Consolidated Balance Sheets (Unaudited)

(in thousands except per share amounts)	September 30, 2026	June 30, 2026
ASSETS		
Cash and due from banks	$ 26,023	$ 24,223
Interest-bearing deposits with banks	19,237	10,959
Government money market funds	5	5
Federal funds sold	4,500	4,500
Cash and cash equivalents	49,765	39,687
Available-for-sale securities	107,958	113,548
Loans and leases	450,748	455,960
Less: Allowance for credit losses	5,409	5,316
Loans, net	445,339	450,644
Bank premises and equipment, net	10,410	10,501
Accrued interest receivable	2,128	2,097
Deferred tax assets, net	4,508	3,609
Restricted stock	1,051	1,251
Other assets	19,140	18,755
TOTAL ASSETS	$640,299	$640,092
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Non-interest bearing	$164,196	$163,931
Interest bearing	417,293	410,164
Total deposits	581,489	574,095
Fed funds purchased & other short-term debt	4,000	4,000
Long-term debt	5,000	10,000
Accrued interest payable	512	522
Other liabilities	5,054	5,463
Total liabilities	596,055	594,080
STOCKHOLDERS' EQUITY		
Common stock, $5.00 par value, 10,000,000 shares authorized; 1,556,202 and 1,553,552 issued; 1,401,902 and 1,399,252 outstanding.	7,781	7,768
Preferred stock, $5.00 par value, 4,000,000 shares authorized; no shares issued or outstanding	–	–
Additional paid-in capital	8,408	8,372
Retained earnings	43,529	41,909
Accumulated other comprehensive income	(10,905)	(7,468)
Treasury stock at cost, 154,300 and 154,300 shares	(4,569)	(4,569)
Total stockholders' equity, net	44,244	46,012
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	$640,299	$640,092

DIVIDEND DIRECT DEPOSIT

Shareholders may opt to have their dividends deposited directly into their checking or savings account at any financial institution participating in the Automated Clearing House (ACH) system.
To register, visit https://shareholder.broadridge.com/wdfn
(click on Account Updates, Statements, and Checks)

BANK OFFICERS

Timothy J. Bennett, VP
Brian S. Brooking, VP & Secretary
Jon P. Conklin, President & CEO
John J. Engel, Jr., SVP
Joseph F. Farley, EVP & COO/CFO
David L. Fortin, Jr., VP
Andrew J. Gallagher, VP
Matthew A. Gaugler, SVP
Kelly M. Gillis, VP
Sheri A. Grozier, VP
Shelly A. Hepler, VP
Jeanette L. Kitchen, SVP
Mark Rice, VP

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Daniel Forrestal
William Forse
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Marc D. Lewis
Melvin W. Lewis, Vice Chairman
George E. Logue, Jr.
Trisha Gibbons Marty
Thomas G. Stubler
Theodore J. Weiss

BOARD OF DIRECTORS EMERITI

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Donald E. Alsted
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Robert E. Forse
David L. Shollenberger

WOODLANDS FINANCIAL SERVICES COMPANY COMMON STOCK

is traded over-the-counter under the symbol of WDFN
The following broker makes a market in the common stock:

Brean Capital
Eugene Bodo
Managing Director
Equity Sales and Trading
610-766-0015

Registrar and Transfer Agent:
Broadridge Corporate Issuer Solutions
P.O. Box 1342
Brentwood, NY 11717
844-318-0132
or
https://shareholder.broadridge.com/wdfn/
or
shareholder@broadridge.com

Woodlands Bank is a Pennsylvania State Chartered Bank and a member of the Federal Reserve System and the Federal Deposit Insurance Corporation. Deposits are insured up to $250,000.
Member FDIC – Equal Housing Lender

Visit our website at www.woodlandsbank.com

OFFICES LOCATED AT:

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Pennsdale, PA 17756
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1146 Allegheny Street
Jersey Shore, PA 17740
570-398-2850

WILLIAMSPORT
213 West Fourth Street
Williamsport, PA 17701
570-321-1600

LOYALSOCK
2450 East Third Street
Williamsport, PA 17701
570-327-5263

NEWBERRY
1980 West Fourth Street
Williamsport, PA 17701
570-327-1550

SOUTH WILLIAMSPORT
618 West Southern Ave.
So. Williamsport, PA 17702
570-323-5263

HUGHESVILLE
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Hughesville, PA 17737
570-584-2385

LOCK HAVEN
202 North Jay Street
Lock Haven, PA 17745
570-748-5166

Broadridge Mail Code
NOV1976



QUARTERLY REPORT SEPTEMBER 30, 2026

Woodlands
FINANCIAL SERVICES COMPANY

Dear Shareholders,

We are pleased to announce the financial results of Woodlands Financial Services Company (the Company) for the third quarter and first nine months of 2026. The results for the quarter continue the trends of the previous two quarters of the year relative to profitability and growth. During the quarter, the Federal Open Market Committee of the Federal Reserve Board of Governors (FOMC) raised the federal funds rate by 25 basis points, the first movement in this rate since the fourth quarter of 2025, to combat lingering inflation concerns in the economy. Additionally, the 10-year treasury rate, which drives 30-year mortgage rates, increased steadily over the course of the year. These changes in interest rates have had an impact on both consumer behaviors as well as on bank earnings across the industry. Despite the increased cost of borrowing, the Company has been able to significantly increase the volume of new loans, both consumer and commercial. On the funding side of the balance sheet, core deposits have also continued to increase with nearly half of that growth being non-interest bearing accounts. These results reflect continued efforts aimed at seizing upon growth opportunities created by local market disruption. Despite continued, focused efforts, the Company's credit metrics remain elevated at the end of the third quarter. Management remains confident, however, that these efforts will eventually be reflected in the return of these metrics to acceptable levels and will do so without negatively impacting earnings. During the quarter, the Company was able to retire $5 million of non-core funding with an additional $5 million to be retired in the fourth quarter which further improves the Company's already strong liquidity position.

For the third quarter of 2026, net income was $2.10 million, an increase of 56.0% from the third quarter of 2025. For the first nine months of 2026, net income was $5.68 million, an increase of 56.6% from the first nine months of 2025. Net income per common share was $4.05 for the first nine months of 2026, compared to $2.59 for the same period in 2025. Return on average assets (ROAA) and return on average equity (ROAE) were 1.30% and 17.91%, respectively, for the quarter, and 1.20% and 16.70%, respectively, for the first nine months of the year. This increase in profitability reflects the continued expansion of net interest income. All categories of non-interest income have increased over the prior year's third quarter and first nine months totals. Non-interest expenses, while controlled and aligned with strategy, have shown increases overall, mainly due to the Company continuing to invest in people, technology, and facilities.

During the third quarter of 2026, the Company's assets remained largely flat from the previous quarter. While net loans decreased by $5.3 million, 1.2%, for the quarter, they increased by $11.7 million, 2.7%, year-to-date. Additionally, total deposits increased by $7.4 million, 1.3%, during the quarter and by $27.9 million, 5.0%, year-to-date. Of this year-to-date increase in deposits, roughly half, $13.7 million, is attributable to non-interest bearing accounts. The Company's capital continues to grow at a steady pace, having achieved consistently strong core earnings over the last several quarters. The Company increased its dividend by 5 cents per share during the quarter as a result.

2026 has been an exciting year for the Company. Management's focus has largely been on seizing on market opportunities while also executing upon strategic objectives aimed at setting the foundation for continued growth as a Company. Management has been pleased with the results so far, and the Company has been injected with optimism and energy due to the hiring of new employees across nearly all departments. The new faces and the varied talents that they bring to the Company have already provided a spark that will undoubtedly lead to continued growth and success as well as an elevation of customer service that has already served as a source of pride for the Company over the years. Despite the positivity that stretches across the Company, management remains aware of the many risks that still exist given the uncertain economic environment in which it operates. Strategies reflect this understanding and have been designed to ensure that no matter what lies ahead, long-term shareholder value will continue to be achieved through the concerted efforts of many who will always be focused on delivering our unique brand of community banking with the same shared values at our core. We thank you all for your continued support of all that we do.

Sincerely,



Jon P. Conklin
President and CEO

Consolidated Statements of Income (Unaudited)

(in thousands except per share amounts)	For the three months ended September 30		For the nine months ended September 30	
	2026	2025	2026	2025
INTEREST INCOME				
Interest & fees on loans and leases	$6,577	$6,073	$18,857	$17,774
Interest & dividends on cash & cash equivalents	366	408	1,025	798
Interest & dividends on investment securities:				
Taxable	663	646	1,963	1,905
Tax-exempt	158	141	466	400
Dividends	20	27	63	87
Total interest income	7,784	7,295	22,374	20,964
INTEREST EXPENSE				
Interest on deposits	2,130	2,359	6,145	6,903
Interest on borrowed funds	183	265	566	902
Total interest expense	2,313	2,624	6,711	7,805
NET INTEREST INCOME	5,471	4,671	15,663	13,159
EXPENSE FOR CREDIT LOSS	90	180	270	540
NET INTEREST INCOME AFTER EXPENSE FOR CREDIT LOSS	5,381	4,491	15,393	12,619
OTHER INCOME				
Service charges and other fees	460	315	1,110	896
Other operating income	554	540	1,549	1,494
Trust department income	557	403	1,639	1,364
Gain on sale of loans and other assets, net	73	28	166	99
Gain on investment securities, net	3	–	4	–
Total other income	1,647	1,286	4,468	3,853
OTHER EXPENSES				
Salaries & employee benefits	2,315	2,063	6,734	6,179
Occupancy expense	191	203	677	588
Furniture & equipment expense	343	297	956	857
FDIC insurance premiums	120	120	360	450
Data processing expense	315	272	920	791
Professional fees	294	355	759	785
Other operating expenses	925	853	2,713	2,630
Total other expenses	4,503	4,163	13,119	12,280
INCOME BEFORE INCOME TAXES	2,525	1,614	6,742	4,192
PROVISION FOR INCOME TAXES	428	270	1,067	569
NET INCOME	$2,097	$1,344	$ 5,675	$ 3,623
NET INCOME PER COMMON SHARE	$ 1.49	$ 0.96	$ 4.05	$ 2.59
RETURN ON AVERAGE ASSETS	1.30%	0.85%	1.20%	0.79%
RETURN ON AVERAGE EQUITY	17.91%	13.46%	16.70%	12.70%



Woodlands
FINANCIAL SERVICES
COMPANY