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

FORM 10-K

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

For the fiscal year ended December 31, 2025

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

For the transition period from _____ to _____

Commission file number: 001-34292

ORRSTOWN FINANCIAL SERVICES, INC.

(Exact Name of Registrant as Specified in its Charter)

Pennsylvania	**23-2530374**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
4750 Lindle Road, Harrisburg, Pennsylvania	**17111**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's Telephone Number, Including Area Code: (717) 532-6114

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

Title of Each Class	Trading symbol(s)	Name of Each Exchange on Which Registered
Common Stock, no par value	**ORRF**	**NASDAQ Stock Market**

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

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

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

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

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

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

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

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

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

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

The aggregate market value of the voting stock held by non-affiliates computed by reference to the price at which the common stock was last sold as of the last business day of the Registrant's most recently completed second fiscal quarter was approximately $596.2 million. For purposes of this calculation, the term "affiliate" refers to all directors and executive officers of the registrant, and all persons beneficially owning more than 5% of the registrant's common stock.

Number of shares outstanding of the Registrant's common stock as of March 6, 2026: 19,619,798.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the 2026 Annual Meeting of Shareholders are incorporated by reference in Part III of this Form 10-K.

ORRSTOWN FINANCIAL SERVICES, INC.

FORM 10-K

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Glossary of Defined Terms

The following terms may be used throughout this Annual Report on Form 10-K, including the consolidated financial statements and related notes.

Term	Definition
ACL	Allowance for credit losses
AFS	Available-for-sale
AOCI	Accumulated other comprehensive income (loss)
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
ATM	Automated teller machine
Bank	Orrstown Bank, the commercial banking subsidiary of Orrstown Financial Services, Inc.
BHC Act	Bank Holding Company Act of 1965
CECL	Current expected credit losses
CET1	Common Equity Tier 1
CFPB	Consumer Financial Protection Bureau
CMO	Collateralized mortgage obligation
CRA	Community Reinvestment Act
DCF	Discounted cash flow
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
ERM	Enterprise Risk Management
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
FDIC	Federal Deposit Insurance Corporation
FDM	Financial difficulty modification
FHC	Financial holding company
FHLB	Federal Home Loan Bank
FRB	Board of Governors of the Federal Reserve System
GAAP	Accounting principles generally accepted in the United States of America
GDP	Gross Domestic Product
GSE	United States government-sponsored enterprise
IEL	Individually evaluated loan
IRC	Internal Revenue Code of 1986, as amended
LHFS	Loans held for sale
MBS	Mortgage-backed securities
MSR	Mortgage servicing right
NIM	Net interest margin
OCI	Other comprehensive income (loss)
OFA	Orrstown Financial Advisors, a division of the Bank that provides investment and brokerage services
OREO	Other real estate owned (foreclosed real estate)
Parent Company	Orrstown Financial Services, Inc., the parent company of Orrstown Bank
PCD loans	Purchased credit deteriorated loans
PCI loans	Purchased credit impaired loans
PPP	Paycheck Protection Program
Repurchase Agreements	Securities sold under agreements to repurchase
ROU	Right of use (leases)
SBA	U.S. Small Business Administration
SEC	Securities and Exchange Commission
Securities Act	Securities Act of 1933, as amended
SOFR	Secured Overnight Financing Rate
TDR	Troubled debt restructuring
U.S.	United States of America

Unless the context otherwise requires, the terms “Orrstown,” “we,” “us,” “our,” and “Company” refer to Orrstown Financial Services, Inc. and its subsidiaries.

PART I

Caution About Forward-Looking Statements

Certain statements appearing herein, which are not historical in nature, are forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act, and are intended to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. In addition, we may make other written and oral communications, from time to time, that contain such statements. Such forward-looking statements reflect the current views of the Company's management with respect to, among other things, future events and the Company's financial performance. These statements are often, but not always, made through the use of words or phrases such as “may,” “should,” “could,” “predict,” “potential,” “believe,” “will likely result,” “expect,” “continue,” “will,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “project,” “forecast,” “goal,” “target,” “would” and “outlook,” or the negative variations of those words or other comparable words of a future or forward-looking nature. Forward-looking statements are statements that include projections, predictions, expectations, estimates or beliefs about events or results or otherwise are not statements of historical facts, many of which, by their nature, are inherently uncertain and beyond the Company's control, and include, but are not limited to, statements related to new business development, new loan opportunities, growth in the balance sheet and fee-based revenue lines of business, merger and acquisition activity, cost savings initiatives, reducing risk assets, and mitigating losses in the future. Accordingly, the Company cautions you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements and there can be no assurances that the Company will achieve the desired level of new business development and new loans, growth in the balance sheet and fee-based revenue lines of business, successful merger and acquisition activity and cost savings initiatives, and continued reductions in risk assets or mitigate losses in the future. Factors which could cause the actual results to differ from those expressed or implied by the forward-looking statements include, but are not limited to, the following: interest rate changes or volatility; general economic conditions (including inflation and concerns about liquidity) on a national basis or in the local markets in which the Company operates; ineffectiveness of the Company's strategic growth plan due to changes in current or future market conditions; the effects of competition and how it may impact our community banking model, including industry consolidation and development of competing financial products and services; changes in consumer behavior due to changing political, business and economic conditions, or legislative or regulatory initiatives; changes in, and evolving interpretations of, existing and future laws and regulations; changes in credit quality; inability to raise capital, if necessary, under favorable conditions; volatility in the securities markets; the demand for our products and services; deteriorating economic conditions; geopolitical tensions; operational risks including, but not limited to, cybersecurity incidents, fraud, natural disasters and future pandemics; expenses associated with litigation and legal proceedings and other risks and uncertainties. The foregoing list of factors is not exhaustive.

For a description of factors that we believe could cause actual results to differ materially from such forward-looking statements, you should review our Risk Factors discussion in Item 1A, our Critical Accounting Policies section included in Item 7, and Note 24, Contingencies, in the Notes to Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K. We encourage readers of this report to understand forward-looking statements to be strategic objectives rather than absolute targets of future performance. If one or more events related to these or other risks or uncertainties materialize, or if the Company's underlying assumptions prove to be incorrect, actual results may differ materially from what the Company anticipates. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and the Company does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. New risks and uncertainties arise from time to time, and it is not possible for the Company to predict those events or how they may affect it. In addition, the Company cannot assess the impact of each factor on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. All forward-looking statements, expressed or implied, included in this Annual Report on Form 10-K are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that the Company or persons acting on the Company's behalf may issue.

ITEM 1 – BUSINESS

Background

Orrstown Financial Services, Inc., a Pennsylvania corporation, is the financial holding company ("FHC") for its wholly-owned subsidiary Orrstown Bank. The Company's principal executive offices are located at 4750 Lindle Road, Harrisburg, Pennsylvania, 17111. The Parent Company was organized on November 17, 1987 for the purpose of acquiring the Bank and such other banks and bank-related activities as are permitted by law. The Company provides banking and financial advisory services in south central Pennsylvania, principally in Berks, Cumberland, Dauphin, Franklin, Lancaster, Perry and York Counties, Pennsylvania, and in Anne Arundel, Baltimore, Harford, Howard and Washington Counties, Maryland, as well as Baltimore City, Maryland. The Company's lending area also includes counties in Pennsylvania, Maryland, Delaware, Virginia and West Virginia within a 75-mile radius of the Company's executive and administrative offices as well as the District of Columbia.

Merger

The Company merged with Codorus Valley Bancorp, Inc. ("Codorus Valley") and the Bank merged with its wholly-owned bank subsidiary, PeoplesBank, A Codorus Valley Company, with the Company and the Bank as the surviving entities in the Merger on July 1, 2024 (the "Codorus Valley Merger"). The merger and acquisition method of accounting was used to account for the transaction with the Company as the acquirer. The Company recorded the assets and liabilities of Codorus Valley at their respective fair values as of July 1, 2024. The transaction was valued at $233.4 million and expanded the Bank's footprint into the York, Pennsylvania market while increasing its market penetration in its existing markets.

Business

The Bank was organized in 1919 as a state-chartered bank. On March 8, 1988, in a bank holding company reorganization transaction, the Parent Company acquired 100% ownership of the Bank.

The Parent Company's primary activity consists of owning and supervising its subsidiary, the Bank. Day-to-day management is conducted by its officers, who are also Bank officers. The Parent Company has historically derived most of its income through dividends from the Bank. At December 31, 2025, the Company had total assets of $5.5 billion, total deposits of $4.5 billion and total shareholders' equity of $591.5 million.

The Bank operates in the community banking segment and engages in lending activities, including commercial, residential, commercial mortgages, construction, municipal, and various forms of consumer lending and deposit services, including checking, savings, time and money market deposits. The Bank also provides fiduciary, investment advisory, insurance and brokerage services. These activities engaged in by the Bank are authorized by the Pennsylvania Banking Code of 1965. The Company and the Bank are subject to regulation by certain federal and state agencies and undergo periodic examinations by such regulatory authorities. The concentrations of credit by type of loan are included in Note 4, Loans and Allowance for Credit Losses, to the Consolidated Financial Statements under Part II, Item 8, "Financial Statements and Supplementary Data."

Human Capital

At December 31, 2025, the Bank had 627 full-time and 25 part-time employees. At December 31, 2025, approximately 67% of our workforce was female and 33% was male. Our average tenure is approximately seven years. The Parent Company has no employees. Its 17 executive officers are employees of the Bank, who represent a mix of newer and more seasoned employees with significant and diverse experience and have an average tenure of 11 years with the Company.

We encourage and support the growth and development of our employees. Continuous learning and career development is advanced through ongoing performance and development conversations with employees, internally created training programs, including development and advancement training offered through our in house training program called Orrstown University, customized corporate training engagements and educational reimbursement and certification programs. Training opportunities are available both online and in-person, and all employees have online access to courses for professional development provided by a third party. We have a Management Associate Program, which had three employees in 2025. This program provides a structured learning experience, which ranges from one to two years, that focuses on the commercial line of business and credit administration, and then progresses into rotations within other lines of business.

Employee evaluations are conducted on at least an annual basis. Those evaluations focus on job performance, achievement of goals and employee and career development. In addition, we monitor employee satisfaction and engagement through periodic employee surveys.

The safety, health and wellness of our employees is a top priority. Through teamwork and the adaptability of our management and staff, our remote work options evolved as many of our employees effectively work a hybrid schedule from our office and remote locations. We continue to highlight the importance of the safety, health and wellness of our employees. We also introduced a number of new initiatives that focus on both physical and mental health. We take every opportunity to provide our employees with the tools and resources to assist them to navigate their work environment in a more positive and thoughtful manner.

We offer competitive compensation to attract and further strengthen employee engagement and encourage retention. Compensation packages include a market-competitive salary, healthcare and retirement benefits, paid time off, and may also include bonuses or sales commissions and short-term and long-term equity incentives.

We deploy numerous methods to foster employee engagement, including regular company-wide calls, weekly communication through our Orrstown Connections publications, new employee engagement event with the CEO, employee recognitions and service anniversaries including an event for Employee Appreciation Day, community service and leadership programs, annual events for all employees and off-site events with family and friends.

Lending

Federal bank regulatory agencies have adopted uniform regulations prescribing standards for extensions of credit that are secured by liens or interests in real estate or made for the purpose of financing permanent improvements to real estate. Under these regulations, all insured depository institutions, such as the Bank, must adopt and maintain written policies establishing appropriate limits and standards for extensions of credit that are secured by liens or interests in real estate or are made for the purpose of financing permanent improvements to real estate. These policies must establish loan portfolio diversification standards, prudent underwriting standards (including loan-to-value limits) that are clear and measurable, loan administration procedures and documentation, and approval and reporting requirements. The real estate lending policies must reflect consideration of the federal bank regulatory agencies' Interagency Guidelines for Real Estate Lending Policies.

All secured loans are supported with appraisals or evaluations of collateral. Business equipment and machinery, inventories, accounts receivable, and farm equipment are considered appropriate security, provided borrowers meet acceptable standards for liquidity and marketability. Loans secured by real estate generally do not exceed 85% of the appraised value of the property. Loan to collateral values are monitored as part of the loan review process, and appraisals are updated as deemed appropriate under the circumstances.

Commercial Lending

The Bank originates commercial real estate, equipment, construction, working capital and other commercial purpose loans to commercial clients throughout the Bank's various markets. The Bank has significant market share in south central Pennsylvania and has been expanding its presence geographically in recent years. Currently, growth markets include the Harrisburg region, Lancaster County and Maryland markets, while the Bank's commercial lending is primarily focused in these geographic regions or with borrowers headquartered in these geographic regions. The Company's lending area also includes counties in Pennsylvania, Maryland, Delaware, Virginia and West Virginia within a 75-mile radius of the Company's executive and administrative offices, as well as the District of Columbia.

The Bank's credit policy dictates the underwriting requirements for the various types of commercial loans the Bank makes available to borrowers. The policy covers such requirements as debt coverage ratios, advance rates against different forms of collateral, loan-to-value ratios and maximum term.

A majority of the Company's loans are for business purposes. At December 31, 2025, approximately 75% of the loan portfolio was comprised of commercial loans compared to 76% at December 31, 2024.

Consumer Lending

The Bank originates home equity loans, home equity lines of credit and other consumer loans, primarily through its branch network and client service center. A large majority of the consumer loans are secured by either a first or second lien position on the borrower's primary residential real estate. The Bank requires a home equity loan borrower to have a credit score of 710 for a loan-to-value ratio of 85% of the value of the real estate being taken as collateral. Home equity loan borrowers with a credit score under 710 require additional real estate collateral for a loan-to value ratio less than 85%. The Bank also, at times, purchases consumer loans to help diversify credit risk in our loan portfolio.

Residential Lending

The Bank originates residential mortgages throughout its various markets referred from retail branches and through a network of mortgage loan officers. Residential mortgages originated by the Bank may be sold to secondary market investors, which include both GSE and non-GSE investors. All mortgages, regardless of being sold or held in the Bank's portfolio, are generally underwritten to secondary market industry standards for prime mortgages. For loans originated for investment, the Bank requires pricing adjustments commensurate with the risk and the real estate taken as collateral results in the Bank holding a first lien on the property. The loan-to-value ratio requirements of the real estate being taken as collateral varies per the Credit Policy, and may require the borrower to obtain private mortgage insurance. The Bank also, at times, purchases residential mortgage loans to help diversify credit risk in our loan portfolio and to continue meeting the credit needs of the communities in which the Bank operates.

Loan Review

The Company has a loan review policy and program, which is designed to identify and monitor risk, evaluate the adequacy and adherence to internal credit policies and loan administration procedures, verify the quality of loan approval, monitoring and risk assessments, and assess the overall quality of the loan portfolio. The Management ERM Committee, comprised of executive and senior officers and loan department personnel, is charged with the oversight of overall credit quality and risk exposure of the Company's loan portfolio. This includes the monitoring of the lending activities of all Company personnel with respect to underwriting and processing new loans and the timely follow-up and corrective action for loans showing signs of deterioration in quality. A loan review program provides the Company with an independent review of the commercial loan portfolio on an ongoing basis. Generally, consumer and residential mortgage loans are included in the Pass categories unless a specific action, such as extended delinquencies, bankruptcy, repossession or death of the borrower occurs, which increases the possibility of a credit loss.

Internal loan reviews are completed annually on all commercial relationships with a committed loan balance in excess of $2.0 million. In addition, all commercial relationships greater than $500 thousand rated special mention, substandard, doubtful or loss are reviewed quarterly and corresponding risk ratings are changed or reaffirmed by the Company's Problem Loan Committee, with subsequent reporting to the Management ERM Committee and the Board ERM Committee.

The Bank outsources its independent loan review to a third-party provider, who monitors and evaluates commercial borrowers on a quarterly basis utilizing risk-rating criteria established in the credit policy in order to identify deteriorating trends and detect conditions which might indicate potential problem loans. The results of the third-party loan review are reported quarterly to the Management and Board ERM Committees for review. The loan ratings are a data component evaluated within the qualitative factors of the ACL calculation.

Deposit Products

The Bank offers deposit products to retail, commercial, non-profit and government clients through its retail branch network, its website and commercial team. Product offerings for retail clients include checking accounts, money markets, savings and certificates of deposit. The Bank offers a suite of treasury management solutions for businesses that help them to forecast and manage their cash and receivables. The Bank is committed to advancing digital capabilities for all clients, to ensure scalability and optimization of financial performance within the organizations. A robust treasury management online banking platform allows clients to send and collect money electronically using ACH and wire transfer origination services, deposit checks via mobile or desktop capture, and mitigate fraud through check and ACH positive pay services. Wire transfers may be sent and also received domestically, as well as internationally in most currencies. Online bill-pay services allow check and electronic payments, with same day, next day and future dated payments. Additionally, business clients can automatically move money between Bank accounts using various automated sweep services. Using strategic partnerships, the Bank is able to offer best-in-class lockbox services, armored cash logistic solutions, credit cards, purchasing cards, and merchant card processing services.

Digital capability for consumers includes person-to-person (P2P) payment, bill pay, mobile deposit capture and domestic money transfer services. Traditional domestic and international wire transfer services are also offered via the Bank's branches. In addition to opening accounts and communicating with employees via traditional branch or call-center engagement, digital online account opening, online loan and credit card application processing, online mortgage pre-qualification and mortgage application processing, automated telephone services, and online chat features provide consumers with convenient digital alternatives to more traditional products and services.

Investment Services

The Bank renders services as trustee, executor, administrator, guardian, managing agent, custodian, investment advisor, and other fiduciary activities authorized by law under the trade name Orrstown Financial Advisors, or OFA. OFA offers retail

brokerage services through a third-party broker/dealer arrangement with Cetera Wealth Services LLC. At December 31, 2025 and 2024, assets under management by OFA totaled $3.1 billion and $3.2 billion, respectively.

Competition

The Bank’s principal market area consists of south central Pennsylvania, the greater Baltimore region, and Washington County, Maryland. The Bank serves a substantial number of depositors in this market area and its contiguous counties. The Bank also competes for loans in counties in Pennsylvania, Maryland, Delaware, Virginia and West Virginia within a 75-mile radius of the Bank's executive and administrative officers as well as the District of Columbia.

The Bank competes with other banks and less heavily regulated financial services companies, such as credit unions and finance and trust companies, as well as mortgage banking companies, mutual funds, investment advisors, and brokerage firms, both within and outside of its primary market areas. Financial technology companies, or Fintechs, are also providing nontraditional, but increasingly strong competition for the acquisition and retention of clients.

The Bank competes for loans primarily on the basis of a combination of value and service by building client relationships as a result of addressing its clients’ banking needs, demonstrating expertise, and providing convenience to its clients.

The Bank competes for deposits similarly on the basis of a combination of value and service and by providing convenience through a banking network of branches and ATMs within its markets and digital service channels such as mobile banking.

The Company implements strategic initiatives focused on expanding its core businesses and exploring opportunities for acquisition and divestiture to the extent permitted by its regulators. The Company's management believes its market area will support further growth in the future.

Regulation and Supervision

The Parent Company is a bank holding company registered with the FRB and has elected status as an FHC. The Bank is a Pennsylvania-chartered commercial bank and a member bank of the Federal Reserve System.

Regulatory Environment

The banking industry is highly regulated, and Orrstown is subject to supervision, regulation, and examination by the FRB, as its primary federal regulator, and the Pennsylvania Department of Banking and Securities. The statutory and regulatory framework that governs the Company is generally intended to protect depositors and clients, the FDIC's Deposit Insurance Fund, the U.S. banking and financial system, and financial markets as a whole by ensuring the safety and soundness of bank holding companies ("BHCs") and banks. Bank regulators regularly examine the operations of BHCs and banks. Regulators have broad supervisory and enforcement authority over BHCs and banks, including the power to impose nonpublic supervisory agreements, issue cease and desist orders, impose fines and other civil penalties, terminate deposit insurance, and appoint a conservator or receiver. Engaging in unsafe or unsound practices or failing to comply with applicable laws, regulations, and supervisory agreements could subject the Company and its respective officers, directors, and institution-affiliated parties to the remedies described above, and other sanctions.

Banking statutes, regulations, and policies are continually under review, as applicable, by Congress, state legislatures, and federal and state regulatory agencies. In addition to laws and regulations, state and federal bank regulatory agencies may issue policy statements, interpretive letters, and similar written guidance applicable to Orrstown. Any change in statutes, regulations, or regulatory policies applicable to us, including changes in their interpretation or implementation, could have a material effect on our business or organization.

The Parent Company is also subject to the disclosure and regulatory requirements of the Securities Act and the Exchange Act, both as administered by the SEC, as well as the rules of Nasdaq that apply to companies with securities listed on the Nasdaq Capital Market.

Several of the more significant regulatory provisions applicable to BHCs and banks to which the Company and the Bank are subject are discussed below, along with certain regulatory matters concerning the Parent Company and the Bank. To the extent that the following information describes statutory or regulatory provisions, such information is qualified in its entirety by reference to the particular statutes or regulations. Any change in applicable law or regulation may have a material effect on the business and prospects of the Parent Company and the Bank.

Financial and Bank Holding Company Activities

As a FHC, the Parent Company is permitted to engage, directly or through subsidiaries, in a wide variety of activities that are financial in nature or are incidental or complementary to a financial activity, in addition to the activities otherwise permitted for bank holding companies that are not FHCs.

As a FHC, the Parent Company is generally subject to the same regulation as other BHCs, including the reporting, examination, supervision and consolidated capital requirements of the FRB. To preserve its FHC status, the Parent Company must remain well-capitalized and well-managed and ensure that the Bank remains well-capitalized and well-managed for regulatory purposes and earns “satisfactory” or better ratings on its periodic CRA examinations. An FHC ceasing to meet these standards is subject to a variety of restrictions, depending on the circumstances.

If the FRB finds that the Parent Company or the Bank are either not well-capitalized or not well-managed, the FRB will notify the Parent Company of its non-compliance, and if the Bank is not well-capitalized, the Parent Company or the Bank must promptly notify the FRB. Until compliance is restored, the FRB has broad discretion to impose appropriate limitations on a FHC’s activities. If compliance is not restored within 180 days, the FRB may ultimately require the FHC to divest its depository institutions or in the alternative, to discontinue or divest any activities that are not permitted for non-FHC bank holding companies.

If the FRB determines that a FHC or its subsidiaries do not satisfy the CRA requirements, the potential restrictions are different. In that case, until all of the subsidiary institutions are restored to at least “satisfactory” CRA rating status, the FHC may not engage, directly or through a subsidiary, in any of the additional financial in nature activities permissible for FHCs under the BHC Act nor make additional acquisitions of companies engaged in such additional activities. However, completed acquisitions and additional activities and affiliations previously begun are left undisturbed, as the BHC Act does not require divestiture for this type of situation.

Federal Deposit Insurance

The FDIC's Deposit Insurance Fund provides insurance coverage for certain deposits, up to a standard maximum deposit insurance amount of $250 thousand per depositor for deposits held in the same right and capacity at an insured depository institution and is funded through assessments on insured depository institutions, based on a methodology designed to take into account the risk each institution poses to the Deposit Insurance Fund. The Bank accepts client deposits that are insured by the Deposit Insurance Fund and, therefore, must pay insurance premiums. The FDIC may increase the Bank’s insurance premiums based on various factors, including changes in the Bank's risk profile. Beginning with the first quarterly assessment period of 2023, the FDIC increased the initial base deposit insurance assessment rate by two basis points, which was intended to increase the Deposit Insurance Fund ("DIF") reserve ratio to the statutory minimum of 1.35%. For 2025 and 2024, the FDIC insurance expense for the Bank was $2.8 million and $2.7 million; respectively.

If the FDIC is appointed conservator or receiver of a bank upon that bank’s insolvency or the occurrence of other events, the FDIC may sell some, part, or all of a bank’s assets and liabilities to another bank or repudiate or disaffirm most types of contracts to which that bank was a party if the FDIC believes such contracts are burdensome. In resolving the estate of a failed bank, the FDIC as receiver will first satisfy its own administrative expenses, and the claims of holders of U.S. deposit liabilities also have priority over those of other general unsecured creditors.

Liability for Banking Subsidiaries

The Parent Company is required to serve as a source of financial and managerial strength to the Bank and, under appropriate conditions, to commit resources to support the Bank. This support may be required by the FRB at times when the Bank might otherwise determine not to provide it or when doing so is not otherwise in the interests of the Parent Company or its shareholders or creditors. The FRB may require a BHC to make capital injections into a troubled subsidiary bank and may charge the BHC with engaging in unsafe and unsound practices if the BHC fails to commit resources to such a subsidiary bank or if it undertakes actions that the FRB believes might jeopardize the BHC’s ability to commit resources to such subsidiary bank.

Under these requirements, the Parent Company may in the future be required to provide financial assistance to the Bank should it experience financial distress. Any loans by a holding company to its subsidiary bank are subordinate in right of payment to deposits and to certain other indebtedness of such subsidiary bank. In the event of the Parent Company's bankruptcy, any commitment by the Parent Company to a federal bank regulatory agency to maintain the capital of the Bank would be assumed by the bankruptcy trustee and entitled to a priority of payment.

Pennsylvania Banking Law

The Pennsylvania Banking Code contains detailed provisions governing the organization, location of offices, rights and responsibilities of directors, officers, and employees, as well as corporate powers, savings and investment operations and other aspects of the Bank and its affairs. The Pennsylvania Banking Code delegates extensive rule-making power and administrative discretion to the Pennsylvania Department of Banking and Securities so that the supervision and regulation of state-chartered banks may be flexible and readily responsive to changes in economic conditions and in savings and lending practices.

The Federal Deposit Insurance Act, however, prohibits state-chartered banks from making new investments, loans, or becoming involved in activities as principal and equity investments which are not permitted for national banks unless the FDIC determines the activity or investment does not pose a significant risk of loss to the Deposit Insurance Fund, and a bank meets all applicable capital requirements. Accordingly, additional operating authority provided to the Bank by the Pennsylvania Banking Code may be significantly restricted by the Federal Deposit Insurance Act.

Dividend Restrictions

The Parent Company is a legal entity separate and distinct from its banking and non-banking subsidiaries. Since the Parent Company's consolidated net income consists largely of net income of its subsidiaries, its ability to make capital distributions, including paying dividends and repurchasing shares, depends upon its receipt of dividends from these subsidiaries. Under federal law, there are various limitations on the extent to which the Bank can declare and pay dividends to the Parent Company, including those related to regulatory capital requirements, general regulatory oversight to prevent unsafe or unsound practices, and federal banking law requirements concerning the payment of dividends out of net profits, surplus, and available earnings. The Bank must maintain the CET1 Capital Conservation Buffer requirement of more than 2.5% above the minimum risk based on capital requirements to avoid becoming subject to restrictions on capital distributions, including dividends. Certain contractual restrictions also may limit the ability of the Bank to pay dividends to the Parent Company. No assurances can be given that the Bank will, in any circumstances, pay dividends to the Parent Company.

The Parent Company's ability to declare and pay dividends to its shareholders is similarly limited by federal banking law and FRB regulations and policy.

FRB policy provides that a BHC should not pay dividends unless (1) the BHC’s net income over the last four quarters (net of dividends paid) is sufficient to fully fund the dividends, (2) the prospective rate of earnings retention appears consistent with the capital needs, asset quality, and overall financial condition of the BHC and its subsidiaries, and (3) the BHC will continue to meet minimum required capital adequacy ratios. Accordingly, a BHC should not pay cash dividends that can only be funded in ways that weaken the BHC’s financial health, such as by borrowing. The policy also provides that a BHC should inform the FRB reasonably in advance of declaring or paying a dividend that exceeds earnings for the period for which the dividend is being paid or that could result in a material adverse change to the BHC’s capital structure. BHCs also are expected to consult with the FRB before increasing dividends or redeeming or repurchasing capital instruments. Additionally, the FRB could prohibit or limit the payment of dividends by a BHC if it determines that payment of the dividend would constitute an unsafe or unsound practice.

Transactions between a Bank and its Affiliates

Federal banking laws and regulations impose qualitative standards and quantitative limitations upon certain transactions between a bank and its affiliates, including between a bank and its holding company and companies that the BHC may be deemed to control for these purposes. Transactions covered by these provisions must be on arm’s-length terms, and cannot be offered on terms more favorable than would be offered to non-related borrowers of similar creditworthiness, and cannot exceed certain amounts which are determined with reference to that bank’s regulatory capital. Moreover, if the transaction is a loan or other extension of credit, it must be secured by collateral in an amount and quality expressly prescribed by statute, and if the affiliate is unable to pledge sufficient collateral, the BHC may be required to provide it. The Dodd-Frank Act expanded the coverage and scope of these restrictions and requirements, including by applying them to the credit exposure arising under derivative transactions, repurchase and reverse repurchase agreements, and securities borrowing and lending transactions. Federal banking laws also place similar restrictions on loans and other extensions of credit by FDIC-insured banks, such as the Bank, and their subsidiaries to their directors, executive officers, and principal shareholders.

Regulatory Capital Requirements

Compliance with respect to capital requirements is incorporated by reference from Note 17, Shareholders' Equity and Regulatory Capital, to the Consolidated Financial Statements under Part II, Item 8, "Financial Statements and Supplementary Data," and from the Capital Adequacy and Regulatory Matters section of Item 7, “Management’s Discussion and Analysis of Consolidated Financial Condition and Results of Operations.”

The Bank is subject to certain risk-based capital and leverage ratio requirements under the U.S. Basel III capital rules adopted by the FRB. These rules implement the Basel III international regulatory capital standards in the U.S., as well as certain provisions of the Dodd-Frank Act. These quantitative calculations are minimums, and the FRB may determine that a banking organization, based on its size, complexity, or risk profile, must maintain a higher level of capital in order to operate in a safe and sound manner.

Under the U.S. Basel III capital rules, the Parent Company's and the Bank's assets, exposures, and certain off-balance sheet items are subject to risk weights used to determine the institutions' risk-weighted assets. These risk-weighted assets are used to calculate the following minimum capital ratios for the Parent Company and the Bank:

- CET1 Risk-Based Capital Ratio, equal to the ratio of CET1 capital to risk-weighted assets. CET1 capital primarily includes common shareholders' equity subject to certain regulatory adjustments and deductions, including goodwill, intangible assets, certain deferred tax assets, and AOCI. The Company has elected to opt out of including AOCI components.

- Tier 1 Risk-Based Capital Ratio, equal to the ratio of Tier 1 capital to risk-weighted assets. Tier 1 capital is primarily comprised of CET1 capital, non-cumulative perpetual preferred stock, and certain qualifying capital instruments.

- Total Risk-Based Capital Ratio, equal to the ratio of total capital, including CET1 capital, Tier 1 capital, and Tier 2 capital, to risk-weighted assets. Tier 2 capital primarily includes qualifying subordinated debt and qualifying ACL.

- Tier 1 Leverage Ratio, equal to the ratio of Tier 1 capital to quarterly average assets (net of goodwill, certain other intangible assets, and certain other deductions).

Failure to be well-capitalized or to meet minimum capital requirements could result in certain mandatory and possible additional discretionary actions by regulators that, if undertaken, could have an adverse material effect on our operations or financial condition. Failure to be well-capitalized or to meet minimum capital requirements could also result in restrictions on the Bank's ability to pay dividends or otherwise distribute capital or to receive regulatory approval of applications.

In addition to meeting the minimum capital requirements, under the U.S. Basel III capital rules, the Bank must also exceed a Capital Conservation Buffer of 2.5% over and above the minimum risk-based capital ratio requirements to avoid becoming subject to restrictions on capital distributions and certain discretionary bonus payments to management.

At December 31, 2025, the Parent Company's and the Bank's regulatory capital ratios were above minimum requirements and applicable well-capitalized standards and exceeded the Capital Conservation Buffer requirement.

Bank Acquisitions by Orrstown

BHCs must obtain prior approval of the FRB in connection with any acquisition that results in the BHC owning or controlling 5% or more of any class of voting securities of a bank or another BHC.

Acquisitions of Ownership of Orrstown

Acquisitions of Orrstown's voting stock above certain thresholds are subject to prior regulatory notice or approval under federal banking laws, including the BHC Act and the Change in Bank Control Act of 1978. Under the Change in Bank Control Act, a person or entity generally must provide prior notice to, and receive the non-objection of, the FRB before acquiring the power to vote 10% or more of our outstanding common stock. Investors should be aware of these requirements when acquiring shares in the Company's stock.

Consumer Protection Regulation

The Company and the Bank are subject to federal and state laws designed to protect consumers and prohibit unfair, deceptive or abusive business practices, including the Equal Credit Opportunity Act, Fair Housing Act, Home Ownership Protection Act, Fair Credit Reporting Act, as amended by the Fair and Accurate Credit Transactions Act of 2003 (the "FACT Act"), the Gramm-Leach-Bliley Act ("GLBA"), the Truth in Lending Act ("TILA"), the CRA, the Home Mortgage Disclosure Act, the Real Estate Settlement Procedures Act, the National Flood Insurance Act, and various state law counterparts. These laws and regulations mandate certain disclosure requirements and regulate the manner in which financial institutions must interact with clients when taking deposits, making loans, collecting loans, and providing other services. Further, the CFPB also has a broad mandate to prohibit unfair, deceptive or abusive acts and practices and is specifically empowered to require certain disclosures to consumers and draft model disclosure forms. Failure to comply with consumer protection laws and regulations can subject financial institutions to enforcement actions, fines and other penalties. The FRB examines the Bank for compliance with CFPB rules and enforces CFPB rules with respect to the Bank.

The Dodd-Frank Act prescribes certain standards that mortgage lenders must consider before making a residential mortgage loan, including verifying a borrower's ability to repay such mortgage loan, and allows borrowers to assert violations of certain provisions of TILA as a defense to foreclosure proceedings. Additionally, the CFPB's qualified mortgage rule requires creditors, such as the Bank, to make a reasonable, good faith determination of a consumer's ability to repay any consumer credit transaction secured by a dwelling prior to making the loan. The Economic Growth, Regulatory Relief, and Consumer Protection Act included provisions that ease certain requirements related to mortgage transactions for certain institutions with less than $10 billion in total consolidated assets.

Data Privacy

Federal and state law contains extensive consumer privacy protection provisions. The GLBA requires financial institutions to periodically disclose their privacy policies and practices relating to sharing such information and enables retail clients to opt out of our ability to share information with unaffiliated third parties under certain circumstances. Other federal and state laws and regulations impact our ability to share certain information with affiliates and non-affiliates for marketing and/or non-marketing purposes, or to contact clients with marketing offers. These security and privacy policies and procedures for the protection of personal and confidential information are in effect across all businesses and geographic locations as applicable. Federal law also makes it a criminal offense, except in limited circumstances, to obtain or attempt to obtain client information of a financial nature by fraudulent or deceptive means. Data privacy and data protection are areas of increasing federal and state legislative focus.

Like other lenders, the Bank uses credit bureau data in its underwriting activities. Use of such data is regulated under the Fair Credit Reporting Act, which also regulates reporting information to credit bureaus, prescreening individuals for credit offers, sharing of information between affiliates, and using affiliate data for marketing purposes. Similar state laws may impose additional requirements on the Company.

Cybersecurity

Multiple federal laws contain provisions requiring regulated financial institutions to maintain cybersecurity programs incorporating specific elements. The GLBA requires financial institutions to implement a comprehensive information security program that includes administrative, technical, and physical safeguards to ensure the security and confidentiality of client records and information.

The Cybersecurity Information Sharing Act is intended to improve cybersecurity in the U.S. by enhanced sharing of information about security threats among the U.S. government and private sector entities, including financial institutions. The Cybersecurity Information Sharing Act also authorizes companies to monitor their own systems notwithstanding any other provision of law and allows companies to carry out defensive measures on their own systems from cyber-attacks. The law includes liability protections for companies that share cyber threat information with third parties so long as such sharing activity is conducted in accordance with Cybersecurity Information Sharing Act.

A bank holding company and a state member bank are required to notify the FRB within 36 hours of a computer security incident that has materially disrupted or degraded, or is reasonably likely to materially disrupt or degrade, the banking organization's ability to deliver services to a material portion of its client base, jeopardize the viability of key operations of the banking organization, or impact the stability of the financial sector.

Community Reinvestment Act

The CRA is intended to encourage banks to help meet the credit needs of their service areas, including low- and moderate-income neighborhoods, consistent with safe and sound business practices. The relevant federal bank regulatory agency, the FRB in the Bank's case, examines each bank and assigns it a public CRA rating. A bank's record of fair lending compliance is part of the resulting CRA examination report. The CRA requires the relevant federal bank regulatory agency to consider a bank's CRA assessment when considering that bank's application to conduct certain mergers or acquisitions or to open or relocate a branch office. The FRB also must consider the CRA record of each subsidiary bank of a BHC in connection with any acquisition or merger application filed by the BHC. An unsatisfactory CRA record could substantially delay or result in the denial of an approval or application by the Parent Company or the Bank. The Bank received a CRA rating of "Satisfactory" in its most recent examination prepared by the FRB on January 22, 2024.

Leaders of the federal banking agencies had indicated their support for modernizing the CRA regulatory framework to address changing delivery systems and consumer preferences, and on October 24, 2023, the agencies jointly issued a final rule to strengthen and modernize the CRA regulations by maintaining the existing CRA ratings, but modifying the evaluation framework to replace the existing tests generally applicable to banks with at least $2.0 billion in total assets (e.g., the lending, investment and service tests) with four new tests and associated performance metrics. The October 2023 final rule updated the CRA regulations with the goals of expanding access to credit, investment, and basic banking services in low- and moderate-

income communities, adapting to changes in the banking industry, including the expanded role of mobile and online banking, and providing greater clarity and consistency. On July 16, 2025, the FRB Board, FDIC and the OCC issued a joint notice of proposed rulemaking to rescind the October 2023 final rule and reinstate the CRA framework that existed prior to the October 2023 final rule. The Bank's most recent performance evaluation was conducted using the CRA framework that existed prior to the October 2023 final rule.

Anti-Money Laundering

The Bank Secrecy Act ("BSA"), the USA PATRIOT Act and the Anti-Money Laundering Act of 2020 ("AMLA") contain anti-money laundering and financial transparency provisions intended to detect and prevent the use of the U.S. financial system for money laundering and terrorist financing activities. The Bank Secrecy Act, as amended by the PATRIOT Act, requires depository institutions and their holding companies to undertake activities including maintaining an anti-money laundering program, verifying the identity of clients, verifying the identity of certain beneficial owners for legal entity clients, monitoring for and reporting suspicious transactions, reporting on cash transactions exceeding specified thresholds, and responding to requests for information by regulatory authorities and law enforcement agencies.

The AMLA codifies a risk-based approach to anti-money laundering compliance for financial institutions; requires the U.S. Department of the Treasury ("Treasury") to promulgate priorities for anti-money laundering and countering the financing of terrorism policy; requires the development of standards by the Treasury for testing technology and internal processes for BSA compliance; expands enforcement- and investigation-related authority, including a significant expansion in the available sanctions for certain BSA violations; and expands BSA whistleblower incentives and protections. Many of the statutory provisions in the AMLA required additional rulemaking, reports and other measures, and the impact of the AMLA will depend on, among other things, rulemaking and implementation guidance.

The Bank is subject to the Bank Secrecy Act and, therefore, is required to maintain an effective, risk-based anti-money laundering ("AML") and countering the financing of terrorism within the CFT program. Our program includes internal policies, procedures and controls; designation of a qualified BSA/AML Officer; ongoing employee training and independent testing to ensure compliance. The Bank has implemented policies, procedures, and internal controls that are designed to comply with these anti-money laundering requirements. The program is tailored to our risk profile and incorporates the AML/CFT National Priorities issued by the U.S. Department of the Treasury. Our Board of Directors oversees the AML/CFT program and receives regular reports on risk assessments, audit results and, when applicable, remediation efforts.

We recognize that bank regulators place significant emphasis on AML compliance, and when reviewing for merger, acquisitions and other transactions, to consider the effectiveness of the AML activities of the applicant. Accordingly, we continuously monitor our program and make enhancements as necessary to address emerging risks, regulatory changes, and technological developments and ensure that our controls remain effective and aligned with industry best practices.

Office of Foreign Assets Control Regulation

The Office of Foreign Assets Control ("OFAC") administers and enforces economic and trade sanctions that affect transactions with designated foreign countries, entities, and individuals, as authorized by various laws and Executive Orders. OFAC-administered sanctions take many different forms. For example, sanctions may include: (1) restrictions on trade with or investment in a sanctioned jurisdictions, including prohibitions against direct or indirect imports and exports to a sanctioned country and prohibitions on U.S. persons engaging in financial transactions relating to, making investments in, or providing investment-related advice or assistance to, a sanctioned party; and (2) a blocking of assets in which the government or "specially designated nationals" of the sanctioned country have an interest, by prohibiting transfers of property subject to U.S. jurisdiction, including property in the possession or control of U.S. persons. OFAC also publishes lists of persons, organizations, and countries suspected of aiding, harboring, or engaging in terrorist acts, narcotics trafficking and other illicit activities known as the Specially Designated Nationals and Blocked Persons ("SDN") List. Blocked assets, such as property and bank deposits, cannot be paid out, withdrawn, or transferred in any manner without a license from OFAC. Failure to comply with OFAC regulations can result in significant civil and criminal penalties.

Transaction Account Reserves

FRB regulations require depository institutions to maintain cash reserves against specified deposit liabilities. The dollar amount of a depository institution's reserve requirement is determined by applying the reserve ratios specified in Regulation D to an institution's transaction accounts (primarily NOW and regular checking accounts). Effective January 1, 2025, the FRB established a new reserve requirement exemption amount and low reserve tranche, but did not elevate the current reserve percentage from zero for depository institutions.

Nasdaq Stock Market

The Company's common stock is listed on the Nasdaq Capital Market under the trading symbol "ORRF" and is subject to Nasdaq's rules for listed companies.

Available Information

The Company is subject to the informational requirements of the Exchange Act and, in accordance with the Exchange Act, it files annual, quarterly, and current reports, proxy statements, and other information with the SEC. The SEC maintains an Internet web site that contains reports, proxy statements, and other information about issuers, like us, who file electronically with the SEC. The address of the site is www.sec.gov. The reports and other information, including any related amendments, filed by us with, or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, by the Company to, the SEC are also available free of charge at our Internet web site as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The address of the site is www.orrstown.com. Except as specifically incorporated by reference into this Annual Report on Form 10-K, information on those web sites is not part of this report.

ITEM 1A – RISK FACTORS

An investment in our common stock is subject to risks inherent in our business. The material risks and uncertainties that management believes affect us are described below. This report is qualified in its entirety by these risk factors.

Before making an investment decision, you should carefully consider the risks and uncertainties described below together with all of the other information included or incorporated by reference in this report and our other filings with the SEC. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties that management is not aware of or focused on or that management currently deems immaterial may also impair our business operations.

If any of the following risks actually materialize, our business, financial condition and results of operations could be materially and adversely affected. If this were to happen, the market price of our common stock could decline significantly, and you could lose all or part of your investment.

Risks Related to Credit

Difficult and volatile economic and market conditions in the U.S. and globally as well as changes in fiscal, monetary, trade and regulatory policies can adversely affect the financial services industry and may materially and adversely affect us.

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

Volatile business and economic conditions could have adverse effects on our business, including the following:

- investors may have less confidence in the equity markets in general and in financial services industry stocks in particular, which could place downward pressure on our stock price and resulting market valuation;
- economic and market developments may further affect consumer and business confidence levels and may cause declines in credit usage and adverse changes in payment patterns, causing increases in delinquencies and default rates;
- our ability to assess the creditworthiness of our customers may be impaired if the models and approaches we use to select, manage, and underwrite loans become less predictive of future behaviors;
- we could suffer decreases in demand for loans or other financial products and services or decreased deposits or other investments in accounts with us; and
- the value of loans and other assets or collateral securing loans may decrease.

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

The ACL is recorded as a reduction to loans and leases and the reserve for unfunded lending commitments is included in other liabilities on the consolidated balance sheets. While we believe that our ACL as of December 31, 2025 was sufficient to cover losses in the loan and lease portfolio on that date, we may need to increase our provision for credit losses in future periods due to changes in the risk characteristics of the loan and lease portfolio, thereby negatively impacting our results of operations.

The ACL is determined based on various factors impacting the quality of the loan and lease portfolio as indicated by our borrowers' financial condition, payment performance, the value of the underlying collateral and the support from a guarantor, in addition to the impact from economic conditions, government macroeconomic policies, interest rates and the regulatory environment. The experience and expertise of our loan officers, credit analysts and special assets group are essential to performing credit quality reviews, in addition to analyzing trends in delinquencies, levels of non-accruing and criticized loans and leases and modifications to loan terms. The ACL may also be influenced by other factors, including concentrations by the type of loan, collateral, borrower or location of the collateral or borrower. Such concentrations could increase the possibility that similarly situated borrowers and their collateral may collectively be affected by certain economic conditions.

Determining the ACL inherently involves a high degree of subjectivity and requires us to make significant estimates of current credit risks and trends, all of which may undergo material changes. We cannot be sure that we will be able to identify deteriorating credits before they become nonperforming assets or that we will be able to limit losses on those loans and leases that are identified. We have in the past been, and in the future may be, required to increase our ACL for any of several reasons. State and federal regulators, in reviewing our loan and lease portfolio as part of a regulatory examination, may request that we increase the ACL. Changes in economic conditions or individual business or personal circumstances affecting borrowers, new information regarding existing loans and leases, identification of additional problem loans and leases and other factors, both within and outside of our control, may require an increase in the ACL.

If our assessment of and expectations concerning the above-mentioned factors differ from actual developments, we may be required to increase our ACL, which could have an adverse effect on our financial condition, results of operations and our regulatory capital. In addition, our regulators, as an integral part of their examination process, periodically review the ACL and may require us to increase the ACL by recognizing additional provisions for credit losses charged to income, or to charge-off loans, which, net of any recoveries, would decrease the ACL on loans. Any such additional provisions for credit losses or charge-offs could have a material adverse effect on our financial condition and results of operations.

Commercial real estate lending may expose us to a greater risk of loss and impact our earnings and profitability.

Our business strategy includes making loans secured by commercial real estate. These types of loans generally have higher risk-adjusted returns and shorter maturities than other loans. Loans secured by commercial real estate properties are generally for larger amounts and may involve a greater degree of risk than other loans. Payments on loans secured by these properties are often dependent on the income produced by the underlying properties which, in turn, depends on the successful operation and management of the properties and the businesses that operate within them. Accordingly, repayment of these loans is subject to conditions in the real estate market or the local economy. Additionally, the advent of remote work on a hybrid or full-time basis has had a potentially long-term negative impact on certain commercial real estate assets due to the risk that tenants may reduce the office space they lease. In challenging economic conditions and as a result of changing demand for office space, these loans represent higher risk and could result in internal risk rating downgrades and an increase in our total net charge-offs, requiring us to increase our ACL, which could have a material adverse effect on our financial condition or results of operations. While we seek to minimize these risks in a variety of ways, there can be no assurance that these measures will protect against credit-related losses.

Our loan portfolio has a significant concentration in commercial real estate loans.

Our loan portfolio includes a large amount of commercial real estate loans. The federal banking agencies have promulgated guidance governing banks with concentrations in commercial real estate lending. The guidance provides that a bank has a concentration in commercial real estate lending if (i) total reported loans for construction, land development and other land represent 100% or more of total risk-based capital or (ii) total commercial real estate loans represent 300% or more of total risk-based capital and that bank’s commercial real estate loan portfolio has increased 50% or more during the prior thirty-six months. Owner-occupied commercial real estate loans are excluded from this second category. If a bank is deemed to have a concentration in commercial real estate loans, it will be required to employ heightened risk management practices that address board and management oversight and strategic planning, portfolio management, development of underwriting standards, risk assessment and monitoring through market analysis and stress testing and maintenance of increased capital levels as needed to support the level of commercial real estate lending. At December 31, 2025, the Bank’s construction, land development and other land balances were 41% of total risk-based capital, commercial real estate loans were 296% of total risk-based capital and the Bank’s commercial real estate loan portfolio had increased by 87% during the prior thirty-six months, which was partially impacted by the acquired loans from the Merger. In addition, the Bank's office space portfolio was 59% of

total risk-based capital at December 31, 2025. The Bank believes it has taken the appropriate steps to implement appropriate risk management practices, which are subject to regulatory examination, including enhanced market analysis, stress testing and sensitivity analysis. If our regulators conclude that we have not implemented appropriate risk management practices, it could adversely affect our business, and could result in the requirement to maintain increased capital levels or restrict our ability to originate new loans secured by commercial real estate. We can provide no assurance that capital would be available, or available on terms favorable to us, at that time.

The credit risk related to commercial and industrial loans is greater than the risk related to residential loans.

Commercial and industrial loans generally carry larger loan balances and involve a greater degree of risk of nonpayment or late payment than home equity loans or residential mortgage loans. Commercial and industrial loans include advances to local and regional businesses for general commercial purposes and include permanent and short-term working capital, machinery and equipment financing, and may be either in the form of lines of credit or term loans. Although commercial and industrial loans may be unsecured to our highest rated borrowers, the majority of these loans are secured by the borrower's accounts receivable, inventory and machinery and equipment. In a significant number of these loans, the collateral also includes the business real estate or the business owner's personal real estate or assets. Commercial and industrial loans are more susceptible to risk of loss during a downturn in the economy, as borrowers may have greater difficulty in meeting their debt service requirements and the value of the collateral may decline. We attempt to mitigate this risk through our underwriting standards, including evaluating the creditworthiness of the borrower, regular monitoring, and, to the extent available, credit ratings on the business. However, these procedures cannot entirely eliminate the risk of loss associated with commercial and industrial lending.

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

In the course of business, we may acquire, through foreclosure, properties securing loans originated or purchased that are in default. Particularly in commercial real estate lending, there is a risk that material environmental violations could be discovered on these properties. In this event, we might be required to remedy these violations at the affected properties at our sole cost and expense. The cost of remedial action could substantially exceed the value of affected properties. We may not have adequate remedies against the prior owner or other responsible parties and could find it difficult or impossible to sell the affected properties. These events could have an adverse effect on our financial condition and results of operations.

Risks Related to Interest Rates and Investments

Changes in interest rates could adversely impact our financial condition and results of operations.

Our operations are subject to risks and uncertainties surrounding our exposure to changes in the interest rate environment. Earnings and liquidity depend to a great extent on our interest rates. Interest rates are highly sensitive to many factors beyond our control, including competition, general economic conditions, geopolitical tensions and monetary and fiscal policies of various governmental and regulatory authorities, including the FRB. Conditions such as inflation, deflation, recession, unemployment and other factors beyond our control may also affect interest rates. The nature and timing of any changes in interest rates or general economic conditions and their effect on us cannot be controlled and are difficult to predict. If the rate of interest we pay on our interest-bearing liabilities increases more than the rate of interest we receive on our interest-earning assets, our net interest income, and therefore our earnings, could contract and be materially adversely affected. Our earnings could also be materially adversely affected if the rates on interest-earning assets fall more quickly than those on our interest-bearing liabilities. Changes in interest rates could also create competitive pressures, which could impact our liquidity position.

Changes in interest rates also can affect our ability to originate loans, our ability to obtain and retain deposits, and the value of interest-earning assets, and the ability to realize gains from the sale of such assets, which could all negatively impact shareholder's equity and regulatory capital. Additional increases in interest rates could have a negative impact on our results of operations by reducing the ability of borrowers to repay their current loan obligations, which could not only result in increased loan defaults, foreclosures and charge-offs, but could also necessitate further increases to our ACL and reduce net income. In addition, an increase in the general level of interest rates may negatively affect the market value of the investment portfolio depending on the duration of certain securities included in the investment portfolio. Conversely, decreases in interest rates may trigger loan prepayments, which may serve to reduce net interest income if we are unable to lend these funds to other borrowers or invest the funds at the same or higher interest rates.

On September 30, 2025, the Company redeemed its $32.5 million outstanding 6.0% fixed-to-floating rate subordinated notes due December 30, 2028. At redemption, the variable interest rate of three-month CME term SOFR rate, plus a spread adjustment of 0.26161% and a margin of 3.16%, on the subordinated debt was 7.72%. During the year ended December 31, 2025 and 2024, amortization expense of the debt issuance costs totaled $335 thousand and $81 thousand, respectively.

In the Merger, the Company assumed Codorus Valley's unsecured subordinated notes that were issued in December 2020 in the amount of $31.0 million, which may be redeemed, in whole or in part, in a principal amount with integral multiples of $10.0 million, on or after December 9, 2025 and prior to the maturity date at 100% of the principal amount, plus accrued and unpaid interest. The subordinated notes mature on December 9, 2030. The subordinated notes are also redeemable in whole or in part from time to time, upon the occurrence of specific events defined within the note purchase agreements. The subordinated notes had a fixed rate of interest equal to 4.50% until December 30, 2025. After that term, the variable rate of interest is equal to the three-month CME term SOFR rate plus 4.04%, which was 8.06% at December 31, 2025. At the date of the Merger, these subordinated notes were marked to fair value at $28.6 million, with a discount of $2.4 million being amortized and netted against interest expense over the stated maturity.

The trust preferred debt issued through CVB Statutory Trust No. I has a variable rate of three-month CME term SOFR rate, plus a spread adjustment of 0.26161% and a margin of 2.02% through maturity and the trust preferred debt issued through CVB Statutory Trust No. II has a variable rate of three-month CME term SOFR rate, plus a spread adjustment 0.26161% and a margin of 1.54% through maturity. For the year ended December 31, 2025 and 2024, the cost of the trust preferred debt, excluding the fair value mark, was 6.24%. An increase in the interest rate on our subordinated debt and trust preferred debt could have a material adverse effect on our results of operations.

Our securities portfolio performance in difficult market conditions could have adverse effects on our results of operations.

Unrealized losses on investment securities result from changes in credit spreads and liquidity issues in the marketplace, along with changes in the credit profile of individual securities issuers. Under GAAP, we are required to review our investment portfolio periodically for the presence of impairment of our securities, taking into consideration current and future market conditions, the extent and nature of changes in fair value, issuer rating changes and trends, volatility of earnings, current analysts' evaluations, our ability and intent to hold investments until a recovery of fair value, as well as other factors. Adverse developments with respect to one or more of the foregoing factors may require us to deem particular securities to be impaired, with the credit-related portion of the reduction in the value recognized as a charge to our earnings through an allowance. Subsequent valuations, in light of factors prevailing at that time, may result in significant changes in the values of these securities in future periods. Any of these factors could require us to recognize further impairments in the value of our securities portfolio, which may have an adverse effect on our results of operations in future periods.

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

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

Risks Related to Competition and to Our Business Strategy

Because our business is concentrated in south central Pennsylvania, the greater Baltimore region, and Washington County, Maryland, our financial performance could be materially adversely affected by economic conditions and real estate values in these market areas.

Our operations and the properties securing our loans are primarily located in south central Pennsylvania, the greater Baltimore region, and Washington County, Maryland. Our operating results depend largely on economic conditions and real estate valuations in these and surrounding areas. A deterioration in economic conditions, increased unemployment, inflation, and a decline in real estate values in these market areas or other factors beyond our control could materially adversely affect our operations.

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

The future rate of inflation and other economic factors remain uncertain, and the FRB may decrease or increase interest rates slower or faster than anticipated. If inflation increases and interest rates rise, the value of our investment securities, particularly those with longer maturities, will decrease, although this effect is less pronounced for floating rate instruments. Prolonged periods of inflation also may impact our profitability by negatively impacting our costs and expenses, including increasing funding costs and expenses related to talent acquisition and retention, and negatively impacting the demand for our

products and services. Moreover, our customers are also affected by inflation and the rising costs of goods and services used in their households and businesses, which could have a negative impact on their ability to repay their loans. Adverse changes in inflation and interest rates could negatively impact consumer and business confidence, and adversely affect the economy as well as our business, results of operations, and financial condition.

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

There have been significant changes to U.S. trade policies, including tariffs affecting many countries, and there continues to be significant discussion regarding other potential changes to U.S. trade policies, treaties, and tariffs, including the potential for additional tariffs. In addition, retaliatory tariffs have been imposed and additional retaliatory tariffs are likely. Tariffs, retaliatory tariffs or other trade restrictions on products and materials that our customers import or export could cause the prices of our customers' products to increase, which could reduce demand for such products. Any of these effects could adversely affect the ability of our customers to pay their loans or result in changes to our customers' borrowing patterns that could have a negative effect on our business and results of operations.

We face significant competition in the financial services industry.

We operate in a highly competitive environment that includes financial and non-financial services firms, including traditional banks, online banks, financial technology companies, and investment management and wealth advisory firms, including commercial banks and trust companies, investment advisory firms, mutual fund companies, and stock brokerage firms. These companies compete on the basis of, among other factors, size, location, quality and type of products and services offered, price, technology, brand recognition, and reputation. Emerging technologies, such as artificial intelligence (including machine learning and generative artificial intelligence) and quantum computing, have the potential to further intensify competition and accelerate disruption in the financial services industry. In recent years, non-financial services firms, such as financial technology companies, have begun to offer services traditionally provided by financial institutions. These firms attempt to use technology and mobile platforms to enhance the ability of companies and individuals to borrow, save and invest money. We may also experience the emerging competition for deposits from tokenized deposits and stablecoins. Many of these non-financial services competitors have fewer regulatory constraints and may have lower cost structures than we do. Our long-term success depends on our ability to develop and execute strategic plans and initiatives; to develop competitive products and technologies; and to attract, retain and develop a highly skilled employee workforce. We may not be as timely or successful in assessing the evolving competitive landscape and developing or introducing new products and services as our competitors. Our business may be negatively impacted if we, or our third-party providers, do not timely develop and apply emerging technologies, or if our initiatives in these areas are deficient or fail. Our, or our third-party providers', inability, or resistance to timely innovate or adapt operations, products and services to evolving regulatory and market environments, industry standards and consumer preferences could result in service disruptions, harm our business, and adversely affect our results of operations and reputation.

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

The banking industry undergoes constant technological change with frequent introductions of new technology-driven products and services. The widespread adoption of new technologies, including internet services and payment systems, could require substantial expenditures to modify or adapt our existing products and services as we grow and develop our internet banking and mobile banking channel strategies in addition to remote connectivity solutions. We might not be successful in developing or introducing new products and services, integrating new products or services into our existing offerings, responding or adapting to changes in consumer behavior, preferences, spending, investing and/or saving habits, achieving market acceptance of our products and services, reducing costs in response to pressures to deliver products and services at lower prices or sufficiently developing and maintaining loyal clients. Our future success may depend, in part, on our ability to address the needs of our current and prospective clients by using technology to provide products and services that will satisfy demands for convenience, as well as to create additional efficiencies in operations.

Development of new products, services and technologies may impose additional costs on us and may expose us to increased operational risk.

The introduction of new products and services can involve significant time and resources, including to obtain regulatory approvals. Substantial risks and uncertainties are associated with the introduction of new products and services, including technical and control requirements that may need to be developed and implemented, rapid technological change in the industry, the significant and ongoing investments required to bring new products and services to market in a timely manner at competitive prices and the preparation of marketing, sales and other materials that fully and accurately describe the product or service and its underlying risks. Our failure to manage these risks and uncertainties would also expose us to enhanced risk of operational lapses which may result in the recognition of financial statement liabilities. Regulatory and internal control

requirements, capital requirements, competitive alternatives, vendor relationships and shifting market preferences may also determine if such initiatives can be brought to market in a manner that is timely and attractive to our clients. Products and services relying on internet and mobile technologies may expose us to fraud and cybersecurity risks. Implementation of certain new technologies, such as those related to artificial intelligence, automation and algorithms, may have unintended consequences due to their limitations, potential manipulation, or our failure to use them effectively. Failure to successfully manage these risks in the development and implementation of new products or services could have a material adverse effect on our business and reputation, as well as on our consolidated results of operations and financial condition.

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

We seek to monitor and control our risk exposure through a risk and control framework encompassing a variety of separate but complementary financial, credit, operational, compliance, and legal reporting systems; internal controls; management review processes; and other mechanisms. While we employ a broad and diversified set of risk monitoring and risk mitigation techniques, those techniques and the judgments that accompany their application may not be effective and may not anticipate every economic and financial outcome in all market environments or the specifics and timing of such outcomes.

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

In the ordinary course of business, we rely on electronic communications and information systems to conduct our business and to store sensitive data, including financial information regarding clients. Our electronic communications and information systems infrastructure, as well as the systems infrastructures of the vendors we use to meet our data processing and communication needs, could be susceptible to cyber-attacks, such as denial of service attacks, hacking, terrorist activities or identity theft. Financial services institutions and companies engaged in data processing have reported breaches in the security of their websites or other systems, some of which have involved sophisticated and targeted attacks intended to obtain unauthorized access to confidential information, destroy data, disable or degrade service or sabotage systems, often through the introduction of computer viruses or malware, cyber-attacks and other means. Denial of service attacks have been launched against a number of large financial services institutions. Hacking and identity theft risks, in particular, could cause serious reputational harm. Cyber threats are rapidly evolving and we may not be able to anticipate or prevent all such attacks. Although, to date we have not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that we will not suffer such losses in the future. No matter how well designed or implemented our controls are, we will not be able to anticipate all security breaches of these types, and we may not be able to implement effective preventive measures against such security breaches in a timely manner. A failure or circumvention of our security systems could have a material adverse effect on our business operations and financial condition.

We regularly assess and test our security systems and disaster preparedness, including back-up systems, but the risks are substantially escalating. As a result, cybersecurity and the continued enhancement of our controls and processes to protect our systems, data and networks from attacks, unauthorized access or significant damage remain a priority. Accordingly, we may be required to expend additional resources to enhance our protective measures or to investigate and remediate any information security vulnerabilities or exposures. Any breach of our system security could result in disruption of our operations, unauthorized access to confidential client information, significant regulatory costs, litigation exposure and other possible damages, loss or liability. Such costs or losses could exceed the amount of available insurance coverage, if any, and would adversely affect our earnings. Also, any failure to prevent a security breach, or to quickly and effectively deal with such a breach, could negatively impact client confidence, damaging our reputation and undermining our ability to attract and keep clients.

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

We invest significant resources in information technology system enhancements in order to provide functionality and security at an appropriate level. We may not be able to successfully implement and integrate future system enhancements, which could adversely impact the ability to provide timely and accurate financial information in compliance with legal and regulatory requirements, which could negatively impact our growth and profitability and could result in regulatory scrutiny. In addition, future system enhancements could have higher than expected costs and/or result in operating inefficiencies, which could increase the costs associated with the implementation as well as ongoing operations.

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

We may become subject to claims and litigation pertaining to fiduciary responsibility.

We provide fiduciary services through OFA. From time to time, clients may make claims and take legal action with regard to the performance of our fiduciary responsibilities. Whether such claims and legal actions are founded or unfounded, if such claims or legal actions are not resolved in a manner favorable to us, the claims or related actions may result in significant financial expense and liability to us and/or adversely affect our reputation in the marketplace, as well as adversely impact client demand for our products and services. Any financial liability or reputation damage could have a material adverse effect on our business, which, in turn, could have a material adverse effect on our financial condition and results of operations.

Climate change may adversely affect our business and results of operations.

Current and anticipated effects of climate change could negatively impact us and our clients. Weather-related events, such as severe storms, hurricanes, flooding and droughts, can present risks to us and our clients, including property damage, change in the value of properties securing our loans, changes in client behavior and preferences, and disruption of business operations, all which can increase credit risk and result in loss of revenue and additional expenses. These concerns over the impacts of climate change have gained political and social attention resulting in many legislative and regulatory initiatives to lessen the effects of climate change, which also may result in heightened supervisory expectations on banks' risk management practices. Despite recent changes in the U.S. Administration, Congressional leadership and regulatory agency leadership, state legislatures and federal and state regulatory agencies may continue to propose and advance numerous legislative and regulatory initiatives seeking to mitigate the effects of climate change which may result in increases to compliance and operating costs, which could have a negative impact on our financial condition and results of operations.

Risks Related to Mergers and Acquisitions

Our business may be negatively impacted by risks associated with acquisitions.

We intend to pursue a growth plan consistent with our business strategy, including growth by acquisition, as well as leveraging our existing branch network. Our business may be negatively impacted by certain risks inherent with the acquisition of other companies. Some of these risks include the following:

- we may incur substantial expenses in pursuing acquisitions;
- management may divert its attention from other aspects of our business;
- we may assume potential and unknown liabilities of the acquired company;
- the acquired business may not perform in accordance with management's expectations, including potentially losing key clients of the acquired business;
- difficulties may arise in connection with the integration of the operations of the acquired business with our businesses; and
- we may lose key employees of the combined business.

Our ability to manage growth successfully will depend on our ability to attract qualified personnel and maintain cost controls and asset quality while attracting additional loans and deposits on favorable terms, as well as on factors beyond our control, such as economic conditions and competition. If we grow too quickly and are not able to attract qualified personnel, control costs and maintain asset quality, this continued rapid growth could materially adversely affect our financial performance.

Goodwill generated in acquisitions may negatively affect our financial condition.

To the extent that merger consideration, consisting of cash and shares of our common stock, exceeds the fair value of the net assets acquired, including identifiable intangibles, that amount will be reported as goodwill by us. In accordance with current accounting guidance, goodwill will not be amortized, but will be evaluated for impairment annually or more frequently as warranted by specific events or circumstances. A failure to realize the expected benefits of a merger could adversely impact the carrying value of the goodwill recognized in such merger and, in turn, negatively affect our financial results.

The market price of our common stock after acquisitions may be affected by factors different from those affecting our shares currently.

The businesses of us and acquired entities may differ and, accordingly, the results of operations of the combined company and the market price of the shares of common stock of the combined company may be affected by factors different from those currently affecting the independent results of operations and market prices of common stock of each separate entity. The market value of our common stock fluctuates based upon various factors, including changes in our business, operations or prospects, market assessments of a merger, regulatory considerations, market and economic considerations, and other factors. Further, the

market price of our common stock after an acquisition may be affected by factors different from those currently affecting our common stock. Additionally, future business acquisitions may result in the issuance and payment of additional shares of stock, which would dilute current shareholders' ownership interests, and may involve the payment of a premium over book and market values. Therefore, dilution of our tangible book value and net income per common share could occur in connection with any future transaction.

Risks Related to Regulatory Compliance and Legal Matters

We operate in a highly regulated industry, and laws and regulations, or changes in them, could limit or restrict our activities and could have a material adverse effect on our operations.

We and our subsidiaries are subject to extensive state and federal regulation and supervision. Federal and state laws and regulations govern numerous matters affecting us, including changes in the ownership or control of banks and bank holding companies, maintenance of adequate capital and the financial condition of a financial institution, permissible types, amounts and terms of extensions of credit and investments, permissible non-banking activities, the level of reserves against deposits and restrictions on dividend payments. The FRB and the state banking regulators have the power to issue cease and desist orders to prevent or remedy unsafe or unsound practices or violations of law by banks subject to their regulation, and the FRB possesses similar powers with respect to bank holding companies. These and other restrictions limit the manner in which we and our subsidiaries may conduct business and obtain financing.

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

Altering our overdraft fee practices could materially adversely affect our fee income and results of operations.

Overdraft fee practices of banks have recently come under increased regulatory scrutiny and been the subject of litigation. This increased scrutiny and litigation have prompted many larger banks to reform their overdraft fee practices or cease charging overdraft fees altogether. Reforming, reducing or eliminating overdraft fees could materially adversely affect our fee income and results of operations. Pending or future legal proceedings, regarding our overdraft fee practice, may result in judgments, settlements, fines, penalties, defense costs, or other results adverse to us, which could materially adversely affect our business, financial condition or results of operations, or cause serious reputational harm to us.

Legislative, regulatory and legal developments involving income and other taxes could materially adversely affect our results of operations and cash flows.

We are subject to U.S. federal and U.S. state income, payroll, property, sales and use, and other types of taxes, including the Pennsylvania Bank Shares Tax. Significant judgment is required in determining our provisions for income taxes. Changes in tax rates, enactments of new tax laws, revisions of tax regulations, and claims or litigation with taxing authorities could result in substantially higher taxes, and therefore, could have a significant adverse effect on our results of operations, financial condition and liquidity. Increases in the assessment rate for the Pennsylvania Bank Shares Tax, which is calculated on the outstanding equity of the Bank, may also materially adversely affect our results of operations.

We are required to use judgment in applying accounting policies and different estimates and assumptions in the application of these policies could result in a decrease in capital and/or other material changes to the reports of financial condition and results of operations.

Material estimates that are particularly susceptible to significant change relate to the determination of the ACL, the fair value of certain financial instruments, particularly securities, and goodwill and purchase accounting. While we have identified those accounting policies that we consider critical and have procedures in place to facilitate the associated judgments, different assumptions in the application of these policies could have a material adverse effect on our financial condition and results of operations.

Changes in our accounting policies or in accounting standards could materially affect how we report our financial results and condition.

From time to time, the FASB, SEC and other regulatory bodies change the financial accounting and reporting standards that govern the preparation of our consolidated financial statements. These changes can be operationally complex to implement and can materially impact how we report our financial condition and results of operations.

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

Federal regulations establish minimum capital requirements for insured depository institutions, including minimum risk-based capital and leverage ratios, and define “capital” for calculating these ratios. The minimum capital requirements are: (i) a common equity Tier 1 capital ratio of 4.5%; (ii) a Tier 1 to risk-based assets capital ratio of 6%; (iii) a total capital ratio of 8%; and (iv) a Tier 1 leverage ratio of 4%. The regulations also establish a “capital conservation buffer” of 2.5%, which if complied with will result in the following minimum ratios: (i) a common equity Tier 1 capital ratio of 7.0%; (ii) a Tier 1 to risk-based assets capital ratio of 8.5%; and (iii) a total capital ratio of 10.5%. If we are unable to meet these capital requirements or these requirements are increased, we could, among other things, be required to maintain higher capital, resulting in lower returns on equity, and we could be required to obtain additional capital or be subject to adverse regulatory actions, including limitations on our ability to pay dividends or repurchase shares.

The FRB may require us to commit capital resources to support the Bank.

Federal law requires that a holding company act as a source of financial and managerial strength to its subsidiary bank and to commit resources to support such subsidiary bank. Under the “source of strength” doctrine, the FRB may require a holding company to make capital injections into a troubled subsidiary bank and may charge the holding company with engaging in unsafe and unsound practices for failure to commit resources to a subsidiary bank. A capital injection may be required at times when the holding company may not have the resources to provide it and therefore may require the holding company to borrow the funds or raise capital on terms considered unfavorable to shareholders. Any loans by a holding company to its subsidiary bank are subordinate in right of payment to deposits and to certain other indebtedness of such subsidiary bank. In the event of a holding company’s bankruptcy, the bankruptcy trustee will assume any commitment by the holding company to a federal bank regulatory agency to maintain the capital of a subsidiary bank. Moreover, bankruptcy law provides that claims based on any such commitment will be entitled to a priority of payment over the claims of the institution’s general unsecured creditors, including the holders of its note obligations. Thus, any borrowing that must be done by us to make a required capital injection becomes more difficult and expensive and could have an adverse effect on our business, financial condition and results of operations.

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

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

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

The financial services industry is subject to intense scrutiny from bank supervisors in the examination process and aggressive enforcement of federal and state regulations, particularly with respect to mortgage-related practices and other consumer compliance matters, and compliance with anti-money laundering, Bank Secrecy Act and Office of Foreign Assets Control regulations, and economic sanctions against certain foreign countries and nationals. Enforcement actions may be initiated for violations of laws and regulations and unsafe or unsound practices. We maintain systems and procedures designed to ensure that we comply with applicable laws and regulations; however, some legal/regulatory frameworks provide for the imposition of fines or penalties for noncompliance even though the noncompliance was inadvertent or unintentional and even though systems and procedures designed to ensure compliance were in place at the time. Failure to comply with these and other regulations, and supervisory expectations related thereto, may result in fines, penalties, lawsuits, regulatory sanctions, reputation damage, or restrictions on our business.

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

As a participant in the financial services industry, many aspects of our business involve substantial risk of legal liability. From time to time we are named as a defendant or are otherwise involved in various legal proceedings, including regulatory enforcement actions, class actions and other litigation or disputes with third parties. Litigation pending against us, if any, is described in Note 24, Contingencies, to the Consolidated Financial Statements under Part II, Item 8, "Financial Statement and Supplementary Data," of this Annual Report on Form 10-K. There is no assurance that regulatory enforcement actions or litigation with private parties will not increase in the future. Pending or future legal proceedings against us may result in judgments, settlements, fines, penalties, indemnification costs, defense costs, or other results adverse to us, which could materially adversely affect our business, financial condition or results of operations, or cause serious reputational harm to us.

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

We routinely sell newly originated residential mortgage loans and may also sell other loans or loans portfolios. We may make certain representations and warranties to the purchaser concerning the loans sold and the procedures under which those loans have been originated and serviced. If any of these representations and warranties are invalid, we may be required to refund premiums, indemnify the purchaser for any related costs or losses, or it may be required to repurchase part or all of the affected loans. We may also be required to repurchase loans as a result of borrower fraud or in the event of early payment default by the borrower on a loan it has sold. Demand for our loans in the secondary markets could also be affected by these risks, which could lead to a reduction in related business activities.

Risks Related to Liquidity

If we are unable to access the capital markets, have prolonged net deposit outflows, or our borrowing costs increase, our liquidity and competitive position will be negatively affected.

Liquidity is essential to our business. We must maintain sufficient funds to respond to the needs of depositors and borrowers. To manage liquidity, we draw upon a number of funding sources in addition to in-market deposit growth and repayments and maturities of loans and investments. Any inability to access the capital markets, illiquidity or volatility in the capital markets, the decrease in value of eligible collateral or increased collateral requirements (including as a result of credit concerns for short-term borrowing), changes to our relationships with our funding providers based on real or perceived changes in our risk profile, prolonged federal government shutdowns, or changes in regulations or regulatory guidance, or other events could negatively affect our access to or cost of funding, affecting our ongoing ability to accommodate liability maturities and deposit withdrawals, meet contractual obligations, or fund asset growth and new business initiatives at a reasonable cost, in a timely manner and without adverse consequences. Additionally, our liquidity or cost of funds may be negatively impacted by the unwillingness or inability of the FRB to act as lender of last resort, unexpected simultaneous draws on lines of credit or deposits, the withdrawal of or failure to attract customer deposits, or increased regulatory liquidity, capital and margin requirements.

Although we maintain a liquid asset portfolio and have implemented strategies to maintain sufficient and diverse sources of funding to accommodate planned, as well as unanticipated, changes in assets, liabilities, and off-balance sheet commitments under various economic conditions, a substantial, unexpected, or prolonged change in the level or cost of liquidity could have a material adverse effect on us. If the cost effectiveness or the availability of supply in these credit markets is reduced for a prolonged period of time, our funding needs may require us to access funding and manage liquidity by other means. These alternatives may include generating client deposits, reliance on brokered deposits or certificates of deposits, extending the maturity of wholesale borrowings, borrowing under certain secured borrowing arrangements, using relationships developed with a variety of fixed income investors, securitizing or selling loans, and further managing loan growth and investment opportunities. These alternative means of funding may result in an increase to the overall cost of funds and may not be available under stressed conditions, which would cause us to liquidate a portion of our liquid asset portfolio to meet any funding needs. In the event additional liquidity is needed, we have access to liquidity from the FHLB, the FRB discount window and other sources.

At December 31, 2025, we have combined borrowing capacity from the FHLB of approximately $1.7 billion. Accessing these sources of liquidity may impose additional borrowing costs on us.

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

Deposits are a stable source of funding for which costs are typically lower than other financing options. We compete with banks and other financial institutions, in addition to emerging competition from tokenized deposits and stablecoins, for deposits, as well as institutions offering uninsured investment alternatives, including money market funds and Treasury Bill alternatives. Our competitors may offer higher interest rates than we do, which could decrease the deposits that we attract or

require us to increase our rates to retain existing deposits or obtain new deposits. Bank failures could negatively impact depositor confidence in us or the banking industry and cause our deposits to decline. Funding costs may increase if we lose deposits and are forced to replace them with more expensive sources of funding, if clients shift their deposits into higher cost products or if we need to raise interest rates to avoid losing deposits. Higher funding costs reduce our net interest margin and net income. Increased deposit competition could materially adversely affect our ability to fund lending operations. As a result, we may need to seek other sources of funds that could increase our cost of funds.

In July 2025, the Guiding and Establishing National Innovation for U.S. Stablecoins Act ("GENIUS Act") was signed into law. The GENIUS Act created a comprehensive federal regulatory framework for payment stablecoins in the U.S., which could create increased competition with respect to our deposit products, depending on interest from consumers and businesses.

Wholesale funding sources may prove insufficient to replace deposits at maturity and support our operations and future growth.

We must maintain sufficient funds to respond to the needs of depositors and borrowers. To manage liquidity, we draw upon a number of funding sources in addition to core deposit growth and repayments and maturities of loans and investments. These sources may include FHLB advances, proceeds from the sale of investments and loans, and liquidity resources at the holding company. Our ability to manage liquidity will be severely constrained if we are unable to maintain access to funding or if adequate financing is not available to accommodate future growth at acceptable costs. In addition, if we are required to rely more heavily on more expensive funding sources to support future growth, our revenues may not increase proportionately to cover our costs. In this case, operating margins and profitability would be adversely affected. Turbulence in the capital and credit markets may adversely affect our liquidity and financial condition and the willingness of certain counterparties and clients to do business with us. Our ability to borrow from other financial institutions or to access the debt or equity capital markets on favorable terms or at all could be adversely affected by disruptions in the capital markets or other events, including actions by rating agencies and deteriorating investor expectations.

The Parent Company is a holding company dependent on liquidity through payments, including dividends, from its bank subsidiary, which is subject to restrictions.

The Parent Company is a holding company, separate from the Bank, and must provide for its own liquidity. The Parent Company depends on dividends, distributions and other payments from the Bank to fund dividend payments and stock repurchases, if permitted, and to fund all payments on obligations. The FRB requires a BHC to act as a source of financial and managerial strength for its subsidiary banks. The FRB could require us to commit resources to the Bank when doing so is not otherwise in the interests of our shareholders or creditors. The Bank is subject to laws that restrict dividend payments or authorize regulatory bodies to prohibit or reduce the flow of funds from it to us. If the Bank is unable to pay dividends to us, we may not be able to service our debt, pay dividends on our common stock or engage in stock repurchases. A reduction or elimination of dividends could adversely affect the market price of our common stock and would adversely affect our business, financial condition, results of operations and prospects. In addition, our right to participate in a distribution of assets upon the Bank’s liquidation or reorganization is subject to the prior claims of the Bank’s creditors, including its depositors. Restrictions on the Bank’s ability to dividend funds to the Company are included in Note 17, Shareholders' Equity and Regulatory Capital, to the Consolidated Financial Statements under Part II, Item 8, "Financial Statements and Supplementary Data."

Concerns about the soundness of other financial institutions could adversely affect us.

Our ability to engage in routine funding and other transactions could be adversely affected by the actions and commercial soundness of other financial institutions. Financial services institutions are interrelated as a result of trading, clearing, counterparty or other relationships. As a result, defaults by, or even rumors or questions about, one or more financial services institutions, or the financial services industry generally, have historically led to market-wide liquidity problems, losses of depositor, creditor and counterparty confidence and could lead to losses or defaults by us or by other institutions. Bank failures could negatively impact client and investor confidence in us, which could negatively impact our earnings, stock price or liquidity. We could experience increases in deposits and assets as a result of other banks’ difficulties or failure, which would increase the capital we are required to maintain to support such growth.

Risks Related to Owning Our Stock

If we want, or are compelled, to raise additional capital in the future, that capital may not be available when it is needed or on terms favorable to current shareholders.

Federal banking regulators require us to maintain adequate levels of capital to support our operations. These capital levels are determined and dictated by law, regulation and banking regulatory agencies. In addition, capital levels are also determined by our management and board of directors based on capital levels that they believe are necessary to support our business operations. Changes in our financial condition or results of operations, applicable accounting standards, laws and regulations

and other factors could make it necessary or advisable for us to raise additional capital. Under such circumstances, our ability to raise additional capital will depend on conditions in the capital markets at that time, which are outside of our control, and on our financial performance. Accordingly, we cannot provide assurance of our ability to raise additional capital on terms and time frames acceptable to us or to raise additional capital at all. Additionally, the inability to raise capital in sufficient amounts may adversely affect our operations, financial condition and results of operations. Our ability to borrow could also be impaired by factors that are nonspecific to us, such as severe disruption of the financial markets or negative news and expectations about the prospects for the financial services industry as a whole. If we raise capital through the issuance of additional shares of our common stock or other securities, we would likely dilute the ownership interests of current investors by diluting earnings per share of our common stock and potentially diluting book value per share, depending on the issuance price. The price at which we issue additional shares of stock could be less than the current market price of our common stock. Furthermore, a capital raise through the issuance of additional shares may have an adverse impact on our stock price. In addition, a capital raise involving the issuance of debt securities could negatively impact our earnings and liquidity.

The market price of our common stock is subject to volatility.

The market price of our common stock has been subject to fluctuations in response to numerous factors, many of which are beyond our control. These factors include actual or anticipated variations in our operational results and cash flows, changes in financial estimates by securities analysts, trading volume, large purchases or sales of our common stock, market conditions within the banking industry, the general state of the securities markets and the market for stocks of financial institutions, as well as general economic conditions. The impact of the large bank failures on the price of securities issued by financial institutions, generally, is one example of a situation in which factors outside of our control can negatively impact the market price of our securities. In addition, if our common stock ceases to be included in the Russell 2000 index, which is reconstituted in June of each year, this could result in decreased liquidity in, and demand for, our common stock, which could cause the market price of our common stock to decline.

A reduction in our credit rating could adversely affect our access to capital and could increase our cost of funds.

A credit rating agency regularly evaluates the Parent Company and the Bank, and credit ratings are based on a number of factors, including our financial strength and ability to generate earnings, as well as factors not entirely within our control, including conditions affecting the financial services industry, the economy, and changes in rating methodologies. There can be no assurance that we will maintain our current credit ratings. A downgrade of the credit ratings of the Parent Company or the Bank could adversely affect our access to liquidity and capital, and could significantly increase our cost of funds, trigger additional collateral or funding requirements, and decrease the number of investors and counterparties willing to lend to us or purchase our securities. This could affect our growth, profitability, and financial condition, including liquidity.

We cannot guarantee that our allocation of capital to various alternatives, including share repurchase programs, will enhance long-term shareholder value.

Our business plan calls for us to execute a variety of strategies to allocate and deploy any excess capital including, but not limited to, continued organic balance sheet growth and diversification, implementation of share repurchase programs, and payment of regular cash dividends. If we are unable to effectively and timely deploy capital through these strategies, it may constrain growth in earnings and return on equity and thereby diminish potential growth in shareholder value. On June 20, 2025, our Board of Directors authorized a share repurchase program pursuant to which we may repurchase up to 500,000 shares of our outstanding common stock in accordance with all applicable securities laws and regulations. The timing and actual number of shares repurchased will depend on a variety of factors including price, corporate and regulatory requirements, market conditions, and other corporate liquidity requirements and priorities.

General Risk Factors

We may not be able to attract and retain skilled people.

Competition for the best people in most activities engaged in by us can be intense, and we may not be able to attract and hire sufficiently skilled people to fill open and newly created positions or to retain current or future employees. This competition for talented, skilled and diverse employees has been intensified by the increase in remote and flexible work arrangements, wage pressures and opportunities in the labor market. An inability to attract and retain individuals with the necessary skills to fill open positions, or the unexpected loss of services of one or more of our key personnel, could have a material adverse impact on our business due to the loss of their skills, knowledge of our markets, years of industry experience or the difficulty of promptly finding qualified replacement personnel.

We believe that our continued growth and future success will depend in large part on the skills of our management team and our ability to motivate and retain these individuals and other key personnel. The loss of service of one or more of our executive officers or key personnel could delay or reduce our ability to successfully implement our long-term business strategy,

our business could suffer, and the value of our stock could be materially adversely affected. Leadership changes will occur from time to time, and we cannot predict whether significant resignations will occur or whether we will be able to recruit additional qualified personnel. We believe our management team possesses valuable knowledge about the banking industry and that their knowledge and relationships could be very difficult to replicate. Our success also depends on the experience of our branch managers and lending officers and on their relationships with the clients and communities they serve. The loss of these key personnel could negatively impact our banking operations. The loss of key personnel, or the inability to recruit and retain qualified personnel in the future, could have an adverse effect on our business, financial condition, or operating results.

We could be adversely affected by a failure in our internal controls.

We rely on our employees to design, manage, and operate our systems and controls to assure that we properly enter into, record and manage processes, transactions and other relationships with clients, suppliers and other parties with whom we do business. In some cases, we rely on employees of third parties to perform these tasks. We also depend on employees and the systems and controls for which they are responsible to assure that we identify and mitigate the risks that are inherent in our relationships and activities. When we change processes or procedures, introduce new products or services, or implement new technologies, we may fail to adequately identify or manage operational risks resulting from such changes.

As a result of our reliance on employees, whether ours or those of third parties, we are subject to human vulnerabilities. These range from innocent human error to misconduct or malfeasance, potentially leading to operational breakdowns or other failures. Our controls may not be adequate to prevent problems resulting from human involvement in our business, including risks associated with the design, operation and monitoring of automated systems. Errors by our employees or others responsible for systems and controls on which we depend and any resulting failures of those systems and controls could result in significant harm to us. This could include client remediation costs, regulatory fines or penalties, litigation or enforcement actions, or limitations on our business activities. We could also suffer damage to our reputation, impacting our ability to attract and retain clients and employees.

Management regularly reviews and updates our internal controls, disclosure controls and procedures, and corporate governance policies and procedures. Any system of controls, however well-designed and operated, is based in part on certain assumptions and can provide only reasonable, not absolute, assurances that the objectives of the system are met. Any failure or circumvention of the controls and procedures or failure to comply with regulations related to controls and procedures could have a material adverse effect on our business, results of operations and financial condition.

Negative public opinion could damage our reputation and adversely affect our earnings.

Reputational risk, or the risk to our earnings and capital from negative public opinion, is inherent in our business. Negative public opinion can result from the actual or perceived manner in which we conduct our business activities, including banking operations and trust and investment operations, our management of actual or potential conflicts of interest and ethical issues, and our protection of confidential client information. Negative public opinion can also result from events occurring in the banking industry, such as bank failures, which are outside of our control. Negative public opinion can adversely affect our ability to keep and attract clients and can expose us to litigation and regulatory action. Although we take steps to minimize reputation risk in the way we conduct our business activities and deal with our clients, communities and vendors, these steps may not be effective. The proliferation of social media websites utilized by us and other third parties, as well as the personal use of social media by our employees and others, including personal blogs and social network profiles, also may increase the risk that negative, inappropriate or unauthorized information may be posted or released publicly that could harm our reputation or have other negative consequences, including as a result of our employees interacting with our clients in an unauthorized manner in various social media outlets. Any damage to our reputation could affect our ability to retain and develop the business relationships necessary to conduct business, which in turn could negatively impact our financial condition, results of operations, and the market price of our common stock.

Acts of terrorism, natural disasters, global climate change, future pandemics, wars and global conflicts may have a negative impact on our business and operations.

Acts of terrorism, natural disasters, global climate change, future pandemics, wars, global conflicts or other similar events could disrupt our operations, result in damage to our properties, reduce or destroy the value of the collateral for our loans and otherwise have a negative impact on our business and operations. While we have in place business continuity plans, such events could still damage our facilities, disrupt or delay the normal operations of our business (including communications and technology), result in harm to, or cause travel limitations on, our employees, and have a similar impact on our clients, suppliers, third-party vendors and counterparties. These events also could impact us negatively to the extent that they result in reduced capital markets activity, lower asset price levels, or disruptions in general economic activity in the U.S. or abroad, or in financial market settlement functions. In addition, these or similar events may impact economic growth negatively, which could have an adverse effect on our business and operations, and may have other adverse effects on us in ways that we are unable to predict.

Anti-takeover provisions could negatively impact our shareholders.

Provisions of Pennsylvania law and provisions of our articles of incorporation and bylaws could make it more difficult for a third party to acquire control of us or have the effect of discouraging a third party from attempting to acquire control of us, even if a merger might be in the best interest of our shareholders. Our articles of incorporation authorize our Board of Directors to issue preferred stock without shareholder approval and such preferred stock could be issued as a defensive measure in response to a takeover proposal. These and other provisions could make it more difficult for a third party to acquire us.

ITEM 1B – UNRESOLVED STAFF COMMENTS

None.

ITEM 1C – CYBERSECURITY

We use, store and process data for and about our customers and employees. We have implemented a cybersecurity risk management program that is designed to identify, assess, and mitigate risks from cybersecurity threats to this data and our systems. We did not experience any cybersecurity incidents in 2025 that materially affected the Company.

Risk Management Oversight and Governance

Under the ultimate direction of our Chief Executive Officer and executive management team, our Information Security Core Committee has primary responsibility for overseeing our management of cybersecurity risks. This committee is chaired by our Chief Information Security Officer, or CISO, who reports directly to our Chief Risk Officer. Other members of the committee include representatives from Information Technology, Operations, Privacy, Compliance, BSA, Audit, Business Continuity, Vendor Management, Human Resources, Physical Security, Unified Fraud, Retail, Wealth Management, Lending, and Enterprise Risk Management.

Our CISO, working with his team and the Information Security Core Committee, has primary responsibility for assessing and managing our cybersecurity threat management program. He has more than 25 years of experience in building and leading information security teams and has worked at a technology start-up and a large, publicly-traded financial institution before joining the Company. His experience as a technology engineer has prepared him to lead a variety of teams, both large and small, design, as well as implement and execute executive cyber and information security controls. He studied Computer Science at the University of Virginia and holds a Certified Information Systems Security Professional ("CISSP") certification.

In addition to frequent electronic communication, the committee meets monthly and more frequently, as circumstances warrant, to discuss and monitor prevention, detection, mitigation and remediation of risks from cybersecurity threats. When appropriate, meetings will also include our Chief Risk Officer, Chief Financial Officer, General Counsel and members of our disclosure committee. On a regular basis, the CISO also updates the executive management team on developments within the cybersecurity sphere.

The Board of Directors has delegated oversight of the Company's cybersecurity program to the Enterprise Risk Management Committee of the Board of Directors. The Enterprise Risk Management Committee is responsible for reviewing reports on data management and security initiatives and significant existing and emerging cybersecurity risks, including cybersecurity incidents, the impact on the Company and its stakeholders of any significant cybersecurity incident and any disclosure obligations arising from any such incidents.

Our CISO meets quarterly with the Enterprise Risk Management Committee of the Board of Directors to discuss management's ongoing cybersecurity risk management programs. He provides information about the sources and nature of risks the Company faces, how management assesses such risks – including in terms of likelihood and severity of impact, progress on vulnerability remediation and current developments in the cybersecurity landscape. This presentation is shared with the full Board of Directors to enable discussion of cybersecurity risk management at the full board level.

Processes for the Identification of Cybersecurity Threats

Under the guidance of the Information Security Core Committee and the CISO, we have adopted a cybersecurity risk management program that addresses, among other areas:

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

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

- Identification of risks, which involves input from different groups across the Company;
- Evaluation of the likelihood of the risks manifesting, the severity of the potential consequences and prioritization of different risk items based on, among other things, importance to the business and cost/benefit analysis to fully address; and
- Execution – establishment of a program to address.

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

Our Internal Audit function updates the Enterprise Risk Management Committee of our Board of Directors on a quarterly basis about the Company's enterprise risk management program. These reports are the culmination of a process that involves discussions with leaders across the Company and incorporates a multitude of enterprise risk factors, including cybersecurity threats. The Enterprise Risk Management Committee Chair, in turn, reports to the full Board of Directors a summary of the enterprise risk management presentation.

We have an employee education program that is designed to raise awareness of cybersecurity threats to reduce our vulnerability as well as to encourage consideration of cybersecurity risks across functions.

As part of the assessment of the protections we have in place to mitigate risks from cybersecurity threats, we engage third parties to conduct risk assessments on our systems. To assess the effectiveness of our program, we also have engaged consultants to conduct penetration testing and other vulnerability analyses. Over a cycle of several years, our Internal Audit function, with the assistance of outside technical advisors, will conduct an assessment of different systems to provide the Enterprise Risk Management Committee with information on our risk management processes, including cybersecurity risk.

Cyber Risks Related to Third Parties

Risks from cybersecurity threats associated with our use of third-party service providers or third-party technology or other solutions are addressed as part of our overall cybersecurity risk management program. Before purchasing third party technology or other solutions that involve exposure to the Company's assets and electronic information, our information technology team requires those companies to complete a security review before being approved to work with the Company. To help control cyber risks at third parties and protect customer data and systems on an ongoing basis, we also conduct periodic information security assessments of certain of our third-party service providers.

ITEM 2 – PROPERTIES

Our principal executive offices are located at 4750 Lindle Road, Harrisburg, Pennsylvania.

We own or lease other premises for use in conducting our business activities, including bank branches and offices in Cumberland, Dauphin, Franklin, Lancaster, Perry and York Counties, Pennsylvania and Anne Arundel, Baltimore, Harford, Howard, and Washington Counties, Maryland. We believe that the properties currently owned and leased are adequate for present levels of operation. We are constantly evaluating the best and most efficient mix of branch locations to service our clients due to evolving trends in our industry and increased client engagement through digital channels.

At December 31, 2025, the Bank had 38 full-service branches and five limited purpose branches.

ITEM 3 – LEGAL PROCEEDINGS

Information regarding legal proceedings is included in Note 24, Contingencies, to the Consolidated Financial Statements under Part II, Item 8, "Financial Statement and Supplementary Data."

ITEM 4 – MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5 – MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is traded on the NASDAQ Capital Market under the symbol "ORRF." At the close of business on March 6, 2026, there were 3,015 shareholders of record.

The Board declared cash dividends of $1.06 and $0.86 per common share in 2025 and 2024, respectively. Although the Company cannot guarantee the amount of future dividend payments, the Board understands the importance of the dividend to our shareholders and is committed to paying regular cash dividends; however, there can be no assurance as to future dividends because they are dependent on our future earnings, capital requirements and financial condition. Restrictions on the payment of dividends are discussed in Note 17, Shareholders' Equity and Regulatory Capital, to the Consolidated Financial Statements under Part II, Item 8, "Financial Statements and Supplementary Data." On January 27, 2026, the Board declared a cash dividend of $0.30 per common share, which was paid on February 17, 2026, to shareholders of record as of February 10, 2026.

Securities Authorized for Issuance under Equity Compensation Plans

Information regarding the Company's equity compensation plans is included in Part III, Item 12, Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Issuer Purchases of Equity Securities

	(a)	(b)	(c)	(d)
Period	Total number of shares (or units) purchased	Average price paid per share (or unit)	Total number of shares (or units) purchased as part of publicly announced plans or programs	Maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs
October 1, 2025 to October 31, 2025	5,300	$ 32.01	5,300	491,670
November 1, 2025 to November 30, 2025		—	—	491,670
December 1, 2025 to December 31, 2025	—	—	—	491,670
Total	5,300	$ 32.01	5,300	

On June 20, 2025, the Board of Directors of the Company authorized a share repurchase program pursuant to which the Company could repurchase up to 500,000 shares of its outstanding common stock in accordance with all applicable securities laws and regulations, including Rule 10b-18 of the Exchange Act, as amended. When and if appropriate, repurchases may be made in the open market or privately negotiated transactions, depending on market conditions, regulatory requirements and other corporate considerations, as determined by management. Share repurchases may not occur and may be discontinued at any time. For the year ended December 31, 2025, the Company repurchased 8,330 shares of its common stock. Common stock available for future repurchase totals 491,670 shares, or 2.5% of the Company's outstanding common stock at December 31, 2025.

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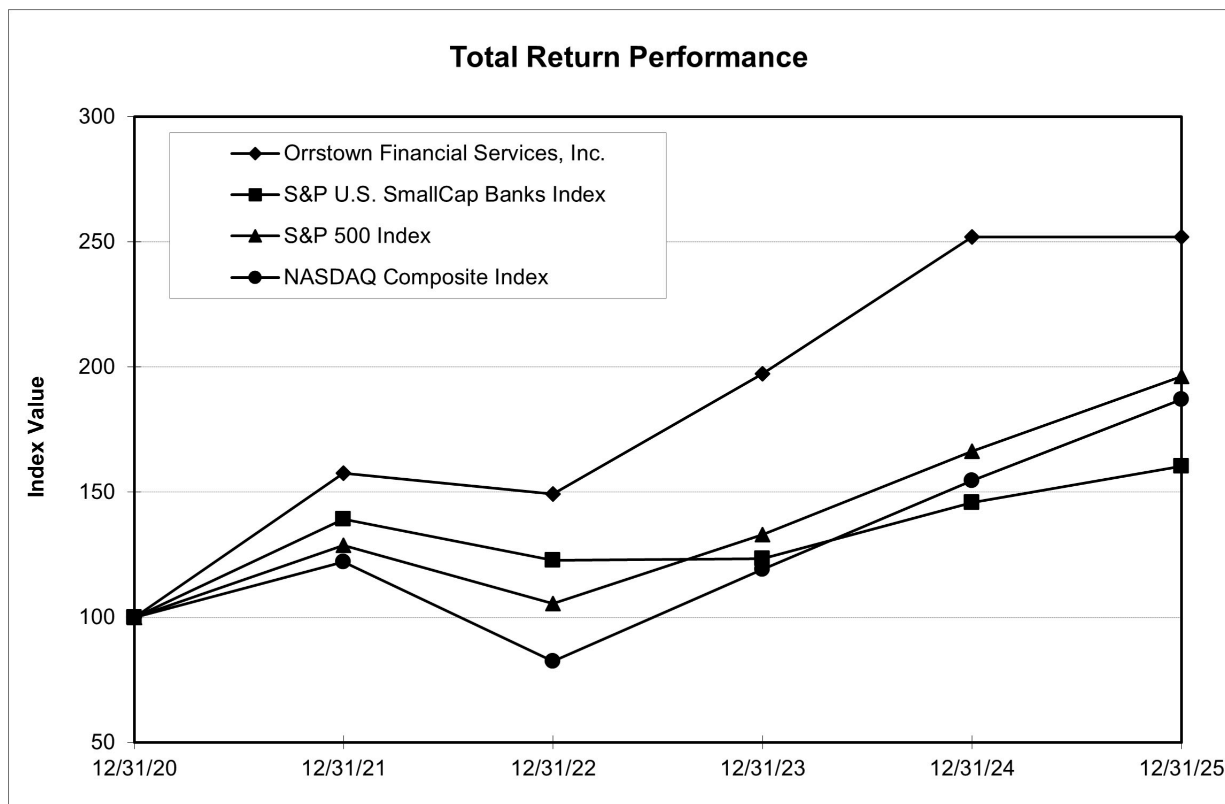
PERFORMANCE GRAPH

The performance graph below compares the cumulative total shareholder return on our common stock with other indexes: the S&P U.S. SmallCap Banks index of banks with assets between $1.0 billion and $5.0 billion, the S&P 500 Index, and the NASDAQ Composite index. The graph assumes an investment of $100 on December 31, 2020 and reinvestment of dividends on the date of payment without commissions. Shareholder returns on our common stock are based on trades on the NASDAQ Stock Market. The performance graph represents past performance and should not be considered to be an indication of future performance.



	Period Ending					
Index	**12/31/20**	**12/31/21**	**12/31/22**	**12/31/23**	**12/31/24**	**12/31/25**
Orrstown Financial Services, Inc.	100.00	157.49	149.21	197.37	252.02	251.95
S&P U.S. SmallCap Bank Index	100.00	139.21	122.74	123.35	145.82	160.37
S&P 500 Index	100.00	128.71	105.40	133.10	166.40	196.16
NASDAQ Composite Index	100.00	122.18	82.43	119.22	154.48	187.14

Source: S&P Global Market Intelligence © 2026

In accordance with the rules of the SEC, this section captioned "Performance Graph" shall not be incorporated by reference into any of our future filings made under the Exchange Act or the Securities Act. The Performance Graph and its accompanying table are not deemed to be soliciting material or to be considered filed under the Exchange Act or the Securities Act.

Recent Sales of Unregistered Securities

The Company has not, within the past three years, sold any equity securities, which were not registered under the Securities Act.

ITEM 6 – [RESERVED]

ITEM 7 – MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis is intended to assist readers in understanding the consolidated financial condition and results of operations of the Company and should be read in conjunction with our Consolidated Financial Statements and notes thereto included in this Annual Report on Form 10-K. Certain prior period amounts presented in this discussion and analysis have been reclassified to conform to current period classifications. These reclassifications did not have a material impact on the Company's consolidated balance sheets, statements of income or statement of consolidated cash flows.

Overview

The Company, headquartered in Harrisburg, Pennsylvania, is a one-bank holding company that has elected status as a financial holding company. The consolidated financial information presented herein reflects the Company and its wholly-owned subsidiary, the Bank. At December 31, 2025, the Company had total assets of $5.5 billion, total liabilities of $5.0 billion and total shareholders' equity of $591.5 million as reported in the consolidated balance sheets.

The Company acquired Codorus Valley and its wholly-owned bank subsidiary PeoplesBank, A Codorus Valley Company on July 1, 2024. The merger and acquisition method of accounting was used to account for the transaction with the Company as the acquirer. The Company recorded the assets and liabilities of Codorus Valley at their respective fair values as of July 1, 2024. The transaction was valued at $233.4 million and expanded the Bank's footprint into the York, Pennsylvania market while increasing its market penetration in its existing markets.

The Company incurred merger-related expenses of $2.6 million for the year ended December 31, 2025. For the year ended December 31, 2024, the Company incurred merger-related expenses of $22.7 million, a provision for non-PCD loans of $15.5 million, expenses for the retirement of an executive of $4.8 million and a provision for legal settlement of $478 thousand. The merger-related and other non-recurring expenses are included in non-interest expenses in the consolidated statements of income under Part II, Item 8, "Financial Statements and Supplemental Data."

Critical Accounting Estimates

The Company's accounting and reporting policies are in accordance with GAAP and follow accounting and reporting guidelines prescribed by bank regulatory authorities and general practices within the financial services industry in which it operates. Our financial position and results of operations are affected by management's application of accounting policies, including estimates, and assumptions and judgments that affect the amounts reported in the consolidated financial statements and accompanying notes. The most significant accounting policies followed by the Company are presented in Note 1, Summary of Significant Accounting Policies, to the Consolidated Financial Statements under Part II, Item 8, "Financial Statements and Supplementary Data." These estimates, assumptions, and judgments are based on information available as of the balance sheet date and through the date the financial statements are filed with the SEC. In applying those accounting policies, the Company's management is required to exercise judgment in determining many of the methodologies, assumptions and estimates to be utilized. Certain of the critical accounting estimates are more dependent on such judgment and, in some cases, may contribute to volatility in our reported financial performance should the assumptions and estimates used change over time due to changes in circumstances. The more critical accounting estimates include accounting for credit losses, income tax methodologies and accounting for business combinations.

Business Combinations

The Company accounts for its mergers and acquisitions using the acquisition method of accounting under the provisions of FASB ASC Topic 805 ("ASC 805"), Business Combinations. Under ASC 805, the assets acquired, including identified intangible assets such as core deposit intangibles and customer relationship intangibles, and liabilities assumed in a business combination are recognized at their acquisition-date fair value, while transaction costs and restructuring costs associated with the business combination are expensed as incurred. The excess of the merger consideration over the fair value of assets acquired and liabilities assumed, if any, is allocated to goodwill.

The valuations are based upon management's assumptions of future growth rates, future attrition, discount rates and other relevant factors, which involves a significant level of estimation and uncertainty. In addition, management engaged independent third-party specialists to assist in the development of the fair values of the acquired assets and assumed liabilities. The preliminary estimates of fair values may be adjusted for a period of time subsequent to the acquisition date if new information is obtained about facts and circumstances that existed as of the merger date that, if known, would have affected the measurement of the amounts recognized as of that date. Adjustments would be recorded to goodwill during the current reporting period.

Examples of the impacted acquired loans and assumed liabilities includes loans, deposits, identifiable intangible assets, borrowings and certain other assets and liabilities.

For acquired loans at the merger date, management evaluated and classified loans based upon whether the loans had experienced a more-than-insignificant amount of credit deteriorating since origination. To determine the fair value of the loans, significant estimates and assumptions were applied, including projected cash flows, discount rates, repayment speeds, credit loss severity rates, default rates and realizable collateral values. At acquisition, the allowance on PCD loans is booked directly to the ACL using the Company's existing ACL methodology, but there is no initial impact to net income. Subsequent to acquisition, future changes in estimates of expected credit losses on PCD loans are recognized as provision expense (or reversal of provision expense). The ACL for non-PCD loans is recognized as a provision for credit losses in the same reporting period as the business acquisition, using the Company's existing ACL methodology.

These critical accounting estimates are discussed in detail in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2025. Significant accounting policies and any changes in accounting principles and effects of new accounting pronouncements are discussed in Note 1, Summary of Significant Accounting Policies, to the Consolidated Financial Statements under Part II, Item 8, "Financial Statements and Supplementary Data," in our Annual Report on Form 10-K for the year ended December 31, 2025.

Accounting for Credit Losses - Loans

The ACL represents the amount that, in management's judgment, appropriately reflects credit losses inherent in the loan portfolio at the balance sheet date. A provision for credit losses is recorded to adjust the level of the ACL as determined by management. In accordance with ASU 2016-13, the CECL methodology requires an organization to measure all expected credit losses over the contractual term for financial assets measured at amortized cost based on historical credit loss experience, current conditions, and reasonable and supportable forecasts.

Determining the ACL inherently involves a high degree of subjectivity and requires the Company to make significant estimates of current credit risks and trends, all of which may undergo material changes, including expected probabilities of default, expected loss given default, the timing of expected future cash flows including the impact from unexpected changes in prepayment speeds, estimated losses based on historical credit loss experience and forecasted economic conditions. To the extent actual results differ from management's estimates, additional provisions for credit losses may be required that could adversely impact results of operations and regulatory capital in future periods.

The ACL is maintained at a level considered appropriate to absorb credit losses over the expected life of the loan. The ACL for expected credit losses is determined based on a quantitative assessment of two categories of loans: collectively evaluated loans and individually evaluated loans. In addition, the ACL also includes a qualitative component, which adjusts the CECL model results for risk factors that are not considered within the CECL model, but are relevant in assessing the expected credit losses within the loan classes.

The ACL on loans is measured on a collective basis when similar risk characteristics exist within the Company's loan segments between commercial and consumer. Each of these loan segments are broken down into multiple loan classes, which are characterized by loan type, collateral type, risk attributions and the manner in which management monitors the performance of the borrower. The risks associated with lending activities differ and are subject to the impact of changes in interest rates, market conditions, the collateral securing the loans, and general economic conditions.

The ACL for loans collectively evaluated is measured using a lifetime expected loss rate model that considers historical loss performance and past events in addition to forecasts of future economic conditions. Based on management's analysis, adjustments may be applied for additional factors impacting the risk of loss in the loan portfolio beyond the quantitatively calculated reserve on collectively evaluated loans. As the quantitative reserve calculation incorporates historical conditions, management may consider if an additional or reduced reserve is warranted and make adjustments through qualitative risk factors based on current and expected conditions. Management uses the best available information to complete these evaluations; however, future adjustments to the ACL may be necessary if conditions significantly differ from the assumptions used in making the evaluations.

The ACL for loans collectively evaluated is measured using a lifetime expected loss rate model under the vendor's neutral scenario that considers historical loss performance and past events in addition to forecasts of future economic conditions. The Company elected to use the DCF methodology for the quantitative analysis for the majority of its loan segments, which applies the probability of default to future cash flows, using a loss driver model and loss given default factors, and then adjusts to the net present value to derive the required reserve. The probability of default estimates are derived through the application of reasonable and supportable economic forecasts to the regression models, which incorporates the Company's and peer loss-rate data, unemployment rate and GDP and can be obtained from the Federal Reserve Economic Database. The reasonable and supportable forecasts of the selected economic metrics are then input into the regression model to calculate an expected default

rate. The expected default rates are then applied to expected loan balances estimated through the consideration of contractual repayment terms and expected prepayments. The prepayment and curtailment assumptions adjust the contractual terms of the loan to arrive at the expected cash flows. The model incorporates an annualized prepayment rate and a twelve-month rate for curtailment based on a "statistical tendency to repay." Changes in the prepayment and curtailment speeds that vary from the current model inputs could result in inaccurate expected credit losses. The development and validation of credit models also included determining the length of the reasonable and supportable forecast and regression period and utilizing national peer group historical loss rates, which a four-quarter forecast period followed by a four-quarter straight-line reversion period were applied.

Management incorporates the national unemployment rate and GDP as the drivers of the quantitative portion of collectively evaluated reserves on loan classes reliant upon the DCF methodology, primarily as a result of high correlation coefficients identified in regression modeling, which represents a significant judgment in determining the ACL; however, changes in the macroeconomic forecast could significantly impact the calculated ACL. For the consumer loan segment, the quantitative reserve was calculated using the remaining life methodology where the average historical bank-specific and peer loss rates are applied to expected loan balances over an estimated remaining life of loans. The estimated remaining life is calculated using historical bank-specific loan attrition data.

See Note 1, Summary of Significant Accounting Policies, and Note 4, Loans and Allowance for Credit Losses, to the Consolidated Financial Statements under Part II, Item 8, "Financial Statements and Supplemental Data," for details on the ACL evaluation.

Accounting for Income Taxes

The Company is subject to federal and state income taxes in the jurisdictions in which it operates. Due to the complexity of the tax laws, management may make judgments in computing income tax expense, which are subject to varying interpretations by management and the taxing authorities, and could result in changes upon final determination. Income tax expense is based upon income before taxes, adjusted for the effect of certain tax-exempt income, non-deductible expenses and credits. Temporary differences may occur as a result of certain income and expense items being reported in different periods for financial reporting and tax purposes. Deferred taxes are calculated, using the applicable enacted marginal tax rate, based on the differences between the tax basis and carrying value of the asset or liability on the financial statement. The Company recognizes, when applicable, interest and penalties related to unrecognized tax benefits in income tax expense in the consolidated statements of income. Under *FASB ASC 740*, *Income Taxes*, the Company must apply a more likely than not probability threshold on its tax positions before a financial statement benefit is recognized. A valuation allowance would be recognized if any deferred tax assets were determined to be more likely than not unrecoverable. See Note 8, Income Taxes, to the Consolidated Financial Statements under Part II, Item 8, "Financial Statements and Supplemental Data," for details on our income tax expense and deferred tax assets and liabilities.

Readers of the Company's consolidated financial statements should be aware that the estimates and assumptions used may need to be updated in future financial presentations for changes in circumstances, business or economic conditions, in order to fairly represent the condition of the Company at that time.

Economic Climate, Inflation and Interest Rates

Preliminary real GDP increased at a rate of 1.4% on an annualized basis for the fourth quarter of 2025, which was a decrease from 2.3% during the fourth quarter of 2024. The increase during the fourth quarter of 2025 was primarily due to consumer spending despite consumer spending declining compared to the third quarter of 2025 and fourth quarter of 2024. Similarly, the rate during the fourth quarter of 2025 was impacted by the rise in investment, which includes business spending, housing and business inventories; however, the rate of increase had decelerated compared to the aforementioned comparative periods. Key contributors to investment presently are intellectual property and information processing equipment. An offsetting factor influencing the GDP rate was the federal government shutdown.

The personal consumption expenditures ("PCE") price index increased by 2.9% in the fourth quarter of 2025 compared to an increase of 2.4% for the fourth quarter of 2024. Excluding food and energy prices, the PCE price index increased by 2.7% in the fourth quarter of 2025 and in the fourth quarter of 2024.

The national unemployment rate was 4.3% in December 2025 compared to 3.8% in December 2024. Within the Company's geographic footprint, the unemployment rate in Pennsylvania was 3.7% in December 2025 compared to 4.2% in December 2024. The unemployment rate in Maryland increased from 2.7% in December 2024 to 4.2% in December 2025. Despite the increases in both states since December 2024, the unemployment rates in Pennsylvania and Maryland both remain

below the national level. These state-wide unemployment rates are consistent with those experienced by the counties in which the Company operates branches and other corporate offices.

Following a 25 basis point increase in July 2023, the Federal Funds rate remained unchanged until September 2024, when the FOMC cut the Federal Funds rate by 50 basis points. The FOMC subsequently implemented additional rate cuts of 25 basis points in December 2024, September 2025, October 2025 and December 2025. These changes were based on the FOMC's assessment of inflation, the unemployment rate and jobs report.

At December 31, 2025, the 10-year Treasury bond yield was 4.14%, a decrease from 4.58% at December 31, 2024. Contributing factors for the decrease include recent FOMC rate cuts, cooling inflationary pressures, geopolitical tensions and economic uncertainties.

On July 4, 2025, H.R. 1, referred to as the One Big Beautiful Bill Act (the "Act"), was enacted into law. The Act includes tax reform provisions, including making permanent certain business tax provisions of the U.S. Tax Cuts and Jobs Act. The provisions of the Act did not have a material impact on our results of operations and financial condition for the year ended December 31, 2025.

The majority of the assets and liabilities of a financial institution are monetary in nature and, therefore, differ greatly from most commercial and industrial companies that have significant investments in fixed assets or inventories. However, inflation does have an impact on the Company, particularly with respect to the growth of total assets and noninterest expenses, which tend to rise during periods of general inflation. Risks also exist due to supply and demand imbalances, the interest rate environment, geopolitical tensions, uncertainty related to the impact of tariffs and the shutdown of the U.S. government, the scope and timing of changes to fiscal, regulatory and trade policies.

As the Company’s balance sheet consists primarily of financial instruments, interest income and interest expense are greatly influenced by the level of interest rates and the slope of the yield curve, as well as the mix of assets and funding. The Company has been able to grow its net interest income by $44.5 million from 2024 to 2025, which is attributed to the Merger that was completed on July 1, 2024 and continued success with the balance of loan growth and pricing of interest-earning assets and liabilities. Competition for quality lending opportunities and deposits remains intense, which, together with an inverted yield curve and changing economic environment, will continue to challenge the Company's ability to grow its net interest margin and to manage its overhead expenses.

Results of Operations

Summary

Net income totaled $80.9 million, $22.1 million and $35.7 million for 2025, 2024 and 2023, respectively. Diluted earnings per share totaled $4.18, $1.48 and $3.42 for 2025, 2024 and 2023, respectively. For the year ended December 31, 2025, the Company incurred merger-related expenses of $2.6 million, which were included in non-interest expenses of the consolidated statements of income. Excluding these non-recurring expenses, net income and diluted earnings per share totaled $82.9 million and $4.28, respectively, for the year ended December 31, 2025. Net income was $56.1 million and diluted earnings per share was $3.76 for the year ended December 31, 2024 excluding merger-related expenses of $22.7 million, a provision for non-PCD loans of $15.5 million, expenses for the retirement of an executive of $4.8 million and a provision for legal settlement of $478 thousand. Net income was $36.6 million and diluted earnings per share was $3.51 for the year ended December 31, 2023 excluding $1.1 million of merger-related expenses. The Company recorded a gain of $1.2 million from the sale of the Bank's Path Valley branch during the year ended December 31, 2023. See “Supplemental Reporting of Non-GAAP Measures.”

Net interest income totaled $199.8 million, $155.3 million and $104.9 million for 2025, 2024 and 2023, respectively. The increase in net interest income reflected the deployment of cash into higher yielding commercial loans and investment securities and the impact of the rising interest rates on interest-earning asset yields, partially offset by the impact of an increase in cost of funds and increases in interest-bearing liabilities. In addition, the increases in interest income during 2025 and 2024 reflect the impact of the Merger, including net accretion of purchase accounting marks on loans, investment securities, deposits and borrowings.

The provision for credit losses on loans totaled $126 thousand, $17.4 million and $1.7 million in 2025, 2024 and 2023, respectively. For the year ended December 31, 2024, the provision for credit losses increased primarily due to $15.5 million of reserves on acquired non-PCD loans as a result of the Merger. During the first quarter of 2023, the Company adopted the new accounting standard for CECL, which resulted in the change from the incurred loss model based on historical loss experience to the expected loss model, which reflects the projected credit losses over the expected life of financial assets and commitments.

Noninterest income totaled $52.3 million, $37.4 million and $25.7 million for 2025, 2024 and 2023, respectively. The increase of $14.9 million from 2024 to 2025 was primarily due to an increase in wealth management income of $5.3 million

and increases in service charges and interchange income of $5.1 million, partially driven by the Merger, in addition to an increase of $1.5 million in income from life insurance policies and an increase of $1.3 million in swap fees. The remainder of the increase is across several line items and is due primarily to the Merger. The increase in noninterest income of $11.8 million from 2023 to 2024 was primarily due to an increase in wealth management income of $5.0 million and increases in service charges and interchange income of $3.4 million, partially driven by the Merger. The increase in 2024 compared to 2023 was partially offset by the gain of $1.2 million recorded to other income from the sale of the Path Valley branch for the year ended December 31, 2023.

Noninterest expenses totaled $149.4 million, $148.3 million and $83.8 million for 2025, 2024 and 2023, respectively. The increase of $1.1 million from 2024 to 2025 was due to increases across several line items due to the impact from the Merger, partially offset by the decrease of $20.1 million in merger-related expenses. The Company incurred merger-related expenses of $2.6 million for the year ended December 31, 2025. For the year ended December 31, 2024, the Company incurred merger-related expenses of $22.7 million, a provision for non-PCD loans of $15.5 million, expenses for the retirement of an executive of $4.8 million and a provision for legal settlement of $478 thousand, collectively the "non-recurring expenses". The increase of $64.5 million in non-interest expenses from 2023 to 2024 included $43.4 million in the aforementioned non-recurring expenses.

Income tax expense totaled $21.8 million, $5.8 million and $9.4 million for 2025, 2024 and 2023, or an effective tax rate of 21.2%, 20.7% and 20.8% respectively.

Net Interest Income

Net interest income is the primary component of the Company's net income. Interest-earning assets include loans, investment securities and interest-bearing bank balances. Interest-bearing liabilities include primarily deposits and borrowed funds.

Net interest income is affected by changes in interest rates, the volume of interest-earning assets and interest-bearing liabilities, and the composition of those assets and liabilities. “Net interest spread” and “net interest margin” are two common statistics related to changes in net interest income. Net interest spread represents the difference between the yields earned on interest-earning assets and the rates paid for interest-bearing liabilities. Net interest margin is the ratio of net interest income to average earning asset balances.

The FRB influences the general market rates of interest, including the deposit and loan rates offered by many financial institutions. Starting in March 2022, the FOMC increased the Federal Funds rate by 425 basis points during 2022 and 100 basis points during 2023 as an attempt to combat the impact of inflation, the rising consumer price index, supply chain disruptions, the state of the labor market and geopolitical tensions. Following a 25 basis point increase in July 2023, the Federal Funds rate remained unchanged until September 2024, when the FOMC cut the Federal Funds rate by 50 basis points. The FOMC subsequently implemented additional rate cuts of 25 basis points in December 2024, September 2025, October 2025 and December 2025. These changes were based on the FOMC's assessment of inflation, the unemployment rate and jobs report.

Core deposits are deposits that are stable, lower cost and generally reprice more slowly than other deposits when interest rates change. Core deposits, which exclude certificates of deposit, are typically funds of local clients who also have a borrowing or other relationship with the Bank. The Company is primarily funded by core deposits, including noninterest-bearing demand deposits, which have historically served as a foundational, low-cost source of funds. In addition to the impact of the interest rate environment, the competition for deposits also increased in the latter part of 2022 and continued throughout 2025 with clients utilizing their funds at a higher frequency and additional liquidity was needed to meet the demands of our clients. During that timeframe, clients shifted their deposits to higher-yielding products within the Bank, including time deposits with promotional offerings of up to 18-month terms. From late 2024 to 2025, there has been reduction of these higher yielding promotional balances due to maturities.

The following table presents net interest income, net interest spread and net interest margin on a taxable-equivalent basis for 2025, 2024 and 2023. Taxable-equivalent adjustments are the result of increasing income from tax-exempt loans and investment securities by an amount equal to the taxes that would be paid if the income were fully taxable based on a 21% federal corporate tax rate for 2025, 2024 and 2023, reflecting our statutory tax rates for those years.

	2025			2024			2023		
	Average Balance	Taxable-Equivalent Interest	Taxable-Equivalent Rate	Average Balance	Taxable-Equivalent Interest	Taxable-Equivalent Rate	Average Balance	Taxable-Equivalent Interest	Taxable-Equivalent Rate
Assets									
Federal funds sold and interest-bearing bank balances	**$ 135,900**	**$ 5,921**	**4.36 %**	$ 150,500	$ 7,764	5.14 %	$ 40,856	$ 1,809	4.43 %
Taxable securities	**792,187**	**37,668**	**4.75**	564,702	27,361	4.85	396,779	18,031	4.54
Tax-exempt securities [1]	**121,251**	**4,888**	**4.03**	125,521	4,456	3.54	123,686	4,383	3.54
Total investment securities [2]	**913,438**	**42,556**	**4.66**	690,223	31,817	4.60	520,465	22,414	4.31
Loans [1][3][4][5][6]	**3,945,723**	**257,493**	**6.53**	3,150,425	210,994	6.68	2,239,574	127,107	5.68
Total interest-earning assets	**4,995,061**	**305,970**	**6.13**	3,991,148	250,575	6.26	2,800,895	151,330	5.40
Cash and due from banks	**50,068**			41,536			29,867		
Bank premises and equipment	**68,029**			39,792			29,442		
Other assets	**366,718**			288,082			167,499		
Allowance for credit losses	**(48,134)**			(39,086)			(28,176)		
Total assets	**$ 5,431,742**			$ 4,321,472			$ 2,999,527		
Liabilities and Shareholders' Equity									
Interest-bearing demand deposits	**$ 2,464,745**	**$ 56,258**	**2.28 %**	$ 2,077,038	$ 51,049	2.45 %	$ 1,525,204	$ 26,944	1.77 %
Savings deposits	**267,271**	**659**	**0.25**	223,183	599	0.27	198,157	585	0.30
Time deposits	**923,547**	**35,421**	**3.84**	732,446	32,586	4.44	338,170	9,981	2.95
Total interest-bearing deposits	**3,655,563**	**92,338**	**2.53**	3,032,667	84,234	2.77	2,061,531	37,510	1.82
Securities sold under agreements to repurchase and federal funds purchased	**26,806**	**402**	**1.50**	17,543	215	1.22	14,111	114	0.80
FHLB advances and other borrowings	**156,548**	**6,310**	**4.03**	120,787	4,945	4.08	123,697	5,350	4.32
Subordinated notes and trust preferred debt	**60,790**	**4,892**	**8.05**	50,397	4,285	8.48	32,058	2,017	6.29
Total interest-bearing liabilities	**3,899,707**	**103,942**	**2.67**	3,221,394	93,679	2.91	2,231,397	44,991	2.02
Noninterest-bearing demand deposits	**894,117**			625,714			470,349		
Other liabilities	**90,210**			82,084			54,447		
Total liabilities	**4,884,034**			3,929,192			2,756,193		
Shareholders' equity	**547,708**			392,280			243,334		
Total liabilities and shareholders' equity	**$ 5,431,742**			$ 4,321,472			$ 2,999,527		
Taxable-equivalent net interest income / net interest spread		**202,028**	**3.46 %**		156,896	3.36 %		106,339	3.39 %
Taxable-equivalent net interest margin			**4.04 %**			3.92 %			3.80 %
Taxable-equivalent adjustment		**(2,236)**			(1,642)			(1,433)	
Net interest income		**$ 199,792**			$ 155,254			$ 104,906	
Ratio of average interest-earning assets to average interest-bearing liabilities			**128 %**			124 %			126 %

NOTES TO ANALYSIS OF NET INTEREST INCOME:

(1) Yields and interest income on tax-exempt assets have been computed on a taxable-equivalent basis assuming a 21% tax rate.
(2) Average balance of investment securities is computed at fair value.
(3) Average balances include nonaccrual loans.
(4) Interest income on loans includes prepayment and late fees, where applicable.
(5) Interest income on loans includes interest recovered of $1.6 million from the payoff of a commercial real estate loan on nonaccrual status for the year ended December 31, 2024.
(6) Interest income on loans includes accretion on purchase accounting marks of $21.5 million, $15.2 million and $748 thousand for the years ended December 31, 2025, 2024 and 2023, respectively.

The following table presents changes in net interest income on a taxable-equivalent basis between years by rate and volume components:

	2025 Versus 2024 Increase (Decrease) Due to Change in			2024 Versus 2023 Increase (Decrease) Due to Change in		
	Average Volume	**Average Rate**	**Total**	**Average Volume**	**Average Rate**	**Total**
Interest Income						
Federal funds sold and interest-bearing bank balances	**$ (751)**	**$ (1,092)**	**$ (1,843)**	$ 4,855	$ 1,100	$ 5,955
Taxable securities	**11,022**	**(715)**	**10,307**	7,631	1,699	9,330
Tax-exempt securities	**(151)**	**583**	**432**	65	8	73
Loans	**53,105**	**(6,606)**	**46,499**	51,696	32,191	83,887
Total interest income	**63,225**	**(7,830)**	**55,395**	64,246	34,999	99,245
Interest Expense						
Interest-bearing demand deposits	**9,499**	**(4,290)**	**5,209**	9,749	14,356	24,105
Savings deposits	**119**	**(59)**	**60**	74	(59)	14
Time deposits	**8,483**	**(5,648)**	**2,835**	11,637	10,968	22,605
Securities purchases under agreements to repurchase and federal funds purchased	**113**	**74**	**187**	27	74	101
FHLB advances and other borrowings	**1,460**	**(95)**	**1,365**	(126)	(279)	(405)
Subordinated notes and trust preferred debt	**881**	**(274)**	**607**	1,154	1,114	2,268
Total interest expense	**20,555**	**(10,292)**	**10,263**	22,515	26,174	48,688
Taxable-Equivalent Net Interest Income	**$ 42,670**	**$ 2,462**	**$ 45,132**	$ 41,731	$ 8,825	$ 50,557

Note: The change attributed to volume is calculated by multiplying the average change in average balance by the prior year's average rate. The remainder is attributable to rate.

2025 versus 2024

Net interest income increased by $44.5 million from $155.3 million in 2024 to $199.8 million in 2025. Interest income on loans increased by $46.3 million, from $210.3 million in 2024 to $256.6 million in 2025. Interest income on investment securities increased by $10.3 million, from $30.9 million in 2024 to $41.2 million in 2025. Total interest expense increased by $10.3 million from $93.7 million in 2024 to $103.9 million in 2025. Interest expense on deposits increased by $8.1 million from $84.2 million in 2024 to $92.3 million in 2025, and interest expense on borrowed funds increased by $2.2 million from $9.4 million in 2024 to $11.6 million in 2025.

Net interest income on a taxable-equivalent basis increased by $45.1 million from $156.9 million in 2024 to $202.0 million in 2025. The Company’s net interest spread increased by ten basis points from 3.36% in 2024 to 3.46% in 2025 primarily due to a decrease in cost of funds.

Taxable-equivalent net interest margin increased by 12 basis points to 4.04% in 2025 from 3.92% in 2024. Net interest income benefited from a decrease of 24 basis points in the cost of interest-bearing liabilities from 2.91% in 2024 to 2.67% in 2025, reflecting the impact of deposit rate reductions over that time period and the runoff of higher rate time deposits and money market balances, partially offset by the impact of the accelerated amortization of remaining debt issuance costs from the

redemption of subordinated notes. During 2025 and 2024, amortization expense of the debt issuance costs totaled $335 thousand and $81 thousand, respectively. The taxable-equivalent yield on interest-earning assets decreased by 13 basis points to 6.13% in 2025 from 6.26% in 2024, which was primarily due to the decline in the Fed Funds rate since late 2024.

The yield on loans decreased by 15 basis points to 6.53% in 2025 from 6.68% in 2024 primarily due to the decline in market interest rates. Taxable-equivalent interest income earned on loans increased by $46.5 million from $211.0 million in 2024 to $257.5 million in 2025 primarily due to an increase in the average balances, which was partially attributed to the acquired loans from the Merger, and from the accretion recognized on fair value marks to loans.

Average loans increased by $795.3 million from $3.2 billion during 2024 to $3.9 billion during 2025. The average balance of commercial loans increased by $613.3 million from $2.5 billion during 2024 to $3.1 billion during 2025. Average residential mortgage loans increased by $118.1 million from $367.4 million for 2024 to $485.5 million for 2025. Average home equity loans increased by $47.8 million from $247.4 million for 2024 to $295.2 million for 2025. Average installment and other consumer loans increased by $16.1 million from $27.2 million for 2024 to $43.3 million for 2025.

Accretion of purchase accounting adjustments on loans included in interest income was $21.5 million during 2025 compared to $15.2 million in 2024. Accelerated accretion totaled $5.2 million during 2025 compared to $5.4 million during 2024. Prepayment income on commercial loans increased from $1.1 million during 2024 to $1.5 million during 2025. The recognition of interest income previously applied to principal of $1.6 million from the payoff of a commercial real estate loan on nonaccrual status contributed four basis points to the Company's net interest margin during 2024.

Interest income on investment securities on a tax-equivalent basis increased by $10.8 million to $42.6 million for 2025 from $31.8 million for 2024, with the taxable equivalent yield increasing from 4.60% for 2024 to 4.66% for 2025. The increase of six basis points reflects the increase in average balances and the increase in accretion of the discount recorded on investment securities assumed from the Merger, partially offset by a decline in the market interest rates. Average investment securities increased by $223.2 million from $690.2 million in 2024 to $913.4 million during 2025 due to the investment securities assumed from the Merger and purchases during 2025. Investment security purchases totaled $272.3 million, partially offset by sales of $83.8 million during 2025. Accretion on acquired investment securities was $3.2 million in 2025 compared to $1.5 million in 2024.

Interest income on federal funds sold and interest-bearing bank balances on a tax-equivalent basis decreased by $1.8 million to $5.9 million for 2025 from $7.8 million for 2024. The average balance of federal funds sold and interest-bearing bank balances decreased by $14.6 million from $150.5 million for 2024 to $135.9 million for 2025, which was impacted by the decrease in deposits. The FOMC cut the Federal Funds rate by 75 basis points since September 2025.

Interest expense increased by $10.3 million to $103.9 million in 2025 from $93.7 million in 2024; however, the cost of interest-bearing liabilities decreased by 24 basis points from 2.91% in 2024 to 2.67% in 2025, reflecting the impact of deposit rate reductions implemented during 2025 and runoff of higher rate time deposits and money market balances, partially offset by the accelerated amortization of the remaining debt issuance costs from the redemption of subordinated notes. Average interest-bearing liabilities increased by $678.3 million from $3.2 billion in 2024 to $3.9 billion during 2025 primarily due to the impact of the Merger.

Interest expense on deposits increased by $8.1 million from $84.2 million in 2024 to $92.3 million in 2025. The average balance of interest-bearing deposits increased by $622.9 million from $3.0 billion in 2024 to $3.7 billion in 2025. Average interest-bearing demand and money market deposits increased by $387.7 million to $2.5 billion in 2025 compared to $2.1 billion in 2024. Average time deposits increased by $191.1 million to $923.5 million in 2025 from $732.4 million in 2024, which resulted in increased interest expense on time deposits of $8.5 million. Average savings deposits increased by $44.1 million to $267.3 million in 2025 from $223.2 million in 2024. The average cost of time deposits decreased by 60 basis points from 4.44% in 2024 to 3.84% in 2025 due to continued run-off in higher yielding promotional balances and replacement at lower rates. Amortization expense of fair value marks on acquired time deposits was $913 thousand in 2025 compared to $2.1 million in 2024.

Interest expense on borrowings increased by $2.1 million to $11.6 million in 2025 from $9.4 million in 2024 despite the cost of borrowings decreasing by five basis points from 4.08% in 2024 to 4.03% in 2025. Average borrowings increased by $55.4 million from $188.7 million in 2024 to $244.1 million in 2025, which included an increase of $35.8 million in average FHLB advances and other borrowings and an increase of $10.4 million in average subordinated notes and trust preferred debt. The increase in FHLB advances was due to utilization of long-term advances and overnight borrowings 2025 as lending and investing activities increased. The average balance in subordinated notes and trust preferred debt is due to the assumption of subordinated debt of $31.0 million and trust preferred debt of $10.3 million from the Merger, partially offset by the impact from the redemption of Orrstown's subordinated notes on September 30, 2025. During 2025 and 2024, amortization expense of the debt issuance costs totaled $335 thousand and $81 thousand, respectively.

The subordinated notes assumed from the Merger had a fixed rate of interest equal to 4.50% until December 30, 2025. After that term, the variable rate of interest is equal to the three-month CME term SOFR rate plus 4.04%, which was 8.06% at December 31, 2025. The trust preferred debt has a variable rate of three-month CME term SOFR rate plus a spread adjustment and margin. For 2025 and 2024, the average cost of the trust preferred debt, excluding the fair value mark, was 6.24% and 7.08%, respectively. Amortization of fair value marks on acquired borrowings was $607 thousand and $294 thousand in 2025 and 2024, respectively.

2024 versus 2023

Interest income on loans increased by $83.7 million, from $126.6 million in 2023 to $210.3 million in 2024, and interest income on investment securities increased by $9.4 million, from $21.5 million in 2023 to $30.9 million in 2024. Total interest expense increased by $48.7 million from $45.0 million in 2023 to $93.7 million in 2024. Interest expense on deposits increased by $46.7 million from $37.5 million in 2023 to $84.2 million in 2024, and interest expense on borrowed funds increased by $1.9 million to $7.5 million in 2023 to $9.4 million in 2024.

Net interest income on a taxable-equivalent basis increased by $50.4 million, or 48%, from $104.9 million in 2023 to $155.3 million in 2024. The Company's net interest spread decreased by three basis points from 3.39% in 2023 to 3.36% in 2024 primarily due to an increase in cost of funds.

Taxable-equivalent net interest margin increased by twelve basis points to 3.92% in 2024 from 3.80% in 2023. The recognition of interest income previously applied to principal of $1.6 million from the payoff of a commercial real estate loan on nonaccrual status contributed four basis points to the Company's net interest margin during the year ended December 31, 2024. The taxable-equivalent yield on interest-earning assets increased by 86 basis points to 6.26% in 2024 from 5.40% in 2023, due primarily to the accretion recognized on fair value marks to loans and securities assumed in the Merger. The increase in yield was more than offset by an increase of 89 basis points in the cost of interest-bearing liabilities from 2.02% in 2023 to 2.91% in 2024 due primarily to increased funding costs on deposits from higher market interest rates and competitive pressures, an increase in the interest rate on Orrstown Financial Services, Inc.'s subordinated notes, which converted from a fixed rate to a floating rate on December 30, 2023, and the assumption of subordinated notes and trust preferred debt from the Merger.

Average loans increased by $910.9 million from $2.2 billion during 2023 to $3.2 billion during 2024. Average investment securities increased by $169.7 million from $520.5 million in 2023 to $690.2 million during 2024. Average interest-bearing liabilities increased by $990.0 million from $2.2 billion in 2023 to $3.2 billion during 2024.

The yield on loans increased by 100 basis points to 6.68% in 2024 from 5.68% in 2023. Taxable-equivalent interest income earned on loans increased by $83.9 million from $127.1 million in 2023 to $211.0 million in 2024 primarily due to an increase in the average balances, which was attributed to the acquired loans from the Merger and from the impact of the interest rate environment.

The average balance of commercial loans increased by $725.2 million from $1.8 billion during 2023 to $2.5 billion during 2024. Average residential mortgage loans increased by $120.7 million from $246.7 million for 2023 to $367.4 million for 2024. Average home equity loans increased by $57.8 million from $189.6 million for 2023 to $247.4 million for 2024. Average installment and other consumer loans increased by $7.2 million from $20.0 million for 2023 to $27.2 million for 2024.

Accretion of purchase accounting adjustments included in interest income was $15.2 million during 2024 compared to $748 thousand in 2023. The increase in accretion was due to the recognition of fair value marks from the Merger. Accelerated accretion totaled $5.4 million during 2024 compared to $269 thousand during 2023. Prepayment income on commercial loans increased from $826 thousand during 2023 to $1.1 million during 2024.

Interest income on investment securities on a tax-equivalent basis increased by $9.4 million to $31.8 million for 2024 from $22.4 million for 2023, with the taxable equivalent yield increasing by 29 basis points from 4.31% for 2023 to 4.60% for 2024. This increase reflects the impact from the higher interest rates as well as the accretion of discounts recorded on investment securities assumed from the Merger. Average investment securities increased by $169.7 million from $520.5 million in 2023 to $690.2 million during 2024 due primarily to the Merger.

Interest income on federal funds sold and interest-bearing bank balances on a tax-equivalent basis increased by $6.0 million to $7.8 million for 2024 from $1.8 million for 2023. The average balance of federal funds sold and interest-bearing bank balances increased by $109.6 million from $40.9 million for 2023 to $150.5 million for 2024. The Federal Funds rate had remained unchanged from the prior rate increase of 25 basis points in July 2023 until the FOMC cut the Federal Funds rate by 50 basis points in September 2024 and 25 basis points in December 2024.

Interest expense on deposits increased by $46.7 million from $37.5 million in 2023 to $84.2 million in 2024 as the cost of borrowings increased by 95 basis points from 1.82% in 2023 to 2.77% in 2024 as funding costs increased due to higher market interest rates and competitive pressures on deposit pricing. The average balance of interest-bearing deposits increased by $971.1 million from $2.1 billion in 2023 to $3.0 billion in 2024. Average time deposits increased by $394.3 million in 2024, which resulted in increased interest expense on time deposits of $11.6 million. The cost of time deposits increased by 149 basis points from 2.95% in 2023 to 4.44% in 2024 as clients sought higher-yielding products during the rising interest rate environment, including the Bank's promotional offerings for time deposits with terms up to 18-months. Amortization expense of fair value marks on acquired time deposits was $2.1 million for the year ended December 31, 2024. The increase in deposit balances was primarily due to the Merger.

Interest expense on borrowings increased by $1.9 million to $9.4 million in 2024 from $7.5 million in 2023 despite the cost of borrowings decreasing by 24 basis points from 4.32% in 2023 to 4.08% in 2024. Average borrowings increased by $18.8 million from $169.9 million in 2023 to $188.7 million in 2024, which included $50.4 million in average subordinated notes and trust preferred debt for the year ended December 31, 2024, an increase of $18.3 million, from $32.1 million for the year ended December 31, 2023. This increase is due to the assumption of subordinated debt of $31.0 million and trust preferred debt of $10.3 million from the Merger. The interest rate increased on Orrstown Financial Services, Inc.'s outstanding subordinated notes of $32.5 million, which converted from a fixed rate of 6.00% to a floating rate of 8.78% on December 30, 2023. The interest rate on the Company's subordinated notes at December 31, 2024 was 8.03%. The subordinated notes assumed from the Merger had a fixed rate of interest equal to 4.50% until December 30, 2025. The trust preferred debt issuances have a variable rate of three-month CME term SOFR, plus a spread adjustment and margin. Amortization expense of fair value marks on acquired borrowings was $294 thousand for the year ended December 31, 2024.

Provision for Credit Losses

The ACL to total loan ratio was 1.19%, 1.24% and 1.25% at December 31, 2025, 2024 and 2023, respectively. The Company recorded a provision for credit losses on loans of $126 thousand, $17.4 million and $1.7 million in 2025, 2024 and 2023, respectively. The recoveries of credit losses on unfunded commitments of $100 thousand, $862 thousand and zero were recorded for the years ended December 31, 2025, 2024 and 2023, respectively.

In 2025, the provision for credit losses was based on the increase in loans, primarily within commercial real estate loans, which was offset by decreases in the qualitative factors. During the first quarter of 2025, a qualitative factor was added at a minor level for *Other External Factors* for all loan classes due to the uncertainty created within the global and domestic markets from changes in U.S. economic policy, including the recently implemented tariffs. During the second quarter of 2025, this qualitative factor was removed for all loan classes as the impact from the changes in U.S. economic policy was then reflected in the macroeconomic conditions within quantitative ACL model. In addition, the *Economic Conditions* qualitative factor was added at a minor level and the *Delinquency and Classified Loan Trends* qualitative factor was added at a moderate level for the residential senior liens loan class and the *Delinquency and Classified Loan Trends* qualitative factor was added at a moderate level for the home equity loan class. The adjustment to the *Economic Conditions* qualitative factor was based on the prepayment speeds slowing in part due to market interest rates cuts, and the adjustment to *Delinquency and Classified Loan Trends* was based on recent delinquency volume and downgrades within the aforementioned loan classes. There were no changes to the qualitative factors during the third quarter of 2025. During the fourth quarter of 2025, a qualitative factor was added at a minor level for *Delinquency and Classified Loan Trends* for the acquisition and development loan class due to the delinquency level and downgrades in risk rating. In addition, the qualitative factor for *Concentrations of Credit and Changes in Credit Concentrations* was reduced from a moderate to minor level for the non-owner occupied commercial real estate loan class as the concentration level as the percentage of total risk-based capital reduced below the federal banking agencies' guidance level of 300%.

In 2024, the provision for credit losses increased primarily due to $15.5 million of reserves on acquired non-PCD loans, which was partially offset by a reversal of the provision for credit losses for off-balance sheet credit exposures of $862 thousand. The remaining provision expense recorded for the year ended December 31, 2024 was due to commercial loan growth, partially offset by changes to qualitative factors during 2024; specifically, the *Economic Conditions* qualitative factor was reduced and the *Other External Factors* qualitative factor is no longer assigned to the impacted loan segments. These changes were based on improved economic factors, as well as concerns subsiding from the prior year about liquidity conditions within the banking industry. The *Economic Conditions* qualitative factor for the residential mortgage loan segment was removed and there was a decrease in the *Collateral Valuation Trends* qualitative factor from a moderate to low level in the ACL model for the residential mortgage and installment and other loan segments. These changes were based on the stabilization in real estate collateral valuation, housing demand and overall portfolio performance.

On January 1, 2023, the Company adopted the new accounting standard, referred to as CECL, which transitioned from the incurred loss model based on historical loss experience and economic and market conditions to the expected loss model. The CECL standard reflects expected credit losses over the expected life of the financial assets and commitments, primarily based on the DCF methodology for the majority of the loan segments, which applies the probability of default and loss given default factors to future cash flows, and adjusts to the net present value to derive the required reserve. Macroeconomic conditions are incorporated into the model for unemployment and gross domestic product, in addition to model assumptions for discount rate and prepayment and curtailment speeds. In 2023, the provision for credit losses was driven primarily by increases in commercial loans, excluding SBA PPP loan forgiveness activity, of $118.3 million, in addition to the overall increase in expected loss rates under CECL. During 2023, the *Delinquency and Classified Loan Trends* qualitative factor was increased for the commercial & industrial and owner-occupied commercial real estate loan classes, which was based on a trend of increases in loans downgraded to the special mention or classified risk rating. All other qualitative factors were unchanged from levels at adoption of CECL.

Net charge-offs totaled $1.1 million in 2025, $3.3 million in 2024 and $581 thousand in 2023. Nonaccrual loans were 0.70% of gross loans at December 31, 2025, compared with 0.61% at December 31, 2024 and 1.11% at December 31, 2023. See further discussion in the “Asset Quality” and “Credit Risk Management” sections of this Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Noninterest Income

The following table compares noninterest income for 2025, 2024 and 2023.

				$ Change		% Change	
	2025	**2024**	**2023**	**2025-2024**	**2024-2023**	**2025-2024**	**2024-2023**
Service charges on deposit accounts	**$ 8,102**	$ 5,327	$ 3,949	**$ 2,775**	$ 1,378	**52.1 %**	34.9 %
Interchange income	**6,041**	5,259	3,873	**782**	1,386	**14.9**	35.8
Other service charges, commissions and fees	**3,145**	1,566	917	**1,579**	649	**100.8**	70.8
Swap fee income	**2,991**	1,676	1,039	**1,315**	637	**78.5**	61.3
Trust and investment management income	**14,975**	11,501	7,691	**3,474**	3,810	**30.2**	49.5
Brokerage income	**6,723**	4,852	3,649	**1,871**	1,203	**38.6**	33.0
Mortgage banking activities	**1,805**	1,835	591	**(30)**	1,244	**(1.6)**	210.5
Income from life insurance	**5,402**	3,866	2,482	**1,536**	1,384	**39.7**	55.8
Other income	**2,963**	1,304	1,508	**1,659**	(204)	**127.2**	(13.5)
Subtotal before securities gains (losses)	**52,147**	37,186	25,699	**14,961**	11,487	**40.2**	44.7
Investment securities gains (losses)	**166**	249	(47)	**(83)**	296	**(33.3)**	629.8
Total noninterest income	**$ 52,313**	$ 37,435	$ 25,652	**$ 14,878**	$ 11,783	**39.7 %**	45.9 %

2025 versus 2024

Noninterest income increased by $14.9 million from 2024 to 2025. The primary driver of the overall increase was the impact of the Merger, which was effective on July 1, 2024. The following were other significant factors in the increase:

- Swap fee income increased by $1.3 million due to higher swap volume.
- In addition to the impact from the Merger, wealth management income, which includes trust and investment management income and brokerage income, increased due to improvement in market performance.
- The increase of $1.5 million in income from life insurance was primarily due to additional policies acquired in the Merger, in addition to death benefits totaling $141 thousand received on a policy during the third quarter of 2025.
- In 2025, there were net gains of $117 thousand from the sales of GSE residential MBS and CMO securities, which combined totaled $78.8 million, and U.S. Treasury securities with principal balances totaling $5.0 million, respectively, and gains of $49 thousand from mark-to-market activity on an equity security. During 2024, there was a gain of $181 thousand from a security redemption and net gains of $68 thousand from mark-to-market activity on an equity security.
- Other line items within noninterest income showed fluctuations attributable to normal business operations and the impact of the Merger.

2024 versus 2023

Noninterest income increased by $11.7 million from 2023 to 2024. The primary driver of the overall increase was the impact of the Merger. The following were significant factors in the net increase:

- Wealth management income increased by $5.0 million due to strong market performance and growth in managed assets, both organically and through the acquisition of two registered investment advisory firms since September 2023 with total assets under management of $151 million. From the Merger, the Company generated an additional $3.2 million in wealth management income.
- Swap fee income increased by $637 thousand as swap fee income will fluctuate based on market conditions and client demand.
- Mortgage banking income increased by $1.2 million. Mortgage loans sold totaled $45.8 million in 2024, which included a $7.2 million portfolio sold to another institution, compared to $23.8 million during 2023.
- Other income decreased by $204 thousand due primarily to a gain of $1.2 million from the sale of the Bank's Path Valley branch during 2023, partially offset by $408 thousand of solar tax credit income recognized in 2024.
- The gain on investment securities in 2024 was due to a $4.6 million security redemption, resulting in a gain of $181 thousand and the mark-to-market activity on an equity security. During 2023, the Company sold three U.S. Treasury securities with a principal balance of $19.9 million for a nominal gain and six securities issued by state and political subdivisions with a principal balance of $2.2 million for a net loss of $44 thousand.
- Other line items within noninterest income showed fluctuations attributable to normal business operations and the impact of the Merger.

Noninterest Expenses

The following table compares noninterest expenses for 2025, 2024 and 2023.

				$ Change		% Change	
	2025	**2024**	**2023**	**2025-2024**	**2024-2023**	**2025-2024**	**2024-2023**
Salaries and employee benefits	**$ 85,171**	$ 76,581	$ 50,983	**$ 8,590**	$ 25,598	**11.2 %**	50.2 %
Occupancy	**7,474**	5,978	4,342	**1,496**	1,636	**25.0**	37.7
Furniture and equipment	**9,504**	8,592	5,251	**912**	3,341	**10.6**	63.6
Data processing	**4,297**	6,088	4,913	**(1,791)**	1,175	**(29.4)**	23.9
Automated teller machine and interchange fees	**3,194**	2,281	1,252	**913**	1,029	**40.0**	82.2
Advertising and bank promotions	**2,291**	2,587	2,157	**(296)**	430	**(11.4)**	19.9
FDIC insurance	**2,833**	2,677	1,960	**156**	717	**5.8**	36.6
Professional services	**7,492**	4,142	2,905	**3,350**	1,237	**80.9**	42.6
Directors' compensation	**1,222**	783	915	**439**	(132)	**56.1**	(14.4)
Taxes other than income	**2,639**	734	1,050	**1,905**	(316)	**259.5**	(30.1)
Intangible asset amortization	**9,765**	5,742	953	**4,023**	4,789	**70.1**	502.5
Merger-related expenses	**2,617**	22,671	1,059	**(20,054)**	21,612	**(88.5)**	2,040.8
Provision for legal settlement	**—**	478	—	**(478)**	478	**—**	(100.0)
Restructuring expenses	**91**	296	—	**(205)**	296	**(69.3)**	(100.0)
Other operating expenses	**10,852**	8,707	6,103	**2,145**	2,604	**24.6**	42.7
Total noninterest expenses	**$ 149,442**	$ 148,337	$ 83,843	**$ 1,105**	$ 64,494	**0.7 %**	76.9 %

2025 versus 2024

Noninterest expenses increased by $1.1 million from 2024 to 2025. The following were other significant factors in the net increase:

- Data processing expense decreased by $1.8 million due to the reduction in core system costs following a system conversion in the fourth quarter of 2024.
- Professional services expense increased by $3.4 million due to higher utilization of consultants and other third-party service providers during 2025 to enhance daily functions and operational processes throughout the organization following the Merger and system conversions.

- Directors' compensation expense increased by $439 thousand due to the addition of one non-employee and new restricted stock awards granted during 2025. Prior grants awarded to the directors vested on the Merger date and the accelerated amortization of the restricted stock awards were included in merger-related expenses in 2024.
- Expenses associated with taxes other than income increased by $1.9 million based on the increase in estimated state shares tax expense after the Merger.
- Intangible asset amortization expense increased by $4.0 million due to the amortization recognized on the core deposit intangible and wealth customer relationship intangible established from the Merger.
- The provision for legal settlement declined because, in 2024, the Company agreed to settle a litigation matter for $478 thousand.
- Merger-related expenses decreased by $20.1 million. The Merger costs incurred during 2025 included software conversion costs and professional fees, including external audit, associated with the conversion. The Company did not incur merger-related expenses during the third and fourth quarters of 2025.
- Restructuring expense of $91 thousand in 2025 was related to the closure of six branch locations during the fourth quarter of 2024.
- Other operating expenses increased by $2.1 million partially due to an increase in credit valuation adjustments on derivatives of $539 thousand. The remaining change is attributed to the impact of the Merger and normal business operations, which included increases of $484 thousand in insurance expenses, $362 thousand in postage charges and $184 thousand in telecommunication expenses.
- Other line items within noninterest expense showed fluctuations attributable to normal business operations and the impact of the Merger.

2024 versus 2023

Noninterest expenses increased by $64.5 million from 2023 to 2024. The primary driver of the overall increase was the impact of the Merger. The following were significant factors in the net increase:

- Merger-related expenses increased by $21.6 million, which primarily included employee separation costs, vendor contract terminations and professional fees incurred in connection with the Merger.
- Salaries and employee benefits expense includes a $4.8 million charge associated with the retirement of an executive.
- Data processing expense increased by $1.2 million due to the use of two core processing systems. The system conversion process was completed in November 2024.
- Intangible asset amortization increased by $4.8 million due to the amortization expense recognized on the core deposit intangible and customer relationship intangible recorded as a result of the Merger.
- The Company agreed to settle a litigation matter, which resulted in a provision for legal settlement of $478 thousand in the fourth quarter of 2024.
- Restructuring expense of $296 thousand was recorded due to the closure of six branch locations during the fourth quarter of 2024.
- Other line items within noninterest expense showed fluctuations attributable to normal business operations and the impact of the Merger.

Income tax expense totaled $21.8 million, $5.8 million and $9.4 million for 2025, 2024 and 2023, respectively. The effective tax rate for 2025 was 21.2% compared with 20.7% for 2024 and 20.8% for 2023. The Company’s effective tax rate is greater than the 21% federal statutory rate at December 31, 2025 primarily due to the disallowed portion of interest expense against earnings in association with the Bank's tax-exempt investments under the Tax Equity and Fiscal Responsibility Act of 1982 and an increase in non-deductible expenses. This increase in the effective tax rate was partially offset by the benefit of tax-exempt income, including interest earned on tax-exempt loans and securities and income from life insurance policies and tax credits. For 2024 and 2023, the effective tax rate is less than the 21% federal statutory rate due to tax-exempt income, including interest earned on tax-exempt loans and investment securities and income from life insurance policies and tax credits. The rate in 2025 was impacted by an increase in certain non-deductible expenses and a marginal increase in tax-exempt interest income compared to the significant increase in pre-tax income, so the relative benefit of deductions to taxable income decreased year-over-year. The rate in 2024 was impacted by non-deductible merger-related expenses, which were greater than in 2023. With the rising interest rates, each year was impacted by the portion of interest expense disallowed as a deduction against earnings under the TEFRA and an increase in state taxes as a result of a greater percentage of taxable income earned in a state with a state income tax.

Note 8, Income Taxes, to the Consolidated Financial Statements under Part II, Item 8, "Financial Statements and Supplementary Data," includes a reconciliation of our federal statutory tax rate to the Company's effective tax rate, which is a meaningful comparison between years and measures income tax expense as a percentage of pretax income.

Financial Condition

Management devotes substantial time to overseeing the investment in and costs to fund loans and investment securities through deposits and borrowings as well as the formulation and adherence to policies directed toward enhancing profitability and managing the risks associated with these investments.

Investment Securities

The Company utilizes investment securities to manage interest rate risk and liquidity, enhance income through interest and dividend income and collateralize certain deposits and borrowings.

The Company has established investment policies and an asset management policy to assist in administering its investment portfolio. Decisions to purchase or sell these securities are based on economic conditions and management’s strategy to respond to changes in interest rates, liquidity, pledges to secure deposits and repurchase agreements and other factors while trying to maximize return on the investments. The Company may segregate its investment security portfolio into three categories: “securities held-to-maturity,” “trading securities” and “securities available-for-sale.” At December 31, 2025, 2024 and 2023, management classified the entire investment securities portfolio as AFS, which is accounted for at current market value with non-credit losses and gains reported in OCI, net of income taxes.

The Company's investment securities portfolio includes debt investments that are subject to varying degrees of credit and market risks, which arise from general market conditions, and factors impacting specific industries, as well as news that may impact specific issues. Management monitors its debt securities, using various indicators in determining whether unrealized losses on debt securities are credit-related and require an ACL. These indicators include the amount of time the security has been in an unrealized loss position, the cause and extent of the unrealized loss and the credit quality of the issuer and underlying assets. In addition, management assesses whether it is likely the Company will have to sell the investment security prior to recovery, or it expects to be able to hold the investment security until the price recovers. The Company determined that the declines in market value were due to increases in interest rates and market movements, and not due to credit factors. The Company does not intend to sell these securities with unrealized losses and it is more likely than not that the Company will not be required to sell them before recovery of their amortized cost basis, which may be maturity. Therefore, the Company has concluded that the unrealized losses on the AFS securities did not require an ACL at December 31, 2025, 2024 and 2023.

The following table summarizes the fair value of AFS securities at December 31, 2025, 2024 and 2023.

	2025	2024	2023
U.S. Treasury	**$ 14,211**	$ 18,063	$ 17,840
U.S. Government Agencies	**1,796**	3,053	4,151
States and political subdivisions	**202,148**	200,028	203,122
GSE residential MBS	**234,103**	151,548	57,632
GSE commercial MBS	**6,171**	8,792	4,743
GSE residential CMOs	**354,003**	324,692	73,102
Non-agency CMOs	**59,823**	33,284	44,669
Asset-backed	**78,250**	88,103	108,134
Corporate debt	**1,992**	1,954	—
Other	**243**	194	126
Total investment securities	**$ 952,740**	$ 829,711	$ 513,519

At December 31, 2025, AFS securities totaled $952.7 million, an increase of $123.0 million from $829.7 million at December 31, 2024. During 2025, the Company purchased $272.3 million in investment securities, which included $239.8 million of agency MBS and CMO securities, $31.4 million of non-agency CMOs and $1.1 million of securities issued by state and political subdivisions. This increase was partially offset by paydowns of $84.1 million and sales of $83.8 million, which included $78.8 million of GSE residential MBS and CMO securities and $5.0 million of U.S. Treasury securities. The purchase and sale activity during the period was to redeploy funds into higher yielding assets based on market opportunities as well as to manage balance sheet positioning.

The balance of investment securities included net unrealized losses of $19.4 million at December 31, 2025 compared to net unrealized losses of $35.2 million at December 31, 2024. The decrease of $15.8 million in net unrealized losses was primarily due to lower market rates compared to December 31, 2024. The overall duration of the Company's investment securities portfolio was 4.6 years at December 31, 2025 compared to 4.1 years at December 31, 2024. The Company has sufficient access to liquidity such that management does not believe it would be necessary to sell any of its investment securities at a loss to offset any unexpected deposit outflows. Management believes the structure of the Company's investment security portfolio is appropriately aligned with the rest of the balance sheet to protect against volatile interest rate environments, to provide a source of liquidity and to generate steady earnings.

At December 31, 2024, AFS securities totaled $829.7 million, an increase of $316.2 million, from $513.5 million at December 31, 2023. Pursuant to the Merger, the Company acquired AFS securities with a fair value totaling $327.1 million. To align with the Company's investment strategy and to achieve higher yielding results, $162.7 million of the acquired AFS securities were sold, which included $91.5 million of MBS and CMO's, $27.1 million of corporate debt securities, $24.4 million of securities issued by state and political subdivisions and $19.7 million of securities issued by U.S. government agencies. The sales resulted in no gain or loss as the securities were sold at book value due to the proximity of the sales to the closing date of the Merger. Most of the proceeds from the sales of the acquired AFS securities were reinvested. During 2024, the Company purchased investment securities totaling $227.1 million, which included $224.8 million of agency MBS and CMO securities, $1.5 million of non-agency CMO securities and $788 thousand of investment securities issued by state and political subdivisions. In addition, calls of non-agency CMO securities totaled $18.0 million and there were paydowns of $58.2 million. The balance of investment securities included net unrealized losses of $35.2 million at December 31, 2024 compared to net unrealized losses of $35.6 million at December 31, 2023 for a decrease of $361 thousand. This decrease in net unrealized losses was primarily due to lower treasury rates and narrower credit spreads compared to December 31, 2023.

The following table shows the maturities of investment securities at book value at December 31, 2025, and weighted average yields of such investment securities. Yields are shown on a tax equivalent basis, assuming a 21% federal income tax rate.

	Within 1 year	After 1 year but within 5 years	After 5 years but within 10 years	After 10 years	Total
U.S. Treasury securities					
Book value	$ —	$ 15,016	$ —	$ —	$ 15,016
Yield	— %	1.07 %	— %	— %	1.07 %
Average maturity (years)	—	2.3	—	—	2.3
U. S. Government Agencies					
Book value	$ —	$ —	$ 1,746	$ —	$ 1,746
Yield	— %	— %	5.71 %	— %	5.71 %
Average maturity (years)	—	—	6.0	—	6.0
States and political subdivisions					
Book value	$ 1,106	$ 19,039	$ 50,399	$ 148,288	$ 218,832
Yield	3.75 %	2.78 %	3.09 %	2.74 %	2.83 %
Average maturity (years)	0.9	2.8	6.7	17.9	13.9
GSE residential mortgage-backed securities					
Book value	$ —	$ —	$ 1,288	$ 232,728	$ 234,016
Yield	— %	— %	4.83 %	4.60 %	4.60 %
Average maturity (years)	—	—	6.7	23.3	23.2
GSE commercial mortgage-backed securities					
Book value	$ —	$ 1,905	$ 1,924	$ 2,252	$ 6,081
Yield	— %	4.89 %	4.75 %	5.54 %	5.09 %
Average maturity (years)	—	3.9	5.5	23.8	11.8
GSE residential CMOs					
Book value	$ —	$ —	$ 4,374	$ 350,580	$ 354,954
Yield	— %	— %	3.11 %	4.62 %	4.60 %
Average maturity (years)	—	—	9.4	30.8	30.6
Non-agency CMOs					
Book value	$ —	$ 7,606	$ —	$ 53,087	$ 60,693
Yield	— %	4.43 %	— %	5.02 %	4.94 %
Average maturity (years)	—	3.9	—	30.6	27.2
Asset-backed					
Book value	$ —	$ —	$ —	$ 78,610	$ 78,610
Yield	— %	— %	— %	5.20 %	5.20 %
Average maturity (years)	—	—	—	19.4	19.4
Corporate debt					
Book value	$ —	$ 1,947	$ —	$ —	$ 1,947
Yield	— %	5.38 %	— %	— %	5.38 %
Average maturity (years)	—	2.3	—	—	2.3
Other					
Book value	$ —	$ —	$ —	$ 243	$ 243
Yield	— %	— %	— %	— %	— %
Average maturity (years)	—	—	—	—	—
Total					
Book value	$ 1,106	$ 45,513	$ 59,731	$ 865,788	$ 972,138
Yield	3.75 %	2.69 %	3.26 %	4.37 %	4.22 %
Average maturity (years)	0.9	2.9	6.8	25.5	23.3

The average maturity is based on the contractual terms of the debt or mortgage-backed securities and does not factor in required repayments or anticipated prepayments. At December 31, 2025, the weighted average estimated life is 27 years for mortgage-backed and CMO securities, and 19 years for asset-backed securities, based on current interest rates and anticipated prepayment speeds. The overall duration of the Company's investment security portfolio is 4.6 years and 4.1 years at December 31, 2025 and 2024, respectively, which is reflective of the duration of the Company's investment security purchases in the latter part of 2025.

The following table summarizes the credit ratings and collateral associated with the Company's AFS investment securities portfolio, excluding equity securities, at December 31, 2025:

Sector	Portfolio Mix	Amortized Book	Fair Value	Credit Enhancement	AAA	AA	A	BBB	BB	NR	Collateral / Guarantee Type
Unsecured ABS	— %	$ 2,575	$ 2,484	29 %	— %	— %	— %	— %	— %	100 %	Unsecured Consumer Debt
Student Loan ABS	—	3,109	3,119	29	—	—	—	—	—	100	Seasoned Student Loans
Federal Family Education Loan ABS	8	72,231	72,013	12	—	47	33	7	13	—	Federal Family Education Loan [1]
PACE Loan ABS	—	1,674	1,538	7	100	—	—	—		—	PACE Loans [2]
Non-Agency RMBS	3	31,049	29,929	52	92	8	—	—		—	Reverse Mortgages [3]
Non-Agency CMBS	3	27,069	27,410	28	—	—	—	—		100	
Municipal - General Obligation	10	99,033	92,643		17	77	6	—		—	
Municipal - Revenue	12	119,799	109,505		—	82	12	—		6	
SBA ReRemic [5]	—	1,595	1,580		—	100	—	—		—	SBA Guarantee [4]
Small Business Administration	—	3,330	3,399		—	100	—	—		—	SBA Guarantee [4]
Agency MBS	25	237,276	237,450		—	100	—	—		—	Residential Mortgages [4]
Agency CMO	37	356,192	355,224		—	100	—	—		—	
U.S. Treasury securities	2	15,016	14,211		—	100	—	—		—	U.S. Government Guarantee [4]
Corporate debt	—	1,947	1,992		—	—	51	49		—	
	100 %	$ 971,895	$ 952,497		5 %	85 %	4 %	1 %	1 %	4 %	

[1] 97% guaranteed by U.S. government

[2] PACE acronym represents Property Assessed Clean Energy loans

[3] Non-agency reverse mortgages with current structural credit enhancements

[4] Guaranteed by U.S. government or U.S government agencies

[5] SBA ReRemic acronym represents Re-Securitization of Real Estate Mortgage Investment Conduits

Note: Ratings in table are the lowest of the six rating agencies (Standard & Poor's, Moody's, Fitch, Morningstar, DBRS, and Kroll Bond Rating Agency). Standard & Poor's rates U.S. government obligations at AA+.

Loan Portfolio

The Company offers a variety of products to meet the credit needs of its borrowers, principally commercial real estate loans, commercial and industrial loans, retail loans secured by residential properties, and to a lesser extent, installment loans. No loans are extended to non-domestic borrowers or governments.

Generally, the Bank is permitted under applicable law to make loans to single borrowers (including certain related persons and entities) in aggregate amounts of up to 15% of the sum of total capital and excess ACL not included in Tier 2 capital. The Company's policy has established an internal lending limit of $25.0 million to one borrower or a group of borrowers, except for commercial real estate loans, which the Company reduced the internal lending limit to $15.0 million on a per project basis. Credit exposure may be aggregated if loans are under common control or ownership or with common guarantors, for which the internal lending limit is $50.0 million, but not permitted to exceed the regulatory lending limit. These amounts are below the Bank's regulatory lending limit of $86.3 million at December 31, 2025. No borrower had an outstanding exposure exceeding the Bank's legal lending limit at year-end.

The risks associated with lending activities differ among loan segments and classes and are subject to the impact of changes in interest rates, market conditions of collateral securing the loans and general economic conditions. Any of these factors may adversely impact a borrower's ability to repay loans and also impact the associated collateral. A further discussion on the Company's loan segments and classes, the related risks, ACL and FDM are included in Note 1, Summary of Significant Accounting Policies, and Note 4, Loans and Allowance for Credit Losses, to the Consolidated Financial Statements under Part II, Item 8, "Financial Statements and Supplementary Data."

The following table presents the loan portfolio, excluding residential LHFS, by segments and classes at December 31 of each of the years set forth below.

	2025	2024	2023	2022	2021
Commercial real estate:					
Owner-occupied	**$ 644,713**	$ 633,567	$ 373,757	$ 315,770	$ 238,668
Non-owner occupied	**1,260,198**	1,160,238	694,638	608,043	551,783
Multi-family	**236,703**	274,135	150,675	138,832	93,255
Non-owner occupied residential	**155,749**	179,512	95,040	104,604	106,112
Acquisition and development:					
1-4 family residential construction	**41,489**	47,432	24,516	25,068	12,279
Commercial and land development	**198,234**	241,424	115,249	158,308	93,925
Agricultural	**121,417**	125,156	26,847	25,990	26,026
Commercial and industrial	**489,371**	451,384	340,238	331,784	459,702
Municipal	**25,302**	30,044	9,812	12,173	14,989
Residential mortgage:					
First lien	**478,870**	460,297	266,239	229,849	198,831
Home equity – term	**5,972**	5,988	5,078	5,505	6,081
Home equity – lines of credit	**321,438**	303,561	186,450	183,241	160,705
Other - term	**22,906**	—	—	—	—
Installment and other loans	**18,331**	18,476	9,774	12,065	17,630
Total loans	**$ 4,020,693**	$ 3,931,214	$ 2,298,313	$ 2,151,232	$ 1,979,986

[(1)] Other - term includes property assessed clean energy ("PACE") loans with unearned income of $505 thousand at December 31, 2025.

Total loans increased by $89.5 million to $4.0 billion at December 31, 2025 from $3.9 billion at December 31, 2024. Residential mortgages increased by $59.3 million and commercial loans increased by $30.3 million from December 31, 2024 to December 31, 2025. The increase in residential mortgages included $6.3 million in CRA-related mortgages during the year ended December 31, 2025. The Company purchased property assessed clean energy ("PACE") loans during the second quarter of 2025, which has a balance of $22.9 million at December 31, 2025.

The loan portfolio at December 31, 2024 increased by $1.6 billion to $3.9 billion from $2.3 billion at December 31, 2023. The increase is due to $1.6 billion in loans acquired in the Merger and continued portfolio growth in the commercial loan segment and residential mortgage segment during 2024. During December 2024, the Company sold acquired loans from the Merger with an unpaid principal balance totaling $6.0 million, inclusive of loans on nonaccrual status totaling $2.6 million. The Company recorded charge offs related to the loan sale of $595 thousand, but also recognized accretion of $1.1 million on the associated loan marks in interest income.

In addition to monitoring the loan portfolio by loan class as noted above, the Company also monitors concentrations by segment. The Bank's lending policy reports segment concentrations that exceed 20% of the Bank's total risk-based capital ("RBC"). The following segments met this criterion at December 31, 2025:

	Balance	% of Total Loans	% of Total RBC
Office Space	$ 344,091	8.6%	58.5%
1-4 Family Rentals	155,749	3.9	26.5
Hotels & Motels (including Bed & Breakfast)	185,520	4.6	31.5
Loans Outside of Market Area	174,063	4.3	29.6
Multi-Family	236,703	5.9	40.3
Purchased Participation	165,980	4.1	28.2
Agricultural	121,417	3.0	20.6
Senior Housing and Care	163,188	4.1	27.8
Strip Centers (Retail)	252,949	6.3	43.0
Warehouse	173,046	4.3	29.4

Management regularly analyzes the commercial real estate portfolio, which includes the review of occupancy, cash flows, expenses and expiring leases, as well as the location of the real estate. At December 31, 2025, the Company had $344.1 million in loans related to office space. Management believes that the office space portfolio is well-diversified and includes only limited exposure to properties located in major metropolitan markets. The Company does not have any material exposure to office space in the District of Columbia area. In addition, the Company does not have any material exposure to government contractors.

The following table presents expected maturities of loan classes by fixed rate or adjustable-rate categories at December 31, 2025:

	Due In					
	One Year or Less	One Year Through Five Years	Five Years Through 15 Years	After 15 Years	Total	% of Total
Commercial real estate:						
Owner occupied						
Fixed rate	$ 35,685	$ 138,789	$ 73,708	$ 7,623	$ 255,805	40 %
Adjustable and floating rate	21,677	78,945	277,052	11,234	388,908	60 %
	57,362	217,734	350,760	18,857	644,713	100 %
Non-owner occupied						
Fixed rate	75,875	113,010	127,206	—	316,091	25 %
Adjustable and floating rate	19,690	274,684	649,733	—	944,107	75 %
	95,565	387,694	776,939	—	1,260,198	100 %
Multi-family						
Fixed rate	4,436	34,673	9,846	59	49,014	21 %
Adjustable and floating rate	26,302	79,144	79,976	2,267	187,689	79 %
	30,738	113,817	89,822	2,326	236,703	100 %
Non-owner occupied residential						
Fixed rate	11,409	39,018	5,775	989	57,191	37 %
Adjustable and floating rate	2,590	18,490	76,596	882	98,558	63 %
	13,999	57,508	82,371	1,871	155,749	100 %

(continued)

	Due In					
	One Year or Less	One Year Through Five Years	Five Years Through 15 Years	After 15 Years	Total	% of Total
Acquisition and development:						
1-4 family residential construction						
Fixed rate	11,989	444	—	884	13,317	32 %
Adjustable and floating rate	21,042	6,528	602	—	28,172	68 %
	33,031	6,972	602	884	41,489	100 %
Commercial and land development						
Fixed rate	7,939	14,696	6,714	106	29,455	15 %
Adjustable and floating rate	36,425	85,154	45,200	2,000	168,779	85 %
	44,364	99,850	51,914	2,106	198,234	100 %
Agricultural						
Fixed rate	18,218	44,991	7,626	308	71,143	59 %
Adjustable and floating rate	17,328	7,780	22,380	2,786	50,274	41 %
	35,546	52,771	30,006	3,094	121,417	100 %
Commercial and industrial						
Fixed rate	9,292	118,272	31,389	562	159,515	33 %
Adjustable and floating rate	167,028	65,975	96,708	145	329,856	67 %
	176,320	184,247	128,097	707	489,371	100 %
Municipal						
Fixed rate	783	55	14,121	3,943	18,902	75 %
Adjustable and floating rate	—	—	4,740	1,660	6,400	25 %
	783	55	18,861	5,603	25,302	100 %
Residential mortgage:						
First lien						
Fixed rate	162	5,132	27,862	206,831	239,987	50 %
Adjustable and floating rate	65	1,839	15,445	221,534	238,883	50 %
	227	6,971	43,307	428,365	478,870	100 %
Home equity - term						
Fixed rate	8	1,442	2,388	1,222	5,060	85 %
Adjustable and floating rate	—	91	520	301	912	15 %
	8	1,533	2,908	1,523	5,972	100 %
Home equity - lines of credit						
Fixed rate	723	10,117	61,386	15,550	87,776	27 %
Adjustable and floating rate	64,475	378	2,045	166,764	233,662	73 %
	65,198	10,495	63,431	182,314	321,438	100 %

(continued)

	Due In					
	One Year or Less	**One Year Through Five Years**	**Five Years Through 15 Years**	**After 15 Years**	**Total**	**% of Total**
Other - term						
Fixed rate	—	—	1,983	20,923	22,906	100 %
Adjustable and floating rate	—	—	—	—	—	— %
	—	—	1,983	20,923	22,906	100 %
Installment and other loans						
Fixed rate	218	4,566	567	1	5,352	29 %
Adjustable and floating rate	6,466	98	6,415	—	12,979	71 %
	6,684	4,664	6,982	1	18,331	100 %
	$ 559,825	$ 1,144,311	$ 1,647,983	$ 668,574	$ 4,020,693	

The final maturity is used in the determination of maturity of acquisition and development loans that convert from construction-to-permanent status. Variable rate loans shown above include fixed-to-floating interest rate loans that contractually will adjust with prime or another variable rate index after the interest lock period.

Asset Quality

Risk Elements

The Company's loan portfolio is subject to varying degrees of credit risk. Credit risk is managed through the Company's underwriting standards, on-going credit reviews, and monitoring of asset quality measures. Additionally, loan portfolio diversification, which limits exposure to a single industry or borrower, and collateral requirements also mitigate the Company's risk of credit loss.

The loan portfolio consists principally of loans to borrowers in south central Pennsylvania and the greater Baltimore, Maryland region. As the majority of loans are concentrated in these geographic regions, a substantial portion of the borrowers' ability to honor their obligations may be affected by the level of economic activity in the market areas.

Nonperforming assets include nonaccrual loans and foreclosed real estate. In addition, loan modifications to borrowers experiencing financial difficulty and loans past due 90 days or more and still accruing are also deemed to be risk assets. For all loan classes, the accrual of interest income on loans, including individually evaluated loans, ceases when principal or interest is past due 90 days or more and collateral is inadequate to cover principal and interest or immediately if, in the opinion of management, full collection is unlikely. Interest will continue to accrue on loans past due 90 days or more if the collateral is adequate to cover principal and interest, and the loan is in the process of collection. Interest accrued, but not collected, as of the date of placement on nonaccrual status, is generally reversed and charged against interest income, unless fully collateralized. Subsequent payments received are either applied to the outstanding principal balance or recorded as interest income, depending on management's assessment of the ultimate collectability of principal. Loans are returned to accrual status, for all loan classes, when all the principal and interest amounts contractually due are brought current, the loans have performed in accordance with the contractual terms of the note for a reasonable period of time, generally six months, and the ultimate collectability of the total contractual principal and interest is reasonably assured. Past due status is based on contract terms of the loan.

In accordance with ASU 2022-02, the Company is required to evaluate, based on the accounting for loan modifications, whether the borrower is experiencing financial difficulty and if the modification results in a more-than-insignificant direct change in the contractual cash flows and represents a new loan or a continuation of an existing loan, which the Company refers to these loans as "financial difficulty modifications" or "FDMs."

Prior to the adoption of ASU 2022-02, loans were classified as TDRs if a concession was granted for legal or economic reasons related to a borrower's financial difficulties. Concessions granted under a TDR typically involved a temporary deferral of scheduled loan payments, an extension of a loan's stated maturity date, temporary reduction in interest rates, or below market rates. If a modification occurred while the loan is on accruing status, it would continue to accrue interest under the modified terms. Nonaccrual TDRs were restored to accrual status if scheduled principal and interest payments, under the modified terms, were current for six months after modification, and the borrower continues to demonstrate its ability to meet the modified terms. TDRs were evaluated individually for impairment if they have been restructured during the most recent calendar year, or if they are not performing according to their modified terms.

The following table presents the Company's risk elements and relevant asset quality ratios at December 31 of each of the years set forth below:

	2025	2024	2023	2022	2021
Nonaccrual loans	**$ 28,031**	$ 24,111	$ 25,527	$ 20,583	$ 6,449
OREO	**—**	138	—	—	—
Total nonperforming assets	**28,031**	24,249	25,527	20,583	6,449
FDM / TDR still accruing	**1,253**	4,897	9	682	804
Loans past due 90 days or more and still accruing [1]	**1,040**	641	66	439	1,201
Total nonperforming and other risk assets	**$ 30,324**	$ 29,787	$ 25,602	$ 21,704	$ 8,454
Loans still accruing and 30-89 days past due	**$ 19,069**	$ 35,393	$ 8,111	$ 7,311	$ 5,925
Asset quality ratios:					
Total nonperforming loans to total loans	**0.70 %**	0.61 %	1.11 %	0.96 %	0.33 %
Total nonperforming assets to total assets	**0.51 %**	0.45 %	0.83 %	0.70 %	0.23 %
Total nonperforming assets to total loans and OREO	**0.70 %**	0.62 %	1.11 %	0.96 %	0.33 %
Total risk assets to total loans and OREO	**0.75 %**	0.76 %	1.11 %	1.01 %	0.43 %
Total risk assets to total assets	**0.55 %**	0.55 %	0.84 %	0.74 %	0.30 %
ACL to total loans	**1.19 %**	1.24 %	1.25 %	1.17 %	1.07 %
ACL to nonperforming loans	**170.10 %**	201.94 %	112.44 %	122.32 %	328.42 %
ACL to nonperforming loans and FDMs / TDRs still accruing	**162.82 %**	167.85 %	112.40 %	118.40 %	292.02 %
Net charge-offs (recoveries) to total average loans	**0.03 %**	0.11 %	0.03 %	0.01 %	— %

[1] Includes zero, zero, zero, $307 thousand and $214 thousand, respectively, of PCI loans at December 31, 2025, 2024, 2023, 2022 and 2021 in accordance with ASU 310-30. Upon adoption of the CECL standard on January 1, 2023, PCD loans were evaluated on an individual loan level and reported on an individual loan basis under ASU 310-20, Nonrefundable Fees and Other Assets. As of December 31, 2021, there was one loan for $891 thousand, which was in the process of collection and guaranteed by the SBA, and was subsequently collected during the first quarter of 2022.

Nonperforming assets include nonaccrual loans and foreclosed real estate. Risk assets, which include nonperforming assets, FDMs still accruing and loans past due 90 days or more and still accruing, totaled $30.3 million at December 31, 2025, an increase of $537 thousand from $29.8 million at December 31, 2024. Nonaccrual loans increased by $3.9 million from $24.1 million at December 31, 2024 to $28.0 million at December 31, 2025. The increase in nonaccrual loans was due to additions to nonaccrual status of $17.7 million of loans primarily consisting of $11.9 million in commercial loans, $3.5 million in residential mortgages and $2.3 million in consumer loans. This increase was partially offset by repayments totaling $12.0 million and gross charge offs of $1.8 million.

At December 31, 2025, the Company had loan modifications meeting the FDM criteria under ASU 2022-02 totaling $6.3 million compared to $9.3 million at December 31, 2024. The FDM balance included $5.5 million in new loan modifications during 2025, partially offset by a partial charge-off of $132 thousand and the remaining change in FDM due to repayments. There were $5.0 million in FDM loans in nonaccrual status at December 31, 2025, including one relationship totaling $4.6 million, compared to $4.6 million at December 31, 2024.

The following table presents the amortized cost basis of nonaccrual loans, according to loan class, with and without reserves on individually evaluated loans at December 31, 2025 and 2024. At December 31, 2025, there was a specific reserve of $2 thousand on nonaccrual loans, excluding the ACL recorded on acquired PCD loans from the Merger, compared to $7 thousand at December 31, 2024.

	December 31, 2025				December 31, 2024			
	Nonaccrual loans with a related ACL	Nonaccrual loans with no related ACL	Total nonaccrual loans	Loans Past Due 90+ Accruing	Nonaccrual loans with a related ACL	Nonaccrual loans with no related ACL	Total nonaccrual loans	Loans Past Due 90+ Accruing
Commercial real estate:								
Owner-occupied	**$ 227**	**$ 4,901**	**$ 5,128**	**$ 68**	$ 232	$ 4,046	$ 4,278	$ —
Non-owner occupied	**—**	**445**	**445**	**—**	—	1,466	1,466	—
Multi-family	**133**	**—**	**133**	**—**	—	721	721	237
Non-owner occupied residential	**—**	**455**	**455**	**—**	—	175	175	—
Acquisition and development:								
1-4 family residential construction	**—**	**—**	**—**	**—**	—	—	—	—
Commercial and land development	**3,005**	**5,239**	**8,244**	**—**	3,282	376	3,658	—
Agricultural	**—**	**9**	**9**	**—**	—	797	797	—
Commercial and industrial	**1,197**	**2,663**	**3,860**	**—**	2,822	2,678	5,500	113
Municipal	**—**	**—**	**—**	**—**	—	—	—	—
Residential mortgage:								
First lien	**—**	**6,100**	**6,100**	**431**	—	5,077	5,077	243
Home equity – term	**—**	**182**	**182**	**—**	36	34	70	18
Home equity – lines of credit	**—**	**3,473**	**3,473**	**190**	—	2,344	2,344	30
Other - term	**—**	**—**	**—**	**346**	—	—	—	—
Installment and other loans	**2**	**—**	**2**	**5**	15	10	25	—
Total	**$ 4,564**	**$ 23,467**	**$ 28,031**	**$ 1,040**	$ 6,387	$ 17,724	$ 24,111	$ 641

The following table presents our exposure to relationships that are individually evaluated and the partial charge-offs taken to date and specific reserves established on those relationships at December 31, 2025 and 2024:

	# of Relationships	Recorded Investment	Partial Charge-offs to Date	Specific Reserves
December 31, 2025				
Relationships greater than $1 million	**4**	**$ 10,573**	**$ 471**	**$ 2,173**
Relationships greater than $500 thousand but less than $1 million	**9**	**6,601**	**518**	**832**
Relationships greater than $250 thousand but less than $500 thousand	**10**	**3,371**	**—**	**—**
Relationships less than $250 thousand	**124**	**7,645**	**539**	**127**
	147	**$ 28,190**	**$ 1,528**	**$ 3,132**
December 31, 2024				
Relationships greater than $1 million	5	$ 10,210	$ 828	$ 177
Relationships greater than $500 thousand but less than $1 million	6	4,925	313	2,173
Relationships greater than $250 thousand but less than $500 thousand	9	2,887	—	155
Relationships less than $250 thousand	121	6,256	431	1,439
	141	$ 24,278	$ 1,572	$ 3,944

The Company takes partial charge-offs on collateral-dependent loans when carrying value exceeds estimated fair value, as determined by the most recent appraisal adjusted for current (within the quarter) conditions, less costs to dispose. Specific reserves remain in place if updated appraisals are pending, and represent management's estimate of potential loss.

Internal loan reviews are completed annually on all commercial relationships with a committed loan balance in excess of $2.0 million, which includes confirmation of risk rating by an independent credit officer. In addition, all commercial relationships greater than $500 thousand rated special mention, substandard, doubtful or loss are reviewed quarterly and corresponding risk ratings are reaffirmed by the Company's Problem Loan Committee, with subsequent reporting to the Management ERM Committee and the Board ERM Committee.

In its individually evaluated loan analysis, the Company determines the extent of any full or partial charge-offs that may be required, or any reserves that may be needed. The determination of the Company’s charge-offs or specific reserve include an evaluation of the outstanding loan balance and the related collateral securing the credit. Through a combination of collateral securing the loans and partial charge-offs taken to date, the Company believes that it has adequately provided for the potential losses that it may incur on these relationships at December 31, 2025. However, over time, additional information may result in increased reserve allocations or, alternatively, it may be deemed that the reserve allocations exceed those that are needed.

Credit Risk Management

Allowance for Credit Losses

The Company maintains the ACL at a level deemed adequate by management for expected credit losses. As disclosed in Note 1, Summary of Significant Accounting Policies, and Note 4, Loans and Allowance for Credit Losses, on January 1, 2023 the Company implemented CECL and increased the ACL with a cumulative-effect adjustment to the ACL of $2.4 million. In addition, the Company recorded a cumulative-effect adjustment to the ACL for off-balance sheet exposures of $100 thousand. The Company’s ACL is calculated quarterly, with any adjustment recorded to the provision for credit losses in the consolidated statement of income. A comprehensive analysis of the ACL is performed by the Company on a quarterly basis. Management evaluates the adequacy of the ACL utilizing a defined methodology to determine if it properly addresses the current and expected risks in the loan portfolio, which considers the performance of borrowers and specific evaluation of individually evaluated loans, including historical loss experiences, trends in delinquencies, nonperforming loans and other risk assets, and the qualitative factors. Risk factors are continuously reviewed and adjusted, as needed, by management when conditions support a change. Management believes its approach properly addresses relevant accounting and bank regulatory guidance for loans both collectively and individually evaluated. The results of the comprehensive analysis, including recommended changes, are governed by the Company's Reserve Adequacy Committee and subsequently presented to the Enterprise Risk Management Committee.

The ACL is evaluated based on a review of the collectability of loans in light of historical experience; the nature and volume of the loan portfolio; adverse situations that may affect a borrower’s ability to repay; estimated value of any underlying collateral; and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available. A description of the methodology for establishing the allowance and provision for credit losses and related procedures in establishing the appropriate level of reserve is included in Note 4, Loans and Allowance for Credit Losses, to the Consolidated Financial Statements under Part II, Item 8, "Financial Statements and Supplementary Data."

The Special Mention classification is intended to be a temporary classification reflective of loans that have potential weaknesses that may, if not monitored or corrected, weaken the asset or inadequately protect the Company’s position at some future date. Special mention loans represent an elevated risk, but their weakness does not yet justify a more severe, or classified, rating. These loans require inquiry by lenders on the cause of the potential weakness and, once analyzed, the loan classification may be downgraded to Substandard or, alternatively, could be upgraded to Pass.

Special mention loans increased by $16.6 million from $91.7 million at December 31, 2024 to $108.3 million at December 31, 2025 primarily due to net downgrades of $57.3 million. This increase was partially offset by repayments of $40.7 million. Classified loans totaled $58.4 million at December 31, 2025, or 1.5% of total loans outstanding, compared to $88.6 million, or 2.3% of total loans outstanding, at December 31, 2024.

Non-IEL substandard loans are performing loans, which have characteristics that cause management concern over the ability of the borrower to perform under present loan repayment terms and which may result in the reporting of these loans as nonperforming, or individually evaluated, loans in the future. Generally, management feels that substandard loans that are currently performing and not considered individually evaluated result in some doubt as to the borrower’s ability to continue to perform under the terms of the loan, and represent potential problem loans. Non-IEL substandard loans totaled $30.2 million at December 31, 2025, a decrease of $34.2 million compared to $64.4 million at December 31, 2024 due primarily to repayments of $23.4 million and net upgrades of $10.8 million. The Substandard-IEL category increased by $3.9 million from $24.3 million at December 31, 2024 to $28.2 million at December 31, 2025 due to net downgrades of $7.1 million, partially offset by charge-offs of $1.7 million and the remaining amount due to repayments.

The following table summarizes asset quality ratios for years ended December 31, 2025, 2024, 2023, 2022 and 2021.

	2025	2024	2023	2022	2021
Provision for credit losses to net charge-offs	**11 %**	521 %	290 %	2,568 %	1,787 %
ACL to total loans ratio	**1.19 %**	1.24 %	1.25 %	1.17 %	1.07 %

The following table details net charge-offs (recoveries) to average loans outstanding, excluding LHFS, by loan category for the years ended December 31, 2025, 2024 and 2023:

	2025	2024	2023
Commercial real estate:			
Net charge-offs (recoveries)	**$ 321**	$ 606	$ (98)
Average loans for the year	**$ 2,253,159**	$ 1,751,519	$ 1,233,720
Net charge-offs (recoveries)/average loans	**0.01 %**	0.03 %	(0.01)%
Acquisition and development:			
Net recoveries	**(2)**	(16)	(5)
Average loans for the year	**245,261**	225,091	172,239
Net recoveries/average loans	**— %**	(0.01)%	— %
Agricultural			
Net charge-offs	**31**	37	—
Average loans for the year	**124,751**	78,272	26,285
Net charge-offs/average loans	**0.02 %**	0.05 %	— %
Commercial and industrial:			
Net charge-offs	**163**	2,593	650
Average loans for the year	**478,062**	405,235	345,643
Net charge-offs/average loans	**0.03 %**	0.64 %	0.19 %
Municipal:			
Net charge-offs (recoveries)	**—**	—	—
Average loans for the year	**28,346**	20,348	10,857
Net charge-offs (recoveries)/average loans	**— %**	— %	— %
Residential mortgage:			
Net (recoveries) charge-offs	**(29)**	(15)	(95)
Average loans for the year	**805,839**	662,994	432,108
Net (recoveries) charge-offs /average loans	**— %**	— %	(0.02)%
Installment and other loans:			
Net charge-offs	**650**	136	129
Average loans for the year	**17,003**	14,413	10,808
Net charge-offs/average loans	**3.82 %**	0.94 %	1.19 %
Total loans:			
Net charge-offs	**$ 1,134**	$ 3,341	$ 581
Average loans for the year	**$ 3,952,421**	$ 3,157,872	$ 2,231,660
Net charge-offs/average loans	**0.03 %**	0.11 %	0.03 %

The ACL totaled $47.7 million at December 31, 2025, a $1.0 million decrease from $48.7 million at December 31, 2024, resulting primarily from net charge-offs of $1.1 million for 2025. At December 31, 2025, the ACL as a percentage of the total loan portfolio was 1.19% compared to 1.24% at December 31, 2024 and 1.25% at December 31, 2023. The Company recorded a provision for credit losses on loans of $126 thousand, $17.4 million and $1.7 million in 2025, 2024 and 2023, respectively.

For the years ended December 31, 2025 and 2024, gross recoveries of $1.4 million and $725 thousand, respectively, were credited to the ACL. These recoveries on previously charged-off relationships are the result of successful loan monitoring and workout solutions. Recoveries received will be used to replenish the ACL. Recoveries favorably impact historical charge-off factors, and contribute to changes in the quantitative and qualitative factors used in our allowance adequacy analysis. However, as the loan portfolio continues to grow, future provisions for credit losses may result.

The Company takes partial charge-offs on collateral-dependent loans when carrying value exceeds estimated fair value, as determined by the most recent appraisal adjusted for current (within the quarter) conditions, less costs to dispose. Specific reserves remain in place if updated appraisals are pending, and represent management's estimate of potential loss. In addition to the reserve allocations on individually evaluated loans noted above, 27 loans, with aggregate outstanding principal balances of $4.4 million, have had cumulative partial charge-offs to the ACL totaling $1.5 million at December 31, 2025. As updated appraisals were received on collateral-dependent loans, partial charge-offs were taken to the extent the loans' principal balance exceeded their fair value.

The following table shows the allocation of the ACL by loan class, as well as the percent of each loan class in relation to the total loan balance at December 31, 2025, 2024, and 2023 and the allocation of the ALL by loan class, as well as the percent of each loan class in relation to the total loan balance at December 31, 2022 and 2021.

	2025		2024		2023		2022		2021	
	ACL Amount by Loan Class	**% of Loan Type to Total Loans**	**ACL Amount by Loan Class**	**% of Loan Type to Total Loans**	**ACL Amount by Loan Class**	**% of Loan Type to Total Loans**	**ALL Amount by Loan Class**	**% of Loan Type to Total Loans**	**ALL Amount by Loan Class**	**% of Loan Type to Total Loans**
Commercial real estate:										
Owner-occupied	**$ 7,907**	**16 %**	$ 8,375	16 %	$ 5,090	16 %	$ 3,618	15 %	$ 2,752	12 %
Non-owner occupied	**14,308**	**31 %**	17,381	30 %	9,587	30 %	7,473	28 %	7,244	28 %
Multi-family	**2,373**	**6 %**	2,898	7 %	2,540	7 %	1,355	6 %	870	5 %
Non-owner occupied residential	**964**	**4 %**	897	5 %	656	4 %	1,112	5 %	1,171	5 %
Acquisition and development:										
1-4 family residential construction	**716**	**1 %**	717	1 %	397	1 %	376	1 %	188	1 %
Commercial and land development	**5,463**	**5 %**	5,884	6 %	1,844	5 %	2,838	7 %	1,874	5 %
Agricultural	**127**	**3 %**	110	3 %	437	1 %	218	1 %	197	1 %
Commercial and industrial	**7,114**	**12 %**	6,190	11 %	5,369	15 %	4,287	16 %	3,617	23 %
Municipal	**328**	**1 %**	320	1 %	157	— %	24	1 %	30	1 %
Residential mortgage:										
First lien	**5,913**	**12 %**	4,013	12 %	1,580	12 %	1,600	11 %	1,188	10 %
Home equity - term	**62**	**— %**	56	— %	23	— %	32	— %	31	— %
Home equity - lines of credit	**1,733**	**8 %**	1,171	8 %	821	8 %	1,812	8 %	1,566	8 %
Other - term	**—**	**1 %**	—	— %	—	— %	—	— %	—	— %
Installment and other loans	**673**	**— %**	677	— %	201	— %	188	1 %	215	1 %
Unallocated	**—**		—		—		245		237	
	$ 47,681	**100 %**	$ 48,689	100 %	$ 28,702	100 %	$ 25,178	100 %	$ 21,180	100 %

The information presented in the table below is not required for periods subsequent to the adoption of CECL. The following table summarizes the ALL allocation for loans individually and collectively evaluated for impairment by loan segment at December 31, 2022. Accruing PCI loans are excluded from loans individually evaluated for impairment.

	Commercial					Consumer				
	Commercial Real Estate	Acquisition and Development	Commercial and Industrial	Municipal	Total	Residential Mortgage	Installment and Other	Total	Unallocated	Total
December 31, 2022										
Loans allocated by:										
Individually evaluated for impairment	$ 2,848	$ 15,426	$ 31	$ —	$ 18,305	$ 2,920	$ 40	$ 2,960	$ —	$ 21,265
Collectively evaluated for impairment	1,164,401	167,950	357,743	12,173	1,702,267	415,675	12,025	427,700	—	2,129,967
	$ 1,167,249	$ 183,376	$ 357,774	$ 12,173	$ 1,720,572	$ 418,595	$ 12,065	$ 430,660	$ —	$ 2,151,232
Allowance for credit losses allocated by:										
Individually evaluated for impairment	$ —	$ —	$ —	$ —	$ —	$ 28	$ —	$ 28	$ —	$ 28
Collectively evaluated for impairment	13,558	3,214	4,505	24	21,301	3,416	188	3,604	245	25,150
	$ 13,558	$ 3,214	$ 4,505	$ 24	$ 21,301	$ 3,444	$ 188	$ 3,632	$ 245	$ 25,178

Management believes the allocation of the ACL among the various loan classes adequately reflects the life expected credit losses in each loan class and is based on the methodology outlined in Note 1, Summary of Significant Accounting Policies, and Note 4, Loans and Allowance for Credit Losses, to the Consolidated Financial Statements under Part II, Item 8, "Financial Statements and Supplementary Data." Management re-evaluates and makes enhancements to its reserve methodology to better reflect the risks inherent in the different segments of the portfolio, particularly in light of increased charge-offs, with noticeable differences between the different loan classes. Management believes these enhancements to the ACL methodology improve the accuracy of quantifying the expected credit losses inherent in the portfolio. Management charges actual loan losses to the reserve and bases the provision for credit losses on its overall analysis.

Management believes the Company's ACL is adequate based on currently available information. Future adjustments to the ACL and enhancements to the methodology may be necessary due to changes in economic conditions, regulatory guidance, or management's assumptions as to future delinquencies or loss rates.

Deposits

Total deposits decreased by $94.3 million to $4.5 billion at December 31, 2025 from $4.6 billion at December 31, 2024. Time deposits and non-interest bearing demand deposits decreased by $90.9 million and $23.3 million, respectively, partially offset by an increase in interest bearing demand deposits and money market and savings deposits of $14.2 million and $5.6 million, respectively, from December 31, 2024 to December 31, 2025. The Bank has experienced some reductions in higher yielding promotional balances, which was the primary driver of the declines in time deposit accounts. The decreases in the other categories were consistent with normal seasonal activity.

Total deposits grew by $2.1 billion to $4.6 billion at December 31, 2024 from $2.6 billion at December 31, 2023, which included $1.9 billion in deposits assumed from the Merger. During 2024, time deposits increased by $586.4 million from $406.5 million at December 31, 2023 to $992.9 million at December 31, 2024, which included $536.0 million of time deposits assumed in the Merger. The remaining increase is due to the success of promotional offerings of up to 18-month terms.

Management evaluates its utilization of brokered deposits, taking into consideration the Bank's policies and the interest rate curve and balances this funding source with its funding needs based on growth initiatives. The Company anticipates that loan growth will be funded through deposit generation by offering competitive rates, as well as utilization of FHLB borrowings. Brokered money market deposit balances were $45.2 million and $8.1 million at December 31, 2025 and 2024, respectively. Brokered time deposits totaled $50.6 million and zero at December 31, 2025 and 2024, respectively.

The following table presents average deposits for years ended December 31, 2025, 2024 and 2023.

	2025	2024	2023
Non-interest bearing demand deposits	**$ 894,117**	$ 625,714	$ 470,349
Interest-bearing demand deposits	**2,464,745**	2,077,038	1,525,204
Savings deposits	**267,271**	223,183	198,157
Time deposits	**923,547**	732,446	338,170
Total deposits	**$ 4,549,680**	$ 3,658,381	$ 2,531,880

The Company had time deposits that met or exceeded the FDIC insurance limit of $250,000 of $147.8 million and $170.1 million at December 31, 2025 and 2024, respectively. At December 31, 2025, the scheduled maturities of time deposits that met or exceeded the FDIC insurance limit or otherwise uninsured were as follows:

Three months or less	**$ 25,457**
Over three months through six months	**50,807**
Over six months through one year	**68,292**
Over one year	**3,253**
Total	**$ 147,809**

Borrowings

In addition to deposits, the Company uses borrowing sources to meet liquidity needs and for temporary funding. Sources of short-term borrowings include the FHLB of Pittsburgh, federal funds purchased and the FRB discount window. Short-term borrowings also may include securities sold under agreements to repurchase with deposit clients, in which a client sweeps a portion of a deposit balance into a repurchase agreement, which is a secured borrowing with a pool of securities pledged against the balance.

The Company also utilizes long-term debt, consisting principally of FHLB fixed and amortizing advances, to fund its balance sheet with original maturities greater than one year. Prior to entering into long-term borrowings, the Company evaluates its funding needs, interest rate movements, the cost of options, and the availability of attractive structures.

On September 30, 2025, the Company redeemed its $32.5 million outstanding 6.0% fixed-to-floating rate subordinated notes due December 30, 2028. At redemption, the variable interest rate of three-month CME term SOFR rate, plus a spread adjustment of 0.26161% and a margin of 3.16%, on the subordinated debt was 7.72%. During the year ended December 31, 2025 and 2024, amortization expense of the debt issuance costs totaled $335 thousand and $81 thousand, respectively.

FHLB advances and other borrowings increased by $159.3 million to $274.7 million at December 31, 2025 compared to $115.4 million at December 31, 2024. The increase was due to higher utilization of borrowings during 2025 as lending and investing activities increased and due to the subordinated note redemption. The Bank seeks to maintain sufficient liquidity to ensure client needs can be addressed in a timely basis.

The Company assumed Codorus Valley's unsecured subordinated notes that were issued in December 2020 in the amount of $31.0 million. The subordinated notes had a fixed rate of interest equal to 4.50% until December 30, 2025. After that date, the variable rate of interest is equal to the three-month CME term SOFR rate plus 4.04%, which was 8.06% at December 31, 2025.

The Company also assumed junior subordinated trust preferred debt of $10.3 million from the Merger. In June 2006, Codorus Valley formed CVB Statutory Trust No. II, a wholly-owned special purpose entity whose sole purpose was to facilitate a pooled trust preferred debt issuance of $7.2 million with a stated maturity of July 7, 2036 and a variable rate of three-month CME term SOFR rate, plus a spread adjustment of 0.26161% and a margin of 1.54% through maturity. In November 2004, Codorus Valley formed CVB Statutory Trust No. I to facilitate a pooled trust preferred debt issuance of $3.1 million with a stated maturity of December 15, 2034 and a variable rate of three-month CME term SOFR rate, plus a spread adjustment of 0.26161% and a margin of 2.02% through maturity. For the year ended December 31, 2025 and 2024, the cost of the trust preferred debt, excluding the fair value mark, was 6.24% and 7.08%, respectively.

For additional information about borrowings, refer to Note 13, Short-Term Borrowings, Note 14, Long-Term Debt, and Note 15, Subordinated Notes, to the Consolidated Financial Statements appearing in Part II, Item 8, "Financial Statements and Supplementary Data."

Shareholders' Equity

Capital management in a regulated financial services industry must properly balance return on equity to its shareholders while maintaining sufficient levels of capital and related risk-based regulatory capital ratios to satisfy statutory regulatory requirements. The Company's capital management strategies have been developed to provide attractive rates of returns to its shareholders, while remaining "well-capitalized" under applicable banking regulations.

Shareholders' equity totaled $591.5 million at December 31, 2025, an increase of $74.9 million from $516.7 million at December 31, 2024. The increase in 2025 was primarily attributable to net income of $80.9 million, other comprehensive income of $11.1 million and the issuance of treasury shares for share-based compensation which increased shareholders' equity of $3.5 million, partially offset by dividends paid of $20.6 million.

For the year ended December 31, 2025, total comprehensive income was $92.0 million, an increase of $67.8 million from total comprehensive income of $24.2 million for the same period in 2024. This increase was primarily due to an increase in net income of $58.8 million and an increase in after-tax unrealized gains on AFS securities of $11.9 million, partially offset by an increase in after-tax unrealized losses on interest rate swaps designated as cash flow hedges of $2.2 million between the comparative periods. The increase in net unrealized gains on investment securities was primarily caused by a decline in market rates.

At December 31, 2025, book value per common share was $30.32 per share compared to $26.65 per share at December 31, 2024. Tangible book value per share increased from $21.19 per share at December 31, 2024 to $25.21 per share at December 31, 2025, primarily as a result of the increase in shareholders' equity from net income. See "Supplemental Reporting of Non-GAAP Measures."

On June 20, 2025, the Board of Directors of the Company authorized a share repurchase program pursuant to which the Company could repurchase up to 500,000 shares of its outstanding common stock in accordance with all applicable securities laws and regulations, including Rule 10b-18 of the Exchange Act, as amended. When and if appropriate, repurchases may be made in the open market or privately negotiated transactions, depending on market conditions, regulatory requirements and other corporate considerations, as determined by management. Share repurchases may not occur and may be discontinued at any time. For the year ended December 31, 2025, the Company repurchased 8,330 shares of its common stock. Common stock available for future repurchase totals 491,670 shares, or 2.5% of the Company's outstanding common stock at December 31, 2025.

The following table includes additional information for shareholders' equity for the years ended December 31, 2025, 2024 and 2023.

	2025	2024	2023
Average shareholders' equity	**$ 547,708**	$ 392,280	$ 243,334
Net income	**80,855**	22,050	35,663
Cash dividends paid	**20,643**	13,177	8,485
Average equity to average assets ratio	**10.08 %**	9.08 %	8.11 %
Dividend payout ratio	**25.17 %**	57.57 %	23.19 %
Return on average equity	**14.76 %**	5.62 %	14.66 %

Capital Adequacy and Regulatory Matters

Capital management in a regulated financial services industry must properly balance return on equity to its shareholders while maintaining sufficient levels of capital and related risk-based regulatory capital ratios to satisfy statutory regulatory requirements. The Company's capital management strategies have been developed to provide attractive rates of returns to its shareholders, while remaining "well-capitalized" under applicable banking regulations.

The Parent Company and the Bank both have met all capital adequacy requirements to which they are subject at December 31, 2025 and 2024. At December 31, 2025 and 2024, the Parent Company and the Bank were considered well-capitalized under applicable banking regulations.

The Company routinely evaluates its capital levels in light of its risk profile to assess its capital needs. The Company and the Bank are subject to various regulatory capital requirements administered by federal and state banking agencies. At December 31, 2025 and 2024, the Bank was considered well-capitalized under applicable banking regulations. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific guidelines that involve quantitative measures of assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting

practices. Prompt corrective action provisions are not applicable to bank holding companies, including financial holding companies.

In addition to the minimum capital ratio requirement and minimum capital ratio to be well-capitalized presented in the tables in Note 17, we must maintain a capital conservation buffer as noted in Item 1 - Business under the topic Basel III Capital Rules. At December 31, 2025, the Parent Company's and the Bank's capital conservation buffer, based on the most restrictive capital ratio, was 5.3% and 5.3%, respectively, which are above the regulatory requirement of 2.50% at December 31, 2025.

Tables presenting the Parent Company’s and the Bank’s capital amounts and ratios at December 31, 2025 and 2024 are included in Note 17, Shareholders' Equity and Regulatory Capital, to the Consolidated Financial Statements appearing in Part II, Item 8, "Financial Statements and Supplementary Data."

Liquidity and Rate Sensitivity

Liquidity. The primary function of asset/liability management is to ensure adequate liquidity and manage the Company’s sensitivity to changing interest rates. Liquidity management involves the ability to meet the cash flow requirements of clients who may be either depositors wanting to withdraw funds or borrowers needing assurance that sufficient funds will be available to meet their credit needs. The Company's primary sources of funds consist of deposit inflows, loan repayments, borrowings from the FHLB of Pittsburgh and maturities and prepayments of investment securities. While maturities and scheduled amortization of loans and investment securities are predictable sources of funds, deposit flows and mortgage prepayments are greatly influenced by general interest rates, economic conditions and competition.

The Company regularly adjusts its investments in liquid assets based upon its assessment of expected loan demand, expected deposit flows, yields available on interest-earning deposits and investment securities and the objectives of its asset/liability management policy. The Company's most liquid assets are cash and cash equivalents.

At December 31, 2025, cash and cash equivalents totaled $149.8 million compared with $248.9 million at December 31, 2024. The decrease of $99.1 million reflects the increase in the book value of investment securities of $107.2 million, the decrease in deposits of $94.3 million, the increase in loans of $89.5 million and the redemption of subordinated notes of $31.6 million, partially offset by an increase in FHLB advances and other borrowings and repurchase agreements of $158.0 million and net income of $80.9 million.

Unencumbered investment securities totaled $396.2 million at December 31, 2025 compared to $160.5 million at December 31, 2024. At December 31, 2025, the Company had $88.8 million of investment securities pledged at the FRB Discount Window with no associated borrowings outstanding compared to $15.9 million at December 31, 2024. The Company's maximum borrowing capacity from the FHLB of Pittsburgh was $2.0 billion, of which $275.0 million in advances and letters of credit were outstanding at December 31, 2025 compared to a maximum borrowing capacity of $1.9 billion and $116.6 million in advances and letters of credit outstanding at December 31, 2024. The increase was due to higher utilization of overnight borrowings during 2025 as lending and investing activities increased and also due to the subordinated note redemption.

The Company’s ability to borrow from the FHLB is dependent on having sufficient qualifying collateral, which generally consists of mortgage loans and mortgage-backed debt securities. In addition, the Company had $10.0 million in available unsecured lines of credit with one bank at December 31, 2025 compared to $20.0 million with two banks at December 31, 2024. The Bank regularly tests its various sources of funding to ensure accessibility.

At December 31, 2025, outstanding loan commitments totaled $1.5 billion, which included $350.7 million in undisbursed loans, $539.3 million in unused home equity lines of credit, $597.0 million in commercial lines of credit, and $37.2 million in letters of credit. Time deposits due within one year after December 31, 2025 totaled $807.2 million, or 89% of time deposits, which includes clients with longer-term time deposits nearing maturity and time deposits with promotional offers with terms of 18 months or less. If these maturing deposits do not remain with the Company, it may be required to seek other sources of funds, including other time deposits and lines of credit. The Company has the ability to attract and retain deposits by adjusting the interest rates it offers.

The Company is a separate legal entity from the Bank and must provide for its own liquidity. In addition to its operating expenses, the Company is responsible for paying any dividends declared to its shareholders and interest on its borrowings. The Company also has repurchased shares of its common stock. The Company’s primary source of income is dividends received from the Bank. Restrictions on the Bank’s ability to dividend funds to the Company are described in Note 17, Shareholders' Equity and Regulatory Capital, to the Consolidated Financial Statements under Part II, Item 8, "Financial Statements and Supplementary Data."

Interest Rate Sensitivity. Interest rate sensitivity management requires the maintenance of an appropriate balance between interest sensitive assets and liabilities. Management, through its asset/liability management process, attempts to manage the level of repricing and maturity mismatch so that fluctuations in net interest income are maintained within policy limits in current and expected market conditions. For further discussion, see Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk."

Contractual Obligations

The Company enters into contractual obligations in the normal course of business to fund loan growth, for asset/liability management purposes, to meet required capital needs and for other corporate purposes. The following table presents significant fixed and determinable contractual obligations of principal by payment date at December 31, 2025.

Further discussion of the nature of each obligation is in the referenced Note to the Consolidated Financial Statements under Part II, Item 8, "Financial Statements and Supplementary Data" referenced in the following table.

		Payments Due				
	Note Reference	**Less than 1 year**	**2-3 years**	**4-5 years**	**More than 5 years**	**Total**
Time deposits	**11**	**$ 807,154**	**$ 90,057**	**$ 3,666**	**$ 1,113**	**$ 901,990**
Short-term borrowings	**13**	**238,942**	**—**	**—**	**—**	**238,942**
FHLB advances	**14**	**—**	**60,000**	**—**	**—**	**60,000**
Financing lease liabilities	**14**	**80**	**160**	**93**	**—**	**333**
Subordinated notes	**15**	**—**	**—**	**31,000**	**—**	**31,000**
Trust preferred debt	**15**	**—**	**—**	**—**	**10,310**	**10,310**
Operating lease obligations	**6**	**1,700**	**3,209**	**2,743**	**14,087**	**21,739**
Total		**$ 1,047,876**	**$ 153,426**	**$ 37,502**	**$ 25,510**	**$ 1,264,314**

The contractual obligations table above does not include off-balance sheet commitments to extend credit that are detailed in the following section. These commitments generally have fixed expiration dates and many will expire without being drawn upon. Therefore, the total commitment does not necessarily represent future cash requirements and is excluded from the contractual obligations table.

Off-Balance Sheet Arrangements

The Company is party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its clients. These financial instruments include commitments to extend credit and standby letters of credit.

The following table details significant commitments at December 31, 2025:

	Contract or Notional Amount
Commitments to fund:	
Home equity lines of credit	**$ 539,336**
1-4 family residential construction loans	**93,905**
Commercial real estate, construction and land development loans	**256,806**
Commercial, industrial and other loans	**597,023**
Standby letters of credit	**37,241**

A discussion of the nature, business purpose, and guarantees that result from the Company’s off-balance sheet arrangements is included in Note 19, Financial Instruments with Off-Balance Sheet Risk, to the Consolidated Financial Statements under Part II, Item 8, "Financial Statements and Supplementary Data."

Recently Adopted and Recently Issued Accounting Standards

Recently adopted and recently issued accounting standards are described in Note 1, Summary of Significant Accounting Policies, to the Consolidated Financial Statements under Part II, Item 8, "Financial Statements and Supplementary Data."

Supplemental Reporting of Non-GAAP Measures

Management believes providing certain "non-GAAP" information will assist investors in their understanding of the effect on recent financial results from non-recurring charges.

As a result of acquisitions, the Company had intangible assets consisting of goodwill and core deposit and other intangible assets totaling $107.7 million, $115.9 million and $21.1 million at December 31, 2025, 2024 and 2023, respectively.

The Company incurred merger-related expenses of $2.6 million for the year ended December 31, 2025. For the year ended December 31, 2024, the Company incurred merger-related expenses of $22.7 million, a provision for non-PCD loans of $15.5 million, expenses for the retirement of an executive of $4.8 million and a provision for legal settlement of $478 thousand. During the year ended December 31, 2023, the Company incurred merger-related expenses of $1.1 million.

Tangible book value per common share and the impact of the merger-related and other non-recurring expenses on net income and associated ratios, as used by the Company in this supplemental reporting presentation, are determined by methods other than in accordance with GAAP. While the Company's management believes this information is a useful supplement to the GAAP-based measures reported in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, readers are cautioned that this non-GAAP disclosure has limitations as an analytical tool, should not be viewed as a substitute for financial measures determined in accordance with GAAP, and should not be considered in isolation or as a substitute for analysis of our results and financial condition as reported under GAAP, nor are such measures necessarily comparable to non-GAAP performance measures that may be presented by other companies. This supplemental presentation should not be construed as an inference that our future results will be unaffected by similar adjustments to be determined in accordance with GAAP.

The increase in tangible book value per share (non-GAAP) from December 31, 2024 to December 31, 2025 is primarily due to net income of $80.9 million, other comprehensive income of $11.1 million and the issuance of treasury shares for share-based compensation which increased shareholders' equity of $3.5 million, partially offset by dividends paid of $20.6 million. Other comprehensive income increased due to net unrealized gains on AFS securities, partially offset by net unrealized losses on interest rate swaps designated as hedging instruments.

The increase in tangible book value per share (non-GAAP) in 2024 compared to 2023 was primarily due to the goodwill and other intangibles from the Merger, partially offset by the increase in shareholders' equity from the common stock issued to acquire Codorus Valley of $233.4 million.

The following tables present the computation of each non-GAAP based measure shown together with its most directly comparable GAAP-based measure.

(Dollars, except per share amounts, and shares in thousands)	**2025**	**2024**	**2023**
Tangible book value per common share			
Shareholders' equity (most directly comparable GAAP-based measure)	**$ 591,535**	$ 516,682	$ 265,056
Less: Goodwill	**69,751**	68,106	18,724
Other intangible assets	**37,990**	47,765	2,414
Related tax effect	**(7,978)**	(10,031)	(507)
Tangible common equity (non-GAAP)	**$ 491,772**	$ 410,842	$ 244,425
Common shares outstanding	**19,507**	19,390	10,612
Book value per share (most directly comparable GAAP based measure)	**$ 30.32**	$ 26.65	$ 24.98
Intangible assets per share	**5.11**	5.46	1.95
Tangible book value per share (non-GAAP)	**$ 25.21**	$ 21.19	$ 23.03

Adjusted Net Income and Adjusted Diluted Earnings Per Share	December 31,		
(Dollars, except per share amounts, and shares in thousands)	**2025**	**2024**	**2023**
Net income (most directly comparable GAAP based measure)	**$ 80,855**	$ 22,050	$ 35,663
Plus: Merger-related expenses	**2,617**	22,671	1,059
Plus: Executive retirement expenses	**—**	4,793	—
Plus: Provision for credit losses on non-PCD loans	**—**	15,504	—
Plus: Provision for legal settlement	**—**	478	—
Total non-recurring expenses	**2,617**	43,446	1,059
Less: Related tax effect	**(590)**	(9,442)	(79)
Adjusted net income (non-GAAP)	**$ 82,882**	$ 56,054	$ 36,643
Weighted average shares - diluted (most directly comparable GAAP-based measure)	**19,355**	14,914	10,435
Diluted earnings per share (most directly comparable GAAP-based measure)	**4.18**	1.48	3.42
Weighted average shares - diluted (non-GAAP)	**19,355**	14,914	10,435
Diluted earnings per share, adjusted (non-GAAP)	**$ 4.28**	$ 3.76	$ 3.51

ITEM 7A – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk comprises exposure to interest rate risk, foreign currency exchange rate risk, commodity price risk, and other relevant market rate or price risks. In the banking industry, a major risk exposure is changing interest rates. The primary objective of monitoring our interest rate sensitivity, or risk, is to provide management the tools necessary to manage the balance sheet to minimize adverse changes in net interest income as a result of changes in the direction and level of interest rates. FRB monetary control efforts, the effects of deregulation, economic uncertainty and legislative changes have been significant factors affecting the task of managing interest rate sensitivity positions in recent years.

Interest Rate Risk

Interest rate risk represents the potential impact of changes in market interest rates on the Bank’s net interest income over the short term and on the economic value of its balance sheet over the longer term. This risk arises primarily from differences in the timing and magnitude of repricing between interest-earning assets and interest-bearing liabilities, as well as from customer behaviors such as loan prepayments and deposit repricing sensitivity.

We attempt to manage the level of repricing and maturity mismatch through our asset/liability management process so that fluctuations in net interest income are maintained within policy limits across a range of market conditions, while satisfying liquidity and capital requirements. Management recognizes that assuming a measured level of interest rate risk is inherent to banking and necessary to support sustainable profitability. Accordingly, the Bank seeks to balance earnings stability with acceptable exposure to changes in market interest rates, rather than eliminate interest rate risk entirely. Thus, the goal of interest rate risk management is to evaluate the amount of reward for taking risk and adjusting both the size and composition of the balance sheet relative to the level of reward available for taking risk.

Management endeavors to control the exposure to changes in interest rates by understanding, reviewing and making decisions based on its risk position. The Bank manages its interest rate risk through a combination of balance sheet structure and selective use of funding and hedging instruments, including the composition and duration of the investment securities portfolio, the maturity structure of FHLB advances, interest rate swaps and brokered deposits. Additionally, pricing, promotion and product development activities are directed in an effort to emphasize the loan and deposit term or repricing characteristics that best meet current interest rate risk objectives.

We use simulation analysis to assess earnings at risk and net present value analysis to assess value at risk. These methods allow management to regularly monitor both the direction and magnitude of our interest rate risk exposure. These analyses require numerous assumptions including, but not limited to, changes in balance sheet mix, prepayment rates on loans and securities, cash flows and repricing of all financial instruments, changes in volumes and pricing, future shapes of the yield curve, relationship of market interest rates to each other (basis risk), credit spread and deposit sensitivity. Assumptions are based on management’s best estimates, but may not accurately reflect actual results under certain changes in interest rate due to the timing, magnitude and frequency of rate changes and changes in market conditions and management strategies, among other

factors. However, the analyses are useful in quantifying risk and providing a relative gauge of our interest rate risk position over time.

Our asset/liability committee operates under management policies, approved by the Board of Directors, which define guidelines and limits on the level of risk. The committee meets regularly and reviews our interest rate risk position and monitors various liquidity ratios to ensure a satisfactory liquidity position. By utilizing our analyses, we can determine changes that may need to be made to the asset and liability mixes to mitigate the change in net interest income under various interest rate scenarios. Management continually evaluates the condition of the economy, the pattern of market interest rates and other economic data to inform the committee on the selection of investment securities. Regulatory authorities also monitor our interest rate risk position along with other liquidity ratios.

Net Interest Income Sensitivity

Simulation analysis evaluates the effect of upward and downward changes in market interest rates on future net interest income. The analysis involves changing the interest rates used in determining net interest income over the next twelve months. The resulting percentage change in net interest income in various rate scenarios is an indication of our short-term interest rate risk. The analysis assumes recent pricing trends in new loan and deposit volumes will continue while balances remain constant. Additional assumptions are applied to modify pricing under the various rate scenarios.

The simulation analysis results are presented in the table below. At December 31, 2025, the Bank is asset sensitive, meaning that, over the modeled twelve-month horizon, changes in market interest rates are expected to affect interest-earning assets more rapidly than interest-bearing liabilities. As a result, increases in market interest rates are projected to have a favorable impact on net interest income, while decreases in rates are projected to reduce net interest income. Funding costs in the down-rate scenarios are modeled to decline more slowly than in prior rate-reduction cycles, reflecting competitive deposit pricing dynamics and continued reliance on market-based funding sources. If funding costs were to reprice downward more rapidly than assumed, the negative impact on net interest income in declining rate scenarios would be mitigated. Should those costs come down faster than modeled, improved performance in the rates down scenarios would be expected.

Economic Value

Net present value analysis provides information on the risk inherent in the balance sheet that might not be considered in the simulation analysis due to the short time horizon used in that analysis. The net present value of the balance sheet incorporates the discounted present value of expected asset cash flows minus the discounted present value of expected liability cash flows. The analysis involves changing the interest rates used in determining the expected cash flows and in discounting the cash flows. The resulting percentage change in net present value in various rate scenarios is an indication of the longer-term repricing risk and options embedded in the balance sheet.

The results at December 31, 2025 and 2024 reflect the impact of the FOMC's interest rate changes in effect at the end of each period. Funding cost, the level of interest rates, infrastructure cost and repricing speed will continue to be factors in the results of the model. The behavior of the business and retail clients also varies across the rate scenarios, which is reflected in the results for both periods. To improve comparability across periods, the Bank strives to follow best practices related to the assumption setting and maintains the size and mix of the period end balance sheet; thus, the results do not reflect actions management may take through the normal course of business that would impact results.

Earnings at Risk			**Value at Risk**		
	% Change in Net Interest Income			% Change in Market Value	
Change in Market Interest Rates	December 31, 2025	December 31, 2024	Change in Market Interest Rates	December 31, 2025	December 31, 2024
(200)	**(7.0)%**	(2.5)%	**(200)**	**(13.6)%**	(7.9)%
(100)	**(2.5)%**	(0.5)%	**(100)**	**(4.7)%**	(2.1)%
100	**2.6 %**	2.6 %	**100**	**2.2 %**	0.4 %
200	**4.9 %**	4.3 %	**200**	**2.9 %**	(0.7)%

Further discussion related to the quantitative and qualitative disclosures about market risk is included under the heading of Liquidity and Rate Sensitivity in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations.

ITEM 8 – FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

SUMMARY OF QUARTERLY FINANCIAL DATA

The following table presents unaudited quarterly results of operations for years ended December 31:

	2025 Quarter Ended				2024 Quarter Ended			
	December	September	June	March	December	September	June	March
Interest income	$ 76,260	$ 77,122	$ 74,833	$ 75,519	$ 80,015	$ 82,987	$ 43,281	$ 42,650
Interest expense	25,729	26,134	25,321	26,758	29,442	31,290	17,178	15,769
Net interest income	50,531	50,988	49,512	48,761	50,573	51,697	26,103	26,881
Provision for (recovery of) credit losses on loans and unfunded loan commitments	75	396	109	(554)	1,755	13,681	812	298
Net interest income after provision for (recovery of) credit losses	50,456	50,592	49,403	49,315	48,818	38,016	25,291	26,583
Investment securities gains (losses)	95	50	8	13	(5)	271	(12)	(5)
Other noninterest income	14,297	13,332	12,907	11,611	11,252	12,115	7,184	6,635
Merger-related expenses	—	—	968	1,649	3,887	16,977	1,135	672
Provision for legal settlement	—	—	—	—	478	—	—	—
Restructuring expenses	—	—	—	91	39	257	—	—
Other noninterest expenses	37,355	36,297	36,646	36,436	38,526	43,322	21,504	21,797
Income (loss) before income tax expense (benefit)	27,493	27,677	24,704	22,763	17,135	(9,897)	9,824	10,744
Income tax expense (benefit)	6,002	5,812	5,256	4,712	3,451	(1,994)	2,086	2,213
Net income (loss)	$ 21,491	$ 21,865	$ 19,448	$ 18,051	$ 13,684	$ (7,903)	$ 7,738	$ 8,531
Per share information:								
Basic earnings (loss) per share (a)	$ 1.12	$ 1.14	$ 1.01	$ 0.94	$ 0.72	$ (0.41)	$ 0.74	$ 0.82
Diluted earnings (loss) per share (a)	1.11	1.13	1.01	0.93	0.71	(0.41)	0.73	0.81
Dividends paid per share	0.27	0.27	0.26	0.26	0.23	0.23	0.20	0.20

(a) Sum of the quarters may not equal the total year due to rounding.

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Management's Report on Internal Control Over Financial Reporting

The management of Orrstown Financial Services, Inc., together with its consolidated subsidiaries (the "Company"), has the responsibility for establishing and maintaining an adequate internal control structure and procedures for financial reporting. Management maintains a comprehensive system of internal control to provide reasonable assurance of the proper authorization of transactions, the safeguarding of assets and the reliability of the financial records. The system of internal control provides for appropriate division of responsibility and is documented by written policies and procedures that are communicated to employees. The Company maintains an internal auditing program, under the supervision of the Audit Committee of the Board of Directors, which independently assesses the effectiveness of the system of internal control and recommends possible improvements.

Under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, the Company has evaluated the effectiveness of its internal control over financial reporting at December 31, 2025, using the *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based upon this evaluation, management has concluded that, at December 31, 2025, the Company's internal control over financial reporting is effective based on the criteria established in *Internal Control-Integrated Framework (2013)*.

Crowe LLP, an independent registered public accounting firm, has audited the effectiveness of the Company's internal control over financial reporting as of December 31, 2025, as stated in their report dated March 12, 2026.

/s/ Thomas R. Quinn, Jr.	/s/ Neelesh Kalani
Thomas R. Quinn, Jr.	Neelesh Kalani
President and Chief Executive Officer	Executive Vice President and Chief Financial Officer

March 12, 2026

Crowe LLP
Independent Member Crowe Global

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Shareholders and Board of Directors of Orrstown Financial Services, Inc.
Harrisburg, Pennsylvania

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Orrstown Financial Services, Inc. (the "Company") as of December 31, 2025 and 2024, the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2025, and the related notes (collectively referred to as the "financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control – Integrated Framework: (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2025 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control – Integrated Framework: (2013) issued by COSO.

Basis for Opinions

The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall

presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

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

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

Critical Audit Matters

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

Allowance for Credit Losses – Qualitative Risk Factors

The allowance for credit losses (the "ACL") as described in Notes 1 and 4 of the consolidated financial statements is an accounting estimate of expected credit losses over the life of loans. The Company's loan portfolio, measured at amortized cost, is required to be presented at the net amount expected to be collected. Estimates of expected credit losses for loans are based on historical experience, current conditions and reasonable and supportable forecasts over the life of the loans.

The Company measures expected credit losses based on loans collectively evaluated when similar risk characteristics exist primarily utilizing a discounted cash flow ("DCF") model for the quantitative portion. Based on management's analysis, adjustments may be applied for additional factors impacting the risk of loss in the loan portfolio beyond the quantitatively calculated reserve calculated on collectively evaluated loans. As the quantitative reserve calculation incorporates historical conditions, management may consider an additional or reduced reserve is warranted through qualitative risk factors based on current and expected conditions.

We identified the auditing of the qualitative risk factors as a critical audit matter because of the significant auditor judgment applied and significant audit effort required to evaluate the subjective and complex judgments made by management related to the qualitative risk factors.

The primary procedures performed to address the critical audit matter included:

- Testing the effectiveness of management's controls addressing the:
  - Evaluation of the relevance and reliability of data used in determination of the qualitative risk factors.
  - Evaluation of the reasonableness of the assumptions and judgments used in the determination of qualitative risk factors.
- Substantive testing included:
  - Evaluating the appropriateness of the Company's methodology applied in determining the qualitative risk factors.
  - Evaluating the reasonableness of management's assumptions and judgments used in developing the qualitative framework and used in determining the qualitative risk factors.
  - Evaluating the relevance and reliability of data used by management in determining the qualitative risk factors.
  - Testing the mathematical application of the qualitative risk factors within the ACL model.

/s/ Crowe LLP

We have served as the Company's auditor since 2014.

Washington, D.C.

March 12, 2026

Consolidated Balance Sheets
ORRSTOWN FINANCIAL SERVICES, INC.

(Dollars in thousands, except per share amounts)	December 31, 2025	December 31, 2024
Assets		
Cash and due from banks	**$ 42,083**	$ 51,026
Interest-bearing deposits with banks	**107,691**	197,848
Cash and cash equivalents	**149,774**	248,874
Restricted investments in bank stocks	**26,717**	20,232
Securities available-for-sale (amortized cost of $972,138 and $864,920 at December 31, 2025 and 2024, respectively)	**952,740**	829,711
Loans held for sale, at fair value	**6,090**	6,614
Loans	**4,020,693**	3,931,214
Less: Allowance for credit losses	**(47,681)**	(48,689)
Net loans	**3,973,012**	3,882,525
Premises and equipment, net	**51,029**	50,217
Cash surrender value of life insurance	**146,994**	143,854
Goodwill	**69,751**	68,106
Other intangible assets, net	**37,990**	47,765
Accrued interest receivable	**21,473**	21,058
Deferred tax assets, net	**33,931**	42,647
Other assets	**72,754**	79,986
Total assets	**$ 5,542,255**	$ 5,441,589
Liabilities		
Deposits:		
Noninterest-bearing	**$ 870,906**	$ 894,176
Interest-bearing	**3,657,868**	3,728,920
Total deposits	**4,528,774**	4,623,096
Securities sold under agreements to repurchase and federal funds purchased	**24,542**	25,863
FHLB advances and other borrowings	**274,701**	115,364
Subordinated notes and trust preferred debt	**37,122**	68,680
Other liabilities	**85,581**	91,904
Total liabilities	**4,950,720**	4,924,907
Commitments and contingencies		
Shareholders' Equity		
Preferred stock, $1.25 par value per share; 500,000 shares authorized; no shares issued or outstanding	**—**	—
Common stock, no par value—$0.05205 stated value per share 50,000,000 shares authorized; 19,711,628 shares issued and 19,507,208 outstanding at December 31, 2025; 19,722,640 shares issued and 19,389,967 outstanding at December 31, 2024	**1,026**	1,027
Additional paid—in capital	**424,596**	423,274
Retained earnings	**186,752**	126,540
Accumulated other comprehensive loss	**(15,201)**	(26,316)
Treasury stock— 204,420 and 332,673 shares, at cost, at December 31, 2025 and 2024, respectively	**(5,638)**	(7,843)
Total shareholders' equity	**591,535**	516,682
Total liabilities and shareholders' equity	**$ 5,542,255**	$ 5,441,589

The Notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated Statements of Income
ORRSTOWN FINANCIAL SERVICES, INC.

(Dollars in thousands, except per share amounts)	Years Ended December 31, 2025	2024	2023
Interest income			
Loans	**$ 256,630**	$ 210,287	$ 126,595
Investment securities - taxable	**37,668**	27,361	18,031
Investment securities - tax-exempt	**3,515**	3,521	3,462
Short term investments	**5,921**	7,764	1,809
Total interest income	**303,734**	248,933	149,897
Interest expense			
Deposits	**92,338**	84,234	37,510
Securities sold under agreements to repurchase and federal funds purchased	**402**	215	114
FHLB advances and other borrowings	**6,310**	4,945	5,350
Subordinated notes and trust preferred debt	**4,892**	4,285	2,017
Total interest expense	**103,942**	93,679	44,991
Net interest income	**199,792**	155,254	104,906
Provision for credit losses - loans	**126**	17,408	1,682
Recovery of credit losses - unfunded loan commitments	**(100)**	(862)	—
Net interest income after net provision for credit losses	**199,766**	138,708	103,224
Noninterest income			
Service charges on deposit accounts	**8,102**	5,327	3,949
Interchange income	**6,041**	5,259	3,873
Other service charges, commissions and fees	**3,145**	1,566	917
Swap fee income	**2,991**	1,676	1,039
Trust and investment management income	**14,975**	11,501	7,691
Brokerage income	**6,723**	4,852	3,649
Mortgage banking activities	**1,805**	1,835	591
Income from life insurance	**5,402**	3,866	2,482
Investment securities gains (losses)	**166**	249	(47)
Other income	**2,963**	1,304	1,508
Total noninterest income	**52,313**	37,435	25,652
Noninterest expenses			
Salaries and employee benefits	**85,171**	76,581	50,983
Occupancy	**7,474**	5,978	4,342
Furniture and equipment	**9,504**	8,592	5,251
Data processing	**4,297**	6,088	4,913
Automated teller and interchange fees	**3,194**	2,281	1,252
Advertising and bank promotions	**2,291**	2,587	2,157
FDIC insurance	**2,833**	2,677	1,960
Professional services	**7,492**	4,142	2,905
Directors' compensation	**1,222**	783	915
Taxes other than income	**2,639**	734	1,050
Intangible asset amortization	**9,765**	5,742	953

(continued)

	Years Ended December 31,		
	2025	2024	2023
Merger-related expenses	**2,617**	22,671	1,059
Provision for legal settlement	**—**	478	—
Restructuring expenses	**91**	296	—
Other operating expenses	**10,852**	8,707	6,103
Total noninterest expenses	**149,442**	148,337	83,843
Income before income tax expense	**102,637**	27,806	45,033
Income tax expense	**21,782**	5,756	9,370
Net income	**$ 80,855**	$ 22,050	$ 35,663
Per share information:			
Basic earnings per share	**$ 4.21**	$ 1.49	$ 3.45
Diluted earnings per share	**4.18**	1.48	3.42
Dividends paid per share	**1.06**	0.86	0.80

The Notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated Statements of Comprehensive Income
ORRSTOWN FINANCIAL SERVICES, INC.

(Dollars in thousands)	Years Ended December 31, 2025	2024	2023
Net income	**$ 80,855**	$ 22,050	$ 35,663
Other comprehensive income (loss), net of tax:			
Unrealized gains on securities available-for-sale arising during the period	**15,928**	542	13,936
Reclassification adjustment for (gains) losses realized in net income	**(117)**	(181)	44
Net unrealized gains on securities available-for-sale	**15,811**	361	13,980
Tax effect	**(3,599)**	(82)	(3,075)
Total other comprehensive income, net of tax and reclassification adjustments on securities available-for-sale	**12,212**	279	10,905
Unrealized (losses) gains on interest rate swaps used in cash flow hedges	**(1,354)**	1,429	682
Reclassification adjustment for losses realized in net income	**—**	—	—
Net unrealized (losses) gains on interest rate swaps used in cash flow hedges	**(1,354)**	1,429	682
Tax effect	**308**	(325)	(150)
Total other comprehensive (loss) income, net of tax and reclassification adjustments on interest rate swaps used in cash flow hedges	**(1,046)**	1,104	532
Change in tax rate	**(51)**	777	—
Total other comprehensive income, net of tax and reclassification adjustments	**11,115**	2,160	11,437
Total comprehensive income	**$ 91,970**	$ 24,210	$ 47,100

The Notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated Statements of Changes in Shareholders' Equity

ORRSTOWN FINANCIAL SERVICES, INC.

(Dollars in thousands, except per share amounts)	Years Ended December 31, 2025, 2024 and 2023					
	Common Stock	**Additional Paid-In Capital**	**Retained Earnings**	**Accumulated Other Comprehensive Loss**	**Treasury Stock**	**Total Shareholders' Equity**
Balance, January 1, 2023	$ 584	$ 189,264	$ 92,473	$ (39,913)	$ (13,512)	$ 228,896
Cumulative effect of change in accounting principle (Note 4)	—	—	(1,984)	—	—	(1,984)
Net income	—	—	35,663	—	—	35,663
Total other comprehensive income, net of taxes	—	—	—	11,437	—	11,437
Cash dividends ($0.80 per share)	—	—	(8,485)	—	—	(8,485)
Share-based compensation plans:						
24,643 net common shares acquired and 34,380 net treasury shares acquired, including compensation expense totaling $2,356	(1)	(237)	—	—	(233)	(471)
Balance, December 31, 2023	583	189,027	117,667	(28,476)	(13,745)	265,056
Net income	—	—	22,050	—	—	22,050
Total other comprehensive income, net of taxes	—	—	—	2,160	—	2,160
Cash dividends ($0.86 per share)	—	—	(13,177)	—	—	(13,177)
Issuance of stock (8,532,038 common shares) to acquire Codorus Valley Bancorp, Inc.	444	232,983	—	—	—	233,427
Share-based compensation plans:						
13,997 net common shares acquired and 259,536 net treasury shares issued, including compensation expense totaling $8,719	—	1,264	—	—	5,902	7,166
Balance, December 31, 2024	**1,027**	**423,274**	**126,540**	**(26,316)**	**(7,843)**	**516,682**
Net income	**—**	**—**	**80,855**	**—**	**—**	**80,855**
Total other comprehensive income, net of taxes	**—**	**—**	**—**	**11,115**	**—**	**11,115**
Cash dividends ($1.06 per share)	**—**	**—**	**(20,643)**	**—**	**—**	**(20,643)**
Share-based compensation plans:						
11,012 net common shares acquired and 128,253 net treasury shares issued, including compensation expense totaling $5,013	**(1)**	**1,322**	**—**	**—**	**2,205**	**3,526**
Balance, December 31, 2025	**$ 1,026**	**$ 424,596**	**$ 186,752**	**$ (15,201)**	**$ (5,638)**	**$ 591,535**

The Notes to Consolidated Financial Statements are an integral part of these statements.

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Consolidated Statements of Cash Flows
ORRSTOWN FINANCIAL SERVICES, INC.

(Dollars in thousands)	Years Ended December 31, 2025	2024	2023
Cash flows from operating activities			
Net income	**$ 80,855**	$ 22,050	$ 35,663
Adjustments to reconcile net income to net cash provided by operating activities:			
Net (discount accretion) premium amortization	**(23,391)**	(12,523)	2,040
Depreciation and amortization expense	**15,271**	9,690	4,340
Provision for credit losses - loans	**126**	17,408	1,682
Recovery of credit losses - unfunded loan commitments	**(100)**	(862)	—
Share-based compensation	**5,013**	8,719	2,356
Gains on sales of loans originated for sale	**(1,287)**	(810)	(283)
Fair value adjustment on loans held for sale	**3**	(131)	323
Mortgage loans originated for sale	**(58,611)**	(43,928)	(18,437)
Proceeds from sales of loans originated for sale	**60,419**	44,071	23,461
Net gain on disposal of OREO and premises held for sale	**(119)**	—	(436)
Net loss on disposal of premises and equipment	**19**	381	252
Deferred income tax (benefit)	**5,999**	(867)	(651)
Investment securities (gains) losses	**(166)**	(249)	47
Provision for legal settlement	**—**	478	—
Net losses (gains) on derivatives	**272**	(276)	373
Income from life insurance	**(5,402)**	(3,866)	(2,482)
Premium on branch sale	**—**	—	(1,102)
Decrease (increase) in accrued interest receivable and other assets	**5,429**	(10,610)	1,571
(Decrease) increase in accrued interest payable and other liabilities	**(10,805)**	4,165	(5,651)
Other, net	**1,209**	2,119	635
Net cash provided by operating activities	**74,734**	34,959	43,701
Cash flows from investing activities			
Proceeds from sales of AFS securities	**83,876**	162,669	22,006
Maturities, repayments and calls of AFS securities	**85,213**	76,054	34,989
Purchases of AFS securities	**(272,279)**	(227,979)	(45,565)
Net cash and cash equivalents received from acquisitions	**—**	45,280	—
Net purchases of restricted investments in bank stocks	**(6,485)**	(7,072)	(1,350)
Net (increase) decrease in loans	**(69,561)**	19,725	(145,301)
Proceeds from sales of portfolio loans	**—**	7,036	—
Investment in limited partnerships, net	**(1,538)**	(7,764)	(871)
Purchases of bank premises and equipment	**(4,235)**	(1,582)	(2,293)
Proceeds from disposal of OREO and premises held for sale	**2,182**	—	2,536
Proceeds from disposal of bank premises and equipment	**18**	—	43
Net cash paid in branch sale	**—**	—	(17,641)
Purchases of bank owned life insurance	**—**	(5,000)	—
Death benefit proceeds from life insurance contracts	**864**	—	342
Other	**(15)**	(374)	(143)
Net cash (used in) provided by investing activities	**(181,960)**	60,993	(153,248)

(continued)

(Dollars in thousands)	Years Ended December 31, 2025	2024	2023
Cash flows from financing activities			
Net (decrease) increase in deposits	**(95,260)**	116,884	101,302
Net decrease (increase) in borrowings with original maturities less than 90 days	**38,079**	(14,365)	(14,650)
Proceeds from FHLB advances with original maturities greater than 90 days	**135,000**	—	40,000
Payments on FHLB advances with original maturities greater than 90 days	**(15,000)**	—	(1,455)
Payments on subordinated notes	**(32,500)**	—	—
Dividends paid	**(20,643)**	(13,177)	(8,485)
Acquisition of treasury stock	**(263)**	—	(2,585)
Shares repurchased as treasury stock for employee taxes associated with restricted stock vesting	**(2,009)**	(2,393)	(378)
Proceeds from issuance of employee stock purchase plan shares	**151**	267	136
Other	**571**	545	—
Net cash provided by financing activities	**8,126**	87,761	113,885
Net (decrease) increase in cash and cash equivalents	**(99,100)**	183,713	4,338
Cash and cash equivalents at beginning of year	**248,874**	65,161	60,823
Cash and cash equivalents at end of year	**$ 149,774**	$ 248,874	$ 65,161

(Dollars in thousands)	Years Ended December 31, 2025	2024	2023
Supplemental disclosure of cash flow information:			
Cash paid during the year for:			
Interest	**$ 103,369**	$ 93,315	$ 42,888
Income taxes	**9,100**	9,625	7,450
Supplemental schedule of noncash investing and financing activities:			
OREO acquired in settlement of loans	**—**	—	85
Premises and equipment transferred to held for sale	**—**	1,925	—
Lease liabilities arising from obtaining ROU assets	**2,008**	—	2,416
Noncash transactions related to merger:			
Assets acquired	**—**	2,156,831	—
Liabilities assumed	**—**	2,018,067	—

The Notes to Consolidated Financial Statements are an integral part of these statements.

Notes to Consolidated Financial Statements

(All dollar amounts presented in the tables, except share and per share amounts, are in thousands)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

See the Glossary of Defined Terms at the beginning of this Report for terms used throughout the consolidated financial statements and related notes of this Form 10-K.

Nature of Operations – Orrstown Financial Services, Inc. is a financial holding company that operates Orrstown Bank, a commercial bank providing banking and financial advisory services in Berks, Cumberland, Dauphin, Franklin, Lancaster, Perry and York Counties, Pennsylvania, and in Anne Arundel, Baltimore, Harford, Howard and Washington Counties, Maryland. The Company operates in the community banking segment and engages in lending activities, including commercial, residential, commercial mortgages, construction, municipal, and various forms of consumer lending, and deposit services, including checking, savings, time, and money market deposits. The Company's lending area also includes counties in Pennsylvania, Maryland, Delaware, Virginia and West Virginia within a 75-mile radius of the Company's executive and administrative offices as well as the District of Columbia. The Company also provides fiduciary services, investment advisory, insurance and brokerage services. The Company and the Bank are subject to regulation by certain federal and state agencies and undergo periodic examinations by such regulatory authorities.

Basis of Presentation – The accompanying consolidated financial statements include the accounts of Orrstown Financial Services, Inc. and its wholly owned subsidiary, the Bank. The accounting and reporting policies of the Company conform to GAAP and, where applicable, to accounting and reporting guidelines prescribed by bank regulatory authorities. All significant intercompany transactions and accounts have been eliminated. Certain reclassifications have been made to prior years' amounts to conform with current year classifications. These reclassifications did not have a material impact on the Company's statement of consolidated cash flows.

The Company's management has evaluated all activity of the Company and concluded that subsequent events are properly reflected in the Company's consolidated financial statements and notes as required by GAAP.

To prepare financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions based on available information. These estimates and assumptions affect the amounts reported in the financial statements and the disclosures provided, and actual results could differ.

Acquisition Accounting - The Company accounts for its mergers and acquisitions using the acquisition method of accounting under the provisions of the FASB ASC Topic 805, Business Combinations ("805"). Under ASC 805, all of the assets acquired and liabilities assumed in a business combination are recognized at their acquisition-date fair value, while transaction costs and restructuring costs associated with the business combination are expensed as incurred. The determination of fair values involves significant judgment regarding methods and assumptions, including discount rates, future expected cash flows, market conditions and other future events. The excess of the merger consideration over the fair value of assets acquired and liabilities assumed, if any, is allocated to goodwill. The results of operations of the acquired entity are included in the consolidated statements of income from the acquisition date. In accordance with business combination accounting guidance, for the Merger, the Company reviewed and evaluated the fair values of the assets and liabilities acquired for the permissible period of up to one year following the merger date of July 1, 2024. Any such adjustments were recorded to goodwill and are reflected in the consolidated balance sheets. The measurement period to finalize the fair values of the acquired assets and assumed liabilities ended on June 30, 2025. No further adjustments to the fair values were recorded subsequent to twelve months following the Merger date.

Concentration of Credit Risk – The Company grants commercial, residential, construction, municipal, and various forms of consumer lending to clients primarily in its market area in south central Pennsylvania and in the greater Baltimore region and Washington County, Maryland. The Company's lending area also includes counties in Pennsylvania, Maryland, Delaware, Virginia and West Virginia within a 75-mile radius of the Company's executive and administrative offices as well as the District of Columbia. Therefore, the Company's exposure to credit risk is significantly affected by changes in the economy in those areas. Although the Company maintains a diversified loan portfolio, a significant portion of its clients' ability to honor their contracts is dependent upon economic sectors for commercial real estate, including office space, retail strip centers, sales finance, sub-dividers and developers, and multi-family, hospitality, and residential building operators. Management evaluates each client's creditworthiness on a case-by-case basis. The amount of collateral obtained upon the extension of credit is based on management's credit evaluation of the client. Types of collateral held varies, but generally include real estate and equipment.

The types of securities the Company invests in are included in Note 3, Investment Securities, and the types of lending the Company engages in are included in Note 4, Loans and Allowance for Credit Losses.

Cash and Cash Equivalents – Cash and cash equivalents include cash, balances due from banks, federal funds sold and interest-bearing deposits due on demand, all of which have original maturities of 90 days or less. Restricted cash represents cash that are not available due to restrictions related to its use, which may include cash collateral provided to third parties related interest rate swap pledge agreements and compensating balances held at a U.S. depository institution for ATM services. At December 31, 2025 and 2024, the Company had cash collateral of $8.0 million and $6.7 million with the third parties for certain of these derivatives, respectively, and compensating balances for ATM services totaled $4.4 million and zero, respectively. Net cash flows are reported for client loan and deposit transactions, loans held for sale, redemption (purchases) of restricted investments in bank stocks, and short-term borrowings.

Under the FRB regulations, the Bank generally had been required to maintain cash reserves against specified deposit liabilities. The FRB issued a final rule on December 22, 2020 that amended Regulation D by lowering the reserve requirement on all net transaction accounts maintained at depository institutions to 0%. Effective January 1, 2025, the FRB established the new reserve requirement exemption amount and low reserve tranche, but will not elevate the current reserve percentage above zero for depository institutions.

Balances with correspondent banks may, at times, exceed federally insured limits. The Company considers this to be a normal business risk and reviews the financial condition of its correspondent banks on a quarterly basis.

Restricted Investments in Bank Stocks – Restricted investments in bank stocks consist of Federal Reserve Bank of Philadelphia stock, FHLB of Pittsburgh stock and Atlantic Community Bankers Bank stock. Federal law requires a member institution of the district Federal Reserve Bank and FHLB to hold stock according to predetermined formulas. Atlantic Community Bankers Bank requires its correspondent banking institutions to hold stock as a condition of membership. The restricted investment in bank stocks is carried at cost. On a quarterly basis, management evaluates the bank stocks for impairment based on assessment of the ultimate recoverability of cost rather than by recognizing temporary declines in value. The determination of whether a decline affects the ultimate recoverability of cost is influenced by criteria such as operating performance, liquidity, funding and capital positions, stock repurchase history, dividend history, and impact of legislative and regulatory changes.

Investment Securities – AFS securities include investments that management intends to use as part of its asset/liability management strategy. The Company typically classifies debt securities as AFS on the date of purchase. At December 31, 2025 and 2024, the Company had no held-to-maturity or trading securities. AFS securities are reported at fair value. Interest income and dividends on debt securities are recognized in interest income on an accrual basis. Purchase premiums and discounts on debt securities are amortized to interest income using the interest method over the terms of the investment securities and approximate the level yield method. Changes in unrealized gains and losses, net of related deferred taxes, for AFS securities are recorded in AOCI. Realized gains and losses on investment securities are recorded on the trade date using the specific identification method and are included in noninterest income on the consolidated statements of income.

The Company’s securities are exposed to various risks, such as interest rate risk, market risk, and credit risk. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment securities reported in the consolidated financial statements.

Investment securities may be sold in response to changes in interest rates, changes in prepayment rates and other factors. Under ASC 326-30, *Financial Instruments - Credit Losses*, the Company is required to conduct an impairment evaluation on AFS securities to determine whether the Company has the intent to sell the security or it is more likely than not that it will be required to sell the security before recovery. If these situations apply, the guidance continues to require the Company to reduce the security's amortized cost basis down to its fair value through earnings. The Company also evaluates the unrealized losses on AFS securities to determine if a security's decline in fair value below its amortized cost basis is due to credit factors. The evaluation is based upon factors such as the creditworthiness of the underlying borrowers, performance of the underlying collateral, if applicable, and the level of credit support in the security structure. Management also evaluates other factors and circumstances that may be indicative of a decline in the fair value of the security due to a credit factor. This includes, but is not limited to, an evaluation of the type of security, length of time and extent to which the fair value has been less than cost and near-term prospects of the issuer. If this assessment indicates that a credit loss exists, the present value of the expected cash flows of the security is 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, an ACL is recorded for the credit loss, which is limited by the amount that the fair value is less than the amortized cost basis. Any additional amount of loss would be due to non-credit factors and is recorded in AOCI, net of taxes. If a credit loss is recognized in earnings, subsequent improvements to the expectation of collectability will be recognized through the ACL. If the fair value of the security increases above its amortized cost, the unrealized gain will be recorded in AOCI, net of taxes, on the unaudited condensed consolidated statements of financial condition. Accrued interest receivable on AFS securities is excluded from the estimate of credit losses.

The Company considers the unrealized losses on the AFS securities to be related to fluctuations in market conditions, primarily interest rates, and not reflective of deterioration in credit. In addition, the Company maintains that it has the intent and ability to hold these AFS securities until the amortized cost is recovered and it is more likely than not that any of AFS securities in an unrealized loss position would not be required to be sold.

Loans Held-for-Sale – The Company has elected to record the mortgage loans held for sale portfolio at fair market value as opposed to the lower of cost or market. The Company economically hedges its residential loans held for sale portfolio with forward sale agreements, which are reported at fair value. A lower of cost or market accounting treatment would not allow the Company to record the excess of the fair market value over book value, but would require the Company to record the corresponding reduction in value on the hedges. Both the loans and related hedges are carried at fair value, which reduces earnings volatility as the amounts more closely offset, particularly in environments when interest rates are declining. For loans held-for-sale for which the fair value option has been elected, the aggregate fair value exceeded the aggregate principal balance by $129 thousand and $131 thousand as of December 31, 2025 and 2024, respectively. There were no loans held-for-sale that were nonaccrual or 90 or more days past due as of December 31, 2025 and 2024. Gains and losses on loan sales (sales proceeds minus carrying value) are recorded in noninterest income in the consolidated statements of income. Interest income on these loans is recognized in interest and fees on loans in the consolidated statements of income.

Loans – Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at their amortized cost, inclusive of net deferred loan origination fees and costs and unamortized premium or discount. Accrued interest receivable on loans totaled $16.4 million and $15.7 million at December 31, 2025 and 2024, respectively, and was reported in Accrued Interest Receivable on the consolidated balance sheets and is excluded from the estimate of credit losses. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and amortized as a yield adjustment over the respective term of the loan using the interest method. Purchased loans are initially recorded at fair value and include credit and interest rate marks associated with acquisition accounting adjustments. Premiums and discounts are subsequently amortized or accreted as adjustments to interest income using the effective yield method over the contractual lives of the loans.

For all classes of loans, the accrual of interest income on loans, including individually evaluated loans, ceases when principal or interest is past due 90 days or more and collateral is inadequate to cover principal and interest or immediately if, in the opinion of management, full collection is unlikely. Interest will continue to accrue on loans past due 90 days or more if the collateral is adequate to cover principal and interest, and the loan is in the process of collection. Interest accrued, but not collected, at the date of placement on nonaccrual status, is reversed and charged against interest income, unless fully collateralized. Subsequent payments received are either applied to the outstanding principal balance or recorded as interest income, depending upon management’s assessment of the ultimate collectability of principal. Loans are returned to accrual status, for all loan classes, when all the principal and interest amounts contractually due are brought current, the loan has performed in accordance with the contractual terms of the note for a reasonable period of time, generally six months, and the ultimate collectability of the total contractual principal and interest is reasonably assured. Past due status is based on the contractual terms of the loan.

Allowance for Credit Losses – The Company accounts for the ACL in accordance with ASU No. 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"). The current expected credit losses accounting standard commonly referred to as "CECL" requires an organization to measure all expected credit losses over the contractual term for financial assets measured at amortized cost, including loan receivables and held-to-maturity securities, held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The CECL methodology also applies to off-balance sheet credit exposures not accounted for as insurance (e.g., loan commitments, standby letters of credit, financial guarantees and other similar instruments), net investments in leases recognized by a lessor in accordance with ASC Topic 842 on leases and AFS debt securities.

The ACL represents the amount that, in management's judgment, appropriately reflects credit losses inherent in the loan portfolio at the balance sheet date. Loans deemed to be uncollectible are charged against the ACL on loans, and subsequent recoveries, if any, are credited to the ACL on loans when received. Changes to the ACL are recorded through the provision for credit losses on loans in the consolidated statements of income.

The ACL is maintained at a level considered appropriate to absorb credit losses over the expected life of the loan. The ACL for expected credit losses is determined based on a quantitative assessment of two categories of loans: collectively evaluated loans and individually evaluated loans. In addition, the ACL also includes a qualitative component which adjusts the CECL model results for risk factors that are not considered within the CECL model, but are relevant in assessing the expected credit losses within the loan classes.

The ACL on loans is measured on a collective basis when similar risk characteristics exist within the Company's loan segments between commercial and consumer. For purposes of estimating the Company’s ACL, management generally

evaluates collectively evaluated loans by federal call code, which represents the loan classes based upon U.S. regulatory loan classification rules, in order to group loans with similar risk characteristics. Each of these loan segments are broken down into multiple loan classes, which are characterized by loan type, collateral type, risk attributions and the manner in which management monitors the performance of the borrower. The risks associated with lending activities differ and are subject to the impact of change in interest rates, market conditions and the impact of economic conditions on the collateral securing the loans, and general economic conditions. The commercial loan segment includes commercial real estate, acquisition and development, commercial and industrial and municipal loan classes. The consumer loan segment includes residential mortgage, installment and other consumer loans.

Loans collectively evaluated include loans that share similar risk characteristics. The ACL for loans collectively evaluated is measured using a lifetime expected loss rate model that considers historical loss performance and past events in addition to forecasts of future economic conditions. The Company elected to use the DCF methodology for the quantitative analysis for the majority of its loan segments, which applies the probability of default to future cash flows, using a loss driver model and loss given default factors, and then adjusts to the net present value to derive the required reserve. The probability of default estimates are derived through the application of reasonable and supportable economic forecasts to the regression models, which incorporates the Company's and peer loss-rate data, unemployment rate and GDP. The reasonable and supportable forecasts of the selected economic metrics are then input into the regression model to calculate an expected default rate. The expected default rates are then applied to expected loan balances estimated through the consideration of contractual repayment terms and expected prepayments. The prepayment and curtailment assumptions adjust the contractual terms of the loan to arrive at the expected cash flows. The development and validation of credit models also included determining the length of the reasonable and supportable forecast and regression period and utilizing national peer group historical loss rates. Management selected the national unemployment rate and GDP as the drivers of the quantitative portion of collectively evaluated reserves on loan classes reliant upon the DCF methodology. For the consumer loan segment, the quantitative reserve was calculated using the remaining life methodology where the average historical bank-specific and peer loss rates are applied to expected loan balances over an estimated remaining life of loans. The estimated remaining life is calculated using historical bank-specific loan attrition data.

Loans that do not share similar risk characteristics are evaluated on an individual basis and are excluded from the collective evaluation for the ACL. Loans identified to be individually evaluated under CECL include substandard loans, loans on nonaccrual status and may include accruing loans that do not share similar risk characteristics to other accruing loans collectively evaluated. A specific reserve analysis is applied to the individually evaluated loans, which considers collateral value, an observable market price or the present value of expected future cash flows. A specific reserve may be assigned if the measured value of the loan using one of the before mentioned methods is less than the current carrying value of the loans.

A loan is considered collateral-dependent when the Company determines foreclosure is probable or the borrower is experiencing financial difficulty and the Company expects repayment to be provided substantially through the operation or sale of the collateral. Collateral could be in the form of real estate, equipment or business assets. An ACL may result for a collateral-dependent loan if the fair value of the underlying collateral, as of the reporting date, adjusted for expected costs to repair or sell, was less than the amortized cost basis of the loan. If repayment of the loan is instead dependent only on the operation, rather than the sale of the collateral, the measure of the ACL does not incorporate estimated costs to sell. For loans evaluated on the basis of projected future principal and interest cash flows, the Company discounts the expected cash flows at the effective interest rate of the loan. An ACL will result if the present value of expected cash flows is less than the amortized cost basis of the loan.

Based on management's analysis, adjustments may be applied for additional factors impacting the risk of loss in the loan portfolio beyond the quantitatively calculated reserve on collectively evaluated loans. As the quantitative reserve calculation incorporates historical conditions, management may consider an additional or reduced reserve is warranted through qualitative risk factors based on current and expected conditions. These qualitative risk factors include significant or unexpected changes in:

- Lending policies, procedures, underwriting standards and recovery practices;
- Nature and volume of loans;
- Concentrations of credit;
- Collateral valuation trends;
- Delinquency and classified loan trends;
- Experience, ability and depth of management and lending staff;
- Quality of loan review system; and
- Economic conditions and other external factors.

A comprehensive analysis of the ACL is performed by the Company on a quarterly basis. Management evaluates the adequacy of the ACL utilizing a defined methodology to determine if it properly addresses the current and expected risks in the loan portfolio, which considers the performance of borrowers and specific evaluation of individually evaluated loans including historical loss experiences, trends in delinquencies, nonperforming loans and other risk assets, and the qualitative factors. Risk factors are continuously reviewed and adjusted, as needed, by management when conditions support a change. Management believes its approach properly addresses relevant accounting and bank regulatory guidance for loans both collectively and individually evaluated. The results of the comprehensive analysis, including recommended changes, are governed by the Company's Reserve Adequacy Committee.

In accordance with ASU No. 2022-02, *Financial Instruments – Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures* ("ASU 2022-02"), the Company evaluates, based on the guidance for accounting for loan modifications, whether the borrower is experiencing financial difficulty, if the modification results in a more-than-insignificant direct change in the contractual cash flows and whether the modifications represent terms that would result in a new loan or a continuation of an existing loan. The Company refers to these loans as "financial difficulty modifications" or "FDMs." All loan modifications are accounted for under the general loan modification guidance in ASC 310-20, *Receivables – Nonrefundable Fees and Other Costs*.

If a modification occurs while the loan is on accrual status, it will continue to accrue interest under the modified terms. After the initial modification and recognition of a FDM, the Company will monitor the performance of the borrower. If no subsequent qualifying modifications are made to the FDM, the loan does not require disclosure in the current period's disclosures after the one-year period has elapsed.

Acquired Loans - Purchased loans that do not qualify as PCD loans are accounted for similar to originated loans, whereby an ACL is recognized with a corresponding increase to the provision for credit losses in the consolidated statements of income. For PCD loans, the nonaccrual status is determined in the same manner as for other loans. In accordance with the CECL standard, the Company accounts for its PCD loans under ASC 310-20, *Receivables - Nonrefundable Fees and Other Asset*s ("ASC 310-20"). PCD loans are recorded at their fair value and include credit and interest rate marks associated with acquisition accounting adjustments plus the ACL expected at the time of acquisition resulting in a gross up of the amortized cost of the loans. Subsequent changes in the ACL from the initial ACL estimate are recorded as provision for credit losses in the consolidated statements of income. Purchase premiums or discounts are subsequently amortized as an adjustment to yield over the estimated contractual lives of the loans. Under ASC 310-20, the acquired loans are evaluated on an individual asset level, and not maintained in pools and accounted for as units of accounts, which would permit treating each pool as a single asset.

Following the Merger, the Company evaluated and classified the acquired loans as PCD if the loans had experienced more-than-insignificant credit deterioration since origination or as non-PCD if the loans had not experienced a more-than-insignificant amount of credit deterioration since origination. PCD loans included loans on nonaccrual status, loans with historical delinquency since loan origination or having a risk rating of watch, special mention, substandard, doubtful or loss based on the Company's internal risk rating system. At acquisition, the fair value of the PCD loans was recorded to the ACL, but not as a charge to the provision for credit losses in the consolidated statements of operations. The initial allowance was instead established by grossing up the amortized cost of the PCD loan. Subsequent to the acquisition, changes in the expected credit losses on PCD loans were recorded to the provision for credit losses. The ACL for non-PCD loans was recorded to the provision for credit losses in the same period as the acquisition.

Loan Commitments and Related Financial Instruments – Financial instruments include off-balance sheet credit commitments issued to meet client financing needs, such as commitments to make loans and commercial letters of credit. These financial instruments are recorded when they are funded. The face amount represents the exposure to loss, before considering client collateral or ability to repay. The Company estimates expected credit losses over the contractual period in which the Company is exposed to credit risk from the contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the Company. The ACL on off-balance sheet credit exposures includes consideration of the utilization rates expected on the loan commitments, and estimates the expected credit losses for the undrawn commitments by the loan segments. The ACL on off-balance sheet credit exposures is recorded in other liabilities on the consolidated balance sheets and is adjusted through the provision for credit losses in the consolidated statements of income.

Loans Serviced – The Bank administers secondary market mortgage programs available through the FHLB, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, and offers residential mortgage products and services to clients. The Bank originates single-family residential mortgage loans for sale in the secondary market and retains the servicing of those loans. At December 31, 2025 and 2024, the balance of loans serviced for others totaled $465.3 million and $491.3 million, respectively.

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

Cash Surrender Value of Life Insurance – The Company has purchased life insurance policies on certain employees. Life insurance is recorded at the cash surrender value adjusted for other charges or other amounts due that are probable at settlement.

Derivatives - FASB ASC 815, *Derivatives and Hedging* ("ASC 815"), provides the disclosure requirements for derivatives and hedging activities with the intent to provide users of financial statements with an enhanced understanding of: (a) how and why an entity uses derivative instruments, (b) how the entity accounts for derivative instruments and related hedged items, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. Further, qualitative disclosures are required that explain the Company's objectives and strategies for using derivatives, as well as quantitative disclosures about the fair value of and gains and losses on derivative instruments, and disclosures about credit-risk-related contingent features in derivative instruments.

As required by ASC 815, the Company records all derivatives on the balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk in a fair value hedge or the earnings effect of the hedged forecasted transactions in a cash flow hedge.

The Company may enter into derivative contracts that are intended to economically hedge certain of its risk, even though hedge accounting does not apply or the Company elects not to apply hedge accounting. The Company's objectives in using interest rate derivatives are to add stability to interest income and to manage its exposure to interest rate movements. To accomplish this objective, the Company uses interest rate swaps or interest rate caps as part of its interest rate risk management strategy.

Interest rate swaps designated as cash flow hedges involve the receipt of fixed or variable amounts from a counterparty in exchange for the Company making variable-rate or fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. Changes to the fair value of derivatives designated and that qualify as cash flow hedges are recorded in AOCI and are subsequently reclassified into earnings in the period that the hedged transaction affects earnings. The Company discontinues cash flow hedge accounting if it is probable the forecasted hedged transactions will not occur in the initially identified time period due to circumstances. Upon discontinuance, the associated gains and losses deferred in AOCI are reclassified immediately into earnings and subsequent changes in the fair value of the cash flow hedge are recognized in earnings.

Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. The gain or loss on the fair value hedge, as well as the offsetting loss or gain on the hedged item attributable to the hedged risk, are recognized in current earnings as the fair value changes. When a fair value hedge is discontinued, the hedged asset or liability is no longer adjusted for changes in fair value and the existing basis adjustment is amortized or accreted over the remaining life of the asset or liability.

Derivatives not designated as hedges are not speculative and result from a service the Company provides to certain customers. The Company executes interest rate swaps and interest rate caps with commercial banking customers to facilitate their respective risk management strategies. Those interest rate swaps and interest rate caps are simultaneously hedged by offsetting derivatives that the Company executes with a third party, such that the Company minimizes its net risk exposure resulting from such transactions. As the interest rate derivatives associated with this program do not meet the strict hedge accounting requirements, changes in the fair value of both the customer derivatives and the offsetting derivatives are recognized directly in earnings.

The Company also may enter into risk participation agreements with a financial institution counterparty for an interest rate derivative contract related to a loan in which the Company may be a participant or the agent bank. The risk participation agreement provides credit protection to the agent bank should the borrower fail to perform on its interest rate derivative contracts with the agent bank. The Company manages its credit risk on risk participation agreements by monitoring the

creditworthiness of the borrower, which is based on the same credit review process as though the Company had entered into the derivative directly with the borrower. The notional amount of a risk participation agreement reflects the Company's pro-rata share of the derivative instrument, consistent with its share of the related participated loan. Changes in the fair value of the risk participation agreement are recognized directly into earnings.

As a part of its normal residential mortgage operations, the Company will enter into an interest rate lock commitment with a potential borrower. The Company may enter into a corresponding commitment with an investor to sell that loan at a specific price shortly after origination. In accordance with FASB ASC 820, adjustments are recorded through earnings to account for the net change in fair value of these held for sale loans. The fair value of held for sale loans can vary based on the interest rate locked with the customer and the current market interest rate at the balance sheet date.

Premises and Equipment – Buildings, improvements, equipment and furniture and fixtures are carried at cost less accumulated depreciation and amortization. Land is carried at cost. Depreciation and amortization has been recognized generally on the straight-line method and is computed over the estimated useful lives of the various assets as follows: buildings and improvements, including leasehold improvements – 10 to 40 years; and furniture and equipment – 3 to 15 years. Leasehold improvements are amortized over the shorter of the lease term or the indicated life. Repairs and maintenance are charged to operations as incurred, while additions and improvements are typically capitalized. Gains or losses on the retirement or disposal of individual assets is recorded as income or expense in the period of retirement or disposal. Premises no longer in use and held for sale are included in other assets on the consolidated balance sheets at the lower of carrying value or fair value and no depreciation is charged on them. At December 31, 2025 and 2024, premises held-for-sale totaled zero and $1.9 million, respectively.

Leases - The Company evaluates its contracts at inception to determine if an arrangement either is a lease or contains one. Operating lease ROU assets are included in other assets and operating lease liabilities in other liabilities in the consolidated balance sheets. The Company has one finance lease at December 31, 2025, which was assumed through the Merger. The finance lease liability is included in other borrowings on the Company's consolidated balance sheets.

ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent an obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Company's leases do not provide an implicit rate, so the Company's incremental borrowing rate is used, which approximates its fully collateralized borrowing rate, based on the information available at commencement date in determining the present value of lease payments. The incremental borrowing rate is reevaluated upon lease modification. The operating lease ROU asset also includes any initial direct costs and prepaid lease payments made less any lease incentives. In calculating the present value of lease payments, the Company may include options to extend the lease when it is reasonably certain that it will exercise that option.

In accordance with ASU 2016-02, “Leases (Topic 842)” (“ASU 2016-02”), the Company keeps leases with an initial term of 12 months or less off of the balance sheet. The Company recognizes these lease payments in the consolidated statements of income on a straight-line basis over the lease term. The Company has lease agreements with lease and non-lease components and has elected the practical expedient to account for them as a single lease component.

The Company's operating leases relate primarily to bank branches and office space. The difference between the lease assets and lease liabilities primarily consists of deferred rent liabilities to reduce the measurement of the lease assets.

Goodwill and Other Intangible Assets – The Company accounts for its mergers and acquisitions using the acquisition method of accounting under the provisions of the FASB ASC Topic 805, Business Combinations. Under ASC 805, the assets acquired, including identified intangible assets such as core deposit intangibles and customer relationship intangibles, and liabilities assumed in a business combination are recognized at their acquisition-date fair value, while transaction costs and restructuring costs associated with the business combination are expensed as incurred. The excess of the merger consideration over the fair value of assets acquired and liabilities assumed, if any, is allocated to goodwill.

Goodwill is not amortized, but is reviewed for potential impairment on at least an annual basis, with testing between annual tests if an event occurs or circumstances change that could potentially reduce the fair value of a reporting unit. Other intangible assets represent purchased assets that can be distinguished from goodwill because of contractual or other legal rights. The Company’s other intangible assets have finite lives and are amortized on either an accelerated amortization method or straight-line basis over their estimated lives, generally 10 years for deposit premiums and seven to 15 years for other client relationship intangibles.

Mortgage Servicing Rights – The estimated fair value of MSRs related to loans sold and serviced by the Company is recorded as an asset upon the sale of such loans. MSRs are amortized as a reduction to servicing income over the estimated lives of the underlying loans. MSRs are evaluated periodically for impairment by comparing the carrying amount to estimated fair value. Fair value is determined periodically through a DCF valuation performed by a third party. Significant inputs to the

valuation include expected servicing income, net of expense, the discount rate and the expected life of the underlying loans. To the extent the amortized cost of the MSRs exceeds their estimated fair values, a valuation allowance is established for such impairment through a charge against servicing income on the consolidated statements of income. If the Company determines, based on subsequent valuations, that the impairment no longer exists or is reduced, the valuation allowance is reduced through a credit to earnings. MSRs, net of the valuation allowance, totaled $3.3 million and $3.7 million at December 31, 2025 and 2024, respectively, and are included in other assets on the consolidated balance sheets.

Foreclosed Real Estate – Real estate acquired through foreclosure or other means is initially recorded at the fair value of the related real estate collateral at the transfer date less estimated selling costs, and subsequently at the lower of its carrying value or fair value less estimated costs to sell. Fair value is determined based on an independent third party appraisal of the property or, when appropriate, a recent sales offer. Costs to maintain such real estate are expensed as incurred. Costs that significantly improve the value of the properties are capitalized. The Company had zero and $138 thousand real estate acquired through foreclosure or other means at December 31, 2025 and 2024, respectively.

Investments in Real Estate Partnerships – The Company has a 99% limited partnership interest in several real estate partnerships in central Pennsylvania. These investments are affordable housing projects, which entitle the Company to tax deductions and credits that expire in 2035. The Company accounts for its investments in affordable housing projects under the proportional amortization method when the criteria are met. The investment in these real estate partnerships, included in other assets on the consolidated balance sheets, totaled $10.9 million and $10.0 million at December 31, 2025 and 2024, respectively.

Equity method losses totaled $211 thousand, $164 thousand and $322 thousand for the years ended December 31, 2025, 2024 and 2023, respectively, and are included in other noninterest income on the consolidated statements of income. Proportional amortization method losses totaled $214 thousand for the years ended December 31, 2025, 2024 and 2023, and are included in income tax expense on the consolidated statements of income. During 2025, 2024 and 2023, the Company recognized federal tax credits from these projects totaling $260 thousand for each year, which are included in income tax expense on the consolidated statements of income.

Advertising – The Company expenses advertising as incurred. Advertising expense totaled $181 thousand, $623 thousand and $502 thousand for the years ended December 31, 2025, 2024 and 2023, respectively.

Repurchase Agreements – The Company may enter into agreements under which it sells securities subject to an obligation to repurchase the same or similar securities which are included in short-term borrowings on the consolidated balance sheets. Under these agreements, the Company may transfer legal control over the assets but still retain effective control through an agreement that both entitles and obligates the Company to repurchase the assets. As a result, these repurchase agreements are accounted for as collateralized financing arrangements (i.e., secured borrowings) and not as a sale and subsequent repurchase of securities. The obligation to repurchase the securities is reflected as a liability on the Company's consolidated balance sheets, while the securities underlying the repurchase agreements remaining are reflected in AFS securities. The repurchase obligation and underlying securities are not offset or netted as the Company does not enter into reverse repurchase agreements.

The right of setoff for a repurchase agreement resembles a secured borrowing, whereby the collateral would be used to settle the fair value of the repurchase agreement should the Company be in default (e.g., fail to make an interest payment to the counterparty). For the repurchase agreements, the collateral is held by the Company in a segregated custodial account under a third party agreement. Repurchase agreements are secured by U.S. government or government-sponsored debt securities and mature overnight.

Stock Compensation Plans – The Company has stock compensation plans that cover employees and non-employees. Compensation expense relating to share-based payment transactions is measured based on the grant date fair value of the share award, including a Black-Scholes model for stock options. Compensation expense for all stock awards is calculated and recognized over the employees' or non-employees' service period, generally defined as the vesting period.

Income Taxes – Income tax accounting guidance results in two components of income tax expense: current and deferred. Current income tax expense reflects taxes to be paid or refunded for the current period by applying the provisions of enacted tax law to taxable income or excess of deductions over revenues. The Company determines deferred income taxes using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax bases of assets and liabilities, and enacted changes in tax rates and laws are recognized in the period in which they occur.

Deferred income tax expense results from changes in deferred tax assets and liabilities between periods. Deferred tax assets are recognized if it is more likely than not, based on the technical merits, that the tax position will be realized or sustained upon examination. The term more likely than not means a likelihood of more than 50 percent; the terms examined and upon examination also include resolution of the related appeals or litigation processes, if any. A tax position that meets the more likely than not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a

greater than 50 percent likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more likely than not recognition threshold considers the facts, circumstances, and information available at the reporting date and is subject to management's judgment. Deferred tax assets are reduced by a valuation allowance when, based on the weight of available evidence, it is more likely than not that some portion or all of a deferred tax asset will not be realized. The Company recognizes interest and penalties, if any, on income taxes as a component of income tax expense.

The Company may earn federal tax credits from its investments in real estate and solar energy tax equity partnerships. The Company accounts for its investments in affordable housing projects under the proportional amortization method when the criteria are met and under the deferral method of accounting for its solar energy tax equity investments.

Loss Contingencies – Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated.

Treasury Stock – Common stock shares repurchased are recorded as treasury stock, at cost on the consolidated balance sheets, on a settlement date basis.

Earnings Per Share – Basic earnings per share represents income available to common stockholders divided by the weighted average number of common shares outstanding during the period. Restricted stock grants are included in weighted average common shares outstanding as they are earned. Diluted earnings per share includes additional common shares that would have been outstanding if dilutive potential common shares had been issued. Potential common shares that may be issued by the Company relate solely to outstanding stock options and restricted stock grants and are determined using the treasury stock method. Treasury shares are not deemed outstanding for earnings per share calculations.

Comprehensive Income – Comprehensive income consists of net income and OCI. Unrealized gains (losses) on AFS securities and interest rate swaps used in cash flow hedges, net of tax, were the components of AOCI at December 31, 2025 and 2024.

Fair Value – Fair values of financial instruments are estimated using relevant market information and other assumptions, as more fully disclosed in the Note 20 to the consolidated financial statements. Fair value estimates involve uncertainties and matters of significant judgment. Changes in assumptions or in market conditions could significantly affect the estimates.

Recently Adopted Pronouncements

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires updates to the disclosures of the income tax rate reconciliation and income taxes paid. The income tax rate reconciliation requires expanded disclosure, using percentages and reporting currency amounts, to include specific categories, including state and local income tax, net of the federal income tax effect, tax credits and nontaxable and non-deductible items, with additional qualitative explanations of individually significant reconciling items. The amount of income taxes paid require disaggregation by jurisdictional categories: federal, state and foreign. The Company adopted this guidance as of December 31, 2025 on a prospective basis and is disclosed in Note 8 - Income Taxes.

Recent Accounting Pronouncements

In November 2024, the FASB issued ASU No. 2024-03, *Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires public business entities to disclose specified information about certain costs and expenses in the notes to the financial statements. The amendments require that at each interim and annual reporting period an entity disclose:

- (a) purchases of inventory; (b) employee compensation; (c) depreciation; (d) intangible asset amortization; and (e) depreciation, depletion, and amortization recognized as part of oil- and gas-producing activities included in each relevant expense caption;
- certain amounts that are already required to be disclosed under current GAAP in the same disclosures as other disaggregation requirements;
- qualitative descriptions of amounts remaining in relevant expense captions that are not separately disaggregated quantitatively and
- the total amount of selling expenses and, in annual reporting periods, the entity's definition of selling expenses.

In January 2025, the FASB issued ASU No. 2025-01 clarifying the effective date for public business entities for fiscal years beginning after December 15, 2026 and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is evaluating ASU 2024-03 and its impact on its disclosures.

In September 2025, the FASB issued ASU 2025-06, *Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40)*, which requires an entity to begin capitalizing costs incurred for software projects when the entity has both authorized and committed to funding the software project and it is probable that the software project will be completed and used for its intended function. To determine the probability of completion, an entity will be required to consider if there is significant uncertainty during the development activities. The effective date of the amendment is for annual reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of ASU 2025-06 and its impact on the consolidated financial statements.

In November 2025, the FASB issued ASU 2025-08, *Financial Instructions – Credit Losses (Topic 326) – Purchased Loans,* which expands the scope of acquired financial assets subject to the gross-up approach under Topic 326. Specifically, loans, excluding credit card receivables, acquired without credit deterioration and loans considered "seasoned" would be accounted for using the gross-up approach at acquisition, which requires the initial ACL at acquisition to be added the amortized cost basis of the loans. The effective date of the amendment is for annual reporting periods beginning after December 15, 2026. The Company is evaluating the updated guidance to determine its impact on the consolidated financial statements.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270)*, which is intended to improve disclosure requirements and provide guidance on disclosing material reporting events and changes occurring after the annual reporting period. The effective date is for annual reporting periods after December 15, 2027, with early adoption permitted. The Company is evaluating the updated guidance to determine its impact on disclosures.

NOTE 2. MERGER

On July 1, 2024, Orrstown completed a merger of equals (the "Merger"), pursuant to the Agreement and Plan of Merger (the "Merger Agreement"), dated as of December 12, 2023, by and between Orrstown and Codorus Valley. At the effective time of the Merger (the "Effective Time"), Codorus Valley was merged with and into Orrstown, with Orrstown as the surviving corporation, which was promptly followed by the merger of Codorus Valley's wholly-owned bank subsidiary, PeoplesBank, A Codorus Valley Company, with and into Orrstown Bank, a wholly-owned subsidiary of Orrstown, with Orrstown Bank as the surviving bank.

Pursuant to the terms of the Merger Agreement, each share of Codorus Valley common stock, $2.50 par value per share ("Codorus Common Stock"), outstanding immediately prior to the Effective Time was canceled and converted into the right to receive 0.875 shares (the "Exchange Ratio") of Orrstown common stock, no par value per share ("Orrstown Common Stock"), with an amount in cash, without interest, to be paid in lieu of fractional shares.

In addition, at the Effective Time, (i) each option to purchase Codorus Common Stock issued under Codorus Valley's 2007 Long-Term Incentive Plan, as amended, 2017 Long-Term Incentive Plan, as amended, and any other similar plan (collectively, the "Codorus Valley Equity Plans"), outstanding immediately prior to the Effective Time was automatically converted into an option to purchase a number of shares of Orrstown Common Stock equal to the product of the number of shares of Codorus Common Stock subject to such stock option immediately prior to the Effective Time and the Exchange Ratio, at an exercise price per share (rounded up to the nearest whole cent) equal to (a) the exercise price per share of Codorus Common Stock of such stock option immediately prior to the Effective Time divided by (b) the Exchange Ratio; (ii) all time-based restricted stock awards and time-based restricted stock unit awards granted under the Codorus Valley Equity Plans were vested in full; and (iii) all performance-based restricted stock awards and performance-based restricted stock unit awards granted under the Codorus Valley Equity Plans were vested in full. In addition, the 2007 Codorus Valley Bancorp, Inc. Restated Employee Stock Purchase Plan was terminated prior to the closing date of the Merger. Each outstanding share of Orrstown Common Stock remained outstanding and was unaffected by the Merger.

The total aggregate consideration delivered to holders of Codorus Common Stock was 8,532,038 shares of Orrstown Common Stock. The issuance of shares of Orrstown Common Stock in connection with the Merger was registered under the Securities Act on a registration statement initially filed by Orrstown with the SEC on March 29, 2024 and declared effective on April 23, 2024. The consideration transferred at the close of the transaction was $233.4 million based on the closing market price of Orrstown Common Stock of $27.36 on June 28, 2024.

The following tables summarize the purchase price consideration paid for Codorus Valley and the fair value of the assets acquired and liabilities assumed recognized at the acquisition date:

(dollars are in thousands, except per share data)		
Number of shares of Codorus Common Stock outstanding		9,751,323
Per common share exchange ratio		0.875
Expected shares of Codorus Common Stock to be exchanged		8,532,408
Fractional shares of common stock to be paid in cash		(370)
Number of shares of Orrstown Common Stock - as exchanged		8,532,038
Orrstown Common Stock price per common share - closing stock price as of June 28, 2024	$	27.36
Purchase price merger consideration for Codorus Valley	$	233,437

Under the acquisition method of accounting, the total merger consideration is allocated to the acquired tangible and intangible assets and assumed liabilities of Codorus Valley based on their estimated fair value as of the closing of the Merger. The excess of the merger consideration over the fair value of assets acquired and liabilities assumed, if any, is allocated to goodwill.

The Company initially recorded goodwill of $49.4 million in connection with the Merger, which is not amortized for financial reporting purposes, but is subject to annual impairment testing. As permitted under GAAP, the Company had up to twelve months following the date of the Merger to finalize the fair values of the acquired assets and assumed liabilities related to the merger of Codorus Valley. During this measurement period, the Company could record subsequent adjustments to goodwill for provisional amounts recorded at the Merger date. The Company recorded merger-related tax adjustments totaling $1.6 million, which increased goodwill associated with the Merger to $51.0 million. The measurement period to finalize the fair values of the acquired assets and assumed liabilities ended on June 30, 2025. No further adjustments to the fair values were recorded subsequent to twelve months following the Merger date.

	Codorus Valley Book Value		Fair Value Adjustment		Codorus Valley Fair Value	
	July 1, 2024				July 1, 2024	
Total purchase price consideration					$	233,437
Recognized amounts of identifiable assets acquired and liabilities assumed						
Cash and cash equivalents	$	45,290	$	(31)	$	45,259
Restricted investments in bank stocks		1,168		—		1,168
Securities available for sale		331,032		(4,532)		326,500
Loans, net of allowance for credit losses ("ACL")		1,715,761		(72,368)		1,643,393
Premises and equipment, net		17,553		6,551		24,104
Cash surrender value of life insurance		62,817		—		62,817
Accrued interest receivable		8,138		79		8,217
Goodwill		2,301		(2,301)		—
Other intangible assets, net		—		50,719		50,719
Deferred income tax asset, net		16,969		3,088		20,057
Other assets		21,024		(2,781)		18,243
Total identifiable assets acquired		2,222,053		(21,576)		2,200,477
Deposits		1,948,467		(3,218)		1,945,249
Securities sold under agreements to repurchase		7,943		—		7,943
FHLB advances and other borrowings		1,195		(803)		392
Subordinated notes and trust preferred debt		41,195		(4,983)		36,212
Other liabilities		25,030		3,241		28,271
Total liabilities assumed		2,023,830		(5,763)		2,018,067
Total identifiable net assets	$	198,223	$	(15,813)	$	182,410
Goodwill					$	51,027

The following are descriptions of the valuation methodologies used to estimate the fair values of major categories of assets acquired and liabilities assumed from the Merger. The Company used independent valuation specialists to assist with the determination of fair values for certain acquired assets and assumed liabilities.

The Company acquired core deposit intangibles of $40.1 million and customer relationship intangible assets associated with its wealth and brokerage businesses totaling $10.6 million from the Merger. Both were valued utilizing the income approach, which is based on the present value of the cash flows that can be expected to be generated in the future. The core deposit intangible and customer relationship intangible assets are amortized based on the sum-of-the-years digits method over the expected life of 10 years.

The Company increased the fair value of premises by $6.6 million with a corresponding decrease to goodwill based upon updated independent market-based appraisals for buildings, land and land improvements. The fair value adjustments will depreciate based on the estimated useful life of 40 years.

Pursuant to the Merger, the Company acquired operating lease assets and operating lease liabilities both with a fair value of $5.1 million based on the income approach, which considered the lease contracts current rental rates, escalation terms and expiration periods. The Company also acquired a finance lease asset and liability with a fair value of $392 thousand. At July 1, 2024, the Company recorded negative fair value adjustments of $1.1 million and $133 thousand to acquired operating lease assets and finance lease assets, respectively, which are amortized over the remaining lease terms.

An adjustment of $3.2 million was recorded to reflect the fair value of the time deposits assumed, which was determined using a discounted cash flow approach that utilized a discount rate equal to current market interest rates for instruments with similar terms and maturities. The fair value adjustment for time deposits will be amortized over the remaining maturities.

Subordinated notes and trust preferred debt were valued using a discounted cash flow approach, which applied a discount rate based upon other issuances with comparable terms. Fair value adjustments of $2.4 million and $2.7 million were recorded for the acquired subordinated notes and trust preferred debt, respectively, which will be amortized over their remaining maturities.

The Company evaluated and classified the acquired loans between non-PCD or PCD. The PCD loans include loans which experienced more-than-insignificant credit deterioration since origination. PCD loans included loans on nonaccrual status, loans with historical delinquency since loan origination or having a risk rating of watch, special mention, substandard, doubtful or loss based on the Company's internal risk rating system. For PCD loans, an ACL is recorded on day 1 and added to the fair value of the loan for its amortized cost. At day 1, a provision for credit loss is not recorded on PCD loans. The following table presents details related to the fair value of acquired PCD loans at the acquisition date:

	Unpaid Principal Balance	PCD ACL	Non-Credit Discount	Fair Value of Acquired Loans
Commercial real estate	$ 74,319	$ (1,321)	$ (5,531)	$ 67,467
Acquisition and development	24,232	(2,535)	(781)	20,916
Agricultural	7,129	(2)	(895)	6,232
Commercial and industrial	26,325	(1,947)	(4,059)	20,319
Residential mortgage	16,720	(105)	(1,936)	14,679
Installment and other loans	117	(10)	(11)	96
	$ 148,842	$ (5,920)	$ (13,213)	$ 129,709

The following table presents selected pro forma information for the years ended December 31, 2024 and 2023 as if the Merger had occurred at January 1, 2023. The pro forma information includes the estimated impact of certain fair value adjustments and other merger-related activity. The pro forma financial information is not necessarily indicative of the results of operations that would have occurred had the transaction been affected on the assumed dates. In addition, the unaudited pro forma information does not reflect management's estimate of any revenue-enhancing opportunities or anticipated cost savings as a result of the integration.

	Years Ended December 31,	
	2024	**2023**
Net interest income	**$ 199,413**	$ 206,658
Net Income	**73,884**	73,605

NOTE 3. INVESTMENT SECURITIES

At December 31, 2025 and 2024, all investment securities were classified as AFS. The following table summarizes amortized cost and fair value of AFS securities, and the corresponding amounts of gross unrealized gains and losses recognized in AOCI and the ACL at December 31, 2025 and 2024:

	Amortized Cost	Gross Unrealized Gains	(Gross Unrealized Losses)	Allowance for Credit Losses	Fair Value
December 31, 2025					
U.S. Treasury securities	**$ 15,016**	**$ —**	**$ 805**	**$ —**	**$ 14,211**
U.S. government agencies	**1,746**	**50**	**—**	**—**	**1,796**
States and political subdivisions	**218,832**	**288**	**16,972**	**—**	**202,148**
GSE residential MBSs	**234,016**	**3,228**	**3,141**	**—**	**234,103**
GSE commercial MBSs	**6,081**	**106**	**16**	**—**	**6,171**
GSE residential CMOs	**354,954**	**3,425**	**4,376**	**—**	**354,003**
Non-agency CMOs	**60,693**	**363**	**1,233**	**—**	**59,823**
Asset-backed	**78,610**	**443**	**803**	**—**	**78,250**
Corporate debt	**1,947**	**45**	**—**	**—**	**1,992**
Other	**243**	**—**	**—**	**—**	**243**
Totals	**$ 972,138**	**$ 7,948**	**$ 27,346**	**$ —**	**$ 952,740**
December 31, 2024					
U.S. Treasury securities	$ 20,043	$ —	$ 1,980	$ —	$ 18,063
U.S. government agencies	2,953	100	—	—	3,053
States and political subdivisions	220,418	10	20,400	—	200,028
GSE residential MBSs	155,793	52	4,297	—	151,548
GSE commercial MBSs	8,570	243	21	—	8,792
GSE residential CMOs	331,016	485	6,809	—	324,692
Non-agency CMOs	35,548	202	2,466	—	33,284
Asset-backed	88,450	655	1,002	—	88,103
Corporate debt	1,935	19	—	—	1,954
Other	194	—	—	—	194
Totals	$ 864,920	$ 1,766	$ 36,975	$ —	$ 829,711

The following table summarizes investment securities with unrealized losses at December 31, 2025 and 2024, aggregated by major security type and length of time in a continuous unrealized loss position.

	Less Than 12 Months			12 Months or More			Total		
	# of Securities	Fair Value	Unrealized Losses	# of Securities	Fair Value	Unrealized Losses	# of Securities	Fair Value	Unrealized Losses
December 31, 2025									
U.S. Treasury securities	**—**	**$ —**	**$ —**	**2**	**$ 14,211**	**$ 805**	**2**	**$ 14,211**	**$ 805**
States and political subdivisions	**2**	**10,498**	**199**	**39**	**176,757**	**16,773**	**41**	**187,255**	**16,972**
GSE residential MBSs	**7**	**72,981**	**1,044**	**8**	**13,003**	**2,097**	**15**	**85,984**	**3,141**
GSE commercial MBS	**2**	**1,222**	**16**	**—**	**—**	**—**	**2**	**1,222**	**16**
GSE residential CMOs	**9**	**39,588**	**335**	**21**	**87,901**	**4,041**	**30**	**127,489**	**4,376**
Non-agency CMOs	**5**	**21,230**	**180**	**4**	**16,158**	**1,053**	**9**	**37,388**	**1,233**
Asset-backed	**2**	**3,890**	**29**	**9**	**43,168**	**774**	**11**	**47,058**	**803**
Totals	**27**	**$ 149,409**	**$ 1,803**	**83**	**$ 351,198**	**$ 25,543**	**110**	**$ 500,607**	**$ 27,346**
December 31, 2024									
U.S. Treasury securities	—	$ —	$ —	3	$ 18,063	$ 1,980	3	$ 18,063	$ 1,980
States and political subdivisions	13	10,080	131	42	189,448	20,269	55	199,528	20,400
GSE residential MBSs	68	85,836	1117	15	55,579	3,180	83	141,415	4297
GSE commercial MBS	3	2,963	21	—	—	—	3	2,963	21
GSE residential CMOs	52	158,439	729	15	56,443	6,080	67	214,882	6,809
Non-agency CMOs	2	8,816	218	4	16,636	2,248	6	25,452	2,466
Asset-backed	4	11,964	17	9	44,130	985	13	56,094	1,002
Totals	142	$ 278,098	$ 2,233	88	$ 380,299	$ 34,742	230	$ 658,397	$ 36,975

On a quarterly basis, the Company conducts an impairment evaluation on AFS securities to determine whether the Company has the intent to sell the security or it is more likely than not that it will be required to sell the security before recovery. If these situations apply, the guidance requires the Company to reduce the security's amortized cost basis down to its fair value through earnings. The Company also evaluates the unrealized losses on AFS securities to determine if a security's decline in fair value below its amortized cost basis is due to credit factors. The evaluation is based upon factors such as the creditworthiness of the underlying issuers, performance of the underlying collateral, if applicable, and the level of credit support in the security structure. Management also evaluates other factors and circumstances that may be indicative of a decline in the fair value of the security due to a credit factor. This includes, but is not limited to, an evaluation of the type of security, length of time and extent to which the fair value has been less than cost and near-term prospects of the issuer. If this assessment indicates that a credit loss exists, the present value of the expected cash flows of the security is compared to the amortized cost basis of the security. Under the CECL standard, if the present value of the cash flows expected to be collected is less than the amortized cost, an ACL is recorded for the credit loss, which is limited by the amount that the fair value is less than the amortized cost basis. Any additional amount of loss would be due to non-credit factors and is recorded in AOCI, net of taxes. If a credit loss is recognized in earnings, subsequent improvements to the expectation of collectability will be recognized through the ACL. If the fair value of the security increases above its amortized cost, the unrealized gain will be recorded in AOCI, net of taxes, on the consolidated balance sheets.

The Company did not record an ACL on the AFS securities at December 31, 2025 and 2024. As of these periods, the Company considers the unrealized losses on the AFS securities to be related to fluctuations in market conditions, primarily higher interest rates from the time of the security purchase, and not reflective of deterioration in credit. In addition, the Company maintains that it has the intent and ability to hold these AFS securities until the amortized cost is recovered and it is more likely than not that any of AFS securities in an unrealized loss position would not be required to be sold.

U.S. Treasury Securities. The unrealized losses presented in the table above have been caused by an increase in interest rates from the time these securities were purchased. Management considers the full faith and credit of the U.S. government in determining whether declines in fair value are due to credit factors.

States and Political Subdivisions. The unrealized losses presented in the table above have been caused by a rise in interest rates from the time these securities were purchased. Management evaluates the financial performance of the issuers, including the investment rating, the state of the issuer of the security and other credit support in determining whether declines in fair value are due to credit factors.

GSE Residential CMOs, GSE Residential MBS and GSE Commercial MBS. The unrealized losses presented in the table above have been caused by a widening of spreads and a rise in interest rates from the time these securities were purchased. The contractual terms of these securities do not permit the issuer to settle the securities at a price less than its par value basis.

Non-agency CMOs. The unrealized losses presented in the table above were caused by a widening of spreads and a rise in interest rates from the time the securities were purchased. Management considers the investment rating and other credit support in its evaluation, including delinquencies and credit enhancements, in determining whether declines in fair value are due to credit factors.

Asset-backed. The unrealized losses presented in the table above were caused by a widening of spreads and a rise in the interest rates from the time the securities were purchased. Management considers the investment rating and other credit support, in its evaluation, including delinquencies and credit enhancements, in determining whether declines in fair value are due to credit factors.

The Company does not intend to sell the aforementioned investment securities with unrealized losses and it is more likely than not that the Company will not be required to sell them before recovery of their amortized cost basis, which may be maturity. In addition, the unrealized losses are not credit related. Therefore, the Company has concluded that the unrealized losses for these securities do not require an ACL at December 31, 2025.

The following table summarizes amortized cost and fair value of investment securities by contractual maturity at December 31, 2025. Expected maturities may differ from contractual maturities if borrowers have the right to call or prepay obligations with or without call or prepayment penalties. Securities not due at a single maturity date are shown separately.

	Amortized Cost	Fair Value
Due in one year or less	**$ 1,106**	**$ 1,107**
Due after one year through five years	**36,002**	**34,649**
Due after five years through ten years	**52,145**	**49,301**
Due after ten years	**148,531**	**135,333**
CMOs and MBSs	**655,744**	**654,100**
Asset-backed	**78,610**	**78,250**
	$ 972,138	**$ 952,740**

The following table summarizes proceeds from sales of investment securities and gross gains and gross losses for the years ended December 31, 2025, 2024 and 2023.

	2025	2024	2023
Proceeds from sale of investment securities	**$ 83,876**	$ 162,669	$ 22,006
Gross gains	**565**	271	8
Gross losses	**399**	22	55

During the years ended December 31, 2025 and 2024, the Company recorded net investment security gains of $166 thousand and $249 thousand, respectively, and net investment security losses of $47 thousand for the year ended December 31, 2023. During 2025, there were net gains of $117 thousand from the sales of GSE residential MBS and CMO securities and U.S. Treasury securities with principal balances totaling $78.8 million and $5.0 million, respectively, and gains of $49 thousand from mark-to-market activity on an equity security. During 2024, there was a gain of $181 thousand from a security redemption and net gains of $68 thousand from mark-to-market activity on an equity security. In addition, during 2024, the portfolio was restructured to align the interest rate risk and credit profile for the combined balance sheet from the Merger. The Company sold investment securities with a principal balance of $162.7 million in proximity to the Merger date for no gain or loss as the fair value of the investment securities approximated the book value. During 2023, the Company sold investment securities with a principal balance of $22.0 million for a net loss of $44 thousand, in addition to recording net losses of $3 thousand due to mark-to-market activity on an equity security.

Investment securities with a fair value of $556.5 million and $669.2 million at December 31, 2025 and 2024, respectively, were pledged to secure public funds and for other purposes as required or permitted by law. At December 31, 2025 and 2024, no AFS investment securities holding of any one issuer, other than the U.S. government and its agencies, amounted to greater than 10% of shareholders' equity.

NOTE 4. LOANS AND ALLOWANCE FOR CREDIT LOSSES

The Company's loan portfolio is grouped into segments, which are further broken down into classes to allow management to monitor the performance by the borrower and to monitor the yield on the portfolio. The risks associated with lending activities differ among the various loan classes and are subject to the impact of changes in interest rates, market conditions of collateral securing the loans, and general economic conditions. All of these factors may adversely impact both the borrower's ability to repay its loans and the value of its associated collateral.

The Company has various types of commercial real estate loans, which have differing levels of credit risk. Owner occupied commercial real estate loans are generally dependent upon the successful operation of the borrower’s business, with the cash flows generated from the business being the primary source of repayment of the loan. If the business suffers a downturn in sales or profitability, the borrower’s ability to repay the loan could be in jeopardy.

Non-owner occupied and multi-family commercial real estate loans and non-owner occupied residential loans present a different credit risk to the Company than owner occupied commercial real estate loans, as the repayment of the loan is dependent upon the borrower’s ability to generate a sufficient level of occupancy to produce rental income that exceeds debt service requirements and operating expenses. Lower occupancy or lease rates may result in a reduction in cash flows, which hinders the ability of the borrower to meet debt service requirements, and may result in lower collateral values. The Company generally recognizes that greater risk is inherent in these credit relationships as compared to owner occupied loans mentioned above.

Acquisition and development loans consist of 1-4 family residential construction and commercial and land development loans. The risk of loss on these loans is largely dependent on the Company’s ability to assess the property’s value at the completion of the project, which should exceed the property’s construction costs. During the construction phase, a number of factors could potentially negatively impact the collateral value, including cost overruns, delays in completing the project, competition, and real estate market conditions which may change based on the supply of similar properties in the area. In the event the collateral value at the completion of the project is not sufficient to cover the outstanding loan balance, the Company must rely upon other repayment sources, if any, including the guarantors of the project or other collateral securing the loan.

Commercial and industrial loans include advances to businesses for general commercial purposes and include permanent and short-term working capital, machinery and equipment financing, and may be either in the form of lines of credit or term loans. Although commercial and industrial loans may be unsecured to our highest-rated borrowers, the majority of these loans are secured by the borrower’s accounts receivable, inventory and machinery and equipment. In a significant number of these loans, the collateral also includes the business real estate or the business owner’s personal real estate or assets. The Company attempts to mitigate this risk through its underwriting standards, including evaluating the creditworthiness of the borrower and, to the extent available, credit ratings on the business. Additionally, monitoring of the loans through annual renewals and meetings with the borrowers is typical. However, these procedures cannot eliminate the risk of loss associated with commercial and industrial lending.

Agricultural loans include advances to individuals or businesses to finance agricultural production or loans secured by farmland. Agricultural production may include the growing or storing of crops, the purchase and carrying of livestock, the purchase of farm machinery and equipment or the operations of a farm, including vehicles and consumer goods. The collateral securing these loans may include the real estate for agricultural production, the borrower's business or personal assets, inventory or equipment.

Municipal loans consist of extensions of credit to municipalities and school districts within the Company’s market area. These loans generally present a lower risk than commercial and industrial loans, as they are generally secured by the municipality’s full taxing authority, by revenue obligations, or by its ability to raise assessments on its clients for a specific utility.

The Company originates loans to its retail clients, including fixed-rate and adjustable first lien mortgage loans with the underlying 1-4 family owner occupied residential property securing the loan. The Company’s risk exposure is minimized in these types of loans through the evaluation of the creditworthiness of the borrower, including credit scores and debt-to-income ratios, and underwriting standards which limit the loan-to-value ratio to generally no more than 80% upon loan origination, unless the borrower obtains private mortgage insurance.

Home equity loans, including term loans and lines of credit, present a slightly higher risk to the Company than 1-4 family first liens, as these loans can be first or second liens on 1-4 family owner occupied residential property, but can have loan-to-value ratios of no greater than 85% of the value of the real estate taken as collateral. The creditworthiness of the borrower is considered including credit scores and debt-to-income ratios.

Installment and other loans’ credit risk are mitigated through prudent underwriting standards, including evaluation of the creditworthiness of the borrower through credit scores and debt-to-income ratios and, if secured, the collateral value of the assets. These loans can be unsecured or secured by assets the value of which may depreciate quickly or may fluctuate, and may present a greater risk to the Company than 1-4 family residential loans.

The following table presents the loan portfolio by segment and class, excluding residential LHFS, at December 31, 2025 and 2024:

	2025	2024
Commercial real estate:		
Owner-occupied	**$ 644,713**	$ 633,567
Non-owner occupied	**1,260,198**	1,160,238
Multi-family	**236,703**	274,135
Non-owner occupied residential	**155,749**	179,512
Acquisition and development:		
1-4 family residential construction	**41,489**	47,432
Commercial and land development	**198,234**	241,424
Agricultural	**121,417**	125,156
Commercial and industrial	**489,371**	451,384
Municipal	**25,302**	30,044
Residential mortgage:		
First lien	**478,870**	460,297
Home equity – term	**5,972**	5,988
Home equity – lines of credit	**321,438**	303,561
Other - term[(1)]	**22,906**	—
Installment and other loans	**18,331**	18,476
Total loans	**$ 4,020,693**	$ 3,931,214

[(1)] Other - term includes property assessed clean energy ("PACE") loans with unearned income of $505 thousand at December 31, 2025.

In order to monitor ongoing risk associated with its loan portfolio and specific loans within the segments, management uses an internal grading system. The first several rating categories, representing the lowest risk to the Bank, are combined and given a “Pass” rating. Management generally follows regulatory definitions in assigning criticized ratings to loans, including "Special Mention," "Substandard," "Doubtful" or "Loss." The Special Mention category includes loans that have potential weaknesses that may, if not monitored or corrected, weaken the asset or inadequately protect the Bank's position at some future date. These assets pose elevated risk, but their weakness does not yet justify a more severe, or classified rating. Substandard loans are classified as they have a well-defined weakness, or weaknesses that jeopardize liquidation of the debt. These loans are characterized by the distinct possibility that the Bank will sustain some loss if the deficiencies are not corrected. Substandard loans include loans that management may determine to be either individually evaluated, referred to as "Substandard - Individually Evaluated Loan," or collectively evaluated, referred to as "Substandard Non-Individually Evaluated Loan." A Doubtful loan has a high probability of total or substantial loss, but because of specific pending events that may strengthen the asset, its classification as Loss is deferred. Loss loans are considered uncollectible, as the borrowers are often in bankruptcy, have suspended debt repayments, or have ceased business operations. Once a loan is classified as Loss, there is little prospect of collecting the loan’s principal or interest and it is charged-off.

The Company has a loan review policy and program, which is designed to identify and monitor risk, evaluate the adequacy and adherence to internal credit policies and loan administration procedures, verify the quality of loan approval, monitoring and risk assessments, and assess the overall quality of the loan portfolio. The Management ERM Committee, comprised of executive officers, senior officers and loan department personnel, is charged with the oversight of overall credit quality and risk exposure of the Company's loan portfolio. This includes the monitoring of the lending activities of all Company personnel with respect to underwriting and processing new loans and the timely follow-up and corrective action for loans showing signs of deterioration in quality. A loan review program provides the Company with an independent review of the commercial loan portfolio on an ongoing basis. Generally, consumer and residential mortgage loans are included in the Pass categories unless a specific action, such as extended delinquencies, bankruptcy, repossession or death of the borrower occurs, which heightens awareness as to a possible credit event.

Internal loan reviews are completed annually on all commercial relationships with a committed loan balance in excess of $2.0 million, which includes confirmation of risk rating by an independent credit officer. In addition, all commercial relationships greater than $500 thousand rated special mention, substandard, doubtful or loss are reviewed quarterly and corresponding risk ratings are reaffirmed by the Company's Problem Loan Committee, with subsequent reporting to the Management ERM Committee and the Board ERM Committee.

The following table presents the amortized cost basis of the loan portfolio, by year of origination, loan class, and credit quality, as of December 31, 2025 and 2024. For residential and consumer loan classes, the Company also evaluates credit quality based on the aging status of the loan and payment activity. Residential mortgage, installment and other consumer loans are presented below based on payment performance: performing or nonperforming.

	Term Loans Amortized Cost Basis by Origination Year								
As of December 31, 2025	2025	2024	2023	2022	2021	Prior	Revolving Loans Amortized Basis	Revolving Loans Converted to Term	Total
Commercial Real Estate:									
Owner-occupied:									
Risk rating									
Pass	**$ 96,640**	$ 46,784	$ 88,930	$ 103,934	$ 90,037	$ 152,232	$ 13,102	$ 3,642	$ 595,301
Special mention	**—**	10,810	1,713	—	6,721	8,927	93	—	28,264
Substandard - Non-IEL	**—**	723	1,499	4,411	3,837	3,822	1,658	70	16,020
Substandard - IEL	**—**	—	643	821	974	2,690	—	—	5,128
Total owner-occupied loans	**$ 96,640**	$ 58,317	$ 92,785	$ 109,166	$ 101,569	$ 167,671	$ 14,853	$ 3,712	$ 644,713
Current period gross charge offs - owner-occupied	**$ —**	$ —	$ —	$ 337	$ —	$ 3	$ —	$ —	$ 340
Non-owner occupied:									
Risk rating									
Pass	**$ 174,958**	$ 92,343	$ 126,924	$ 188,935	$ 305,539	$ 338,309	$ 9,044	$ —	$ 1,236,052
Special mention	**—**	—	10,053	3,002	—	9,763	—	—	22,818
Substandard - Non-IEL	**—**	—	—	883	—	—	—	—	883
Substandard - IEL	**—**	—	139	143	163	—	—	—	445
Total non-owner occupied loans	**$ 174,958**	$ 92,343	$ 137,116	$ 192,963	$ 305,702	$ 348,072	$ 9,044	$ —	$ 1,260,198
Current period gross charge offs - non-owner occupied	**$ —**	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Multi-family:									
Risk rating									
Pass	**$ 15,347**	$ 9,283	$ 6,800	$ 77,290	$ 45,263	$ 71,549	$ 860	$ 672	$ 227,064
Special mention	**—**	—	—	8,751	755	—	—	—	9,506
Substandard - Non-IEL	**—**	—	—	—	—	—	—	—	—
Substandard - IEL	**—**	—	—	133	—	—	—	—	133
Total multi-family loans	**$ 15,347**	$ 9,283	$ 6,800	$ 86,174	$ 46,018	$ 71,549	$ 860	$ 672	$ 236,703
Current period gross charge offs - multi-family	**$ —**	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —

(continued)

As of December 31, 2025	Term Loans Amortized Cost Basis by Origination Year 2025	2024	2023	2022	2021	Prior	Revolving Loans Amortized Basis	Revolving Loans Converted to Term	Total
Non-owner occupied residential:									
Risk rating									
Pass	**$ 9,829**	$ 9,460	$ 17,833	$ 26,227	$ 24,378	$ 59,928	$ 479	$ 146	$ 148,280
Special mention	**—**	487	—	39	763	1,243	—	38	2,570
Substandard - Non-IEL	**—**	—	128	561	2,445	1,210	—	100	4,444
Substandard - IEL	**—**	—	—	236	121	98	—	—	455
Total non-owner occupied residential loans	**$ 9,829**	$ 9,947	$ 17,961	$ 27,063	$ 27,707	$ 62,479	$ 479	$ 284	$ 155,749
Current period gross charge offs - non-owner occupied residential	**$ —**	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Acquisition and development:									
1-4 family residential construction:									
Risk rating									
Pass	**$ 32,602**	$ 5,145	$ 2,408	$ 411	$ 923	$ —	$ —	$ —	$ 41,489
Special mention	**—**	—	—	—	—	—	—	—	—
Substandard - Non-IEL	**—**	—	—	—	—	—	—	—	—
Substandard - IEL	**—**	—	—	—	—	—	—	—	—
Total 1-4 family residential construction loans	**$ 32,602**	$ 5,145	$ 2,408	$ 411	$ 923	$ —	$ —	$ —	$ 41,489
Current period gross charge offs - 1-4 family residential construction	**$ —**	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial and land development:									
Risk rating									
Pass	**$ 29,243**	$ 53,272	$ 27,951	$ 57,777	$ 5,319	$ 3,213	$ 9,049	$ —	$ 185,824
Special mention	**—**	—	4,166	—	—	—	—	—	4,166
Substandard - Non-IEL	**—**	—	—	—	—	—	—	—	—
Substandard - IEL	**—**	—	275	7,639	330	—	—	—	8,244
Total commercial and land development loans	**$ 29,243**	$ 53,272	$ 32,392	$ 65,416	$ 5,649	$ 3,213	$ 9,049	$ —	$ 198,234
Current period gross charge offs - commercial and land development	**$ —**	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Agricultural									
Risk rating									
Pass	**$ 12,698**	$ 8,621	$ 12,006	$ 19,421	$ 17,013	$ 25,466	$ 15,533	$ 723	$ 111,481
Special mention	**—**	1,491	1,670	1,240	1,120	3,878	98	—	9,497
Substandard - Non-IEL	**—**	74	—	9	199	—	148	—	430
Substandard - IEL	**—**	—	—	9	—	—	—	—	9
Total agricultural loans	**$ 12,698**	$ 10,186	$ 13,676	$ 20,679	$ 18,332	$ 29,344	$ 15,779	$ 723	$ 121,417
Current period gross charge offs - agricultural	**$ —**	$ —	$ —	$ —	$ 25	$ 6	$ —	$ —	$ 31
Commercial and Industrial:									
Risk rating									
Pass	**$ 76,830**	$ 80,815	$ 36,440	$ 45,357	$ 40,702	$ 20,836	$ 137,914	$ 8,209	$ 447,103
Special mention	**87**	6,999	8,285	263	792	344	12,466	834	30,070
Substandard - Non-IEL	—	12	1,152	99	906	18	5,975	176	8,338
Substandard - IEL	**—**	321	227	233	179	912	—	1,988	3,860
Total commercial and industrial loans	**$ 76,917**	$ 88,147	$ 46,104	$ 45,952	$ 42,579	$ 22,110	$ 156,355	$ 11,207	$ 489,371
Current period gross charge offs - commercial and industrial	**$ —**	$ —	$ 406	$ 175	$ 56	$ 100	$ 499	$ —	$ 1,236

(continued)

As of December 31, 2025	Term Loans Amortized Cost Basis by Origination Year 2025	2024	2023	2022	2021	Prior	Revolving Loans Amortized Basis	Revolving Loans Converted to Term	Total
Municipal:									
Risk rating									
Pass	**$ —**	$ 55	$ —	$ 9,012	$ 2,841	$ 11,991	$ —	$ —	$ 23,899
Special mention	**—**	—	—	—	—	1,403	—	—	1,403
Total municipal loans	**$ —**	$ 55	$ —	$ 9,012	$ 2,841	$ 13,394	$ —	$ —	$ 25,302
Current period gross charge offs - municipal	**$ —**	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Residential mortgage:									
First lien:									
Payment performance									
Performing	**$ 74,268**	$ 54,459	$ 89,440	$ 92,611	$ 46,907	$ 114,926	$ —	$ —	$ 472,611
Nonperforming	**—**	626	1,060	176	134	4,263	—	—	6,259
Total first lien loans	**$ 74,268**	$ 55,085	$ 90,500	$ 92,787	$ 47,041	$ 119,189	$ —	$ —	$ 478,870
Current period gross charge offs - first lien	**$ —**	$ 51	$ —	$ —	$ 27	$ 10	$ —	$ —	$ 88
Home equity - term:									
Payment performance									
Performing	**$ 1,015**	$ 319	$ 576	$ 894	$ 172	$ 2,814	$ —	$ —	$ 5,790
Nonperforming	**87**	—	—	—	—	95	—	—	182
Total home equity - term loans	**$ 1,102**	$ 319	$ 576	$ 894	$ 172	$ 2,909	$ —	$ —	$ 5,972
Current period gross charge offs - home equity - term	**$ —**	$ —	$ —	$ 36	$ —	$ —	$ —	$ —	$ 36
Home equity - lines of credit:									
Payment performance									
Performing	**$ —**	$ —	$ —	$ —	$ —	$ —	$ 223,787	$ 94,178	$ 317,965
Nonperforming	**—**	—	—	—	—	—	25	3,448	3,473
Total residential real estate - home equity - lines of credit loans	**$ —**	$ —	$ —	$ —	$ —	$ —	$ 223,812	$ 97,626	$ 321,438
Current period gross charge offs - home equity - lines of credit	**$ —**	$ —	$ —	$ —	$ —	$ 23	$ —	$ —	$ 23
Other - term:									
Payment performance									
Performing	**$ —**	$ 22,906	$ —	$ —	$ —	$ —	$ —	$ —	$ 22,906
Nonperforming	**—**	—	—	—	—	—	—	—	—
Total other - term loans	**$ —**	$ 22,906	$ —	$ —	$ —	$ —	$ —	$ —	$ 22,906
Current period gross charge offs - other - term	**$ —**	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Installment and other loans:									
Payment performance									
Performing	**$ 1,186**	$ 1,052	$ 1,425	$ 1,153	$ 345	$ 213	$ 12,930	$ 25	$ 18,329
Nonperforming	**—**	—	2	—	—	—	—	—	2
Total Installment and other loans	**$ 1,186**	$ 1,052	$ 1,427	$ 1,153	$ 345	$ 213	$ 12,930	$ 25	$ 18,331
Current period gross charge offs - installment and other	**$ 453**	$ 234	$ 6	$ 8	$ 4	$ 15	$ 74	$ —	$ 794

As of December 31, 2024	Term Loans Amortized Cost Basis by Origination Year 2024	2023	2022	2021	2020	Prior	Revolving Loans Amortized Basis	Revolving Loans Converted to Term	Total
Commercial Real Estate:									
Owner-occupied:									
Risk rating									
Pass	$ 55,068	$ 86,255	$ 106,696	$ 112,278	$ 31,495	$ 155,543	$ 14,653	$ 280	$ 562,268
Special mention	—	1,674	18,563	1,895	7,946	5,422	165	—	35,665
Substandard - Non-IEL	—	694	14,572	4,204	2,477	4,899	4,510	—	31,356
Substandard - IEL	—	9	—	1,110	245	2,914	—	—	4,278
Total owner-occupied loans	$ 55,068	$ 88,632	$ 139,831	$ 119,487	$ 42,163	$ 168,778	$ 19,328	$ 280	$ 633,567
Current period gross charge offs - owner-occupied	$ —	$ 217	$ 13	$ 313	$ —	$ 12	$ —	$ —	$ 555
Non-owner occupied:									
Risk rating									
Pass	$ 82,441	$ 146,020	$ 193,131	$ 326,586	$ 123,646	$ 256,212	$ 2,335	$ —	$ 1,130,371
Special mention	—	10,081	2,985	334	7,920	1,919	—	—	23,239
Substandard - Non-IEL	482	—	1,049	—	1,043	2,588	—	—	5,162
Substandard - IEL	—	—	—	—	—	1,466	—	—	1,466
Total non-owner occupied loans	$ 82,923	$ 156,101	$ 197,165	$ 326,920	$ 132,609	$ 262,185	$ 2,335	$ —	$ 1,160,238
Current period gross charge offs - non-owner occupied	$ —	$ —	$ —	$ —	$ —	$ 65	$ —	$ —	$ 65
Multi-family:									
Risk rating									
Pass	$ 7,269	$ 12,679	$ 105,883	$ 54,028	$ 30,968	$ 54,676	$ 1,351	$ —	$ 266,854
Special mention	—	—	1,094	—	—	—	—	—	1,094
Substandard - Non-IEL	—	—	571	4,658	—	237	—	—	5,466
Substandard - IEL	—	—	—	—	—	721	—	—	721
Total multi-family loans	$ 7,269	$ 12,679	$ 107,548	$ 58,686	$ 30,968	$ 55,634	$ 1,351	$ —	$ 274,135
Current period gross charge offs - multi-family	$ —	$ —	$ —	$ —	$ —	$ 7	$ —	$ —	$ 7
Non-owner occupied residential:									
Risk rating									
Pass	$ 9,322	$ 22,771	$ 29,681	$ 29,729	$ 19,410	$ 64,851	$ 1,257	$ —	$ 177,021
Special mention	—	—	—	147	42	478	39	—	706
Substandard - Non-IEL	—	—	166	133	—	1,311	—	—	1,610
Substandard - IEL	—	—	43	—	—	132	—	—	175
Total non-owner occupied residential loans	$ 9,322	$ 22,771	$ 29,890	$ 30,009	$ 19,452	$ 66,772	$ 1,296	$ —	$ 179,512
Current period gross charge offs - non-owner occupied residential	$ —	$ —	$ —	$ 29	$ —	$ —	$ —	$ —	$ 29
Acquisition and development:									
1-4 family residential construction:									
Risk rating									
Pass	$ 30,908	$ 7,079	$ 2,295	$ 598	$ 935	$ 762	$ 3,921	$ —	$ 46,498
Special mention	74	717	—	—	—	143	—	—	934
Substandard - Non-IEL	—	—	—	—	—	—	—	—	—
Substandard - IEL	—	—	—	—	—	—	—	—	—
Total 1-4 family residential construction loans	$ 30,982	$ 7,796	$ 2,295	$ 598	$ 935	$ 905	$ 3,921	$ —	$ 47,432
Current period gross charge offs - 1-4 family residential construction	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —

(continued)

As of December 31, 2024	Term Loans Amortized Cost Basis by Origination Year 2024	2023	2022	2021	2020	Prior	Revolving Loans Amortized Basis	Revolving Loans Converted to Term	Total
Commercial and land development:									
Risk rating									
Pass	$ 60,420	$ 57,563	$ 74,893	$ 14,107	$ 372	$ 6,928	$ 7,280	$ —	$ 221,563
Special mention	734	—	4,557	998	1,841	3,451	—	—	11,581
Substandard - Non-IEL	2,966	1,656	—	—	—	—	—	—	4,622
Substandard - IEL	—	18	3,282	358	—	—	—	—	3,658
Total commercial and land development loans	$ 64,120	$ 59,237	$ 82,732	$ 15,463	$ 2,213	$ 10,379	$ 7,280	$ —	$ 241,424
Current period gross charge offs - commercial and land development	$ —	$ 23	$ —	$ —	$ —	$ —	$ —	$ —	$ 23
Agricultural									
Risk rating									
Pass	$ 14,663	$ 14,507	$ 21,782	$ 19,486	$ 10,463	$ 28,095	$ 13,891	$ 164	$ 123,051
Special mention	—	—	—	25	—	902	161	—	1,088
Substandard - Non-IEL	—	—	13	—	—	207	—	—	220
Substandard - IEL	—	—	797	—	—	—	—	—	797
Total agricultural loans	$ 14,663	$ 14,507	$ 22,592	$ 19,511	$ 10,463	$ 29,204	$ 14,052	$ 164	$ 125,156
Current period gross charge offs - agricultural	$ —	$ 1	$ —	$ 18	$ —	$ 18	$ 1	$ —	$ 38
Commercial and Industrial:									
Risk rating									
Pass	$ 82,924	$ 55,109	$ 53,482	$ 49,937	$ 15,405	$ 17,215	$ 137,379	$ 2,768	$ 414,219
Special mention	485	2,000	2,477	293	2	23	10,516	—	15,796
Substandard - Non-IEL	—	1,037	2,547	3,409	—	490	8,386	—	15,869
Substandard - IEL	409	2,772	140	191	884	921	183	—	5,500
Total commercial and industrial loans	$ 83,818	$ 60,918	$ 58,646	$ 53,830	$ 16,291	$ 18,649	$ 156,464	$ 2,768	$ 451,384
Current period gross charge offs - commercial and industrial	$ —	$ 335	$ 212	$ 60	$ 1,739	$ 60	$ 571	$ —	$ 2,977
Municipal:									
Risk rating									
Pass	$ 1,565	$ —	$ 10,006	$ 3,124	$ 269	$ 15,080	$ —	$ —	$ 30,044
Total municipal loans	$ 1,565	$ —	$ 10,006	$ 3,124	$ 269	$ 15,080	$ —	$ —	$ 30,044
Current period gross charge offs - municipal	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Residential mortgage:									
First lien:									
Payment performance									
Performing	$ 62,970	$ 101,901	$ 103,347	$ 52,420	$ 25,303	$ 109,113	$ —	$ —	$ 455,054
Nonperforming	672	308	241	483	218	3,321	—	—	5,243
Total first lien loans	$ 63,642	$ 102,209	$ 103,588	$ 52,903	$ 25,521	$ 112,434	$ —	$ —	$ 460,297
Current period gross charge offs - first lien	$ —	$ —	$ —	$ —	$ —	$ 2	$ —	$ —	$ 2
Home equity - term:									
Payment performance									
Performing	$ 395	$ 752	$ 1,040	$ 201	$ 462	$ 3,068	$ —	$ —	$ 5,918
Nonperforming	—	—	36	—	—	34	—	—	70
Total home equity - term loans	$ 395	$ 752	$ 1,076	$ 201	$ 462	$ 3,102	$ —	$ —	$ 5,988
Current period gross charge offs - home equity - term	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —

(continued)

As of December 31, 2024	Term Loans Amortized Cost Basis by Origination Year 2024	2023	2022	2021	2020	Prior	Revolving Loans Amortized Basis	Revolving Loans Converted to Term	Total
Home equity - lines of credit:									
Payment performance									
Performing	$ —	$ —	$ —	$ —	$ —	$ —	$ 200,886	$ 100,331	$ 301,217
Nonperforming	—	—	—	—	—	—	2,048	296	2,344
Total residential real estate - home equity - lines of credit loans	$ —	$ —	$ —	$ —	$ —	$ —	$ 202,934	$ 100,627	$ 303,561
Current period gross charge offs - home equity - lines of credit	$ —	$ —	$ —	$ —	$ —	$ —	$ 63	$ —	$ 63
Installment and other loans:									
Payment performance									
Performing	$ 2,197	$ 2,764	$ 2,209	$ 830	$ 119	$ 496	$ 9,817	$ 19	$ 18,451
Nonperforming	9	3	—	—	—	13	—	—	25
Total Installment and other loans	$ 2,206	$ 2,767	$ 2,209	$ 830	$ 119	$ 509	$ 9,817	$ 19	$ 18,476
Current period gross charge offs - installment and other	$ 209	$ 12	$ —	$ 32	$ —	$ 33	$ 21	$ —	$ 307

For commercial real estate, acquisition and development, commercial and industrial and municipal segments, a loan is evaluated individually when, based on current information and events, it is probable that the Company will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining expected credit losses, and whether the loan will be individually evaluated, include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not individually evaluated. Generally, loans that are more than 90 days past due will be individually evaluated for a specific reserve. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed to determine if the loan should be placed on nonaccrual status. Similarly, residential mortgage loans are individually evaluated if payment of the contractual principal balance is in doubt or if principal or interest have been in default for a period of 90 days or more, unless the loan is both well secured and is in process of collection. Nonaccrual loans are, by definition, deemed to be individually evaluated under CECL. A specific reserve allocation for individually evaluated loans is measured on a loan-by-loan basis by either the present value of the expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral dependent. A loan is collateral dependent if the repayment of the loan is expected to be provided solely by the underlying collateral. For loans that are experiencing financial difficulty for extended periods of time, periodic updates on fair values are obtained, which may include updated appraisals. Updated fair values are incorporated into the analysis in the next reporting period.

Loan charge-offs, which may include partial charge-offs, are taken on an individually evaluated loan that is collateral dependent if the carrying balance of the loan exceeds the appraised value of the collateral, the loan has been placed on nonaccrual status or identified as uncollectible, and it is deemed to be a confirmed loss. Typically, loans with a charge-off or partial charge-off will continue to be individually evaluated. Generally, an individually evaluated loan with a partial charge-off may continue to have a specific reserve on it after the partial charge-off, if factors warrant.

At December 31, 2025 and 2024, the Company's individually evaluated loans were measured based on the estimated fair value of the collateral securing the loan or the present value of future cash flows. For real estate loans, collateral generally consists of commercial or residential real estate, but in the case of commercial and industrial loans, it could also consist of accounts receivable, inventory, equipment or other business assets. Commercial and industrial loans may also have real estate collateral.

Updated appraisals are generally required every 18 months for classified commercial loans, secured by commercial real estate, in excess of $250 thousand. The "as is" value provided in the appraisal is often used as the fair value of the collateral in determining impairment, unless circumstances, such as subsequent improvements, approvals, or other circumstances, dictate that another value than that provided by the appraiser is more appropriate.

Generally, commercial loans secured by real estate that are evaluated individually are measured at fair value using certified real estate appraisals that had been completed within the last 18 months. Appraised values are discounted for estimated costs to sell the property and other selling considerations to arrive at the property's fair value. In those situations, in which it is determined an updated appraisal is not required for loans individually evaluated for credit expected losses, fair values are based on either an existing appraisal or a DCF analysis as determined by management. The approaches are discussed below:

- Existing appraisal – if the existing appraisal provides a strong loan-to-value ratio (generally 70% or lower) and, after consideration of market conditions and knowledge of the property and area, it is determined by the Credit Administration staff that there has not been a significant deterioration in the collateral value, the existing certified appraised value may be used. Discounts to the appraised value, as deemed appropriate for selling costs, are factored into the fair value.
- Discounted cash flows – in limited cases, DCF may be used on projects in which the collateral is liquidated to reduce the borrowings outstanding, and is used to validate collateral values derived from other approaches.

Collateral on loans evaluated individually is not limited to real estate, and may consist of accounts receivable, inventory, equipment or other business assets. Estimated fair values are determined based on borrowers' financial statements, inventory ledgers, accounts receivable aging or appraisals from individuals with knowledge in the business. Stated balances are generally discounted for the age of the financial information or the quality of the assets. In determining fair value, liquidation discounts are applied to this collateral based on existing loan evaluation policies.

The Company distinguishes substandard loans for both loans individually and collectively evaluated, as it places less emphasis on a loan's classification, and increased reliance on whether the loan was performing in accordance with the contractual terms. A substandard classification does not automatically meet the definition of an individually evaluated loan. Loss potential, while existing in the aggregate amount of substandard loans, does not have to exist in individual extensions of credit classified as substandard. As a result, the Company's methodology includes an evaluation of certain accruing commercial real estate, acquisition and development, commercial and industrial and municipal loans rated substandard to be collectively evaluated for credit expected losses. Although the Company believes these loans meet the definition of substandard, they are generally performing and management has concluded that it is likely the Company will be able to collect the scheduled payments of principal and interest when due according to the contractual terms of the loan agreement.

The following table presents the amortized cost basis of nonaccrual loans, according to loan class, with and without reserves on individually evaluated loans as of December 31, 2025 and 2024. The Company did not recognize interest income on nonaccrual loans for the years ended December 31, 2025 and 2024. During the year ended December 31, 2024, the Company recorded interest income previously applied to principal of $1.6 million from the payoff of a commercial real estate loan that was on nonaccrual status, which had an outstanding principal balance of $13.4 million.

	December 31, 2025				December 31, 2024			
	Nonaccrual loans with a related ACL	**Nonaccrual loans with no related ACL**	**Total nonaccrual loans**	**Loans Past Due 90+ Accruing**	**Nonaccrual loans with a related ACL**	**Nonaccrual loans with no related ACL**	**Total nonaccrual loans**	**Loans Past Due 90+ Accruing**
Commercial real estate:								
Owner-occupied	**$ 227**	**$ 4,901**	**$ 5,128**	**$ 68**	$ 232	$ 4,046	$ 4,278	$ —
Non-owner occupied	**—**	**445**	**445**	**—**	—	1,466	1,466	—
Multi-family	**133**	**—**	**133**	**—**	—	721	721	237
Non-owner occupied residential	**—**	**455**	**455**	**—**	—	175	175	—
Acquisition and development:								
Commercial and land development	**3,005**	**5,239**	**8,244**	**—**	3,282	376	3,658	—
Agricultural	**—**	**9**	**9**	**—**	—	797	797	—
Commercial and industrial	**1,197**	**2,663**	**3,860**	**—**	2,822	2,678	5,500	113
Residential mortgage:								
First lien	**—**	**6,100**	**6,100**	**431**	—	5,077	5,077	243
Home equity – term	**—**	**182**	**182**	**—**	36	34	70	18
Home equity – lines of credit	**—**	**3,473**	**3,473**	**190**	—	2,344	2,344	30
Other - term	**—**	**—**	**—**	**346**	—	—	—	—
Installment and other loans	**2**	**—**	**2**	**5**	15	10	25	—
Total	**$ 4,564**	**$ 23,467**	**$ 28,031**	**$ 1,040**	$ 6,387	$ 17,724	$ 24,111	$ 641

A loan is considered to be collateral-dependent when the borrower is experiencing financial difficulty and the repayment is expected to be provided substantially through the operation or sale of collateral. At December 31, 2025 and 2024, substantially all individually evaluated loans were collateral-dependent and consisted primarily of commercial real estate, acquisition and development and residential mortgage loans, which were primarily secured by commercial or residential real estate. The following table presents the amortized cost basis of collateral-dependent loans by class as of December 31, 2025:

	Type of Collateral						
December 31, 2025	**Business Assets**	**Commercial Real Estate**	**Equipment**	**Land**	**Residential Real Estate**	**Other**	**Total**
Commercial real estate:							
Owner occupied	**$ —**	**$ 5,128**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 5,128**
Non-owner occupied	**—**	**445**	**—**	**—**	**—**	**—**	**445**
Multi-family	**—**	**133**	**—**	**—**	**—**	**—**	**133**
Non-owner occupied residential	**—**	**455**	**—**	**—**	**—**	**—**	**455**
Acquisition and development:							
Commercial and land development	**—**	**7,897**	**—**	**347**	**—**	**—**	**8,244**
Agricultural	**—**	**—**	**9**	**—**	**—**	**—**	**9**
Commercial and industrial	**2,921**	**—**	**945**	**—**	**—**	**—**	**3,866**
Residential mortgage:							
First lien	**—**	**—**	**—**	**—**	**5,914**	**—**	**5,914**
Home equity - term	**—**	**—**	**—**	**—**	**182**	**—**	**182**
Home equity - lines of credit	**—**	**—**	**—**	**—**	**3,473**	**—**	**3,473**
Installment and other loans	**—**	**—**	**2**	**—**	**—**	**—**	**2**
Total	**$ 2,921**	**$ 14,058**	**$ 956**	**$ 347**	**$ 9,569**	**$ —**	**$ 27,851**
December 31, 2024							
Commercial real estate:							
Owner occupied	$ —	$ 4,269	$ —	$ —	$ —	$ —	$ 4,269
Non-owner occupied	—	1,463	—	—	—	—	1,463
Multi-family	—	721	—	—	—	—	721
Non-owner occupied residential	—	175	—	—	—	—	175
Acquisition and development:							
Commercial and land development	—	3,381	—	277	—	—	3,658
Agricultural	—	—	—	797	—	—	797
Commercial and industrial	1,919	—	3,515	—	—	—	5,434
Residential mortgage:							
First lien	—	—	—	—	5,007	—	5,007
Home equity - term	—	—	—	—	70	—	70
Home equity - lines of credit	—	—	—	—	2,344	—	2,344
Installment and other loans	—	—	3	—	—	9	12
Total	$ 1,919	$ 10,009	$ 3,518	$ 1,074	$ 7,421	$ 9	$ 23,950

ASU 2022-02 requires that the Company evaluate, based on the accounting for loan modifications, whether the borrower is experiencing financial difficulty and the modification results in a more-than-insignificant direct change in the contractual cash flows and represents a new loan or a continuation of an existing loan. This standard requires all loan modifications to be accounted for under the general loan modification guidance in ASC 310-20, Receivables – Nonrefundable Fees and Other Costs.

The Company may modify loans to borrowers experiencing financial difficulty by providing principal forgiveness, term extension, interest rate reduction or an other-than-insignificant payment delay. When principal forgiveness is provided, the amount of forgiveness is charged off against the ACL. The Company may also provide multiple types of modifications on an individual loan. Upon the Company's determination that a modified loan has subsequently been deemed uncollectible, the portion determined to be uncollectible is charged off. The amortized cost basis of the loan is then reduced by the charge-off and the ACL is also adjusted accordingly.

During the year ended December 31, 2025, the Company extended modifications to five borrowers experiencing financial difficulty that had a more-than-insignificant direct change in the contractual cash flows of the loan compared to eight borrowers during the year ended December 31, 2024. In addition, the Company acquired three FDM loans, which were modified prior to the Merger during 2024.

For loans previously modified to borrowers experiencing financial difficulty, there are FDMs totaling $4.7 million that were 90 days or more past due and on nonaccrual status. The Company had committed to lend additional amounts to one commercial client, who was experiencing financial difficulty, with a loan previously modified that was a FDM. At December 31, 2025, the total commitment was $350 thousand and the outstanding loan balance was $300 thousand.

The following table presents the fair value of loans that were both experiencing financial difficulty and modified during the years ended December 31, 2025 and 2024, by loan class and by type of modification. The percentage of loans that were modified to borrowers experiencing difficulty as compared to the loan class is also presented below.

December 31, 2025	Principal Forgiveness	Payment Delay	Term Extension	Interest Rate Reduction	Combination Term Extension and Principal Forgiveness	Combination Term Extension and Interest Rate Reductions	Total Class of Financing Receivable
Commercial real estate:							
Owner-occupied	**$ —**	**$ —**	**$ 723**	**$ —**	**$ —**	**$ 128**	**0.13 %**
Acquisition and development:							
Commercial and land development	**—**	**—**	**4,633**	**—**	**—**	**—**	**2.34 %**
	$ —	**$ —**	**$ 5,356**	**$ —**	**$ —**	**$ 128**	
December 31, 2024							
Commercial real estate:							
Owner-occupied	$ —	$ —	$ 506	$ —	$ —	$ —	0.08 %
Multi-family	—	—	721	—	—	—	0.26 %
Acquisition and development:							
1-4 family residential construction	—	—	143	—	—	—	0.30 %
Commercial and land development	—	—	4,557	—	—	—	1.89 %
Commercial and industrial	—	—	66	3,263	—	—	0.74 %
	$ —	$ —	$ 5,993	$ 3,263	$ —	$ —	

The Company monitors the performance of the modified loans to borrowers experiencing financial difficulty to determine the effectiveness of its modification efforts. The following table presents the performance of the modified loans in the previous twelve months. For the year ended December 31, 2025, modified loans to borrowers experiencing financial difficulty that had a payment default in the twelve months following the modification totaled $4.7 million, which included commercial and land development loans with modified term extensions with an amortized cost of $4.6 million and an owner-occupied commercial real estate loan with a combination of a modified term extension and interest rate reduction with an amortized cost of $74 thousand. For the year ended December 31, 2024, modified loans to borrowers experiencing financial difficulty that had a payment default in the twelve months following the modification included commercial and industrial loans with modified term extensions with an amortized cost of $150 thousand.

December 31, 2025	**Current**	**30-59 Days Past Due**	**60-89 Days Past Due**	**90 Days or More Past Due**	**Total**	**Non-Accrual**
Commercial real estate:						
Owner-occupied	**$ 777**	**$ —**	**$ —**	**$ —**	**$ 777**	**$ 74**
Acquisition and development:						
Commercial and land development	**—**	**—**	**—**	**—**	**—**	**4,633**
Total:	**$ 777**	**$ —**	**$ —**	**$ —**	**$ 777**	**$ 4,707**
December 31, 2024						
Commercial real estate:						
Owner-occupied	$ —	$ —	$ —	$ —	$ —	$ 506
Multi-family	—	—	—	—	—	721
Acquisition and development:						
1-4 family residential construction	143	—	—	—	143	—
Commercial and land development	$ 4,557	$ —	$ —	$ —	$ 4,557	$ —
Commercial and industrial	66	—	—	—	66	3,263
Total:	$ 4,766	$ —	$ —	$ —	$ 4,766	$ 4,490

The following table presents the financial effect of the loan modifications presented above to borrowers experiencing financial difficulty for the years ended December 31, 2025 and 2024:

December 31, 2025	**Principal Forgiveness**	**Weighted Average interest Rate Reduction**	**Weighted Average Term Extension (in years)**
Commercial real estate:			
Owner-occupied	**$ —**	**2.6 %**	**1.6**
Acquisition and development:			
Commercial and land development	**—**	**— %**	**1.3**
December 31, 2024			
Commercial real estate:			
Owner-occupied	$ —	4.0 %	2.0
Multi-family	—	— %	1.0
Acquisition and development:			
1-4 family residential construction	—	— %	1.0
Commercial and land development	—	— %	1.0
Commercial and industrial	—	0.7 %	4.0

Management further monitors the performance and credit quality of the loan portfolio by analyzing the length of time a portfolio is past due by aggregating loans based on its delinquencies. The following table presents the classes of the loan portfolio summarized by aging categories at December 31, 2025 and 2024:

	30-59 Days Past Due	60-89 Days Past Due	90+ Days Past Due	Total Past Due	Loans Not Past Due	Total Loans
December 31, 2025						
Commercial real estate:						
Owner occupied	**$ 1,066**	**$ 148**	**$ 1,770**	**$ 2,984**	**$ 641,729**	**$ 644,713**
Non-owner occupied	**462**	**792**	**—**	**1,254**	**1,258,944**	**1,260,198**
Multi-family	**100**	**—**	**133**	**233**	**236,470**	**236,703**
Non-owner occupied residential	**98**	**24**	**115**	**237**	**155,512**	**155,749**
Acquisition and development:						
1-4 family residential construction	**—**	**—**	**—**	**—**	**41,489**	**41,489**
Commercial and land development	**—**	**151**	**7,969**	**8,120**	**190,114**	**198,234**
Agricultural	**807**	**—**	**—**	**807**	**120,610**	**121,417**
Commercial and industrial	**1,614**	**155**	**1,139**	**2,908**	**486,463**	**489,371**
Municipal	**—**	**—**	**—**	**—**	**25,302**	**25,302**
Residential mortgage:						
First lien	**9,264**	**3,158**	**4,085**	**16,507**	**462,363**	**478,870**
Home equity - term	**53**	**55**	**128**	**236**	**5,736**	**5,972**
Home equity - lines of credit	**2,101**	**491**	**2,715**	**5,307**	**316,131**	**321,438**
Other - term	**—**	**—**	**346**	**346**	**22,560**	**22,906**
Installment and other loans	**28**	**13**	**5**	**46**	**18,285**	**18,331**
	$ 15,593	**$ 4,987**	**$ 18,405**	**$ 38,985**	**$ 3,981,708**	**$ 4,020,693**
December 31, 2024						
Commercial real estate:						
Owner occupied	$ 1,753	$ 2,070	$ 1,433	$ 5,256	$ 628,311	$ 633,567
Non-owner occupied	1,251	148	72	1,471	1,158,767	1,160,238
Multi-family	124	—	237	361	273,774	274,135
Non-owner occupied residential	1,383	115	65	1,563	177,949	179,512
Acquisition and development:						
1-4 family residential construction	1,540	532	—	2,072	45,360	47,432
Commercial and land development	818	—	3,301	4,119	237,305	241,424
Agricultural	466	845	—	1,311	123,845	125,156
Commercial and industrial	410	280	4,459	5,149	446,235	451,384
Municipal	237	—	—	237	29,807	30,044
Residential mortgage:						
First lien	17,534	4,827	2,822	25,183	435,114	460,297
Home equity - term	37	69	18	124	5,864	5,988
Home equity - lines of credit	3,612	318	1,208	5,138	298,423	303,561
Installment and other loans	94	11	12	117	18,359	18,476
	$ 29,259	$ 9,215	$ 13,627	$ 52,101	$ 3,879,113	$ 3,931,214

The Company's ACL is calculated quarterly, with any adjustment recorded to the provision for credit losses in the consolidated statements of operation. Management calculates the quantitative portion of collectively evaluated loans for all loan categories, with the exception of the consumer loan segment, using DCF methodology. For purposes of calculating the quantitative portion of collectively evaluated reserves on the consumer loan segment, the remaining life methodology is utilized. For purposes of estimating the Company's ACL, management generally evaluates collectively evaluated loans by federal call code, which represents the loan classes based upon U.S. regulatory loan classification rules, in order to group loans with similar risk characteristics.

Loans that do not share similar risk characteristics are evaluated on an individual loan basis, and are excluded from the collective evaluation for the ACL. Loans identified to be individually evaluated under CECL include loans on nonaccrual status and may include accruing loans that do not share similar risk characteristics to other accruing loans that are collectively evaluated on a loan pool basis. A specific reserve analysis may be applied to the individually evaluated loans, which considers collateral value, an observable market price or the present value of expected future cash flows. A specific reserve is assigned if the measured value of the loan using one of the before mentioned methods is less than the current carrying value of the loan.

Based on management's analysis, adjustments may be applied for additional factors impacting the risk of loss in the loan portfolio beyond the quantitatively calculated reserve calculated on collectively evaluated loans. As the quantitative reserve calculation incorporates historical conditions, management may consider an additional or reduced reserve is warranted through qualitative risk factors based on current and expected conditions, which may be assigned at different levels of significance: minor, moderate or major. All factors noted above were deemed appropriate at December 31, 2025. These qualitative risk factors considered by management include significant or unexpected changes in:

Nature and Volume of Loans – including loan growth in the current and subsequent quarters based on the Company's targeted growth and strategic plan, coupled with the types of loans booked based on risk management and credit culture; the number of exceptions to loan policy; and supervisory loan to value exceptions.

Concentrations of Credit and Changes within Credit Concentrations – including the composition of the Company's overall portfolio makeup and management's evaluation related to concentration risk management and the inherent risk associated with the concentrations identified.

Lending Policies and Procedures, Underwriting Standards and Recovery Practices – including changes to credit policies and procedures, underwriting standards and perceived impact on anticipated losses; trends in the number of exceptions to loan policy; supervisory loan to value exceptions; and administration of loan recovery practices.

Delinquency and Classified Loan Trends – including delinquency percentages and internal loan ratings noted in the portfolio relative to economic conditions; severity of the delinquencies and the ratings; and whether the ratios are trending upwards or downwards.

Collateral Valuation Trends – including underlying market conditions and impact on the collateral values securing the loans.

Experience, Ability and Depth of Management/Lending staff – including the level of experience of senior and middle management and the lending staff; turnover of the staff; and instances of repeat criticisms.

Quality of Loan Review System – including the level of experience of the loan review staff; in-house versus outsourced provider of review; turnover of the staff; and instances of repeat criticisms from independent testing, which includes the evaluation of internal loan ratings of the portfolio.

Economic Conditions – including trends in the international, national, regional and local conditions that monitor the interest rate environment, inflationary pressures, the consumer price index, the housing price index, housing statistics, and bankruptcy rates.

Other External Factors - including regulatory and legal environment risks and competition.

The following table presents the activity in the ACL, including the impact of adopting CECL, for the years ended December 31, 2025, 2024 and 2023.

	Commercial						Consumer				
	Commercial Real Estate	Acquisition and Development	Agricultural	Commercial and Industrial	Municipal	Total	Residential Mortgage	Installment and Other	Total	Unallocated	Total
December 31, 2025											
Balance, beginning of year	**$ 29,551**	**$ 6,601**	**$ 110**	**$ 6,190**	**$ 320**	**$ 42,772**	**$ 5,240**	**$ 677**	**$ 5,917**	**$ —**	**$ 48,689**
Provision for credit losses	**(3,678)**	**(424)**	**48**	**1,087**	**8**	**(2,959)**	**2,439**	**646**	**3,085**	**—**	**126**
Charge-offs	**(340)**	**—**	**(31)**	**(1,236)**	**—**	**(1,607)**	**(147)**	**(794)**	**(941)**	**—**	**(2,548)**
Recoveries	**19**	**2**	**—**	**1,073**	**—**	**1,094**	**176**	**144**	**320**	**—**	**1,414**
Balance, end of year	**$ 25,552**	**$ 6,179**	**$ 127**	**$ 7,114**	**$ 328**	**$ 39,300**	**$ 7,708**	**$ 673**	**$ 8,381**	**$ —**	**$ 47,681**
December 31, 2024											
Balance, beginning of year	$ 17,873	$ 2,241	$ 437	$ 5,369	$ 157	$ 26,077	$ 2,424	$ 201	$ 2,625	$ —	$ 28,702
Allowance established for acquired PCD Loans	1,321	2,535	2	1,947	—	5,805	105	10	115	—	5,920
Provision for credit losses	10,963	1,809	(292)	1,467	163	14,110	2,696	602	3,298	—	17,408
Charge-offs	(656)	(23)	(38)	(2,977)	—	(3,694)	(65)	(307)	(372)	—	(4,066)
Recoveries	50	39	1	384	—	474	80	171	251	—	725
Balance, end of year	$ 29,551	$ 6,601	$ 110	$ 6,190	$ 320	$ 42,772	$ 5,240	$ 677	$ 5,917	$ —	$ 48,689
December 31, 2023											
Balance, beginning of year	$ 13,558	$ 3,214	$ 218	$ 4,287	$ 24	$ 21,301	$ 3,444	$ 188	$ 3,632	$ 245	$ 25,178
Impact of adopting ASC 326	2,857	(214)	200	728	169	3,740	(1,121)	49	(1,072)	(245)	2,423
Provision for loan losses	1,360	(764)	19	1,004	(36)	1,583	6	93	99	—	1,682
Charge-offs	(12)	—	—	(748)	—	(760)	(98)	(247)	(345)	—	(1,105)
Recoveries	110	5	—	98	—	213	193	118	311	—	524
Balance, end of year	$ 17,873	$ 2,241	$ 437	$ 5,369	$ 157	$ 26,077	$ 2,424	$ 201	$ 2,625	$ —	$ 28,702

NOTE 5. PREMISES AND EQUIPMENT

The following table summarizes premises and equipment at December 31, 2025 and 2024:

	2025	2024
Land and land improvements	**$ 12,426**	$ 12,421
Buildings and improvements	**40,423**	37,932
Leasehold improvements	**6,806**	6,685
Furniture and equipment	**26,036**	25,345
Construction in progress	**401**	757
	86,092	83,140
Less accumulated depreciation	**35,063**	32,923
	$ 51,029	$ 50,217

Depreciation expense totaled $3.4 million, $2.6 million, and $2.1 million for the years ended December 31, 2025, 2024 and 2023, respectively.

NOTE 6. LEASES

A lease provides the lessee the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has primarily entered into operating leases for branches and office space. Most of the Company's leases contain renewal options, which the Company is reasonably certain to exercise. Including renewal options, the Company's leases range from two to 27 years. Operating and finance lease right-of-use assets are included in other assets, operating lease liabilities are included in other liabilities and the finance lease liability is included in other borrowings on the Company's consolidated balance sheets.

The Company uses its incremental borrowing rate to determine the present value of the lease payments, as the rate implicit in the Company's leases is not readily determinable. Lease agreements that contain non-lease components are generally accounted for as a single lease component, while variable costs, such as common area maintenance expenses and property taxes, are expensed as incurred.

The following table summarizes the Company's right-of-use assets and related lease liabilities at December 31, 2025 and 2024:

	December 31, 2025	December 31, 2024
Operating lease ROU assets	**$ 13,854**	$ 13,438
Operating lease ROU liabilities	**14,722**	14,270
Weighted-average remaining lease term (in years)	**15.2**	15.6
Weighted-average discount rate	**4.5 %**	4.8 %

The following table summarizes the Company's finance lease asset at December 31, 2025 and 2024:

	December 31, 2025	December 31, 2024
Financing lease assets	**$ 299**	$ 362
Weighted-average remaining lease term (in years)	**4.2**	5.2
Weighted-average discount rate	**5.0 %**	5.0 %

The following table presents information related to the Company's operating and finance leases for the years ended December 31, 2025 and 2024:

	December 31, 2025	December 31, 2024
Cash paid for operating lease liabilities	**$ 1,603**	$ 1,533
Cash paid for finance lease liabilities	**79**	38
Operating and finance lease expense	**1,846**	1,127

The following table presents expected future maturities of the Company's operating lease liabilities at December 31, 2025:

2026	$	**1,700**
2027		**1,737**
2028		**1,472**
2029		**1,393**
2030		**1,350**
Thereafter		**14,087**
		21,739
Less: imputed interest		**7,017**
Total operating lease liabilities	**$**	**14,722**

NOTE 7. GOODWILL AND OTHER INTANGIBLE ASSETS

At December 31, 2025 and 2024, goodwill was $69.8 million and $68.1 million, respectively. During 2024, $49.4 million was added through the Merger. As permitted under GAAP, the Company had up to twelve months following the date of the merger to finalize the fair values of the acquired assets and assumed liabilities related to the merger of Codorus Valley. During this measurement period, the Company may record subsequent adjustments totaling $1.6 million to goodwill for provisional amounts related to income taxes recorded at the Merger date, which increased total goodwill from the Merger with Codorus Valley to $51.0 million. The measurement period to finalize the fair values of the acquired assets and assumed liabilities ended on June 30, 2025. No further adjustments to the fair values were recorded subsequent to twelve months following the Merger date.

		2025		**2024**
Balance, beginning of year	**$**	**68,106**	$	18,724
Acquired goodwill		**—**		49,382
Adjustments to acquired goodwill		**1,645**		—
Balance, end of year	**$**	**69,751**	$	68,106

Goodwill is not amortized, but is reviewed for potential impairment on at least an annual basis, with testing between annual tests if an event occurs or circumstances change that could potentially reduce the fair value of a reporting unit. The Company conducted its last annual goodwill impairment test as of November 30, 2025 using generally accepted valuation methods. As a result of that impairment test, no goodwill impairment was identified. No changes occurred that would impact the results of that analysis through December 31, 2025. No impairment charges were recorded in December 31, 2025 and 2024.

The Company acquired a core deposit intangible of $40.1 million and customer relationship intangible assets associated with wealth and brokerage businesses totaling $10.6 million from the Merger. The core deposit intangible and customer relationship intangible assets are amortized based on the sum-of-the-years digits method over the expected life of 10 years. The Company also acquired an investment advisory business and related accounts with assets under management of $85.0 million on July 1, 2024. In connection with this acquisition, the Company recorded an intangible asset totaling $374 thousand associated with the customer relationship intangible, which is amortized based on the sum-of-the-years digits method over the expected life of seven years.

The following table presents changes in and components of other intangible assets for the years ended December 31, 2025 and 2024. No impairment charges were recorded on other intangible assets during the years ended December 31, 2025 and 2024.

		2025		**2024**
Balance, beginning of year	**$**	**47,765**	$	2,414
Acquired CDI		**—**		40,140
Adjustment to acquired customer list		**(10)**		10,953
Amortization expense		**(9,765)**		(5,742)
Balance, end of year	**$**	**37,990**	$	47,765

The following table presents the components of other identifiable intangible assets at December 31, 2025 and 2024.

	2025		2024	
	Gross Carrying Amount	**Accumulated Amortization**	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets:				
Core deposit intangibles	**$ 48,530**	**$ 18,706**	$ 48,530	$ 10,911
Other client relationship intangibles	**11,231**	**3,065**	11,242	1,096
Total	**$ 59,761**	**$ 21,771**	$ 59,772	$ 12,007

The following table presents future estimated aggregate amortization expense at December 31, 2025.

2026	**$ 8,585**
2027	**7,404**
2028	**6,226**
2029	**5,126**
2030	**4,111**
Thereafter	**6,538**
	$ 37,990

The Company incurred amortization expense on other identifiable intangible assets of $9.8 million, $5.7 million and $953 thousand in the years ended December 31, 2025, 2024 and 2023, respectively.

NOTE 8. INCOME TAXES

The Company files income tax returns in the U.S. federal jurisdiction, the Commonwealth of Pennsylvania and the State of Maryland. Generally, the Company is no longer subject to tax examination by tax authorities for years before 2022.

The following table summarizes income tax expense from continuing operations for the year ended December 31, 2025 as required by ASU 2023-09:

	2025
Current expense:	
Federal	**$ 14,097**
State	**1,686**
Total current expense	**15,783**
Deferred expense:	
Federal	**5,231**
State	**768**
Total deferred expense	**5,999**
Income tax expense	**$ 21,782**

The following table summarizes income tax expense for the years ended December 31, 2024 and 2023 prior to the adoption of ASU 2023-09:

	2024	2023
Current expense	$ 6,623	$ 10,021
Deferred benefit	(867)	(651)
Income tax expense	$ 5,756	$ 9,370

The following table reconciles the Company's effective income tax rate to its statutory federal rate for the year ended December 31, 2025 as required by ASU 2023-09:

	2025	
	Amount	Percent
U.S. statutory federal tax rate	$ 21,554	21.0 %
State income taxes, net of federal income tax effect [1]	1,939	1.9
Nontaxable and nondeductible items:		
Tax-exempt interest income	(1,420)	(1.4)
Other nontaxable or nondeductible items	371	0.4
Tax credits [2]	(46)	—
Other	(616)	(0.7)
Effective income tax rate	$ 21,782	21.2 %

[1] State income taxes in Maryland made up the majority (greater than 50%) of the tax effect in this category.

[2] The tax credits category includes the impact from proportional amortization and other tax benefits from the Company's low income housing tax credit investments.

The following table reconciles the Company's effective income tax rate to its statutory federal rate for the years ended December 31, 2024 and 2023 prior to the adoption of ASU 2023-09:

	2024	2023
U.S. statutory federal tax rate	21.0 %	21.0 %
Increase (decrease) resulting from:		
State income taxes, net of federal income tax effect	2.3	1.5
Tax-exempt interest income	(4.6)	(2.5)
Income from life insurance	(2.1)	(0.8)
Disallowed interest expense	2.8	1.1
Low-income housing credits and related expenses	(0.2)	(0.1)
Merger-related expenses	1.3	0.3
Share-based compensation and related expenses	(0.9)	(0.1)
Other	1.1	0.4
Effective income tax rate	20.7 %	20.8 %

Net investment securities gains resulted in an income tax expense of $37 thousand and $57 thousand for the years ended December 31, 2025 and 2024, respectively and an income tax benefit of $10 thousand related to net losses on investment securities for the year ended December 31, 2023.

The Company recognizes, when applicable, interest and penalties related to unrecognized tax benefits in the provision for income taxes in the results of operations. There were no penalties or interest related to income taxes recorded in the consolidated statements of income for the years ended December 31, 2025, 2024 and 2023 and no amounts accrued for penalties at December 31, 2025 and 2024. There were no unrecognized tax benefits at December 31, 2025 and 2024.

The following table summarizes the Company's deferred tax assets and liabilities at December 31, 2025 and 2024:

	2025	2024
Deferred tax assets:		
Allowance for credit losses	**$ 10,728**	$ 11,116
Deferred compensation	**1,793**	1,849
Retirement and salary continuation plans	**5,250**	4,712
Share-based compensation	**844**	785
Off-balance sheet reserves	**536**	565
Nonaccrual loan interest	**775**	1,735
Net unrealized losses on AFS securities	**4,364**	8,014
Net unrealized losses on cash flow hedges	**48**	—
Purchase accounting adjustments	**18,717**	24,318
Bonus accrual	**2,268**	3,201
Right-of-use lease liabilities	**3,312**	3,248
Net operating loss carryforward	**1,265**	1,534
Other	**489**	2,618
Total deferred tax assets	**50,389**	63,695
Deferred tax liabilities:		
Depreciation	**530**	643
Net deferred loan fees and costs	**475**	946
Net unrealized gains on cash flow hedges	**—**	259
Mortgage servicing rights	**742**	845
Purchase accounting adjustments	**11,068**	13,879
Right-of-use lease assets	**3,132**	3,157
Investment in partnerships	**457**	1,232
Other	**54**	87
Total deferred tax liabilities	**16,458**	21,048
Deferred tax asset, net	**$ 33,931**	$ 42,647

There was no valuation allowance required on the Company's deferred tax assets at December 31, 2025 and 2024. At December 31, 2025, the Company had acquired federal and state net operating loss carryforwards of $5.6 million each, subject to annual loss limitation limits per IRC Section 382, that expire beginning in 2033. A deferred tax asset is recognized for these carryforwards because the benefit is more likely than not to be realized.

FASB ASC 740, Income Taxes, (“ASC 740”) clarifies the accounting for income taxes by prescribing a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined in ASC 740 as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. ASC 740 was applied to all existing tax positions upon initial adoption. There was no liability for uncertain tax positions and no known unrecognized tax benefits at December 31, 2025 or 2024.

The following table summarizes the income taxes paid, net of refunds received, by jurisdiction for the year ended December 31, 2025 as required by ASU 2023-09:

Jurisdiction	**Amount**
Federal	$ 3,936
State (Maryland)	1,600
Total income taxes paid, net	$ 5,536

NOTE 9. RETIREMENT PLANS

The Company maintains a 401(k) profit-sharing plan for all qualified employees. Employees are eligible to participate in the 401(k) profit-sharing plan following completion of one month of service and attaining age 18. Pursuant to the 401(k) profit-sharing plan, employees can contribute up to the lesser of $70 thousand, or 100% of their compensation. Substantially all of the Company’s employees are covered by the plan, which contains limited match or safe harbor provisions. The Company will match 50% of the first 6% of the base contribution that an employee contributes. The Company’s match is immediately vested and paid at the end of the year. Employer contributions to the plan are based on the performance of the Company and are at the discretion of the Board of Directors. Employer contribution expense totaled $1.3 million, $1.2 million and $859 thousand for the years ended December 31, 2025, 2024 and 2023, respectively.

The Company has deferred compensation agreements with certain present and former directors, whereby a director or his beneficiaries will receive a monthly retirement benefit beginning at age 65. The arrangement is funded by an amount of life insurance on the participating director, which is calculated to meet the Company’s obligations under the compensation agreement. The cash value of the life insurance policies is an unrestricted asset of the Company. The estimated present value of future benefits to be paid totaled $95 thousand and $193 thousand at December 31, 2025 and 2024, respectively. During 2024, the Company assumed liabilities totaling $245 thousand for a director deferred compensation plan from the Merger. Expense for these plans totaled $6 thousand, $4 thousand and $2 thousand for the years ended December 31, 2025, 2024 and 2023, respectively.

The Company also has supplemental discretionary deferred compensation plans for directors and executive officers. The plans are funded annually with director fees and salary reductions, which are either placed in a trust account invested by the Bank’s OFA division or recognized as a liability in the consolidated balance sheets. The trust account balance totaled $8.8 million and $7.9 million at December 31, 2025 and 2024, respectively, and is offset in other liabilities in the consolidated balance sheets. During 2024, the Company acquired a supplemental retirement plan from the Merger, which had a trust account balance of $5.6 million and is held with a third party trustee. Expense for these plans totaled $18 thousand, $35 thousand and $51 thousand for the years ended December 31, 2025, 2024 and 2023, respectively.

In addition, the Company has two supplemental retirement and salary continuation plans for directors and executive officers. These plans are funded with single premium life insurance on the plan participants. The cash value of the life insurance policies is an unrestricted asset of the Company. The estimated present value of future benefits to be paid on these plans totaled $23.3 million and $26.3 million at December 31, 2025 and 2024, respectively. During 2024, the Company assumed liabilities totaling $8.1 million for a supplemental retirement plan for selected executives and deferred compensation plans for executives and directors from the Merger. Expense for these plans totaled $4.0 million, $4.3 million and $1.9 million, for the years ended December 31, 2025, 2024 and 2023, respectively.

The Company has committed to a continuation of life insurance coverage to certain persons post-retirement. The estimated present value of future benefits to be paid totaled $2.7 million and $2.6 million at December 31, 2025 and 2024, respectively. During 2024, the Company assumed a liability totaling $656 thousand related to post retirement split-dollar life insurance policies from the Merger. Expense for this plan totaled $51 thousand, $105 thousand and $130 thousand for the years ended December 31, 2025, 2024 and 2023, respectively.

Trust account balances, and estimated present values of future benefits and deferred compensation liabilities, noted above are included in other assets and other liabilities, respectively, on the consolidated balance sheets.

NOTE 10. SHARE-BASED COMPENSATION PLANS

The Company maintains two share-based compensation plans: the 2011 Stock Incentive Plan (the "2011 Plan") and the 2025 Stock Incentive Plan (the "2025 Plan"). The purpose of the share-based compensation plans is to provide officers, employees, and members of the Board of Directors of the Company with additional incentive to further the success of the Company, and awards may consist of grants of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, deferred stock units and performance shares. All employees and members of the Board of Directors of the Company and its subsidiaries are eligible to participate in the Company's share-based compensation plans. The Company's share-based compensation plans allow for the Compensation Committee of the Board of Directors to determine the type of incentive to be awarded, its term, manner of exercise, vesting and restrictions on shares. Generally, awards are nonqualified under the IRC, unless the awards are deemed to be incentive awards to employees at the Compensation Committee’s discretion.

At December 31, 2025, 440,000 shares of the Company's common stock were reserved for issuance under the 2025 Plan, of which 366,330 shares were available to be issued.

The following table presents a summary of nonvested restricted shares activity for 2025:

	Shares	Weighted Average Grant Date Fair Value
Nonvested shares, beginning of year	**264,328**	**$ 26.73**
Granted	**170,359**	**33.12**
Forfeited	**(11,829)**	**30.15**
Vested	**(169,103)**	**27.32**
Nonvested shares, end of year	**253,755**	**$ 30.47**

The following table presents restricted shares compensation expense, with tax benefit information, and fair value of shares vested at December 31, 2025, 2024 and 2023:

	2025	2024	2023
Restricted share award expense	**$ 5,001**	$ 8,616	$ 2,349
Restricted share award federal tax benefit	**1,050**	1,809	493
Fair value of shares vested	**5,801**	9,658	2,460

At December 31, 2025, 2024 and 2023, unrecognized compensation expense related to the share awards totaled $4.0 million, $3.6 million, and $3.4 million, respectively. The unrecognized compensation expense at December 31, 2025 is expected to be recognized over a weighted-average period of 1.7 years.

The following table presents the summary of stock option activity as of December 31, 2025. The weighted average of remaining contractual term of shares exercisable is 1.8 years.

	Shares	Weighted Average Exercise Price
Outstanding at January 1, 2025	**50,007**	**$ 23.13**
Exercised	**(33,744)**	**22.60**
Expired	**(3,061)**	**19.64**
Outstanding at end of period	**13,202**	**25.29**
Fully vested and expected to vest	**13,202**	**25.29**
Exercisable at December 31, 2025	**13,202**	**$ 25.29**

The following table presents information about stock options exercised for the year ended December 31, 2025:

	December 31, 2025
Total intrinsic value of options exercised	**$ 309**
Cash received from options exercised	**763**
Tax benefit realized from stock options exercised	**69**

The Company maintains an employee stock purchase plan to provide employees of the Company an opportunity to purchase Company common stock. Eligible employees may purchase shares in an amount that does not exceed the lesser of the IRS limit of $25,000 or 10% of their annual salary at the lower of 95% of the fair market value of the shares on the semi-annual offering date, or related purchase date. The purchases occur in March and September of each year. The Company reserved 350,000 shares of its common stock to be issued under the employee stock purchase plan, of which 122,980 shares were available to be issued at December 31, 2025.

The following table presents information for the employee stock purchase plan for years ended December 31, 2025, 2024 and 2023:

	2025	2024	2023
Shares purchased	**4,747**	11,419	6,449
Weighted average price of shares purchased	**$ 33.53**	$ 23.66	$ 21.14
Compensation expense recognized	**$ 12**	$ 103	$ 7

The Company issues new shares or treasury shares, depending on market conditions, in its share-based compensation plans.

NOTE 11. DEPOSITS

The following table summarizes deposits by type at December 31, 2025 and 2024. Deposits of $1.9 billion were assumed in the Merger in 2024. Brokered money market deposit balances were $45.2 million and $8.1 million at December 31, 2025 and 2024, respectively. Brokered time deposits totaled $50.6 million and zero at December 31, 2025 and 2024, respectively.

	2025	2024
Noninterest-bearing demand deposits	**$ 870,906**	$ 894,176
Interest-bearing demand deposits	**1,169,004**	1,154,761
Money market and savings	**1,586,874**	1,581,267
Time ($250,000 or less)	**754,181**	822,781
Time (over $250,000)	**147,809**	170,111
Total	**$ 4,528,774**	$ 4,623,096

The following table summarizes scheduled future maturities of time deposits as of December 31, 2025:

2026	**$ 807,154**
2027	**72,392**
2028	**17,665**
2029	**2,307**
2030	**1,359**
Thereafter	**1,113**
	$ 901,990

NOTE 12. RELATED PARTY TRANSACTIONS

Directors and executive officers of the Company, including their immediate families and companies in which they have a direct or indirect material interest, are considered to be related parties. In the ordinary course of business, the Company engages in various related party transactions, including extending credit, taking deposits and bank service transactions. The Company relies on the directors and executive officers for the identification of their associates.

The following table represents loans to principal officers, directors and their related interests during 2025:

Balance, beginning of year	**$ 11,917**
New loans	**1,620**
Repayments	**(2,379)**
Director and officer relationship changes	**40**
Balance, end of year	**$ 11,198**

None of these loans are past due, on nonaccrual status or have been restructured to provide a reduction or deferral of interest or principal because of deterioration in the financial position of the borrower. There were no loans to a related party that were considered classified loans at December 31, 2025 or 2024.

At December 31, 2025 and 2024, the Company had approximately $4.7 million and $4.2 million, respectively, in deposits from related parties, including directors and certain executive officers.

NOTE 13. SHORT-TERM BORROWINGS

The Company has short-term borrowing capability from the FHLB and the FRB discount window. The following table summarizes these short-term borrowings at and for the years ended December 31, 2025, 2024 and 2023:

	2025	2024	2023
Balance at year-end	**$ 214,400**	$ 75,000	$ 97,500
Weighted average interest rate at year-end	**4.01 %**	4.71 %	5.68 %
Average balance during the year	**$ 124,679**	$ 80,596	$ 87,370
Average interest rate during the year	**4.54 %**	5.59 %	5.46 %
Maximum month-end balance during the year	**$ 281,391**	$ 105,000	$ 120,984

At December 31, 2025 and 2024, the Company had availability under FHLB lines for its short-term borrowings totaling $60.6 million and $75.0 million, respectively.

The Company also enters into borrowing arrangements with certain of its deposit clients by agreements to repurchase ("repurchase agreements") under which the Company pledges investment securities owned and under its control as collateral against the borrowing arrangement, which generally matures within one day from the transaction date. The Company is required to hold U.S. Treasury, U.S. Agency or U.S. GSE securities as underlying securities for repurchase agreements. The following table provides additional details for repurchase agreements, which excludes federal funds purchased, at and for the years ended December 31, 2025, 2024 and 2023:

	2025	2024	2023
Balance at year-end	**$ 24,542**	$ 25,863	$ 9,785
Weighted average interest rate at year-end	**1.71 %**	0.87 %	0.76 %
Average balance during the year	**$ 26,806**	$ 17,543	$ 14,099
Average interest rate during the year	**1.50 %**	1.22 %	0.80 %
Maximum month-end balance during the year	**$ 32,501**	$ 27,446	$ 17,991
Fair value of securities underlying the agreements at year-end	**$ 27,672**	$ 25,988	$ 10,201

NOTE 14. LONG-TERM DEBT

The following table presents components of the Company's long-term debt at December 31, 2025, and 2024. There were four new long term borrowings in 2025 and zero in 2024.

	Amount		Weighted Average rate	
	2025	2024	2025	2024
FHLB fixed rate advances maturing:				
2025	**$ —**	$ 15,000	**— %**	4.57 %
2027	**35,000**	—	**3.65 %**	— %
2028	**25,000**	25,000	**3.98 %**	3.98 %
Total FHLB Advances	**$ 60,000**	$ 40,000	**3.78 %**	4.20 %
Lease obligation included in long term debt				
Finance lease liabilities	**$ 301**	$ 364		

The following table presents expected future maturities of the Company's finance lease liabilities as of December 31, 2025.

2026	$	**80**
2027		**80**
2028		**80**
2029		**80**
2030		**13**
Thereafter		**—**
		333
Less: imputed interest		**32**
Total finance lease liabilities	**$**	**301**

The Bank is a member of the FHLB of Pittsburgh and has access to the FHLB program of overnight and term advances. Under terms of a blanket collateral agreement for advances, lines and letters of credit from the FHLB, collateral for all outstanding advances, lines and letters of credit consisted of 1-4 family mortgage loans and other real estate secured loans totaling $2.0 billion and $1.9 billion at December 31, 2025 and 2024, respectively. The Bank had additional availability of $1.7 billion at the FHLB at both December 31, 2025 and 2024, respectively, based on its qualifying collateral, net of short-term borrowings and long-term debt detailed above. Deposit letters of credit and non-deposit letters of credit totaled zero and $609 thousand, respectively, at December 31, 2025 compared to $1.0 million and $609 thousand of deposit letters of credit and non-deposit letters of credit, respectively, at December 31, 2024.

The Bank has available unsecured lines of credit, with interest based on the daily Federal Funds rate, with one correspondent bank totaling $10.0 million, at December 31, 2025 compared to available unsecured lines of credit totaling $20.0 million with two correspondent banks at December 31, 2024. There were no borrowings under these lines of credit at December 31, 2025 and 2024.

NOTE 15. SUBORDINATED NOTES

At December 31, 2025 and 2024, subordinated notes payable outstanding totaled $31.0 million and $63.1 million, respectively, which qualified for Tier 2 capital subject to the regulatory capital phase out limitations. The remaining debt issuance costs on the subordinated notes totaled zero and $353 thousand at December 31, 2025 and 2024, respectively, and are recorded net of the subordinated notes on consolidated balance sheets. The debt issuance costs were amortized over a 10-year period on an effective yield basis.

On September 30, 2025, the Company redeemed its $32.5 million outstanding 6.0% fixed-to-floating rate subordinated notes due December 30, 2028. At redemption, the variable interest rate of three-month CME term SOFR rate, plus a spread adjustment of 0.26161% and a margin of 3.16%, on the subordinated debt was 7.72%. During the year ended December 31, 2025 and 2024, amortization expense of the debt issuance costs totaled $335 thousand and $81 thousand, respectively.

In the Merger, the Company assumed Codorus Valley's unsecured subordinated notes that were issued in December 2020 in the amount of $31.0 million, which may be redeemed, in whole or in part, in a principal amount with integral multiples of $10.0 million, on or after December 9, 2025 and prior to the maturity date at 100% of the principal amount, plus accrued and unpaid interest. The subordinated notes mature on December 9, 2030. The subordinated notes are also redeemable in whole or in part from time to time, upon the occurrence of specific events defined within the note purchase agreements. The subordinated notes had a fixed rate of interest equal to 4.50% until December 30, 2025. After that term, the variable rate of interest is equal to the three-month CME term SOFR rate plus 4.04%, which was 8.06% at December 31, 2025. At the date of the Merger, these subordinated notes were marked to fair value at $28.6 million, with a discount of $2.4 million being amortized and netted against interest expense over the stated maturity.

The Company assumed junior subordinated trust preferred debt of $10.3 million from the Merger with a fair value of $7.6 million with a discount of $2.7 million being amortized and netted against interest expense over the state maturity. In June 2006, Codorus Valley formed CVB Statutory Trust No. II, a wholly-owned special purpose entity whose sole purpose was to facilitate a pooled trust preferred debt issuance of $7.2 million with a stated maturity of July 7, 2036 and a variable rate of three-month CME term SOFR rate, plus a spread adjustment of 0.26161% and a margin of 1.54% through maturity. In November 2004, Codorus Valley formed CVB Statutory Trust No. I to facilitate a pooled trust preferred debt issuance of $3.1 million with a stated maturity of December 15, 2034 and a variable rate of three-month CME term SOFR rate, plus a spread adjustment of 0.26161% and a margin of 2.02% through maturity. The Company owns all of the common stock of these

nonbank entities, and the debentures are the sole assets of the trusts. The accounts of both trusts are not consolidated for financial reporting purposes in accordance with FASB ASC 810, Consolidation. For regulatory capital purposes, the trust preferred securities qualified as Tier 1 capital, but are subject to capital limitations under the risk-based capital guidelines.

The remaining maturities of subordinated notes and trust preferred debt as of December 31, 2025 and 2024, are as follows:

	December 31, 2025	December 31, 2024
Subordinated debt maturing:		
2028	**$ —**	$ 32,500
2030	**31,000**	31,000
Trust preferred junior subordinated debt maturing:		
2034	**$ 3,093**	$ 3,093
2036	**7,217**	7,217

NOTE 16. DERIVATIVE FINANCIAL INSTRUMENTS

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company manages economic risks, including interest rate, liquidity, and credit risk primarily by managing the amount, sources, and duration of its assets and liabilities and also through the use of derivative financial instruments. Specifically, the Company may enter into derivative financial instruments to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates. The Company's derivative financial instruments are used as risk management tools by the Company to manage differences in the amount, timing, and duration of the Company’s known or expected cash receipts and its known or expected cash payments principally related to the Company’s investment securities and borrowings and are not used for trading or speculative purposes.

The Company’s objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish this objective, the Company primarily uses interest rate swaps and interest rate caps as part of its interest rate risk management strategy.

Interest rate swaps designated as cash flow hedges involve the hedge of the exposure to variability in expected future cash flows through the receipt of fixed or variable amounts from a counterparty in exchange for the Company making variable-rate or fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. The Company, however, discontinues cash flow hedge accounting if it is probable the forecasted hedged transactions will not occur in the initially identified time period due to circumstances. Upon discontinuance, the associated gains and losses deferred in AOCI are reclassified immediately into earnings and subsequent changes in the fair value of the cash flow hedge are recognized in earnings.

At December 31, 2025, the Company had two interest rate swap designated as a cash flow hedge with a notional value of $160.0 million, which are pay-fixed hedges. During 2025, the Company entered into one new interest rate swap designated as a cash flow hedge with a notional value of $85.0 million for the purpose of hedging variable cash flows associated with the Company's borrowings and brokered money market deposits. At December 31, 2024, the Company had one interest rate swap designated as a cash flow hedge with a total notional value of $75.0 million for the purpose of hedging variable cash flows associated with the Company's borrowings.

Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. The gain or loss on the fair value hedge, as well as the offsetting loss or gain on the hedged item attributable to the hedged risk, are recognized in current earnings as the fair value changes. When a fair value hedge is discontinued, the hedged asset or liability is no longer adjusted for changes in fair value and the existing basis adjustment is amortized or accreted over the remaining life of the asset or liability.

During 2025, the Company terminated its three pay-fixed interest rate swaps with a total notional value of $100.0 million, which were on closed portfolio loans with the Bank's commercial clients. The interest rate swaps were designated as fair value hedges and allowed the Company to offer long-term fixed rate loans to commercial clients while mitigating the interest rate risk

of a long-term asset by converting fixed rate interest payments to floating rate interest payments indexed to a synthetic U.S. SOFR rate. The Company did not enter into new interest rate swaps designated as fair value hedges during 2025.

The Company enters into interest rate swap agreements that allow its commercial loan customers to effectively convert a variable-rate commercial loan agreement to a fixed-rate commercial loan agreement. Under these agreements, the Company enters into a variable-rate loan agreement with a customer in addition to an interest rate swap agreement, which serves to effectively swap the customer's variable-rate loan into a fixed-rate loan. In addition, the Company may enter into interest rate caps that allow its commercial loan customers to gain protection against significant interest rate increases and provide an upper limit, or cap, on the variable interest rate. The Company then enters into a corresponding swap or cap agreement with a third party in order to economically hedge its exposure through the customer agreement. The interest rate swaps and interest rate caps with both the customers and third parties are not designated as hedges and are marked through earnings. At December 31, 2025, the Company had 96 customer and 96 corresponding third-party broker interest rate derivatives not designated as a hedging instrument with an aggregate notional amount of $1.1 billion compared to $789.3 million in notional value of such derivative instruments at December 31, 2024. The Company entered into 37 new interest rate swaps with its commercial loan customers and recognized swap fee income of $3.0 million for the year ended December 31, 2025 compared to swap fee income of $1.7 million from 22 new interest rate swaps with its commercial loan customers for the year ended December 31, 2024. During 2024, the Company acquired ten customer and ten corresponding third-party broker interest rate derivatives not designated as a hedging instrument with an aggregate notional value of $96.5 million from the Merger. The Company did not enter into any interest new rate cap agreements for the years ended December 31, 2025 and 2024. Swap fee income is included in noninterest income in the consolidated statements of income.

At December 31, 2025 and 2024, the Company had cash collateral of $8.0 million and $6.7 million with the third parties for certain of these derivatives, respectively. At December 31, 2025 and 2024, the Company received cash collateral from a counterparty for these derivatives of zero and $8.3 million, respectively.

The Company also may enter into risk participation agreements with a financial institution counterparty for an interest rate derivative contract related to a loan in which the Company may be a participant or the agent bank. The risk participation agreement provides credit protection to the agent bank should the borrower fail to perform on its interest rate derivative contracts with the agent bank. The Company manages its credit risk on the risk participation agreement by monitoring the creditworthiness of the borrower, which is based on the same credit review process as though the Company had entered into the derivative instruments directly with the borrower. The notional amount of such risk participation agreement reflects the Company's pro-rata share of the derivative instrument, consistent with its share of the related participated loan. At December 31, 2025, the Company had six risk participation agreements with sold protection with a notional value of $44.6 million, compared to six risk participation agreements with sold protection with a notional value of $47.5 million at December 31, 2024. In addition, the Company had six risk participation with purchased protection with a notional value of $31.7 million at December 31, 2025 compared to five risk participation agreement with purchased protection with a notional value of $23.7 million at December 31, 2024. During 2025, the Company entered into one risk participation agreement with sold protection and received an upfront fee of $76 thousand and one risk participation agreement with purchased protection, which the Company paid an upfront fee of $73 thousand, which were included in noninterest income in the consolidated statements of income. One risk participation with sold protection was terminated during 2025. During 2024, the Company acquired two risk participations with purchased protection with a notional value of $14.1 million from the Merger. In addition, the Company entered into two new risk participation agreements with purchased protection during 2024.

As a part of its normal residential mortgage operations, the Company will enter into an interest rate lock commitment with a potential borrower. The Company may enter into a corresponding commitment with an investor to sell that loan at a specific price shortly after origination. In accordance with FASB ASC 820, adjustments are recorded through earnings to account for the net change in fair value of these transactions for the held for sale loan pipeline. The fair value of held for sale loans can vary based on the interest rate locked with the customer and the current market interest rate at the balance sheet date.

The following table summarizes the notional values and fair value of the Company's derivative instruments at December 31, 2025 and 2024:

	December 31, 2025				December 31, 2024			
	Notional Amount	Balance Sheet Location		Fair Value	Notional Amount	Balance Sheet Location		Fair Value
Derivatives designated as hedging instruments:								
Cash flow hedge designation:								
Interest rate swaps - FHLB advances	**$ 75,000**	Other liabilities	**$**	**(348)**	$ 75,000	Other assets	$	1,138
Interest rate swaps - FHLB advances and brokered money market deposits	**85,000**	Other assets		**132**	n/a	n/a		n/a
Fair value hedge designation:								
Interest rate swaps - commercial loans	**n/a**	n/a		**n/a**	100,000	Other liabilities		(252)
Total derivatives designated as hedging instruments			**$**	**(216)**			$	886
Derivatives not designated as hedging instruments:								
Interest rate swaps	**$ 539,225**	Other assets	**$**	**14,463**	$ 388,851	Other assets	$	12,240
Interest rate swaps	**539,225**	Other liabilities		**(14,720)**	388,851	Other liabilities		(12,239)
Purchased options – rate cap	**5,709**	Other assets		**—**	5,813	Other assets		5
Written options – rate cap	**5,709**	Other liabilities		**—**	5,813	Other liabilities		(5)
Risk participations - sold credit protection	**44,638**	Other liabilities		**(70)**	47,545	Other liabilities		(79)
Risk participations - purchased credit protection	**31,702**	Other assets		**43**	23,726	Other assets		48
Interest rate lock commitments with customers	**1,811**	Other assets		**38**	679	Other assets		20
Forward sale commitments	**5,948**	Other liabilities		**(11)**	6,508	Other assets		24
Total derivatives not designated as hedging instruments			**$**	**(257)**			$	14

The following table presents the carrying amount and associated cumulative basis adjustment related to the application of fair value hedge accounting that is included in the carrying amount of hedged assets as of December 31, 2025 and 2024:

	Carrying Amounts of Hedged Assets		Cumulative Amounts of Fair Value Hedging Adjustments Included in the Carrying Amounts of the Hedged Assets	
	2025	2024	2025	2024
Commercial loans	**n/a**	$ 100,000	**$ —**	$ 252

The following tables summarize the effect of the Company's derivative financial instruments on OCI and net income at December 31, 2025, 2024 and 2023:

	Amount of (Loss) Gain Recognized in OCI on Derivative		
	2025	2024	2023
Derivatives in cash flow hedging relationships:			
Interest rate products	**$ (1,354)**	$ 1,429	$ 682
Total	**$ (1,354)**	$ 1,429	$ 682

	Amount of Loss Reclassified from AOCI into Income			Location of Loss Recognized from AOCI into Income
	2025	2024	2023	
Derivatives in cash flow hedging relationships:				
Interest rate products	**$ —**	$ —	$ —	Interest income / Interest expense
Total	**$ —**	$ —	$ —	

	Amount of Gain (Loss) Recognized in Income			Location of Gain (Loss) Recognized in Income
	2025	2024	2023	
Derivatives designated as hedging instruments				
Fair value hedge designation:				
Interest rate swaps - commercial loans [1]	**$ (1)**	$ 8	$ 4	Interest income on loans
Derivatives not designated as hedging instruments:				
Interest rate products	**$ (259)**	$ 98	$ (232)	Other operating expenses
Risk participation agreements	**4**	186	(16)	Other operating expenses
Interest rate lock commitments with customers	**18**	(35)	20	Mortgage banking activities
Forward sale commitments	**(36)**	28	(144)	Mortgage banking activities
Total derivatives not designated as hedging instruments	**$ (273)**	$ 277	$ (372)	

[1] Amount includes the net of the change in the fair value of the interest rate swaps hedging commercial loans and the change in the carrying value included in the hedged commercial loans.

The following table is a summary of components for interest rate swap designated as hedging instruments at December 31, 2025 and 2024:

	Weighted Average Pay Rate	Weighted Average Receive Rate	Weighted Average Maturity in Years
December 31, 2025			
Cash flow hedge designation:			
Interest rate swaps - FHLB advances and brokered deposits	**3.35 %**	**3.93 %**	**2.5**
December 31, 2024			
Cash flow hedge designation:			
Interest rate swaps - FHLB advances	**3.49 %**	**4.53 %**	**3.3**
Fair value hedge designation:			
Interest rate swaps - commercial loans	**4.12 %**	**4.53 %**	**2.7**

NOTE 17. SHAREHOLDERS’ EQUITY AND REGULATORY CAPITAL

Banks and bank holding companies are subject to regulatory capital requirements administered by federal banking agencies. Capital adequacy guidelines and, additionally for banks, prompt corrective action regulations, involve quantitative measures of assets, liabilities and certain off-balance sheet items calculated under regulatory accounting practices. Capital amounts and classifications are also subject to qualitative judgments by regulators. Failure to meet capital requirements can initiate regulatory action. Under the Basel Committee on Banking Supervision's capital guidelines for U.S. Banks, an entity must hold a capital conservation buffer above the adequately capitalized risk-based capital ratios. The Company and the Bank have elected not to include net unrealized gain or losses included in AOCI in computing regulatory capital.

The Company and the Bank met all capital adequacy requirements to which they are subject at December 31, 2025 and 2024. Prompt corrective action regulations provide five classifications: well-capitalized, adequately capitalized, undercapitalized, significantly undercapitalized and critically undercapitalized, although these terms are not used to represent overall financial condition. If adequately capitalized, regulatory approval is required to accept brokered deposits. If undercapitalized, capital distributions are limited, as is asset growth and expansion, and capital restoration plans are required. At December 31, 2025, the most recent regulatory notifications categorized the Bank as well-capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since that notification that management believes have changed the Bank's classification.

The following table presents capital amounts and ratios at December 31, 2025 and 2024:

	Actual		For Capital Adequacy Purposes (includes applicable capital conservation buffer)		To Be Well Capitalized Under Prompt Corrective Action Regulations	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
December 31, 2025						
Total risk-based capital:						
Orrstown Financial Services, Inc.	**$ 587,354**	**13.3 %**	**$ 463,702**	**10.5 %**	**n/a**	**n/a**
Orrstown Bank	**588,026**	**13.3 %**	**463,671**	**10.5 %**	**$ 441,592**	**10.0 %**
Tier 1 risk-based capital:						
Orrstown Financial Services, Inc.	**514,572**	**11.7 %**	**375,378**	**8.5 %**	**n/a**	**n/a**
Orrstown Bank	**538,598**	**12.2 %**	**375,353**	**8.5 %**	**353,273**	**8.0 %**
Tier 1 common equity risk-based capital:						
Orrstown Financial Services, Inc.	**506,643**	**11.5 %**	**309,135**	**7.0 %**	**n/a**	**n/a**
Orrstown Bank	**538,598**	**12.2 %**	**309,114**	**7.0 %**	**287,035**	**6.5 %**
Tier 1 leverage capital:						
Orrstown Financial Services, Inc.	**514,572**	**9.5 %**	**217,008**	**4.0 %**	**n/a**	**n/a**
Orrstown Bank	**538,598**	**9.9 %**	**217,148**	**4.0 %**	**271,435**	**5.0 %**
December 31, 2024						
Total risk-based capital:						
Orrstown Financial Services, Inc.	$ 543,170	12.4 %	$ 458,593	10.5 %	n/a	n/a
Orrstown Bank	539,929	12.4 %	458,609	10.5 %	$ 436,770	10.0 %
Tier 1 risk-based capital:						
Orrstown Financial Services, Inc.	445,146	10.2 %	371,242	8.5 %	n/a	n/a
Orrstown Bank	490,029	11.2 %	371,255	8.5 %	349,416	8.0 %
Tier 1 common equity risk-based capital:						
Orrstown Financial Services, Inc.	437,456	10.0 %	305,728	7.0 %	n/a	n/a
Orrstown Bank	490,029	11.2 %	305,739	7.0 %	283,901	6.5 %
Tier 1 leverage capital:						
Orrstown Financial Services, Inc.	445,146	8.3 %	215,375	4.0 %	n/a	n/a
Orrstown Bank	490,029	9.1 %	215,375	4.0 %	269,219	5.0 %

The Company maintains a stockholder dividend reinvestment and stock purchase plan. Under the plan, shareholders may purchase additional shares of the Company's common stock at the prevailing market prices with reinvestment of dividends and voluntary cash payments. The Company reserved 1,045,000 shares of its common stock to be issued under the dividend reinvestment and stock purchase plan. At December 31, 2025, approximately 665,000 shares were available to be issued under the plan.

On June 20, 2025, the Board of Directors of the Company authorized a share repurchase program pursuant to which the Company could repurchase up to 500,000 shares of its outstanding common stock in accordance with all applicable securities laws and regulations, including Rule 10b-18 of the Exchange Act, as amended. When and if appropriate, repurchases may be made in the open market or privately negotiated transactions, depending on market conditions, regulatory requirements and other corporate considerations, as determined by management. Share repurchases may not occur and may be discontinued at any time. For the year ended December 31, 2025, the Company repurchased 8,330 shares of its common stock. Common stock available for future repurchase totals 491,670 shares, or 2.5% of the Company's outstanding common stock at December 31, 2025.

On January 27, 2026, the Board declared a cash dividend of $0.30 per common share, which was paid on February 17, 2026 to shareholders of record on February 10, 2026.

Banking regulations limit the ability of the Bank to pay dividends or make loans or advances to the Parent Company. Dividends that may be paid in any calendar year are limited to the current year's net profits, combined with the retained net profits of the preceding two years. At December 31, 2025, dividends from the Bank available to be paid to the Parent Company, without prior approval of the Bank's regulatory agency, totaled $84.2 million, subject to the Bank meeting or exceeding regulatory capital requirements. The Parent Company's principal source of funds for dividend payments to shareholders is dividends received from the Bank.

At December 31, 2025, there were no loans from the Bank to any nonbank affiliate, including the Parent Company. The Bank's loans to a single affiliate may not exceed 10%, and loans to all affiliates may not exceed 20%, of the Bank's capital stock, surplus, and undivided profits, plus the ACL (as defined by regulation). Loans from the Bank to nonbank affiliates, including the Parent Company, are also required to be collateralized according to regulatory guidelines. At December 31, 2025 and 2024, the maximum amount the Bank had available to loan to a nonbank affiliate was $58.8 million and $54.0 million, respectively.

NOTE 18. EARNINGS PER SHARE

The following table presents earnings per share for the years ended December 31, 2025, 2024 and 2023.

	2025	2024	2023
Net income	**$ 80,855**	$ 22,050	$ 35,663
Weighted average shares outstanding - basic	**19,201**	14,761	10,340
Dilutive effect of share-based compensation	**154**	153	95
Weighted average shares outstanding - diluted	**19,355**	14,914	10,435
Per share information:			
Basic earnings per share	**$ 4.21**	$ 1.49	$ 3.45
Diluted earnings per share	**4.18**	1.48	3.42

For the years ended December 31, 2025, 2024 and 2023, the total average shares of the outstanding antidilutive restricted stock grants were 55,075, 98,650 and 80,262, respectively. For the years ended December 31, 2025, 2024 and 2023, the total average shares of the exercisable antidilutive stock options outstanding were 1,428, zero and zero, respectively. Antidilutive shares are excluded from the computation of earnings per share as the grant price exceeded the average market price. The dilutive effect of share-based compensation in each period above relates to restricted stock awards and vested stock options.

NOTE 19. 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 clients. These financial instruments include commitments to extend credit and standby letters of credit. Those instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the unaudited condensed consolidated balance sheets. The contract 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 instrument for commitments to extend credit and standby letters of credit and financial guarantees written 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 table presents these contractual, or notional, amounts at December 31, 2025, and 2024:

	2025	2024
Commitments to fund:		
Home equity lines of credit	**$ 539,336**	$ 538,204
1-4 family residential construction loans	**93,905**	107,475
Commercial real estate, construction and land development loans	**256,806**	236,445
Commercial, industrial and other loans	**597,023**	706,783
Letters of credit	**37,241**	42,691

Commitments to extend credit are agreements to lend to a client as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment

amounts do not necessarily represent future cash requirements. The Company evaluates each client's credit-worthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Company upon extension of credit, is based on management's credit evaluation of the client. Collateral varies but may include accounts receivable, inventory, equipment, residential real estate, and income-producing commercial properties.

Standby letters of credit and financial guarantees written are conditional commitments issued by the Company to guarantee the performance of a client to a third party. Those guarantees are primarily issued to support public and private borrowing arrangements. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loans to clients. The Company holds collateral supporting those commitments when deemed necessary by management. The liability, at December 31, 2025 and 2024, for guarantees under standby letters of credit issued was not considered to be material.

The Company maintains a reserve on its off-balance sheet credit exposures, which totaled $2.4 million and $2.5 million at December 31, 2025 and 2024, respectively, and is recorded in other liabilities on the consolidated balance sheets. The reserve is based on management's estimate of expected losses in its off-balance sheet credit exposures. The reserve specific to unfunded loan commitments is determined by applying utilization assumptions based on historical experience and applying the expected loss rates by loan class. The change in the reserve for off-balance sheet credit exposures is recorded as a provision or reduction to expense through the provision for credit losses in the consolidated statements of income. The Company recorded recoveries of credit losses for off-balance sheet exposure of $100 thousand and $862 thousand for the years ended December 31, 2025 and 2024, respectively. The Company did not record a provision for credit losses for off-balance sheet credit exposures for the year ended December 31, 2023.

The Company may sell loans to the FHLB of Chicago as part of its Mortgage Partnership Finance Program ("MPF Program"). Under the terms of the MPF Program, there is limited recourse back to the Company for loans that do not perform in accordance with the terms of the loan agreement. Each loan that is sold under the program is "credit enhanced" such that the individual loan's rating is raised to a minimum "BBB," as determined by the FHLB of Chicago. Outstanding loans sold under the MPF Program totaled $7.7 million and $8.3 million at December 31, 2025 and 2024, respectively, with limited recourse back to the Company on these loans of $355 thousand at both December 31, 2025 and 2024. Many of the loans sold under the MPF Program have primary mortgage insurance, which reduces the Company's overall exposure. The net amount expensed or recovered for the Company's estimate of losses under its recourse exposure for loans foreclosed, or in the process of foreclosure, is recorded in other operating expenses on the consolidated statements of income. These amounts were not material for the years ended December 31, 2025, 2024 and 2023.

NOTE 20. FAIR VALUE

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Certain financial instruments and all non-financial instruments are excluded from disclosure requirements. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Company.

The fair value hierarchy distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions about market participant assumptions based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

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

Level 2 – significant other observable inputs other than Level 1 prices such as prices for similar assets and liabilities in active markets; quoted prices for identical or similar instruments in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – at least one significant unobservable input that reflects a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In instances in which multiple levels of inputs are used to measure fair value, hierarchy classification is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

The Company used the following methods and significant assumptions to estimate fair value for financial instruments measured on a recurring basis:

Where quoted prices are available in an active market, investment securities are classified within Level 1 of the valuation hierarchy. Level 1 investment securities include highly liquid government bonds, mortgage products and exchange traded equities. If quoted market prices are not available, investment securities are classified within Level 2 and fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or DCF. Level 2 investment securities include U.S. agency securities, MBS, obligations of states and political subdivisions and certain corporate, asset-backed and other securities. In certain cases where there is limited activity or less transparency around inputs to the valuation, investment securities are classified within Level 3 of the valuation hierarchy. The Company's investment securities are classified as AFS.

The fair values of interest rate swaps, interest rate caps and risk participation derivatives are determined using models that incorporate readily observable market data into a market standard methodology. This methodology nets the discounted future cash receipts and the discounted expected cash payments. The discounted variable cash receipts and payments are based on expectations of future interest rates derived from observable market interest rate curves. In addition, fair value is adjusted for the effect of nonperformance risk by incorporating credit valuation adjustments for the Company and its counterparties. These assets and liabilities are classified as Level 2 fair values, based upon the lowest level of input that is significant to the fair value measurements.

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The following table summarizes assets and liabilities measured at fair value on a recurring basis at December 31, 2025 or 2024.

	Level 1	Level 2	Level 3	Total Fair Value Measurements
December 31, 2025				
Financial Assets				
Investment securities:				
U.S. Treasury securities	**$ 14,211**	**$ —**	**$ —**	**$ 14,211**
U.S. government agencies	**—**	**1,796**	**—**	**1,796**
States and political subdivisions	**—**	**196,482**	**5,666**	**202,148**
GSE residential MBSs	**—**	**234,103**	**—**	**234,103**
GSE commercial MBSs	**—**	**6,171**	**—**	**6,171**
GSE residential CMOs	**—**	**354,003**	**—**	**354,003**
Non-agency CMOs	**—**	**50,161**	**9,662**	**59,823**
Asset-backed	**—**	**78,250**	**—**	**78,250**
Corporate debt	**—**	**1,992**	**—**	**1,992**
Other	**243**	**—**	**—**	**243**
Loans held for sale	**—**	**6,090**	**—**	**6,090**
Derivatives	**—**	**14,638**	**38**	**14,676**
Totals	**$ 14,454**	**$ 943,686**	**$ 15,366**	**$ 973,506**
Financial Liabilities				
Derivatives	**$ —**	**$ 15,138**	**$ —**	**$ 15,138**
December 31, 2024				
Financial Assets				
Investment securities:				
U.S. Treasury securities	$ 18,063	$ —	$ —	$ 18,063
U.S. government agencies	—	3,053	—	3,053
States and political subdivisions	—	193,756	6,272	200,028
GSE residential MBSs	—	151,548	—	151,548
GSE commercial MBSs	—	8,792	—	8,792
GSE residential CMOs	—	324,692	—	324,692
Non-agency CMOs	—	22,636	10,648	33,284
Asset-backed	—	88,103	—	88,103
Corporate debt	—	1,954	—	1,954
Other	194	—	—	194
Loans held for sale	—	6,614	—	6,614
Derivatives	—	13,431	20	13,451
Totals	$ 18,257	$ 814,579	$ 16,940	$ 849,776
Financial Liabilities				
Derivatives	$ —	$ 12,575	$ —	$ 12,575

The Company had one municipal bond and two CMOs measured at fair value on a recurring basis using significant unobservable inputs (Level 3) at both December 31, 2025 and 2024. The Level 3 valuation is based on a non-executable broker quote, which is considered a significant unobservable input. Such quotes are updated as available and may remain constant for a period of time for certain broker-quoted securities that do not move with the market or that are not interest rate sensitive as a result of their structure or overall attributes.

The Company’s residential mortgage LHFS were recorded at fair value utilizing Level 2 measurements. This fair value measurement is determined based upon third party quotes obtained on similar loans. For LHFS, for which the fair value option has been elected, the aggregate fair value exceeded the aggregate principal balance by $129 thousand and $131 thousand as of December 31, 2025 and 2024, respectively.

The determination of the fair value of interest rate lock commitments on residential mortgages is based on agreed upon pricing with the respective investor on each loan and includes a pull through percentage. The pull through percentage represents an estimate of loans in the pipeline to be delivered to an investor versus the total loans committed for delivery. Significant changes in this input could result in a significantly higher or lower fair value measurement. As the pull through percentage is a significant unobservable input, this is deemed a Level 3 valuation input. The average pull through percentage, which is based upon historical experience, was 92% as of December 31, 2025. An increase or decrease of 5% in the pull through assumption would result in a positive or negative change of $2 thousand in the fair value of interest rate lock commitments at December 31, 2025.

The following provides details of the Level 3 fair value measurement activity for the years ended December 31, 2025 and 2024:

Investment securities:

	2025	2024
Balance, beginning of year	**$ 16,920**	$ 27,853
Unrealized (losses) gains included in OCI	**(379)**	79
Net discount accretion	**88**	82
Principal payments and other	**(1,301)**	(987)
Calls	**—**	(10,107)
Balance, end of year	**$ 15,328**	$ 16,920

There were no transfers into or out of Level 3 at December 31, 2025 and 2024.

Interest rate lock commitments on residential mortgages:

	2025	2024
Balance, beginning of year	**$ 20**	$ 55
Total gains (losses) included in earnings	**18**	(35)
Balance, end of year	**$ 38**	$ 20

Certain financial assets are measured at fair value on a nonrecurring basis. Adjustments to the fair value of these assets usually results from the application of lower-of-cost-or-market accounting or write-downs of individual assets. The Company used the following methods and significant assumptions to estimate fair value for these financial assets.

Individually Evaluated Loans

Loans individually evaluated for credit expected losses include nonaccrual loans and other loans that do not share similar risk characteristics to loans in the CECL loan pools, which have been classified as Level 3. Individually evaluated loans with an allocation to the ACL are measured at fair value on a nonrecurring basis. Any fair value adjustments are recorded in the period incurred as provision for credit losses on the consolidated statements of income.

The measurement of loss associated with loans evaluated individually for all loan classes was based on either the observable market price of the loan, the fair value of the collateral, or DCF. For collateral-dependent loans, fair value was measured based on the value of the collateral securing the loan, less estimated costs to sell. Collateral may be in the form of real estate or business assets including equipment, inventory, and accounts receivable. The value of the real estate collateral is determined utilizing an income or market valuation approach based on an appraisal conducted by an independent, licensed appraiser outside of the Company using observable market data (Level 2). However, if the collateral is a house or building in the process of construction, or if management adjusts the appraisal value, then the fair value is considered Level 3. The value of business equipment is based upon an outside appraisal, if deemed significant, or the net book value on the applicable business’ financial statements if not considered significant using observable market data. Likewise, values for inventory and accounts receivable collateral are based on financial statement balances or aging reports (Level 3).

Changes in the fair value of individually evaluated loans still held and considered in the determination of the provision for credit losses were a decline of $1.2 million for the year ended December 31, 2025 compared to increases of $5.2 million and $332 thousand for the years ended December 31, 2024 and 2023, respectively.

Foreclosed Real Estate

OREO property acquired through foreclosure is initially recorded at the fair value of the property at the transfer date less estimated selling cost. Subsequently, OREO is carried at the lower of its carrying value or the fair value less estimated selling cost. Fair value is usually determined based upon an independent third-party appraisal of the property or occasionally upon a recent sales offer. During the year ended December 31, 2025, the Company sold its OREO with a fair value of $138 thousand. The Company did not sell OREO during the year ended December 31, 2024.

Mortgage Servicing Rights

MSRs are evaluated for impairment by comparing the carrying value to the fair value, which is determined through a DCF valuation that utilizes inputs that focus on loan-level characteristics, prepayment speeds, servicing costs, the discount rate and delinquency rates . To the extent the amortized cost of the MSRs exceeds their estimated fair values, a valuation allowance is established for such impairment. Fair value adjustments on the MSRs only occurs if there is an impairment charge. At December 31, 2025, the fair value of the MSR was $5.5 million, which exceeded the carrying value of $3.3 million. At December 31, 2024, the fair value of the MSR was $6.0 million, which exceeded the carrying value of $3.5 million. At December 31, 2025 and 2024, the MSR impairment reserve was $41 thousand and zero, respectively, which the impairment charge was recorded to mortgage banking activities on the consolidated statements of income. For the years ended December 31, 2025 and 2024, there were no impairment valuation allowance adjustments in mortgage banking activities on the consolidated statements of income.

The following table summarizes assets measured at fair value on a nonrecurring basis at December 31, 2025 and 2024:

	Level 1	Level 2	Level 3	Total Fair Value Measurements
December 31, 2025				
Individually evaluated loans				
Commercial real estate:				
Owner-occupied	**$ —**	**$ —**	**$ 1,664**	**$ 1,664**
Non-owner occupied residential	**—**	**—**	**31**	**31**
Acquisition and development:				
Commercial and land development	**—**	**—**	**832**	**832**
Commercial and industrial	**—**	**—**	**2,494**	**2,494**
Residential mortgage:				
First lien	**—**	**—**	**834**	**834**
Home equity - lines of credit	**—**	**—**	**9**	**9**
Total individually evaluated loans	**$ —**	**$ —**	**$ 5,864**	**$ 5,864**
Mortgage servicing rights	$ —	$ —	$ 536	$ 536
December 31, 2024				
Individually evaluated loans				
Commercial real estate:				
Owner-occupied	$ —	$ —	$ 997	$ 997
Non-owner occupied residential	—	—	43	43
Acquisition and development:				
Commercial and land development	—	—	932	932
Commercial and industrial	—	—	3,995	3,995
Residential mortgage:				
First lien	—	—	213	213
Home equity - term	—	—	44	44
Home equity - lines of credit	—	—	25	25
Installment and other loans	—	—	3	3
Total individually evaluated loans	$ —	$ —	$ 6,252	$ 6,252

The following table presents additional qualitative information about assets measured on a nonrecurring basis and for which the Company has utilized Level 3 inputs to determine fair value:

	Fair Value Estimate	Valuation Techniques	Unobservable Input	Range
December 31, 2025				
Individually evaluated loans	**$ 5,864**	Appraisal of collateral	Management adjustments on appraisals for property type and recent activity	10% - 84% discount
			- Management adjustments for liquidation expenses	8.28% - 65.04% discount
Mortgage servicing rights	**536**	Income approach - DCF	Weighted average CPR	6.86%
			Discount rate	9.02%
December 31, 2024				
Individually evaluated loans	$ 6,252	Appraisal of collateral	Management adjustments on appraisals for property type and recent activity	10% - 84% discount
			- Management adjustments for liquidation expenses	5.81% - 16.07% discount

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Fair values of financial instruments

GAAP requires disclosure of the fair value of financial assets and liabilities, including those that are not measured and reported at fair value on a recurring or nonrecurring basis. The following table presents the carrying amounts and estimated fair values of financial assets and liabilities at December 31, 2025, and 2024:

	Carrying Amount	Fair Value	Level 1	Level 2	Level 3
December 31, 2025					
Financial Assets					
Cash and due from banks	**$ 42,083**	**$ 42,083**	**$ 42,083**	**$ —**	**$ —**
Interest-bearing deposits with banks	**107,691**	**107,691**	**107,691**	**—**	**—**
Federal funds sold	**—**	**—**	**—**	**—**	**—**
Restricted investments in bank stock	**26,717**	**n/a**	**n/a**	**n/a**	**n/a**
Investment securities	**952,740**	**952,740**	**14,454**	**922,958**	**15,328**
Loans held for sale	**6,090**	**6,090**	**—**	**6,090**	**—**
Loans, net of allowance for credit losses	**3,973,012**	**3,934,248**	**—**	**—**	**3,934,248**
Interest rate lock commitments on residential mortgages	**—**	**—**	**—**	**—**	**—**
Derivatives	**14,676**	**14,676**	**—**	**14,638**	**38**
Accrued interest receivable	**21,473**	**21,473**	**—**	**5,026**	**16,447**
Financial Liabilities					
Deposits	**4,528,774**	**4,527,619**	**—**	**4,527,619**	**—**
Securities sold under agreements to repurchase and federal funds purchased	**24,542**	**24,542**	**—**	**24,542**	**—**
FHLB advances and other borrowings	**274,701**	**274,765**	**—**	**274,765**	**—**
Subordinated notes and trust preferred debt	**37,122**	**38,861**	**—**	**38,861**	**—**
Derivatives	**15,138**	**15,138**	**—**	**15,138**	**—**
Accrued interest payable	**3,497**	**3,497**	**—**	**3,497**	**—**
Off-balance sheet instruments	**—**	**—**	**—**	**—**	**—**
December 31, 2024					
Financial Assets					
Cash and due from banks	$ 51,026	$ 51,026	$ 51,026	$ —	$ —
Interest-bearing deposits with banks	197,848	197,848	197,848	—	—
Restricted investments in bank stock	20,232	n/a	n/a	n/a	n/a
Investment securities	829,711	829,711	18,257	794,534	16,920
Loans held for sale	6,614	6,614	—	6,614	—
Loans, net of allowance for credit losses	3,882,525	3,783,097	—	—	3,783,097
Derivatives	13,451	13,451	—	13,431	20
Accrued interest receivable	21,058	21,058	—	5,361	15,697
Financial Liabilities					
Deposits	4,623,096	4,621,081	—	4,621,081	—
Securities sold under agreements to repurchase and federal funds purchased	25,863	25,863	—	25,863	—
FHLB advances and other borrowings	115,364	114,851	—	114,851	—
Subordinated notes and trust preferred debt	68,680	67,597	—	67,597	—
Derivatives	12,575	12,575	—	12,575	—
Accrued interest payable	2,924	2,924	—	2,924	—
Off-balance sheet instruments	—	—	—	—	—

In accordance with the Company's adoption of ASU 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities,* the methods utilized to measure the fair value of financial instruments at December 31, 2025 and 2024 represents an approximation of exit price; however, an actual exit price may differ.

NOTE 21. REVENUE FROM CONTRACTS WITH CLIENTS

ASU 2014-09, Revenue from Contracts with Customers (Topic 606) and all subsequent amendments (collectively “ASC 606”) represents a common revenue standard that clarifies the principles for recognizing revenue. The core principle of ASC 606 is that an entity should recognize revenue to depict the transfer of promised goods or services to clients in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The majority of the Company's revenue comes from interest income, including loans and securities, which are outside the scope of ASC 606. The Company's services that fall within the scope of ASC 606 are presented within noninterest income on the consolidated statements of income and are recognized as revenue as the Company satisfies its obligation to the client. Services within the scope of ASC 606 include service charges on deposit accounts, income from trust and investment management and brokerage activities and interchange fees from service charges on ATM and debit card transactions. ASC 606 did not result in a change to the accounting for any in-scope revenue streams; as such, no cumulative effect adjustment was recorded.

Descriptions of revenue generating activities that are within the scope of ASC 606 are as follows:

Service Charges on Deposit Accounts - The Company earns fees from its deposit clients for transaction-based, account maintenance, and overdraft services. Transaction-based fees, which include services such as ATM use fees to clients and non-clients (included in other service charges, commissions and fees in the consolidated statements of income), stop payment charges, statement rendering, and ACH fees, are recognized at the time the transaction is executed as that is the point in time the Company fulfills the client's request. Account maintenance fees, which relate primarily to monthly maintenance, are earned over the course of a month, representing the period over which the Company satisfies the performance obligation. Overdraft fees are recognized at the point in time that the overdraft occurs. Service charges on deposits are withdrawn from the client's account balance.

Trust and Investment Management Income - The Company earns wealth management and investment brokerage fees from its contracts with trust and wealth management clients to manage assets for investment, and/or to transact on their accounts. These fees are primarily earned over time as the Company provides the contracted services and are generally assessed based on a tiered scale of the market value of assets under management. Fees that are transaction based, including trade execution services, are recognized at the point in time that the transaction is executed, i.e., the trade date. Other related services provided included financial planning services and the associated fees the Company earns, which are based on a fixed fee schedule, are recognized when the services are rendered. Services are generally billed in arrears and a receivable is recorded until fees are paid. At December 31, 2025, 2024 and 2023, the Company had receivables from trust and wealth management clients totaling $1.3 million, $777 thousand and $697 thousand, respectively.

Brokerage Income - The Company earns fees from investment management and brokerage services provided to its clients through a third-party service provider. The Company receives commissions from the third-party service provider and recognizes income on a weekly basis based upon client activity. As the Company acts as an agent in arranging the relationship between the client and the third-party service provider and does not control the services rendered to the clients, brokerage income is presented net of related costs.

Interchange Income - The Company earns interchange fees from debit/credit cardholder transactions conducted through the MasterCard payment network. Interchange fees from cardholder transactions represent a percentage of the underlying transaction value and are recognized daily, concurrently with the transaction processing services provided to the cardholder. Interchange income is presented net of cardholder rewards.

The following table presents the Company's noninterest income disaggregated by revenue source for the years ended December 31, 2025, 2024 and 2023:

	2025	2024	2023
Service charges on deposit accounts and ATM fees	**$ 8,490**	$ 5,700	$ 4,266
Trust and investment management income	**14,975**	11,501	7,691
Brokerage income	**6,723**	4,852	3,649
Interchange income	**6,956**	5,259	3,873
Revenue from contracts with clients	**37,144**	27,312	19,479
Other service charges	**1,842**	1,193	600
Mortgage banking activities	**1,805**	1,835	591
Income from life insurance	**5,402**	3,866	2,482
Swap fee income	**2,991**	1,676	1,039
Other income	**2,963**	1,304	1,508
Investment securities gains (losses)	**166**	249	(47)
Total noninterest income	**$ 52,313**	$ 37,435	$ 25,652

NOTE 22. ORRSTOWN FINANCIAL SERVICES, INC. (PARENT COMPANY ONLY) CONDENSED FINANCIAL INFORMATION

Condensed Balance Sheets

	December 31,	
	2025	2024
Assets		
Cash in bank subsidiary	**$ 4,939**	$ 16,595
Investment in bank subsidiary	**623,489**	569,254
Other assets	**1,242**	882
Total assets	**$ 629,670**	$ 586,731
Liabilities		
Subordinated notes	**$ 29,192**	$ 60,990
Trust preferred debt	**7,929**	7,690
Other liabilities	**1,014**	1,369
Total liabilities	**38,135**	70,049
Shareholders' Equity		
Common stock	**1,026**	1,027
Additional paid-in capital	**424,596**	423,274
Retained earnings	**186,752**	126,540
Accumulated other comprehensive loss	**(15,201)**	(26,316)
Treasury stock	**(5,638)**	(7,843)
Total shareholders' equity	**591,535**	516,682
Total liabilities and shareholders' equity	**$ 629,670**	$ 586,731

Condensed Statements of Income

	For the Years Ended December 31,		
	2025	**2024**	**2023**
Income			
Dividends from bank subsidiary	**$ 44,000**	$ 15,000	$ 14,000
Interest income from bank subsidiary	**102**	150	158
Other income	**89**	105	21
Total income	**44,191**	15,255	14,179
Expenses			
Interest expense on subordinated notes	**4,009**	3,798	2,017
Interest expense on trust preferred debt	**883**	487	—
Total interest expense	**4,892**	4,285	2,017
Share-based compensation	**704**	887	484
Management fee to bank subsidiary	**1,772**	1,606	1,449
Merger-related expenses	**12**	3,371	851
Other expenses	**717**	568	638
Total expenses	**8,097**	10,717	5,439
Income before income tax benefit and equity in undistributed income of subsidiaries	**36,094**	4,538	8,740
Income tax benefit	**(1,659)**	(2,198)	(1,106)
Income before equity in undistributed income of subsidiaries	**37,753**	6,736	9,846
Equity in undistributed income of subsidiaries	**43,102**	15,314	25,817
Net income	**$ 80,855**	$ 22,050	$ 35,663

Condensed Statements of Cash Flows

	For the Years Ended December 31,		
	2025	**2024**	**2023**
Cash flows from operating activities:			
Net income	**$ 80,855**	$ 22,050	$ 35,663
Adjustments to reconcile net income to cash provided by operating activities:			
Amortization	**941**	375	67
Deferred income tax (benefit) expense	**(289)**	52	8
Equity in undistributed income of subsidiaries	**(43,102)**	(15,314)	(25,817)
Share-based compensation	**704**	887	484
(Decrease) increase in other liabilities	**(66)**	(1,975)	1,759
(Increase) decrease in other assets	**(378)**	431	2,795
Net cash provided by operating activities	**38,665**	6,506	14,959
Cash flows from investing activities:			
Cash acquired from Merger	—	2,991	—
Net cash provided by investing activities	—	2,991	—
Cash flows from financing activities:			
Dividends paid	**(20,643)**	(13,177)	(8,485)
Repayment of subordinated notes	**(32,500)**	—	—
Proceeds from issuance of common stock	**4,309**	7,833	1,872
Payments to repurchase common stock	**(2,400)**	(2,393)	(2,963)
Other, net	**913**	839	136
Net cash used in financing activities	**(50,321)**	(6,898)	(9,440)
Net (decrease) increase in cash	**(11,656)**	2,599	5,519
Cash, beginning	**16,595**	13,996	8,477
Cash, ending	**$ 4,939**	$ 16,595	$ 13,996

NOTE 23. SEGMENT REPORTING

On January 1, 2024, the Company adopted FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. The updated guidance requires enhanced disclosures for significant expenses by reportable operating segments. The significant expense categories would be those regularly provided to the Company's chief operating decision-maker ("CODM") and included in an operating segment's measures of profit or loss. Other required disclosures include the composition of other segment items, the title and position of the CODM and an explanation on how the CODM evaluates and uses the reportable segment's performance.

The segment reporting guidance identifies operating segments as components of a business which are evaluated regularly by the Company's Chief Financial Officer, who is the designated CODM and is responsible for deciding how to allocate resources and assess performance. The segment is distinguished by the level of the information provided to the CODM, who uses such information to review performance of various components of the business, which are then aggregated if operating performance, products and services and customers are similar. While the Company monitors the available information about products and services, operations are managed and financial performance is evaluated on a company-wide basis. Management has determined that the Company has one reportable segment consisting of community banking and is engaged in lending activities and deposit services in addition to providing fiduciary, investment advisory, insurance and brokerage services. Management continues to evaluate the Company's business units for separate reporting if facts and circumstances change.

The community banking segment includes revenues from interest income primarily from loans and investment securities and non-interest income, which includes revenue from trust and investment management and retail brokerage services. The performance of the segment is evaluated using net income that is also reported on the consolidated statements of income. The measure of segment assets is reported on the consolidated balance sheets. Significant expenses, other than interest expense and the provision for credit losses, of the Company include salaries and employee benefits, occupancy, furniture and equipment, data processing and professional service fees. The CODM evaluates the financial performance of the segment using net income to monitor budget versus actual results. Other relevant company-wide financial performance and credit quality metrics used by

the CODM to evaluate the segment performance and benchmark to the Company's peers include return on average assets, return on average shareholders' equity, basic and diluted earnings per common share, net interest margin and the efficiency ratio, among others.

NOTE 24. CONTINGENCIES

The nature of the Company's business generates a certain amount of litigation involving matters arising out of the ordinary course of business. Except as described below, in the opinion of management, there are no legal proceedings that might have a material effect on the results of operations, liquidity, or the financial position of the Company at this time.

On March 25, 2022, a customer of the Bank filed a putative class action complaint against the Bank in the Court of Common Pleas of Cumberland County, Pennsylvania, in a case captioned *Alleman, on behalf of himself and all others similarly situated, v. Orrstown Bank*. The complaint alleged, among other things, that the Bank breached its account agreements by charging certain overdraft fees. On December 31, 2024, the Bank entered into a classwide settlement agreement (the "Settlement Agreement"). The Settlement Agreement provides for a payment by the Bank to the purported class in the amount of $478 thousand (the "Settlement Amount"), in exchange for a mutual release of claims against all parties, and a stipulation that the lawsuit will be dismissed with prejudice. The Settlement Agreement does not include any admission of wrongdoing by the Bank. The Bank agreed to settle the case in order to avoid the cost, risks and distraction of continued litigation. The proposed settlement contemplated by the Settlement Agreement is subject to final court approval. The Settlement Amount was accrued for and included in other liabilities on the consolidated balance sheets at December 31, 2025 and 2024, and paid on January 16, 2026.

On March 6, 2025, a customer of the Bank filed a putative class action complaint against the Bank in the Court of Common Pleas of Dauphin County, Pennsylvania, in a case captioned Pryde, on behalf of himself and all others similarly situated, v. Orrstown Bank. The complaint alleges, among other things, that the Bank violated the Electronic Fund Transfer Act, Regulation E and the Pennsylvania Unfair Trade Practices and Consumer Protection Law (PUTPCPL) and was unjustly enriched when charging certain overdraft fees. On April 14, 2025, the Bank removed the case to the U.S. District Court for the Middle District of Pennsylvania (the "Court"). On November 5, 2025, the Court granted the Bank's Motion to Dismiss, dismissing the Electronic Fund Transfer Act and Regulation E claims without prejudice. The plaintiff subsequently filed a notice of its intent to appeal the dismissal of the case. On December 24, 2025, the Bank entered into a settlement agreement (the "Settlement Agreement") with plaintiff on an individual basis providing for a payment by the Bank to the plaintiff in the amount of $20 thousand (the "Settlement Amount"), in exchange for a mutual release of claims against all parties, and a stipulation that the lawsuit will be dismissed with prejudice. The Settlement Agreement does not include any admission of wrongdoing by the Bank. The Bank agreed to settle the case in order to avoid the cost, risks and distraction of continued litigation. The Settlement Amount was paid on December 30, 2025.

ITEM 9 – CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A – CONTROLS AND PROCEDURES

Based on the evaluation required by Exchange Act Rules 13a-15(b) and 15d-15(b), the Company's management, including the Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures, as defined in Exchange Act Rules 13a-15(e) and 15d-15(e), at December 31, 2025. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at December 31, 2025. There have been no changes in internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting during the fourth quarter of 2025.

Management's Report on Internal Controls Over Financial Reporting is included in Part II, Item 8, "Financial Statements and Supplementary Data." The effectiveness of the Company's internal control over financial reporting at December 31, 2025 has been audited by Crowe LLP, an independent registered public accounting firm, as stated in the Report of Independent Registered Public Accounting Firm appearing in Part II, Item 8, "Financial Statements and Supplementary Data."

ITEM 9B – OTHER INFORMATION

During the three months and year ended December 31, 2025, none of the Company's directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of the Company's common stock that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement" as such term is defined in Item 408(c) of Regulation S-K.

ITEM 9C - DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not Applicable.

PART III

ITEM 10 – DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The Company has adopted a code of ethics that applies to all senior financial officers (including its Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, and any person performing similar functions). You can find a copy of the Code of Ethics for Senior Financial Officers by visiting our website at www.orrstown.com and following the links to “Investor Relations” and “Governance Documents.” A copy of the Code of Ethics for Senior Financial Officers may also be obtained, free of charge, by written request to Orrstown Financial Services, Inc., 4750 Lindle Road, Harrisburg PA 17111, Attention: Secretary. The Company intends to disclose any amendments to or waivers from a provision of the Company’s Code of Ethics for Senior Financial Officers in a timely manner.

The Parent Company has adopted insider trading policies and procedures regarding securities transactions (the "Insider Trading Policy") that applies to all personnel, including directors and officers of the Parent Company and the Bank. The Parent Company believes that the Insider Trading Policy is reasonably designed to promote compliance with insider trading laws, rules and regulations with respect to the purchase, sale and/or other dispositions of the Parent Company's securities. A copy of the Insider Trading Policy is filed as Exhibit 19.1 to this Annual Report.

All other information required by Item 10 is incorporated by reference from the Company’s definitive proxy statement for the 2026 Annual Meeting of Shareholders to be filed pursuant to Regulation 14A, under Delinquent Section 16(a) Reports, Proposal 1 – Election of Directors – Biographical Summaries of Nominees and Directors; Information About Executive Officers; Involvement in Certain Legal Proceedings; and Proposal 1 – Election of Directors – Nomination of Directors, and Board Structure, Committees and Meeting Attendance.

ITEM 11 – EXECUTIVE COMPENSATION

The information required by Item 11 is incorporated by reference from the Company’s definitive proxy statement for the 2026 Annual Meeting of Shareholders to be filed pursuant to Regulation 14A, under Proposal 1 – Election of Directors – Compensation of Directors, Compensation Discussion and Analysis, Compensation Committee Report, Executive Compensation Tables, Potential Payments Upon Termination or Change in Control, Pay versus Performance and Compensation Committee Interlocks and Insider Participation.

In accordance with Items 402(v) and 407(e)(5) of SEC Regulation S-K, the information set forth under the captions "Pay versus Performance" and "Compensation Committee Report" in such proxy statement will be deemed to be furnished in this

Report and will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act as a result of furnishing the disclosure in this manner.

ITEM 12 – SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table presents equity compensation plan information at December 31, 2025.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plan approved by security holders [1]	—	n/a	366,330
Equity compensation plan not approved by security holders [2]	—	n/a	—
Total	—	n/a	366,330

(1) Includes our 2025 Plan.

(2) Amounts reported exclude stock options to purchase 80,227 shares of Company Common Stock which were granted under the CVLY Equity Plans and assumed by the Company in connection with the Company's merger with Codorus Valley on July 1, 2024. Such assumed options have a weighted average exercise price of $21.96. No additional awards may be granted under the CVLY Equity Plans, which were terminated and discontinued in connection with the Company's merger with Codorus Valley. At December 31, 2025, there were 13,202 vested and exercisable stock options.

All other information required by Item 12 is incorporated, by reference, from the Company's definitive proxy statement for the 2026 Annual Meeting of Shareholders to be filed pursuant to Regulation 14A, under Share Ownership of Certain Beneficial Owners and Management.

ITEM 13 – CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 is incorporated by reference from the Company's definitive proxy statement for the 2026 Annual Meeting of Shareholders to be filed pursuant to Regulation 14A, under Proposal 1 – Election of Directors – Director Independence, and Transactions with Related Persons, Promoters and Certain Control Persons.

ITEM 14 – PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by Item 14 is incorporated by reference from the Company's definitive proxy statement for the 2026 Annual Meeting of Shareholders to be filed pursuant to Regulation 14A, under Proposal 4 – Ratification of the Audit Committee's Selection of Crowe LLP as the Company's Independent Registered Public Accounting Firm for the Fiscal Year Ending December 31, 2026 – Relationship with Independent Registered Public Accounting Firm.

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PART IV

ITEM 15 – EXHIBIT AND FINANCIAL STATEMENT SCHEDULES

a. The following documents are filed as part of this report:

(1) – Financial Statements

Consolidated financial statements of the Company and subsidiaries required in response to this Item are incorporated by reference from Item 8 of this report.

(2) – Financial Statement Schedules

All financial statement schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

(3) – Exhibits

2.1	Agreement and Plan of Merger by and between Orrstown Financial Services, Inc. and Codorus Valley Bancorp, Inc. incorporated by reference to Exhibit 2.1 to the Registrant's Form 8-K dated and filed December 12, 2023.
3.1	Articles of Incorporation as amended, incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K filed on January 29, 2010.
3.2	By-laws as amended, incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed July 1, 2024.
4.1	Specimen Common Stock Certificate, incorporated by reference to the Registrant's Registration Statement on Form S-3 filed February 8, 2010 (File No. 333-164780).
4.2	Description of Registrant's Securities,
10.1	Change in Control Agreement between Orrstown Financial Services, Inc., Orrstown Bank and Thomas R. Quinn, Jr. incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K filed June 8 2015.
10.2	Amendment No. 1 to Change in Control Agreement between Orrstown Financial Services, Inc., Orrstown Bank and Thomas R. Quinn, Jr. incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K filed September 27, 2019.
10.3	Change in Control Agreement between Orrstown Financial Services, Inc., Orrstown Bank and Adam L. Metz, incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K filed March 14, 2017.
10.4	Change in Control Agreement between Orrstown Financial Services, Inc., Orrstown Bank and Christopher D. Holt dated July 15, 2019, incorporated by reference to Exhibit 10.5 to the Registrant's Form 10-K filed March 15, 2021.
10.5	Change in Control Agreement between Orrstown Financial Services, Inc., Orrstown Bank and Amy L. Doll dated July 1, 2024.
10.6	Amended and Restated Change in Control Agreement between Orrstown Financial Services, Inc., Orrstown Bank and Neelesh Kalani incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed April 11, 2022.
10.7	Salary Continuation Agreement between Orrstown Bank and Thomas R. Quinn, Jr. – incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed January 8, 2010.
10.8	First Amendment to the Salary Continuation Agreement between Orrstown Bank and Thomas R. Quinn, Jr. – incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K filed September 27, 2019.
10.9	Second Amendment to the Salary Continuation Agreement between Orrstown Bank and Thomas R. Quinn, Jr. – incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K filed July 11, 2024.
10.10	Officer Group Term Replacement Plan for Selected Officers – incorporated by reference to Exhibit 10.2 to Registrant's Form 10-K for the year ended December 31, 1999 filed March 28, 2000.

10.11	Director Retirement Agreement, as amended, between Orrstown Bank and Glenn W. Snoke, incorporated by reference to Exhibit 10.4(f) to the Registrant’s Form 10-K filed March 15, 2010.
10.12	Director Retirement Agreement, as amended, between Orrstown Bank and Joel R. Zullinger, incorporated by reference to Exhibit 10.4(h) to the Registrant’s Form 10-K filed March 15, 2010.
10.13	Revenue neutral retirement plan – incorporated by reference to Exhibit 10.4 to the Registrant’s Form 10-K filed March 28, 2000.
10.14	2011 Orrstown Financial Services, Inc. Stock Incentive Plan, incorporated by reference to Exhibit 10.1 of the Registrant’s registration statement on Form S-8 filed May 27, 2022.
10.15	2025 Orrstown Financial Services, Inc. Stock Incentive Plan, incorporated by reference to Exhibit 10.1 of the Registrant's registration statement on Form S-8 filed May 6, 2025.
10.16	Form of Restricted Stock Award Agreement, incorporated by reference to Exhibit 10.2 of the Registrant's registration statement on Form S-8 filed May 6, 2025.
10.17	Form of Restricted Stock Unit Award Agreement, incorporated by reference to Exhibit 10.3 of the Registrant's registration statement on Form S-8 filed May 6, 2025.
10.18	Employment Agreement between Orrstown Financial Services, Inc., Orrstown Bank and Thomas R. Quinn, Jr. incorporated by reference to Exhibit 10.1 to Registrant’s Form 8-K filed June 8, 2015.
10.19	Employment Agreement between Orrstown Financial Services, Inc., Orrstown Bank and Adam L. Metz, incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed March 14, 2017.
10.20	Employment Agreement between Orrstown Financial Services, Inc., Orrstown Bank and Christopher D. Holt dated July 15, 2019, incorporated by reference to Exhibit 10.24 to the Registrant's Form 10-K filed March 15, 2021.
10.21	Employment Agreement between Orrstown Financial Services, Inc., Orrstown Bank and Neelesh Kalani incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed May 4, 2021.
10.22	Employment Agreement between Orrstown Financial Services, Inc., Orrstown Bank and Amy L. Doll dated July 1, 2024.
10.23	Retirement Agreement, dated September 25, 2024, by and between Craig L. Kauffman and both Orrstown Financial Services, Inc. and Orrstown Bank, incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed September 25, 2024.
10.24	Director/Executive Officer Deferred Compensation Plan, amended January 21, 2026.
10.25	Trust Agreement for Director/Executive Officer Deferred Compensation Plan, incorporated by reference to Exhibit 10.13(b) to the Registrant’s Form 10-K filed March 15, 2010.
10.26	Deferred Compensation Agreement between Orrstown Bank and Thomas R. Quinn, Jr., incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed September 27, 2019.
10.27	Deferred Compensation Agreement between Orrstown Bank and Christopher D. Holt, dated September 16, 2020, incorporated by reference to Exhibit 10.30 to the Registrant's Form 10-K filed March 15, 2021.
10.28	Deferred Compensation Agreement between Orrstown Bank and Adam L. Metz, incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed December 16, 2022.
10.29	Deferred Compensation Agreement between Orrstown Bank and Neelesh Kalani, dated June 30, 2025, incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed July 2, 2025.
10.30	Deferred Compensation Agreement between Orrstown Bank and Amy L. Doll, dated June 30, 2025.
10.31	Amended and Restated Declaration of Trust of CVB Statutory Trust No. 2, dated as of June 28, 2006, among Codorus Valley Bancorp, Inc., as sponsor, the Delaware and institutional trustee named therein, and the administrators named therein, incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K filed by Codorus Valley Bancorp, Inc. with the Commission on June 30, 2006.
10.32	Indenture, dated as of June 28, 2006, between Codorus Valley Bancorp, Inc., as issuer, and the trustee named therein, relating to the Junior Subordinated Debt Securities due 2036, incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed by Codorus Valley Bancorp, Inc. with the Commission on June 30, 2006.

10.33	Guarantee Agreement, dated as of June 28, 2006, between Codorus Valley Bancorp, Inc. and guarantee trustee named therein, incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed by Codorus Valley Bancorp, Inc. with the Commission on June 30, 2006.
10.34	Amended and Restated Orrstown Financial Services, Inc. Employee Stock Purchase Plan, incorporated by reference to Exhibit 19.1 to the Registrant's Registration Statement on Form S-8 filed May 23, 2014.
14	Code of Ethics Policy for Senior Financial Officers posted on Registrant’s website.
19.1	Insider Trading Policies and Procedures - 2025
21	Subsidiaries of the registrant
23.1	Consent of Crowe LLP, Independent Registered Public Accounting Firm
31.1	Rule 13a – 14(a)/15d-14(a) Certification (Chief Executive Officer)
31.2	Rule 13a – 14(a)/15d-14(a) Certifications (Chief Financial Officer)
32.1	Section 1350 Certifications (Chief Executive Officer)
32.2	Section 1350 Certifications (Chief Financial Officer)
97	Orrstown Financial Services, Inc. Compensation Recovery Policy, incorporated by reference to Exhibit 97 to the Registrant's Form 10-K filed March 14, 2024.

101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

All other exhibits for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

b. Exhibits – The exhibits to this Form 10-K begin after the signature page.

c. Financial statement schedules – None required.

ITEM 16 – FORM 10-K SUMMARY

Not applicable.

SIGNATURES

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

	ORRSTOWN FINANCIAL SERVICES, INC. *(Registrant)*
Dated: March 12, 2026	By: /s/ Thomas R. Quinn, Jr. Thomas R. Quinn, Jr., President and Chief Executive Officer

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Thomas R. Quinn, Jr. Thomas R. Quinn, Jr.	President and Chief Executive Officer (Principal Executive Officer) and Director	March 12, 2026
/s/ Neelesh Kalani Neelesh Kalani	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	March 12, 2026
/s/ Sean P. Mulcahy Sean P. Mulcahy	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	March 12, 2026
/s/ Joel R. Zullinger Joel R. Zullinger	Chairman of the Board and Director	March 12, 2026
/s/ Barbara E. Brobst Barbara E. Brobst	Director	March 12, 2026
/s/ Sarah M. Brown Sarah M. Brown	Director	March 12, 2026
/s/ Brian D. Brunner Brian D. Brunner	Director	March 12, 2026
/s/ Scott V. Fainor Scott V. Fainor	Director	March 12, 2026
/s/ John W. Giambalvo John W. Giambalvo	Director	March 12, 2026
/s/ Cindy J. Joiner Cindy J. Joiner	Director	March 12, 2026
/s/ Mark K. Keller Mark K. Keller	Director	March 12, 2026
/s/ J. Rodney Messick J. Rodney Messick	Director	March 12, 2026
/s/ Michael J. Rice Michael J. Rice	Director	March 12, 2026
/s/ Eric A. Segal Eric A. Segal	Director	March 12, 2026
/s/ Glenn W. Snoke Glenn W. Snoke	Director	March 12, 2026

DESCRIPTION OF EQUITY SECURITIES REGISTERED UNDER SECTION 12 OF THE EXCHANGE ACT

Orrstown Financial Services, Inc. (the “Company”) has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: common stock, no par value per share (the “Common Stock”). The Company’s Common Stock is traded on the NASDAQ Global Select Market under the symbol “ORRF.”

The following is a description of the material terms and provisions of the Company’s Common Stock. It may not contain all the information that is important to you. Therefore, you should read the Company’s articles of incorporation and bylaws, copies of which are attached as exhibits to the Annual Report on Form 10-K to which this description is an exhibit, and certain provisions of applicable law.

Authorized Shares

The Company’s articles of incorporation provide that the Company may issue up to 50,000,000 shares of common stock, no par value, and 500,000 shares of preferred stock, par value $1.25 per share.

Shareholder Liability

All outstanding shares of the Company’s Common Stock are fully paid and nonassessable. Under the Pennsylvania Business Corporation Law of 1988, as amended, shareholders generally are not personally liable for a corporation’s acts or debts.

Dividends; Liquidation; Dissolution

Subject to the preferential rights of any other shares or series of capital stock, holders of shares of the Company’s Common Stock are entitled to receive dividends on shares of Common Stock if, as and when authorized and declared by the Company’s Board of Directors out of funds legally available for dividends and to share ratably in the assets of the Company legally available for distribution to its shareholders in the event of its liquidation, dissolution or winding-up after payment of, or adequate provision for, all known debts and liabilities of the Company.

Voting Rights

Each outstanding share of the Company’s Common Stock entitles the holder to one vote on all matters submitted to a vote of shareholders, including the election of directors. Unless a larger vote is required by law, the Company’s articles of incorporation or its bylaws, when a quorum is present at a meeting of shareholders, a majority of the votes properly cast upon any question other than the election of directors shall decide the question. A plurality of the votes properly cast for the election of a person to serve as a director shall elect such person. Except as otherwise required by law or except as provided with respect to any other class or series of capital stock, the holders of the Company’s Common Stock possess the exclusive voting power. There is no cumulative voting in the election of directors. The Company’s Board of Directors is classified into three classes with each class as nearly equal in number as possible. This means, in general, that one-third of the members of the Board of Directors are subject to reelection at each annual meeting of shareholders.

Preemptive Rights; Redemption

Holders of the Company’s Common Stock have no conversion, sinking fund or redemption rights or preemptive rights to subscribe for any of the Company’s classes of stock.

Anti-Takeover Provisions

The Company's articles of incorporation and bylaws contain certain provisions that may have the effect of deterring or discouraging an attempt to take control of the Company. Among other things, these provisions:

- empower the Board of Directors, without shareholder approval, to issue shares of the Company's preferred stock the terms of which, including voting power, are set by the Company's Board of Directors;
- divide the Company's Board of Directors into three classes serving staggered three-year terms;
- authorize the Company's Board of Directors to oppose a tender or other offer for the Company's securities if the Board of Directors determines that such an offer should be rejected;
- restrict the ability of shareholders to remove directors;
- require the affirmative vote of holders of at least 75% of the outstanding shares of the Company's Common Stock to approve any merger or consolidation, or any sale or other disposition of all or substantially all of the assets of the Company, with or to a shareholder of the Company who, directly or indirectly, has voting control over 10% or more of any class of shares of the Company or with or to an entity which, directly or indirectly, is controlled by such a shareholder, unless such transaction is approved in advance by at least 75% of the members of the Board of Directors, in which case such transaction shall require only such shareholder approval, if any, as may be required pursuant to the Pennsylvania Business Corporation Law as in effect from time to time;
- require that shares with at least 75% or, in certain circumstances, a majority of total voting power, approve the repeal or amendment of certain provisions of the Company's articles of incorporation;
- require that, following any acquisition by any person or group of 10% of the Company's voting power, in the case of any business combination with such person or an entity directly or indirectly controlled by such person, the remaining shareholders have the right to receive for their shares from such person at least the highest price paid by such person for any of the shares then directly or indirectly owned by such person;
- eliminate cumulative voting in the election of directors;
- require advance notice of nominations for the election of directors and the presentation of shareholder proposals at meetings of shareholders; and
- provide for certain director eligibility requirements, including that each member of the Board of Directors hold at least 5,000 shares of the Company's Common Stock.

Exhibit 10.5

CHANGE IN CONTROL AGREEMENT

This Change in Control Agreement ("**Agreement**") is entered into as of the closing of the transactions contemplated by the Merger Agreement (as defined below) (the "**Effective Date**"), by and among Orrstown Financial Services, Inc., a Pennsylvania corporation ("**Orrstown**"), Orrstown Bank, a bank and trust company organized under the Pennsylvania Banking Code of 1965 and a wholly owned subsidiary of Orrstown (the "**Bank**") (Orrstown and the Bank are

hereinafter collectively referred to as the "**Employer**") and Amy Doll, an adult individual ("**Executive**").

BACKGROUND

Executive is currently employed with Codorus Valley Bancorp, Inc., a Pennsylvania corporation ("**Codorus**") and PeoplesBank, a Codorus Valley Company, a Pennsylvania banking institution ("**PeoplesBank**"). Orrstown has entered into an Agreement and Plan of Merger, dated December 12, 2023, by and between Codorus and Orrstown (the "**Merger Agreement**"), and the Employer and Executive have entered into that certain Employment Agreement,

effective as the Effective Date (the "**Employment Agreement**") which is incorporated by reference and made a part of this Agreement. In connection therewith, the Employer and Executive also desire to enter into this Change in Control Agreement to provide certain rights and benefits to Executive in the event of any change in control of Orrstown.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I. Term of Agreement

1.1 Term. This Agreement shall commence on the Effective Date and shall continue for a term of three years; provided, however, that the term shall automatically extend for additional consecutive one (1)-year periods on each anniversary of the Effective Date unless either party gives written notice of nonrenewal to the other at least sixty (60) days prior to such anniversary. References in the Agreement to the "**Term**" shall refer to the initial three-year term of this Agreement and any extensions thereof.

ARTICLE II. Payments in Connection with a Change in Control.

2.1 Definitions.

(a) For purposes of this Agreement, a "**Change in Control**" shall be deemed to occur if:

(i) any "Person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Act") (other than Orrstown, the Bank, any of its or their subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan or trust of Orrstown, the Bank or any of its or their subsidiaries), together with all

"affiliates" and "associates" (as such terms are defined in Rule 12b-2 under the Act) of such person, shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, of securities of Orrstown representing 40 percent or more of the combined voting power of Orrstown's then outstanding securities having the right to vote in an election of Orrstown's Board of Directors ("Voting Securities") (in such case other than as a result of an acquisition of securities directly from Orrstown or in connection with a public offering); or

(ii) persons who, as of the date hereof, constitute the Board of

Directors of Orrstown or the Bank (the "Incumbent Directors") cease for any reason, including, without limitation, as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of either the Board of Directors of Orrstown or the Bank, provided that any person becoming a director of Orrstown or the Bank subsequent to the date hereof shall be considered an Incumbent Director if such person's election was approved by or such person was nominated for election by either (A) a vote of at least a majority of the Incumbent Directors of the applicable entity or (B) a vote of at least a majority of the Incumbent Directors of the applicable entity who are members of a nominating committee comprised, in the majority, of Incumbent Directors; but provided further, that any such person whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of members of the Board of Directors of Orrstown or the Bank or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors of Orrstown or the Bank, including by reason of agreement intended to avoid or settle any such actual or threatened contest or solicitation, shall not be considered an Incumbent Director; or

(iii) the consummation of (A) any consolidation or merger of Orrstown or the Bank where the stockholders of Orrstown immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, shares representing in the aggregate more than 50 percent of the voting shares of the company issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), or (B) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of Orrstown or the Bank;

provided, however, that such event is also a "change in control" within the meaning of Section 409A(a)(2)(A)(v) of the Code and Treasury Regulations issued thereunder. Notwithstanding the foregoing Section 2.1(a)(i), a "Change in Control" shall not be deemed to have occurred for purposes of the foregoing solely as the result of an acquisition of securities by Orrstown that, by reducing the number of shares of Voting Securities outstanding, increases the proportionate number of shares of Voting Securities beneficially owned by any Person to 40 percent or more of the combined voting power of

all then outstanding Voting Securities; provided, however, that if any Person referred to in this sentence shall thereafter become the beneficial owner of any additional shares of Voting Securities (other than pursuant to a stock split, stock dividend, or similar transaction or as a result of an acquisition of securities directly from Orrstown) and immediately thereafter beneficially owns 40 percent or more of the combined voting power of all then outstanding Voting Securities, then a "Change in Control" shall be deemed to have occurred for purposes of the foregoing Section 2.1(a)(i).

(b) A "**Change in Control Period**" shall mean the period commencing at the effective time of a Change in Control and ending on the second anniversary of the date of such Change in Control.

(c) Other capitalized terms herein which are not otherwise defined, shall have such meaning as defined in the Employment Agreement.

2.2 Amount of Payments. Except as provided in Section 2.2(d), and in lieu of amounts payable under Article IV of the Employment Agreement, the Employer will pay Executive the amounts specified and will provide the benefits specified in the circumstances below in connection with a Change in Control.

(a) If Executive's employment is terminated by the Employer without Cause or by Executive for Good Reason during the Change in Control Period, the Employer will pay, or cause to be paid, to Executive:

(i) an amount equal to 2.99 times the sum of (A) the Base Salary immediately before the Change in Control and (B) the highest annual cash bonus and/or other incentive compensation awarded to Executive over the past three (3) years in which cash bonus or other incentive compensation was awarded (all exclusive of any election to defer receipt of compensation Executive may have made); and

(ii) an amount (the "**Unvested Company Contribution**") equal to that portion, if any, of the Employer's contribution to Executive's 401(k), profit sharing, deferred compensation or other similar individual account plan which is not vested as of the date of termination of Executive's employment (the "**Date of Termination**"), plus an amount which, when added to the Unvested Company Contribution, would be sufficient after Federal, state and local income taxes (based on the tax returns filed by Executive most recently prior to the Date of Termination) to enable Executive to net an amount equal to the Unvested Company Contribution.

Such payments shall be made in one lump sum subject to and in accordance with Section 3.12 of this Agreement.

(b) Except as provided in Section 2.2(d), if Executive's employment is terminated by Employer without Cause or by Executive for Good Reason during the Change in Control Period:

(i) The Employer shall provide Executive with health (medical, dental and vision) and disability coverage substantially comparable to the coverage Executive was receiving from the Employer immediately prior to the Date of Termination for a period of two years after the Date of Termination (the "**Coverage Period**"). Executive shall pay the same percentage of the total cost of coverage under the applicable employee benefit plans as Executive was paying when Executive's employment terminated. The total cost of Executive's continued coverage shall be determined using the same rates for health and/or disability coverage that apply from time to time to similarly situated active employees. Notwithstanding the foregoing, if the applicable rules and regulations under Federal or Pennsylvania law prohibit the Employer from providing Executive with the post-termination group health or other benefits coverage, or if providing such coverage would subject the Employer or Executive to penalties or excise taxes, then the Employer shall continue to pay to Executive the monthly amount equal to the COBRA (as defined below) premium amount being paid by its former employees who are eligible for such COBRA participation or other benefits coverage continuation, but the Employer shall not be required to provide Executive with enrollment and participation in the actual plans in which the Employer's employees are actually enrolled. For any portion of the Coverage Period during which health plan coverage or disability insurance coverage, or both, is or are not available under insured plans covering employees of the Employer, Executive shall be compensated in respect of such inability to participate through payment by the Employer to Executive, of an amount equal to the cost that would have been incurred by the Employer if Executive were able to participate in such plan or program (less the employee portion of the premium costs for the active plan) plus an amount which, when added to the Employer annual cost to the Employer, would be sufficient after Federal, state and local income and payroll taxes (based on the tax returns filed by Executive most recently prior to the date of termination) to enable the Executive to net an amount equal to the Employer annual cost to the Employer.

(ii) In lieu of ongoing coverage under the Employer's group term life insurance program, the Employer shall pay Executive an amount equal to 150 percent of the Employer's actual premium cost of providing group term life insurance coverage to Executive for the two year period following Employee's termination of employment date within sixty (60) days after the Date of Termination in accordance with Section 3.12 of this Agreement.

(iii) The Employer shall pay to Executive, in a single lump sum as soon as practicable after Executive's termination, an aggregate amount equal to the sum of (A) two additional years of the Employer retirement plan contributions by the Employer under each tax qualified or nonqualified defined contribution type of retirement plan in which Executive was a participant immediately prior to Executive's termination of employment and (B) the actuarial present value of two additional years of benefit accruals under each tax qualified or nonqualified defined benefit type of retirement plan in which Executive was a participant

immediately prior to Executive's termination or resignation, calculated in each case as if Executive had continued as a plan participant for the number of additional years indicated above, Executive's annual compensation for plan purposes in the most recently completed plan year of each plan continued unchanged through these additional years, and the retirement plans continued to operate unchanged through the additional years. The actuarial equivalence factors and assumptions generally in use under any defined benefit plan shall be applied in determining lump sum present values of any defined benefit plan additional accruals payable hereunder.

(iv) The period of continued health coverage required by Section 4980(B)(f) of the Internal Revenue Code of 1986, as amended ("COBRA") shall run concurrently with the coverage provided herein.

(c) Upon the occurrence of a Change in Control, the vesting and exercise rights of all stock options, shares of restricted stock, and other equity-based compensation units held by Executive pursuant to any stock option plan, stock option agreement, restricted stock agreement, or other long term incentive plan shall be governed by the terms of such plan or agreement, but in the event the plan or agreement is silent on the subject of change in control, all such options, shares, and units shall immediately become vested and exercisable as to all or any part of the shares and rights covered thereby.

(d) Executive is to receive no payments under Section 2.2(a) and no benefits

under Section 2.2(b) if Executive's employment is terminated during a Change in Control Period by the death or Disability of Executive, by the Employer for Cause, or by Executive other than for Good Reason. In an instance of death or Disability of the Executive, however, Executive and Executive's dependents, beneficiaries and estate shall receive any benefits payable to them under the Employment Agreement.

(e) References in this Section 2.2 to "the Employer" shall include the successors of the Employer, as applicable.

(f) If any benefit or payment from the Employer to Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement, the Employment Agreement or otherwise) (a "**Payment**") shall be determined to be an "**Excess Parachute Payment**", as defined in Section 280G(b)(1) of the Internal Revenue Code of 1986, as amended (the "**Code**"), then the aggregate present value of amounts or benefits payable to Executive pursuant to this Agreement ("**Agreement Payments**") shall be reduced (but not below zero) to the Reduced Amount. The "**Reduced Amount**" shall be the greater of (i) the highest aggregate present value of Agreement Payments that can be paid without causing any payments or benefits hereunder to be an Excess Parachute Payment or (ii) the largest portion, up to and including the total, of the Agreement Payments that after taking into account all applicable state and federal taxes (computed at the highest applicable marginal rate) including any taxes payable pursuant to Section 4999 of the Code, results in a greater after-tax benefit to Executive than the after-tax benefit to Executive of the amount calculated under (i) hereof (computed at the highest

applicable marginal rate). For purposes of this Section 2.2, present value shall be determined in accordance with Section 280G(d)(4) of the Code.

2.3 Transition Services. For one (1) year following cessation of employment after any Change in Control, Executive agrees to remain available to provide the Employer with transition assistance on matters with which Executive was involved during his or her employment. Executive shall render such assistance in a timely manner on reasonable notice from the Employer. Executive shall not be entitled to any separate compensation for the services described in this paragraph (other than reimbursement for reasonable out of pocket expenses actually incurred). The Employer agrees to provide reasonable advance notice of the need for Executive's assistance and shall exercise reasonable efforts to schedule and limit such matters so as to avoid interfering with Executive's personal and other professional obligations.

ARTICLE III. Miscellaneous.

3.1 Invalidity. If any provision hereof is determined to be invalid or unenforceable by a court of competent jurisdiction, Executive shall negotiate in good faith to provide the Employer with protection as nearly equivalent to that found to be invalid or unenforceable and if any such provision shall be so determined to be invalid or unenforceable by reason of the duration or geographical scope of the covenants contained therein, such duration or geographical scope, or both, shall be considered to be reduced to a duration or geographical scope to the extent necessary to cure such invalidity.

3.2 Assignment: Benefit. This Agreement shall not be assignable by Executive, and shall be assignable by the Employer only to any affiliate or to any person or entity which may become a successor in interest (by purchase of assets or stock, or by merger, or otherwise) to the Employer in the business or a portion of the business presently operated by it. Subject to the foregoing, this Agreement and the rights and obligations set forth herein shall inure to the benefit of, and be binding upon, the parties hereto and each of their respective permitted successors, assigns, heirs, executors and administrators, including the restrictive covenants of this Agreement.

3.3 Notices. All notices hereunder shall be in writing and shall be sufficiently given if hand-delivered, sent by documented overnight delivery service or registered or certified mail, postage prepaid, return receipt requested or by telegram, fax or telecopy (confirmed by U. S. mail), receipt acknowledged, addressed as set forth below or to such other person and/or at such other address as may be furnished in writing by any party hereto to the other. Any such notice shall be deemed to have been given as of the date received, in the case of personal delivery, or on the date shown on the receipt or confirmation therefor, in all other cases. Any and all service of process and any other notice in any such action, suit or proceeding shall be effective against any party if given as provided in this Agreement; provided that nothing herein shall be deemed to affect the right of any party to serve process in any other manner permitted by law.

(a) If to the Employer:

Orrstown Bank 4750 Lindle Road
Harrisburg, PA 17111
Attention: Chief Human Resources Officer

(b) If to Executive:

Amy Doll

3.4 Entire Agreement and Modification. This Agreement and the Employment Agreement constitute the entire agreement between the parties hereto with respect to the matters contemplated herein and therein and supersedes all prior agreements and understandings with respect thereto, including that certain Change in Control Agreement by and among the Executive, Codorus and Peoples Bank, dated June 23, 2016. Any amendment, modification, or waiver of this Agreement shall not be effective unless in writing and agreed and executed by the Employer and Executive. Neither the failure nor any delay on the part of any party to exercise any right, remedy, power or privilege shall preclude any other or further exercise of the same or of any other right, remedy, power, or privilege with respect to any occurrence and such failure or delay to exercise any right shall be construed as a waiver of any right, remedy, power, or privilege with respect to any other occurrence.

3.5 Governing Law, Forum. This Agreement is made pursuant to, and shall be construed and enforced in accordance with, the laws of the Commonwealth of Pennsylvania (and United States federal law, to the extent applicable), without giving effect to otherwise applicable principles of conflicts of law. Any claims or legal actions by one party against another shall be commenced and maintained in the Court of Common Pleas of Dauphin County, Pennsylvania or the federal District Court for the Middle District of Pennsylvania, and both parties submit to the jurisdiction and venue of any such court.

3.6 Headings; Counterparts. The headings of sections and subsections in this Agreement are for convenience only and shall not affect its interpretation. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to constitute but one and the same Agreement.

3.7 Further Assurances. Each of the parties hereto shall execute such further instruments and take such other actions as any other party shall reasonably request in order to effectuate the purposes of this Agreement.

3.8 Attorneys' Fees and Related Expenses. All reasonable attorneys' fees and related expenses incurred by Executive in connection with or relating to the review and negotiation of this Agreement or, if Executive prevails in connection with enforcing Executive's rights under this Agreement, the enforcement by Executive of Executive's rights under this Agreement, shall be paid in full by the Employer.

3.9 Mitigation. Executive shall not be required to mitigate the amount of any payment or benefit provided for herein by seeking employment or otherwise shall not be entitled

to set-off against the amount of any payments made pursuant hereto with respect to any compensation earned by Executive arising from other employment.

3.10 Indemnification. Except to the extent inconsistent with the Employer's certificate of incorporation or bylaws, the Employer will indemnify Executive and hold Executive harmless to the fullest extent permitted by law with respect to Executive's service as an officer and employee of the Employer and its subsidiaries, which indemnification shall be provided following termination of employment for so long as Executive may have liability with respect to Executive's service as an officer or employee of the Employer and its subsidiaries. Executive will be covered by a directors' and officers' insurance policy with respect to Executive's acts as an officer to the same extent as all other officers of the Employer under such policies.

3.11 409A Safe Harbor. Notwithstanding anything in this Agreement to the contrary, in no event shall the Employer be obligated to commence payment or distribution to the Executive of any amount that constitutes nonqualified deferred compensation within the meaning of Code Section 409A ("**Section 409A**") earlier than the earliest permissible date under Section 409A that such amount could be paid without additional taxes or interest being imposed under Section 409A. The Employer and Executive intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. The Employer and Executive agree that they will execute any and all amendments to this Agreement as they mutually agree in good faith may be necessary to ensure compliance with the distribution provisions of Section 409A and to cause any and all amounts due under this Agreement, the payment or distribution of which is delayed pursuant to Section 409A, to be paid or distributed in a single sum payment at the earliest permissible date under Section 409A. Without limiting the generality of the foregoing, in the event Executive is to receive a payment of compensation hereunder that is on account of a separation from service, such payment is subject to the provisions of Section 409A, and Executive is a "specified employee" of the Employer (as determined in accordance with Section 409A of the Code), then payment shall not be made before the date that is six months after the date of separation from service (or, if earlier than the end of the six month period, the date of Executive's death). Amounts otherwise payable during such six month period shall be accumulated and paid in a lump sum on the first day of the seventh month. To the extent any payments under this Agreement are payable in installments, each installment shall be treated as a separate payment.

3.12 Release. Notwithstanding any other provision of this Agreement, any severance or termination payments or benefits described are conditioned on Executive's execution and delivery to the Employer, or the Employer's successor or assignee, of a separation agreement that includes, among other things, an effective general release, waiver of claims and non-disparagement agreement in a form prescribed by the Employer (the "**Release**"), and in a manner consistent with the requirements of the Older Workers Benefit Protection Act and any applicable federal and state law, becoming effective by the 60th day following Executive's separation from service (or such shorter period set forth within such Release). Such payments will be made or commence to be made following the date the Release becomes effective, provided that if the 60-day period spans two calendar years, the payments will commence in the second calendar year.

3.13 Other Rights. Nothing in this Agreement is intended to limit Executive's right to (a) payment or reimbursement for welfare benefit claims incurred prior to the cessation of his/her employment under any group insurance plan, policy or arrangement of the Employer in accordance with the terms of such plan, policy or arrangement (b) elect COBRA benefits in accordance with the applicable law, or (c) receive a distribution of vested accrued benefits from any employee pension benefit plan in accordance with the terms of that plan.

3.14 Survival. Notwithstanding anything to the contrary in this Agreement, the parties agree that Executive's obligations under Section 2.3 of this Agreement shall continue despite the expiration of the term of this Agreement or its termination.

3.15 Regulatory Limitations. Notwithstanding anything herein contained to the contrary, any payments to Executive by the Employer, whether pursuant to this Agreement or otherwise, are subject to and conditioned upon their compliance with Section 18(k) of the Federal Deposit Insurance Act, 12 U.S.C. §1828(k) and FDIC regulation 12 C.F.R. Part 359, Golden Parachute and Indemnification Payments.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

EXECUTIVE

By: /s/ Amy L. Doll__________________________
Name: Amy L. Doll

ORRSTOWN FINANCIAL SERVICES, INC.

By: _/s/ Thomas R. Quinn, Jr.
Name: Thomas R. Quinn, Jr.
Title: President & Chief Executive Officer

ORRSTOWN BANK

By: _/s/ Thomas R. Quinn, Jr.
Name: Thomas R. Quinn, Jr.
Title: President & Chief Executive Officer

EMPLOYMENT AGREEMENT

This Employment Agreement ("**Agreement**") is effective as of the closing of the transactions contemplated by the Merger Agreement (as defined below) (the "**Effective Date**"), by and among Orrstown Financial Services, Inc., a Pennsylvania corporation ("**Orrstown**"), Orrstown Bank, a bank and trust company organized under the Pennsylvania Banking Code of 1965 and a wholly owned subsidiary of Orrstown (the "**Bank**") (Orrstown and the Bank are hereinafter collectively referred to as the "**Employer**") and Amy Doll, an adult individual (the "**Executive**").

BACKGROUND

Executive is currently employed with Codorus Valley Bancorp, Inc., a Pennsylvania corporation ("**Codorus**") and PeoplesBank, a Codorus Valley Company, a Pennsylvania banking institution ("**PeoplesBank**"). Orrstown has entered into an Agreement and Plan of Merger, dated December 12, 2023, by and between Codorus and Orrstown (the "**Merger Agreement**"), and desires to enter into this Agreement, addressing the terms and conditions of Executive's employment with the Employer following the consummation of the transactions contemplated by the Merger Agreement, including but not limited to the consequences if the Executive's employment is terminated for Good Reason or without Cause, each as defined herein. The Executive desires to become employed by the Employer, on the terms and conditions contained in this Agreement.

On the date hereof, the Employer and Executive are also entering into a Change in Control Agreement (the "Change in Control Agreement") to provide certain rights and benefits to Executive in the event of a change of control of Orrstown.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I. Capacity and Duties.

1.1 Employment. The Employer hereby employs the Executive, and Executive hereby accepts such employment by the Employer, for the period and upon the terms and conditions hereinafter set forth. Executive acknowledges that the Employer has given Executive good and valuable consideration for the execution of this Agreement and the restrictive covenants contained herein, the sufficiency of which is acknowledged by Executive.

1.2 Capacity and Duties.

(a) Executive shall serve hereunder initially as Executive Vice President and Chief Operations Officer of Orrstown and the Bank, and thereafter during the term of this Agreement in such other or additional positions as may be assigned by the Board of Directors of the Employer and/or the Bank (collectively, the "**Board**") or by the Chief Operating Officer of the Employer. Executive shall perform such duties and shall have such authority consistent with Executive's position as may from time to time reasonably

be specified by the Board or by the Chief Operating Officer acting on behalf of the Board. Executive shall report directly to the Chief Operating Officer of the Employer and shall perform Executive's duties for the Employer principally at the Harrisburg, PA office, or at such other locations as may be determined by the Board or by the Chief Operating Officer of the Employer acting on behalf of the Board, except for periodic travel that may be necessary or appropriate in connection with the performance of Executive's duties hereunder. No change in duties of Executive shall in any way diminish the Base Salary payable to Executive pursuant to the provisions of Section 3 herein.

(b) Executive shall devote Executive's full working time, energy, skill and best efforts to the performance of Executive's duties hereunder, in a manner that will faithfully and diligently further the business and interests of the Employer, and shall not be employed by or participate or engage in or be a part of in any manner the management or operation of any business enterprise other than the Employer, (including, without limitation, participation by Executive on any unaffiliated profit or non-profit board of directors) except: (i) upon the prior written notice to and consent of the Nominating and Corporate Governance Committee of the Board or the Chief Executive Officer, or (ii) solely as an investor in real or personal property, the management of which shall not detract from the performance of his or her duties hereunder; provided, however, that the engagement by Executive in any such business activity shall at all times be in conformity with the Employer's Code of Ethics, as the same may be amended or supplemented from time to time. Notwithstanding anything herein to the contrary, Executive shall terminate any such activity upon thirty (30) days' written request by the Employer.

ARTICLE II. Term of Employment.

2.1 Term. The term of Executive's employment under this Agreement shall commence on the Effective Date and continue for a three year-period if not sooner terminated or further extended pursuant to the terms of this Agreement (such period, as earlier terminated or further extended, the "**Employment Period**"). The Employment Period shall be extended automatically for one (1) additional year on each anniversary of the Effective Date, unless either the Employer or Executive gives contrary written notice to the other at least sixty (60) days prior to the anniversary date. Upon the giving of notice of non-renewal of the Employment Period, the Employment Period shall continue for a two year-period after the relevant anniversary date. It is the intention of the parties that this Agreement continue until (i) the expiration date if either party has given written notice to the other party of his, her or its intention not to renew this Agreement as provided above or (ii) until the earliest of (a) the voluntary termination of Executive's employment with the Employer by Executive other than for Good Reason (as defined in Section 4.2), (b) the voluntary termination of Executive's employment by Executive for Good Reason,

(c) the termination of Executive's employment by the Employer for Cause (as defined in Section 4.3), (d) termination of Executive's employment by the Employer without Cause, (e) termination of Executive's employment with the Employer due to the Disability (as defined in Section 4.4),

(f) the termination of Executive's employment with the Employer due to his or her Retirement (as defined below), or (g) the death of Executive.

ARTICLE III. Compensation.

3.1 Basic Compensation. As compensation for Executive's services hereunder, the Employer shall pay to Executive a salary at an initial annual rate equal to $305,000, payable in periodic installments in accordance with the Employer's regular payroll practices in effect from time to time. Executive's annual salary, as determined in accordance with this Section 3.1, is

hereinafter referred to as Executive's "**Base Salary**." For years subsequent to the initial year of this Agreement, Executive's Base Salary shall be set by the Employer at an amount no less than the initial Base Salary. For each year in the Employment Period, Executive shall be a participant in any bonus and/or incentive compensation program for executives, including in particular any annual cash bonus plan and/or equity-based long term incentive plan, that the Employer may implement and administer from time to time during the Employment Period, and the amount and form of such bonus and incentive compensation shall be determined annually by the Employer consistent with its Board's executive compensation practices. References herein to the amount of Executive's Base Salary or annual cash bonus or cash incentive compensation shall be to the gross amount of such compensation element, exclusive of any elective compensation deferral agreements entered into by Executive from time to time. The determination of compensation payable by the Employer hereunder shall be made by the Compensation Committee of the Board (the "**Compensation Committee**"), or its designee, which shall perform an annual review of this Agreement, Executive's performance with the Employer and compensation payable hereunder.

In such annual review, the Compensation Committee shall consider the recommendations of the Board. The results of such review, including recommendation as to base salary adjustment and bonus, shall be reported to the Board and shall be memorialized in the minutes of the meetings of the Board or held in a confidential file by the Employer's Human Resources Department.

3.2 Employee Benefits. In addition to the compensation provided for in Section 3.1, during the Employment Period, Executive shall participate in those of the Employer's broad-based employee retirement plans, welfare benefit plans, and other benefit programs for which Executive is eligible under the terms of the plan or program, on the same terms and conditions that are applicable to employees generally. In addition, Executive may be eligible, as determined by the Compensation Committee from time to time, during the Employment Period to participate in any of the Employer's executive-only retirement plan, deferred compensation plan, welfare benefit plan, or other benefit programs, as and to the extent any such benefit programs, plans or arrangements are or may from time to time be in effect during the Employment Period.

3.3 Vacation and Leave. Executive shall be entitled to annual paid vacation, leave of absence and leave for illness or temporary disability in conformity with the Employer's regular policies and practices, and any leave on account of illness or temporary disability shall not

constitute a breach by Executive of Executive's agreements hereunder.

3.4 Expense Reimbursement. During the term of Executive's employment, the Employer shall reimburse Executive for all reasonable expenses incurred by Executive in

connection with the performance of Executive's duties hereunder in accordance with its regular reimbursement policies as in effect from time to time and upon receipt of itemized vouchers therefor and such other supporting information as the Employer may reasonably require.

ARTICLE IV. Termination of Employment.

4.1 Voluntary Termination or Retirement. In the event Executive's employment is voluntarily terminated by the Executive other than for Good Reason (as defined in Section 4.2), the Employer shall not thereafter be obligated to make any further payments hereunder other than amounts (including salary, expense reimbursement, and employee benefits) accrued under this Agreement as of the date of such termination in accordance with generally accepted accounting principles. Termination of Executive's employment based on "Retirement" shall

mean voluntary termination of Executive's employment by Executive at any time after Executive reaches age 65 or in accordance with any retirement policy established by the Board with

Executive's consent as it applies to him. In the event Executive's employment terminates due to Retirement, the Employer shall be obligated to pay Executive (a) an amount equal to six (6)

months' Base Salary payable during such six-month period in accordance with the Employer's normal payroll processing intervals at the rate in effect immediately prior to the date of termination, (b) a lump sum cash payment in an amount equal to 150% of the Employer's actual premium cost of providing group term life insurance coverage to Executive for the three year

period following Executive's termination date, payable within thirty (30) days after Executive's termination date, and (c) applicable expense reimbursements and all accrued and unpaid benefits and vested benefits in accordance with the applicable employee benefit plans. Upon making the payments described in this Section 4.1, the Employer shall have no further compensation obligation to Executive hereunder.

4.2 Termination by Executive for Good Reason: Termination by the Employer Without Cause.

(a) In the event:

(i) Executive's employment is terminated during the term hereof by Executive for Good Reason (as defined herein); or

(ii) Executive's employment is terminated during the term hereof by the Employer for any reason other than Cause (as defined herein):

then the Employer shall pay Executive, subject to Section 6.13, his or her Base Salary in effect upon the date of his or her termination and an amount equal to the average annual cash bonus awarded to Executive over the past three calendar

years preceding the calendar year in which Executive's termination of employment is effective (exclusive of any election to defer receipt of

compensation Executive may have made) in accordance with the Employer's normal payroll processing intervals for the duration equal to the greater of (A) six

(6) months following such termination or (B) the remaining duration of the Employment Period. Executive shall also continue to be eligible to participate in the employee benefit plans referred to in Section 3.2 for a period of six (6) months (continuing to pay the employee portion of the premium costs for the

active plan). Notwithstanding the foregoing, if the applicable rules and regulations under Federal or Pennsylvania law prohibit the Employer from providing Executive with the post-termination group health or other benefits coverage, or if providing such coverage would subject the Employer or Executive to penalties or excise taxes, then the Employer shall continue to pay to Executive the monthly amount equal to the COBRA (as defined below) premium amount being paid by its former employees who are eligible for such COBRA participation or other benefits coverage continuation, but the Employer shall not be required to provide Executive with enrollment and participation in the actual plans in which the

Employer's employees are actually enrolled. Notwithstanding the foregoing, in lieu of ongoing coverage under the group term life insurance program, the

Employer shall pay Executive an amount equal to 150% of the Employer's actual premium cost of providing group term life insurance coverage to Executive for the three year period following Executive's termination date, which amount shall be payable in a lump sum payment within sixty (60) days after Executive's termination date. If Executive is unable to continue to participate in any employee benefit plan or program provided for under this Agreement, Executive shall be compensated in respect of such inability to participate for a period of six

(6) months through payment by the Employer to Executive, of an amount equal to the cost that would have been incurred by the Employer if Executive were able to participate in such plan or program (less the employee portion of the premium costs for the active plan) plus an amount which, when added to the Employer annual cost to the Employer, would be sufficient after Federal, state and local income and payroll taxes (based on the tax returns filed by Executive most recently prior to the date of termination) to enable Executive to net an amount equal to the Employer annual cost to the Employer. The period of continued health coverage required by Section 4980(B)(f) of the Internal Revenue Code of 1986, as amended ("COBRA") shall run concurrently with the coverage provided herein.

(b) As used herein, Executive shall have "**Good Reason**" to terminate his or her employment if one of the following conditions (i) through (iii) comes into existence, Executive provides notice to the Employer of the existence of the condition within 90 days of its initial existence, the Employer fails to remedy the condition within 30 days of receiving notice of its existence, and Executive resigns within two years of the initial existence of the Good Reason condition:

(i) The Employer has materially breached its material obligations under this Agreement;

(ii) The Employer, without Executive's prior written consent, changes in any material respect the authority, duties, base salary or Executive's reporting structure, in a manner and to the extent that results in material diminution; or

(iii) The Employer requires Executive to relocate his or her principal business location 75 miles or more from the location of the Employer's Harrisburg, PA office.

4.3 Termination for Cause. Executive's employment hereunder shall terminate immediately upon notice of termination for Cause (as defined herein), in which event the

Employer shall not thereafter be obligated to make any further payments hereunder other than amounts (including salary, expense reimbursement, and employee benefits) accrued under this Agreement as of the date of such termination in accordance with generally accepted accounting principles. As used herein, "**Cause**" shall mean the following:

(a) Executive shall have committed an act of dishonesty with respect to material communications with the Board or anyone to whom the Executive reports;

(b) Executive's willful misconduct in the performance of his or her duties as an employee of the Employer or otherwise related to his or her employment with the Employer;

(c) the issuance of a final cease-and-desist order by a state or federal agency having jurisdiction over the Employer or any entity which controls the Employer to the extent such cease-and-desist order requires the termination of Executive's employment;

(d) Executive's breach of fiduciary duty;

(e) Executive's material breach of any provision of this Agreement;

(f) Executive's willful violation of any law, rule or regulation that constitutes a felony (other than traffic violations or similar offenses);

(g) Executive's deliberate and intentional refusal or failure (for reasons other than incapacity due to accident or physical or mental illness) to perform Executive's duties to the Employer, where such refusal or failure continues for a period of at least 30 consecutive days following the receipt by Executive of written notice from the Employer setting forth in reasonable detail the facts upon which the Employer relies in concluding that Executive has deliberately and intentionally refused or failed to perform such duties; or

(h) Executive's conduct that brings public discredit on or injures the reputation of the Employer, in the Employer's reasonable opinion.

4.4 Benefits Following Death or Disability.

(a) Following Executive's total disability ("**Disability**", as defined below) or death during the term of this Agreement, the employment of the Executive will terminate automatically, in which event the Bank shall not thereafter be obligated to make any further payments hereunder other than amounts (including salary, expense reimbursement, and employee benefits) accrued under this Agreement or accrued or vested under the terms of any employee benefit plan, or incentive and/or equity based long term incentive plan as of the date of such termination in accordance with generally

accepted accounting principles or as otherwise specifically provided herein. For purposes hereof, "**Disability**" shall mean that Executive, by reason of a medically determinable physical or medical impairment that can be expected to result in death or expected to last for a continuous period of at least twelve months, (i) is unable to engage in any substantial gainful activity or (ii) has received income replacement benefits for a period of at least three months under an accident or health plan of the Employer.

(b)

(i) In the event of a termination of this Agreement as a result of

Executive's death, the Employer shall, as soon as administratively practicable,

pay Executive's designated beneficiaries a lump sum cash payment in an amount equal to six (6) months' Base Salary at the rate and as required by Section 3.1 and in effect immediately prior to the date of death, together with a lump sum payment in an amount equal to 100% of the premium cost of COBRA continuation coverage under the applicable health plan of the Employer or its Affiliates pursuant to Code Section 4980B for Executive's (i) surviving spouse for the period commencing as of the first day of the first month next following

Executive's death and continuing for the duration of the applicable COBRA continuation period and (ii) dependent children for the period commencing as of the first day of the first month next following Executive's death and continuing until the earlier of (A) the duration of the applicable COBRA continuation

period, or (B) the date such dependent children cease to be "qualifying children" under the Employer's health plan, at the COBRA rate then in effect as of the date of Executive's death (as reasonably determined by the Employer) (less the employee portion of the premium costs for the active plan) and assuming an annual 10% increase in the amount of such COBRA premium over the applicable periods of time described in this sentence. The period of continued health coverage required by COBRA shall run concurrently with the coverage provided herein. Executive's dependents, beneficiaries and estate, as the case may be, will also receive such survivor's income and other benefits as they may be entitled under the terms of the benefit programs, plans, and arrangements described in Section 3.2 which provide benefits upon the death of Executive.

(ii) In the event of a termination of this Agreement as a result of the Executive's Disability, (A) the Employer shall pay Executive a lump sum cash payment in an amount equal to six (6) months' Base Salary at the rate and as required by Section 3.1 and in effect immediately prior to the date of Disability, together with a lump sum payment in an amount equal to 100% of the premium cost of COBRA continuation coverage under the applicable health plan of the Employer or its affiliates pursuant to Code Section 4980B for Executive's (i)

individual coverage and that of his or her spouse for the period commencing as of the first day of the first month next following Executive's termination as a result

of Disability and continuing for the duration of the applicable COBRA continuation period and (ii) dependent children for the period commencing as of

the first day of the first month next following Executive's termination as a result of Disability and continuing until the earlier of (A) the applicable COBRA continuation period or (B) the date such dependent children cease to be

"qualifying children" under the Employer's health plan, at the COBRA rate then in effect as of the date of Executive's termination as a result of Disability (as reasonably determined by the Employer) (less the employee portion of the premium costs for the active plan) and assuming an annual 10% increase in the amount of such COBRA premium over the applicable periods of time described in this sentence. The Employer shall also pay Executive a lump sum payment within thirty (30) days after Executive's termination date equal to 150% of the

Employer's actual premium cost of providing group term life insurance coverage to Executive for the three year period following Executive's date of Disability and

(B) thereafter for as long as Executive continues to be disabled, the Employer shall continue to pay an amount equal to at least 60% of Base Salary in effect

immediately prior to the date of Disability until the earlier of Executive's death or December 31 of the calendar year in which Executive attains age 65, reduced by any disability payments from any Employer provided disability insurance plans or programs and any benefits payments received from the Federal Social Security or applicable state disability benefits programs; and (C), to the extent not duplicative of the foregoing, Executive shall receive those benefits customarily provided by the Employer to disabled former employees, which benefits may include, but shall not be limited to, life, medical, health, accident insurance and a survivor's income benefit. The period of continued health coverage required by COBRA shall run concurrently with the coverage provided herein.

(iii) For the purposes of (i) and (ii) above, Executive or Executive's dependents shall pay the same percentage of the total cost of coverage under the applicable employee benefit plans as Executive was paying when Executive's

employment terminated. The total cost of Executive's continued coverage shall be determined using the same rates for health, life and/or disability coverage that apply from time to time to similarly situated active employees.

4.5 Death or Disability Following Termination of Employment. Executive's

disability or death following Executive's termination of employment pursuant to Section 4.2 shall not affect Executive's right, or if applicable, the right of Executive's beneficiaries, to

receive the payments for the balance of the period described in Section 4.2, nor will it affect the right of Executive or Executive's beneficiaries to receive the balance of any other payments due hereunder and/or under the Change in Control Agreement.

4.6 Beneficiary Designation. Executive may, at any time, by written notice to the Employer, name one or more beneficiaries of any benefits which may become payable by the Employer pursuant to this Agreement. If Executive fails to designate a beneficiary any benefits to be paid pursuant to this Agreement shall be paid to Executive's estate.

4.7 Preemptive Consideration. Notwithstanding anything to the contrary set forth herein, if Executive is suspended and/or temporarily prohibited from participating in the conduct of the Employer's, or any of its affiliates', affairs by a notice served under Section 8(e)(3) or (g)(1) of the Federal Deposit Insurance Act (12 U.S.C. 118 (e)(3) and (g)(1) or any amendments or supplements thereto, the Employer's obligations under this Agreement shall be suspended as of the date of service unless stayed by appropriate proceedings. If the charges in the notice are dismissed, the Employer may in its discretion (i) pay Executive all or part of the compensation withheld while this Agreement's obligations were suspended, and (ii) reinstate (in whole or in part) any of its obligations which were suspended. If Executive is removed or permanently prohibited from participating in the conduct of the Employer's, or any of its affiliates', business affairs by an order issued by the FDIC or SEC, or equivalent provisions relating to a regulator with supervisory authority over the Employer or any of its affiliates, all obligations of the Employer and any of its affiliates under this Agreement shall terminate as of the effective date of the order, but vested rights of the parties shall not be affected.

4.8 Notwithstanding anything herein contained to the contrary, any payments to Executive by the Employer, whether pursuant to this Agreement or otherwise, are subject to and conditioned upon their compliance with Section 18(k) of the Federal Deposit Insurance Act, 12

U.S.C. §1828(k) and FDIC regulation 12 C.F.R. Part 359, Golden Parachute and Indemnification Payments.

ARTICLE V. Restrictive Covenants and Clawback.

5.1 Confidentiality and Non-disclosure. Executive acknowledges a duty of confidentiality owed to the Employer and, subject to Section 5.7, shall not, at any time during or after Executive's employment by the Employer, retain in writing, use, divulge, disclose, furnish, or make accessible to any person or entity, without the express authorization of the Board or senior management of the Employer, any trade secret, private or confidential information or knowledge of the Employer or any of their affiliates learned, obtained or acquired by Executive while so employed, including but not limited to, proprietary business information, products, processes, services, formulas, materials and formulations, research and development, techniques or know-how, financial records, sales records and data, customer lists, customer contact information and customer preference information, historical volumes, business strategies and competitive sales or marketing strategies and trade secrets as defined by Pennsylvania law. All computer software, business cards, customer lists, price lists, contract forms, catalogs, books, records, files and know-how acquired while an employee of the Employer are acknowledged to be the property of the Employer (or the applicable affiliate) and shall not be duplicated, removed from the Employer's possession or made use of other than in pursuit of the Employer's business. Upon the termination of the employment hereunder, the Executive shall deliver to the Bank all correspondence, reports, customer files, customer lists, office keys, manuals, advertising brochures, sample contracts, price lists, employee lists, prospective employee or customer lists, mailing lists, letters, records and any and all other documents pertaining to or containing

information relative to the business of the Bank, and Executive shall not remove any of such records either during the course of employment or upon the termination thereof.

Executive understands that in the event of a violation of the provisions of this Section 5.1, the Bank shall have the right to seek injunctive relief, in addition to any other existing rights provided herein or by operation of law, without the requirement of posting bond. The remedies provided in this Section 5.1 shall be in addition to any legal or equitable remedies existing between Executive, and shall not be construed as a limitation upon, or as alternative or in lieu of, such remedies.

5.2 Intellectual Property Rights. Executive agrees that all literary work, copyrightable material or other proprietary information or materials developed by Executive during the term of this Agreement and relating to, or capable of being used or adopted for use in, the business of the Employer or any Affiliates shall inure to and be the property of the Employer and Affiliates and must be promptly disclosed to the Employer. Executive hereby transfers and assigns to Employer all rights in and to such Intellectual Property. Both during employment by the Employer and thereafter, Executive shall, at the expense of the Employer, execute such documents and do such things as the Employer reasonably may request to enable the Employer or their nominee (i) to apply for copyright or equivalent protection in the United States, Canada and elsewhere for any literary work hereinabove referred in this paragraph, or (ii) to be vested with any such copyright protection in the United States, Canada and elsewhere.

5.3 Non-Competition and Non-Solicitation.

(a) Executive shall not, during the Employment Period and for a Restricted Period (as defined below) after Executive ceases to be employed by or provide service to Employer, directly or indirectly, be or become an officer, owner, shareholder, general or limited partner, director or employee or agent of, or a consultant to, or give financial or other assistance to, any person or entity considering engaging in commercial banking or the provision of financial products or services, or is so engaged, within a seventy-five

(75) mile radius from any office, branch or other facility (other than solely an ATM) of Employer existing at the time Executive ceases to be employed by the Employer (a "Competing Business"); provided, however, that nothing herein shall prohibit Executive from owning, as a passive investor, in the aggregate not more than 5% of the outstanding publicly traded stock of any corporation so engaged. This restriction shall be limited to Executive's employment or engagement in a position that is similar to Executive's role with the Employer or in a position that could allow Executive to compete with the Employer or aid a Competing Business in competing with the Employer. "**Restricted Period**" shall mean the longer of (i) six (6) months or (ii) the length of time Executive is to receive payments under this Agreement (or any applicable Change in Control Agreement); provided, however, that the period under (ii) above shall not exceed twenty-four (24) months.

(b) Executive shall not, during the Employment Period and for a period of twelve (12) months after Executive ceases to be employed by or provide services to Employer, directly or indirectly:

(i) seek, in competition with the business of the Employer, to do business with any customer of the Employer or its subsidiaries or affiliates, or solicit on behalf of a competitor any prospective customers, or divert or attempt to divert away from the Employer or its subsidiaries or affiliates, the business of any customer or other business entity with which the Employer or its subsidiaries or affiliates, did business;

(ii) solicit or contact any person who is an employee of the Employer or its subsidiaries or affiliates, with a view to the engagement or employment of such person by a third party, or cause any person who is an employee of the Employer to terminate his or her employment for the purpose of joining or becoming employed by a third party;

(c) seek to contract with or engage (in such a way as to adversely affect or interfere with the business of the Employer or its subsidiaries or affiliates) any person or entity who has been contracted with or engaged to provide goods or services to the Employer or its subsidiaries or affiliates; or

(d) engage in or participate in any effort or act to induce any of the customers, associates, consultants, or employees of the Employer to take any action which might be disadvantageous to the Employer or its subsidiaries or affiliates;

provided, however, that nothing herein shall prohibit Executive and Executive's affiliates from owning, as passive investors, in the aggregate not more than 10% of the outstanding publicly traded stock of any corporation so engaged. For purposes of this Agreement, (i) a "**customer**" means any person or entity that Executive knew or should have known to have had a customer relationship with the Employer at any time during the preceding three (3) years or, if Executive's employment with the Employer has terminated, during the last three years of Executive's employment; and (ii) a "**prospective customer**" means any person or entity that was a prospect to have a customer relationship with the Employer that was identified through leads developed during the preceding three (3) years or, if Executive's employment with the Employer has terminated, the last three (3) years of Executive's employment with the Employer.

For the purpose of Sections 5.2 and 5.3, the Employer shall be deemed to refer to the Employer and all of their present or future affiliates.

5.4 Injunctive and Other Relief.

(a) Executive acknowledges and agrees that the covenants contained herein are fair and reasonable in light of the additional consideration paid hereunder, which Executive acknowledges is adequate and sufficient consideration, and that damages alone shall not be an adequate remedy for any breach by Executive of Executive's covenants which then apply and accordingly expressly agrees that, in addition to any other remedies which the Employer may have, the Employer shall be entitled to seek injunctive relief in any court of competent jurisdiction for any breach or threatened breach of any such covenants by Executive without the requirement of posting a bond. Nothing contained herein shall prevent or delay the Employer from seeking, in any court of competent

jurisdiction, specific performance or other equitable remedies in the event of any breach or intended breach by Executive of any of its obligations hereunder.

(b) In the event Executive breaches Executive's obligations under Section 5.3, the period specified therein shall be tolled during the period of any such breach and any litigation seeking remedies for such breach and shall resume upon the conclusion or termination of any such breach and any such litigation. The remedies set forth in this Section are cumulative and in addition to any and all other remedies available to the Employer at law or in equity.

(c) In addition to other remedies contained in this Agreement to which the Employer may be entitled, the Employer shall receive attorney's fees and any other expenses incident to the maintenance of any action to enforce its rights under this

Agreement if such litigation is concluded or terminated, in whole or in part, in the Employer's favor.

5.5 Disclosure. Executive agrees to disclose the restrictive covenants contained in Sections 5.2 and 5.3 of this Agreement to any prospective employer prior to employment with the prospective employer both during his or her employment by the Employer and for a period of one (1) year following termination of employment with the Employer.

5.6 Clawback. Executive acknowledges that the Executive is subject to any clawback policy that has been or may be adopted by the Board, including without limitation, that certain Compensation Recovery Policy.

5.7 Protected Disclosures. Nothing contained in this Agreement, any other agreement between Executive and either Orrstown or the Bank or any Orrstown or Bank policy or code

limits Executive's ability, with or without notice to Orrstown or the Bank, to (i) communicate with any federal, state or local governmental agency or commission (a "**Government Agency**") or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including by providing non-privileged documents or information, without notice to Orrstown or the Bank; or (ii) testify truthfully in a legal proceeding. Any such communications and disclosures must be consistent with applicable law and the information disclosed must not have been obtained through a communication that was subject to the attorney-client privilege (unless disclosure of that information would otherwise be permitted consistent with such privilege or applicable law). In addition, pursuant to the federal Defend Trade Secrets Act of 2016, Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

ARTICLE VI. Miscellaneous.

6.1 Invalidity. If any provision hereof is determined to be invalid or unenforceable by a court of competent jurisdiction, Executive shall negotiate in good faith to provide the Employer

with protection as nearly equivalent to that found to be invalid or unenforceable and if any such provision shall be so determined to be invalid or unenforceable by reason of the duration or geographical scope of the covenants contained therein, such duration or geographical scope, or both, shall be considered to be reduced to a duration or geographical scope to the extent necessary to cure such invalidity.

6.2 Assignment: Benefit. This Agreement shall not be assignable by Executive, and shall be assignable by the Employer only to any affiliate or to any person or entity which may become a successor in interest (by purchase of assets or stock, or by merger, or otherwise) to the Employer in the business or a portion of the business presently operated by it. Subject to the foregoing, this Agreement and the rights and obligations set forth herein shall inure to the benefit of, and be binding upon, the parties hereto and each of their respective permitted successors, assigns, heirs, executors and administrators, including the restrictive covenants of this Agreement.

6.3 Notices. All notices hereunder shall be in writing and shall be sufficiently given if hand-delivered, sent by documented overnight delivery service or registered or certified mail, postage prepaid, return receipt requested or by telegram, fax or telecopy (confirmed by U. S. mail), receipt acknowledged, addressed as set forth below or to such other person and/or at such other address as may be furnished in writing by any party hereto to the other. Any such notice shall be deemed to have been given as of the date received, in the case of personal delivery, or on the date shown on the receipt or confirmation therefor, in all other cases. Any and all service of process and any other notice in any such action, suit or proceeding shall be effective against any party if given as provided in this Agreement; provided that nothing herein shall be deemed to affect the right of any party to serve process in any other manner permitted by law.

(a) If to the Employer:

Orrstown Bank 4750 Lindle Road
Harrisburg, PA 17111
Attention: Chief Human Resources Officer

(b) If to Executive: Amy Doll

6.4 Entire Agreement and Modification. This Agreement and the Change of Control Agreement between the parties, of even date herewith, constitutes the entire agreement between the parties hereto with respect to the matters contemplated herein and supersedes all prior agreements and understandings with respect thereto, including that certain Change in Control Agreement by and among the Executive, Codorus and Peoples Bank, dated June 23, 2016. Any amendment, modification, or waiver of this Agreement shall not be effective unless in writing and agreed and executed by the Employer and Executive. Neither the failure nor any delay on the part of any party to exercise any right, remedy, power or privilege shall preclude any other or further exercise of the same or of any other right, remedy, power, or privilege with respect to any

occurrence and such failure or delay to exercise any right shall be construed as a waiver of any right, remedy, power, or privilege with respect to any other occurrence.

6.5 Governing Law, Forum. This Agreement is made pursuant to, and shall be construed and enforced in accordance with, the laws of the Commonwealth of Pennsylvania (and United States federal law, to the extent applicable), without giving effect to otherwise applicable principles of conflicts of law. Any claims or legal actions by one party against another shall be commenced and maintained in the Court of Common Pleas of Dauphin County, Pennsylvania or the federal District Court for the Middle District of Pennsylvania, and both parties submit to the jurisdiction and venue of any such court.

6.6 Headings; Counterparts. The headings of sections and subsections in this Agreement are for convenience only and shall not affect its interpretation. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to constitute but one and the same Agreement.

6.7 Further Assurances. Each of the parties hereto shall execute such further instruments and take such other actions as any other party shall reasonably request in order to effectuate the purposes of this Agreement.

6.8 Attorneys' Fees and Related Expenses. All reasonable attorneys' fees and related expenses incurred by Executive in connection with or relating to the review and negotiation of

this Agreement or, if Executive prevails in connection with enforcing Executive's rights under

this Agreement, the enforcement by Executive of Executive's rights under this Agreement, shall be paid in full by the Employer.

6.9 Mitigation. Executive shall not be required to mitigate the amount of any payment or benefit provided for in Section 4 herein or pursuant to the Change in Control Agreement by seeking employment or otherwise and shall not be entitled to set-off against the amount of any payments made pursuant to Section 4 herein or pursuant to the Change in Control Agreement with respect to any compensation earned by Executive arising from other employment.

6.10 Indemnification. Except to the extent inconsistent with the Employer's certificate of incorporation or bylaws, the Employer will indemnify the Executive and hold

Executive harmless to the fullest extent permitted by law with respect to Executive's service as an officer and employee of the Employer and its subsidiaries, which indemnification shall be provided following termination of employment for so long as Executive may have liability with respect to Executive's service as an officer or employee of the Employer and its subsidiaries.

The Executive will be covered by a directors' and officers' insurance policy with respect to

Executive's acts as an officer to the same extent as all other officers of the Employer under such policies.

6.11 409A Safe Harbor.

(a) Notwithstanding anything in this Agreement to the contrary, in no event shall the Employer be obligated to commence payment or distribution to Executive of

any amount that constitutes nonqualified deferred compensation within the meaning of Code Section 409A ("**Section 409A**") earlier than the earliest permissible date under Section 409A that such amount could be paid without additional taxes or interest being imposed under Section 409A. The Employer and Executive intend that this Agreement will be administered in accordance with Section 409A. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A, the provision shall be read in such a manner so that all payments hereunder comply with

Section 409A. The Employer and Executive agree that they will execute any and all amendments to this Agreement as they mutually agree in good faith may be necessary to ensure compliance with the distribution provisions of Section 409A. Without limiting the generality of the foregoing, in the event Executive is to receive a payment of compensation hereunder that is on account of a separation from service, such payment is subject to the provisions of Section 409A, and Executive is a "specified employee" of the Employer (as determined in accordance with Section 409A of the Code), then payment shall not be made before the date that is six months after the date of separation from service (or, if earlier than the end of the six month period, the date of Executive's death). Amounts otherwise payable on an installment basis during such six month period, shall be accumulated and paid in a lump sum on the first day of the seventh month, and the balance of any installments shall be payable in accordance with the original schedule. To the extent any payments under this Agreement are payable in installments, each installment shall be treated as a separate payment for purposes of Treasury Regulation § 1.409A-2(b)(2).

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Employer or incurred by Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes nonqualified deferred compensation under Section 409A, and to the extent that such payment or benefit is payable upon Executive's termination of employment,

then such payments or benefits shall be payable only upon Executive's "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section § 1.409A-1(h).

(d) The Employer makes no representation or warranty and shall have no liability to Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensations subject to Section 409A but do not satisfy an exemption from, or the conditions of, Section 409A.

6.12 Non-Disparagement: Subject to Section 5.7 above, upon and at all times following the termination of Executive's employment, Executive shall not malign, criticize or otherwise disparage Orrstown, the Bank or any of their affiliates or any of their respective officers, employees or directors.

6.13 Release. Notwithstanding any other provision of this Agreement, any severance or termination payments or benefits described are conditioned on Executive's execution and delivery to the Employer of a separation agreement that includes, among other things, an effective general release of claims and non-disparagement agreement in a form prescribed by the Employer (the "**Release**") and in a manner consistent with the requirements of the Older Workers Benefit Protection Act and any applicable state law, becoming effective by the 60th day following the Executive's separation from service (or such shorter period set forth within such Release). Such payments will commence following the date the Release becomes effective, provided that if the 60-day period spans two calendar years, the payments will commence in the second calendar year; provided, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the termination date.

6.14 Other Rights. Nothing in this Agreement is intended to limit Executive's right to

(a) payment or reimbursement for welfare benefit claims incurred prior to the cessation of his/her employment under any group insurance plan, policy or arrangement of the Employer in accordance with the terms of such plan, policy or arrangement (b) elect COBRA benefits in accordance with the applicable law, or (c) receive a distribution of vested accrued benefits from any employee pension benefit plan in accordance with the terms of that plan.

6.15 Survival. Notwithstanding anything to the contrary in this Agreement, the parties agree that Executive's obligations under Article 5 of this Agreement shall continue despite the expiration of the term of this Agreement or its termination.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

EXECUTIVE

By: /s/ Amy L. Doll______________________ ___
Name: Amy L. Doll

ORRSTOWN FINANCIAL SERVICES, INC.

By: _/s/ Thomas R. Quinn, Jr.
Name: Thomas R. Quinn, Jr.
Title: President & Chief Executive Officer

ORRSTOWN BANK

By: _/s/ Thomas R. Quinn, Jr.
Name: Thomas R. Quinn, Jr.
Title: President & Chief Executive Officer

ORRSTOWN FINANCIAL SERVICES, INC.
AND ITS WHOLLY OWNED SUBSIDIARIES

DIRECTOR/EXECUTIVE OFFICER DEFERRED COMPENSATION PLAN

Amended and Restated as of January 21, 2026

WHEREAS, ORRSTOWN FINANCIAL SERVICES, INC. AND ITS WHOLLY-OWNED SUBSIDIARIES, hereinafter collectively called " Company," have previously adopted the Orrstown Financial Services, Inc. Director/Executive Officer Deferred Compensation Plan effective September 1, 1995, hereinafter call "Plan," to assist it in attracting and retaining persons of outstanding competence and stature to serve as directors or executive officers by giving them the option of planning effectively for their respective futures by deferring receipt of their fees or compensation.

WHEREAS, the Board of Directors of the Company has previously approved amendments to the Plan;

WHEREAS, in order to reflect the amendments to the Plan previously approved by the Board of Directors of the Company, the Plan hereby is amended and restated as follows:

1. ***Effective Date:*** The Plan shall apply to all fees or compensation payable to directors who joined the board of director prior to September 1, 2018 or executive officers for services rendered after August 31, 1995.

2. ***Participation:*** Each director or executive officer of the Company who is entitled to receive fees or compensation for services as a director/executive officer may elect to defer receipt of the fees or compensation otherwise payable to him/her as provide for in the Plan. Each such director or executive officer who elects to defer fees or compensation shall be a participant in the Plan.

3. ***Administration:*** The Company's Compensation Committee shall act as the administrator of the Plan and shall administer, construe, and interpret the Plan. The administrator(s) shall not be liable for any act done or determination made in good faith.

4. ***Deferrals:***

   a) ***Election:*** Prior to January 1 and July 1 (and with respect to 1995, prior to September 1, 1995), any eligible director or executive officer may file with the board of directors and/or administrator(s) of the Plan an election in writing to participate in the Plan for that year or for that year and succeeding years. When such election is filed, fees or compensation will be reduced according to the election for that year, or for that year and for succeeding years. If an election is filed to participate in the Plan for succeeding years, an election to termination participation in the Plan for any year must be field prior to January 1 and July 1 of that year. An individual who first becomes a director or executive officer during a calendar year may make an election to defer fees or compensation for the remainder of the year within 30 days of such date.

   b) ***Accounting:*** An appropriate record shall be maintained by the Company called the "Directors'/Executive Officers' Compensation Account" which shall list each participant and the amount of the individual credits and earnings due. The Company shall add to each participant's account an amount equivalent to the fees or compensation that would have been paid to the participant if election had not been made to participate in the Plan. The addition shall be made on the date on which the fee or compensation would have been paid absent a deferral election

   c) ***Establishment of Trust:*** The Company will establish a trust fund to aid it in accumulating the amounts necessary to satisfy its contractual liability to pay such benefits.

      The Company may make contributions to this trust from time to time, which contributions (if made) will be applied in payment of the Company's obligations to pay such benefits.

The Company will pay all benefits payable under its Directors/Executive Officer Deferred Compensation Plan from its general assets, and the establishment of this trust shall not reduce or otherwise affect the Company's continuing liability to pay benefits from such assets except that the Company's liability shall be offset by actual benefit payments made by this trust.

The trust established by this trust agreement is intended to be classified for income tax purposes as a "grantor trust" with the result that the income of the trust will be treated as income of the Company pursuant to Subpart E of Subchapter J or Chapter 1, or Subtitle A of the Internal Revenue Code 1986, as amended (the code).

d) ***Investments:*** The trust will establish several investment options for participants in the non-qualified deferred compensation plan. The participant shall direct the trustee, in writing, to invest their account in the following investment vehicles:

1. Orrstown Bank Certificates of Deposit. Minimum Investment $3,000
2. Life Insurance and annuities
3. PRS Capital Preservation Model
4. PRS Income Model
5. PRS Income & Growth Model
6. PRS Balanced Model
7. PRS Growth Model
8. PRS Aggressive Growth Model
9. Orrstown Financial Services, Inc. common stock

Any uninvested cash shall be held in a money market fund that is designated by the Trustee. Changes in the investment direction may be made on a semi-annual basis.

5. ***Distribution:*** Prior to the date on which distributions shall commence, the administrator(s) shall determine the method of distribution as permitted hereunder. In the case of a director, distributions must commence not later than January 15 following the year in which the director attains age 75 or terminates service as a director, whichever occurs later. In the case of an executive director, distributions must commence not later than January 15 following the year in which the executive officer attains age 65 or retires, whichever occurs later.

Distributions may be made in equal monthly or annual installments of the principal amount of the account balance determined as of December 31 preceding commencement of distributions over not more than ten years. The principal amount shall be recomputed on December 31 of each year in which distributions are made, with subsequent year distributions of principal being distributed in equal monthly or annual installments in either cash or securities, in each case at the election of the participant, over the remaining payout term.

Notwithstanding the foregoing, the administrator(s) may accelerate distribution to a participant at the participant's request upon a finding by the administrator(s) that the participant has a severe financial hardship which was not foreseeable at the time the deferral election became effective. In such case, the amount of the accelerated distribution shall not exceed the amount needed to alleviate the hardship.

In the following situations, the administrator shall make immediate distributions in full satisfaction of the participants' deferred compensation, including all earnings thereon:

a) Development of a hostile takeover

b) Failure by an acquiring bank, bank holding company, or other acquiring organization to approve this Plan

c) Bankruptcy of the bank or acquiring bank, holding company, or other acquiring organization

6. ***<u>Death</u>:*** If a participant dies prior to the distribution of his entire account, the Company shall pay the balance to the participant's designated beneficiary in a single lump sum distribution and shall pay the earnings credited to the account for the year of death no later than April 15 of the following year. Such distributions shall be in complete satisfaction of all the rights of the participant under the Plan. If the participant has not designated a beneficiary or the designated beneficiary is not living on the date distribution is to be made, the participant's estate shall be the beneficiary.

7. ***<u>Assignment and Alienation of Benefits</u>:*** To the maximum extent permitted by law, a participant's rights or benefits under this Plan shall not be subject to anticipation, alienation, sale, assignment, pledge, encumbrance, or charge, and any attempt to anticipate, alienate, sell, assign, pledge, encumber, or charge the same shall be void. No right or benefit hereunder shall in any manner be liable for or subject to the debts, contracts, liabilities, or torts of the person entitled to such benefit. If any participant becomes bankrupt or attempts to anticipate, alienate, sell, assign, pledge, encumber or charge any right to a benefit hereunder, then such right or benefit, in the discretion of the administrator(s), may be terminated. In such event the Company may hold or apply the same or any part thereof for the benefit of the participant, his or her spouse, children or other dependents, or any of them, in such manner and portion as the administrator(s) may deem proper.

8. ***<u>Amendment or Termination</u>:*** The board of directors of the Company may amend or terminate this Plan at any time. Any amendment or termination of this Plan shall not affect the rights of the participant accrued prior thereto without his written consent. The Plan shall automatically terminate if it is determined by the Internal Revenue Service to not qualify as a deferred compensation agreement deferring income taxes of the director or officer. Such automatic termination shall be effective the first day of the month following the determination by the Internal Revenue Service.

9. ***<u>Status of Amounts Due</u>:*** No liability of the Company hereunder shall be deemed to be secured by any pledge or other encumbrance on any property of the Company. In not event may the Company create a security interest in the Plan assets in favor of participants or beneficiaries of the Plan.

DEFERRED COMPENSATION AGREEMENT

THIS DEFERRED COMPENSATION AGREEMENT (this "Agreement"), adopted this 30th day of June, 2025, by and between Orrstown Bank, located in Harrisburg, Pennsylvania (the "Employer"), and Amy Doll (the "Executive"), formalizes the agreements and understanding between the Employer and the Executive.

WITNESSETH:

WHEREAS, the Executive is employed by the Employer;

WHEREAS, the Employer recognizes the valuable services the Executive has performed for the Employer and wishes to encourage the Executive's continued employment and to provide the Executive with additional incentive to achieve corporate objectives;

WHEREAS, the Employer wishes to provide the terms and conditions upon which the Employer shall pay additional retirement benefits to the Executive;

WHEREAS, the Employer and the Executive intend this Agreement shall at all times be administered and interpreted in compliance with Code Section 409A; and

WHEREAS, the Employer intends this Agreement shall at all times be administered and interpreted in such a manner as to constitute an unfunded nonqualified deferred compensation arrangement, maintained primarily to provide supplemental retirement benefits for the Executive, a member of select group of management or highly compensated employee of the Employer;

NOW THEREFORE, in consideration of the premises and of the mutual promises herein contained, the Employer and the Executive agree as follows:

ARTICLE 1
DEFINITIONS

For the purpose of this Agreement, the following phrases or terms shall have the indicated meanings:

1.1 *"Accumulation Period Crediting Rate"* means the Holding Company's Return on Average Tangible Equity for the immediately preceding calendar year (measured as of December 31), provided that such amount shall not be less than zero percent (0%) or more than fifteen percent (15%).

1.2 *"Administrator"* means the Employer's Compensation Committee or such other person or persons as the Board designates.

1.3 *"Affiliate"* means any business entity with whom the Employer would be considered a single employer under Code Section 414(b) and 414(c). Such term shall be interpreted in a manner consistent with the definition of "service recipient" contained in Code Section 409A.

1.4 "*Average Tangible Common Equity*" means the Holding Company's shareholders' equity (as determined in accordance with U.S. GAAP), less goodwill and other intangible assets, net of related tax effect, computed on an annual basis consistent with the Holding Company's public disclosure of average equity.

1.5 *“Beneficiary”* means the person or persons designated in writing by the Executive to receive benefits hereunder in the event of the Executive’s death.

1.6 *“Board”* means the Board of Directors of the Employer.

1.7 *“Cause”* means any of the following acts or circumstances: gross negligence or gross neglect of duties to the Employer; conviction of a felony or of a gross misdemeanor involving moral turpitude in connection with the Executive’s employment with the Employer; or fraud, disloyalty, dishonesty or willful violation of any law or significant Employer policy committed in connection with the Executive's employment and resulting in a material adverse effect on the Employer.

1.8 *“Change in Control”* means a change in the ownership or effective control of the Employer or the Holding Company, or in the ownership of a substantial portion of the assets of the Employer or the Holding Company, as such change is defined in Code Section 409A and regulations thereunder.

1.9 *“Claimant”* means a person who believes that he or she is being denied a benefit to which he or she is entitled hereunder.

1.10 *“Contribution”* means the amount the Employer contributes to the Deferral Account, calculated according to the provisions of Article 2.

1.11 *“Code”* means the Internal Revenue Code of 1986, as amended.

1.12 *“Deferral Account”* means the Employer’s accounting of the accumulated Contributions plus accrued interest.

1.13 *“Disability”* means a condition of the Executive whereby the Executive either:

(i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (ii) is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Employer. The Administrator will determine whether the Executive has incurred a Disability based on its own good faith determination and may require the Executive to submit to reasonable physical and mental examinations for this purpose. The Executive will also be deemed to have incurred a Disability if determined to be totally disabled by the Social Security Administration or in accordance with a disability insurance program, provided that the definition of disability applied under such disability insurance program complies with the initial sentence of this Section.

1.14 *“Distribution Period Crediting Rate”* means four percent (4%).

1.15 *“Early Termination”* means Separation from Service before Normal Retirement Age except when such Separation from Service follows a Change in Control or due to termination for Cause.

1.16 *“Effective Date”* means June 1, 2025.

1.17 *"ERISA"* means the Employee Retirement Income Security Act of 1974, as amended.

1.18 *"Holding Company"* means Orrstown Financial Services, Inc., the parent corporation of the Employer.

1.19 *"Normal Retirement Age"* means the Executive attaining age sixty-five (65).

1.20 *"Plan Year"* means each twelve (12) month period commencing on January 1 and ending on December 31 of each year. The initial Plan Year shall commence on the Effective Date and end on the following December 31.

1.21 "*Return on Average Tangible Equity*" means the Holding Company's net income (as determined in accordance with U.S. GAAP) excluding non-recurring expenses (including, but not limited to, tax related matters, merger-related costs, gains or losses arising from security sales, changes in regulation, and other significant events) for which the Employer's Compensation Committee adjusts net income for the purposes of determining awards under the Holding Company's annual executive incentive plans net of related tax effect, divided by the Holding Company's Average Tangible Common Equity.

1.22 *"Separation from Service"* means a termination of the Executive's employment with the Employer and its Affiliates for reasons other than death or Disability. A Separation from Service may occur as of a specified date for purposes of the Agreement even if the Executive continues to provide some services for the Employer or its Affiliates after that date, provided that the facts and circumstances indicate that the Employer and the Executive reasonably anticipated at that date that either no further services would be performed after that date, or that the level of bona fide services the Executive would perform after such date (whether as an employee or as an independent contractor) would permanently decrease to no more than twenty percent (20%) of the average level of bona fide services performed over the immediately preceding thirty-six (36) month period (or the full period during which the Executive performed services for the Employer, if that is less than thirty-six (36) months). A Separation from Service will not be deemed to have occurred while the Executive is on military leave, sick leave, or other bona fide leave of absence if the period of such leave does not exceed six (6) months or, if longer, the period for which a statute or contract provides the Executive with the right to reemployment with the Employer. If the Executive's leave exceeds six (6) months but the Executive is not entitled to reemployment under a statute or contract, the Executive incurs a Separation from Service on the next day following the expiration of such six (6) month period. In determining whether a Separation from Service occurs the Administrator shall take into account, among other things, the definition of "service recipient" and "employer" set forth in Treasury regulation §1.409A-1(h)(3). The Administrator shall have full and final authority, to determine conclusively whether a Separation from Service occurs, and the date of such Separation from Service.

1.23 *"Specified Employee"* means an individual that satisfies the definition of a "key employee" of the Employer as such term is defined in Code Section 416(i) (without regard to Code Section 416(i)(5)), provided that the stock of the Employer is publicly traded on an established securities market or otherwise, as defined in Treasury regulation §1.897-1(m). If the Executive is a key employee at any time during the twelve (12) months ending on December 31, the Executive is a Specified Employee for the twelve (12) month period commencing on the first day of the following April.

1.24 *"Unforeseeable Emergency"* means a severe financial hardship to the Executive resulting from an illness or accident of the Executive, the Executive's spouse, the Beneficiary, or the Executive's dependent (as defined in Code Section 152(a)), loss of the Executive's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Executive, and that cannot be alleviated by compensation or reimbursement received from insurance companies or otherwise.

ARTICLE 2
CONTRIBUTIONS

Provided that Return on Average Tangible Equity is at least 8.00% for the year, the Employer will make a Contribution to the Deferral Account in the amount of Forty-Six Thousand Two Hundred Twenty-Five Dollars ($46,225) each December 31, until the earliest of Separation from Service, Disability, Normal Retirement Age or the Executive's death.

ARTICLE 3
DEFERRAL ACCOUNT

3.1 *Establishing and Crediting*. The Employer shall establish a Deferral Account on its books for the Executive and shall credit to the Deferral Account the following amounts:

(a) Any Contributions hereunder; and

(b) Interest as follows:

(i) on the last day of each month prior to the earliest of Separation from Service, Disability, and the Executive's death, interest shall be credited on the Deferral Account at an annual rate equal to the Accumulation Period Crediting Rate, compounded monthly; and

(ii) on the last day of each month following the earliest of Separation from Service, Disability, and the Executive's death, interest shall be credited on the Deferral Account at an annual rate equal to the Distribution Period Crediting Rate, compounded monthly.

3.2 *Recordkeeping Device Only*. The Deferral Account is solely a device for measuring amounts to be paid under this Agreement and is not a trust fund of any kind.

ARTICLE 4 PAYMENT OF BENEFITS

4.1 *Normal Retirement Benefit*. Upon Separation from Service after Normal Retirement Age, the Employer shall pay the Executive the Deferral Account balance calculated at Separation from Service, in lieu of any other benefit hereunder. This benefit shall be paid in one hundred eighty (180) consecutive equal monthly installments and shall commence the month following Separation from Service, with interest credited on the unpaid balance at the Distribution Period Crediting Rate.

4.2 *Early Termination Benefit*. If Early Termination occurs, the Employer shall pay the Executive the Deferral Account balance calculated at Separation from Service, in lieu of any other benefit hereunder. This benefit shall be paid in one hundred eighty (180) consecutive equal monthly installments commencing the month following Normal Retirement Age, with interest

credited on the unpaid balance at the Distribution Period Crediting Rate, beginning at Separation from Service.

4.3 *Disability Benefit*. If the Executive experiences a Disability prior to Normal Retirement Age, the Employer shall pay the Executive the Deferral Account balance calculated as of the date of Disability, in lieu of any other benefit hereunder. This benefit shall be paid in one hundred eighty (180) consecutive monthly installments and shall commence the month following Disability, with interest credited on the unpaid balance at the Distribution Period Crediting Rate.

4.4 *Change in Control Benefit*. If a Change in Control occurs followed by Separation from Service before Normal Retirement Age, the Employer shall pay the Executive the Deferral Account balance calculated at Separation from Service, in lieu of any other benefit hereunder. This benefit shall be paid in one hundred eighty (180) consecutive equal monthly installments commencing the month following Normal Retirement Age, with interest credited on the unpaid balance at the Distribution Period Crediting Rate, beginning at Separation from Service.

4.5 *Death Prior to Commencement of Benefit Payments*. In the event the Executive dies while the Employer owns only the two life insurance policies on the Executive's life issued prior to the Effective Date or policies exchanged therefore, the Employer shall pay the Beneficiary the Deferral Account balance in lieu of any other benefit hereunder. In the event the Executive dies prior to Separation from Service and Disability and while the Employer owns a life insurance policy on the Executive's life in addition to the two policies issued prior to the Effective Date or exchanged therefore, the Employer shall pay the Beneficiary the greater of (i) the Deferral Account balance or (ii) Two Million Two Hundred Sixty Thousand Six Hundred Seventy-Seven Dollars ($2,260,677), in lieu of any other benefit hereunder. In either event, this benefit shall be paid in one hundred eighty (180) consecutive equal monthly installments commencing the month following the Executive's death, with interest credited on the unpaid balance at the Distribution Period Crediting Rate.

4.6 *Death Subsequent to Commencement of Benefit Payments*. In the event the Executive dies while receiving payments, but prior to receiving all payments due and owing hereunder, the Employer shall pay the Beneficiary the same amounts at the same times as the Employer would have paid the Executive, had the Executive survived.

4.7 *Hardship Distribution*. If an Unforeseeable Emergency occurs, the Executive may petition the Board to receive a distribution from the Agreement (a "Hardship Distribution"). The Board in its sole discretion may grant such petition. If granted, the Executive shall receive, within sixty (60) days, a distribution from the Agreement only to the extent deemed necessary by the Board to remedy the Unforeseeable Emergency, plus an amount necessary to pay taxes reasonably anticipated as a result of the distribution. In any event, the maximum amount which may be paid out as a Hardship Distribution is the Deferral Account balance as of the day the Executive petitioned the Board to receive a Hardship Distribution. A Hardship Distribution shall reduce the Deferral Account balance.

4.8 *Termination for Cause*. If the Employer terminates the Executive's employment for Cause, then the Executive shall forfeit all benefits hereunder.

4.9 *Restriction on Commencement of Distributions*. Notwithstanding any provision of this Agreement to the contrary, if the Executive is considered a Specified Employee at the time

of Separation from Service, the provisions of this Section shall govern all distributions hereunder. Distributions which would otherwise be made to the Executive due to Separation from Service shall not be made during the first six (6) months following Separation from Service. Rather, any distribution which would otherwise be paid to the Executive during such period shall be accumulated and paid to the Executive in a lump sum on the first day of the seventh month following Separation from Service, or if earlier, upon the Executive's death. All subsequent distributions shall be paid as they would have had this Section not applied.

4.10 *Acceleration of Payments*. Except as specifically permitted herein, no acceleration of the time or schedule of any payment may be made hereunder. Notwithstanding the foregoing, payments may be accelerated, in accordance with the provisions of Treasury Regulation §1.409A-3(j)(4) in the following circumstances: (i) as a result of certain domestic relations orders; (ii) in compliance with ethics agreements with the federal government; (iii) in compliance with the ethics laws or conflicts of interest laws; (iv) in limited cashouts (but not in excess of the limit under Code Section 402(g)(1)(B)); (v) to pay employment-related taxes; or (vi) to pay any taxes that may become due at any time that the Agreement fails to meet the requirements of Code Section 409A.

4.11 *Delays in Payment by Employer*. A payment may be delayed to a date after the designated payment date under any of the circumstances described below, and the provision will not fail to meet the requirements of establishing a permissible payment event. The delay in the payment will not constitute a subsequent deferral election, so long as the Employer treats all payments to similarly situated participants on a reasonably consistent basis.

(a) Payments that would violate Federal securities laws or other applicable law. A payment may be delayed where the Employer reasonably anticipates that the making of the payment will violate Federal securities laws or other applicable law provided that the payment is made at the earliest date at which the Employer reasonably anticipates that the making of the payment will not cause such violation. The making of a payment that would cause inclusion in gross income or the application of any penalty provision of the Internal Revenue Code is not treated as a violation of law.

(b) Solvency. Notwithstanding the above, a payment may be delayed where the payment would jeopardize the ability of the Employer to continue as a going concern.

4.12 *Treatment of Payment as Made on Designated Payment Date*. Solely for purposes of determining compliance with Code Section 409A, any payment under this Agreement made after the required payment date shall be deemed made on the required payment date provided that such payment is made by the latest of: (i) the end of the calendar year in which the payment is due; (ii) the 15th day of the third calendar month following the payment due date; (iii) if Employer cannot calculate the payment amount on account of administrative impracticality which is beyond the Executive's control, the end of the first calendar year which payment calculation is practicable; and (iv) if Employer does not have sufficient funds to make the payment without jeopardizing the Employer's solvency, in the first calendar year in which the Employer's funds are sufficient to make the payment.

4.13 *Facility of Payment*. If a distribution is to be made to a minor, or to a person who is otherwise incompetent, then the Administrator may make such distribution: (i) to the legal guardian, or if none, to a parent of a minor payee with whom the payee maintains his or her

residence; or (ii) to the conservator or administrator or, if none, to the person having custody of an incompetent payee. Any such distribution shall fully discharge the Employer and the Administrator from further liability on account thereof.

4.14 *Changes in Form or Timing of Benefit Payments*. The Employer and the Executive may, subject to the terms hereof, amend this Agreement to delay the timing or change the form of payments. Any such amendment:

(a) must take effect not less than twelve (12) months after the amendment is made;

(b) must, for benefits distributable due solely to the arrival of a specified date, or on account of Separation from Service or Change in Control, delay the commencement of distributions for a minimum of five (5) years from the date the first distribution was originally scheduled to be made;

(c) must, for benefits distributable due solely to the arrival of a specified date, be made not less than twelve (12) months before distribution is scheduled to begin; and

(d) may not accelerate the time or schedule of any distribution.

ARTICLE 5
BENEFICIARIES

5.1 *Designation of Beneficiaries*. The Executive may designate any person to receive any benefits payable under the Agreement upon the Executive's death, and the designation may be changed from time to time by the Executive by filing a new designation. Each designation will revoke all prior designations by the Executive, shall be in the form prescribed by the Administrator and shall be effective only when filed in writing with the Administrator during the Executive's lifetime. If the Executive names someone other than the Executive's spouse as a Beneficiary, the Administrator may, in its sole discretion, determine that spousal consent is required to be provided in a form designated by the Administrator, executed by the Executive's spouse and returned to the Administrator. The Executive's beneficiary designation shall be deemed automatically revoked if the Beneficiary predeceases the Executive or if the Executive names a spouse as Beneficiary and the marriage is subsequently dissolved.

5.2 *Absence of Beneficiary Designation*. In the absence of a valid Beneficiary designation, or if, at the time any benefit payment is due to a Beneficiary, there is no living Beneficiary validly named by the Executive, the Employer shall pay the benefit payment to the Executive's spouse. If the spouse is not living then the Employer shall pay the benefit payment to the Executive's living descendants *per stirpes*, and if there are no living descendants, to the Executive's estate. In determining the existence or identity of anyone entitled to a benefit payment, the Employer may rely conclusively upon information supplied by the Executive's personal representative, executor, or administrator.

ARTICLE 6
ADMINISTRATION

6.1 *Administrator Duties*. The Administrator shall be responsible for the management, operation, and administration of the Agreement. When making a determination or calculation, the Administrator shall be entitled to rely on information furnished by the Employer, Executive or

Beneficiary. No provision of this Agreement shall be construed as imposing on the Administrator any fiduciary duty under ERISA or other law, or any duty similar to any fiduciary duty under ERISA or other law.

6.2 *Administrator Authority*. The Administrator shall enforce this Agreement in accordance with its terms, shall be charged with the general administration of this Agreement, and shall have all powers necessary to accomplish its purposes.

6.3 *Binding Effect of Decision*. The decision or action of the Administrator with respect to any question arising out of or in connection with the administration, interpretation or application of this Agreement and the rules and regulations promulgated hereunder shall be final, conclusive and binding upon all persons having any interest in this Agreement.

6.4 *Compensation, Expenses and Indemnity*. The Administrator shall serve without compensation for services rendered hereunder. The Administrator is authorized at the expense of the Employer to employ such legal counsel and recordkeeper as it may deem advisable to assist in the performance of its duties hereunder. Expense and fees in connection with the administration of this Agreement shall be paid by the Employer.

6.5 *Employer Information*. The Employer shall supply full and timely information to the Administrator on all matters relating to the Executive's compensation, death, Disability or Separation from Service, and such other information as the Administrator reasonably requires.

6.6 *Termination of Participation*. If the Administrator determines in good faith that the Executive no longer qualifies as a member of a select group of management or highly compensated employees, as determined in accordance with ERISA, the Administrator shall have the right, in its sole discretion, to prohibit any additional Contributions hereunder.

6.7 *Compliance with Code Section 409A*. The Employer and the Executive intend that the Agreement comply with the provisions of Code Section 409A to prevent the inclusion in gross income of any amounts deferred hereunder in a taxable year prior to the year in which amounts are actually paid to the Executive or Beneficiary. This Agreement shall be construed, administered and governed in a manner that affects such intent, and the Administrator shall not take any action that would be inconsistent therewith.

ARTICLE 7
CLAIMS AND REVIEW PROCEDURES

7.1 *Claims Procedure*. A Claimant who believes that he or she is being denied a benefit to which he or she is entitled hereunder shall make a claim for such benefits as follows.

(a) Initiation – Written Claim. The Claimant initiates a claim by submitting to the Administrator a written claim for the benefits. If such a claim relates to the contents of a notice received by the Claimant, the claim must be made within sixty

(60) days after such notice was received by the Claimant. All other claims must be made within one hundred eighty (180) days of the date on which the event that caused the claim to arise occurred. The claim must state with particularity the determination desired by the Claimant.

(b) Timing of Administrator Response. The Administrator shall respond to such Claimant within forty-five (45) days after receiving the claim. If the Administrator

determines that special circumstances require additional time for processing the claim, the Administrator can extend the response period by an additional thirty (30) days by notifying the Claimant in writing, prior to the end of the initial forty-five (45) day period, that an additional period is required. The extension notice shall specifically explain the standards on which entitlement to a disability benefit is based, the unresolved issues that prevent a decision on the claim and the additional information needed from the Claimant to resolve those issues, and the Claimant shall be afforded at least forty-five (45) days within which to provide the specified information.

(c) Notice of Decision. If the Administrator denies all or a part of the claim, the Administrator shall notify the Claimant in writing of such denial in a culturally and linguistically appropriate manner. The Administrator shall write the notification in a manner calculated to be understood by the Claimant. The notification shall set forth: (i) the specific reasons for the denial; (ii) a reference to the specific provisions of this Agreement on which the denial is based; (iii) a notice that the Claimant has a right to request a review of the claim denial and an explanation of the Agreement's review procedures and the time limits applicable to such procedures; (iv) a statement of the Claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review, and a description of any time limit for bringing such an action; (v) for any Disability claim, a discussion of the decision, including an explanation of the basis for disagreeing with or not following: (A) the views presented by the Claimant of health care professionals treating the Claimant and vocational professionals who evaluated the Claimant; (B) the views of medical or vocational experts whose advice was obtained on behalf of the Employer in connection with a Claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; or (C) a disability determination regarding the Claimant presented by the Claimant made by the Social Security Administration (vi) for any Disability claim, the specific internal rules, guidelines, protocols, standards or other similar criteria relied upon in making the adverse determination or, alternatively, a statement that such rules, guidelines, protocols, standards or other similar criteria do not exist; and (viii) for any Disability claim, a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim for benefits. Whether a document, record, or other information is relevant to a claim for benefits shall be determined by Department of Labor Regulation Section 2560.503-1(m)(8).

7.2 *Review Procedure*. If the Administrator denies all or a part of the claim, the Claimant shall have the opportunity for a full and fair review by the Administrator of the denial as follows.

(a) Additional Evidence. Prior to the review of the denied claim, the Claimant shall be given, free of charge, any new or additional evidence considered, relied upon, or generated by the Administrator, or any new or additional rationale, as soon as possible and sufficiently in advance of the date on which the notice of adverse benefit determination on review is required to be provided, to give the Claimant a reasonable opportunity to respond prior to that date.

(b) Initiation – Written Request. To initiate the review, the Claimant, within sixty (60) days after receiving the Administrator's notice of denial, must file with the Administrator a written request for review.

(c) Additional Submissions – Information Access. After such request the Claimant may submit written comments, documents, records and other information relating to the claim. The Administrator shall also provide the Claimant, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant (as defined in applicable ERISA regulations) to the Claimant's claim for benefits.

(d) Considerations on Review. In considering the review, the Administrator shall consider all materials and information the Claimant submits relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. Additional considerations shall be required in the case of a claim for Disability benefits. The claim shall be reviewed by an individual or committee who did not make the initial determination that is subject of the appeal and who is not a subordinate of the individual who made the determination. Additionally, the review shall be made without deference to the initial adverse benefit determination. If the initial adverse benefit determination was based in whole or in part on a medical judgment, the Administrator will consult with a health care professional with appropriate training and experience in the field of medicine involving the medical judgment. The health care professional who is consulted on appeal will not be the same individual who was consulted during the initial determination and will not be the subordinate of such individual. If the Administrator obtained the advice of medical or vocational experts in making the initial adverse benefits determination (regardless of whether the advice was relied upon), the Administrator will identify such experts.

(e) Timing of Administrator Response. The Administrator shall respond in writing to such Claimant within forty-five (45) days after receiving the request for review. If the Administrator determines that special circumstances require additional time for processing the claim, the Administrator can extend the response period by an additional forty-five (45) days by notifying the Claimant in writing, prior to the end of the initial forty-five (45) day period, that an additional period is required. The notice of extension must set forth the special circumstances and the date by which the Administrator expects to render its decision.

(f) Notice of Decision. The Administrator shall notify the Claimant in writing of its decision on review. The Administrator shall write the notification in a culturally and linguistically appropriate manner calculated to be understood by the Claimant. The notification shall set forth: (i) the specific reasons for the denial; (ii) a reference to the specific provisions of this Agreement on which the denial is based;

(iii) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant (as defined in applicable ERISA regulations) to the Claimant's claim for benefits; (iv) a statement of the Claimant's right to bring a civil action under ERISA Section 502(a); (v) for any Disability claim, a discussion of the decision, including an explanation of the basis for disagreeing with or not following: (A) the views presented by the Claimant of

health care professionals treating the Claimant and vocational professionals who evaluated the Claimant; (B) the views of medical or vocational experts whose advice was obtained on behalf of the Employer in connection with a Claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination; or (C) a disability determination regarding the Claimant presented by the Claimant made by the Social Security Administration; and (vi) for any Disability claim, the specific

internal rules, guidelines, protocols, standards or other similar criteria relied upon in making the adverse determination or, alternatively, a statement that such rules, guidelines, protocols, standards or other similar criteria do not exist.

7.3 *Exhaustion of Remedies*. The Claimant must follow these claims review procedures and exhaust all administrative remedies before taking any further action with respect to a claim for benefits.

7.4 *Failure to Follow Procedures*. In the case of a claim for Disability benefits, if the Administrator fails to strictly adhere to all the requirements of this claims procedure with respect to a Disability claim, the Claimant is deemed to have exhausted the administrative remedies available under the Agreement, and shall be entitled to pursue any available remedies under ERISA Section 502(a) on the basis that the Administrator has failed to provide a reasonable claims procedure that would yield a decision on the merits of the claim, except where the violation was: (a) de minimis; (b) non-prejudicial; (c) attributable to good cause or matters beyond the Administrator's control; (d) in the context of an ongoing good-faith exchange of information; and (e) not reflective of a pattern or practice of noncompliance. The Claimant may request a written explanation of the violation from the Administrator, and the Administrator must provide such explanation within ten (10) days, including a specific description of its basis, if any, for asserting that the violation should not cause the administrative remedies to be deemed exhausted. If a court rejects the Claimant's request for immediate review on the basis that the Administrator met the standards for the exception, the claim shall be considered as re-filed on appeal upon the Administrator's receipt of the decision of the court. Within a reasonable time after the receipt of the decision, the Administrator shall provide the claimant with notice of the resubmission.

ARTICLE 8
AMENDMENT AND TERMINATION

8.1 *Agreement Amendment Generally*. Except as provided in Section 8.2, this Agreement may be amended only by a written agreement signed by both the Employer and the Executive.

8.2 *Amendment to Ensure Proper Characterization of Agreement*. Notwithstanding anything in this Agreement to the contrary, the Agreement may be amended by the Employer at any time, if found necessary in the opinion of the Employer, (i) to ensure that the Agreement is characterized as plan of deferred compensation maintained for a select group of management or highly compensated employees as described under ERISA, (ii) to conform the Agreement to the

requirements of any applicable law or (iii) to comply with the written instructions of the Employer's auditors or banking regulators.

8.3 *Agreement Termination Generally*. Except as provided in Section 8.4, this Agreement may be terminated only by a written agreement signed by the Employer and the Executive. Such termination shall not cause a distribution of benefits under this Agreement. Rather, upon such termination benefit distributions will be made at the earliest distribution event permitted under Article 4.

8.4 *Effect of Complete Termination*. Notwithstanding anything to the contrary in Section 8.3, and subject to the requirements of Code Section 409A and Treasury Regulations

§1.409A-3(j)(4)(ix), at certain times the Employer may completely terminate and liquidate the Agreement. In the event of a complete termination under subsection (a) or (b) below, the Employer shall pay the Executive the Deferral Account balance. Such complete termination of the Agreement shall occur only under the following circumstances and conditions.

(a) Corporate Dissolution or Bankruptcy. The Employer may terminate and liquidate this Agreement within twelve (12) months of a corporate dissolution taxed under Code Section 331, or with the approval of a bankruptcy court, provided that all benefits paid under the Agreement are included in the Executive's gross income in the latest of: (i) the calendar year which the termination occurs; (ii) the calendar year in which the amount is no longer subject to a substantial risk of forfeiture; or (iii) the first calendar year in which the payment is administratively practicable.

(b) Discretionary Termination. Prior to Change in Control, the Employer may terminate and liquidate this Agreement provided that: (i) the termination does not occur proximate to a downturn in the financial health of the Employer; (ii) all arrangements sponsored by the Employer and Affiliates that would be aggregated with any terminated arrangements under Treasury Regulations §1.409A-1(c) are terminated; (iii) no payments, other than payments that would be payable under the terms of this Agreement if the termination had not occurred, are made within twelve

(12) months of the date the Employer takes the irrevocable action to terminate this Agreement; (iv) all payments are made within twenty-four (24) months following the date the Employer takes the irrevocable action to terminate and liquidate this Agreement; and (v) neither the Employer nor any of its Affiliates adopt a new arrangement that would be aggregated with any terminated arrangement under Treasury Regulations §1.409A-1(c) if the Executive participated in both arrangements, at any time within three (3) years following the date the Employer takes the irrevocable action to terminate this Agreement.

ARTICLE 9
MISCELLANEOUS

9.1 *No Effect on Other Rights*. This Agreement constitutes the entire agreement between the Employer and the Executive as to the subject matter hereof. No rights are granted to the Executive by virtue of this Agreement other than those specifically set forth herein. Nothing contained herein will confer upon the Executive the right to be retained in the service of the Employer nor limit the right of the Employer to discharge or otherwise deal with the Executive without regard to the existence hereof.

9.2 *State Law*. This Agreement and all rights hereunder shall be governed by and construed according to the laws of the Commonwealth of Pennsylvania except to the extent preempted by the laws of the United States of America.

9.3 *Validity*. In case any provision of this Agreement shall be illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but this Agreement shall be construed and enforced as if such illegal or invalid provision had never been inserted herein.

9.4 *Nonassignability*. Benefits under this Agreement cannot be sold, transferred, assigned, pledged, attached or encumbered in any manner.

9.5 *Unsecured General Creditor Status*. Payment to the Executive or any Beneficiary hereunder shall be made from assets which shall continue, for all purposes, to be part of the general, unrestricted assets of the Employer and no person shall have any interest in any such asset by virtue of any provision of this Agreement. The Employer's obligation hereunder shall be an unfunded and unsecured promise to pay money in the future. In the event that the Employer purchases an insurance policy insuring the life of the Executive to recover the cost of providing benefits hereunder, neither the Executive nor the Beneficiary shall have any rights whatsoever in said policy or the proceeds therefrom.

9.6 *Life Insurance*. If the Employer chooses to obtain insurance on the life of the Executive in connection with its obligations under this Agreement, the Executive hereby agrees to take such physical examinations and to truthfully and completely supply such information as may be required by the Employer or the insurance company designated by the Employer.

9.7 *Unclaimed Benefits*. The Executive shall keep the Employer informed of the Executive's current address and the current address of the Beneficiary. If the location of the Executive is not made known to the Employer within three years after the date upon which any payment of any benefits may first be made, the Employer shall delay payment of the Executive's benefit payment(s) until the location of the Executive is made known to the Employer; however, the Employer shall only be obligated to hold such benefit payment(s) for the Executive until the expiration of three (3) years. Upon expiration of the three (3) year period, the Employer may discharge its obligation by payment to the Beneficiary. If the location of the Beneficiary is not made known to the Employer by the end of an additional two (2) month period following expiration of the three (3) year period, the Employer may discharge its obligation by payment to the Executive's estate. If there is no estate in existence at such time or if such fact cannot be determined by the Employer, the Executive and Beneficiary shall thereupon forfeit all rights to any benefits provided under this Agreement.

9.8 *Insurance Policy Coverage*. No benefit shall be distributed hereunder if an insurance company which issued a life insurance policy covering the Executive and owned by the Employer denies coverage (i) for material misstatements of fact made by the Executive on an application for life insurance, or (ii) for any other reason.

9.9 *Removal*. Notwithstanding anything in this Agreement to the contrary, the Employer shall not distribute any benefit under this Agreement if the Executive is subject to a final removal or prohibition order issued pursuant to Section 8(e) of the Federal Deposit Insurance Act. Furthermore, any payments made to the Executive pursuant to this Agreement

shall, if required, comply with 12 U.S.C. 1828, FDIC Regulation 12 CFR Part 359 and any other regulations or guidance promulgated thereunder.

9.10 *Forfeiture Provision*. The Executive shall forfeit any non-distributed benefits under this Agreement if the Executive, directly or indirectly, either as an individual or as a proprietor, stockholder, partner, officer, director, employee, agent, consultant or independent contractor of any individual, partnership, corporation or other entity (excluding an ownership interest of three percent (3%) or less in the stock of a publicly-traded company):

(i) becomes employed by, participates in, or becomes connected in any manner with the ownership, management, operation or control of any bank, savings and loan or other similar financial institution if the Executive's responsibilities will include providing banking or other financial services within a seventy-five (75) mile radius of any office, branch or other facility (other than solely an ATM) of the Employer existing at the time the Executive ceases to be employed by Employer;

(ii) participates in any way in hiring or otherwise engaging, or assisting any other person or entity in hiring or otherwise engaging, on a temporary, part-time or permanent basis, any individual who was employed by the Employer as of the date of termination of the Executive's employment;

(iii) assists, advises, or serves in any capacity, representative or otherwise, any third party in any action against the Employer or transaction involving the Employer;

(iv) sells, offers to sell, provides banking or other financial services, assists any other person in selling or providing banking or other financial services, or solicits or otherwise competes for, either directly or indirectly, any orders, contract, or accounts for services of a kind or nature like or substantially similar to the financial services performed or financial products sold by the Employer (the preceding hereinafter referred to as "Services"), to or from any person or entity from whom the Executive or the Employer, to the knowledge of the Executive provided banking or other financial services, sold, offered to sell or solicited orders, contracts or accounts for Services during the three (3) year period immediately prior to the termination of the Executive's employment;

(v) divulges, discloses, or communicates to others in any manner whatsoever, any confidential information of the Employer, to the knowledge of the Executive, including, but not limited to, the names and addresses of customers or prospective customers, of the Employer, as they may have existed from time to time, of work performed or services rendered for any customer, any method and/or procedures relating to projects or other work developed for the Employer, earnings or other confidential information concerning the Employer. The restrictions contained in this subparagraph (v) apply to all confidential information regarding the Employer, regardless of the source who provided or compiled such information. Notwithstanding anything to the contrary, all confidential information referred to herein shall not be disclosed unless and until it becomes known to the general public from sources other than the Executive. Notwithstanding the foregoing, Section 9.10(i) shall not apply following a "Change in Control" as such term is defined in the Change in Control Agreement by and among the Holding Company, the Employer and the Executive effective July 1, 2024.

9.11 *Notice*. Any notice, consent or demand required or permitted to be given to the Employer or Administrator under this Agreement shall be sufficient if in writing and hand-delivered or sent by registered or certified mail to the Employer's principal business office. Any notice or filing required or permitted to be given to the Executive or Beneficiary under this Agreement shall be sufficient if in writing and hand-delivered or sent by mail to the last known address of the Executive or Beneficiary, as appropriate. Any notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark or on the receipt for registration or certification.

9.12 *Headings and Interpretation*. Headings and sub-headings in this Agreement are inserted for reference and convenience only and shall not be deemed part of this Agreement. Wherever the fulfillment of the intent and purpose of this Agreement requires and the context will permit, the use of the masculine gender includes the feminine and use of the singular includes the plural.

9.13 *Alternative Action*. In the event it becomes impossible for the Employer or the Administrator to perform any act required by this Agreement due to regulatory or other constraints, the Employer or Administrator may perform such alternative act as most nearly carries out the intent and purpose of this Agreement and is in the best interests of the Employer, provided that such alternative act does not violate Code Section 409A.

9.14 *Coordination with Other Benefits*. The benefits provided for the Executive or the Beneficiary under this Agreement are in addition to any other benefits available to the Executive under any other plan or program for employees of the Employer. This Agreement shall supplement and shall not supersede, modify, or amend any other such plan or program except as may otherwise be expressly provided herein.

9.15 *Inurement*. This Agreement shall be binding upon and shall inure to the benefit of the Employer, its successor and assigns, and the Executive, the Executive's successors, heirs, executors, administrators, and the Beneficiary.

9.16 *Tax Withholding*. The Employer may make such provisions and take such action as it deems necessary or appropriate for the withholding of any taxes which the Employer is required by any law or regulation to withhold in connection with any benefits under the Agreement. The Executive shall be responsible for the payment of all individual tax liabilities relating to any benefits paid hereunder.

9.17 *Aggregation of Agreement*. If the Employer offers other non-qualified deferred compensation plans in addition to this Agreement, this Agreement and those plans shall be treated as a single plan to the extent required under Code Section 409A.

IN WITNESS WHEREOF, the Executive and a representative of the Employer have executed this Agreement document as indicated below:

Executive: Employer:

/s/ Amy L. Doll By: /s/ Adam L. Metz

Amy L. Doll Name: Adam L. Metz

Title: SEVP, Chief Operating Officer

DEFERRED COMPENSATION AGREEMENT

Beneficiary Designation

I, Amy Doll, designate the following as Beneficiary under this Agreement:

Primary

____ ______%

____ ______%

Contingent

____ ______%

____ ______%

I understand that I may change this beneficiary designation by delivering a new written designation to the Administrator, which shall be effective only upon receipt by the Administrator prior to my death. I further understand that the designation will be automatically revoked if the Beneficiary predeceases me or if I have named my spouse as Beneficiary and our marriage is subsequently dissolved.

Signature: ______________________________ Date: __________

SPOUSAL CONSENT (Required only if Administrator requests and someone other than spouse is named Beneficiary)

I consent to the beneficiary designation above. I also acknowledge that if I am named Beneficiary and my marriage is subsequently dissolved, the beneficiary designation will be automatically revoked.

Spouse Name: ______________________

Signature: ______________________ Date: ________

Received by the Administrator this ________ day of ____________________, 2025

By: ______________________________

Title: ______________________________

Exhibit 19.1

Orrstown Financial Services, Inc.
Insider Trading Policy

Policy	
Document Number:	
Applicable To:	Orrstown Financial Services, Inc., Orrstown Bank, and all affiliates and subsidiaries
Renewal/New Approval Date (Board):	August 28, 2025
Renewal/New Approval Date (Board ERM):	August 27, 2025
Material Change Approval Date:	
Non-Material Change Approval Date:	
Current Version Effective Date:	August 28, 2025
Renewal Frequency:	Every Year

Key Responsibilities	
Approval Authority:	OFSI Board of Directors
Document Owner:	EVP, Chief Financial Officer
Document Manager:	EVP, Chief Financial Officer
Executive Committee Member	EVP, Chief Financial Officer
Approval of Non-material Changes:	EVP, Chief Financial Officer
Approval of Exceptions to Policy:	EVP, Chief Financial Officer
Compliance with Policy and Supporting Documents:	EVP, Chief Financial Officer

Policy Overview

As a public company, Orrstown Financial Services, Inc. (the “Company” or “Orrstown”) is subject to various federal and state laws and regulations governing trading in its securities. It is the policy of the Company, and its wholly-owned subsidiaries, including Orrstown Bank, to comply fully, and to assist its employees in complying fully, with these laws and regulations. This Policy applies to all Directors and employees, as well as members of such persons' immediate families and households. All references in this Policy to employees of Orrstown should be read to include all such persons listed in the preceding sentence.

Orrstown depends upon the conduct and diligence of its employees, in both their professional and personal capacities, to ensure full compliance with this Policy. This Policy provides procedures and guidelines with respect to transactions in Orrstown's securities, the protection of material, non-public information and the standard of conduct expected of Orrstown's employees in this highly sensitive area. It is the personal obligation and responsibility of each employee to act in a manner consistent with this Policy.

The purpose of this Insider Trading Policy (this “Policy”) is to promote compliance with applicable securities laws by Orrstown and all Directors, officers and employees thereof, in order to preserve the reputation and integrity of Orrstown as well as that of all persons affiliated with it.

This Policy supersedes any previous policy of Orrstown concerning stock trading. In the event of any conflict or inconsistency between this Policy and any other materials previously distributed by Orrstown, this Policy shall govern.

Policy Statement

1 Applicability

The Policy is applicable to all Directors, officers, and employees of the Company.

Questions regarding this Policy should be directed to Orrstown’s Chief Financial Officer (CFO) or General Counsel.

2 Policy

If a Director, officer, or any employee of Orrstown or any agent or advisor of Orrstown has material, nonpublic information relating to Orrstown, it is Orrstown’s policy that neither that person nor any Related Person (as defined below) may buy or sell securities of Orrstown or engage in any other action to take advantage of, or pass on to others, that information. This Policy also applies to material, nonpublic information relating to any other company with publicly-traded securities, including our clients or suppliers, obtained in the course of employment by or association with Orrstown Bank.

To avoid even the appearance of impropriety, additional restrictions on trading Orrstown securities apply to Directors and members of executive management. See Section 5.

3 Definitions/Explanations

3.1 Who is an “Insider?”

Any person who possesses material, nonpublic information is considered an insider as to that information. Insiders include Orrstown Directors, officers, employees, independent contractors and those persons in a special relationship with Orrstown, e.g., its auditors, consultants or attorneys. The definition of insider is transaction specific; that is, an individual is an insider with respect to each material, nonpublic item of which he or she is aware.

3.2 What is “Material” Information?

The materiality of a fact depends upon the circumstances. A fact is considered “material” if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell or hold a security or where the fact is likely to have a significant effect on the market price of the security. Material information can be positive or negative and can relate to virtually any aspect of a company’s business or to any type of security – debt or equity.

Some examples of material information include:

- Unpublished financial results
- News of a pending or proposed company transaction
- Significant changes in corporate objectives

- News of a significant sale of assets
- Changes in dividend policies
- Financial liquidity problems

The above list is only illustrative; many other types of information may be considered “material,” depending on the circumstances. The materiality of particular information is subject to reassessment on a regular basis.

3.3 What is “Nonpublic” Information?

Information is “nonpublic” if it is not available to the general public. In order for information to be considered public, it must be widely disseminated in a manner making it generally available to investors through such media as Dow Jones, Reuters Economic Services, The Wall Street Journal, Associated Press, or United Press International, or included in a filing made with the Securities and Exchange Commission. The circulation of rumors, even if accurate and reported in the media, does not constitute effective public dissemination.

In addition, even after a public announcement of material information, a reasonable period of time must elapse in order for the market to react to the information. Generally, one should allow approximately two full trading days following publication or dissemination as a reasonable waiting period before such information is deemed to be public. Therefore, if an announcement is made before the commencement of trading on a Monday, an employee may trade in Orrstown securities starting on Wednesday of that week, because two full trading days would have elapsed by then (all of Monday and Tuesday). If the announcement is made on Monday after trading begins, employees may not trade in Orrstown securities until Thursday. If the announcement is made on Friday after trading begins, employees made not trade in Company securities until Wednesday of the following week.

3.4 Who is a “Related Person?”

For purposes of this Policy, a Related Person includes your spouse, minor children and anyone else living in your household; partnerships in which you are a general partner; trusts of which you are a trustee; estates of which you are an executor; and other equivalent legal entities that you control. Although a person’s parent or sibling may not be considered a Related Person (unless living in the same household), a parent or sibling may be a “tippee” for securities laws purposes. See Section 4.4 below for a discussion on the prohibition on “tipping.”

4 Guidelines

4.1 Non-disclosure of Material Nonpublic Information

Material, nonpublic information must not be disclosed to anyone, except the persons within Orrstown or third-party agents of Orrstown (such as investment banking advisors or outside legal counsel) whose positions require them to know it and who are obligated to keep such information confidential, until such information has been publicly released by Orrstown.

4.2 Prohibited Trading in Company Securities

No person may place a purchase or sell order or recommend that another person place a purchase or sell order in Orrstown securities (including initial elections, changes in elections or reallocation of funds relating to employee benefit plan accounts) when he or she has knowledge of material information concerning Orrstown that has not been disclosed to the public. Loans, pledges, gifts, charitable donations and other contributions of Orrstown securities are also subject to this Policy.

4.3 Twenty-Twenty Hindsight

If securities transactions ever become the subject of scrutiny, such transactions are likely to be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction, an insider should carefully consider how his or her transaction may be construed in the bright light of hindsight. Again, in the event of any questions or uncertainties about the Policy, please consult Orrstown's CFO or General Counsel.

4.4 "Tipping" Information to Others

Insiders may be liable for communicating or tipping material, nonpublic information to any third party ("tippee"), not limited to just Related Persons. Further, insider trading violations are not limited to trading or tipping by insiders. Persons other than insiders also can be liable for insider trading, including tippees who trade on material, nonpublic information tipped to them and individuals who trade on material, nonpublic information which has been misappropriated.

Tippees inherit an insider's duties and are liable for trading on material, nonpublic information illegally tipped to them by an insider. Similarly, just as insiders are liable for the insider trading of their tippees, so are tippees who pass the information along to others who trade. In other words, a tippee's liability for insider trading is no different from that of an insider. Tippees can obtain material, nonpublic information by receiving overt tips from others or through, among other things, conversations at social, business or other gatherings.

4.5 Avoid Speculation

Directors, officers and employees, and their Related Persons may not trade in options, warrants, puts and calls or similar instruments on Orrstown securities or sell Orrstown securities "short." In addition, Directors, officers and employees, and their Related Persons may not hold Orrstown securities in margin accounts. Investing in Orrstown securities provides an opportunity to share in the future growth of Orrstown. Investment in Orrstown and sharing in the growth of Orrstown, however, does not mean short-range speculation based on fluctuations in the market. Such activities may put the personal gain of the Director, officer or employee in conflict with the best interests of Orrstown and its security holders. Anyone may, of course, in accordance with this Policy and other Orrstown policies, exercise options granted to them by Orrstown.

4.6 Trading in Other Securities

No Director, officer or employee may place purchase or sell orders or recommend that another person transact in the securities of another company (including but not limited to purchases, sales, exchanges, gifts or charitable donations) if the person learns of material, nonpublic information about the other company in the course of his/her employment with Orrstown.

In the ordinary course of doing business, employees may come into possession of material, non-public information with respect to other companies. An individual receiving material, non-public information in such a manner has the same duty not to disclose the information to others or to use that information in connection with securities transactions of such other company as such individual has with respect to material, non-public information about Orrstown.

If Orrstown is in the process of negotiating a significant transaction with another company, employees are cautioned not to trade in the stock of that company if they are in possession of material, non-public information concerning such company.

If an employee is not certain whether it is permissible to trade in the stock of such company, the employee should contact Orrstown's CFO or General Counsel before making any trades.

4.7 Internet/Social Media

Because any statement you make on the Internet (including, but not limited to, in chat room, on a blog, social media or in some other similar forum) regarding Orrstown may be seen as a recommendation to buy or sell Orrstown's securities, Orrstown's policy is that none of its employees may participate in Internet chat rooms or social media platforms regarding Orrstown's securities.

5 Additional Restrictions and Requirements for Certain Persons

5.1 Trading Window

In addition to being subject to all of the other limitations in this Policy, subject to certain limited exceptions set forth in Section 5.3 of this policy, Directors, executive officers, officers with the title of Senior Vice President, and certain other employees designated by management from time to time (collectively, Senior Officers) may only transact in Orrstown securities (including but not limited to purchases, sales, exchanges, gifts or charitable donations and certain transactions in the Company's stock benefit plans) during the period beginning on the third business day after the release of Orrstown's quarterly earnings and ending one week prior to the end of the next fiscal quarter (i.e. during an open "Trading Window"). Other non-public events or transactions may result in additional periods that trading is prohibited. An official notification will be communicated to the Directors, Senior Officers and other designated employees on the effective dates of the closing of the Trading Window, or "blackout" period, during which trading Orrstown's common stock is prohibited.

5.2 Pre-Clearance

Directors and employees who file ownership reports pursuant to Section 16 of the Securities Exchange Act of 1934, as amended (the Exchange Act) (Section 16 Officers) must obtain prior clearance from Orrstown's CFO or General Counsel before he, she or a Related Person transacts Orrstown securities, including but not limited to purchases, sales, exchanges, gifts, charitable donations, or certain transactions or changes in investment elections in the Company's employee benefit plans. Each proposed transaction will be evaluated to determine if it raises insider trading concerns or other concerns under the federal or state securities laws and regulations. Any advice will relate solely to the restraints imposed by law and will not constitute advice regarding the investment aspects of any transaction. Clearance of a transaction is valid only for a 48-hour period. If the transaction does not occur within that 48-hour period, clearance of the transaction must be re-requested. If clearance is denied, the fact of such denial must be kept confidential by the person requesting such clearance.

5.3 Exemptions and Exceptions

As discussed above, all transactions in the Company's stock must occur during an open Trading Window unless such transactions are subject to an exemption or an exception is approved.

Common exemptions are set forth on Exhibit A to this Policy.

If you believe an unanticipated, infrequent and compelling event necessitates transacting in Orrstown stock outside of an open Trading Window, you may request an exception. You should not expect and you are urged not to rely on your ability to obtain an exception to the Trading Window rule when making decisions regarding your finances. A request for an exception to the Trading Window rule must set forth the event necessitating the transaction, the reason the transaction is necessary, and the date of the planned transaction. All requests for exceptions must be reviewed and approved by the Company's CFO and/or General Counsel. If a request for an exception is approved, you must complete the trade within the period of time approved by the Company's CFO and/or General Counsel.

5.4 Reporting of Violations

Any person who believes that a violation of this Policy has taken place shall report such violation promptly to the Chief Risk Officer of Orrstown Bank.

Any questions on this Policy should also be directed to the CFO or General Counsel of Orrstown Bank.

Documents Associated With This Policy
Procedures for Director and Section 16 Officer Pre-Clearing of Trades in ORRF Stock

Exhibit A

Exempt Transactions

Pre-Approved Rule 10b5-1 Plan. Rule 10b5-1 of the Exchange Act ("Rule 10b5-1") provides an affirmative defense to insider trading liability where it is evident that material, nonpublic information known to the person trading did not play a role in trading decisions. In order to take advantage of this defense, a person may establish a trading plan, arrangement or instruction that meets the requirements of Rule 10b5-1 (a "Rule 10b5-1 Plan"), which enables a person to establish arrangements to trade in Company securities outside of the Company's trading windows, even when in possession of material, nonpublic information. Transactions effected pursuant to a pre-approved Rule 10b5-1 plan will not be subject to the Trading Windows, blackout periods or pre-clearance procedures set forth in this Policy.

Persons should make their own arrangements with brokers to establish a Rule 10b5-1 Plan. Any Rule 10b5-1 Plan, however, should be in writing and must be submitted to the Company's CFO and General Counsel for review prior to its execution. In order to comply with Rule 10b5-1, among other requirements:

- The trading plan must be adopted, or take effect, when the insider is not aware of any material nonpublic information about the Company.
- The trading plan must either:
    - expressly specify the amount, price, and date of trades;
    - provide a written formula or algorithm, or computer program, for determining amounts, prices, and dates; or
    - give all discretion regarding the power to execute securities transactions pursuant to the plan to a third party who does not possess material nonpublic information.
- The insider must demonstrate that the purchase or sale that occurred was pursuant to the trading plan. A purchase or sale would not be pursuant to the trading plan if, among other things, the insider altered or deviated from the trading plan or entered into or altered a corresponding or hedging transaction or position with respect to those securities.

Any deviation from, or alteration to, the specifications of an approved Rule 10b5-1 Plan (including, without limitation, the amount, price or timing of a transaction) must be reported immediately to the Company.

The Company may refuse to approve a Rule 10b5-1 Plan as it deems appropriate including, without limitation, if the Company determines that such plan does not satisfy the requirements of Rule 10b5-1. The Company may consult with legal counsel before approving a Rule 10b5-1 Plan. If the Company does not approve a Section 16 Officer's or Director's Rule 10b5-1 Plan, such Section Officer or Director must adhere to the pre-clearance procedures set forth above until such time as a Rule 10b5-1 Plan is approved.

Any modification of a Section 16 Officer's or Director's prior Rule 10b5-1 Plan requires pre-approval by the Company. A modification must occur during a trading window and while such Section 16 Officer or Director is not aware of material, nonpublic information.
All Rule 10b5-1 Plans must be executed during an open Trading Window and trades under the plan may not commence until at least 90 days after the execution date or any such longer "cooling off" period required by applicable securities laws.

Employee Benefit Plans

1. **Exercise of Stock Options**. The trading prohibitions and restrictions set forth in this Policy do not apply to the exercise of an option to purchase securities of the Company when payment of the exercise price is made in cash. However, the exercise of an option to purchase securities of the Company is subject to the current reporting requirements of Section 16 of the Exchange Act and, therefore, Senior Officers and Directors must comply with the post-trade reporting requirement described above for any such transaction. In addition, the securities acquired upon the exercise of an option to purchase Company securities are subject to all of the requirements of this Policy. Moreover, this Policy applies to the use of outstanding Company securities to constitute part or all of the exercise price of an option, any net option exercise, any exercise of a stock appreciation right, share withholding, any sale of stock as part of a broker-assisted cashless exercise of an option, or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.

2. **Tax Withholding on Restricted Stock**. The trading prohibitions and restrictions set forth in this Policy do not apply to the withholding by the Company of shares of stock upon vesting of restricted stock to satisfy applicable tax withholding requirements if (a) such withholding is required by the applicable plan or award agreement or (b) the election to exercise such tax withholding right was made by the Section 16 Officer or Director in compliance with this Policy.

3. **Employee Stock Purchase Plan**. The trading prohibitions and restrictions set forth in this Policy do not apply to periodic wage withholding contributions by the Company or employees of the Company which are used to purchase the Company's securities pursuant to the employees' advance instructions under the Company's Employee Stock Purchase Plan. However, no Section 16 Officer may: (a) elect to participate in the plan or alter his or her instructions regarding the level of withholding or purchase by the Section 16 Officer of Company securities under such plan; or (b) make cash contributions to such plan (other than through periodic wage withholding) without complying with this Policy. Any sale of securities acquired under such plan is subject to the prohibitions and restrictions of this Policy.

4. **Retirement Plan**. The trading prohibitions and restrictions set forth in this Policy do not apply to purchases of Company securities in its 401(k)plan (the "Retirement Plan") resulting from periodic contributions by Senior Officers to the Retirement Plan pursuant to payroll deduction elections. Such prohibitions and restrictions do apply, however, to certain elections Senior Officers may make under the Retirement Plan, including: (a) an election to increase or decrease the percentage of periodic contributions that will be allocated to the Company stock fund; (b) an election to make an intra-plan transfer of an existing account balance into or out of the Company stock fund; (c) an election to borrow money against or receive a distribution from such Section 16 Officer's Retirement Plan account if the loan or distribution will result in a liquidation of some or all of such Section 16 Officer's Company stock fund balance; and (d) an election to pre-pay a plan loan if the pre-payment will result in an allocation of loan proceeds to the Company stock fund.

Dividend Reinvestment Plan

The trading prohibitions and restrictions set forth in this Policy do not apply to purchases of Company securities under the Company's Dividend Reinvestment Plan resulting from the reinvestment by Senior Officers of dividends paid on Company securities. Such prohibitions and restrictions do apply, however, to voluntary purchases of Company securities resulting from additional contributions by Senior Officers to the plan (i.e., direct stock purchases), and to elections by Senior Officers to participate in the plan or change the level of such participation. This Policy also apply to sales by Senior Officers of Company securities purchased pursuant to the plan.

Exhibit 21

SUBSIDIARIES OF THE REGISTRANT

1. Orrstown Bank, Harrisburg, Pennsylvania; a state-chartered bank organized under the Pennsylvania Banking Code of 1965.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-287007, 333-280629, 333-265279, 333-225169, 333-196239, 333-174720 and 333-34504 on Form S-8 and Registration Statement Nos. 333-293049 and 333-53405 on Form S-3 of Orrstown Financial Services, Inc. of our report dated March 12, 2026 relating to the consolidated financial statements and effectiveness of internal control over financial reporting appearing in this Annual Report on Form 10-K.

/s/ Crowe LLP

Washington, D.C.
March 12, 2026

Exhibit 31.1

CERTIFICATION

I, Thomas R. Quinn, Jr., certify that:

1. I have reviewed this annual report on Form 10-K of Orrstown Financial Services, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 12, 2026

By: /s/ Thomas R. Quinn, Jr.
Thomas R. Quinn, Jr.
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Neelesh Kalani, certify that:

1. I have reviewed this annual report on Form 10-K of Orrstown Financial Services, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 12, 2026

By: /s/ Neelesh Kalani
Neelesh Kalani
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Orrstown Financial Services, Inc. (the "Company") on Form 10-K for the period ending December 31, 2025 as filed with the Securities and Exchange Commission on the date therein specified (the "Report"), I, Thomas R. Quinn, Jr., President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: March 12, 2026

By: /s/ Thomas R. Quinn, Jr.
Thomas R. Quinn, Jr.
President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Orrstown Financial Services, Inc. (the "Company") on Form 10-K for the period ending December 31, 2025 as filed with the Securities and Exchange Commission on the date therein specified (the "Report"), I, Neelesh Kalani, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: March 12, 2026

By: /s/ Neelesh Kalani
Neelesh Kalani
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)