not depreciated.

The Company evaluates the carrying value of all real estate held when an indicator of impairment is deemed to exist. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount which the carrying amount of the asset exceeds the fair value of the asset.

Office properties and equipment: Office properties including equipment are stated at cost less accumulated depreciation, and include expenditures for new facilities and items that substantially increase the useful lives of existing buildings and equipment. Expenditures for normal repairs and maintenance are charged to expense as incurred. When properties are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded.

Cash surrender value of life insurance: The Company has purchased bank-owned life insurance policies on certain executives. Bank-owned life insurance is recorded at its cash surrender value. Changes in the cash surrender values are included in non-interest income.

Mortgage servicing rights: Mortgage servicing rights (MSRs) are initially recognized at fair value when loans have been sold to investors and are amortized over the lives of the loans. Upon sale of loans with servicing retained, the servicing rights are recorded at fair value and remaining proceeds received are allocated to the loan. Amortization of MSRs is based on the ratio of net servicing income received in the current period, to total remaining net servicing income projected to be realized from the MSRs. MSRs are periodically assessed for impairment, which is calculated using estimated net cash flow analysis on a discounted basis. Impairment is recognized in the statement of income, during the period in which it occurs, as an adjustment to the corresponding valuation allowance. For purposes of performing an impairment evaluation, the serviced loan portfolio is stratified on the basis of certain risk characteristics including loan type (i.e., fixed or adjustable interest rates).

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

The transfer of a participating interest in an entire financial asset must also meet the definition of a participating interest. A participating interest in a financial asset has all of the following characteristics: (1) from the date of the transfer, it must represent a proportionate (pro rata) ownership in the financial asset, (2) from the date of transfer, all cash flows received, except any cash flows allocated as any compensation for servicing or other services performed, must be divided proportionately among participating interest holders in the amount equal to their share ownership, (3) the rights of each participating interest holder must have the same priority, and (4) no party has the right to pledge or exchange the entire financial asset unless all participating interest holders agree to do so.

Stock-based compensation: The Company accounts for its equity awards in accordance with ASC Topic 718. ASC Topic 718 requires companies to recognize compensation expense related to stock-based equity awards in their income statements. See Note 12 below for more information.

Leases: Lessor costs such as property taxes, insurance and maintenance paid directly by a lessee to third parties on the lessor's behalf are excluded from variable lease payments. Reimbursements paid by lessees to the Company are included in variable lease payments.

The Company has elected to apply the practical expedient to combine lease and non-lease components identified in lease contracts. Revenue from lease payments includes consideration received for common area maintenance services provided by the Company.

Income taxes: The Company, the Bank, and its subsidiaries file consolidated federal income tax returns and combined state income tax returns. Accordingly, amounts equal to tax benefits of those companies having taxable federal losses or credits are reimbursed by the other companies that incur tax liabilities.

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

Deferred income taxes are provided using the liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of the changes in tax laws and rates as of the date of enactment.

The Company accounts for uncertainty in income taxes to determine whether tax benefits claimed or expected to be claimed on a tax return, should be recorded in the consolidated financial statements. The Company may recognize the tax benefit for an uncertain tax position if it is more-likely-than-not that the tax position will be sustained upon examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than fifty percent likelihood of being utilized upon ultimate settlement.

It is the Company's policy that interest and penalties associated with unrecognized tax benefits are classified as additional income taxes in the statement of operations.

Derivative financial instruments and hedging activities: All derivatives are recognized in the consolidated balance sheets at their fair value. Derivative contracts are maintained related to commitments to fund residential mortgages (interest rate locks) in connection with residential mortgages intended for sale. Such commitments are recorded at fair value in other assets or liabilities, with changes in fair value recorded in net gain or loss on sale of mortgage loans. Fair value is based on fees currently charged to enter into similar agreements and, for fixed rate commitments, also considers the committed rates and current levels of interest rates.

Comprehensive income: Comprehensive income consists of net income and other comprehensive income. Other comprehensive income includes unrealized gains and losses on securities available-for-sale, which are also recognized as separate components of equity.

Reclassification: Certain amounts in the 2024 consolidated financial statements have been reclassified to conform to the 2025 presentation. These reclassifications had no effect on net income or stockholders' equity.

Segment reporting: The Company views the Bank as one operating segment, therefore, separate reporting of financial segment information is not considered necessary. The Company approaches the Bank and its other subsidiaries as one business enterprise, which operates in a single economic environment, since the products and services, types of customers and regulatory environment all have similar characteristics.

Recent accounting pronouncements: On October 1, 2024, the Company adopted ASU 2016-03, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which replaces the incurred loss methodology with an expected loss methodology that is referred to as CECL. The measurement of expected credit losses under CECL is applicable to financial assets measured at amortized cost, including loans receivable and held to maturity securities. It also applies to off-balance sheet credit exposures such as loan commitments and standby letters of credit. In addition, changes were made to the accounting for available for sale securities, which requires credit losses to be presented as an allowance rather than as a direct write-down of the available for sale securities when management does not intend to sell or believes it is more likely than not that they will be required to sell.

The Company adopted the standard using the modified retrospective method for all financial assets measured at amortized cost and for all off-balance sheet exposures. Results for annual periods beginning after October 1, 2023 are presented under the new CECL methodology while prior reporting periods continue to be reported in accordance with previously applicable GAAP. The Company recorded no adjustment to retained earnings as a result of adopting the standard.

On March 31, 2022, FASB issued ASU 2022-22, *Financial Instruments - Credit Losses (Topic 326) Troubled Debt Restructurings and Vintage Disclosures*, which eliminates the troubled debt restructuring ("TDR") accounting model for creditors that have adopted Topic 326, *Financial Instruments - Credit Losses*. In addition, on a prospective basis, entities will be subject to new disclosure requirements covering modifications of receivables from borrowers experiencing financial difficulty. Upon adoption of this guidance, the Company no longer establishes a specific reserve for modifications made after October 1, 2023 to borrowers experiencing financial difficulty. Instead, these modifications are included in their specific loan segment in the allowance for credit losses on loans. The Company has adopted ASU 2022-22 effective on October 1, 2023. The adoption of this standard did not have a material effect on the Company's operating results or financial condition.

Prior to the adoption of ASU 2016-03, the Company used an incurred loss model to measure the allowance for loan losses.

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

During the year ended December 31, 2025, the Company adopted ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosure*, which expands the disclosure requirements for income taxes. The adoption did not have a material impact on the Company's consolidated financial statements. See Note 14 Income Taxes for more information.

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

Note 2. Cash and Due from Banks

The Bank may be required to maintain average balances on hand or with the Federal Reserve Bank, based upon a percentage of certain deposits. These required reserve balances were zero at both December 31, 2025 and December 31, 2024.

Note 3. Investment Securities

The amortized costs and fair values of investment securities are summarized as follows:

	December 31, 2025			
	Gross		Gross	
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available for Sale				
U.S. Government and agency securities	\$ 4,000	\$ –	\$ (171)	\$ 3,829
U.S. Government agency residential mortgage-backed securities	25,981	–	(2,731)	23,250
U.S. Government agency collateralized mortgage obligations	6,105	–	(902)	5,204
U.S. Government agency commercial mortgage-backed securities	39,097	–	(3,019)	36,078
U.S. Government agency asset backed securities	16,444	–	(2,071)	14,373
Municipal securities-tax exempt	12,948	–	(1,119)	11,829
Municipal securities-taxable	1,970	–	(155)	1,815
Corporate bonds	500	–	(6)	494
Total Available for Sale	107,046	–	(10,174)	96,872
Held to Maturity				
Municipal securities	649	–	(6)	643
Total Held to Maturity	649	–	(6)	643
Total Investment Securities	\$ 103,695	\$ –	\$ (10,180)	\$ 97,515
	December 31, 2024			
	Gross		Gross	
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available for Sale				
U.S. Government and agency securities	\$ 4,000	\$ –	\$ (387)	\$ 3,613
U.S. Government agency residential mortgage-backed securities	27,369	–	(4,229)	23,140
U.S. Government agency collateralized mortgage obligations	6,792	–	(1,304)	5,488
U.S. Government agency commercial mortgage-backed securities	41,023	–	(4,536)	36,487
U.S. Government agency asset backed securities	18,249	–	(2,924)	15,325
Municipal securities-tax exempt	13,106	–	(1,516)	11,590
Municipal securities-taxable	1,982	–	(260)	1,722
Corporate bonds	500	–	(25)	475
Total Available for Sale	113,021	–	(15,181)	97,840
Held to Maturity				
Municipal securities	851	–	(6)	845
Corporate bonds	520	–	(41)	480
Total Held to Maturity	1,371	–	(47)	1,324
Total Investment Securities	\$ 114,392	\$ –	\$ (15,228)	\$ 99,164

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

The amortized cost and fair value of investment securities, by contractual maturity at December 31, 2025, are shown in the following table. Actual maturities differ from contractual maturities for mortgage-backed securities and collateralized mortgage obligations because the mortgages underlying the securities may be called or repaid without penalty. Therefore, these securities are not presented in the maturity categories in the table below.

	December 31, 2025	
	Amortized Cost	Fair Value
Available for sale:		
Due in one year or less	\$ 1,414	\$ 1,396
Due after one year through five years	4,108	3,909
Due after five years through ten years	7,168	6,549
Due after ten years	6,729	6,113
U.S. Government agency collateralized mortgage obligations	6,105	5,204
U.S. Government agency residential mortgage-backed securities	25,981	23,250
U.S. Government agency commercial mortgage-backed securities	39,097	36,078
U.S. Government agency asset backed securities	16,444	14,373
	<u>\$ 107,046</u>	<u>\$ 96,872</u>
Held to maturity:		
Due in one year or less	209	208
Due after one year through five years	440	435
Due after five years through ten years	—	—
Due after ten years	—	—
	<u>649</u>	<u>643</u>
Total	<u>\$ 107,695</u>	<u>\$ 97,515</u>

The Company elected to exclude accrued interest receivable from the reported balances of debt securities. As of December 31, 2025 and December 31, 2024, accrued interest receivable for debt securities totaled \$323 and \$346, respectively, and is included in other assets on the consolidated balances sheets.

Proceeds from sales of securities available-for-sale during the year ended December 31, 2025 and fifteen months ended December 31, 2024 were \$0 and \$15,666, respectively. Gross realized gains, during the year ended December 31, 2025 and fifteen months ended December 31, 2024, on these sales amounted to \$0 and \$27, respectively. Gross realized losses on these sales were \$0 and \$954 during the year ended December 31, 2025 and fifteen months ended December 31, 2024 respectively.

Securities with carrying values of \$35,196 and \$22,975 at years ended December 31, 2025 and December 31, 2024 respectively, were pledged for purposes required or permitted by law.

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

Information pertaining to securities with gross unrealized losses, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, are summarized as follows:

	Year ended December 31, 2025					
	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
U.S. Government and agency securities	\$ -	\$ -	\$ 3,829	\$ (171)	\$ 3,829	\$ (171)
U.S. Government agency residential mortgage-backed securities	963	(3)	22,287	(2,728)	23,250	(2,731)
U.S. Government agency collateralized mortgage obligations	-	-	5,204	(902)	5,204	(902)
U.S. Government agency commercial mortgage-backed securities	1,065	(2)	35,013	(3,017)	36,078	(3,019)
U.S. Government agency asset backed securities	-	-	14,373	(2,071)	14,373	(2,071)
Municipal securities-Tax exempt	-	-	11,829	(1,119)	11,829	(1,119)
Municipal securities-Taxable	-	-	1,815	(155)	1,815	(155)
Corporate Securities	-	-	494	(6)	494	(6)
	\$ 2,028	\$ (5)	\$ 94,844	\$ (10,169)	\$ 96,872	\$ (10,174)

	Fifteen months ended December 31, 2024					
	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
U.S. Government and agency securities	\$ -	\$ -	\$ 3,613	\$ (387)	\$ 3,613	\$ (387)
U.S. Government agency residential mortgage-backed securities	-	-	23,140	(4,229)	23,140	(4,229)
U.S. Government agency collateralized mortgage obligations	-	-	5,488	(1,304)	5,488	(1,304)
U.S. Government agency commercial mortgage-backed securities	2,437	(118)	34,050	(4,418)	36,487	(4,536)
U.S. Government agency asset backed securities	-	-	15,325	(2,924)	15,325	(2,924)
Municipal securities-Tax exempt	-	-	11,590	(1,516)	11,590	(1,516)
Municipal securities-Taxable	-	-	1,722	(260)	1,722	(260)
Corporate Securities	-	-	475	(25)	475	(25)
	\$ 2,437	\$ (118)	\$ 95,403	\$ (15,063)	\$ 97,480	\$ (15,181)

The Company does not believe that the available for sale securities that were in an unrealized loss position as of December 31, 2025, which were comprised of 134 securities, represent a credit loss impairment. The gross unrealized loss positions were primarily related to securities issued by the U.S. government or U.S. government-sponsored enterprises. These securities carry the explicit and/or implicit guarantee of the U.S. government and have a long history of zero credit loss. Total gross unrealized losses were primarily attributable to changes in interest rates, relative to when the investment securities were purchased, and not due to the credit quality of the investment securities. The Company does not intend to sell these investment securities that were in an unrealized loss position, and it is not more likely than not that the Company will be required to sell these investment securities before recovery of their amortized cost basis, which may be at maturity.

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

Note 4. Loans

A summary of the balances of loans follows:

	<u>Year ended</u> <u>December 31, 2025</u>	<u>Fifteen months ended</u> <u>December 31, 2024</u>
Real Estate:		
Residential Real Estate	\$ 95,175	\$ 101,257
Multifamily	161,553	193,510
Commercial real estate non-owner occupied	84,404	102,447
Commercial real estate owner occupied	94,203	95,367
Construction and land development	6,885	6,829
Total Real Estate	<u>442,220</u>	<u>499,410</u>
Commercial Business	75,008	93,326
Consumer and Other:		
Home equity lines of credit	21,962	21,273
Other	7,685	885
Total Consumer	<u>29,647</u>	<u>22,158</u>
Total Loans	<u>546,875</u>	<u>614,894</u>
Less:		
Net Deferred Loan Fees (Costs)	(21)	14
Allowance for Credit Losses	6,017	6,094
Net Loans	<u>\$ 540,879</u>	<u>\$ 608,786</u>

The Company elected to exclude accrued interest receivable from the amortized cost basis of loans. As of December 31, 2025 and December 31, 2024, respectively, accrued interest receivable for loans totaled \$1,990 and \$2,103, respectively, and is included in other assets on the consolidated balance sheets.

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

The following tables present the contractual aging of the recorded investment in past due loans by class of loans as of December 31, 2025 and December 31, 2024:

Year ended December 31, 2025	Current	30-59 Days Past Due	60-89 Past Due	Loans Past Due 90 Days or More	Total
Residential Real Estate	\$ 95,082	\$ 93	\$ —	\$ —	\$ 95,175
Multifamily	161,553	—	—	—	161,553
Commercial real estate non-owner occupied	84,404	—	—	—	84,404
Commercial real estate owner occupied	94,203	—	—	—	94,203
Construction and land development	6,885	—	—	—	6,885
Commercial Business	75,008	—	—	—	75,008
Consumer and Other:					
Home equity lines of credit	21,962	—	—	—	21,962
Other	7,685	—	—	—	7,685
	<u>\$ 546,782</u>	<u>\$ 93</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 546,875</u>

Fifteen months ended December 31, 2024	Current	30-59 Days Past Due	60-89 Past Due	Loans Past Due 90 Days or More	Total
Residential Real Estate	\$ 101,257	\$ —	\$ —	\$ —	\$ 101,257
Multifamily	193,510	—	—	—	193,510
Commercial real estate non-owner occupied	102,447	—	—	—	102,447
Commercial real estate owner occupied	95,367	—	—	—	95,367
Construction and land development	6,829	—	—	—	6,829
Commercial Business	93,214	—	—	112	93,326
Consumer and Other:					
Home equity lines of credit	21,273	—	—	—	21,273
Other	885	—	—	—	885
	<u>\$ 614,782</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 112</u>	<u>\$ 614,894</u>

There were no loans past due ninety days or more still accruing interest as of December 31, 2025 and December 31, 2024.

The following table presents the recorded investment of nonaccrual loans by class of loans as of December 31, 2025 and December 31, 2024:

	December 31, 2025	December 31, 2024
Residential Real Estate	\$ —	\$ —
Multifamily	—	—
Commercial real estate non-owner occupied	—	—
Commercial real estate owner occupied	—	—
Construction and land development	—	—
Commercial Business	—	112
Consumer and Other:		
Home equity lines of credit	—	—
Other	—	—
	<u>\$ —</u>	<u>\$ 112</u>

As part of the on-going monitoring of the credit quality of the Company's loan portfolio, management categorizes loans into risk categories based on relevant information about the ability of the borrowers to service their debt and comply with various terms of their loan agreements. The Company considers current financial information, historical payment experience, credit documentation, public information and current economic trends when categorizing loans into risk categories. Generally, all

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

sizable credits receive a financial review no less than annually to monitor and adjust, if necessary, the credit's risk profile. Credits classified as watch, special mention, substandard and doubtful generally receive a review quarterly.

The Company categorizes loans into the following risk categories based on relevant information about the ability of borrowers to service their debt

Pass - A pass asset is well protected by the current worth and paying capacity of the obligor (or guarantors, if any) or by the fair value, less costs to acquire and sell in a timely manner, of any underlying collateral.

Watch - A watch asset has potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the asset or in the Company's credit position at some future date. Watch assets are not adversely classified and do not expose the Company to sufficient risk to warrant adverse classification.

Special Mention - A special mention asset has characteristics of deterioration in quality exhibited by any number of well-defined weaknesses requiring significant corrective action. The repayment ability of the borrower has not been validated, or has become marginal or weak and the loan may have exhibited some overdue payments or payment extensions and/or renewals.

Substandard - A substandard asset is an asset with a well-defined weakness that jeopardizes repayment in whole, or in part, of the debt. These credits are inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged. These assets are characterized by the distinct possibility that the Company will or has sustained some loss of principal and/or interest if the deficiencies are not corrected.

Doubtful - A doubtful asset is an asset that has all the weaknesses inherent in the substandard classification 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. These credits have a high probability for loss, yet because certain important and reasonably specific pending factors may work toward the strengthening of the asset, its classification of loss is deferred until its more exact status can be determined.

Homogeneous loan types are assessed for credit quality based on the contractual aging status of the loan and payment activity. In certain cases, based upon payment performance, the loan being related with another commercial type loan or for other reasons, a loan may be categorized into one of the risk categories noted above. Such assessment is completed at the end of each reporting period.

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

The following tables present the risk category of loans evaluated by internal asset classification based on the most recent analysis performed and the contractual aging as of December 31, 2025 and December 31, 2024:

December 31, 2025	Pass	Watch	Special Mention	Substandard	Doubtful	Total
Residential Real Estate	\$ 95,175	\$ —	\$ —	\$ —	\$ —	\$ 95,175
Multifamily	161,553	—	—	—	—	161,553
Commercial real estate non-owner occupied	78,133	6,271	—	—	—	84,404
Commercial real estate owner occupied	93,204	999	—	—	—	94,203
Construction and land development	6,885	—	—	—	—	6,885
Commercial Business	75,008	—	—	—	—	75,008
Consumer and other:						
Home equity line of credit	21,962	—	—	—	—	21,962
Other	7,685	—	—	—	—	7,685
Total	<u>\$ 539,605</u>	<u>\$ 7,270</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 546,875</u>

December 31, 2024	Pass	Watch	Special Mention	Substandard	Doubtful	Total
Residential Real Estate	\$ 101,257	\$ —	\$ —	\$ —	\$ —	\$ 101,257
Multifamily	193,510	—	—	—	—	193,510
Commercial real estate non-owner occupied	102,447	—	—	—	—	102,447
Commercial real estate owner occupied	92,085	3,282	—	—	—	95,367
Construction and land development	6,829	—	—	—	—	6,829
Commercial Business	90,084	3,130	—	112	—	93,326
Consumer and other:						
Home equity line of credit	21,273	—	—	—	—	21,273
Other	885	—	—	—	—	885
Total	<u>\$ 608,370</u>	<u>\$ 6,412</u>	<u>\$ —</u>	<u>\$ 112</u>	<u>\$ —</u>	<u>\$ 614,894</u>

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

A summary of the activity in the allowance for credit losses on loans for the year ended December 31, 2025 and fifteen months ended December 31, 2024, respectively, are as follows. The Company adopted CECL as of October 1, 2023.

Year ended December 31, 2025	Residenti al Real Estate	Multi- family	Commercial Real Estate - Non-owner Occupied	Commercial Real Estate - Owner Occupied	Commercial Real Estate - Construction and Land Development	Commercial Business	Consumer and Other	Total
Allowance for credit losses:								
Beginning Balance	\$ 310	\$ 1,332	\$ 2,124	\$ 1,188	\$ 60	\$ 1,029	\$ 51	\$ 6,094
Provision for credit losses	73	181	(181)	33	14	(85)	(35)	-
Loans charged-off	-	-	-	-	-	(107)	-	(107)
Recoveries of loans previously charged-off	1	-	-	-	-	29	-	30
Ending Balance	<u>\$ 384</u>	<u>\$ 1,513</u>	<u>\$ 1,943</u>	<u>\$ 1,221</u>	<u>\$ 74</u>	<u>\$ 866</u>	<u>\$ 16</u>	<u>\$ 6,017</u>
Period-ended amount allocated for:								
Collateral Dependent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collectively evaluated for impairment	384	1,513	1,943	1,221	74	866	16	6,017
Ending Balance	<u>\$ 384</u>	<u>\$ 1,513</u>	<u>\$ 1,943</u>	<u>\$ 1,221</u>	<u>\$ 74</u>	<u>\$ 866</u>	<u>\$ 16</u>	<u>\$ 6,017</u>
Loans:								
Collateral Dependent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collectively evaluated for impairment	95,175	161,553	84,404	94,203	6,885	75,008	29,647	546,875
Ending Balance	<u>\$ 95,175</u>	<u>\$ 161,553</u>	<u>\$ 84,404</u>	<u>\$ 94,203</u>	<u>\$ 6,885</u>	<u>\$ 75,008</u>	<u>\$ 29,647</u>	<u>\$ 546,875</u>

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

Fifteen months ended December 31, 2024	Residenti al Real Estate	Multi- family	Commercial Real Estate - Non-owner Occupied	Commercial Real Estate - Owner Occupied	Construction and Land Development	Commercial Business	Consumer and Other	Total
Allowance for credit losses:								
Beginning Balance	\$ 426	\$ 2,082	\$ 1,666	\$ 1,082	\$ 184	\$ 1,085	\$ 52	\$ 6,577
Adoption of CECL	65	(442)	289	242	(43)	(60)	(51)	-
Provision for credit losses	(190)	(225)	301	(62)	(77)	108	325	180
Transfer to reserve for unfunded loan commitments	-	(83)	(132)	(74)	(4)	(64)	-	(357)
Loans charged-off	-	-	-	-	-	(40)	(285)	(325)
Recoveries of loans previously charged-off	9	-	-	-	-	-	10	19
Ending Balance	<u>\$ 310</u>	<u>\$ 1,332</u>	<u>\$ 2,124</u>	<u>\$ 1,188</u>	<u>\$ 60</u>	<u>\$ 1,029</u>	<u>\$ 51</u>	<u>\$ 6,094</u>

Period-ended amount allocated for:

Collateral Dependent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collectively evaluated for impairment	310	1,332	2,124	1,188	60	1,029	51	6,094
Ending Balance	<u>\$ 310</u>	<u>\$ 1,332</u>	<u>\$ 2,124</u>	<u>\$ 1,188</u>	<u>\$ 60</u>	<u>\$ 1,029</u>	<u>\$ 51</u>	<u>\$ 6,094</u>

Loans:

Collateral Dependent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collectively evaluated for impairment	101,257	193,510	102,447	95,367	6,829	93,326	22,158	614,894
Ending Balance	<u>\$ 101,257</u>	<u>\$ 193,510</u>	<u>\$ 102,447</u>	<u>\$ 95,367</u>	<u>\$ 6,829</u>	<u>\$ 93,326</u>	<u>\$ 22,158</u>	<u>\$ 614,894</u>

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

In addition to the allowance for credit losses above, the Company has established an allowance for credit losses on unfunded loan commitments, classified in other liabilities on the consolidated balance sheets. This allowance is maintained at a level that management believes is sufficient to absorb losses arising from unfunded loan commitments, and is determined based on a methodology similar to the methodology for determining the allowance for credit losses on loans. The allowance for credit losses on unfunded loan commitments as of December 31, 2025 and December 31, 2024 was \$357 and \$357, respectively.

The provision for credit losses is determined by the Company as the amount to be added to the allowance for credit losses for various types of financial instruments including loans, investment securities, and unfunded commitments after net charge-offs have been deducted to bring the allowance for credit losses to a level that, in management's judgment, is necessary to absorb expected credit losses over the lives of the respective financial instruments. The Company made a provision for credit losses of \$0 and \$180 for the year ended December 31, 2025 and fifteen months ended December 31, 2024

A loan is considered to be collateral dependent when, based upon management's assessment, the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral. for collateral dependent loans, expected credit losses are based on the estimated fair value of the collateral at the balance sheet date, with consideration for estimated selling costs if satisfaction of the loan depends on the sale of the collateral.

Collateral dependent commercial real estate loans, both owner-occupied and non-owner occupied, are valued by independent external appraisals. These external appraisals are prepared using the sales comparison approach and income approach valuation techniques. Estimated fair values are reduced to account for sales commissions, broker fees, unpaid property taxes and additional selling expenses to arrive at an estimated net realizable value.

Management may make subsequent unobservable adjustments to the collateral dependent loan appraisals. Collateral dependent loans other than commercial real estate are not considered material.

As of December 31, 2025 and December 31, 2024, the Company had no collateral dependent loans.

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

Information regarding the loan portfolio by risk classification and origination year as of December 31, 2025 is as follows:

December 31, 2025	2025	2024	2023	2022	2021	Prior	Revolving	Total
Residential Real Estate								
Pass	\$ 11,666	\$ 6,826	\$ 5,737	\$ 27,360	\$ 16,045	\$ 27,335	\$ 206	\$ 95,176
Total	\$ 11,666	\$ 6,826	\$ 5,737	\$ 27,360	\$ 16,045	\$ 27,335	\$ 206	\$ 95,176
Multifamily								
Pass	\$ 17,520	\$ 4,791	\$ 13,047	\$ 42,024	\$ 55,336	\$ 27,202	\$ 1,633	\$ 161,553
Total	\$ 17,520	\$ 4,791	\$ 13,047	\$ 42,024	\$ 55,336	\$ 27,202	\$ 1,633	\$ 161,553
Commercial Real Estate - Non-Owner Occupied								
Pass	\$ 15,459	\$ 5,884	\$ 17,372	\$ 13,879	\$ 8,543	\$ 16,996	\$ -	\$ 78,133
Watch	\$ -	\$ -	\$ 6,271	\$ -	\$ -	\$ -	\$ -	\$ 6,271
Total	\$ 15,459	\$ 5,884	\$ 23,643	\$ 13,879	\$ 8,543	\$ 16,996	\$ -	\$ 84,404
Commercial Real Estate - Owner Occupied								
Pass	\$ 29,152	\$ 9,311	\$ 12,235	\$ 11,559	\$ 12,742	\$ 18,205	\$ -	\$ 93,204
Watch	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 999	\$ -	\$ 999
Total	\$ 29,152	\$ 9,311	\$ 12,235	\$ 11,559	\$ 12,742	\$ 19,204	\$ -	\$ 94,203
Construction and Land Development								
Pass	\$ 5,098	\$ 493	\$ -	\$ 187	\$ 122	\$ 290	\$ 694	\$ 6,885
Total	\$ 5,098	\$ 493	\$ -	\$ 187	\$ 122	\$ 290	\$ 694	\$ 6,885
Commercial Business								
Pass	\$ 17,105	\$ 14,691	\$ 10,003	\$ 10,852	\$ 1,648	\$ 653	\$ 20,056	\$ 75,008
Total	\$ 17,105	\$ 14,691	\$ 10,003	\$ 10,852	\$ 1,648	\$ 653	\$ 20,056	\$ 75,008
Consumer and Other								
Pass	\$ 4,842	\$ 269	\$ 44	\$ 24	\$ -	\$ -	\$ 24,468	\$ 29,647
Total	\$ 4,842	\$ 269	\$ 44	\$ 24	\$ -	\$ -	\$ 24,468	\$ 29,647

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

Information regarding the loan portfolio by risk classification and origination year as of December 31, 2024 is as follows:

December 31, 2024	2024	2023	2022	2021	2020	Prior	Revolving	Total
Residential Real Estate								
Pass	\$ 2,251	\$ 9,452	\$ 30,473	\$ 16,740	\$ 5,232	\$ 37,109	\$ –	\$ 101,257
Total	\$ 2,251	\$ 9,452	\$ 30,473	\$ 16,740	\$ 5,232	\$ 37,109	\$ –	\$ 101,257
Multifamily								
Pass	\$ 1,073	\$ 8,060	\$ 17,991	\$ 59,034	\$ 18,122	\$ 87,465	\$ 1,765	\$ 193,510
Total	\$ 1,073	\$ 8,060	\$ 17,991	\$ 59,034	\$ 18,122	\$ 87,465	\$ 1,765	\$ 193,510
Commercial Real Estate - Non-Owner Occupied								
Pass	\$ 1,582	\$ 23,370	\$ 15,372	\$ 5,335	\$ 19,484	\$ 37,097	\$ 207	\$ 102,447
Total	\$ 1,582	\$ 23,370	\$ 15,372	\$ 5,335	\$ 19,484	\$ 37,097	\$ 207	\$ 102,447
Commercial Real Estate - Owner Occupied								
Pass	\$ 6,840	\$ 9,798	\$ 16,606	\$ 16,239	\$ 16,174	\$ 22,428	\$ 4,000	\$ 92,085
Watch	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 3,282	\$ –	\$ 3,282
Total	\$ 6,840	\$ 9,798	\$ 16,606	\$ 16,239	\$ 16,174	\$ 25,709	\$ 4,000	\$ 95,367
Construction and Land Development								
Pass	\$ 4,045	\$ 910	\$ 29	\$ 185	\$ –	\$ 353	\$ 1,307	\$ 6,829
Total	\$ 4,045	\$ 910	\$ 29	\$ 185	\$ –	\$ 353	\$ 1,307	\$ 6,829
Commercial Business								
Pass	\$ 21,379	\$ 16,874	\$ 18,813	\$ 4,178	\$ 3,911	\$ 2,133	\$ 22,796	\$ 90,084
Watch	\$ –	\$ 3,130	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 3,130
Substandard	\$ –	\$ –	\$ 112	\$ –	\$ –	\$ –	\$ –	\$ 112
Total	\$ 21,379	\$ 20,004	\$ 18,925	\$ 4,178	\$ 3,911	\$ 2,133	\$ 22,796	\$ 93,326
Consumer and Other								
Pass	\$ 556	\$ 62	\$ 60	\$ –	\$ –	\$ –	\$ 21,480	\$ 22,158
Total	\$ 556	\$ 62	\$ 60	\$ –	\$ –	\$ –	\$ 21,480	\$ 22,158

All homogeneous loans (defined as single family and consumer and other) were performing as of December 31, 2025 and December 31, 2024.

Interest income foregone on nonaccrual loans approximated \$5 and \$22 for the year ended year ended December 31, 2025 and fifteen months ended December 31, 2024.

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

Modifications to borrowers experiencing financial difficulty may include interest rate reductions, principal or interest forgiveness, forbearances, term extensions, and other actions intended to minimize economic loss and to avoid foreclosure or repossession of collateral. The following table presents the amortized cost basis of loan modifications made to borrowers experiencing financial difficulty:

December 31, 2025	Type of Concession				Percent of Total Segment of Loans
	Interest Rate Reduction	Term Extension	Principial Forgiveness	Total	
Residential Real Estate	\$ —	\$ —	\$ —	\$ —	—%
Multifamily	—	—	—	—	—%
Construction and Land	—	—	—	—	—%
Commercial Real Estate - Non-Owner Occupied	—	—	—	—	—%
Commercial Real Estate - Owner-Occupied	—	—	—	—	—%
Commercial Business	—	—	—	—	—%
Consumer and Other	—	—	—	—	—%
	\$ —	\$ —	\$ —	\$ —	—%

December 31, 2024	Type of Concession				Percent of Total Segment of Loans
	Interest Rate Reduction	Term Extension	Principial Forgiveness	Total	
Residential Real Estate	\$ —	\$ —	\$ —	\$ —	—%
Multifamily	—	—	—	—	—%
Construction and Land	—	—	—	—	—%
Commercial Real Estate - Non-Owner Occupied	—	—	552	—	2%
Commercial Real Estate - Owner-Occupied	—	—	—	—	—%
Commercial Business	—	—	—	—	—%
Consumer and Other	—	—	—	—	—%
	\$ —	\$ —	\$ 552	\$ —	0%

Total principal forgiveness for loan modifications made to borrowers experiencing financial difficulty year ended December 31, 2025 and fifteen months ended December 31, 2024 was \$0 and \$31, respectively.

For the year ended December 31, 2025 and fifteen months ended December 31, 2024, there were no loan modifications made to borrowers experiencing financial difficulty that defaulted within twelve months of making the modification.

The Company does not have material commitments to lend additional funds to borrowers with loans whose terms have been modified or whose loans are on nonaccrual.

Certain of the Bank's directors and executive officers are loan customers of the Bank. These loans were made on substantially the same terms as those prevailing for comparable transactions with other persons and do not involve more than the normal risk of collectability.

An analysis of such loans is as follows:

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

	<u>Year Ended December 31,</u>	<u>Fifteen Months Ended</u>
	<u>2025</u>	<u>December 31,</u>
		<u>2024</u>
Balance, beginning	\$ 10,501	\$ 10,400
New loans originated	–	823
Draws on lines of credit	60	4
Directors & Executive Additions	542	–
Principal repayments	(1,554)	(726)
Balance, ending	<u>\$ 9,549</u>	<u>\$ 10,501</u>

Note 5. Foreclosed Real Estate

An analysis of foreclosed real estate for year ended December 31, 2025 and fifteen months ended December 31, 2024 respectively, is as follows:

	<u>2025</u>	<u>2024</u>
Balance, beginning	\$ –	\$ –
Transfer of loans	–	–
Payments	–	–
Proceeds on sale	–	–
Gain (loss) on sale	–	–
Balance, ending	<u>\$ –</u>	<u>\$ –</u>

Note 6. Mortgage Servicing Rights

Loans serviced for others approximated \$0 at December 31, 2025 and December 31, 2024. These loans are not reflected in the accompanying consolidated financial statements and were sold without recourse.

	<u>Year Ended</u>	<u>15 Months Ended</u>
	<u>December 31,</u>	<u>December 31,</u>
	<u>2025</u>	<u>2024</u>
Mortgage servicing rights:		
Balance at beginning of year	\$ –	\$ 108
Additions	–	–
Disposals	–	(108)
Amortization	–	–
Balance at end of year	<u>–</u>	<u>–</u>
Valuation allowances:		
Balance at beginning of year	–	–
Additions	–	–
Reductions	–	–
Write-downs	–	–
Balance at end of year	<u>–</u>	<u>–</u>
Mortgage servicing rights, net	<u>\$ –</u>	<u>\$ –</u>

The fair value of mortgage servicing rights was \$0 and \$0 as of December 31, 2025 and December 31, 2024.

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

Note 7. Office Properties and Equipment

The components of office properties and equipment were as follows:

	December 31, 2025	December 31, 2024
Land and land improvements	\$ 5,912	\$ 5,911
Office buildings and improvements	20,210	20,044
Furniture and equipment	6,337	6,224
Future expansion sites	400	400
	32,859	32,579
Less accumulated depreciation and amortization	(16,883)	(15,961)
	\$ 15,976	\$ 16,618

Depreciation and amortization expense of approximately \$1,008 and \$1,530 on office properties and equipment is included in furniture and equipment and occupancy expenses for the year ended December 31, 2025 and fifteen months ended December 31, 2024, respectively.

The Company leases, to various tenants, space in certain of its office properties under noncancelable operating leases. Gross rental income was \$420 and \$617 for the year ended December 31, 2025 and fifteen months ended December 31, 2024, respectively. Minimum future rental income under the terms of noncancelable leases is as follows:

Years Ending December 31,		
2026	\$	397
2027		362
2028		338
2029		53
Thereafter		52
	\$	1,202

There are no approximate minimum annual rentals and commitments under noncancelable agreements and leases with remaining terms in excess of one year as of December 31, 2025 and December 31, 2024.

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

Note 8. Deposits

The following table presents the composition of deposits as of:

	December 31, 2025		December 31, 2024	
	Amount	Percent	Amount	Percent
Negotiable order for withdrawal accounts:	\$ 253,361	35.53%	\$ 241,939	33.16%
Noninterest bearing	100,990	14.16%	113,476	15.55%
Interest bearing	354,351	49.69%	355,415	48.71%
Passbook and Statement Savings	171,142	24.00%	177,293	24.30%
Variable Rate Money Market Accounts	147,945	20.75%	143,581	19.68%
Certificates of Deposit	39,674	5.56%	53,439	7.31%
	<u>\$ 713,112</u>	<u>100.00%</u>	<u>\$ 729,728</u>	<u>100.00%</u>

Certificate accounts equal to or greater than one hundred thousand dollars totaled \$9,952 and \$17,351 as of December 31, 2025 and December 31, 2024, respectively. Of these amounts, \$1,974 and \$5,222 were equal to or greater than two hundred fifty thousand dollars as of December 31, 2025 and December 31, 2024, respectively.

A summary of certificate accounts by scheduled maturity as of December 31, 2025 is as follows:

	December 31, 2025	
2026	\$	27,891
2027		6,268
2028		3,838
2029		1,022
2030		655
	<u>\$</u>	<u>39,674</u>

Certain of the Bank's directors and executive officers are deposit customers of the Bank. As of December 31, 2025 and December 31, 2024, deposits of approximately \$10,003 and \$18,850, respectively, were held by such parties.

Note 9. Borrowings

The Bank maintains a master contract agreement with the Federal Home Loan Bank of Chicago (FHLB) that provides for borrowing up to the maximum of 75 percent of the book value of the Bank's first lien 1-4 family and multifamily real estate loans. The FHLB provides both fixed and floating rate advances. Floating rate advances are tied to short-term market rates of interest, such as SOFR, Federal Funds or Treasury Bill rates. Fixed rate advances are priced in reference to market rates of interest at the time of the advance, namely the rates that the FHLB pays to borrowers at various maturities. In either case, interest is payable monthly with principal payable at maturity.

Advances are generally secured by a security agreement pledging a portion of the Bank's residential real estate loans. Pledged real estate mortgages and home equity lines of credit had a carrying value of \$162,453 and \$179,731 as of December 31, 2025 and December 31, 2024, respectively.

The Company had no FHLB term advances at December 31, 2025 and December 31, 2024.

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

On November 6, 2024, the Company entered into a \$12,500, fifteen year term note with its correspondent bank. Interest is payable at a floating rate of WSJ PRIME minus 0.625%. The note is interest-only for two years, and will then amortize on a 13 year schedule. The note matures on November 6, 2039.

On November 6, 2024, the Company entered into a line of credit with its correspondent bank for \$2,500. Interest is payable at the WSJ PRIME rate minus 0.50% with a floor rate of 4.00%. This note was renewed on November 6, 2025.

Both the note and the line of credit with the correspondent bank are secured by the stock of the Bank which is 100% owned by the Company.

Outstanding borrowings were as follows as of December 31, 2025 and December 31, 2024:

	December 31, 2025		December 31, 2024	
	Amount	Weighted Average Cost	Amount	Weighted Average Cost
Overnight advances from FHLB	\$ —	—	\$ —	—
Long-term advances from FHLB	—	—	—	—
Short term note with correspondent bank	—	—	—	—
Long term note with correspondent bank	11,500	6.13%	12,500	6.88%
Line of credit with correspondent bank	—	6.38%	—	7.00%

Note 10. Regulatory Capital

The Company is exempt from consolidated capital requirements as those requirements do not apply to certain small bank holding companies with assets under \$1 billion.

The federal banking agencies maintain capital regulations applicable to the Bank.

Under these regulatory capital regulations, the minimum capital ratios are: (1) CET1 capital ratio of 4.5% of risk-weighted assets; (2) a Tier 1 capital ratio of 6.0% of risk-weighted assets; (3) a total capital ratio of 8.0% of risk-weighted assets; and (4) a leverage ratio of 4.0%. CET1 generally consists of common stock and retained earnings, subject to applicable regulatory adjustments and deductions.

The Bank has elected to permanently opt-out of the inclusion of accumulated other comprehensive income in our capital calculations, as permitted by the regulations. This opt-out reduces the impact of market volatility on our regulatory capital levels.

In addition to the minimum CET1, Tier 1 and total capital ratios, the Bank is required to maintain a capital conservation buffer consisting of additional CET1 capital greater than 2.5% of risk-weighted assets above the required minimum levels in order to avoid limitations on paying dividends, engaging in share repurchases, and paying discretionary bonuses based on percentages of eligible retained income that could be utilized for such actions.

Under the FDIC's prompt corrective action standards, in order to be considered well-capitalized, the Bank must have a CET1 ratio of 6.5%, a Tier 1 ratio of 8.0%, a total risk-based capital ratio of 10.0% and a leverage ratio of 5.0%. The Bank meets all these requirements, including the full capital conservation buffer.

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

The Bank's actual capital amounts and ratios and those required by the above regulatory standards are presented in the following tables. For December 31, 2025 and December 31, 2024, we have included the capital conservation buffer in our minimum capital adequacy ratios in the table below:

At December 31, 2025	Actual		For Capital Adequacy Purposes		For Capital Adequacy Purposes with Capital Buffer		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
	CET1 capital (to risk-weighted assets)							
Westbury Bank	\$ 71,170	11.61%	\$ 27,582	4.50%	\$ 42,905	7.00%	\$ 39,840	6.50%
Tier 1 capital (to risk-weighted assets)								
Westbury Bank	71,170	11.61%	36,776	6.00%	52,099	8.50%	49,034	8.00%
Total capital (to risk-weighted assets)								
Westbury Bank	77,544	12.65%	49,034	8.00%	64,358	10.50%	61,293	10.00%
Leverage (to adjusted total assets)								
Westbury Bank	71,170	8.97%	31,729	4.00%	N/A	N/A	39,661	5.00%

At December 31, 2024	Actual		For Capital Adequacy Purposes		For Capital Adequacy Purposes with Capital Buffer		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
	CET1 capital (to risk-weighted assets)							
Westbury Bank	\$ 87,466	13.95%	\$ 28,209	4.50%	\$ 43,880	7.00%	\$ 40,746	6.50%
Tier 1 capital (to risk-weighted assets)								
Westbury Bank	87,466	13.95%	37,611	6.00%	53,283	8.50%	50,148	8.00%
Total capital (to risk-weighted assets)								
Westbury Bank	93,917	14.98%	50,148	8.00%	65,820	10.50%	62,686	10.00%
Leverage (to adjusted total assets)								
Westbury Bank	87,466	10.41%	33,618	4.00%	N/A	N/A	42,022	5.00%

The following table reconciles the Bank's stockholders' equity to regulatory capital as of December 31, 2025 and December 31, 2024:

	December 31, 2025	December 31, 2024
Stockholders' equity of the Bank	\$ 63,768	\$ 76,420
Unrealized (gain) loss on securities	7,402	11,046
Tier 1, CET and leverage capital	71,170	87,466
Allowable general valuation allowances	6,017	6,094
Reserve for unfunded loan commitments	357	357
Total capital	<u>\$ 77,544</u>	<u>\$ 93,917</u>

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

Note 11. Employee Benefit Plans

The Bank maintains a contributory, defined-contribution profit-sharing plan (the "Plan") for all employees meeting certain minimum age and service requirements. The Plan qualifies under Section 401(k) of the Internal Revenue Code. Participants may elect to defer a portion of their compensation and contribute this amount to the Plan. The Bank makes a matching contribution based on the amount contributed by a participant. In addition, a discretionary contribution may be made each year as determined annually by the Board of Directors. This discretionary Bank contribution is allocated to each participant based on his or her compensation. The aggregate benefit payable to any employee is dependent upon his or her rate of contribution, the earnings of the Plan assets, and the length of time such employee has been a participant in the Plan. The expense related to this Plan was \$339 and \$311 for the year ended December 31, 2025 and fifteen months ended December 31, 2024, respectively

Note 12. Compensation Equity Plans

The following table summarizes the impact of the Company's share-based payment plans in the financial statements for the periods shown:

	Year Ended December 31, 2025	Fifteen Months Ended December 31, 2024
Total cost of stock grant plan during the year	\$ 1,623	\$ 759
Total cost of stock option plan during the year	60	167
Total cost of share-based payment plans during the year	<u>\$ 1,683</u>	<u>\$ 926</u>
Amount of related income tax benefit recognized in income	<u>\$ 461</u>	<u>\$ 252</u>

The Company adopted the Westbury Bancorp Inc 2014 Equity Incentive Plan (the "Incentive Plan") in 2014. In June 2014, the Company's stockholders approved the Incentive Plan which authorized the issuance of up to 203,665 restricted stock awards and up to 509,162 stock options. At the Company's annual meeting of stockholders, held on February 15, 2017, the stockholders of the Company approved an amendment to the Plan authorizing 20,000 additional restricted stock awards and an additional 200,000 stock options available for issuance as awards under the Plan. In June 2022, the Company's board of directors approved a new Restricted Stock Plan which authorized the issuance of up to 100,000 restricted stock awards. As of December 31, 2025 there were 91,557 restricted stock awards and 1,950 options available for future grants.

Annual equity-based incentive awards are typically granted to selected officers and employees mid-year. Options are granted with an exercise price equal to no less than the market price of the Company's shares at the date of grant: those option awards generally vest pro-rata over five years of service and have 10-year contractual terms. Restricted shares typically vest pro-rata over a five- or three-year period. Equity awards may also be granted at other times throughout the year in connection with the recruitment and retention of officers and employees.

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands Except Per Share Data

The following table summarizes stock options activity for year ended year ended December 31, 2025 and fifteen months ended December 31, 2024:

Year ended December 31, 2025	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Options outstanding as of December 31, 2024	272,747	\$ 22.10		
Granted	–	\$ –		
Exercised	(121,673)	\$ 20.94		
Expired or canceled	–	\$ –		
Forfeited	–	\$ –		
Options Outstanding as of December 31, 2025	<u>151,074</u>	\$ 23.03	5.06	\$ 1,961
Options exercisable as of December 31, 2025	<u>146,059</u>	\$ 22.82	4.97	\$ 1,926

Fifteen months ended December 31, 2024	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Options outstanding as of September 30, 2023	420,456	\$ 20.54		
Granted	–	\$ –		
Exercised	(147,459)	\$ 17.67		
Expired or canceled	–	\$ –		
Forfeited	(250)	\$ 23.85		
Options Outstanding as of December 31, 2024	<u>272,747</u>	\$ 22.10	3.84	\$ 2,156
Options exercisable as of December 31, 2024	<u>248,166</u>	\$ 21.86	3.62	\$ 2,020

The fair value of each option award is estimated on the date of grant using the Black-Scholes option pricing model based on certain assumptions. Expected volatility is based on the average volatility of Company shares and the expectations of future volatility of Company shares. The risk-free interest rate for periods within the contractual term of the option is based on the U.S. Treasury yield curve in effect at the time of the grant. The expected life of options is estimated based on the Company's actual experience.

No options were granted during the year ended December 31, 2025 and fifteen months ended December 31, 2024.

The total intrinsic value of options exercised during the year ended December 31, 2025 and fifteen months ended December 31, 2024 was \$1,860 and \$1,603, respectively.

The following is a summary of changes in nonvested option shares for year ended December 31, 2025:

	Number of Shares	Weighted Average Grant Date Fair Value
Novested Options at December 31, 2024	24,581	\$ 5.86
Granted	–	\$ –
Vested	(19,566)	\$ 5.39
Forfeited or Expired	–	\$ –
Novested Options at December 31, 2025	<u>5,015</u>	\$ 7.68

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands Except Per Share Data

The following is a summary of changes in restricted shares for year ended December 31, 2025:

	<u>Number of Shares</u>	<u>Weighted Average Grant Date Fair Value</u>
Shares Outstanding at December 31, 2024	69,712	\$ 25.90
Granted	42,500	\$ 32.91
Vested	(67,605)	\$ 27.01
Forfeited	(440)	\$ 29.06
Shares Outstanding at December 31, 2025	<u>44,167</u>	<u>\$ 30.40</u>

The total intrinsic value of restricted shares that vested during the year ended December 31, 2025 and fifteen months ended December 31, 2024 was \$2,059 and \$381, respectively.

As of December 31, 2025, there was \$964 of total unrecognized compensation cost related to nonvested share-based compensation arrangements (including share option and nonvested share awards) granted under the Incentive Plan. At December 31, 2025, the weighted-average period over which the unrecognized compensation expense is expected to be recognized was approximately 0.71 years.

Note 13. Deferred Compensation

Certain key employees of Westbury Bank have entered into non-qualified salary continuation plans with the Bank. These plans provide for payments of specific amounts over 10 to 20 year periods subsequent to each participant's retirement. The related deferred compensation liabilities of the Company are being accrued ratably to the respective normal retirement dates of each participant. As of December 31, 2025 and December 31, 2024, approximately \$1,134 and \$1,238 are accrued related to these plans. The expense for compensation under these plans was approximately \$57 and \$79 for the year ended December 31, 2025 and fifteen months ended December 31, 2024, respectively.

Although not part of the plans, the Company has purchased life insurance on the lives of certain employees electing to participate in the plans, which could provide funding for the payment of benefits under the plans. At December 31, 2025 and December 31, 2024, the cash surrender value of such life insurance policies totaled \$17,019 and \$16,540, respectively

Note 14. Income Taxes

The following table presents the provision for income taxes for the:

	<u>Year Ended December 31, 2025</u>	<u>Fifteen Months Ended December 31, 2024</u>
Current expense	\$ 1,385	\$ 2,615
Deferred expense Federal Tax (benefit)	(7)	(5)
Deferred expense State Tax (benefit)	85	(747)
	<u>\$ 1,463</u>	<u>\$ 1,863</u>

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

A reconciliation of expected income tax expense to the income tax expense included in the consolidated statements of operations is as follows:

	Year Ended		Fifteen Months Ended	
	December 31, 2025		December 31, 2024	
	Amount	% of Pretax Income	Amount	% of Pretax Income
Computed "expected" tax expense	1,703	21.00%	2,238	21.00%
Net increase in cash surrender of life insurance and net proceeds of death benefits	(101)	(1.24%)	(117)	(1.10%)
Tax-exempt interest, net	(96)	(1.18%)	(149)	(1.40%)
Increase from state income tax benefit, net (1)	(225)	(2.78%)	(159)	(1.49%)
Equity incentive plans	(128)	(1.58%)	(34)	(0.32%)
Over provided - State Taxes	125	1.55%	-	-
Over provided - Federal Taxes	113	1.39%	-	-
Other, net	71	0.88%	84	0.79%
	<u>\$ 1,463</u>	<u>18.04%</u>	<u>\$ 1,863</u>	<u>17.48%</u>

(1) In 2025 and 2024, State and Local taxes in Wisconsin comprised greater than 50% of the tax effect in this category.

The net deferred tax asset includes the following amounts of deferred tax assets and liabilities as of:

	December 31, 2025	December 31, 2024
Deferred tax assets:		
Allowance for credit losses	\$ 1,639	\$ 1,660
Non-qualified option expense	174	185
Restricted stock expense	155	268
Deferred compensation	309	337
Wisconsin fixed assets	198	142
Non accrual interest	5	-
Deferred loan fees	-	4
Charitable contribution	44	44
Unrealized loss on securities available-for-sale	2,771	4,136
Wisconsin Net Operating Loss	1,011	191
Other	97	-
Total deferred tax assets	<u>6,404</u>	<u>6,967</u>
Deferred tax liabilities:		
Prepaid expenses	(137)	(101)
Office properties and equipment basis difference	(1,235)	(1,368)
Federal Home Loan Bank stock basis difference	(65)	(65)
Total deferred tax liabilities	<u>(1,451)</u>	<u>(1,534)</u>
Valuation allowance	<u>(2,101)</u>	<u>(1,139)</u>
Net deferred tax asset	<u>\$ 2,852</u>	<u>\$ 4,294</u>

In assessing the reliability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible.

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

Management performed an evaluation of the Company's deferred tax assets as of December 31, 2025 and December 31, 2024. In making the determination whether a deferred tax asset is more likely than not to be realized, we seek to evaluate all available positive and negative evidence. The Wisconsin state budget, signed July 5, 2023, effective January 1, 2023, made interest and fee income on loans originated in Wisconsin for business purposes up to \$5 million non-taxable. This change, which resulted in a lower incremental tax rate, decreased the estimated future realization of an existing deferred tax asset related to state income taxes resulting in a valuation allowance at December 31, 2025 and December 31, 2024.

Under the Internal Revenue Code and Wisconsin Statutes, the Bank was permitted to deduct, for tax years beginning before 1997, an annual addition to a reserve for bad debts. The amount differed from the provision for credit losses recorded for financial accounting purposes. Under prior law, bad debt deductions for income tax purposes were included in taxable income of later years only if the bad debt reserves were used for purposes other than to absorb bad debt losses. Because the Company did not intend to use the reserve for purposes other than to absorb losses, no deferred income taxes were provided. Retained earnings as of December 31, 2025 and December 31, 2024, include approximately \$3,227 for which no deferred federal or state income taxes were provided. If in the future the Company no longer qualifies as a bank for tax purposes, an income tax expense of \$879 would be incurred.

The Company files income tax returns in the U.S. federal jurisdiction and the state of Wisconsin. With few exceptions, the Company is no longer subject to U.S. federal tax examinations by tax authorities for years before 2020 and state tax examinations by tax authorities for years before 2019.

During the year ended December 31, 2025 and fifteen months ended December 31, 2024 income tax paid (net of refunds received) for Federal were \$1,090 and \$1,469, respectively and for State were \$0 and \$0, respectively.

Note 15. Commitments and Contingencies

Financial Instruments with Off-Balance Sheet Risk

The Company 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. These financial instruments include commitments to extend credit and involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the accompanying consolidated balance sheets. The contractual amounts of those instruments reflect the extent of involvement the Company has in particular classes of financial instruments.

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

The following off-balance sheet instruments were outstanding whose contract amounts represent credit risk:

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Commitments to extend mortgage credit:		
Fixed rate	\$ 110	\$ 430
Adjustable rate	925	—
Unused commercial loan lines of credit	71,822	94,297
Unused home equity line of credit	38,054	38,631
Standby letters of credit	1,619	791
Commitment to sell loans	2,888	709

Commitments to extend credit are agreements to lend funds to a customer as long as there is no violation of any condition established in the underlying contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. As some such commitments expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Company evaluates each customer's creditworthiness on a case-by-

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

case basis. The Company generally extends credit only on a secured basis. Collateral obtained varies but consists primarily of one-to-four family residences.

Unfunded commitments under lines of credit are commitments for possible future extensions of credit to existing customers. These lines of credit may be uncollateralized and ultimately may not be drawn upon to the total extent to which the Company is committed.

Standby letters of credit are conditional commitments issued by the Company to guarantee the performance of a customer to a third party. Those letters of credit are primarily issued to support public and private borrowing arrangements, and, generally, have terms of one year or less. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. The Company holds collateral supporting those commitments if deemed necessary. In the event the customer does not perform in accordance with the terms of the agreement with the third party, the Company would be required to fund the commitment. The maximum potential amount of future payments the Company could be required to make is represented by the contractual amount shown in the summary above. If the commitment is funded, the Company would be entitled to seek recovery from the customer. December 31, 2025 and December 31, 2024, no amounts have been recorded as liabilities for the Company's potential obligations under these guarantees.

Litigation

In the normal course of business, the Company is involved in various legal proceedings. In the opinion of management, any liability resulting from such proceedings would not have a material adverse effect on the Company's consolidated financial statements.

Note 16. Derivative Activities

Commitments to originate residential mortgage loans held for sale and forward commitments to sell residential mortgage loans are defined as derivatives. The fair value related to these commitments was not material as of December 31, 2025 and December 31, 2024.

Note 17. Fair Value Measurements

ASC Topic 820, Fair Value Measurements and Disclosures, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. ASC Topic 820 requires the use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. In that regard, ASC Topic 820 establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other 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: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

A description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

Securities available-for-sale: The fair value of the Company's securities available-for-sale is determined using Level 2 inputs, which are derived from readily available pricing sources and third-party pricing services for comparable instruments. The fair value measurements consider observable data that may include dealer quotes, market spreads, cash flows, treasury yield curves, trading levels, credit information and credit terms, among other factors. In certain cases where Level 1 or Level 2 are not available, securities are classified within Level 3 of the hierarchy.

Assets and liabilities recorded at fair value on a recurring basis: The following table summarizes assets measured at fair value on a recurring basis, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value as of:

	Fair Value Measurements			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observed Inputs (Level 2)	Significant Other Unobserved Inputs (Level 3)
December 31, 2025				
Assets				
Securities available-for-sale				
U.S. Government and agency securities	\$ 3,829	\$ —	\$ 3,829	\$ —
U.S. Government agency residential mortgage-backed securities	23,250	—	23,250	—
U.S. Government agency collateralized mortgage obligations	5,204	—	5,204	—
U.S. Government agency commercial mortgage-backed securities	36,078	—	36,078	—
U.S. Government agency asset backed securities	14,373	—	14,373	—
Municipal securities-tax exempt	11,829	—	11,829	—
Municipal securities-taxable	1,815	—	1,815	—
Corporate bonds	494	—	494	—
Total securities available-for-sale	<u>\$ 96,872</u>	<u>\$ —</u>	<u>\$ 96,872</u>	<u>\$ —</u>

	Fair Value Measurements			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observed Inputs (Level 2)	Significant Other Unobserved Inputs (Level 3)
December 31, 2024				
Assets				
Securities available-for-sale				
U.S. Government and agency securities	\$ 3,613	\$ —	\$ 3,613	\$ —
U.S. Government agency residential mortgage-backed securities	23,140	—	23,140	—
U.S. Government agency collateralized mortgage obligations	5,488	—	5,488	—
U.S. Government agency commercial mortgage-backed securities	36,487	—	36,487	—
U.S. Government agency asset backed securities	15,325	—	15,325	—
Municipal securities-tax exempt	11,590	—	11,590	—
Municipal securities-taxable	1,722	—	1,722	—
Corporate bonds	475	—	475	—
Total securities available-for-sale	<u>\$ 97,840</u>	<u>\$ —</u>	<u>\$ 97,840</u>	<u>\$ —</u>

The Company did not have any transfers between Level 1, Level 2, and Level 3 of the fair value hierarchy during the year ended December 31, 2025 and fifteen months ended December 31, 2024. The Company's policy for determining transfers between levels occurs at the end of the reporting period when circumstances in the underlying valuation criteria change and result in a transfer between levels.

Assets recorded at fair value on a nonrecurring basis: The Company may be required, from time to time, to measure certain instruments at fair value on a nonrecurring basis in accordance with U.S. generally accepted accounting principles. As of December 31, 2025 and December 31, 2024, the Company did not have any assets or liabilities measured at fair value on a nonrecurring basis.

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

Collateral dependent loans: The Company does not record loans at fair value on a recurring basis. The specific reserves for collateral-dependent impaired loans are based on the fair value of the collateral less estimated costs to sell. The fair value of collateral is determined based on appraisals. In some cases, adjustments were made to the appraised values due to various factors including age of the appraisal, age of comparables included in the appraisal, and known changes in the market and in the collateral. When significant adjustments were based on unobservable inputs, the resulting fair value measurement has been categorized as a Level 3 measurement. Collateral dependent loans with a carrying amount of and \$0 have a valuation allowance of \$0 and \$0 included in the allowance for credit losses as of December 31, 2025 and December 31, 2024, respectively.

Disclosure of fair value information about financial instruments, for which it is practicable to estimate that value, is required whether or not recognized in the accompanying consolidated balance sheets. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. In that regard, the derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases, could not be realized in immediate settlement of the instruments. Certain financial instruments with a fair value that is not practicable to estimate and all non-financial instruments are excluded from the disclosure requirements. Accordingly, the aggregate fair value amounts presented do not necessarily represent the underlying value of the Company for assets and liabilities not previously described.

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

The estimated fair values and related carrying amounts of the Company's financial instruments as of December 31, 2025 and December 31, 2024, are as follows:

	December 31, 2025				
	Carrying Amount	Estimated Fair Value	Identical Assets (Level 1)	Quoted Prices in Active Markets for Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Financial assets:					
Cash and cash equivalents	\$ 108,337	\$ 108,337	\$ 108,337	\$ –	\$ –
Securities available for sale	96,872	96,872	–	96,872	–
Securities held to maturity	649	643	–	643	–
Loans, net	540,879	537,294	–	–	537,294
Loans held for sale, net	2,888	2,888	–	2,888	–
Federal Home Loan Bank stock	1,360	1,360	–	1,360	–
Accrued interest receivable	2,313	2,313	2,313	–	–
Financial liabilities:					
Deposits	\$ 713,112	\$ 712,655	\$ 253,361	\$ –	\$ 459,294
Bank term debt	11,500	11,500	–	–	11,500
Advance payments by borrowers for property taxes and insurance	72	72	72	–	–
Accrued interest payable	1	1	1	–	–
December 31, 2024					
	Carrying Amount	Estimated Fair Value	Identical Assets (Level 1)	Quoted Prices in Active Markets for Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Financial assets:					
Cash and cash equivalents	\$ 63,656	\$ 63,656	\$ 63,656	\$ –	\$ –
Securities available for sale	97,840	97,840	–	97,840	–
Securities held to maturity	1,371	1,572	–	1,572	–
Loans, net	608,786	582,183	–	–	582,183
Loans held for sale, net	709	709	–	709	–
Federal Home Loan Bank stock	1,755	1,755	–	–	1,755
Mortgage servicing rights	–	–	–	–	–
Accrued interest receivable	2,449	2,449	2,449	–	–
Financial liabilities:					
Deposits	\$ 729,728	\$ 729,074	\$ 241,939	\$ –	\$ 487,135
Short-term advances from Federal Home Loan Bank	–	50,000	50,000	–	–
Long-term advances from Federal Home Loan Bank	–	–	–	–	–
Bank term debt	12,500	12,500	–	–	12,500
Advance payments by borrowers for property taxes and insurance	37	37	37	–	–
Accrued interest payable	1	1	1	–	–

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

Note 18. Earnings per Share

Earnings per common share is computed using the two-class method. Basic earnings per common share is computed by dividing net income by the weighted-average number of common shares outstanding, during the applicable period, excluding outstanding participating securities. Participating securities include non-vested restricted stock awards. Diluted earnings per share is computed using the weighted-average number of shares determined for the basic earnings per common share computation plus the dilutive effect of stock compensation using the treasury stock method.

The following table presents a reconciliation of the number of shares used in the calculation of basic and diluted earnings per common share (in thousands, except share and per share data).

	Year Ended December 31, 2025	Fifteen Months Ended December 31, 2024
Net income	\$ 6,646	\$ 8,791
Basic potential common shares:		
Weighted average shares outstanding	1,425,163	1,708,161
Basic weighted average shares outstanding	1,425,163	1,708,161
Dilutive effect of equity awards	95,768	81,901
Diluted weighted average shares outstanding	1,520,931	1,790,062
Basic earnings per share	\$ 4.66	\$ 5.15
Diluted earnings per share	\$ 4.37	\$ 4.91

Note 19. Condensed Parent Company Financial Information

The condensed financial statements of Westbury Bancorp, Inc. (parent company only) as of, and for, the year ended December 31, 2025 and fifteen months ended December 31, 2024, are presented below:

Balance Sheets

	December 31, 2025	December 31, 2024
Assets		
Cash and interest bearing deposits	\$ 3,855	\$ 1,188
Investment in subsidiary	58,454	71,106
Other assets	4,065	4,523
Total assets	\$ 66,374	\$ 76,817
Liabilities and Stockholders' Equity		
Bank term debt	\$ 11,500	\$ 12,500
Bank line of credit	—	—
Other liabilities	304	220
Stockholders' equity	54,570	64,097
Total liabilities and stockholders' equity	\$ 66,374	\$ 76,817

Westbury Bancorp, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Dollars in Thousands

Statements of Operations

	Year Ended	Fifteen Months
	December 31, 2025	Ended
	December 31, 2024	December 31, 2024
Interest and other income	\$ —	\$ —
Interest and other expense	1,236	1,495
Loss before income tax benefit and equity in undistributed net income of subsidiary	(1,236)	(1,495)
Income tax benefit	(252)	(251)
Loss before equity in undistributed net income of subsidiary	(984)	(1,244)
Equity in undistributed net income of subsidiary	7,630	10,042
Net income	\$ 6,646	\$ 8,798