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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2026 OR

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

Commission file number 000-53528

Embassy Bancorp, Inc.

(Exact name of registrant as specified in its charter)

Pennsylvania	**26-3339011**
(State of incorporation)	(I.R.S. Employer Identification No.)
One Hundred Gateway Drive, Suite 100 Bethlehem, PA	**18017**
(Address of principal executive offices)	(Zip Code)

(610) 882-8800
(Registrant's Telephone Number)

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

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 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 is a shell company (as defined in Rule 12b-2 or the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the registrant's classes of common equity, as of the latest practicable date:

COMMON STOCK

Number of shares outstanding as of November 6, 2026	**($1.00 Par Value)** (Title Class)	**7,351,301** (Outstanding Shares)

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Part I – Financial Information

Item 1 – Financial Statements

Consolidated Balance Sheets (Current Period Unaudited)

ASSETS	**September 30, 2026**	**December 31, 2025**
	(In Thousands, Except Share Data)	
Cash and due from banks	**$ 15,816**	$ 13,459
Interest bearing demand deposits with banks	**48,688**	98,400
Federal funds sold	**1,000**	1,000
Cash and Cash Equivalents	**65,504**	112,859
Securities available for sale	**327,678**	341,930
Restricted investment in bank stock	**1,126**	1,051
Loans receivable, net of allowance for credit losses of $12,337 in 2026; $12,039 in 2025	**1,339,494**	1,279,201
Premises and equipment, net of accumulated depreciation	**2,697**	2,879
Bank owned life insurance	**38,829**	37,974
Accrued interest receivable	**4,293**	4,276
Other assets	**25,819**	20,409
Total Assets	**$ 1,805,440**	$ 1,800,579
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits:		
Non-interest bearing	**$ 380,042**	$ 357,220
Interest bearing	**1,274,142**	1,283,032
Total Deposits	**1,654,184**	1,640,252
Securities sold under agreements to repurchase	**8,558**	9,880
Accrued interest payable	**7,583**	7,198
Other liabilities	**17,309**	15,674
Total Liabilities	**1,687,634**	1,673,004
Stockholders' Equity:		
Common stock, $1 par value; authorized 20,000,000 shares;		
2026 issued 7,846,579 shares; outstanding 7,351,301 shares;		
2025 issued 7,822,622 shares; outstanding 7,547,344 shares	**7,847**	7,823
Surplus	**29,662**	29,223
Retained earnings	**141,933**	133,287
Accumulated other comprehensive loss	**(52,403)**	(38,098)
Treasury stock, at cost: 495,278 and 275,278 shares at September 30, 2026 and December 31, 2025, respectively	**(9,233)**	(4,660)
Total Stockholders' Equity	**117,806**	127,575
Total Liabilities and Stockholders' Equity	**$ 1,805,440**	$ 1,800,579

See notes to consolidated financial statements (unaudited).

Consolidated Statements of Income (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
	(In Thousands, Except Per Share Data)			
INTEREST INCOME				
Loans, including fees	**$ 16,139**	$ 14,877	**$ 46,510**	$ 43,240
Securities, taxable	**2,488**	2,267	**7,272**	6,485
Securities, non-taxable	**298**	298	**894**	892
Short-term investments, including federal funds sold	**691**	813	**2,691**	2,302
Total Interest Income	**19,616**	18,255	**57,367**	52,919
INTEREST EXPENSE				
Deposits	**6,924**	7,370	**21,083**	21,703
Securities sold under agreements to repurchase and federal funds purchased	**7**	34	**54**	116
Short-term borrowings	**-**	-	**-**	2
Total Interest Expense	**6,931**	7,404	**21,137**	21,821
Net Interest Income	**12,685**	10,851	**36,230**	31,098
PROVISION (CREDIT) FOR CREDIT LOSSES	**(71)**	27	**333**	(104)
Net Interest Income after Provision (Credit) for Credit Losses	**12,756**	10,824	**35,897**	31,202
OTHER NON-INTEREST INCOME				
Merchant and credit card processing fees	**66**	67	**204**	195
Debit card interchange fees	**252**	231	**755**	690
Other service fees	**219**	191	**645**	534
Bank owned life insurance	**276**	369	**980**	1,004
Gain on sale of other real estate owned	**-**	29	**-**	29
Total Other Non-Interest Income	**813**	887	**2,584**	2,452
OTHER NON-INTEREST EXPENSES				
Salaries and employee benefits	**3,751**	3,766	**11,443**	11,181
Occupancy and equipment	**1,106**	1,061	**3,371**	3,186
Data processing	**1,064**	930	**3,059**	2,623
Advertising and promotion	**311**	215	**857**	657
Professional fees	**254**	259	**858**	827
FDIC insurance	**219**	208	**641**	599
Loan & real estate	**78**	74	**216**	238
Charitable contributions	**245**	224	**828**	761
Other	**557**	370	**1,654**	1,342
Total Other Non-Interest Expenses	**7,585**	7,107	**22,927**	21,414
Income Before Income Taxes	**5,984**	4,604	**15,554**	12,240
INCOME TAX EXPENSE	**1,128**	811	**2,836**	2,123
Net Income	**$ 4,856**	$ 3,793	**$ 12,718**	$ 10,117
BASIC EARNINGS PER SHARE	**$ 0.66**	$ 0.50	**$ 1.71**	$ 1.32
DILUTED EARNINGS PER SHARE	**$ 0.66**	$ 0.50	**$ 1.71**	$ 1.32
DIVIDENDS PER SHARE	**$ -**	$ -	**$ 0.55**	$ 0.48

See notes to consolidated financial statements (unaudited).

Consolidated Statements of Comprehensive (Loss) Income (Unaudited)

	Three Months Ended September 30,	
	2026	**2025**
	(In Thousands)	
Net Income	**$ 4,856**	$ 3,793
Change in Accumulated Other Comprehensive Loss:		
Unrealized holding (loss) gain on securities available for sale	**(17,412)**	5,425
Less: reclassification adjustment for realized gains	**-**	-
	(17,412)	5,425
Income tax effect	**3,656**	(1,139)
Net unrealized (loss) gain	**(13,756)**	4,286
Other comprehensive (loss) income, net of tax	**(13,756)**	4,286
Comprehensive (Loss) Income	**$ (8,900)**	$ 8,079

	Nine Months Ended September 30,	
	2026	**2025**
	(In Thousands)	
Net Income	**$ 12,718**	$ 10,117
Change in Accumulated Other Comprehensive Loss:		
Unrealized holding (loss) gain on securities available for sale	**(18,107)**	11,523
Less: reclassification adjustment for realized gains	**-**	-
	(18,107)	11,523
Income tax effect	**3,802**	(2,420)
Net unrealized (loss) gain	**(14,305)**	9,103
Other comprehensive (loss) income, net of tax	**(14,305)**	9,103
Comprehensive (Loss) Income	**$ (1,587)**	$ 19,220

See notes to consolidated financial statements (unaudited).

Consolidated Statements of Stockholders' Equity (Unaudited)

	Nine Months Ended September 30, 2026					
	Common Stock	Surplus	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total
	(In Thousands, Except Share Data)					
BALANCE - DECEMBER 31, 2025	**$ 7,823**	**$ 29,223**	**$ 133,287**	**$ (38,098)**	**$ (4,660)**	**$ 127,575**
Net income	**-**	**-**	**3,739**	**-**	**-**	**3,739**
Other comprehensive loss, net of tax	**-**	**-**	**-**	**(3,907)**	**-**	**(3,907)**
Common stock grants to directors, 16,031 shares	**16**	**294**	**-**	**-**	**-**	**310**
Compensation expense recognized on stock grants, net of unearned compensation expense of $275	**-**	**28**	**-**	**-**	**-**	**28**
Shares issued under employee stock purchase plan, 1,090 shares	**1**	**20**	**-**	**-**	**-**	**21**
Purchase of treasury stock under stock repurchase plan, 125,000 shares at $19.70 per share and 25,000 shares at $19.55 per share	**-**	**-**	**-**	**-**	**(2,959)**	**(2,959)**
BALANCE - MARCH 31, 2026	**$ 7,840**	**$ 29,565**	**$ 137,026**	**$ (42,005)**	**$ (7,619)**	**$ 124,807**
Net income	**-**	**-**	**4,123**	**-**	**-**	**4,123**
Other comprehensive income, net of tax	**-**	**-**	**-**	**3,358**	**-**	**3,358**
Dividend declared, $0.55 per share	**-**	**-**	**(4,072)**	**-**	**-**	**(4,072)**
Compensation expense recognized on stock grants, net of unearned compensation expense of $247	**-**	**28**	**-**	**-**	**-**	**28**
Shares issued under employee stock purchase plan, 1,140 shares	**1**	**24**	**-**	**-**	**-**	**25**
Purchase of treasury stock under stock repurchase plan, 10,000 shares at $21.45 per share	**-**	**-**	**-**	**-**	**(215)**	**(215)**
BALANCE - JUNE 30, 2026	**$ 7,841**	**$ 29,617**	**$ 137,077**	**$ (38,647)**	**$ (7,834)**	**$ 128,054**
Net income	**-**	**-**	**4,856**	**-**	**-**	**4,856**
Other comprehensive loss, net of tax	**-**	**-**	**-**	**(13,756)**	**-**	**(13,756)**
Common stock grants to officers, 4,715 shares and compensation expense recognized on stock grants, net of unearned compensation expense of $322	**5**	**25**	**-**	**-**	**-**	**30**
Shares issued under employee stock purchase plan, 982 shares	**1**	**20**	**-**	**-**	**-**	**21**
Purchase of treasury stock under stock repurchase plan, 60,000 shares at $22.35 per share	**-**	**-**	**-**	**-**	**(1,399)**	**(1,399)**
BALANCE - SEPTEMBER 30, 2026	**$ 7,847**	**$ 29,662**	**$ 141,933**	**$ (52,403)**	**$ (9,233)**	**$ 117,806**

Consolidated Statements of Stockholders' Equity (Unaudited)

	Nine Months Ended September 30, 2025					
	Common Stock	Surplus	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total
	(In Thousands, Except Share Data)					
BALANCE - DECEMBER 31, 2024	$ 7,793	$ 28,802	$ 123,259	$ (50,635)	$ (2,739)	$ 106,480
Net income	-	-	2,887	-	-	2,887
Other comprehensive income, net of tax	-	-	-	2,755	-	2,755
Common stock grants to directors, 16,845 shares	17	250	-	-	-	267
Compensation expense recognized on stock grants, net of unearned compensation expense of $223	-	32	-	-	-	32
Shares issued under employee stock purchase plan, 1,005 shares	1	15	-	-	-	16
BALANCE - MARCH 31, 2025	$ 7,811	$ 29,099	$ 126,146	$ (47,880)	$ (2,739)	$ 112,437
Net income	-	-	3,437	-	-	3,437
Other comprehensive income, net of tax	-	-	-	2,062	-	2,062
Dividend declared, $0.48 per share	-	-	(3,669)	-	-	(3,669)
Compensation expense recognized on stock grants, net of unearned compensation expense of $196	-	27	-	-	-	27
Shares issued under employee stock purchase plan, 1,107 shares	1	17	-	-	-	18
BALANCE - JUNE 30, 2025	$ 7,812	$ 29,143	$ 125,914	$ (45,818)	$ (2,739)	$ 114,312
Net income	-	-	3,793	-	-	3,793
Other comprehensive income, net of tax	-	-	-	4,286	-	4,286
Compensation expense recognized on stock grants, net of unearned compensation expense of $168	-	28	-	-	-	28
Shares issued under employee stock purchase plan, 865 shares	1	14	-	-	-	15
BALANCE - SEPTEMBER 30, 2025	$ 7,813	$ 29,185	$ 129,707	$ (41,532)	$ (2,739)	$ 122,434

See notes to consolidated financial statements (unaudited).

Consolidated Statements of Cash Flows (Unaudited)

	Nine Months Ended September 30,	
	2026	**2025**
	(In Thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 12,718**	$ 10,117
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision (credit) for credit losses	**333**	(104)
Amortization of deferred loan costs	**362**	283
Depreciation	**853**	803
Net accretion of investment security premiums and discounts	**(495)**	(834)
Stock compensation expense	**396**	354
Net realized gain on sale of other real estate owned	**-**	(29)
Income on bank owned life insurance	**(980)**	(1,004)
Increase in accrued interest receivable	**(17)**	(450)
Decrease in other assets	**923**	1,550
Increase (decrease) in accrued interest payable	**385**	(744)
Decrease in other liabilities	**(896)**	(993)
Net Cash Provided by Operating Activities	**13,582**	8,949
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of securities available for sale	**(49,258)**	(96,497)
Maturities, calls and principal repayments of securities available for sale	**45,898**	55,368
Net increase in loans	**(60,988)**	(12,033)
Net (purchase) redemption of restricted investment in bank stock	**(75)**	612
Purchases of premises and equipment	**(671)**	(504)
Proceeds on bank owned life insurance	**125**	-
Net Cash Used in Investing Activities	**(64,969)**	(53,054)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase in deposits	**13,932**	67,604
Net (decrease) increase in securities sold under agreements to repurchase	**(1,322)**	7,221
Decrease in short-term borrowings	**-**	(15,625)
Proceeds from Employee Stock Purchase Plan	**67**	49
Purchase of treasury stock under stock repurchase plan	**(4,573)**	-
Dividends paid	**(4,072)**	(3,669)
Net Cash Provided by Financing Activities	**4,032**	55,580
Net (Decrease) Increase in Cash and Cash Equivalents	**(47,355)**	11,475
CASH AND CASH EQUIVALENTS - BEGINNING	**112,859**	96,522
CASH AND CASH EQUIVALENTS - ENDING	**$ 65,504**	$ 107,997
SUPPLEMENTARY CASH FLOWS INFORMATION		
Interest paid	**$ 20,752**	$ 22,565
Federal income taxes paid	**$ 2,900**	$ 2,000
Other real estate sold through bank financing	**$ -**	$ 225
Other real estate acquired in settlement of loans	**$ -**	$ 196
Non-cash Investing and Financing Activities:		
Right of use assets obtained in exchange for new operating lease liabilities	**$ 2,531**	$ 222

See notes to consolidated financial statements (unaudited).

Notes to Consolidated Financial Statements (Unaudited)

Note 1 – Basis of Presentation

Embassy Bancorp, Inc. (the "Company") is a Pennsylvania corporation organized in 2008 and registered as a bank holding company pursuant to the Bank Holding Company Act of 1956, as amended (the "BHC Act"). The Company was formed for purposes of acquiring Embassy Bank For The Lehigh Valley (the "Bank") in connection with the reorganization of the Bank into a bank holding company structure, which was consummated on November 11, 2008. Accordingly, the Company owns all of the capital stock of the Bank, giving the organization more flexibility in meeting its capital needs as the Company continues to grow. Embassy Holdings, LLC (the "LLC") is a wholly-owned subsidiary of the Bank organized to engage in the holding of property acquired by the Bank in satisfaction of debts previously contracted. As such, the consolidated financial statements contained herein include the accounts of the Company, the Bank and the LLC. All significant intercompany transactions and balances have been eliminated.

The Bank, which is the Company's principal operating subsidiary, was originally incorporated as a Pennsylvania bank on May 11, 2001 and opened its doors on November 6, 2001. It was formed by a group of local business persons and professionals with significant prior experience in community banking in the Lehigh Valley area of Pennsylvania, the Bank's primary market area.

The accompanying unaudited financial statements have been prepared in accordance with United States of America generally accepted accounting principles ("US GAAP") for interim financial information and in accordance with instructions for Form 10-Q and Rule 10-01 of the Securities and Exchange Commission Regulation S-X. Accordingly, they do not include all of the information and footnotes required by US GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and nine months ended September 30, 2026 are not necessarily indicative of the results that may be expected for the year ending December 31, 2026.

The consolidated financial statements presented in this report should be read in conjunction with the audited consolidated financial statements and the accompanying notes for the year ended December 31, 2025, included in the Company's Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 16, 2026.

The Company has evaluated subsequent events for potential recognition and/or disclosure through the date the unaudited consolidated financial statements included in this Quarterly Report on Form 10-Q were issued.

Certain amounts in the 2025 consolidated financial statements may have been reclassified to conform to 2026 presentation. These reclassifications had no effect on 2025 net income.

Note 2 - Summary of Significant Accounting Policies

The significant accounting policies of the Company as applied in the interim financial statements presented herein are substantially the same as those followed on an annual basis as presented in the Company's Form 10-K for the year ended December 31, 2025.

Notes to Consolidated Financial Statements (Unaudited)

Note 3 – Securities Available For Sale

At September 30, 2026 and December 31, 2025, the amortized cost and fair values of securities available for sale were as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(In Thousands)		
September 30, 2026:				
U.S. Treasury securities	**$ 60,673**	**$ 1**	**$ (523)**	**$ 60,151**
U.S. Government agency obligations	**28,231**	**-**	**(1,120)**	**27,111**
Municipal bonds	**72,525**	**-**	**(17,126)**	**55,399**
U.S. Government Sponsored Enterprise (GSE) - Mortgage-backed securities - residential	**232,581**	**-**	**(47,564)**	**185,017**
Total	**$ 394,010**	**$ 1**	**$ (66,333)**	**$ 327,678**
December 31, 2025:				
U.S. Treasury securities	$ 75,484	$ 713	$ -	$ 76,197
U.S. Government agency obligations	16,599	126	(4)	16,721
Municipal bonds	72,586	45	(11,605)	61,026
U.S. Government Sponsored Enterprise (GSE) - Mortgage-backed securities - residential	225,486	86	(37,586)	187,986
Total	$ 390,155	$ 970	$ (49,195)	$ 341,930

The amortized cost and fair value of securities as of September 30, 2026, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to prepay obligations with or without any penalties.

	Amortized Cost	Fair Value
	(In Thousands)	
September 30, 2026:		
Due in one year or less	$ 27,631	$ 27,570
Due after one year through five years	62,456	61,008
Due after five years through ten years	15,502	13,430
Due after ten years	55,840	40,653
	161,429	142,661
U.S. Government Sponsored Enterprise (GSE) - Mortgage-backed securities - residential	232,581	185,017
Total	$ 394,010	$ 327,678

There were no sales of securities for the three and nine months ended September 30, 2026 and 2025.

Securities with a carrying value of $143.2 million and $141.4 million at September 30, 2026 and December 31, 2025, respectively, were subject to agreements to repurchase, pledged to secure public deposits, or pledged for other purposes required or permitted by law.

Notes to Consolidated Financial Statements (Unaudited)

The following table shows the Company's investments' gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at September 30, 2026 and December 31, 2025:

	Less Than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
			(In Thousands)			
September 30, 2026:						
U.S. Treasury securities	**$ 52,654**	**$ (523)**	**$ -**	**$ -**	**$ 52,654**	**$ (523)**
U.S. Government agency obligations	**27,111**	**(1,120)**	**-**	**-**	**27,111**	**(1,120)**
Municipal bonds	**12,120**	**(1,595)**	**42,825**	**(15,531)**	**54,945**	**(17,126)**
U.S. Government Sponsored Enterprise (GSE) - Mortgage-backed securities - residential	**34,101**	**(1,662)**	**150,916**	**(45,902)**	**185,017**	**(47,564)**
Total	**$ 125,986**	**$ (4,900)**	**$ 193,741**	**$ (61,433)**	**$ 319,727**	**$ (66,333)**
December 31, 2025:						
U.S. Government agency obligations	$ 2,496	$ (4)	$ -	$ -	$ 2,496	$ (4)
Municipal bonds	10,542	(549)	47,856	(11,056)	58,398	(11,605)
U.S. Government Sponsored Enterprise (GSE) - Mortgage-backed securities - residential	9,844	(24)	171,122	(37,562)	180,966	(37,586)
Total	$ 22,882	$ (577)	$ 218,978	$ (48,618)	$ 241,860	$ (49,195)

The Company had two hundred thirty-four (234) securities in an unrealized loss position at September 30, 2026 and one hundred eighty-nine (189) securities in an unrealized loss position at December 31, 2025. The Company reviews its investment portfolio on a quarterly basis for indications of impairment due to credit-related factors or noncredit-related factors. The Company does not intend to sell the securities and has the intent and ability to hold them for a period of time sufficient for recovery of their amortized cost basis without realizing losses on these securities. This review includes analyzing the extent to which the fair value has been lower than the cost, the market liquidity for the investment, the financial condition and near-term prospects of the issuer, including any specific events which may influence the operations of the issuer, and the Company's intent and ability to hold the investment for a period of time sufficient to allow for any anticipated recovery in fair value. Management believes that the unrealized loss only represents temporary impairment of the securities, which are predominantly backed by the credit of government agencies, and are a result of the increased market interest rates since the time of purchase, and not the credit quality of the issuer. As such, no allowance for credit losses was required on securities available for sale in an unrealized loss position at September 30, 2026 and December 31, 2025.

Note 4 – Restricted Investment in Bank Stock

Restricted investments in bank stock consist of FHLBank of Pittsburgh ("FHLB") stock and Atlantic Community Bankers Bank ("ACBB") stock. The restricted stocks are carried at cost. Federal law requires a member institution of the FHLB to hold stock of its district FHLB according to a predetermined formula. The Bank had FHLB stock at a carrying value of $1.1 million and $1.0 million as of September 30, 2026 and December 31, 2025, respectively. The Bank had ACBB stock at a carrying value of $40 thousand at September 30, 2026 and December 31, 2025.

Management evaluates the FHLB and ACBB restricted stock for impairment. Management's determination of whether these investments are impaired is based on their assessment of the ultimate recoverability of their cost rather than by recognizing temporary declines in value. The determination of whether a decline affects the ultimate recoverability of their cost is influenced by criteria such as (1) the significance of the decline in net assets of the issuer as compared to the capital stock amount for the issuer and the length of time this situation has persisted, (2) commitments by the issuer to make payments required by law or regulation and the level of such payments in relation to the operating performance of the issuer, and (3) the impact of legislative and regulatory changes on institutions and, accordingly, on the customer base of the issuer.

Notes to Consolidated Financial Statements (Unaudited)

Based upon its evaluation of the foregoing criteria, management believes no impairment charge is necessary related to the FHLB or ACBB stock as of September 30, 2026.

Note 5 – Loans and Credit Quality

The following table presents the composition of loans receivable at September 30, 2026 and December 31, 2025, respectively:

	September 30, 2026		December 31, 2025	
	Balance	**Percentage of total Loans**	**Balance**	**Percentage of total Loans**
	(Dollars in Thousands)			
Commercial real estate	**$ 574,324**	**42.52%**	$ 564,829	43.78%
Commercial construction	**14,715**	**1.09%**	6,298	0.49%
Commercial	**30,212**	**2.24%**	30,824	2.39%
Residential real estate	**731,118**	**54.12%**	687,689	53.29%
Consumer	**392**	**0.03%**	620	0.05%
Total loans	**1,350,761**	**100.00%**	1,290,260	100.00%
Unearned origination fees	**1,070**		980	
Allowance for credit losses	**(12,337)**		(12,039)	
Net Loans	**$ 1,339,494**		$ 1,279,201	

Notes to Consolidated Financial Statements (Unaudited)

The following table presents the classes of the loan portfolio summarized by the aggregate pass rating and the classified ratings of special mention (potential weakness), substandard (well defined weakness) and doubtful (full collection unlikely) within the Company's internal risk rating system as of September 30, 2026 by year of origination:

	2026	2025	2024	2023	2022	Prior	Revolving	Total
				(In Thousands)				
Commercial real estate								
Pass	$ 46,870	$ 59,770	$ 47,009	$ 54,554	$ 137,509	$ 222,610	$ 5,476	$ 573,798
Special Mention	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	526	-	526
Total	46,870	59,770	47,009	54,554	137,509	223,136	5,476	574,324
Commercial construction								
Pass	2,408	11,167	-	1,061	-	24	-	14,660
Special Mention	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	55	55
Total	2,408	11,167	-	1,061	-	24	55	14,715
Commercial								
Pass	6,469	3,855	3,630	941	1,411	7,362	6,379	30,047
Special Mention	-	-	-	-	-	13	-	13
Substandard	-	-	-	-	-	-	152	152
Total	6,469	3,855	3,630	941	1,411	7,375	6,531	30,212
Residential real estate								
Pass	105,225	76,738	60,760	44,281	72,154	335,178	35,031	729,367
Special Mention	-	-	57	-	-	503	-	560
Substandard	-	-	-	52	115	1,024	-	1,191
Total	105,225	76,738	60,817	44,333	72,269	336,705	35,031	731,118
Consumer								
Pass	14	92	13	22	17	-	234	392
Special Mention	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-
Total	14	92	13	22	17	-	234	392
Total Loans Receivable	**$ 160,986**	**$ 151,622**	**$ 111,469**	**$ 100,911**	**$ 211,206**	**$ 567,240**	**$ 47,327**	**$ 1,350,761**

The Company had gross charge-offs of $21 thousand during the nine months ended September 30, 2026. The $21 thousand gross charge-offs for the nine months ended September 30, 2026 was due to one (1) commercial loan charge-off of $6 thousand originated in 2014, one (1) consumer loan charge-off of $9 thousand originated in 2016, and one (1) consumer loan charge-off of $6 thousand originated in 2024.

Notes to Consolidated Financial Statements (Unaudited)

The following table presents the classes of the loan portfolio summarized by the aggregate pass rating and the classified ratings of special mention (potential weakness), substandard (well defined weakness) and doubtful (full collection unlikely) within the Company's internal risk rating system as of December 31, 2025 by year of origination:

	2025	2024	2023	2022	2021	Prior	Revolving	Total
				(In Thousands)				
Commercial real estate								
Pass	$ 61,483	$ 48,975	$ 57,134	$ 141,938	$ 49,261	$ 199,960	$ 5,524	$ 564,275
Special Mention	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	554	-	554
Total	61,483	48,975	57,134	141,938	49,261	200,514	5,524	564,829
Commercial construction								
Pass	3,407	1,750	1,060	-	-	26	-	6,243
Special Mention	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	55	55
Total	3,407	1,750	1,060	-	-	26	55	6,298
Commercial								
Pass	6,014	4,674	1,140	1,980	379	8,459	7,282	29,928
Special Mention	-	142	-	208	131	15	400	896
Substandard	-	-	-	-	-	-	-	-
Total	6,014	4,816	1,140	2,188	510	8,474	7,682	30,824
Residential real estate								
Pass	86,973	66,032	52,927	79,384	131,541	238,877	30,307	686,041
Special Mention	-	-	-	-	-	395	-	395
Substandard	-	-	56	125	579	493	-	1,253
Total	86,973	66,032	52,983	79,509	132,120	239,765	30,307	687,689
Consumer								
Pass	147	36	32	33	2	-	370	620
Special Mention	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-
Total	147	36	32	33	2	-	370	620
Total Loans Receivable	**$ 158,024**	**$ 121,609**	**$ 112,349**	**$ 223,668**	**$ 181,893**	**$ 448,779**	**$ 43,938**	**$ 1,290,260**

The Company had gross charge-offs of $152 thousand during the year ended December 31, 2025. One (1) charge-off of $1 thousand was a consumer loan originated in 2022, one (1) charge-off of $15 thousand was a commercial loan originated in 2022, and one (1) charge-off of $136 thousand was a commercial real estate loan originated in 2021.

Notes to Consolidated Financial Statements (Unaudited)

The following table presents the carrying value and related allowance for credit losses of individually analyzed loans at September 30, 2026 and December 31, 2025, respectively:

.	September 30, 2026			December 31, 2025		
	Recorded Investment	Unpaid Principal Balance	Related Allowance for Credit Losses	Recorded Investment	Unpaid Principal Balance	Related Allowance for Credit Losses
	(In Thousands)					
With no related allowance recorded:						
Commercial real estate (1)	**$ 526**	**$ 526**		$ 554	$ 554	
Commercial construction (1)	**55**	**55**		55	55	
Commercial	**-**	**-**		-	-	
Residential real estate (1)	**1,176**	**1,179**		1,201	1,204	
Consumer	**-**	**-**		-	-	
With an allowance recorded:						
Commercial real estate	**$ -**	**$ -**	**$ -**	$ -	$ -	$ -
Commercial construction	-	-	-	-	-	-
Commercial (2)	**165**	**165**	**165**	15	15	15
Residential real estate (1)	**541**	**541**	**95**	562	562	100
Consumer	**-**	**-**	**-**	-	-	-
Total:						
Commercial real estate	**$ 526**	**$ 526**	**$ -**	$ 554	$ 554	$ -
Commercial construction	**55**	**55**	**-**	55	55	-
Commercial	**165**	**165**	**165**	15	15	15
Residential real estate	**1,717**	**1,720**	**95**	1,763	1,766	100
Consumer	**-**	**-**	**-**	-	-	-
	$ 2,463	**$ 2,466**	**$ 260**	$ 2,387	$ 2,390	$ 115

1. All loans are real estate collateral dependent.
2. All loans are non-collateral dependent loans.

The following table presents non-accrual loans by classes of the loan portfolio:

	September 30, 2026	December 31, 2025
	(In Thousands)	
Commercial real estate	**$ -**	$ -
Commercial construction	**-**	-
Commercial	**152**	-
Residential real estate	**540**	482
Consumer	**-**	-
Total	**$ 692**	$ 482

As of September 30, 2026, there were eight (8) loans in non-accrual status in the amount of $692 thousand, of which one (1) loan of $152 thousand, included in commercial loans above, is non-collateral dependent and required a related allowance of $152 thousand. The remaining collateral dependent non-accrual loans did not have a required related allowance. There was no interest income recognized for the three months ended September 30, 2026 on these non-accrual loans and $2 thousand of interest income recognized for the nine months ended September 30, 2026. As of December 31, 2025, there were five (5) loans in non-accrual status in the amount of $482 thousand. These loans are all collateral dependent non-accrual loans and did not have a required related allowance. There was interest income of $7 thousand recognized for the year ended December 31, 2025 on these non-accrual loans. As of September 30, 2025, there were five (5) loans in non-accrual status in the amount of $496 thousand. These loans are all collateral dependent non-accrual loans and did not have a required related allowance. There was interest income recognized of $1 thousand and $7 thousand for three and nine months ended September 30, 2025, respectively, on these non-accrual loans.

Notes to Consolidated Financial Statements (Unaudited)

The performance and credit quality of the loan portfolio is also monitored by analyzing the age of the loans receivable as determined by the length of time a recorded payment is past due. The following table presents the classes of the loan portfolio summarized by the past due status as of September 30, 2026 and December 31, 2025, respectively:

	30-59 Days Past Due	60-89 Days Past Due	Greater than 90 Days Past Due	Total Past Due	Current	Total Loan Receivables	Loan Receivables > 90 Days and Accruing
				(In Thousands)			
September 30, 2026							
Commercial real estate	**$ 334**	**$ -**	**$ -**	**$ 334**	**$ 573,990**	**$ 574,324**	**$ -**
Commercial construction	**-**	**-**	**-**	**-**	**14,715**	**14,715**	**-**
Commercial	**574**	**-**	**152**	**726**	**29,486**	**30,212**	**-**
Residential real estate	**2,340**	**250**	**96**	**2,686**	**728,432**	**731,118**	**-**
Consumer	**-**	**1**	**-**	**1**	**391**	**392**	**-**
Total	**$ 3,248**	**$ 251**	**$ 248**	**$ 3,747**	**$ 1,347,014**	**$ 1,350,761**	**$ -**
December 31, 2025							
Commercial real estate	$ -	$ -	$ -	$ -	$ 564,829	$ 564,829	$ -
Commercial construction	-	-	-	-	6,298	6,298	-
Commercial	6	-	-	6	30,818	30,824	-
Residential real estate	432	246	-	678	687,011	687,689	-
Consumer	-	6	-	6	614	620	-
Total	$ 438	$ 252	$ -	$ 690	$ 1,289,570	$ 1,290,260	$ -

At September 30, 2026 and December 31, 2025, the Company had no foreclosed assets and no mortgage loans collateralized by residential real estate in the process of foreclosure.

Notes to Consolidated Financial Statements (Unaudited)

The following tables detail the activity in the allowance for credit losses for the three and nine months ended September 30, 2026 and September 30, 2025, respectively:

	Commercial Real Estate	Commercial Construction	Commercial	Residential Real Estate	Consumer	Total
			(In Thousands)			
Allowance for credit losses						
Three Months Ending September 30, 2026						
Beginning Balance - June 30, 2026	**$ 5,972**	**$ 118**	**$ 618**	**$ 5,718**	**$ 30**	**$ 12,456**
Charge-offs	**-**	**-**	**-**	**-**	**-**	**-**
Recoveries	**-**	**-**	**-**	**-**	**2**	**2**
Provisions (credits) on loans	**(47)**	**26**	**(77)**	**(30)**	**7**	**(121)**
Ending Balance - September 30, 2026	**$ 5,925**	**$ 144**	**$ 541**	**$ 5,688**	**$ 39**	**$ 12,337**
Nine Months Ending September 30, 2026						
Beginning Balance - December 31, 2025	**$ 5,963**	**$ 64**	**$ 455**	**$ 5,530**	**$ 27**	**$ 12,039**
Charge-offs	**-**	**-**	**(6)**	**-**	**(15)**	**(21)**
Recoveries	**-**	**-**	**-**	**-**	**2**	**2**
Provisions (credits) on loans	**(38)**	**80**	**92**	**158**	**25**	**317**
Ending Balance - September 30, 2026	**$ 5,925**	**$ 144**	**$ 541**	**$ 5,688**	**$ 39**	**$ 12,337**
Allowance for credit losses						
Three Months Ending September 30, 2025						
Beginning Balance - June 30, 2025	$ 5,793	$ 194	$ 461	$ 5,434	$ 23	$ 11,905
Charge-offs	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-
Provisions (credits) on loans	26	(12)	(35)	61	(4)	36
Ending Balance - September 30, 2025	$ 5,819	$ 182	$ 426	$ 5,495	$ 19	$ 11,941
Nine Months Ending September 30, 2025						
Beginning Balance - December 31, 2024	$ 5,897	$ 257	$ 536	$ 5,446	$ 30	$ 12,166
Charge-offs	(136)	-	(15)	-	(1)	(152)
Recoveries	-	-	-	-	-	-
Provisions (credits) on loans	58	(75)	(95)	49	(10)	(73)
Ending Balance - September 30, 2025	$ 5,819	$ 182	$ 426	$ 5,495	$ 19	$ 11,941

Notes to Consolidated Financial Statements (Unaudited)

The following tables represent the allocation for credit losses and the related loan portfolio disaggregated based on impairment methodology at September 30, 2026 and December 31, 2025:

	Commercial Real Estate	Commercial Construction	Commercial	Residential Real Estate	Consumer	Total
			(In Thousands)			
September 30, 2026						
Allowance for Credit Losses						
Ending Balance	**$ 5,925**	**$ 144**	**$ 541**	**$ 5,688**	**$ 39**	**$ 12,337**
Ending balance: individually evaluated for impairment - real estate collateral dependent	**$ -**	**$ -**	**$ -**	**$ 95**	**$ -**	**$ 95**
Ending balance: individually evaluated for impairment - non-collateral dependent	**$ -**	**$ -**	**$ 165**	**$ -**	**$ -**	**$ 165**
Ending balance: collectively evaluated for impairment	**$ 5,925**	**$ 144**	**$ 376**	**$ 5,593**	**$ 39**	**$ 12,077**
Loans Receivable						
Ending balance	**$ 574,324**	**$ 14,715**	**$ 30,212**	**$ 731,118**	**$ 392**	**$ 1,350,761**
Ending balance: individually evaluated for impairment - real estate collateral dependent	**$ 526**	**$ 55**	**$ -**	**$ 1,717**	**$ -**	**$ 2,298**
Ending balance: individually evaluated for impairment - non-collateral dependent	**$ -**	**$ -**	**$ 165**	**$ -**	**$ -**	**$ 165**
Ending balance: collectively evaluated for impairment	**$ 573,798**	**$ 14,660**	**$ 30,047**	**$ 729,401**	**$ 392**	**$ 1,348,298**
December 31, 2025						
Allowance for Credit Losses						
Ending Balance	$ 5,963	$ 64	$ 455	$ 5,530	$ 27	$ 12,039
Ending balance: individually evaluated for impairment - real estate collateral dependent	$ -	$ -	$ -	$ 100	$ -	$ 100
Ending balance: individually evaluated for impairment - non-collateral dependent	$ -	$ -	$ 15	$ -	$ -	$ 15
Ending balance: collectively evaluated for impairment	$ 5,963	$ 64	$ 440	$ 5,430	$ 27	$ 11,924
Loans Receivable						
Ending balance	$ 564,829	$ 6,298	$ 30,824	$ 687,689	$ 620	$ 1,290,260
Ending balance: individually evaluated for impairment - real estate collateral dependent	$ 554	$ 55	$ -	$ 1,763	$ -	$ 2,372
Ending balance: individually evaluated for impairment - non-collateral dependent	$ -	$ -	$ 15	$ -	$ -	$ 15
Ending balance: collectively evaluated for impairment	$ 564,275	$ 6,243	$ 30,809	$ 685,926	$ 620	$ 1,287,873

The Company made an accounting policy election to exclude accrued interest receivable from the amortized cost basis of loans. Accrued interest receivable on loans is reported as a component of accrued interest receivable on the Consolidated Balance Sheets, totaling $2.8 million and $2.6 million at September 30, 2026 and December 31, 2025, respectively, and is excluded from the estimate of credit losses.

Based on the guidance in ASU 2022-02, *Financial Instruments-Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures*, a loan modification or refinancing results in a new loan if the terms of the new loan are at least as favorable to the lender as the terms with customers with similar collection risks that are not refinancing or restructuring their loans and the modification to the terms of the loan are more than minor. If a loan modification or refinancing does not result in a new loan, it is classified as a loan modification.

There are additional disclosures for modification of loans with borrowers experiencing financial difficulty that result in a direct change in the timing or amount of contractual cash flows. The disclosures are applicable to situations where there is principal forgiveness, interest rate reductions, other than insignificant payment delays, term extensions, or a combination of any of these items. If the Company modifies any loans to borrowers in financial distress that involves principal forgiveness, the amount of principal that is forgiven is charged off against the allowance for credit losses. The Company had no new loan modifications to borrowers experiencing financial difficulties in the three and nine months ended September 30, 2026 and September 30, 2025.

There were $52 thousand and $56 thousand of modifications to borrowers experiencing financial difficulties that were outstanding at September 30, 2026 and December 31, 2025, respectively. The Company closely monitors the performance of loans that are modified to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. During the three and nine months ended September 30, 2026 and September 30, 2025, there were $52 thousand and $59 thousand of modifications, respectively, to borrowers experiencing financial difficulties that experienced a payment default (loans ninety days or more past due) within the prior twelve months. As of September 30, 2026, modifications of $52 thousand are included in the 30-59 days past due residential real estate total.

Note 6 – Deposits

The components of deposits at September 30, 2026 and December 31, 2025 are as follows:

	September 30, 2026	December 31, 2025
	(In Thousands)	
Demand, non-interest bearing	**$ 380,042**	$ 357,220
Demand, NOW and money market, interest bearing	**304,463**	281,285
Savings	**435,165**	449,883
Time, $250 thousand and over	**180,809**	184,378
Time, other	**353,705**	367,486
Total deposits	**$ 1,654,184**	$ 1,640,252

At September 30, 2026, the scheduled maturities of time deposits are as follows (in thousands):

2026 (remainder of the year)	$ 185,073
2027	320,188
2028	28,104
2029	227
2030	816
2031	106
	$ 534,514

Notes to Consolidated Financial Statements (Unaudited)

Note 7 – Short-term and Long-term Borrowings

Securities sold under agreements to repurchase, federal funds purchased, and FHLB short term advances generally represent overnight or less than twelve month borrowings. Long term advances from the FHLB are for periods of twelve months or more and are generally less than sixty months. The Bank has an agreement with the FHLB, which allows for borrowings up to a percentage of qualifying assets. At September 30, 2026, the Bank had a maximum borrowing capacity for short-term and long-term FHLB advances of approximately $744.2 million, of which $744.0 million is available for borrowing at September 30, 2026. This borrowing capacity with the FHLB includes a line of credit of $150.0 million. The Bank had an outstanding FHLB letter of credit in the amount of $172 thousand as of September 30, 2026. There were no FHLB short-term or long-term advances outstanding as of September 30, 2026 or December 31, 2025. All FHLB borrowings are secured by qualifying assets of the Bank.

The Bank has a federal funds line of credit with the ACBB of $10.0 million, of which none was outstanding at September 30, 2026 and December 31, 2025. Advances from this line are unsecured.

The Bank is also eligible to borrow under the Federal Reserve Bank's discount window borrowing programs.

The Company has a revolving line of credit facility with the ACBB of $7.5 million, of which none was outstanding at September 30, 2026 and December 31, 2025. Advances from this line are unsecured. Under the terms of this facility, which was extended for another year in November 2026, availability under the revolving line of credit would be reduced to $5.0 million should the Company's net tangible equity ratio drop below 5% and availability would be reduced to $2.0 million should the Company's net tangible equity ratio drop below 2%. If the Company's net tangible equity ratio drops below 0%, the commitment is canceled.

Note 8 – Stock Incentive Plan and Employee Stock Purchase Plan

Stock Incentive Plan:

The Company maintains the Embassy Bancorp, Inc. Stock Incentive Plan (the "SIP"), originally adopted by the Company's shareholders effective June 16, 2010 and subsequently amended, restated, and approved on June 20, 2019. The SIP authorizes the Board of Directors, or a committee authorized by the Board of Directors, to award a stock based incentive to (i) designated officers (including officers who are directors) and other designated employees of the Company and its subsidiaries, and (ii) non-employee members of the Board of Directors and advisors and consultants to the Company and its subsidiaries. The SIP provides for stock based incentives in the form of incentive stock options as provided in Section 422 of the Internal Revenue Code of 1986, as amended, non-qualified stock options, stock appreciation rights, restricted stock and deferred stock awards. The term of the option, the amount of time for the option to vest after grant, if any, and other terms and limitations will be determined at the time of grant. Options granted under the SIP may not have an exercise period that is more than ten years from the time the option is granted. The maximum number of shares of common stock authorized for issuance under the SIP is 756,356. The SIP provides for appropriate adjustments in the number and kind of shares available for grant or subject to outstanding awards under the SIP to avoid dilution in the event of mergers, stock splits, stock dividends or other changes in the capitalization of the Company. The SIP expires on June 20, 2029. At September 30, 2026, there were 317,739 shares available for issuance under the SIP.

The Company grants shares of restricted stock, under the SIP, to certain members of its Board of Directors as compensation for their services, in accordance with the Company's Non-employee Directors Compensation program adopted in October 2010. The Company also grants restricted stock to certain officers under individual agreements with these officers. Some of these restricted stock awards vest immediately, while the remainder vest over the service period of three years. Management recognizes compensation expense for the fair value of the restricted stock awards on a straight-line basis over the requisite service period. Since inception of the plan and through the nine months ended September 30, 2026, there have been 322,374 awards granted. During the three months ended September 30, 2026 and 2025, there were 4,715 awards granted and no awards granted, respectively, and the Company recognized compensation expense for restricted stock awards of $30 thousand and $28 thousand, respectively. During the nine months ended September 30, 2026 and 2025, there were 20,746 awards and 16,845 awards granted, respectively, and the Company recognized compensation expense for restricted stock awards of $396 thousand and $354 thousand, respectively.

Employee Stock Purchase Plan:

On January 1, 2017, the Company implemented the Embassy Bancorp, Inc. Employee Stock Purchase Plan ("ESPP"), which was approved by the Company's shareholders at the annual meeting held on June 16, 2016. Under the ESPP, each employee of the Company and its subsidiaries who is employed on an offering date and customarily is scheduled to work at least twenty (20) hours per week and more than five (5) months in a calendar year is eligible to participate. The purchase price for shares purchased under the ESPP is 90% of the fair market value of such shares on the date of purchase. The purchase price may be adjusted from time to time by

Notes to Consolidated Financial Statements (Unaudited)

the Board of Directors; provided, however, that the discount to fair market value shall not exceed 15%. The Company has authorized 350,000 shares of its common stock for the ESPP, of which 38,568 shares have been issued as of September 30, 2026. The Company recognized discount expense in relation to the ESPP of $2 thousand and $1 thousand during the three months ended September 30, 2026 and September 30, 2025, respectively. The Company recognized discount expense in relation to the ESPP of $7 thousand and $3 thousand during the nine months ended September 30, 2026 and September 30, 2025, respectively.

Note 9 – Other Comprehensive (Loss) Income

US GAAP requires that recognized revenue, expenses, gains and losses be included in net income. Although certain changes in assets and liabilities, such as unrealized gains and losses on available for sale securities, are reported as a separate component of the equity section of the balance sheet, such items, along with net income, are components of comprehensive (loss) income. Management believes that the unrealized losses on securities available for sale are primarily a result of the increasing market interest rates since the time of purchase and the overall current market conditions.

The components of other comprehensive (loss) income both before tax and net of tax are as follows:

	Three Months Ended September 30,					
	2026			2025		
	(In Thousands)					
	Before Tax	Tax Effect	Net of Tax	Before Tax	Tax Effect	Net of Tax
Change in accumulated other comprehensive loss:						
Unrealized holding (losses) gains on securities available for sale	**$ (17,412)**	**$ 3,656**	**$ (13,756)**	$ 5,425	$ (1,139)	$ 4,286
Reclassification adjustments for gains on securities transactions included in net income (A),(B)	-	-	-	-	-	-
Total other comprehensive (loss) income	**$ (17,412)**	**$ 3,656**	**$ (13,756)**	$ 5,425	$ (1,139)	$ 4,286

	Nine Months Ended September 30,					
	2026			2025		
	(In Thousands)					
	Before Tax	Tax Effect	Net of Tax	Before Tax	Tax Effect	Net of Tax
Change in accumulated other comprehensive loss:						
Unrealized holding (losses) gains on securities available for sale	**$ (18,107)**	**$ 3,802**	**$ (14,305)**	$ 11,523	$ (2,420)	$ 9,103
Reclassification adjustments for gains on securities transactions included in net income (A),(B)	-	-	-	-	-	-
Total other comprehensive (loss) income	**$ (18,107)**	**$ 3,802**	**$ (14,305)**	$ 11,523	$ (2,420)	$ 9,103

A. Realized gains on securities transactions included in gain on sales of securities in the accompanying Consolidated Statements of Income, as applicable.
B. Tax effect included in income tax expense in the accompanying Consolidated Statements of Income.

There were no realized gains on securities available for sale for the three and nine months ended September 30, 2026 and 2025.

Notes to Consolidated Financial Statements (Unaudited)

A summary of the accumulated other comprehensive loss, net of tax, is as follows:

	Securities Available for Sale
Three Months Ended September 30, 2026 and 2025	(In Thousands)
Balance June 30, 2026	**$ (38,647)**
Other comprehensive loss before reclassifications	**(13,756)**
Amounts reclassified from accumulated other comprehensive loss	**-**
Net other comprehensive loss during the period	**(13,756)**
Balance September 30, 2026	**$ (52,403)**
Balance June 30, 2025	$ (45,818)
Other comprehensive income before reclassifications	4,286
Amounts reclassified from accumulated other comprehensive loss	-
Net other comprehensive income during the period	4,286
Balance September 30, 2025	$ (41,532)
Nine Months Ended September 30, 2026 and 2025	
Balance January 1, 2026	**$ (38,098)**
Other comprehensive loss before reclassifications	**(14,305)**
Amounts reclassified from accumulated other comprehensive loss	**-**
Net other comprehensive loss during the period	**(14,305)**
Balance September 30, 2026	**$ (52,403)**
Balance January 1, 2025	$ (50,635)
Other comprehensive income before reclassifications	9,103
Amounts reclassified from accumulated other comprehensive loss	-
Net other comprehensive income during the period	9,103
Balance September 30, 2025	$ (41,532)

Notes to Consolidated Financial Statements (Unaudited)

Note 10 – Basic and Diluted 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, as adjusted for stock dividends and splits. Diluted earnings per share reflect additional common shares that would have been outstanding if dilutive potential common shares had been issued, as well as any adjustments to income that would result from the assumed issuance. Potential common shares that may be issued by the Company relate solely to outstanding stock options and are determined using the treasury stock method.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
	(Dollars In Thousands, Except Share and Per Share Data)			
Net income	**$ 4,856**	$ 3,793	**$ 12,718**	$ 10,117
Weighted average shares outstanding	**7,378,237**	7,645,258	**7,441,626**	7,642,158
Dilutive effect of potential common shares, stock options	**-**	-	**-**	-
Diluted weighted average common shares outstanding	**7,378,237**	7,645,258	**7,441,626**	7,642,158
Basic earnings per share	**$ 0.66**	$ 0.50	**$ 1.71**	$ 1.32
Diluted earnings per share	**$ 0.66**	$ 0.50	**$ 1.71**	$ 1.32

All stock options were considered in computing diluted earnings per common share for the three and nine months ended September 30, 2026 and September 30, 2025.

Note 11 – Fair Value Measurements

The Company uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the Company's various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

Fair value guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment. The fair value is a reasonable point within the range that is most representative of fair value under current market conditions.

US GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation methods used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2: Quoted prices in markets that are not active, or inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability.

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported with little or no market activity).

An asset's or liability's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

For financial assets measured at fair value on a recurring basis, the fair value measurements by level within the fair value hierarchy utilized at September 30, 2026 and December 31, 2025, respectively, are as follows:

Description	(Level 1) Quoted Prices in Active Markets for Identical Assets	(Level 2) Significant Other Observable Inputs	(Level 3) Significant Unobservable Inputs	Total
		(In Thousands)		
U.S. Treasury securities	**$ -**	**$ 60,151**	**$ -**	**$ 60,151**
U.S. Government agency obligations	**-**	**27,111**	**-**	**27,111**
Municipal bonds	**-**	**55,399**	**-**	**55,399**
U.S. Government Sponsored Enterprise (GSE) - Mortgage-backed securities - residential	**-**	**185,017**	**-**	**185,017**
September 30, 2026 Securities available for sale	**$ -**	**$ 327,678**	**$ -**	**$ 327,678**
U.S. Treasury securities	$ -	$ 76,197	$ -	$ 76,197
U.S. Government agency obligations	-	16,721	-	16,721
Municipal bonds	-	61,026	-	61,026
U.S. Government Sponsored Enterprise (GSE) - Mortgage-backed securities - residential	-	187,986	-	187,986
December 31, 2025 Securities available for sale	$ -	$ 341,930	$ -	$ 341,930

The fair value of securities available for sale are determined by matrix pricing (Level 2), which is a mathematical technique used widely in the industry to value debt securities without relying exclusively on quoted market prices for the specific securities, but rather by relying on the securities' relationship to other benchmark quoted prices. For these securities, the Company obtains fair value measurements from an independent pricing service. The fair value measurements consider observable data that may include dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, live trading levels, trade execution data, market consensus prepayment speeds, credit information and the security's terms and conditions, among other things.

For financial assets measured at fair value on a nonrecurring basis, the fair value measurements by level within the fair value hierarchy used at September 30, 2026 and December 31, 2025, respectively, are as follows:

Description	(Level 1) Quoted Prices in Active Markets for Identical Assets	(Level 2) Significant Other Observable Inputs	(Level 3) Significant Unobservable Inputs	Total
		(In Thousands)		
September 30, 2026 Loans individually evaluated for credit losses	**$ -**	**$ -**	**$ 446**	**$ 446**
December 31, 2025 Loans individually evaluated for credit losses	$ -	$ -	$ 462	$ 462

Loans individually evaluated for credit losses are those that are accounted for under existing Financial Accounting Standards Board ("FASB") guidance, in which the Bank has measured impairment generally based on the fair value of the loan's collateral. Fair value is generally determined based upon independent third-party appraisals of the properties, or discounted cash flows based upon the expected proceeds. Fair values may also include qualitative adjustments by management based on economic conditions and liquidation expenses. These assets are included as Level 3 fair values, based upon the lowest level of input that is significant to the fair value measurements.

Notes to Consolidated Financial Statements (Unaudited)

At September 30, 2026, of the loans individually evaluated for credit losses having an aggregate balance of $2.5 million, $1.8 million did not require a valuation allowance because the value of the collateral, including estimated selling costs, securing the loan was determined to meet or exceed the balance owed on the loan. Of the remaining $706 thousand in loans individually evaluated for credit losses, an aggregate valuation allowance of $260 thousand was required to reflect what was determined to be a shortfall in the value of the collateral as compared to the balance on such loans.

At December 31, 2025, of the loans individually evaluated for credit losses having an aggregate balance of $2.4 million, $1.8 million did not require a valuation allowance because the value of the collateral, including estimated selling costs, securing the loan was determined to meet or exceed the balance owed on the loan. Of the remaining $577 thousand in loans individually evaluated for credit losses, an aggregate valuation allowance of $115 thousand was required to reflect what was determined to be a shortfall in the value of the collateral as compared to the balance on such loans.

Real estate properties acquired through, or in lieu of, foreclosure are to be sold and are carried at fair value less estimated cost to sell. Fair value is based upon independent market prices or appraised value of the property. These assets would be included in Level 3 fair value based upon the lowest level of input that is significant to the fair value measurement. At September 30, 2026 and December 31, 2025, the Company had no real estate properties acquired through, or in lieu of, foreclosure.

The following table presents additional quantitative information about assets measured at fair value on a nonrecurring basis and for which the Company has utilized Level 3 inputs to determine fair value:

	Quantitative Information about Level 3 Fair Value Measurements			
Description	**Fair Value Estimate**	**Valuation Techniques**	**Unobservable Input**	**Range (Weighted Average)**
		(Dollars In Thousands)		
September 30, 2026:				
Loans individually evaluated for credit losses	$ **446**	Appraisal of real estate collateral and pending agreement of sale	Appraisal adjustments (1) Liquidation expenses (2)	0% to -25% (-20.6%) 0% to -10.0% (-7.9%)
December 31, 2025:				
Loans individually evaluated for credit losses	$ 462	Appraisal of real estate collateral and pending agreement of sale	Appraisal adjustments (1) Liquidation expenses (2)	0% to -25% (-20.6%) 0% to -10.0% (-7.9%)

1. Appraisals may be adjusted by management for qualitative factors including economic conditions and the age of the appraisal. The range and weighted average of appraisal adjustments are presented as a percent of the appraisal.
2. Appraisals and pending agreements of sale are adjusted by management for liquidation expenses. The range and weighted average of liquidation expense adjustments are presented as a percent of the appraisal or pending agreement of sale.

Notes to Consolidated Financial Statements (Unaudited)

The estimated fair values of the Company's financial instruments were as follows at September 30, 2026 and December 31, 2025:

	Carrying Amount	Fair Value Estimate	(Level 1) Quoted Prices in Active Markets for Identical Assets	(Level 2) Significant Other Observable Inputs	(Level 3) Significant Unobservable Inputs
			(In Thousands)		
September 30, 2026:					
Financial assets:					
Cash and cash equivalents	**$ 65,504**	**$ 65,504**	**$ 65,504**	**$ -**	**$ -**
Securities available for sale	**327,678**	**327,678**	**-**	**327,678**	**-**
Loans receivable, net of allowance	**1,339,494**	**1,212,438**	**-**	**-**	**1,212,438**
Restricted investments in bank stock	**1,126**	**1,126**	**-**	**1,126**	**-**
Accrued interest receivable	**4,293**	**4,293**	**-**	**4,293**	**-**
Financial liabilities:					
Deposits	**1,654,184**	**1,648,774**	**-**	**1,648,774**	**-**
Securities sold under agreements to repurchase and federal funds purchased	**8,558**	**8,558**	**-**	**8,558**	**-**
Accrued interest payable	**7,583**	**7,583**	**-**	**7,583**	**-**
Off-balance sheet financial instruments:					
Commitments to grant loans	**-**	**-**	**-**	**-**	**-**
Unfunded commitments under lines of credit	**-**	**-**	**-**	**-**	**-**
Standby letters of credit	**-**	**-**	**-**	**-**	**-**
December 31, 2025:					
Financial assets:					
Cash and cash equivalents	$ 112,859	$ 112,859	$ 112,859	$ -	$ -
Securities available for sale	341,930	341,930	-	341,930	-
Loans receivable, net of allowance	1,279,201	1,194,392	-	-	1,194,392
Restricted investments in bank stock	1,051	1,051	-	1,051	-
Accrued interest receivable	4,276	4,276	-	4,276	-
Financial liabilities:					
Deposits	1,640,252	1,638,830	-	1,638,830	-
Securities sold under agreements to repurchase and federal funds purchased	9,880	9,880	-	9,880	-
Accrued interest payable	7,198	7,198	-	7,198	-
Off-balance sheet financial instruments:					
Commitments to grant loans	-	-	-	-	-
Unfunded commitments under lines of credit	-	-	-	-	-
Standby letters of credit	-	-	-	-	-

Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion and analysis provides an overview of the financial condition and results of operations of Embassy Bancorp, Inc. (the "Company") as of September 30, 2026 and for the three and nine months ended September 30, 2026 and 2025, respectively. This discussion should be read in conjunction with the preceding consolidated financial statements and related footnotes, as well as with the audited consolidated financial statements and the accompanying notes for the year ended December 31, 2025 included in the Company's Form 10-K filed with the Securities and Exchange Commission on March 16, 2026. Current performance does not guarantee and may not be indicative of similar performance in the future.

Critical Accounting Policies

Disclosure of the Company's significant accounting policies is included in Note 1 to the consolidated financial statements included in the Company's Form 10-K for the year ended December 31, 2025. Some of these policies are particularly sensitive, requiring significant judgments, estimates and assumptions to be made by management, most particularly in connection with determining the provision for credit losses and the appropriate level of the allowance for credit losses. Additional information is contained in this Form 10-Q under the paragraphs titled "Provision for Credit Losses and Reserve for Unfunded Loan Commitments" and "Credit Risk and Loan Quality," contained on the following pages.

Caution About Forward-looking Statements

This report contains forward-looking statements, including statements of goals, intentions, and expectations as to future trends, plans, events or results of Company operations and policies and regarding general economic conditions. These forward-looking statements are intended to be covered by the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995. These statements are based upon current and anticipated economic conditions, nationally and in the Company's market, interest rates and interest rate policy, competitive factors and other conditions that, by their nature, are not susceptible to accurate forecast, and are subject to significant uncertainty.

Such forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "expects", "may", "intends", "will", "should", "anticipates", or the negative of any of the foregoing or other variations thereon or comparable terminology, or by discussion of strategy.

No assurance can be given that the future results covered by forward-looking statements will be achieved. Such statements are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Important factors that could impact the Company's operating results include, but are not limited to:

- the impact of adverse conditions in the economy and financial markets, including increasing or elevated interest rates, on the performance of the Company's loan portfolio and demand for the Company's products and services;
- the potential impact of recent events affecting the financial services industry on the Company, including increased competition for, and costs of, deposits and other funding sources, more stringent regulatory requirements relating to liquidity, interest rate risk management, capital adequacy and increased FDIC insurance expenses;
- the effects of actions by the federal government, including those of the Federal Reserve Board and other government agencies, that impact the money supply, the potential effect of tariffs on cost of goods, and market interest rates;
- the effects of market interest rates, and the relative balances of interest rate-sensitive assets to interest rate-sensitive liabilities, on net interest margin and net interest income;
- the composition of the Company's loan portfolio, including commercial real estate and residential real estate, which collectively represent a majority of the loan portfolio, may expose the Company to increased credit risk;
- the effects of changes in interest rates on demand for the Company's products and services;
- investment securities gains and losses, including declines in the fair value of securities which may result in changes to earnings or shareholders' equity;
- the effects of changes in interest rates or disruptions in liquidity markets on the Company's sources of funding;
- capital and liquidity strategies, including the Company's ability to comply with applicable capital and liquidity requirements, and the Company's ability to generate capital internally or raise capital on favorable terms;
- the effects of competition on deposit rates and growth, loan rates and growth and net interest margin;
- the impact of operational risks, including the risk of human error, inadequate or failed internal processes and systems, computer and telecommunications systems failures, faulty or incomplete data and an inadequate risk management framework;
- the loss of, or failure to safeguard, confidential or proprietary information;
- the Company's failure to identify and adequately and promptly address cybersecurity risks, including data breaches and cyberattacks;
- the impact of losses related to fraudulent transactions and scams;
- the impact of third party fraud schemes;

- the impact of losses from Artificial Intelligence (AI) related scams or fraudulent activity;
- the impact of failures from third-party vendors upon which the Company relies to perform in accordance with contractual arrangements and the effects of concerns about other financial institutions on the Company;
- the potential effects of increases in non-performing assets, which may require the Company to increase the allowance for credit losses, charge-off loans and incur elevated collection and carrying costs related to such non-performing assets;
- the determination of the allowance for credit losses, which depends significantly upon assumptions and judgments with respect to a variety of factors, including the performance of the loan portfolio, the weighted-average remaining lives of different classifications of loans within the loan portfolio and current and forecasted economic conditions, among other factors;
- the effects of the extensive level of regulation and supervision to which the Company and Embassy Bank For The Lehigh Valley (the "Bank") are subject;
- changes in regulation and government policy, which could result in significant changes in banking and financial services regulation;
- the continuing impact of the Dodd-Frank Act on the Company's business and results of operations;
- the potential for negative consequences resulting from regulatory violations, investigations and examinations, including potential supervisory actions, the assessment of fines and penalties, the imposition of sanctions, the need to undertake remedial actions and possible damage to the Company's reputation;
- the effects of adverse outcomes in litigation and governmental or administrative proceedings;
- the effects of changes in U.S. federal, state or local tax laws;
- the effects of the significant amounts of time and expense associated with regulatory compliance and risk management;
- geopolitical conditions, including acts or threats of terrorism, actions taken by the United States or other governments in response to acts or threats of terrorism and/or military conflicts including the ongoing hostilities in Iran, which could impact business and economic conditions in the United States and abroad;
- public health crises and pandemics and their effects on the economic and business environments in which the Company operates, including on the Company's credit quality and business operations, as well as the impact on general economic and financial market conditions;
- the Company's ability to achieve its growth plans;
- the Company's ability to attract and retain talented personnel;
- the effects of competition from financial service companies and other companies offering bank services;
- the Company's ability to keep pace with technological changes;
- the effects of negative publicity on the Company's reputation; and
- other factors that may affect future results of the Company, as well as the risks described in the Company's Form 10-K for the year ended December 31, 2025 and subsequent filings with the SEC.

OVERVIEW

The Company is a Pennsylvania corporation organized in 2008 and registered as a bank holding company pursuant to the Bank Holding Company Act of 1956, as amended (the "BHC Act"). The Company was formed for purposes of acquiring the Bank in connection with the reorganization of the Bank into a bank holding company structure, which was consummated on November 11, 2008. Accordingly, the Company owns all of the capital stock of the Bank, giving the organization more flexibility in meeting its capital needs as the Company continues to grow. Embassy Holdings, LLC (the "LLC") is a wholly-owned subsidiary of the Bank organized to engage in the holding of property acquired by the Bank in satisfaction of debts previously contracted. As such, the consolidated financial statements contained herein include the accounts of the Company, the Bank and the LLC.

The Bank, which is the Company's primary operating subsidiary, was originally incorporated as a Pennsylvania bank on May 11, 2001 and opened its doors on November 6, 2001. It was formed by a group of local business persons and professionals with significant prior experience in community banking in the Lehigh Valley area of Pennsylvania, the Bank's primary market area, for the purpose of providing a local community bank to serve Lehigh and Northampton Counties in Pennsylvania.

Since its inception, the Board's philosophy has been that, by running the Bank with a view toward the long term, only good things will happen for the Bank's customers, team members, shareholders and the Lehigh Valley community.

At September 30, 2026, the Company continued to be in a strong financial and operational condition. The Bank's September 30, 2026 capital ratios exceeded the amounts required to be considered "well capitalized" as defined in applicable banking regulations. The Company's ratio of non-performing loans to total loans at September 30, 2026 was 0.05% and the ratio of non-performing assets to total assets was 0.04%. The Company had its most recent Community Reinvestment Act ("CRA") examination in 2025 and received a "satisfactory" rating.

The Company's assets increased by $4.9 million from $1.80 billion at December 31, 2025 to $1.81 billion at September 30, 2026. The increase was due to an increase of $60.3 million in net loans receivable, offset by a decrease of $47.4 million in cash and cash

equivalents and a decrease of $14.3 million in securities available for sale. The $47.4 million decrease in cash and cash equivalents was due to the net loan growth of $60.3 million, the purchase of $49.3 million in securities available for sale, and a decrease in securities sold under agreement to repurchase of $1.3 million, offset by an increase in deposits of $13.9 million and $45.9 million in principal pay downs on mortgage-backed securities, calls, and maturities within the securities available for sale portfolio. The $14.3 million decrease in securities was net of an increase in unrealized losses of $18.1 million. The current unrealized loss position of the securities portfolio is due to the increase in market interest rates in response to economic conditions since purchase and not due to the credit quality of the investment portfolio.

The Company's deposits increased by $13.9 million from $1.64 billion at December 31, 2025 to $1.65 billion at September 30, 2026. The increase in deposits was due to an increase of $22.8 million in non-interest bearing deposits, offset by a decrease of $8.9 million in interest bearing deposits. The Company continues to seek deposits using a highly effective relationship building, sales and marketing effort, which serves to further increase the Company's overall presence in the market it serves, along with deposit relationships developed as a result of cross-marketing efforts to its loan and other non-depository banking service customers. The Company's success in attracting new deposit relationships is, in part, due to the increased usage of the Company's online banking platform, competitively offered rates, and the continued convenience and efficiency of our branch network and branch personnel. The Company continues to take advantage of deposit opportunities created by mergers, name changes, competitive branch hour and service adjustments and/or branch closures in the Company's market area, and by attracting new customers looking to relocate to a local, reputable community bank.

Net loans receivable increased by $60.3 million from $1.28 billion at December 31, 2025 to $1.34 billion at September 30, 2026. The market continues to be very competitive and the Company is committed to maintaining a high-quality portfolio that returns a reasonable market rate. While the past and current economic and competitive conditions in the marketplace have created more competition for loans to creditworthy customers, the Company continues to expand its market presence and pipeline, and continues to focus on developing a reputation as being a market leader in both commercial and consumer/mortgage lending. Management believes that this combination of relationship building, cross marketing and responsible underwriting will translate into continued long-term growth of a portfolio of quality loans and core deposit relationships. The Company continues to monitor the interest rate exposure of its interest-bearing assets and liabilities. See the expanded discussion under the *Financial Condition: Loans* section below.

Net income for the three months ended September 30, 2026 was $4.9 million, compared to net income for the three months ended September 30, 2025 of $3.8 million, an increase of $1.1 million, or 28.0%. Basic and diluted earnings per share increased to $0.66 for the three months ended September 30, 2026, as compared to $0.50 for the three months ended September 30, 2025. The difference in net income for the three months ended September 30, 2026 and September 30, 2025 resulted primarily from an increase in interest income of $1.4 million, a decrease in interest expense of $473 thousand, and an increase in credit for credit losses of $98 thousand, offset by a decrease of $74 thousand in non-interest income and an increase of $478 thousand in non-interest expenses.

Net income for the nine months ended September 30, 2026 was $12.7 million, compared to net income for the nine months ended September 30, 2025 of $10.1 million, an increase of $2.6 million, or 25.7%. Basic and diluted earnings per share increased to $1.71 for the nine months ended September 30, 2026, as compared to $1.32 for the nine months ended September 30, 2025. The difference in net income for the nine months ended September 30, 2026 and September 30, 2025 resulted primarily from an increase in interest income of $4.4 million, a decrease in interest expense of $684 thousand, and an increase of $132 thousand in non-interest income, offset by an increase of $1.5 million in non-interest expenses and an increase of $437 thousand in the provision for credit losses.

RESULTS OF OPERATIONS

Net Interest Income

The Company determines interest rate spread and margin on both a US GAAP and tax equivalent basis. The use of tax equivalent basis in determining interest rate spread and margin is considered a non-US GAAP measure. The Company believes the use of this measure provides meaningful information to the reader of the consolidated financial statements when comparing taxable and nontaxable assets. However, it is supplemental to US GAAP which is used to prepare the Company's consolidated financial statements and should not be read in isolation or relied upon as a substitute for US GAAP measures. In addition, the non-US GAAP measure may not be comparable to non-US GAAP measures reported by other companies. The tax rate used to calculate the tax equivalent adjustments was 21% for 2026 and 2025.

Total interest income for the three months ended September 30, 2026 increased $1.4 million to $19.6 million, as compared to $18.3 million for the three months ended September 30, 2025. Average earning assets were $1.76 billion for the three months ended September 30, 2026, as compared to $1.69 billion for the three months ended September 30, 2025. The tax equivalent yield on average earning assets was 4.46% for the third quarter of 2026 compared to 4.32% for the third quarter of 2025.

Total interest expense for the three months ended September 30, 2026 decreased $473 thousand to $6.9 million, as compared to $7.4 million for the three months ended September 30, 2025. Average interest bearing liabilities were $1.29 billion for the three months

ended September 30, 2026 and $1.28 billion for the three months ended September 30, 2025. The yield on average interest bearing liabilities was 2.13% and 2.30% for the third quarter of 2026 and 2025, respectively. Over the past year the Company has experienced a consistent decrease in the cost of funds with reductions observed in each successive quarter. This downward trend reflects more favorable market conditions and strategic financial management. The Company's cost of funds was 1.64%, 1.75%, and 1.81% for the three months ended September 30, 2026, December 31, 2025, and September 30, 2025, respectively.

Net interest income for the three months ended September 30, 2026 was $12.7 million, compared to $10.9 million for the three months ended September 30, 2025. The increase in net interest income is, in part, the result of an increase in the average balances of taxable loans, an increase in the average balances of taxable and non-taxable investments, along with an increase in the rates of taxable and non-taxable loans and taxable investments. Also contributing to the increase in net interest income was a decrease in the average balance of savings accounts, certificates of deposits, and securities sold under agreement to repurchase, along with a decrease in the rates of savings, certificates of deposits, and securities sold under agreement to repurchase. The increase in net interest income was offset by a decrease in the average balance of non-taxable loans, a decrease in the average balance of interest bearing deposits with banks, an increase in the average balance of interest bearing demand deposits, NOW and money markets, along with a decrease in the rates of non-taxable investments, fed funds sold, and interest bearing deposits with banks and an increase in the rate of interest bearing demand deposits, NOW and money markets. The Company's net interest margin is 2.86% on a US GAAP basis and 2.89% on a tax equivalent (non-US GAAP) basis for the three months ended September 30, 2026, as compared to 2.54% on a US GAAP basis and 2.58% on a tax equivalent (non-US GAAP) basis for the three months ended September 30, 2025.

Total interest income for the nine months ended September 30, 2026 increased $4.4 million to $57.4 million, as compared to $52.9 million for the nine months ended September 30, 2025. Average earning assets were $1.76 billion for the nine months ended September 30, 2026 as compared to $1.68 billion for the nine months ended September 30, 2025. The tax equivalent yield on average earning assets was 4.40% for the nine months ended September 30, 2026 compared to 4.27% for the nine months ended September 30, 2025.

Total interest expense for the nine months ended September 30, 2026 decreased $684 thousand to $21.1 million, as compared to $21.8 million for the nine months ended September 30, 2025. Average interest bearing liabilities were $1.30 billion for the nine months ended September 30, 2026 and $1.26 billion for the nine months ended September 30, 2025. The yield on average interest bearing liabilities was 2.17% and 2.32% for the nine months ended September 30, 2026 and 2025, respectively. The Company's cost of funds was 1.69% and 1.82% for the nine months ended September 30, 2026 and September 30, 2025, respectively.

Net interest income for the nine months ended September 30, 2026 was $36.2 million, compared to $31.1 million for the nine months ended September 30, 2025. The increase in net interest income is, in part, the result of an increase in the average balances of taxable loans, an increase in the average balances of taxable and non-taxable investments, and an increase in the average balances of interest bearing deposits with banks, along with an increase in the rates of taxable and non-taxable loans and taxable investments. Also contributing to the increase in net interest income was a decrease in the average balance of savings accounts, along with a decrease in the rates of interest bearing demand deposits, NOW and money markets, savings, certificates of deposit, and securities sold under agreement to repurchase. The increase in net interest income was offset by a decrease in the average balance of non-taxable loans, an increase in the average balance of interest bearing demand deposits, NOW and money markets, an increase in the average balance of certificates of deposit, and an increase in the average balance of securities sold under agreement to repurchase, along with a decrease in the rates of non-taxable investments, fed funds sold, and interest bearing deposits with banks. The Company's net interest margin is 2.76% on a US GAAP basis and 2.79% on a tax equivalent (non-US GAAP) basis for the nine months ended September 30, 2026, as compared to 2.49% on a US GAAP basis and 2.52% on a tax equivalent (non-US GAAP) basis for the nine months ended September 30, 2025.

The tables below set forth average balances and corresponding yields for the corresponding periods ended September 30, 2026 and 2025, respectively:

Distribution of Assets, Liabilities and Stockholders' Equity:
Interest Rates and Interest Differential (quarter to date)

	Three Months Ended September 30,					
	2026			2025		
	Average Balance	Interest	Tax Equivalent Yield	Average Balance	Interest	Tax Equivalent Yield
	(Dollars In Thousands)					
ASSETS						
Loans - taxable (2)	**$ 1,313,738**	**$ 15,902**	**4.80%**	$ 1,257,154	$ 14,628	4.62%
Loans - non-taxable (1)	**24,681**	**237**	**4.82%**	26,214	249	4.77%
Investment securities - taxable	**306,003**	**2,488**	**3.23%**	295,716	2,267	3.04%
Investment securities - non-taxable (1)	**40,870**	**298**	**3.66%**	39,065	298	3.83%
Federal funds sold	**1,000**	**9**	**3.57%**	1,000	11	4.36%
Interest bearing deposits with banks	**71,667**	**682**	**3.78%**	72,568	802	4.38%
TOTAL INTEREST EARNING ASSETS	**1,757,959**	**19,616**	**4.46%**	1,691,717	18,255	4.32%
Less allowance for credit losses	**(12,620)**			(11,946)		
Other assets	**84,438**			82,945		
TOTAL ASSETS	**$ 1,829,777**			$ 1,762,716		
LIABILITIES AND STOCKHOLDERS' EQUITY						
Interest bearing demand deposits, NOW and money market	**$ 299,079**	**$ 1,092**	**1.45%**	$ 279,226	$ 978	1.39%
Savings	**441,050**	**938**	**0.84%**	454,706	997	0.87%
Certificates of deposit	**542,390**	**4,894**	**3.58%**	533,726	5,395	4.01%
Securities sold under agreements to repurchase and other borrowings	**7,938**	**7**	**0.35%**	11,449	34	1.18%
TOTAL INTEREST BEARING LIABILITIES	**1,290,457**	**6,931**	**2.13%**	1,279,107	7,404	2.30%
Non-interest bearing demand deposits	**387,157**			342,838		
Other liabilities	**25,092**			23,996		
Stockholders' equity	**127,071**			116,775		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 1,829,777**			$ 1,762,716		
Net interest income		**$ 12,685**			$ 10,851	
Tax equivalent adjustments						
Loans		**63**			66	
Investments		**79**			79	
Total tax equivalent adjustments		**142**			145	
Net interest income on a tax equivalent basis		**$ 12,827**			$ 10,996	
Net interest spread (US GAAP basis)			**2.31%**			2.00%
Net interest margin (US GAAP basis)			**2.86%**			2.54%
Net interest spread (non-US GAAP basis) (3)			**2.33%**			2.02%
Net interest margin (non-US GAAP basis) (3)			**2.89%**			2.58%
Cost of funds			**1.64%**			1.81%

(1) Yields on tax exempt assets have been calculated on a fully tax equivalent basis at a tax rate of 21% for the three months ended September 30, 2026 and 2025, respectively.
(2) The average balance of taxable loans includes loans in which interest is no longer accruing.
(3) Non-US GAAP net interest spread and net interest margin are calculated on a fully tax equivalent basis at a tax rate of 21% for the three months ended September 30, 2026 and 2025, respectively.

Distribution of Assets, Liabilities and Stockholders' Equity:
Interest Rates and Interest Differential (year to date)

	Nine Months Ended September 30,					
	2026			2025		
	Average Balance	Interest	Tax Equivalent Yield	Average Balance	Interest	Tax Equivalent Yield
	(Dollars In Thousands)					
ASSETS						
Loans - taxable (2)	**$ 1,288,470**	**$ 45,794**	**4.75%**	$ 1,249,619	$ 42,487	4.55%
Loans - non-taxable (1)	**24,930**	**716**	**4.86%**	26,459	753	4.82%
Investment securities - taxable	**306,055**	**7,272**	**3.18%**	286,875	6,485	3.02%
Investment securities - non-taxable (1)	**41,527**	**894**	**3.64%**	39,396	892	3.83%
Federal funds sold	**1,000**	**28**	**3.74%**	1,000	33	4.41%
Interest bearing deposits with banks	**95,653**	**2,663**	**3.72%**	68,566	2,269	4.42%
TOTAL INTEREST EARNING ASSETS	**1,757,635**	**57,367**	**4.40%**	1,671,915	52,919	4.27%
Less allowance for credit losses	**(12,286)**			(12,087)		
Other assets	**82,330**			83,212		
TOTAL ASSETS	**$ 1,827,679**			$ 1,743,040		
LIABILITIES AND STOCKHOLDERS' EQUITY						
Interest bearing demand deposits,						
NOW and money market	**$ 289,141**	**$ 2,964**	**1.37%**	$ 276,262	$ 2,906	1.41%
Savings	**445,531**	**2,753**	**0.83%**	455,715	2,936	0.86%
Certificates of deposit	**558,841**	**15,366**	**3.68%**	518,854	15,861	4.09%
Securities sold under agreements to repurchase and other borrowings	**9,416**	**54**	**0.77%**	8,219	118	1.92%
TOTAL INTEREST BEARING LIABILITIES	**1,302,929**	**21,137**	**2.17%**	1,259,050	21,821	2.32%
Non-interest bearing demand deposits	**372,548**			346,671		
Other liabilities	**23,469**			23,491		
Stockholders' equity	**128,733**			113,828		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 1,827,679**			$ 1,743,040		
Net interest income		**$ 36,230**			$ 31,098	
Tax equivalent adjustments						
Loans		**190**			200	
Investments		**238**			237	
Total tax equivalent adjustments		**428**			437	
Net interest income on a tax equivalent basis		**$ 36,658**			$ 31,535	
Net interest spread (US GAAP basis)			**2.21%**			1.93%
Net interest margin (US GAAP basis)			**2.76%**			2.49%
Net interest spread (non-US GAAP basis) (3)			**2.23%**			1.95%
Net interest margin (non-US GAAP basis) (3)			**2.79%**			2.52%
Cost of funds			**1.69%**			1.82%

3. Yields on tax exempt assets have been calculated on a fully tax equivalent basis at a tax rate of 21% for the nine months ended September 30, 2026 and 2025, respectively.
4. The average balance of taxable loans includes loans in which interest is no longer accruing.
5. Non-US GAAP net interest spread and net interest margin are calculated on a fully tax equivalent basis at a tax rate of 21% for the nine months ended September 30, 2026 and 2025, respectively.

The table below demonstrates the relative impact on net interest income of changes in the volume of interest-earning assets and interest-bearing liabilities and changes in rates earned and paid by the Company on such assets and liabilities:

	Three Months Ended September 30, 2026 compared to September 30, 2025			Nine Months Ended September 30, 2026 compared to September 30, 2025		
	(In Thousands)					
	Total	Due to change in:		Total	Due to change in:	
	Change	Volume	Rate	Change	Volume	Rate
Interest-earning assets:						
Loans - taxable	$ 1,274	$ 658	$ 616	$ 3,307	$ 1,321	$ 1,986
Loans - non-taxable	(12)	(15)	3	(37)	(44)	7
Investment securities - taxable	221	79	142	787	433	354
Investment securities - non-taxable	-	14	(14)	2	48	(46)
Federal funds sold	(2)	-	(2)	(5)	-	(5)
Interest bearing deposits with banks	(120)	(10)	(110)	394	897	(503)
Total net change in income on interest-earning assets	1,361	726	635	4,448	2,655	1,793
Interest-bearing liabilities:						
Interest bearing demand deposits, NOW and money market	114	70	44	58	136	(78)
Savings	(59)	(30)	(29)	(183)	(66)	(117)
Certificates of deposit	(501)	87	(588)	(495)	1,222	(1,717)
Total deposits	(446)	127	(573)	(620)	1,292	(1,912)
Securities sold under agreements to repurchase and other borrowings	(27)	(10)	(17)	(64)	18	(82)
Total net change in expense on interest-bearing liabilities	(473)	117	(590)	(684)	1,310	(1,994)
Change in net interest income	$ 1,834	$ 609	$ 1,225	$ 5,132	$ 1,345	$ 3,787

Provision for Credit Losses and Reserve for Unfunded Loan Commitments

The allowance for credit losses is established through provisions for credit losses charged against income. Loans deemed to be uncollectible are charged against the allowance for credit losses, and subsequent recoveries, if any, are credited to the allowance. The measurement of expected credit losses also applies to off-balance sheet credit exposures such as loan commitments and unused lines of credit.

The allowance for credit losses is maintained at a level management considers to be adequate to provide for losses that can be reasonably anticipated over the expected life of the loans. Management's periodic evaluation of the adequacy of the allowance is based on known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay, the estimated value of any underlying collateral, composition of the loan portfolio, current and forecasted economic conditions and other relevant factors. This evaluation is inherently subjective, as it requires material estimates that may be susceptible to significant change.

The allowance consists of a collectively evaluated component and an individually evaluated component. The collectively evaluated component covers non-classified loans and classified loans not considered loans individually evaluated for credit losses, and is based on historical loss experience adjusted for forecasting factors and qualitative factors. The individually evaluated component relates to loans that are classified as loans individually evaluated for credit losses and/or restructured. For loans that are classified as loans individually evaluated for credit losses, an allowance is established when the discounted cash flows (or collateral value or observable market price) of the loans individually evaluated for credit losses is lower than the carrying value of that loan.

For the three months ended September 30, 2026, the credit for credit losses on loans was $121 thousand and the provision for credit losses on unused commitments was $50 thousand, compared to a provision for credit losses on loans of $36 thousand and the credit for credit losses on unused commitments of $9 thousand for the three months ended September 30, 2025. In the three months ended September 30, 2026 there were no charge-offs and recoveries of $2 thousand. In the three months ended September 30, 2025 there were no charge-offs and no recoveries.

For the nine months ended September 30, 2026, the provision for credit losses on loans was $317 thousand and the provision for credit losses on unused commitments was $16 thousand, compared to credit for credit losses on loans of $73 thousand and the provision for credit losses on unused commitments of $99 thousand for the nine months ended September 30, 2025. In the nine months ended September 30, 2026 there were charge-offs of $21 thousand and recoveries of $2 thousand. In the nine months ended September 30, 2025 there were charge-offs of $152 thousand and no recoveries.

The provision for credit losses is a function of the allowance for credit loss methodology that the Company uses to determine the appropriate level of the allowance for inherent credit losses after net charge-offs have been deducted. See the discussion below under "Credit Risk and Loan Quality" regarding the Company's considerations of its September 30, 2026 allowance for credit loss levels. The allowance for credit losses is $12.3 million as of September 30, 2026, which is 0.91% of total loans receivable, compared to $11.9 million or 0.93% of total loans receivable as of September 30, 2025. At December 31, 2025, the allowance for credit losses was $12.0 million, which represented 0.93% of total loans receivable. Based principally on loan growth, economic conditions, asset quality, and loan-loss experience, including that of comparable institutions in the Company's market area, the allowance is believed to be adequate to absorb any losses expected in the portfolio. Because future events affecting borrowers and collateral cannot be predicted with certainty, there can be no assurance that the existing allowance for credit losses is adequate, or that material increases will not be necessary should the quality of the loans deteriorate. The Company has not participated in any sub-prime lending activity.

The activity in the allowance for credit losses is shown in the following table, as well as period end loans receivable and the allowance for credit losses as a percent of the total loans receivable portfolio:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
	(In Thousands)			
Loans receivable at end of period	**$ 1,350,761**	$ 1,279,148	**$ 1,350,761**	$ 1,279,148
Allowance for credit losses:				
Balance, beginning	**$ 12,456**	$ 11,905	**$ 12,039**	$ 12,166
(Credit) provision for credit losses	**(121)**	36	**317**	(73)
Loans charged off:				
Commercial real estate	**-**	-	**-**	(136)
Commercial construction	**-**	-	**-**	-
Commercial	**-**	-	**(6)**	(15)
Residential real estate	**-**	-	**-**	-
Consumer	**-**	-	**(15)**	(1)
Total loans charged off	**-**	-	**(21)**	(152)
Recoveries of loans previously charged off:				
Commercial real estate	**-**	-	**-**	-
Commercial construction	**-**	-	**-**	-
Commercial	**-**	-	**-**	-
Residential real estate	**-**	-	**-**	-
Consumer	**2**	-	**2**	-
Total recoveries	**2**	-	**2**	-
Net recoveries (charge offs)	**2**	-	**(19)**	(152)
Balance at end of period	**$ 12,337**	$ 11,941	**$ 12,337**	$ 11,941
Allowance for credit losses to loans receivable at end of period	**0.91%**	0.93%	**0.91%**	0.93%

In addition to the allowance for credit losses, the Company maintains a reserve for unfunded commitments at a level that management believes is adequate to absorb probable losses. At September 30, 2026 and December 31, 2025, a $192 thousand and $176 thousand unfunded commitment reserve was reported, respectively, on the Consolidated Balance Sheets in other liabilities.

Non-interest Income

Total non-interest income was $813 thousand for the three months ended September 30, 2026, compared to $887 thousand for the same period in 2025. The decrease is, in part, attributable to a decrease in bank owned life insurance of $93 thousand primarily due to a decrease in separate account life insurance assets driven by the effect market conditions had on underlying life insurance assets. The decrease was also caused by the gain on the sale of other real estate owned of $29 thousand during the third quarter of 2025, offset by an increase of $21 thousand in debit card interchange fees and an increase in other service fees of $28 thousand primarily due to an increase in overdraft fees and wire fees.

Total non-interest income was $2.6 million for the nine months ended September 30, 2026, compared to $2.5 million for the same period in 2025. The increase is, in part, attributable to an increase of $65 thousand in debit card interchange fees and an increase in other service fees of $111 thousand primarily due to an increase in overdraft fees and wire fees, offset by the gain on the sale of other real estate owned of $29 thousand during the third quarter of 2025 and a decrease in bank owned life insurance of $24 thousand. The decrease in bank owned life insurance was primarily due to a decrease in separate account life insurance assets driven by the effect market conditions had on underlying life insurance assets.

Non-interest Expense

Non-interest expenses increased $478 thousand from $7.1 million for the three months ended September 30, 2025 to $7.6 million for the three months ended September 30, 2026. The increase in non-interest expenses is attributable to an increase of $45 thousand in occupancy and equipment expenses in part due to software depreciation and utilities, an increase of $134 thousand in data processing expenses due to costs associated with the implementation of an account opening software along with other projects, an increase in network support costs and maintenance contracts, an increase of $96 thousand in advertising and promotion expenses, an increase of $21 thousand in charitable contributions, and an increase of $187 thousand in other expenses primarily due to increases in operating expenses, bank shares tax, deposit account investigations, and check and debit card losses. The Company's efficiency ratio, a non-GAAP measure, was 56.2% and 60.5% for the three months ended September 30, 2026 and 2025, respectively.

Non-interest expenses increased $1.5 million from $21.4 million for the nine months ended September 30, 2025 to $22.9 million for the nine months ended September 30, 2026. The increase in non-interest expenses is, in part, attributable to a $262 thousand increase in salaries and employee benefits, due to annual increases in salaries and bonuses, an increase in employer payroll taxes, an increase in life and disability insurance, offset by a decrease in non-qualified pension expense and an increase in deferred loan costs. Additional increases in non-interest expenses are attributable to an increase of $185 thousand in occupancy and equipment expenses in part due to an increase in occupancy, utilities, and software depreciation, an increase of $436 thousand in data processing expenses due, in part, to the implementation of a new content management software, costs associated with a new general ledger system, implementation costs associated with an account opening software along with other projects, an increase in ATM network fees, an increase in network support costs, and an increase in maintenance contracts, an increase of $200 thousand in advertising and promotion expenses, an increase of $42 thousand in FDIC insurance, an increase of $67 thousand in charitable contributions, and an increase of $312 thousand in other expenses primarily due to increases in operating expenses, bank shares tax, deposit account investigations, and shareholder relations expense, offset by a decrease in debit card production expenses. The Company's efficiency ratio, a non-GAAP measure, was 59.1% and 63.8% for the nine months ended September 30, 2026 and 2025, respectively.

A breakdown of other expenses can be found in the Consolidated Statements of Income.

Income Taxes

The provision for income taxes for the three months ended September 30, 2026 totaled $1.1 million, or 18.9% of income before taxes, compared to income taxes for the three months ended September 30, 2025 totaling $811 thousand, or 17.6% of income before taxes. The increase in the tax rate is, in part, the result of a decrease in income on bank owned life insurance and the change in the mix of taxable and tax free loans and investments.

The provision for income taxes for the nine months ended September 30, 2026 totaled $2.8 million, or 18.2% of income before taxes, compared to income taxes for the nine months ended September 30, 2025 totaling $2.1 million, or 17.3% of income before taxes. The increase in the tax rate is, in part, the result of a decrease in income on bank owned life insurance and the change in the mix of taxable and tax free loans and investments.

FINANCIAL CONDITION

Securities

The Company's securities portfolio continues to be classified, in its entirety, as "available for sale." Management believes that a portfolio classification of available for sale allows complete flexibility in the investment portfolio. Using this classification, the Company intends to hold these securities for an indefinite amount of time, but not necessarily to maturity. Such securities are carried

at fair value with unrealized gains or losses reported as a separate component of stockholders' equity. The portfolio is structured to provide a return on investments while providing a consistent source of liquidity and meeting strict risk standards. Investment securities consist primarily of mortgage-backed securities issued by FHLMC or FNMA, taxable and non-taxable municipal bonds, government agency bonds, and Treasury bonds. The Company holds no high-risk or direct internationally exposed securities or derivatives as of September 30, 2026. The Company has not made any investments in non-U.S. government agency mortgage backed securities or sub-prime loans. The current liquidity of the portfolio has been impacted by the increase in longer-term market interest rates over the prior quarter. Selling of securities would not be expected as a primary source of short term liquidity given the unrealized losses currently in the portfolio.

Total securities at September 30, 2026 were $327.7 million compared to $341.9 million at December 31, 2025. The decrease in the investment portfolio resulted from principal pay downs on mortgage-backed securities, the call of two (2) government agency bonds, the maturity of nine (9) Treasury bonds, the maturity of three (3) mortgage-backed securities, and the maturity of one (1) government agency bond totaling $45.9 million and an increase in unrealized losses of $18.1 million, offset by the purchase of four (4) Treasury bonds, seven (7) government agency bonds, and six (6) mortgage-backed securities totaling $49.3 million. The carrying value of the securities portfolio as of September 30, 2026 includes a net unrealized loss of $66.3 million, which is recorded as accumulated other comprehensive loss in stockholders' equity net of income tax effect. This compares to a net unrealized loss of $48.2 million at December 31, 2025. The current unrealized loss position of the securities portfolio is due to increasing market interest rates during 2022 through 2023 in response to economic conditions since initial purchase. Management determined the Company does not have the intent to sell, nor is it more likely than not that it will be required to sell, securities in an unrealized loss position at September 30, 2026. Further, management reviewed the Company's securities as of September 30, 2026 and concluded there were no credit-related declines in fair value. The effective duration of the securities portfolio is approximately 6 years at September 30, 2026. The Company remains focused on strategically assessing and managing the portfolio to address the unrealized losses, while remaining opportunistic in executing sales that preserve earnings and minimizing realized losses.

Loans

The loan portfolio comprises a major component of the Company's earning assets. All of the Company's loans are to domestic borrowers. Net loans receivable were $1.34 billion at September 30, 2026 and $1.28 billion at December 31, 2025, representing an increase of $60.3 million. The gross loan-to-deposit ratio increased to 82% at September 30, 2026, compared to 79% at December 31, 2025. The Company's loan portfolio at September 30, 2026 was comprised of residential real estate and consumer loans of $731.5 million, an increase of $43.2 million from December 31, 2025, and commercial loans of $619.3 million, an increase of $17.3 million from December 31, 2025. The Company has not originated, nor does it intend to originate, sub-prime mortgage loans.

Credit Risk and Loan Quality

The Company's allowance for credit losses was $12.3 million and $12.0 million at September 30, 2026 and December 31, 2025, respectively, an increase of $298 thousand. At September 30, 2026 and December 31, 2025, the allowance for credit losses represented 0.91% and 0.93%, respectively, of total loans receivable. The Company's non-performing loans to total loans receivable were 0.05% at September 30, 2026, compared to 0.04% at September 30, 2025 and December 31, 2025. In the three months ended September 30, 2026 there were no charge-offs and $2 thousand of recoveries. In the three months ended September 30, 2025 there were no charge-offs and no recoveries. In the nine months ended September 30, 2026 there were charge-offs of $21 thousand and $2 thousand of recoveries. In the nine months ended September 30, 2025 there were charge-offs of $152 thousand and no recoveries. The aggregate balances of non-performing loans are included in the following table.

At September 30, 2026, approximately 97% of the Company's loan portfolio is collateralized by real estate. Our loan portfolio includes a large amount of commercial real estate loans. Management believes the commercial real estate loan portfolio is well-diversified. At September 30, 2026 and December 31, 2025, high volatility commercial real estate exposures were $11.9 million and $3.5 million, respectively. Commercial real estate loans are originated primarily within Lehigh and Northampton counties, are within the Company's underwriting criteria, and generally include the guarantee of one or more of the borrowers' affiliates. At September 30, 2026, the Company's office space portfolio included no exposure to properties in major metropolitan markets. Commercial real estate loans have drawn the attention of the regulators in recent years as a potential source of risk. The Company monitors these types of loans closely, obtaining updated appraisals on loans when required. As detailed in the Allowance for Credit Losses table, the Company had no charge-offs in this category in 2026. During the year ended December 31, 2025, the Company had $136 thousand in commercial real estate charge-offs. The Company believes it has taken the appropriate steps to implement appropriate risk management practices for its commercial real estate loan portfolio, which are subject to regulatory examination.

The details for non-performing loans and assets are included in the following table:

	September 30, 2026	December 31, 2025	September 30, 2025
		(In Thousands)	
Non-accrual - commercial	**$ 152**	$ -	$ -
Non-accrual - consumer	**540**	482	496
Loans past due 90 or more days, accruing interest	**-**	-	-
Total nonperforming loans	**692**	482	496
Foreclosed assets	**-**	-	-
Total nonperforming assets	**$ 692**	$ 482	$ 496
Nonperforming loans to total loans	**0.05%**	0.04%	0.04%
Nonperforming assets to total assets	**0.04%**	0.03%	0.03%
Non-accrual loans to total loans	**0.05%**	0.04%	0.04%
Allowance to non-accrual loans	**1782.80%**	2497.72%	2407.46%
Net charge-offs to average loans	**0.00%**	0.01%	0.01%

Premises and Equipment

Company premises and equipment, net of accumulated depreciation, decreased $182 thousand from December 31, 2025 to September 30, 2026. This decrease is primarily due to depreciation on existing premises and equipment, offset by new purchases.

Deposits

Total deposits at September 30, 2026 increased by $13.9 million to $1.65 billion from $1.64 billion at December 31, 2025. The increase in the Company's deposits was due to an increase of $46.0 million in demand, NOW and money market deposits, offset by a decrease of $17.4 million in time deposits and a decrease of $14.7 million in savings. Included in the above mentioned increase was a $21.2 million increase in non-interest bearing demand business deposits and a $1.7 million increase in non-interest bearing demand personal deposits. Included in total deposits at September 30, 2026 were personal deposits of $1.10 billion, business deposits of $442.8 million, and municipal deposits of $107.2 million. Included in total deposits at December 31, 2025 were personal deposits of $1.15 billion, business deposits of $397.1 million, and municipal deposits of $95.7 million. The Company continues to see steady increases in new deposit accounts and customer relationships as bank mergers and sales of branches disrupt the local banking environment. The estimated amount of uninsured assessable deposits, including related interest accrued and unpaid, at September 30, 2026 and December 31, 2025 was $576.7 million and $554.9 million, respectively.

Liquidity

Liquidity represents the Company's ability to meet the demands required for the funding of loans and to meet depositors' requirements for use of their funds. The Company's sources of liquidity are cash balances, due from banks, and federal funds sold. Cash and cash equivalents were $65.5 million at September 30, 2026, compared to $112.9 million at December 31, 2025.

Additional asset liquidity sources include principal and interest payments from the investment security and loan portfolios. Long-term liquidity needs may be met by selling unpledged securities available for sale, selling or participating loans, or raising additional capital. As noted above, selling of securities would not be a primary source of short term liquidity given the unrealized losses currently in the portfolio. At September 30, 2026, the Company had $327.7 million of available for sale securities, compared to $341.9 million at December 31, 2025. At September 30, 2026, the Bank had a maximum borrowing capacity for short-term and long-term FHLB advances of approximately $744.2 million, of which $744.0 million is available for borrowing at September 30, 2026. This borrowing capacity with the FHLB includes a line of credit of $150.0 million. The Bank had an outstanding FHLB letter of credit in the amount of $172 thousand as of September 30, 2026. There were no FHLB short-term or long-term advances outstanding as of September 30, 2026 or December 31, 2025. All FHLB borrowings are secured by qualifying assets of the Bank.

The Bank has a federal funds line of credit with the ACBB of $10.0 million, of which none was outstanding at September 30, 2026 and December 31, 2025. Advances from this line are unsecured.

The Bank is also eligible to borrow under the Federal Reserve Bank's discount window borrowing programs.

The Company has a revolving line of credit facility with the ACBB of $7.5 million, of which none was outstanding at September 30, 2026 and December 31, 2025. Advances from this line are unsecured.

The Bank is a member of the Certificate of Deposit Account Registry Services (CDARS) program and the Insured Cash Sweep (ICS) program offered by Promontory Interfinancial Network, LLC. CDARS is a funding and liquidity management tool used by banks to access funds and manage their balance sheet. ICS provides liquidity similar to a money market or savings account. Both programs

enable financial institutions to provide customers with full FDIC insurance on deposits over $250 thousand that are placed in the program. The Bank also has access to other brokered deposits as a source of liquidity.

Because of the composition of the Company's balance sheet, its strong capital base, ability to attract new deposit relationships, access to brokered deposits, and borrowing capacity, the Company believes that it remains well positioned with respect to liquidity. The majority of the Company's funds are invested in loans with a portion invested in investment securities that generally carry a lower yield. While it is desirable to be liquid, it has the effect of a lower interest margin. The Company has no investment in or financial relationship with any unconsolidated entities that are reasonably likely to have a material effect on liquidity or capital resources.

Off-Balance Sheet Arrangements

The Company's consolidated financial statements do not reflect the various off-balance sheet arrangements that are made in the normal course of business, which may involve some liquidity risk. These off-balance sheet arrangements consist of unfunded loans and commitments, as well as lines of credit made under the same standards as on-balance sheet instruments. These unused commitments totaled $231.1 million and $198.0 million at September 30, 2026 and December 31, 2025, respectively. At September 30, 2026 and December 31, 2025, there was a $192 thousand and $176 thousand allowance for credit losses required for off-balance sheet arrangements, respectively. At September 30, 2026 and December 31, 2025, the Company had letters of credit outstanding of $6.4 million and $6.7 million, respectively. Because these instruments have fixed maturity dates, and because many of them will expire without being drawn upon, they do not generally present any significant liquidity risk to the Company. Management is of the opinion that the Company's liquidity is sufficient to meet its anticipated needs.

Capital Resources and Adequacy

Total stockholders' equity was $117.8 million as of September 30, 2026, representing a net decrease of $9.8 million from December 31, 2025. The decrease was the result of a $14.3 million increase in accumulated other comprehensive loss, treasury stock purchases of $4.6 million, and dividends paid of $4.1 million, offset by net income of $12.7 million, an increase in common stock of $24 thousand, and an increase in surplus of $439 thousand due to employee stock purchases and stock grants with compensation expense. The accumulated other comprehensive loss is excluded from both the Bank's and the Company's Tier 1 regulatory capital calculations.

The Company's tangible book value per share, calculated as total stockholders' equity divided by outstanding common stock shares, was $16.03 and $16.90 at September 30, 2026 and December 31, 2025, respectively.

The Company and the Bank are subject to various regulatory capital requirements administered by banking regulators. Failure to meet minimum capital requirements can initiate certain actions by regulators that could have a material effect on the consolidated financial statements.

The regulations require that banks maintain minimum amounts and ratios of total and Tier 1 capital (as defined in the regulations) to risk weighted assets (as defined in the regulations), and Tier 1 capital to average assets (as defined in the regulations). As of September 30, 2026, the Bank met the minimum requirements. In addition, the Bank's capital ratios exceeded the amounts required to be considered "well capitalized" (as defined in the regulations).

The following table provides a comparison of the Bank's risk-based capital ratios and leverage ratios:

Consolidated Bank

	September 30, 2026	December 31, 2025
	(Dollars In Thousands)	
Tier 1, common stockholders' equity	**$ 170,082**	$ 165,452
Tier 2, allowable portion of allowance for credit losses	**12,529**	12,215
Total capital	**$ 182,611**	$ 177,667
Common equity tier 1 capital ratio	**14.1 %**	14.4 %
Tier 1 risk based capital ratio	**14.1 %**	14.4 %
Total risk based capital ratio	**15.1 %**	15.4 %
Tier 1 leverage ratio	**9.1 %**	9.1 %

Note: Unrealized gains and losses on securities available for sale are excluded from regulatory capital components of risk-based capital and leverage ratios.

In addition to the risk-based capital guidelines, the federal banking regulators established minimum leverage ratio (Tier 1 capital to total assets) guidelines for bank holding companies. These guidelines provide for a minimum leverage ratio of 3% for those bank holding companies which have the highest regulatory examination ratings and are not contemplating or experiencing significant growth or expansion. All other bank holding companies are required to maintain a leverage ratio of at least 4%.

The capital ratios to be considered "well capitalized" under the capital rules are:

- Common equity of 6.5%;
- Tier 1 leverage of 5%;
- Tier 1 risk-based capital of 8%; and
- Total risk-based capital of 10%.

The Company qualifies as a small bank holding company and is not subject to the Federal Reserve's consolidated capital rules, although an institution that so qualifies may continue to file reports that include such capital amounts and ratios. The Company has elected to continue to report those amounts and ratios.

The following table provides the Company's risk-based capital ratios and leverage ratios:

Consolidated Corporation

	September 30, 2026	December 31, 2025
	(Dollars In Thousands)	
Tier 1, common stockholders' equity	**$ 170,209**	$ 165,673
Tier 2, allowable portion of allowance for credit losses	**12,529**	12,215
Total capital	**$ 182,738**	$ 177,888
Common equity tier 1 capital ratio	**14.1 %**	14.4 %
Tier 1 risk based capital ratio	**14.1 %**	14.4 %
Total risk based capital ratio	**15.1 %**	15.5 %
Tier 1 leverage ratio	**9.1 %**	9.1 %

Note: Unrealized gains and losses on securities available for sale are excluded from regulatory capital components of risk-based capital and leverage ratios.

Item 3 – Quantitative and Qualitative Disclosures About Market Risk

The Company's primary source of market risk is interest rate risk. A principal objective of the Company's asset/liability management policy is to minimize the Company's exposure to changes in interest rates by an ongoing review of the maturity and repricing of

interest earning assets and interest bearing liabilities. The Asset Liability Committee (ALCO), included as part of the Board of Directors meetings, oversees this review, which establishes policies to control interest rate sensitivity. Interest rate sensitivity is the volatility of a company's earnings resulting from a movement in market interest rates. The Company monitors rate sensitivity in order to reduce vulnerability to interest rate fluctuations while maintaining adequate capital levels and acceptable levels of liquidity. Beginning in 2022 through 2023, the Federal Reserve raised its key interest rate in an attempt to tame inflation. Conversely, in September 2024 the Federal Reserve decreased its key interest rate by 50 basis points and by 25 basis points in November 2024, December 2024, September 2025, October 2025, and December 2025. In September 2026 the Federal Reserve raised its key interest rate by 25 basis points. The Company's asset/liability management policy, monthly and quarterly financial reports, along with simulation modeling, supplies management with guidelines to evaluate and manage rate sensitivity.

Because income simulations assume that the Company's balance sheet will remain static over the simulation horizon, the results do not reflect adjustments in strategy that management could implement in response to rate shifts. Computations of future effects of hypothetical interest rate changes are based on numerous assumptions and should not be relied upon as indicative of actual results. Assets and liabilities may react differently than projected to changes in market interest rates. The interest rates on certain types of assets and liabilities may fluctuate in advance of changes in market interest rates, while rates on other types of assets and liabilities may lag changes in market interest rates. Interest rate shifts may not be parallel.

Based on a twelve-month forecast of the balance sheet, the following table sets forth the Company's interest rate risk profile at September 30, 2026 compared to the twelve-month forecast of the balance sheet at December 31, 2025, discussed in detail in the Company's Annual Report on Form 10-K for the year ended December 31, 2025. For income simulation purposes, personal and business savings accounts reprice every two months, personal and business NOW accounts reprice every two months, and personal and business money market accounts reprice every two months. Management reviews all assumptions on a periodic basis and believes current assumptions support market conditions. The Company is liability sensitive, which means if interest rates fall, interest income will fall slower than interest expense and interest income will likely increase. The impact on net interest income, illustrated in the following table, would vary if different assumptions were used or if actual experience differs from that indicated by the assumptions.

Change in Interest Rates	Percentage Change in Net Interest Income	
	September 30, 2026	December 31, 2025
Down 100 basis points	3.8%	2.8%
Down 200 basis points	6.6%	4.1%
Up 100 basis points	-3.8%	-3.6%
Up 200 basis points	-7.7%	-7.6%

Item 4 – Controls and Procedures

The term "disclosure controls and procedures" is defined in Rule 13a-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act"). This term refers to the controls and procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files under the Exchange Act is recorded, processed, summarized and reported within required time periods. Our Chief Executive Officer, First Executive Officer, and our Chief Financial Officer have evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2026, and they have concluded that, as of this date, our disclosure controls and procedures were effective at ensuring that required information will be disclosed on a timely basis in our reports filed under the Exchange Act. There were no significant changes to our internal controls over financial reporting or in the other factors that could significantly affect our internal controls over financial reporting during the quarter ended September 30, 2026, including any corrective actions with regard to significant deficiencies and material weaknesses.

Part II - Other Information

Item 1 - Legal Proceedings

The Company and the Bank are an occasional party to legal actions arising in the ordinary course of its business. In the opinion of management, the Company has adequate legal defenses and/or insurance coverage respecting any and each of these actions and does not believe that they will materially affect the Company's operations or financial position.

Item 1A - Risk Factors

In addition to the other information set forth in this Quarterly Report, the reader should carefully consider the factors discussed in "Risk Factors" included within the Company's 2025 Form 10-K and subsequent filings with the SEC. There are no material changes to such risk factors. Such risks are not the only risks facing the Company. Additional risks and uncertainties not currently known to us

or that we currently believe to be immaterial also may materially adversely affect our business, financial condition and/or operating results. See “Item 2 - Management’s Discussion and Analysis of Financial Condition and Results of Operations - Caution About Forward-looking Statements.”

Item 2 - Unregistered Sales of Equity Securities and Use of Proceeds

On October 27, 2025, the Company publicly announced that the Board of Directors authorized the adoption of a stock repurchase program for up to $5.0 million of its outstanding common stock. The stock repurchase program became effective October 31, 2025. On June 1, 2026, the Company publicly announced the Board of Directors amended its existing common stock repurchase program to authorize the repurchase of up to an additional $5 million of its outstanding common stock. The expanded stock repurchase program became effective June 1, 2026. The following sets forth the number of shares of common stock repurchased by the Company, and the average paid for such shares, during the third quarter of 2026.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan
July 1 - 31, 2026	N/A	N/A	N/A	$ 4,929,568
August 1 - 31, 2026	60,000	$ 22.35	60,000	$ 3,588,568
September 1 - 30, 2026	N/A	N/A	N/A	$ 3,588,568
Total	60,000	$ 22.35	60,000	

Cumulatively under the stock repurchase program through September 30, 2026, there has been 328,301 shares purchased with a total dollar value of $6,413,432, leaving an approximate dollar value of shares that may be repurchased under the plan of $3,588,568 as disclosed above.

Item 3 - Defaults Upon Senior Securities

None.

Item 4 – Mine Safety Disclosures

None.

Item 5 - Other Information

During the three months ended September 30, 2026, 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 6 - Exhibits

Exhibit Number	Description
3.1	Articles of Incorporation as amended (conformed) (Incorporated by reference to Exhibit 3.1 of Registrant's Form 10-K filed on March 18, 2022).
3.2	Amended and Restated By-Laws (conformed) (Incorporated by reference to Exhibit 3.2 of Registrant's Form 10-K filed on March 18, 2022).
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a)/15d-14(a).
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a).
32	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 1350 of the Sarbanes-Oxley Act of 2002.
101.1	Interactive Data Files (XBRL)

No.	Description
101.INS	XBRL Instance Document.*
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definitions Linkbase Document.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* This instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL.

SIGNATURES

Pursuant to the requirements 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.

EMBASSY BANCORP, INC.
(Registrant)

Dated: November 13, 2026 By: /s/ David M. Lobach, Jr.
David M. Lobach, Jr.
President and Chief Executive Officer

Dated: November 13, 2026 By: /s/ Judith A. Hunsicker
Judith A. Hunsicker
First Executive Officer,
Chief Operating Officer and Secretary

Dated: November 13, 2026 By: /s/ Jeffrey C. Skumin
Jeffrey C. Skumin
Executive Vice President and Chief Financial Officer

EXHIBIT 31.1
CERTIFICATION

I, David M. Lobach, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Embassy Bancorp, 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 is made known to us by others, 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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
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 the registrant's board of directors:
    (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.

By: /s/ David M. Lobach, Jr.
DAVID M. LOBACH, JR.
President and Chief Executive Officer

DATED: November 13, 2026

EXHIBIT 31.2
CERTIFICATION

I, Judith A. Hunsicker, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Embassy Bancorp, 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 is made known to us by others, 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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
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 the registrant's board of directors:
    (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.

DATED: November 13, 2026

By: /s/ Judith A. Hunsicker
JUDITH A. HUNSICKER
First Executive Officer, Chief Operating Officer and Secretary

EXHIBIT 31.2
CERTIFICATION

I, Jeffrey C. Skumin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Embassy Bancorp, 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:
    (e) 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 is made known to us by others, particularly during the period in which this report is being prepared;
    (f) 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;
    (g) 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
    (h) 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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
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 the registrant's board of directors:
    (c) 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
    (d) 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.

DATED: November 13, 2026

By: /s/ Jeffrey C. Skumin
JEFFREY C. SKUMIN
Executive Vice President and Chief Financial Officer

EXHIBIT 32

Certification Pursuant to 18 U.S.C. 1350 and Section 906 of Sarbanes-Oxley Act of 2002

We hereby certify that the foregoing Form 10-Q of Embassy Bancorp, Inc. for the quarter ending September 30, 2026 complies in all respects with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained therein fairly presents, in all material respects, the financial condition and results of operations of Embassy Bancorp, Inc.

By: /s/ David M. Lobach, Jr.
DAVID M. LOBACH, JR.
President and Chief Executive Officer

By: /s/ Judith A. Hunsicker
JUDITH A. HUNSICKER
First Executive Officer,
Chief Operating Officer and Secretary

By: /s/ Jeffrey C. Skumin
JEFFREY C. SKUMIN
Executive Vice President and Chief Financial Officer

Dated: November 13, 2026