



April 30, 2026

To Our Shareholders:

Over the past 18 months, our bank has delivered strong and consistent earnings growth, reflecting both disciplined execution and a favorable interest rate environment. Strategic expansion of our assets through targeted loan growth and selective investments has meaningfully increased interest income. At the same time, we have actively repriced assets to align with changing market conditions, allowing us to capture improved yields while maintaining a prudent risk profile. These efforts have strengthened our net interest margin and positioned the bank to generate sustainable profitability.

Equally important, we have remained focused on managing our funding costs. Recent rate cuts by the Federal Reserve have provided an opportunity to lower deposit and borrowing expenses, and we have acted decisively to optimize our funding mix.

Our focus for the remainder of the year will remain on disciplined growth, relationship-driven banking, proactive risk management, and thoughtful capital stewardship. Together, these priorities enhance our ability to deliver increased value to our shareholders while continuing to support the financial needs of our communities.

As we look to the future, we take a moment to honor the life and legacy of Tom Schiefelbein, whose leadership left a lasting mark on our bank. Tom joined the bank in 1964 and was appointed president and CEO in 1971. Over the course of his tenure, the bank experienced substantial growth, reflecting his strong stewardship and deep commitment to the communities we serve. Tom also served the bank for many years as a director and later as chairman of the Board, a role he held until his retirement in 2008. We remember Tom with gratitude and respect, and we remain committed to carrying forward the values and principles that defined his leadership.

Balance Sheet Summary – First Quarter

Loan balances increased during the quarter by \$7.7 million to a total of \$743 million and were \$58.1 million or 8.5% higher from the first quarter 2025. We continue to see strong loan demand in all our markets, which combined with higher rates on loan renewals has contributed to our increasing interest income.

Credit quality continues to be strong, and the Allowance for Credit Losses (ACL) was adequately funded at \$10.8 million or 1.45% of gross loans. Non-accrual loans of \$11.4 million represented 1.54% of the loan portfolio, which was an increase from one year prior but still at low, manageable levels. Loans past due 30 days or more were 0.95% of gross loans, which was up 0.43% from a year ago.

Deposits decreased \$15.7 million from year-end and had a balance of \$820.3 million but were \$21.1 million, or 2.6%, higher than a year ago. Deposit activity is cyclical, and we have noted fluctuations throughout the year as deposits have rebounded since quarter end. Competition for deposits remains elevated as we are in a higher rate environment, and customers continue to look for higher rate products both in and out of the banking system.

Security Financial Services Corporation's (SFSC) debt was paid off in 2025, which allowed Security Financial Bank (SFB) to reinvest additional capital at the bank level to support strong growth and provide for shareholder non-tax distributions.

Income Statement Summary – First Quarter

Net income for the first quarter was \$4.1 million compared to \$2.8 million for the same period last year. The increase is the result of growing interest income while maintaining interest expense.

Interest income of \$13.8 million was up \$1.55 million from the first quarter of 2025. Our loan growth, higher rates, and repricing of the investment portfolio have resulted in additional interest income. Interest expense of \$4.8 million was \$50,000 lower than last year due to the recent short-term interest rate cuts from the Federal Reserve, which has enabled us to maintain interest expense in total, while growing our deposits and other funding sources.

Non-interest income of \$602,000 was \$40,000 lower than the same period of 2025 due to less revenue earned on our commercial leases due to losing a tenant and recording a loss on an investment security that is required to be marked to fair value. Non-interest income continues to struggle as a result of weak demand in the residential mortgage industry.

Non-interest expense of \$5.25 million was \$300,000 more than the first quarter of 2025. Non-interest expenses continue to rise as we make investments in people, technology, and our buildings to assist in the future growth of the bank. While these investments increase expenses in the short term, they are essential for the bank's future as we continue to grow.

Loan loss provisions were \$300,000 for the quarter as we continue reserving for potential losses given our strong loan growth over the past several years. Management believes the ACL is adequately funded given all current assumptions.

Earnings per share (EPS) for the quarter was \$311.74, which is up from \$217.18 in the first quarter of 2025. The increase in EPS is primarily a result of the increasing interest income.

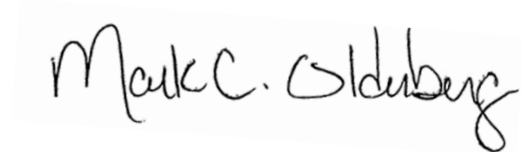
As a reminder, we are asking shareholders to execute a limited update to the SFSC's existing shareholder agreement, to which all shareholders are a party. These changes are designed to protect the company's S corporation status and to extend the term of the shareholder agreement, so those protections remain in place going forward for everyone's benefit. If you

have not signed and returned the agreement, please plan to do that at the Annual Meeting on May 28 or mail it to the bank attention Krystal Hudson.

Thank you for your continued loyalty and support. If you are interested in receiving a copy of our 2025 Financial Audit, please contact Krystal Hudson at khudson@sfbank.com or 715-930-7034.

We invite you to visit any of our banking locations for your banking needs or visit us at www.sfbank.com to learn more about how we can serve you.

Best Regards,

A handwritten signature in black ink that reads "Mark C. Oldenberg". The signature is written in a cursive style with a large, stylized 'M' and 'O'.

Mark C. Oldenberg
President and Chief Executive Officer