

May 15, 2026

Dear Shareholder:

We are pleased to announce a dividend for the first quarter of 2026 of fifteen cents per share to shareholders of record as of May 8, 2026. This dividend represents a 36.4% increase from the previous quarter dividend of eleven cents per share.

Net income was \$1.3 million or \$3.38 per common share for the three months ending March 31, 2026, compared to \$1.1 million or \$2.73 per common share for the three months ending March 31, 2025.

Total assets increased by \$26.2 million or 5.9% to \$469.6 million as of March 31, 2026, compared with \$443.4 million on March 31, 2025. Loans, net of the allowance for loan losses, increased \$13.1 million to \$326.9 million as of March 31, 2026, compared to \$313.8 million as of March 31, 2025.

The Bank's liquidity position remains strong, with \$22.4 million in cash and cash equivalents available for funding loans, investments, and strategic initiatives.

Shareholders equity totaled \$32.7 million on March 31, 2026, compared to \$26.1 million on March 31, 2025. Book values were \$82.65 and \$65.87 per share as of March 31, 2026, and 2025, respectively. The Bank's capital ratios continue to meet each of the minimum well capitalized ratios required by regulatory statute.

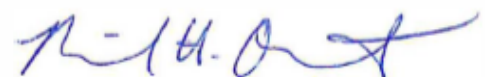
The first quarter of 2026 saw continued growth of earnings, loans and deposits. We launched a new debit card program with a tap feature, branded with the Community Is Our Business theme. We also started a program to find and implement new tactics to increase our operational efficiency. The Bank continues to be focused on business development, key tactics included a new Go All In On Your Business campaign, and the latest edition of our Business Community Event series which drew nearly 200 individuals. These and other efforts will be critical to the Bank's ability to continue to drive growth despite some external challenges in the form of Middle East unrest and continued inflationary pressures.

A condensed comparative financial statement is enclosed for your review. To enhance shareholder communication and considering delays in mail delivery, we ask that you provide us with your e-mail address so that we can send you information about the Bank via electronic communication rather than through the U.S. mail. Please log onto our website at www.woodsborobank.com and go to the "About Us" tab and then the "Shareholder Relations" page. Submit your name and email address at the bottom of the page, then click "Send Note".

Sincerely,



Gordon M. Cooley, Board Chair



Richard Ohnmacht, President & CEO

This letter may contain forward-looking statements, as defined by federal securities laws, which may involve significant risks and uncertainties. The statements are based on estimates and assumptions made by management in conjunction with other factors deemed appropriate under the circumstances. Actual results could differ materially from current projections.

Banking Offices

Woodsboro
5 N. Main Street
301-898-4000

Thurmont
143 Frederick Road
301-271-4944

Frederick
900 N. East Street
301-694-9566

6 W. Patrick Street
301-695-8200

1420 W. Patrick Street
301-668-1236

Commercial Offices

8 East 2nd Street, Suite 203
301-695-0268

24-Hour ATM Locations

Woodsboro
Trout's Market – 3 North Main Street

Frederick
Monocacy Village Branch – 900 North East Street
Downtown Branch – 6 West Patrick Street
Forty West Branch – 1420 West Patrick Street

Thurmont
Thurmont Branch – 143 Frederick Road



CLIENT DEVOTED. COMMUNITY FOCUSED. EXCELLENCE DRIVEN.

Corporate Office
5 North Main Street
Woodsboro, MD 21798

WOODSBORO BANK
SERVING THE COMMUNITY
FOR OVER 126 YEARS

March 31, 2026
Report of Condition

Board of Directors

Gordon M. Cooley, Board Chair
Stephen K. Heine
Jon C. Holmes
Jason E. Lee
J. Frederick Manning
Janet I. McCurdy
M. Natalie McSherry
Dwayne M. Myers
Daniel A. Severn
Richard H. Ohnmacht
Mary Jo Zentz

Harold M. Staley, Jr., Director Emeritus

Bank Officers

Kimberly A. Arnold, EVP/CCO
Chris R. Clemons, EVP/CCBO
Gary W. Delauter, Jr., EVP/COO
Bethany S. Lord, EVP/CHRO
Patricia C. Muldoon, EVP/CFO & COO
Thomas D. Ramsay, EVP/CRBO

Douglas J. Murphy, SVP/Comm. Credit Manager

Martin H. Burall, VP/Technology Officer
David C. Crum, VP/Branch Manager
Erin E. Dieterich, VP/Retail Sales Manager
Beverly R. Layne, VP/Loan Operations Mgr.
Austin L. Pearre, VP/Commercial Banking Officer
Charles W. Reeder, VP/Commercial Banker
Yvonne M. Reeder, VP/Branch Manager
Shelane M. Twentey, VP/Branch Manager

Andrew K. Evans, AVP/ Assistant Controller
Ben R. Marecki, Interim BSA Officer
Temikki D. Morrison, AVP/Treasury Mgmt. Officer
Shree V. Prabhakaran, AVP/Branch Manager

Felicia D. Dickerson, Officer
Karla J. Edder, Officer
Verlie F. Facemire, Officer
Lucretia R. Holman, Officer
Betsy J. Lingg, Officer
Tanya S. Miller, Officer
Chris B. Trone, Officer
Kathy J. Wortz, Officer



WOODSBORO BANK

Quarterly Shareholder's Report

Condensed Balance Sheet (unaudited)

(Dollars in thousands)

As of March 31,

ASSETS

	<u>2026</u>	<u>2025</u>
Cash and balances due from banks	\$ 5,174	\$ 4,839
Interest-bearing deposits in banks	17,243	15,196
Investment securities		
Held-to-maturity securities	-	-
Available-for-sale securities	100,643	90,403
Loans, net of allowance for loan losses of \$3,900 - 2026; \$3,593 - 2025, net of unearned income	326,961	313,829
Bank premises and equipment, net	3,004	3,159
Other assets	<u>16,609</u>	<u>15,991</u>
TOTAL ASSETS	<u>\$ 469,634</u>	<u>\$ 443,417</u>

LIABILITIES

Deposits		
Non-interest-bearing	\$ 150,289	\$ 148,298
Interest-bearing	<u>283,017</u>	<u>265,289</u>
TOTAL DEPOSITS	433,306	413,587

Other liabilities	<u>3,612</u>	<u>3,718</u>
TOTAL LIABILITIES	<u>\$ 436,918</u>	<u>\$ 417,305</u>

EQUITY CAPITAL

Capital Stock, par value \$10 per share; authorized 10,000,000 shares; issued and outstanding 2026 - 395,861 and 2025 - 396,436 shares	\$ 3,959	\$ 3,964
Surplus	3,942	3,975
Undivided profits and capital reserves	33,715	29,240
Accumulated other comprehensive income	<u>(8,900)</u>	<u>(11,067)</u>
TOTAL EQUITY CAPITAL	<u>\$ 32,716</u>	<u>\$ 26,112</u>
TOTAL LIABILITIES AND EQUITY CAPITAL	<u>\$ 469,634</u>	<u>\$ 443,417</u>

Condensed Income Statement (unaudited)

For the three months ended March 31,

	<u>2026</u>	<u>2025</u>
Interest income	\$ 5,557	\$ 5,061
Interest expense	<u>957</u>	<u>928</u>
Net interest income	4,600	4,133
Provision for loan losses	<u>25</u>	<u>50</u>
Net interest income after loan loss	4,575	4,083
Other income	440	462
Other expenses:		
Salaries and benefits	1,763	1,768
Occupancy	198	184
Furniture and equipment	122	113
Other	<u>1,120</u>	<u>1,032</u>
Total other expenses	3,203	3,097
Income before taxes	1,812	1,448
Income tax expense	<u>475</u>	<u>367</u>
Net income	<u>\$ 1,337</u>	<u>\$ 1,081</u>

Per Share Data

Net income	\$ 3.38	\$ 2.73
Cash dividends paid	\$ 0.11	\$ 0.08
Book value	\$ 82.65	\$ 65.87