Greenville Federal

2024

ANNUAL REPORT

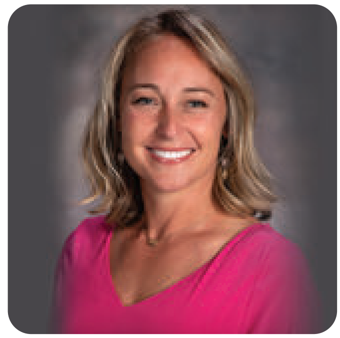
Member FDIC | EQUAL HOUSING LENDER

greenvillefederal.com

BOARD OF DIRECTORS

George Luce
Board Chairman

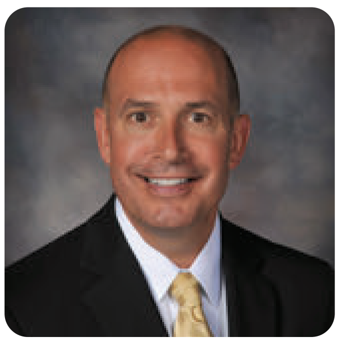
Ryan Dynes



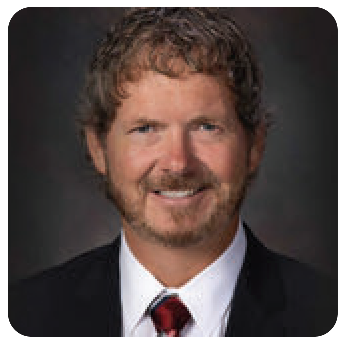
Rochelle Heinl-Bednarczuk

Pat Custenborder

John Schipfer



Joe Dickerson



Mark Miller

Julie Strait

OFFICERS

John Schipfer
President & CEO

Susan Barker
Executive Vice President & CFO

Annette Ryan-Baker
SVP, Commercial Lending Sales Manager

Pam Catalano
VP, Banking Center Operations Manager

Brad Gettinger
VP, Director of IT Infrastructure and Security

Holly Hildebrand
VP, Retail Lending Sales Manager

Delaney Brubaker
HR Manager

Lyndsay Huffman
Loan Officer

Ryan Knapke
Commercial Loan Officer

Corey Eagle
Collections Manager

GREENVILLE FEDERAL FINANCIAL CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

GREENVILLE FEDERAL FINANCIAL CORPORATION
Greenville, Ohio

CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

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Greenville Federal

Dear Shareholder:

I want to extend my gratitude to you and all our shareholders for your continued support of Greenville Federal. Thank you to our Greenville Federal team for their focused delivery of service to our customers and to the Greenville Federal Board of Directors for the continued support of Greenville Federal Financial Corporation.

Greenville Federal's mission is to serve our communities and grow our employees. We believe in and exemplify values that put the customer first: Honesty, Integrity, Service, Trust, Community, Accountability, Teamwork and Excellence.

Last year was highlighted by continued deposit competition across the industry, strong growth of our commercial and consumer loan portfolios, and our focus on improved efficiency including closure of our Greenville Kroger branch. We welcomed new products and services to Greenville Federal including Agriculture lending, as well as implementing Positive Pay to support our business customers' needs to reduce risk. With our branches in Greenville, Troy and Tipp City as well as Allpoint ATM services, we continue to actively serve Darke, Miami and surrounding counties.

As we move into 2025, we remain committed to our mission to serve our customers. Greenville Federal will strengthen our presence in the communities we serve, enhance our digital delivery, and achieve efficiencies in our process and technology. Our employees and I are proud of our Greenville Federal Give Back program through which we perform volunteer service in our community. Our School Spirit card program allocates a percentage of its fee to our local schools when each new debit card is opened. Both of these programs exemplify our values and commitment to the communities we serve.

On behalf of the Board of Directors, our Officers and staff, thank you for your continued support of Greenville Federal.

Sincerely,

John D Schipfer

John D Schipfer, President / CEO

INDEPENDENT AUDITOR'S REPORT

Audit Committee
Greenville Federal Financial Corporation
Greenville, Ohio

Opinion

We have audited the consolidated financial statements of Greenville Federal Financial Corporation, which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Greenville Federal Financial Corporation as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Greenville Federal Financial Corporation's ability to continue as a going concern for one year from the date the consolidated financial statements are available to be issued.

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the Letter from the President and Chief Executive Officer, Stockholder Information and Corporate Information but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Crowe LLP

Crowe LLP

Cleveland, Ohio
April 15, 2025

GREENVILLE FEDERAL FINANCIAL CORPORATION
CONSOLIDATED BALANCE SHEETS
December 31, 2024 and 2023
(In thousands, except shares and per share data)

	2024	2023
ASSETS		
Cash and due from banks	$ 3,734	$ 4,198
Overnight deposits	7,000	9,000
Interest-bearing deposits in other financial institutions	2,015	830
Cash and cash equivalents	12,749	14,028
Interest-bearing time deposits in other financial institutions	996	996
Securities held-to-maturity, at amortized cost (fair value of $15,439 and $17,729 at December 31, 2024 and 2023, respectively)	18,593	20,740
Loans receivable, net of allowance for credit losses of $1,667 and $1,315 at December 31, 2024 and 2023, respectively	207,751	185,653
Office properties and equipment, net	6,658	7,253
Stock in Federal Home Loan Bank	498	324
Cash surrender value of life insurance	6,424	6,253
Accrued interest receivable	1,065	905
Prepaid expenses and other assets	3,040	3,187
Total assets	$ 257,774	$ 239,339
LIABILITIES AND STOCKHOLDERS' EQUITY		
Noninterest-bearing deposits	$ 42,624	$ 41,647
Interest-bearing deposits	187,334	172,603
Total deposits	229,958	214,250
Advances by borrowers for taxes and insurance	1,029	993
Federal Home Loan Bank Advances	4,000	-
Other liabilities	2,024	1,665
Total liabilities	237,011	216,908
Common stock – authorized 8,000,000 shares, $.01 par value; 2,298,411 shares issued (2,031,052 and 2,042,919 shares outstanding at December 31, 2024 and 2023)	23	23
Additional paid-in capital	9,308	9,281
Treasury stock, at cost (267,359 and 255,492 shares at December 31, 2024 and 2023)	(2,225)	(2,131)
Retained earnings	13,812	15,490
Unearned Employee Stock Ownership Plan (ESOP) shares	(155)	(232)
Total stockholders' equity	20,763	22,431
Total liabilities and stockholders' equity	$ 257,774	$ 239,339

See accompanying notes.

GREENVILLE FEDERAL FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
Years ended December 31, 2024 and 2023
(In thousands, except per share data)

	2024	2023
Interest income		
Loans	$ 9,624	$ 8,202
Taxable securities	391	453
Tax-exempt securities	39	46
Interest-bearing deposits and other	499	619
Total interest income	10,553	9,320
Interest expense		
Deposits	4,284	2,835
Borrowings	4	-
Total interest expense	4,288	2,835
Net interest income	6,265	6,485
Provision for credit losses	459	(258)
Net interest income after provision for credit losses	5,806	6,743
Noninterest income		
Customer service charges	1,011	995
Gain on sale of mortgage loans	32	47
Other	440	410
Total noninterest income	1,483	1,452
Noninterest expense		
Employee compensation and benefits	4,654	3,821
Occupancy and equipment	1,124	1,108
Franchise taxes	183	184
Data processing	1,284	1,154
Other	1,670	1,468
Total noninterest expense	8,915	7,735
Income (loss) before federal income taxes	(1,626)	460
Federal income taxes		
Current	54	10
Deferred	(2)	41
Total federal income taxes	52	51
Net income (loss)	$ (1,678)	$ 409
Earnings per share, basic	$ (0.84)	$ 0.20
Earnings per share, diluted	$ (0.84)	$ 0.20

See accompanying notes.

GREENVILLE FEDERAL FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
Years ended December 31, 2024 and 2023
(In thousands)

	Common Stock	Treasury Shares	Additional Paid-in Capital	Retained Earnings	Unearned ESOP Shares	Total
Balance, January 1, 2023	$ 23	$ (1,716)	$ 9,298	$ 15,081	$ (310)	$ 22,376
Repurchase of 24,524 common shares from stockholders	-	(202)	-	-	-	(202)
Repurchase of 27,975 allocated ESOP shares for employee diversification or separation	-	(250)	-	-	-	(250)
Net income	-	-	-	409	-	409
Transfer of 5,000 restricted shares to broker	-	37	(37)	-	-	-
Allocation of ESOP shares	-	-	(11)	-	78	67
Stock-based compensation expense	-	-	31	-	-	31
Balance, December 31, 2023	$ 23	$ (2,131)	$ 9,281	$ 15,490	$ (232)	$ 22,431
Repurchase of 8,050 common shares from stockholders	-	(64)	-	-	-	(64)
Repurchase of 3,817 allocated ESOP shares for employee diversification or separation	-	(30)	-	-	-	(30)
Net loss	-	-	-	(1,678)	-	(1,678)
Allocation of ESOP shares	-	-	(15)	-	77	62
Stock-based compensation expense	-	-	42	-	-	42
Balance, December 31, 2024	$ 23	$ (2,225)	$ 9,308	$ 13,812	$ (155)	$ 20,763

See accompanying notes.

GREENVILLE FEDERAL FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2024 and 2023
(In thousands)

	2024	2023
Cash flows from operating activities:		
Net income (loss)	$ (1,678)	$ 409
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Amortization of premiums and discounts on investments and mortgage-backed securities, net	57	51
Accretion of deferred loan origination fees	(104)	(14)
Proceeds from sale of loans	1,166	309
Origination of loans held for sale	(1,287)	(316)
Depreciation and amortization	447	465
Change in fair value of premises and equipment	-	-
Amortization of mortgage servicing rights	(35)	46
Amortization of ESOP expense	62	67
Gain on sales of loans, net	(32)	(47)
Provision for losses on loans	459	(258)
Changes in fair value of mortgage servicing rights	12	19
Loss on sale of real estate acquired through foreclosure	-	-
Deferred Tax Expense	(2)	41
Amortization of expense related to stock benefit plans	42	34
Increase in cash surrender value of life insurance	(171)	(158)
Increase (decrease) in cash due to changes in:		
Accrued interest receivable	(160)	(32)
Prepaid expenses and other assets	184	(269)
Accrued interest payable	41	43
Operating Lease liabilities	-	(48)
Other liabilities	318	(888)
Net cash provided by operating activities	(681)	(546)
Cash flows used in investing activities:		
Proceeds from repayment of mortgage-backed securities	2,090	2,217
Purchase of mortgage-backed securities designated as held-to-maturity	-	-
Proceeds from repayment of municipal obligations designated as held-to-maturity	-	155
Purchase of municipal obligations designated as held-to-maturity	-	-
Net change in interest-bearing time deposits in other financial institutions	-	498
Loan principal repayments	38,927	75,215
Loan disbursements	(61,239)	(72,240)
Disposal (purchase) of office premises and equipment, net	148	(1,915)
Redemption of (investment in) FHLB Stock	(174)	215
Proceeds from sale of real estate acquired through foreclosure	-	-
Net cash used in investing activities	(20,248)	4,145

(Continued)

(In thousands)

	2024	2023
Cash flows provided by financing activities:		
Net increase (decrease) in deposit accounts	$ 15,708	$ (2,014)
Repayment of Federal Home Loan Bank advances	-	-
Advances by borrowers for taxes and insurance	36	(41)
Proceeds from Federal Home Loan Bank advances	4,000	-
Purchase of Treasury Stock	(94)	(452)
Dividends paid on common stock	-	-
Net cash used in financing activities	19,650	(2,507)
Increase (decrease) in cash and cash equivalents	(1,279)	1,092
Cash and cash equivalents at beginning of year	14,028	12,936
Cash and cash equivalents at end of year	$ 12,749	$ 14,028
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest on deposits and borrowings	$ 4,247	$ 2,791
Federal income taxes	-	150
Supplemental disclosure of noncash activities:		
Capitalization of mortgage servicing rights	$ 12	$ 13
Operating lease right-of-use asset	-	-
Operating lease liability	-	-

See accompanying notes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation: The consolidated financial statements include Greenville Federal Financial Corporation ("GFFC") and its wholly owned subsidiary, Greenville Federal, together referred to as "the Corporation." Intercompany transactions and balances are eliminated in consolidation. Greenville Federal MHC, a federally chartered mutual holding company, owns 58.4% of GFFC's outstanding stock.

Nature of Operations: Greenville Federal provides financial services through its main office in Greenville, Ohio and branch offices in Troy, Ohio and Tipp City, Ohio. Its primary deposit products are checking, savings, and term certificate accounts, and its primary lending products are residential mortgage, commercial, commercial real estate and consumer loans. Substantially all loans are secured by specific items of collateral including business assets, consumer assets, and commercial and residential real estate. Commercial loans are expected to be repaid from cash flow from operations of businesses. There are no significant concentrations of loans to any one industry or customer. However, the customers' ability to repay their loans is dependent on the real estate and general economic conditions in the area.

Subsequent Events: The Corporation has evaluated subsequent events for recognition and disclosure through April 15, 2025, which is the date the financial statements were available to be issued.

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

Cash Flows: Cash and cash equivalents include cash and due from banks and interest-bearing deposits in other financial institutions (including the FHLB and the Federal Reserve Bank) with original terms to maturity of less than ninety days. Net cash flows are reported for interest-bearing time deposits, customer deposit transactions and borrowings with original maturities of less than ninety days.

Interest-Bearing Time Deposits in Other Financial Institutions: Interest-bearing time deposits in other financial institutions mature within one year and are carried at cost.

Securities: Held-to-maturity securities, which include any security for which the Corporation has the positive intent and ability to hold until maturity, are carried at historical cost adjusted for amortization of premiums and accretion of discounts.

Equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) are measured at fair value with changes in fair value recognized in net income.

Amortization of premiums and accretion of discounts are recorded as interest income from securities. Realized gains and losses are recorded as net security gains (losses).

Allowance for Credit Losses – Held-to-Maturity Securities: Management measures expected credit losses on held-to-maturity securities on a collective basis. Accrued interest receivable on held to maturity debt securities, recorded in accrued interest receivable on the Consolidated Balance Sheet, was immaterial at both December 31, 2024 and 2023, and is excluded from the estimate of credit losses. The estimate of expected credit losses considers historical credit loss information adjusted for current conditions and reasonable and supportable forecasts.

The Corporation classifies the held to maturity portfolio into two security types: mortgage-backed and municipal bond securities. All of the mortgaged backed securities held by the company are issued by U.S. government entities and agencies. These securities are either explicitly or implicitly guaranteed by the government. All held to maturity securities are highly rated by major rating agencies and have a long history of no credit losses.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loans: Loans held in the portfolio are stated at the principal balance outstanding, adjusted for deferred loan origination fees and costs and the allowance for loan losses. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and recognized in interest income using the level-yield method without anticipating prepayments.

Interest income on mortgage, commercial, and consumer loans is discontinued and placed on non-accrual status at the time the loan is 90 days delinquent unless the loan is well-secured and in process of collection. Mortgage loans and closed-end credit consumer loans are charged off at 120 days past due, and commercial loans are charged off to the extent principal or interest is deemed uncollectible. Consumer open-end credit loans are charged off at 180 days past due unless the loan is in the process of collection. Past-due status is based on the contractual terms of the loan. In all cases, loans are placed on non-accrual or charged-off at an earlier date if collection of principal or interest is considered doubtful. Non-accrual loans and loans past due 90 days still on accrual include both smaller balance homogeneous loans that are collectively evaluated for impairment and individually classified impaired loans.

All interest accrued but not received for loans placed on non-accrual is reversed against interest income. Interest received on such loans is accounted for on the cash-basis, until qualifying for return to accrual. Interest income is recorded when the payment is received in cash. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and further payments are reasonably assured.

The Corporation’s lending efforts have historically focused on one- to four-family and multi-family residential real estate loans in its market area of west central Ohio. In recent years, commercial real estate and commercial lending has become more significant. Commercial loans include loans collateralized by aircraft. The Corporation, as with any lending institution, is subject to the risk that economic conditions could deteriorate in its primary lending area, thereby increasing overall credit risk.

Loan Commitments and Related Financial Instruments: Financial instruments include off-balance-sheet credit instruments, such as commitments to make loans and commercial letters of credit, issued to meet customer financing needs. The face amount for these items represents the exposure to loss, before considering customer collateral or ability to repay. Such financial instruments are recorded when they are funded.

Loans Held for Sale: Loans held for sale are carried at the lower of cost or fair value, determined in the aggregate. In computing cost, deferred loan origination fees are deducted from the principal balances of the related loans.

Mortgage loans held for sale are generally sold with servicing rights retained. The carrying value of mortgage loans sold is reduced by the amount allocated to the servicing right. Gains and losses on sales of mortgage loans are based on the difference between the selling price and the carrying value of the related loan sold.

Allowance for Credit Losses - Loans: The allowance for credit losses is a contra asset valuation account that is deducted from the amortized cost basis of loans to present the net amount expected to be collected on the loans. Loans, or portions thereof, are charged off against the allowance when they are deemed uncollectible. Expected recoveries do not exceed the aggregate of amounts previously charged-off and expected to be charged-off. The ACL is adjusted through the provision for credit losses and reduced by net charge offs of loans.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Management estimates the allowance balance using relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. Adjustments to historical loss information are made for differences in current loan-specific risk characteristics such as differences in underwriting standards, portfolio mix, delinquency level, or term as well as for changes in environmental conditions, such as changes in unemployment rates, property values, or other relevant factors.

The allowance for credit losses is measured on a collective (pool) bases when similar risk characteristics exist. The following portfolio segments have been identified: construction real estate, residential real estate, commercial real estate, land, commercial and consumer. The weighted average remaining maturity (WARM) model is used to estimate the allowance for credit losses on all segments. The Company considers loan performance and collateral values in assessing risk in the loan portfolio. A description of each class, and the corresponding segments of the loan portfolio, along with the risk characteristics for each is included below:

Construction Real Estate Loans: Construction real estate loans represent loans for the construction of a residence or commercial property. The risks are similar to residential real estate and commercial loans but include additional risk should construction costs exceed budget. Construction progress is monitored through periodic inspections to ensure construction draws are consistent with the percentage of completion.

Residential Real Estate Loans: Residential real estate loans represent loans to consumers for the purchase, refinance, or improvement of a residence. These loans also include variable rate home equity lines of credit. Real estate market values at the time of origination directly affect the amount of credit extended and, in the event of default, subsequent changes in these values may impact the severity of losses. Factors considered by management include unemployment levels and residential real estate values in the Corporation's market area.

Commercial Real Estate Loans: Commercial real estate loans are subject to underwriting standards and processes similar to commercial loans. These loans are viewed primarily as cash flow loans and the repayment of these loans is largely dependent on the successful operation of the property. Loan performance may be adversely affected by factors impacting the general economy or conditions specific to the real estate market such as geographic location and property types. Management specifically considers vacancy rates in its market area, as well as real estate values and, to a lesser extent, unemployment and energy prices.

Land Loans: Land loans include loans to develop vacant or raw land and are made to various builders and developers with whom the Corporation has had long-standing relationships. All such loans are secured by land zoned for residential or commercial developments and located within the Corporation's market area.

The Corporation also makes loans to individuals who purchase and hold land for various reasons, such as the future construction of a residence. Land lending is considered to involve a higher level of credit risk due to the fact that funds are advanced upon the security of the land, which is of uncertain value prior to its development.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Commercial Loans: Commercial credit is extended to commercial customers for use in normal business operations to finance working capital needs, equipment purchases, or other projects. The majority of these borrowers are customers doing business in the Corporation's primary market area. These loans are generally underwritten individually and secured with the assets of the company and the personal guarantee of the business owners. Commercial loans are made based primarily on the basis of the borrower's ability to make repayment from the historical and projected cash flow of the borrower's business and the underlying collateral provided by the borrower. Management specifically considers unemployment, energy prices and, to a lesser extent, real estate values and vacancies in the Corporation's market area.

Consumer Loans: Consumer loans are primarily comprised of secured loans including automobile loans, loans on savings deposits and home improvement loans, and to a lesser extent unsecured personal loans. These loans are underwritten based on several factors including debt to income, type of collateral and loan to collateral value, credit history and relationship with the borrower. Unemployment rates and energy prices are specifically considered by management.

Loans that do not share risk characteristics are evaluated on an individual basis. Loans evaluated individually are not also included in the collective evaluation. When management determines that foreclosure is probable, expected credit losses are based on the fair value of the collateral at the reporting date, adjusted for selling costs as appropriate.

<u>Servicing Assets</u>: Servicing rights are recognized separately when they are acquired through sales of loans. When mortgage loans are sold, servicing rights are intitally recorded at fair value with the income statement effect recorded in gains on sales of loans. Fair value is based on market prices for comparable mortgage servicing contracts, when available, or alternatively is based on a valuation model that calculates the present value of estimated future net servicing income.

Under the fair value measurement method, the Company measures servicing rights at fair value at each reporting date and reports changes in fair value of servicing assets in earnings in the period in which the changes occur, and are included with other noninterest expense on the income statement. The fair values of servicing rights are subject to significant fluctuations as a result of changes in estimated and actual prepayment speeds and default rates and losses.

Servicing fee income, which is reported on the income statement as other noninterest income, is recorded for fees earned for servicing loans. The fees are based on a contractual percentage of the outstanding principal; or a fixed amount per loan and are recorded as income when earned.

<u>Foreclosed Assets</u>: Real estate acquired through foreclosure is transfered at fair value less estimated selling expenses at the date of acquisition. Physical possession of residential real estate property collateralizing a consumer mortgage loan occurs when legal title is obtained upon completion of foreclosure or when the borrower conveys all interest in the property to satisfy the loan through completion of a deed in lieu of foreclosure or through a similar legal agreement. Real estate loss provisions are recorded if the properties' fair value subsequently declines below the value determined at the transfer date. In determining the fair value at acquisition, costs relating to development and improvement of property are considered. Costs relating to holding real estate acquired through foreclosure, net of rental income, are charged against earnings as incurred.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Premises and Equipment: Office premises and equipment are carried at cost less accumulated depreciation and include expenditures which extend the useful lives of existing assets. Maintenance, repairs and minor renewals are expensed as incurred. For financial reporting, depreciation and amortization are provided on the straight-line method over the useful lives of the assets, estimated to be forty years for buildings, three to ten years for furniture and equipment, the lesser of the useful life or lease term for leasehold improvements, and five years for automobiles. Improvements are depreciated over their individual useful lives.

Investment in Federal Home Loan Bank Stock: Greenville Federal is required, as a condition of membership in the Federal Home Loan Bank of Cincinnati ("FHLB"), to maintain an investment in FHLB common stock. The stock is redeemable at par and, therefore, its cost is equivalent to its redemption value. Greenville Federal's ability to redeem FHLB shares is dependent on the redemption practices of the FHLB.

At December 31, 2024, the FHLB placed no restrictions on redemption of shares in excess of a member's required investment in the stock.

Company Owned Life Insurance: The Corporation has purchased life insurance policies on certain key executives. Company owned life insurance is recorded at the amount that can be realized under the insurance contract at the balance sheet date, which is the cash surrender value adjusted for other charges or other amounts due that are probable at settlement.

Stock-Based Compensation: Compensation cost is recognized for stock options and restricted stock awards issued to employees and directors, based on fair value of these awards at the date of grant. A Black-Scholes model is utilized to estimate the fair value of stock options, while the market price of the Corporation's common stock at the date of grant is used for restricted stock awards.

Compensation cost is recognized over the required service period, generally defined as the vesting period. For awards with graded vesting, compensation cost is recognized on a straight-line basis over the requisite service period for the entire award.

Income Taxes: Income tax expense is the total of the current year income tax due or refundable and the change in deferred tax assets and liabilities. Deferred tax assets and liabilities are the expected future tax amounts for the temporary differences between carrying amounts and tax basis of assets and liabilities, computed using enacted tax rates. A valuation allowance, if needed, reduces deferred tax assets to the amount expected to be realized.

A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

The Corporation recognizes interest and/or penalties related to income tax matters in income tax expense.

Retirement Plans: Employee 401(k) expense is the amount of matching contributions. Deferred compensation plan expense allocates the benefits over the years of service.

Employee Stock Ownership Plan: The cost of shares issued to the Employee Stock Ownership Plan ("ESOP"), but not yet allocated to participants, is shown as a reduction of stockholders' equity. Compensation expense is based on the fair value of shares as they are committed to be released to participant accounts. Dividends on allocated ESOP shares reduce retained earnings; dividends on unearned ESOP shares reduce debt and accrued interest. Participants may exercise a put option and require the Corporation to repurchase their ESOP shares upon termination of employment.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Earnings Per Common Share: Basic earnings per common share is computed based upon the weighted-average number of common shares outstanding during the period, less shares in the Corporation's ESOP that are unallocated and not committed to be released and unearned restricted stock awards. Diluted earnings per share includes the dilutive effect of potential common shares issuable under stock options.

For the fiscal year ended December 31, 2024, weighted-average shares outstanding were computed as follows: (1) 2,032,946 average shares were outstanding for the period from January 1, 2024 through December 31, 2024, (2) 22,500 weighted-average shares in the ESOP that were unallocated and not committed to be released were not considered outstanding for the fiscal year ended December 31, 2024, and (3) average unearned restricted stock awards of 11,629 were not considered outstanding. Weighted-average shares outstanding totaled 1,998,817 for the fiscal year ended December 31, 2024. Diluted earnings per common share include the dilutive effect of all additional potential common shares issuable. Weighted-average shares outstanding for purposes of computing diluted earnings per share totaled 1,998,817 for the fiscal year ended December 31, 2024, 64,801 outstanding stock options were not considered in computing diluted earnings per share because they were antidilutive.

For the fiscal year ended December 31, 2023, weighted-average shares outstanding were computed as follows: (1) 2,068,304 average shares were outstanding for the period from January 1, 2023 through December 31, 2023, (2) 32,603 weighted-average shares in the ESOP that were unallocated and not committed to be released were not considered outstanding for the fiscal year ended December 31, 2023, and (3) average unearned restricted stock awards of 9,248 were not considered outstanding. Weighted-average shares outstanding totaled 2,026,453 for the fiscal year ended December 31, 2023. Diluted earnings per common share include the dilutive effect of all additional potential common shares issuable. Weighted-average shares outstanding for purposes of computing diluted earnings per share totaled 2,026,453 for the fiscal year ended December 31, 2023. 87,612 outstanding stock options were not considered in computing diluted earnings per share because they were antidilutive.

Comprehensive Income: Comprehensive income consists of net income and other comprehensive income. The Corporation had no other comprehensive income during 2024 and 2023.

Loss Contingencies: Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. Management does not believe there now are such matters that will have a material effect on the financial statements.

Dividend Restricton: Banking regulations require maintaining certain capital levels and may limit the dividends paid by the bank to the holding company or by the holding company to stockholders.

Fair Value of Financial Instruments: Fair values of financial instruments are estimated using relevant market information and other assumptions, as more fully disclosed in a separate note. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular items. Changes in assumptions or in market conditions could significantly affect the estimates.

Reclassifications: Reclassification of certain amounts in the prior years consolidated financial statements have been made to conform to the current presentation. Reclassifications had no effect on prior year net income or stockholders' equity.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases: Leases are classified as operating or finance leases at the lease commencement date. The Corporation only has operating leases currently. Lease expense for operating leases is recognized on a straight-line basis over the lease term. Right-of-use assets represent our right to use an underlying asset for the lease term and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term.

The Corporation uses its incremental borrowing rate at lease commencement to calculate the present value of lease payments when the rate implicit in a lease is not known. The Corporation's incremental borrowing rate is based on FHLB amortizing advance rate, adjusted for the lease term and other factors.

Adoption of New Accounting Standards: On January 1, 2023, the Company adopted ASU 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments,* as amended, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities.

The Company adopted ASC 326 using the modified retrospective method for all financial assets measured at amortized cost, and off-balance-sheet (OBS) credit exposures. Results for reporting periods beginning after January 1, 2023 are presented under ASC 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. The Company recorded a $269,000 increase to the allowance for credit losses for loans as of January 1, 2023 for the cumulative effect of adopting ASC 326. The Company recorded no allowance for credit losses for held-to-maturity securities or for OBC credit exposures as management estimated the impact to be immaterial.

NOTE 2 –SECURITIES

The amortized cost, gross unrecognized gains, gross unrecognized losses and estimated fair value of securities held to maturity at December 31, 2024 and 2023 were as follows (in thousands):

	Amortized Cost	Gross Unrecognized Gains	Gross Unrecognized Losses	Fair Value
December 31, 2024				
Federal Home Loan Mortgage Corporation participation certificates	$ 21	$ -	$ 13	$ 8
Federal National Mortgage Association participation certificates	15,313	5	2,820	12,498
Government National Mortgage Association participation certificates	1,376	-	226	1,150
Municipal obligations	1,883	-	100	1,783
	$ 18,593	$ 5	$ 3,159	$ 15,439

(Continued)

NOTE 2 –SECURITIES (Continued)

	Amortized Cost	Gross Unrecognized Gains	Gross Unrecognized Losses	Fair Value
December 31, 2023				
Federal Home Loan Mortgage				
Corporation participation certificates	$ 45	$ -	$ 20	$ 25
Federal National Mortgage				
Association participation certificates	17,219	1	2,638	14,852
Government National Mortgage				
Association participation certificates	1,581	-	242	1,339
Municipal obligations	1,895	-	112	1,783
	$ 20,740	$ 1	$ 3,012	$ 17,729

The carrying amount of securities excludes an allowance for credit losses due to immateriality.

The amortized cost and estimated fair values of securities held to maturity at December 31, 2024 and due at a single maturity date, by contractual term to maturity, are shown below (in thousands). Actual maturities will differ from contractual maturities because borrowers may generally prepay obligations without prepayment penalties.

	Cost	Fair Value
Due in one year or less	$ -	$ -
Due after one year through five years	605	605
Due after five years through fifteen years	1,278	1,178
Due after fifteen years	-	-
	$ 1,883	$ 1,783

Participation certificates are not due at a single maturity date but instead are repaid in accordance with the underlying 1-4 family collateral and are therefore not shown above.

(Continued)

NOTE 2 –SECURITIES (Continued)

The tables below indicate the length of time individual securities have been in a continuous unrecognized loss position at December 31, 2024 and 2023, respectively (in thousands):

Held-to-Maturity	Less than 12 Months		12 Months or More		Total	
December 31, 2024	Fair Value	Unrecognized Loss	Fair Value	Unrecognized Loss	Fair Value	Unrecognized Loss
Federal Home Loan Mortgage Corporation participation certificates	$ –	$ –	$ 8	$ 13	$ 8	$ 13
Federal National Mortgage Association participation certificates	–	–	11,895	2,820	11,895	2,820
Government National Mortgage Association participation certificates	–	–	1,150	226	1,150	226
Municipal obligations	–	–	599	100	599	100
Total held-to-maturity	$ –	$ –	$ 13,652	$ 3,159	$ 13,652	$ 3,159
December 31, 2023						
Federal Home Loan Mortgage Corporation participation certificates	$ –	$ –	$ 24	$ 20	$ 24	$ 20
Federal National Mortgage Association participation certificates	–	–	14,567	2,638	14,567	2,638
Government National Mortgage Association participation certificates	–	–	1,340	242	1,340	242
Municipal obligations	–	–	598	112	598	112
Total held-to-maturity	$ –	$ –	$ 16,529	$ 3,012	$ 16,529	$ 3,012

Fifteen of the Company’s nineteen participation certificates are in an unrecognized loss position at December 31, 2024. One of the Company’s four municipal obligations are in an unrecognized loss position at December 31, 2024. Management considers the unrecognized losses to be driven largely by changes in interest rates and other market conditions. Management believes the fair value of the securities will recover as the securities approach maturity. The Company’s participation certificates are backed by an implicit guarantee of the U.S. Treasury and as such no credit loss is expected. The municipal obligations are local issues monitored on an individual basis and no credit losses are anticipated. None are on nonaccrual or considered to be collateral dependent at December 31, 2024.

There were no securities sold during 2024 or 2023.

There were no securities pledged at December 31, 2024 and 2023. Securities eligible to be pledged at December 31, 2024 and 2023 had a carrying amount of $18,593,000 and $20,740,000, respectively.

(Continued)

NOTE 3 – LOANS

The composition of the loan portfolio at December 31, 2024 and 2023 was as follows (in thousands):

	2024	2023
Construction real estate	$ 9,112	$ 12,448
Residential real estate	134,863	122,796
Commercial real estate	43,963	31,781
Land	1,361	640
Commercial	28,028	23,649
Consumer	2,133	2,652
Total loans	219,460	193,966
Less:		
Deferred loan origination fees, net	416	312
Allowance for loan losses	1,667	1,315
Undisbursed portion of loans in process	9,626	6,686
Net loans	$ 207,751	$ 185,653

(Continued)

NOTE 3 – LOANS (Continued)

Loans serviced for others are not reported as assets. The principal balance of these loans at December 31, 2024 and 2023 was approximately $77.7 and $84.5 million, respectively. Servicing rights, included in prepaid expenses and other assets, associated with the serviced loans totaled $940,500 and $987,000 at December 31, 2024 and 2023, respectively.

The following table presents the activity in the allowance for loan losses by portfolio segment for the years ending December 31, 2024 and 2023 (in thousands):

	Construction Real Estate	Residential Real Estate	Commercial Real Estate	Land	Commercial	Consumer	Unallocated	Total
December 31, 2024								
Allowance for loan losses:								
Beginning balance	$ 202	$ 708	$ 208	$ 7	$ 151	$ 39	$ -	$ 1,315
Credit loss expense	(15)	334	21	38	64	17	-	459
Loans charged-off	-	-	-	-	(80)	(88)	-	(168)
Recoveries	-	2	-	-	-	59	-	61
Total ending allowance balance	$ 187	$ 1,044	$ 229	$ 45	$ 135	$ 27	$ -	$ 1,667
December 31, 2023								
Allowance for loan losses:								
Beginning balance, prior to adoption of ASC 326	$ 83	$ 768	$ 210	$ 5	$ 49	$ 18	$ 100	$ 1,333
Impact of adopting ASC 326	261	(59)	81	7	(19)	(2)	-	269
Credit loss expense	(142)	(16)	(83)	(5)	21	67	(100)	(258)
Loans charged-off	-	-	-	-	-	(58)	-	(58)
Recoveries	-	15	-	-	-	14	-	29
Total ending allowance balance	$ 202	$ 708	$ 208	7	$ 151	$ 39	$ -	1,315

(Continued)

NOTE 3 – LOANS (Continued)

The following tables present the amortized cost basis of loans on nonaccrual status and loans past due over 90 days still accruing as of December 31, 2024 (in thousands):

	Nonaccrual With No Allowance for Credit Loss	Nonaccrual	Loans Past Due Over 89 Days Still Accruing
Residential real estate:			
1-4 family residential	$ 76	$ -	$ -
Commercial real estate	884	-	-
Total	$ 960	$ -	$ -

The following table presents the recorded investment in nonaccrual and loans past due over 90 days still on accrual by class of loans as of December 31, 2023 (in thousands):

	Nonaccrual With No Allowance For Credit Loss	Nonaccrual	Loans Past Due Over 89 Days Still Accruing
Residential real estate:			
1-4 family residential	$ -	-	$ 83
Commercial real estate	860	-	-
Total	$ 860	-	$ 83

As of December 31, 2024 and 2023, the Corporation had one commercial real estate loan that was on non-accrual. Repayment is expected through the sale of the collateral so the loan is considered to be collateral-dependent. Management has determined it is fully collateralized by real estate.

NOTE 3 – LOANS (Continued)

The following table presents the aging of the recorded investment in past due loans as of December 31, 2024 and 2023 by class of loans (in thousands):

	30 - 59 Days Past Due	60 - 89 Days Past Due	90 Days or More Past Due	Total Past Due	Loans Not Past Due	Total
December 31, 2024						
Construction real estate	$ -	$ -	$ -	$ -	$ 3,549	$ 3,549
Residential real estate:						
1-4 family residential	-	-	76	76	128,367	128,482
Home equity line of credit	-	39	-	39	6,363	6,363
Commercial real estate:						
Commercial real estate	-	-	883	883	30,124	31,007
Multi-family residential	-	-	-	-	8,892	8,892
Land	-	-	-	-	1,361	1,361
Commercial	-	-	-	-	28,027	28,027
Consumer:						
Auto	-	-	-	-	939	939
Other	9	-	-	9	1,205	1,214
Total	$ 9	$ 39	$ 959	$ 1,007	$208,827	$209,834
December 31, 2023						
Construction real estate	$ -	$ -	$ -	$ -	$ 6,644	$ 6,644
Residential real estate:						
1-4 family residential	-	-	83	83	117,035	117,118
Home equity line of credit	42	-	-	42	5,677	5,719
Commercial real estate:						
Commercial real estate	-	-	-	-	25,516	25,516
Multi-family residential	-	-	-	-	5,383	5,383
Land	-	-	-	-	640	640
Commercial	-	-	-	-	23,649	23,649
Consumer:						
Auto	-	-	-	-	1,149	1,149
Other	6	11	-	17	1,485	1,502
Total	$ 48	$ 11	$ 83	$ 142	$187,138	$187,280

Occasionally, the Corporation modifies loans to borrowers in financial distress by providing principal forgiveness, payment delay, term extension, interest rate reduction, or combinations of the previously mentioned. When principal forgiveness is provided, the amount of forgiveness is charged-off against the allowance for credit losses.

NOTE 3 – LOANS (Continued)

The Corporation modified one commercial loan with a recorded investment of $860,000 to a customer experiencing financial difficulty during the year ended December 31, 2023. The Corporation accepted a payment delay on the loan. The Corporation modified the same loan during the year ended December 31, 2024, accepting a further payment delay. The loan, with a recorded investment of $883,000 as of December 31, 2024, was in default as it was past due more than 89 days. The Corporation had no specific reserves allocated to the loan. The Corporation has not committed to lend additional amounts as of December 31, 2024 and 2023 to the customer.

In order to determine whether a borrower is experiencing financial difficulty, an evaluation is performed of the probability that the borrower will be in payment default on any of its debt in the foreseeable future without the modification. This evaluation is performed under the company's internal underwriting policy.

Credit Quality Indicators:

The Corporation categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Corporation analyzes loans individually by classifying the loans as to credit risk. This analysis includes loan relationships greater than $250,000 and non-homogenous loans, such as commercial and commercial real estate loans. This analysis is performed on an annual basis. The Corporation uses the following definitions for risk ratings:

Special Mention. Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

Substandard. Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

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

Loss. Loans or a portion thereof classified as losses considered uncollectible and of such little value that its continuance as an asset, without establishment of a specific valuation allowance or charge-off, is not warranted. This classification does not necessarily mean that an asset has absolutely no recovery or salvage value; but rather, it is not practical or desirable to defer writing off a basically worthless asset (or portion) even though partial recovery may be affected in the future.

Loans not meeting the above criteria that are analyzed individually as part of the above described process are considered to be pass rated loans.

(Continued)

NOTE 3 – LOANS (Continued)

Based on the most recent analysis performed, the risk category of loans by class is as follows (in thousands):

	Term Loans Amortized Cost Basis by Origination Year						
	2024	2023	2022	2021	Prior	Revolving Loans Amortized Cost Basis	Total
As of December 31, 2024							
Commercial							
Risk Rating							
Pass	$ 10,828	$ 7,929	$ 4,645	$ 3,573	$ 1,726	$ -	$ 28,701
Special Mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-
Total Commercial loans	$ 10,828	$ 7,929	$ 4,645	$ 3,573	$ 1,726	$ -	$ 28,701
Commercial							
Current period gross write offs	$ 80	$ -	$ -	$ -	$ -	$ -	$ 80
Construction real estate:							
Risk Rating							
Pass	$ 9,112	$ -	$ -	$ -	$ -	$ -	$ 9,112
Special Mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-
Total Construction real estate	$ 9,112	$ -	$ -	$ -	$ -	$ -	$ 9,112

(Continued)

NOTE 3 – LOANS (Continued)

	Term Loans Amortized Cost Basis by Origination Year						
	2024	2023	2022	2021	Prior	Revolving Loans Amortized Cost Basis	Total
As of December 31, 2024							
Construction real estate:							
Current period gross write offs	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commercial real estate:							
Risk Rating							
Pass	$ 17,405	$ 2,982	$ 5,907	$ 6,793	$ 9,993	$ -	$ 43,080
Special Mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	883	-	883
Doubtful	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-
Total Commercial real estate	$ 17,405	$ 2,982	$ 5,907	$ 6,793	$ 10,876	$ -	$ 43,963
Commercial real estate:							
Current period gross write offs	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Land:							
Risk Rating							
Pass	$ 830	$ -	$ -	$ 160	$ 371	$ -	$ 1,361
Special Mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-
Total Land	$ 830	$ -	$ -	$ 160	$ 371	$ -	$ 1,361
Land:							
Current period gross write offs	$ -	$ -	$ -	$ -	$ -	$ -	$ -

(Continued)

NOTE 3 – LOANS (Continued)

The Corporation considers the performance of the loan portfolio and its impact on the allowance for credit losses. For residential and consumer loan classes, the Corporation also evaluates credit quality based on the aging status of the loan, which was previously presented, and by payment activity. The following table presents the amortized cost in residential and consumer loans based on payment activity:

	Term Loans Amortized Cost Basis by Origination Year						
	2024	2023	2022	2021	Prior	Revolving Loans Amortized Cost Basis	Total
As of 12/31/2024							
Consumer - other:							
Payment performance							
Performing	$ 284	$ 847	$ 42	$ 19	$ 2	$ -	$ 1,194
Nonperforming	-	-	-	-	-	-	-
Total Consumer - other loans	$ 284	$ 847	$ 42	$ 19	$ 2	$ -	$ 1,194
Consumer - other:							
Current period gross write offs	$ -	$ -	$ -	$ 88	$ -	$ -	$ 88
Consumer - auto:							
Payment performance							
Performing	$ 299	$ 473	$ 141	$ 24	$ 2	$ -	$ 939
Nonperforming	-	-	-	-	-	-	-
Total Consumer - auto loans	$ 299	$ 473	$ 141	$ 24	$ 2	$ -	$ 939
Consumer - auto:							
Current period gross write offs	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Residential real estate:							
Payment performance							
Performing	$ 19,263	$ 13,584	$ 21,083	$ 31,109	$ 49,748	$ -	$ 134,787
Nonperforming	-	-	-	-	76	-	76
Total Residential real estate loans	$ 19,263	$ 13,584	$ 21,083	$ 31,109	$ 49,814	$ -	$ 134,863
Residential real estate:							
Current period gross write offs		$ -	$ -	$ -	$ -	$ -	$ -

(Continued)

NOTE 3 – LOANS (Continued)

Based on the most recent analysis performed, the risk category of loans by class is as follows (in thousands):

	Term Loans Amortized Cost Basis by Origination Year					
	2023	2022	2021	Prior	Revolving Loans Amortized Cost Basis	Total
As of December 31, 2023						
Commercial						
Risk Rating						
Pass	$ 8,928	$ 4,049	$ 3,534	$ 3,775	$ 1,075	$ 21,361
Special Mention	-	1,988	-	-	300	2,288
Substandard	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-
Loss	-	-	-	-	-	-
Total Commercial loans	$ 8,928	$ 6,037	$ 3,534	$ 3,775	$ 1,375	$ 23,649
Commercial						
Current period gross write offs	$ -	$ -	$ -	$ -	$ -	$ -
Construction real estate:						
Risk Rating						
Pass	$ 6,364	$ 280	$ -	$ -	$ -	$ 6,644
Special Mention	-	-	-	-	-	-
Substandard	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-
Loss	-	-	-	-	-	-
Total Construction real estate	$ 6,364	$ 280	$ -	$ -	$ -	$ 6,644
Construction real estate:						
Current period gross write offs	$ -	$ -	$ -	$ -	$ -	$ -

(Continued)

NOTE 3 – LOANS (Continued)

	Term Loans Amortized Cost Basis by Origination Year					
	2023	2022	2021	Prior	Revolving Loans Amortized Cost Basis	Total
Commercial real estate:						
Risk Rating						
Pass	$ 2,821	$ 6,964	$ 7,163	$ 11,296	$ 252	$ 28,496
Special Mention	-	-	-	54	-	54
Substandard	-	-	-	2,349	-	2,349
Doubtful	-	-	-	-	-	-
Loss	-	-	-	-	-	-
Total Commercial real estate	$ 2,821	$ 6,964	$ 7,163	$ 13,699	$ 252	$ 30,899
Commercial real estate:						
Current period gross write offs	$ -	$ -	$ -	$ -	$ -	$ -
Land:						
Risk Rating						
Pass	$ -	$ -	$ 168	$ 438	$ 34	$ 640
Special Mention	-	-	-	-	-	-
Substandard	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-
Loss	-	-	-	-	-	-
Total Land	$ -	$ -	$ 168	$ 438	$ 34	$ 640
Land:						
Current period gross write offs	$ -	$ -	$ -	$ -	$ -	$ -

(Continued)

NOTE 3 – LOANS (Continued)

The Corporation considers the performance of the loan portfolio and its impact on the allowance for credit losses. For residential and consumer loan classes, the Corporation also evaluates credit quality based on the aging status of the loan, which was previously presented, and by payment activity. The following table presents the amortized cost in residential and consumer loans based on payment activity:

	Term Loans Amortized Cost Basis by Origination Year					
	2023	2022	2021	Prior	Revolving Loans Amortized Cost Basis	Total
As of 12/31/2023						
Consumer - other:						
Payment performance						
Performing	$ 1,303	$ 106	$ 62	$ 31	$ -	$ 1,502
Nonperforming	-	-	-	-	-	-
Total Consumer - other loans	$ 1,303	$ 106	$ 62	$ 31	$ -	$ 1,502
Consumer - other:						
Current period gross write offs	$ 58	$ -	$ -	$ -	$ -	$ 58
Consumer - auto:						
Payment performance						
Performing	$ 705	$ 340	$ 82	$ 22	$ -	$ 1,149
Nonperforming	-	-	-	-	-	-
Total Consumer - auto loans	$ 705	$ 340	$ 82	$ 22	$ -	$ 1,149
Consumer - auto:						
Current period gross write offs	$ -	$ -	$ -	$ -	$ -	$ -
Residential real estate:						
Payment performance						
Performing	$ 6,347	$ 21,502	$ 32,726	$ 56,502	$ 5,719	$ 122,796
Nonperforming	-	-	-	-	-	-
Total Residential real estate loans	$ 6,347	$ 21,502	$ 32,726	$ 56,502	$ 5,719	$ 122,796
Residential real estate:						
Current period gross write offs	$ -	$ -	$ -	$ -	$ -	$ -

(Continued)

NOTE 3 – LOANS (Continued)

Loans to executive officers, directors and companies with which they are affiliated totaled $1,484,000 and $1,623,000 at December 31, 2024 and 2023.

NOTE 4 – OFFICE PROPERTIES AND EQUIPMENT

Office properties and equipment at December 31, 2024 and 2023 was as follows (in thousands):

	2024	2023
Land	$ 1,023	$ 1,254
Leasehold improvements	-	235
Buildings and improvements	6,694	6,674
Furniture and equipment	3,147	3,230
Vehicles	44	44
	10,908	11,437
Less accumulated depreciation and amortization	(4,250)	(4,184)
Net office properties and equipment	$ 6,658	$ 7,253

Depreciation expense was $447,000 and $418,000 for 2024 and 2023.

NOTE 5 – FEDERAL INCOME TAXES

The provision for income taxes consisted of the following:

	2024	2023
Current tax expense	$ 54	$ 10
Deferred tax expense	(2)	41
	$ 52	$ 51

The provision for federal income taxes differs from that computed at the statutory corporate rate (21%) for the years ended December 31, 2024 and 2023 as follows (in thousands):

	2024	2023
Federal income taxes computed at 21% statutory rate for 2024 and 2023 respectively	$ (342)	$ 96
Increase (decrease) in taxes resulting from:		
Increase in cash surrender value of life insurance	(46)	(43)
Valuation allowance	399	-
Other	41	(2)
Federal income taxes	$ 52	$ 51
Effective rate of tax	-3.20%	11.09%

(Continued)

NOTE 5 – FEDERAL INCOME TAXES (Continued)

The composition of the Corporation's net deferred tax asset (liability) at December 31 was as follows (in thousands):

	2024	2023
Taxes (payable refundable on temporary differences at statutory rate:		
Deferred tax liabilities		
Federal Home Loan Bank stock dividends	$ (17)	$ (17)
Difference between book and tax depreciation	(185)	(248)
Mortgage servicing rights	(198)	(207)
Total deferred tax liabilities	(400)	(472)
Deferred tax assets		
Allowance for credit losses	345	271
Deferred loan origination fees	87	64
Nonaccrual loan interest	7	5
Net operating loss carryforward	219	-
Contribution carryforward	15	24
Accrued compensation	81	63
Equity based compensation	17	19
Other	28	24
Total deferred tax assets	799	470
Valuation allowance	(399)	-
Net deferred tax asset (liability)	$ -	$ (2)

Prior to 1997, the Corporation was allowed a special bad debt deduction generally limited to 8% of otherwise taxable income and subject to certain limitations based on aggregate loans and deposit account balances at the end of the year. If the amounts that previously qualified as deductions for federal income taxes are later used for purposes other than bad debt losses, including distributions in liquidation, such distributions will be subject to federal income taxes at the then current corporate income tax rate. Retained earnings at December 31, 2024, include approximately $1.8 million for which federal income taxes have not been provided. The amount of unrecognized deferred tax liability relating to the cumulative bad debt deduction was approximately $378,000 at December 31, 2024.

The Corporation generated a federal net operating loss of $1.042 million in 2024. This loss can be carried forward indefinitely. Management believes that it is more likely that not that the results of future operations, as integrated with the reversal of deferred tax benefits, will not generate sufficient taxable income to realize reported deferred tax assets. The Corporation recorded a valuation allowance of $399 thousand in 2024 to reduce all deferred taxes to $0, the amount expected to be realized.

At December 31, 2024 and 2023 the Corporation had no unrecognized tax benefits. The Corporation does not expect the amount of unrecognized tax benefits to increase substantially in the next twelve months. There were no amounts recognized for penalties or interest in the income statement for the years ended December 31, 2024 and 2023 nor any amounts accrued for interest and penalties at December 31, 2024 and 2023.

(Continued)

NOTE 5 – FEDERAL INCOME TAXES (Continued)

The Corporation and its subsidiary are subject to U.S. federal income tax. The Corporation is no longersubject to examination by federal taxing authorities for tax years prior to 2021. The years 2021-2024 remain open to examination by U.S. taxing authorities.

NOTE 6 – DEPOSITS

The Corporation had certificate of deposit accounts with balances in excess of $250,000 totaling approximately $53.3 million and $35.4 million at December 31, 2024 and 2023, respectively. Deposits in excess of $250,000 are not insured by the FDIC. Related party deposits were $1.4 and $1.5 million at December 31, 2024 and 2023.

Maturities of certificate of deposit accounts as of December 31 were as follows (in thousands):

2025	$ 82,326
2026	3,738
2027	688
2028	448
2029	1,027
Thereafter	391
	$ 88,618

The Corporation had public deposits of $51.2 million, deposits through listing services of $1.0 million, and reciprocal deposits of $12.2 million at December 31, 2024. The Corporation had public deposits of $33.2 million, deposits through listing services of $2.9 million, and reciprocal deposits of $12.1 million at December 31, 2023.

NOTE 7 – BORROWED FUNDS

The Corporation had $4.0 million of outstanding advances from the Federal Home Loan Bank at December 31, 2024. No advances were outstanding at December 31, 2023.

Advances are collateralized by the Corporation's FHLB stock owned and a blanket pledge of qualifying mortgage loans. Based upon this collateral and the Corporation's holdings of FHLB stock, the Corporation can borrow an additional $21.7 million at December 31, 2024.

The Corporation has a letter of credit with the FHLB of $55.0 million that can be used to guarantee public deposits over the FDIC insurance limit of $250,000. At December 31, 2024 and 2023, the Corporation had letters of credit outstanding for $55.0 and $43.0 million, respectively, to guarantee such deposits. There are no interest rates associated with these letters of credit.

(Continued)

NOTE 8 – BENEFIT PLANS

The Corporation has a contributory 401(k) plan which covers substantially all employees. Eligible participants of the plan may make voluntary contributions up to 25% of annual compensation. Employer contributions to the plan are required in an amount equal to 100% of the employees' contributions, not to exceed 6% of the employees' eligible salary level. The expense for this plan totaled approximately $108,000 and $94,000 for the years ended December 31, 2024 and 2023, respectively.

The Corporation has an employee stock ownership plan ("ESOP") which provides retirement benefits for substantially all full-time employees who are credited with at least 1,000 hours of service on the last day of the 12-month period beginning on their employment commencement date or, to the extent necessary, the last day of any plan year thereafter beginning with the plan year that includes the first anniversary of the employee's commencement date. The plan year runs from January 1 through December 31. During the fiscal year ended December 31, 2017, the ESOP borrowed $774,000 from the Corporation and purchased 90,000 shares from the Corporation's treasury stock at $8.60 per share. Shares are released to participants' accounts proportionately as the loan is repaid. Dividends on allocated shares are recorded as dividends and charged to retained earnings. Dividends on unallocated shares used to repay the ESOP note reduce debt and accrued interest. The Corporation recognizes compensation expense equal to the fair value of ESOP shares allocated to participants during the fiscal year. Allocation of shares to the ESOP participants are contingent upon the repayment of a loan to the Corporation totaling $178,000 and $262,000 at December 31, 2024 and 2023, which is eliminated in consolidation. The Corporation recorded expense for the ESOP of approximately $63,000 and $67,000 for the years ended December 31, 2024 and 2023. Contributions to the ESOP during the plan years ending December 31, 2024 and 2023 which includes dividends on unallocated shares totaled $94,000, each year.

	2024	2023
Allocated shares	92,443	87,260
Unallocated shares	18,000	27,000
Total ESOP shares	110,443	114,260
Fair value of unallocated shares (in thousands)	$ 129	$ 188

The Corporation is obligated at the option of each beneficiary to repurchase shares of the ESOP upon the beneficiary's termination or after retirement. During the year ended December 31, 2024, 1,372 shares were repurchased from former employees and current employees in an ESOP diversification transaction. During the year ended December 31, 2023, 27,975 shares were repurchased from former employees and current employees in an ESOP diversification transaction. At December 31, 2024, the fair value of the 92,443 allocated shares held by the ESOP was approximately $661,000. At December 31, 2023, the fair value of the 87,260 allocated shares held by the ESOP was approximately $608,000. These amounts represent the repurchase obligation of the Corporation.

Beginning in July 2019, the Corporation started a deferred compensation plan. Under the plan, the Corporation pays the participant, or beneficiary, the amount of fees deferred plus interest, beginning with the individual's termination of service. As of June 2021, the original deferred compensation plan was frozen and in July 2021 a new deferred compensation plan was put in place. A liability is accrued for the obligation under these plans. The 2024 expense incurred for the deferred compensation plan was $54,000 resulting in a deferred compensation liability of $138,000 as of the year ending December 31, 2024. The 2023 expense incurred for the deferred compensation was $(9,000) resulting in a deferred compensation liability of $99,000 as of the year ending December 31, 2023.

(Continued)

NOTE 9 – STOCK-BASED COMPENSATION PLANS

The 2006 Equity Plan, which was approved by stockholders on October 31, 2006, permitted the grant of up to 112,622 options to purchase shares of the Corporation's common stock and up to 45,048 shares of stock awards to its directors and employees. Option awards were granted with an exercise price equal to the market price of the Corporation's stock at the date of grant with those option awards generally vesting based on five years of continuous service and ten-year contractual terms. Restricted stock awards were granted based upon the fair value of the Corporation's stock on the date of grant with those awards generally vesting over five years. The 2006 Equity Plan expired on October 31, 2016 and no further awards can be made under this plan.

Stockholders of the Corporation approved a new Equity Incentive Plan on May 30, 2017 ("2017 Equity Incentive Plan") which reserved a total of 135,000 shares of common stock. A maximum of 85,000 options to purchase shares of the Corporation's common stock and a maximum of 50,000 stock awards may be granted. Option awards are granted with an exercise price equal to the market price of the Corporation's stock at the date of grant with those option awards generally vesting based on five years of continuous service and ten-year contractual terms. Restricted stock awards are granted based upon the fair value of the Corporation's stock on the date of grant with those awards generally vesting over five years. The 2017 Equity Incentive Plan expires May 30, 2027.

Stock Option Plan

The fair value of each option award is estimated on the date of grant using a closed form option valuation (Black-Scholes) model based upon the following assumptions. Expected volatilities are based on historical volatilities of the Corporation's common stock. The Corporation uses historical data to estimate option exercise and post-vesting termination behavior. The expected term of options granted is based on historical data and represents the period of time that options granted are expected to be outstanding, which takes into account that the options are not transferable. The risk-free interest rate for the expected term of the option is based on the U.S. Treasury yield curve in effect at the time of the grant.

A summary of the activity in the stock option plan for 2024 follows:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at beginning of year	65,601	$ 8.58	6.40 years	$ -
Granted	-	-		-
Exercised	-	-		-
Forfeited or expired	(800)	9.01	6.40 years	-
Outstanding at end of year	64,801	$8.63	5.40 years	$ -
Fully vested and expected to vest	64,801	$8.63	5.40 years	$ -
Exercisable at end of year	46,857	$8.91	3.50 years	$ -

(Continued)

NOTE 9 – STOCK-BASED COMPENSATION PLANS (Continued)

As of December 31, 2024, 34,850 options to purchase shares of stock remain available for grant under the 2017 Equity Incentive Plan. There were no stock options exercised in the years ended December 31, 2024 or 2023.

Unrecognized compensation cost related to nonvested stock options granted under the Plan will be recognized as follows (in thousands):

2025	$ 11
2026	11
2027	11
2028	11
	$ 44

Compensation expense for the awards totaled approximately $10,000 and $7,000 for the years ended December 31, 2024 and 2023.

The shares of the stock to be delivered under the Plan may consist, in whole or in part, of treasury stock or authorized but unissued shares not reserved for any other purpose; provided, however, that the use of shares purchased in the secondary market will be limited to such repurchases as are permitted by applicable regulations of the Office of the Comptroller of the Currency.

Restricted Stock Award Plan

Compensation expense is recognized over the vesting period of the awards based upon the fair value of the stock at issue date. Restricted stock awards vest ratably over 5 years. Total shares issuable under the 2017 Equity Incentive Plan at December 31, 2024 total 23,050. Compensation expense for the awards totaled approximately $33,000 and $22,000 for the years ended December 31, 2024 and 2023.

A summary of changes in the Corporation's nonvested shares for the year follows:

	Shares	Weighted-Average Grant-Date Fair Value
Nonvested at beginning of year	13,410	$ 8.09
Granted	-	
Vested	(3,072)	8.50
Forfeited	(490)	8.88
Nonvested at end of year	9,848	$ 7.79

Unrecognized compensation cost related to nonvested restricted stock awards granted under the Plan will be recognized as follows (in thousands):

2025	$ 17
2026	16
2027	15
2028	15
Total	$ 63

(Continued)

NOTE 9 – STOCK-BASED COMPENSATION PLANS (Continued)

The total fair value of shares vested during the years ending December 31, 2024 and 2023 was $26,000 and $30,000, respectively.

NOTE 10 – REGULATORY CAPITAL MATTERS

Banks are subject to regulatory capital requirements administered by federal banking agencies. Capital adequacy guidelines and prompt corrective action regulations involve quantitative measures of assets, liabilities, and certain off-balance-sheet items calculated under regulatory accounting practices. Capital amounts and classifications are also subject to qualitative judgements by regulators. Failure to meet capital requirements can initiate regulatory action. Management believes as of December 31, 2024, the Bank meets all capital adequacy requirements to which it is subject. In 2019, the federal banking agencies jointly issued a final rule that provides for an optional, simplified measure of capital adequacy, the community bank leverage ratio framework ("CBLR framework"), for qualifying community banking organizations, consistent with Section 201 of the Economic Growth Act. As of December 31, 2024, the Bank was a qualifying community banking organization as defined by the federal banking agencies but elected to use the risk-weighting framework under the Basel III capital requirements at year-end 2024 and 2023.

A capital conservation buffer of 2.50% is applicable to all capital ratios except for the Tier 1 Leverage ratio. The capital conservation buffer is equal to the lowest value of the three applicable capital ratios less the regulatory minimum ("adequately capitalized") for each respective capital measurement. The Bank's capital conservation buffer at December 31, 2024 was 3.80%. Compliance with the capital conservation buffer is required to avoid limitations on certain capital distributions, especially dividends.

Prompt corrective action regulations provide five classifications: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized, although these terms are not used to represent overall financial condition. If adequately capitalized, regulatory approval is required to accept brokered deposits. If undercapitalized, capital distributions are limited, as is asset growth and expansion, and capital restoration plans are required. As of December 31, 2024 and 2023, the most recent regulatory notifications categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since notification that management believes have changed the institution's category.

Actual and required capital amounts (in thousands) and ratios are presented below at year-end.

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
December 31, 2024						
Tier 1 (core) capital to average weighted assets	$ 19,563	7.8%	$ 10,032	4.0%	$ 12,540	5.0%
Common Tier 1- (CETI)	19,563	10.7	8,232	4.5	11,891	6.5
Tier 1 (core) capital to risk-weighted assets	19,563	10.7	10,976	6.0	14,634	8.0
Total capital to risk-weighted assets	21,230	11.6	14,634	8.0	18,293	10.0

NOTE 10 – REGULATORY CAPITAL MATTERS (Continued)

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
December 31, 2023						
Tier 1 (core) capital to average weighted assets	$ 20,635	8.5%	$ 9,699	4.0%	$ 12,124	5.0%
Common Tier 1- (CETI)	20,635	12.5	7,430	4.5	10,732	6.5
Tier 1 (core) capital to risk-weighted assets	20,635	12.5	9,907	6.0	13,209	8.0
Total capital to risk-weighted assets	21,950	13.3	13,209	8.0	16,511	10.0

Greenville Federal is subject to regulations imposed by the OCC regarding the amount of capital distributions payable to the Corporation. Generally, Greenville Federal's payment of dividends is limited, without prior OCC approval, to net earnings for the current calendar year plus the two preceding calendar years, less capital distributions paid over the comparable time period. Insured institutions are required to file an application with the OCC for capital distributions in excess of this limitation. During the years ended December 31, 2024 and 2023, there was no distribution made to the Corporation. As of December 31, 2024, prior approval is required to distribute earnings from Greenville Federal to the Corporation.

Regulations governing mutual holding companies permit Greenville Federal MHC to waive the receipt by it of any common stock dividend declared by GFFC or Greenville Federal, provided the FRB does not object to such waiver. There were no dividends paid during the years ended December 31, 2024 and 2023.

NOTE 11 – OFF-BALANCE-SHEET ACTIVITIES

The Corporation is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers, including commitments to extend credit. Such commitments involve, to varying degrees, elements of credit and interest-rate risk in excess of the amount recognized in the statement of financial condition. The contract or notional amounts of the commitments reflect the extent of the Corporation's involvement in such financial instruments.

The Corporation's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit is represented by the contractual notional amount of those instruments. The Corporation uses the same credit policies in making commitments and conditional obligations, including receipt of collateral, as those utilized for on-balance-sheet instruments. For year ended December 31, 2023, management determined that an allowance for these off balance sheet commitments is immaterial.

The contractual amount of financial instruments with off-balance-sheet risk was as follows (in thousands):

	2024	2023
Fixed rate commitments	$ 22,760	$ 19,781
Variable rate commitments	4,146	4,372
	$ 26,906	$ 24,153

NOTE 11 – OFF-BALANCE-SHEET ACTIVITIES (Continued)

The interest rate on fixed-rate commitments ranged from 6.12% to 6.88% at December 31, 2024, and 6.37% to 8.87% at December 31, 2023. Commitments to make loans are generally made for a period of 30 days or less.

NOTE 12 – DISCLOSURES ABOUT FAIR VALUE

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair value.

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

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant, unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The following is a description of the Corporation's valuation methodologies used to measure and disclose the fair values of its financial assets and liabilities on a recurring or nonrecurring basis:

Mortgage Servicing Rights: Fair value is determined at the tranche level, based on market prices for comparable mortgage servicing contracts (Level 2), when available, or alternatively based on a valuation model that calculates the present value of estimated future net servicing income. The valuation model utilizes interest rate, prepayment speed, and default rate assumptions that market participants would use in estimating future net servicing income and that can be validated against available market data.

Impaired Loans: The fair value of impaired loans with specific allocations of the allowance for loan losses is generally based on recent real estate valuations for property securing the loans, since such loans are usually collateral dependent. These valuations use a combination of approaches including comparable sales and the income approach. Adjustments are routinely made in the valuation process by the evaluators to adjust for differences between the comparable sales and income data available. Such adjustments are typically significant and result in a Level 3 classification of the inputs for determining fair value.

Other Real Estate Owned: Assets acquired through or instead of loan foreclosure are initially recorded at fair value less costs to sell when acquired, establishing a new cost basis. These assets are subsequently accounted for a lower of cost or fair value less estimated costs to sell. Fair values are generally based on third party appraisals of the property, resulting in a Level 3 classification. Real estate owned properties are evaluated on at least a quarterly basis for additional impairment and adjusted accordingly.

(Continued)

NOTE 12 – DISCLOSURES ABOUT FAIR VALUE (Continued)

Assets measured at fair value on a recurring basis as of December 31, 2024 and 2023 are summarized below (in thousands).

	Fair Value Measurements Using: Significant Other Observable Inputs (Level 2)
December 31, 2024	
Mortgage Servicing Rights	$ 941
December 31, 2023	
Mortgage Servicing Rights	$ 987

Assets measured at fair value on a non-recurring basis were immaterial as of both December 31, 2024 and 2023.

The carrying amounts and estimated fair values of financial instruments, at December 31, 2024 and 2023, are as follows (in thousands):

	Carrying Value	Fair Value Measurements at December 31, 2024 Using: Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	$ 12,749	$ 12,749	$ -	$ -	$ 12,749
Interest-bearing time deposits in other financial institutions	996	-	996	-	996
Securities held to maturity	18,593	-	15,439	-	15,439
Loans receivable, net	207,751	-	-	193,143	193,143
Federal Home Loan Bank stock	498	N/A	N/A	N/A	N/A
Accrued interest receivable	1,065	-	1,065	-	1,065
Financial liabilities					
Time Deposits	$ 88,618	$ -	$ 88,088	$ -	$ 88,088
Advances from the Federal Home Loan Bank	4,000	4,000	-	-	–
Advances by borrowers for taxes and insurance	1,029	1,029	-	-	1,029
Accrued interest payable	132	-	132	-	132

(Continued)

NOTE 12 – DISCLOSURES ABOUT FAIR VALUE (Continued)

	Carrying Value	Fair Value Measurements at December 31, 2023 Using: Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	$ 14,028	$ 14,028	$ -	$ -	$ 14,028
Interest-bearing time deposits in other financial institutions	996	-	996	-	996
Securities held to maturity	20,740	-	17,729	-	17,729
Loans receivable, net	185,653	-	-	157,602	157,602
Federal Home Loan Bank stock	324	N/A	N/A	N/A	N/A
Accrued interest receivable	905	-	905	-	905
Financial liabilities					
Time Deposits	$ 80,412	$ -	$ 79,660	$ -	$ 79,660
Advances from the Federal Home Loan Bank	-	-	-	-	–
Advances by borrowers for taxes and insurance	993	993	-	-	993
Accrued interest payable	90	-	90	-	90

While these estimates are based on management's judgment of the appropriate valuation factors, no assurance exists that, were the Corporation to have liquidated such items, the estimated fair values would necessarily have been realized. The estimated fair values should not be considered to apply to subsequent dates.

NOTE 13 – REVENUE FROM CONTRACTS WITH CUSTOMERS

All of the Corporation's revenue from contracts with customers in the scope of ASC 606 is recognized within Noninterest Income. The following table presents the Corporation's sources of Noninterest Income for the twelve months ended December 31, 2024 and 2023 (in thousands). Items outside the scope of ASC 606 are noted as such.

	2024	2023
Noninterest Income		
Customer Service Charges		
Service charges on deposits	$ 373	$ 373
Interchange income	492	479
Other[(a)]	147	143
Gain on sale of mortgage loans[(b)]	32	47
Other		
Net gains (losses) on sales of OREO	–	–
Earnings on Company Owned Life Insurance[(b)]	171	158
Earnings on Defined Contribution SERP[(b)]	11	11
Loan servicing income[(b)]	154	163
Other[(b)]	103	78
Total Noninterest Income	$ 1,483	$ 1,452

NOTE 13 – REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

(a) The Other category includes ATM fee income from foreign cardholders totaling $64,000 and $67,000 for the year ending both December 31, 2024 and 2023, respectively. Also included is Safe Deposit Box income totaling $4,000 for the year ending December 31, 2024 and $6,000 for the year ending December 31, 2023. Both are within scope of ASC 606.

(b) Not within the scope of ASC 606.

A description of the Corporation's revenue streams accounted for under ASC 606 follows:

Service Charges on Deposit Accounts: The Corporation earns fees from its deposit customers for transaction-based, account maintenance, and overdraft services. Transaction-based fees, which include services such as ATM use fees, stop payment charges, statement rendering, wire transfer, check issuance, and ACH fees, are recognized at the time the transaction is executed as that is the point in time the Corporation fulfills the customer's request. Account maintenance fees, which relate primarily to monthly maintenance, are earned over the course of the month, representing the period over which the Corporation satisfies the performance obligation. Overdraft fees are recognized at the point in time that the overdraft occurs. Service charges on deposits are withdrawn from the customer's account balance.

Interchange Income: The Corporation earns interchange fees from debit cardholder transactions conducted through the Visa payment network. Interchange fees from cardholder transactions represent a percentage of the underlying transaction value and are recognized daily, concurrently with the transaction processing services provided to the cardholder.

Gains/Losses on Sales of OREO: The Corporation records a gain or loss on the sale of OREO when control of the property transfers to the buyer, which generally occurs at the time of an executed deed. When the Corporation finances the sale of OREO to the buyer, the Corporation assesses whether the buyer is committed to perform their obligations under the contract and whether collectability of the transaction price is probable. Once these criteria are met, the OREO asset is derecognized and the gain or loss on sale is recorded upon the transfer of control of the property to the buyer. In determining the gain or loss on the sale, the Corporation adjusts the transaction price and related gain (loss) on sale if a significant financing component is present.

Other Income: The Corporation earns income from the rental of Safe Deposit Boxes. The income is recognized over the time of the performance obligation.

ANNUAL MEETING

The Annual Meeting of Stockholders will be held at 3:00 p.m., on May 28, 2025 at the Main Office of Greenville Federal, 690 Wagner Ave., Greenville, Ohio. Further information with regard to the meeting can be found in the proxy statement.

STOCK LISTING

Greenville Federal Financial Corporation common stock is quoted on the OTC Pink Market under the symbol "GVFF."

STOCKHOLDER AND GENERAL INQUIRIES

Greenville Federal Financial Corporation
690 Wagner Avenue
Greenville, Ohio 45331
(937) 548-4158
Attn: John Schipfer or Susan Barker

TRANSFER AGENT

Equiniti Trust Company, LLC
48 Wall Street, Floor 23
New York, NY 10005

OFFICE LOCATIONS

Main Office: 690 Wagner Avenue
Greenville, Ohio 45331
(937) 548-4158

Branch Offices:

Troy South Banking Center
1091 S. Dorset Rd.
Troy, OH 45373
(937) 332-0010

Tipp City Banking Center
500 W. Main St.
Tipp City, OH 45371
(937) 667-4000

Troy North Banking Center
948 N. Market St.
Troy, OH 45373
(937) 332-8000

Internet Banking: www.greenvillefederal.com

BOARD OF DIRECTORS

Patrick R. Custenborder
Vice President of Phelan Insurance Agency

Joe W. Dickerson
President and Owner of Koverman Staley Dickerson Insurance

Ryan C. Dynes
Attorney for Dynes & Dynes, LLC

Rochelle L. Heinl-Bednarczuk
Vice President for Repacorp Label Products

George S. Luce, Jr. (Chairman of the Board)
Salesperson for Best Equipment Company, Inc.

Mark A. Miller
Owner of Millmark Construction and Milcon Concrete

John D. Schipfer
President and Chief Executive Officer of
Greenville Federal Financial Corporation and Greenville Federal

Julie F. Strait
Accountant for Fry and Company
Entrepreneur

EXECUTIVE OFFICERS OF THE CORPORATION

John D. Schipfer, President & CEO
Susan J. Barker, Executive VP & Chief Financial Officer, Treasurer, Compliance Officer & Secretary
Annette M. Ryan-Baker, Senior Vice President & Commercial Lending Sales Manager

SPECIAL COUNSEL

Luse Gorman, PC
5335 Wisconsin Ave., N.W.
Suite 780
Washington, D.C., 20015
(202) 274-2000

INDEPENDENT AUDITORS

Crowe LLP
600 Superior Avenue East
Suite 902
Cleveland, Ohio 44114
(216) 623-7500

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THE BANK THAT
INSPIRES

Greenville Federal

Main Office

690 Wagner Ave.
Greenville, Ohio 45331
937-548-4158

Troy North Banking Center

948 N. Market St.
Troy, Ohio 45373
937-332-8000

Troy South Banking Center

1091 S. Dorset Rd.
Troy, Ohio 45373
937-332-0010

Tipp City Banking Center

500 W. Main St.
Tipp City, Ohio 45371
937-667-4000

greenvillefederal.com