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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2026

OR

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

For the transition period from ______ to ______

Commission File No. 001-41384

HANOVER BANCORP, INC.

(Exact Name of Registrant as Specified in Its Charter)

Maryland	81-3324480
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

80 East Jericho Turnpike, Mineola, NY 11501
(Address of Principal Executive Offices) (Zip Code)

(516) 548-8500
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Common stock	HNVR	NASDAQ

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☒
Non-accelerated filer ☐	Smaller reporting company ☒
	Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, $0.01 par value	7,055,424 Shares
(Title of Class)	(Outstanding as of July 31, 2026)

HANOVER BANCORP, INC.
Form 10-Q

Table of Contents

PART I
ITEM 1. – FINANCIAL STATEMENTS
HANOVER BANCORP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(Dollars in thousands, except share and per share amounts)

ASSETS	June 30, 2026 (unaudited)	December 31, 2025
Cash and non-interest-bearing deposits due from banks	$ 10,931	$ 95,791
Interest-bearing deposits due from banks	130,312	113,113
Total cash and cash equivalents	141,243	208,904
Securities held to maturity, fair value of $866 at June 30, 2026 and $976 at December 31, 2025 (net of allowance for credit losses of $0 at June 30, 2026 and December 31, 2025)	912	1,017
Securities available for sale, at fair value (net of allowance for credit losses of $0 at June 30, 2026 and December 31, 2025)	135,043	99,552
Loans held for sale	2,928	6,407
Loans	1,997,893	2,000,749
Allowance for credit losses	(19,139)	(18,694)
Loans, net	1,978,754	1,982,055
Premises and equipment, net	14,052	14,313
Operating lease assets	7,006	9,855
Accrued interest receivable	11,646	11,780
Prepaid post retirement plan	3,214	3,247
Stock in Federal Home Loan Bank ("FHLB"), at cost	5,848	7,792
Goodwill	19,168	19,168
Loan servicing rights	6,020	6,320
Other assets	10,796	12,686
TOTAL ASSETS	$ 2,336,630	$ 2,383,096
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Non-interest-bearing demand	$ 254,270	$ 247,786
Savings, NOW and money market	1,252,231	1,270,705
Time	506,338	509,896
Total deposits	2,012,839	2,028,387
Borrowings	59,810	100,725
Subordinated debentures, $35,000 and $25,000 face amount at June 30, 2026 and December 31, 2025, respectively (less unamortized debt issuance costs of $771 and $257 at June 30, 2026 and December 31, 2025)	34,229	24,743
Operating lease liabilities	7,628	10,567
Accrued interest payable	1,775	1,741
Other liabilities	17,602	16,667
TOTAL LIABILITIES	2,133,883	2,182,830
COMMITMENTS AND CONTINGENT LIABILITIES	—	—
STOCKHOLDERS' EQUITY		
Preferred stock, Series A (par value $0.01; 15,000,000 shares authorized; issued and outstanding 275,000 at June 30, 2026 and December 31, 2025, respectively)	5,041	5,041
Common stock (par value $0.01; 17,000,000 shares authorized; issued and outstanding 7,055,424 and 7,135,403 at June 30, 2026 and December 31, 2025, respectively)	71	71
Surplus	121,361	123,433
Retained earnings	76,845	72,401
Accumulated other comprehensive loss, net of tax	(571)	(680)
TOTAL STOCKHOLDERS' EQUITY	202,747	200,266
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 2,336,630	$ 2,383,096

See accompanying notes to unaudited consolidated financial statements.

HANOVER BANCORP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(Dollars in thousands, except per share amounts)

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
INTEREST INCOME				
Loans	$ 29,788	$ 29,785	$ 59,406	$ 59,769
Taxable securities	1,650	1,433	3,021	2,619
Other interest income	628	831	1,931	2,498
Total interest income	32,066	32,049	64,358	64,886
INTEREST EXPENSE				
Savings, NOW and money market deposits	9,129	10,649	18,681	22,104
Time deposits	4,575	5,058	9,305	10,378
Borrowings	1,591	1,547	3,239	2,980
Total interest expense	15,295	17,254	31,225	35,462
Net interest income	16,771	14,795	33,133	29,424
Provision for credit losses	500	2,357	1,030	2,957
Net interest income after provision for credit losses	16,271	12,438	32,103	26,467
NON-INTEREST INCOME				
Loan servicing and fee income	1,164	1,083	2,206	2,164
Service charges on deposit accounts	119	162	369	279
Gain on sale of loans held-for-sale	1,377	2,298	2,820	4,650
Other income	136	18	145	200
Total non-interest income	2,796	3,561	5,540	7,293
NON-INTEREST EXPENSE				
Salaries and employee benefits	7,368	7,003	17,495	14,235
Conversion expenses	—	—	—	3,180
Occupancy and equipment	2,012	1,910	4,080	3,746
Data processing	431	508	853	1,101
Professional fees	897	878	1,803	1,665
Federal deposit insurance premiums	364	365	726	702
Other expenses	2,576	1,952	4,297	3,983
Total non-interest expense	13,648	12,616	29,254	28,612
Income before income tax expense	5,419	3,383	8,389	5,148
Income tax expense	1,355	940	2,451	1,184
NET INCOME	$ 4,064	$ 2,443	$ 5,938	$ 3,964
Earnings per share:				
BASIC	$ 0.55	$ 0.33	$ 0.80	$ 0.53
DILUTED	$ 0.55	$ 0.33	$ 0.80	$ 0.53

See accompanying notes to unaudited consolidated financial statements.

HANOVER BANCORP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
(Dollars in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net income	$ 4,064	$ 2,443	$ 5,938	$ 3,964
Other comprehensive income (loss), net of tax:				
Unrealized gains (losses) on investment securities available for sale:				
Change in unrealized gain (loss) on securities available for sale arising during the period, net of tax of ($19), $58, ($83) and $107, respectively	(65)	201	(290)	377
Unrealized gains (losses) on cash flow hedges:				
Change in unrealized gain (loss) on cash flow hedges arising during the period, net of tax of $44, ($9), $113 and ($77), respectively	158	(32)	399	(270)
Total other comprehensive income, net of tax	93	169	109	107
Total comprehensive income, net of tax	$ 4,157	$ 2,612	$ 6,047	$ 4,071

See accompanying notes to unaudited consolidated financial statements.

HANOVER BANCORP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)
(Dollars in thousands, except share and per share data)

	For the Three and Six Months Ended June 30, 2026						
	Common Stock (Shares)	Preferred Stock	Common Stock	Surplus	Retained Earnings	Accumulated Other Comprehensive Loss, Net	Total Stockholders' Equity
Balance at January 1, 2026	7,135,403	$ 5,041	$ 71	$ 123,433	$ 72,401	$ (680)	$ 200,266
Net income	—	—	—	—	1,874	—	1,874
Other comprehensive income, net of tax	—	—	—	—	—	16	16
Cash dividends declared ($0.10 per share)	—	—	—	—	(748)	—	(748)
Stock-based compensation	—	—	—	358	—	—	358
Stock awards granted, net of forfeitures	36,129	—	1	(1)	—	—	—
Shares received related to tax withholding	(14,871)	—	—	(325)	—	—	(325)
Balance at March 31, 2026	7,156,661	$ 5,041	$ 72	$ 123,465	$ 73,527	$ (664)	$ 201,441
Net income	—	—	—	—	4,064	—	4,064
Other comprehensive income, net of tax	—	—	—	—	—	93	93
Cash dividends declared ($0.10 per share)	—	—	—	—	(746)	—	(746)
Stock-based compensation	—	—	—	441	—	—	441
Stock awards granted, net of forfeitures	(450)	—	—	—	—	—	—
Shares received related to tax withholding	(1,152)	—	—	(13)	—	—	(13)
Stock repurchases	(112,346)	—	(1)	(2,647)	—	—	(2,648)
Exercise of stock options, net	12,711	—	—	115	—	—	115
Balance at June 30, 2026	7,055,424	$ 5,041	$ 71	$ 121,361	$ 76,845	$ (571)	$ 202,747

	For the Three and Six Months Ended June 30, 2025						
	Common Stock (Shares)	Preferred Stock	Common Stock	Surplus	Retained Earnings	Accumulated Other Comprehensive Loss, Net	Total Stockholders' Equity
Balance at January 1, 2025	7,152,127	$ 5,041	$ 72	$ 124,937	$ 67,922	$ (1,334)	$ 196,638
Net income	—	—	—	—	1,521	—	1,521
Other comprehensive loss, net of tax	—	—	—	—	—	(62)	(62)
Cash dividends declared ($0.10 per share)	—	—	—	—	(759)	—	(759)
Stock-based compensation	—	—	—	494	—	—	494
Stock awards granted, net of forfeitures	49,750	—	—	—	—	—	—
Shares issued for performance stock units	27,848	—	—	—	—	—	—
Shares received related to tax withholding	(15,326)	—	—	(721)	—	—	(721)
Exercise of stock options, net	14,332	—	—	(468)	—	—	(468)
Balance at March 31, 2025	7,228,731	$ 5,041	$ 72	$ 124,242	$ 68,684	$ (1,396)	$ 196,643
Net income	—	—	—	—	2,443	—	2,443
Other comprehensive income, net of tax	—	—	—	—	—	169	169
Cash dividends declared ($0.10 per share)	—	—	—	—	(752)	—	(752)
Stock-based compensation	—	—	—	392	—	—	392
Stock awards granted, net of forfeitures	(4,060)	—	—	—	—	—	—
Shares received related to tax withholding	(428)	—	—	(10)	—	—	(10)
Balance at June 30, 2025	7,224,243	$ 5,041	$ 72	$ 124,624	$ 70,375	$ (1,227)	$ 198,885

See accompanying notes to unaudited consolidated financial statements.

HANOVER BANCORP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(Dollars in thousands)

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Cash flows from operating activities:		
Net income	$ 5,938	$ 3,964
Adjustments to reconcile net income to net cash from operating activities:		
Provision for credit losses	1,030	2,957
Depreciation and amortization	1,009	974
Amortization of right-of-use assets	2,849	1,053
Stock-based compensation	799	886
Net gain on sale of loans held-for-sale	(2,820)	(4,650)
Net amortization of premiums, discounts and loan fees and costs	1,085	913
Amortization of intangible assets	25	28
Amortization of debt issuance costs	37	27
Debt extinguishment charges	240	—
Loan servicing rights valuation adjustments	602	518
Payments on operating leases	(2,939)	(1,066)
Origination of loans held for sale	(59,351)	(45,816)
Proceeds from loans held for sale	64,403	42,597
Decrease in accrued interest receivable	134	184
Decrease in other assets	1,956	1,628
Increase (decrease) in accrued interest payable	34	(59)
Increase (decrease) in other liabilities	899	(2,086)
Net cash provided from operating activities	15,930	2,052
Cash flows from investing activities:		
Purchases of securities available-for-sale	(51,006)	(98,156)
Redemptions of restricted securities, net	1,944	16
Principal repayments of securities held to maturity	104	163
Maturities, prepayments and calls of securities available-for-sale	15,051	79,926
Proceeds from loans held for sale previously classified as portfolio loans	15,834	60,344
Net increase in loans	(13,241)	(36,652)
Additions to premises and equipment	(626)	(318)
Net cash from investing activities	(31,940)	5,323
Cash flows from financing activities:		
Net decrease in deposits	(15,545)	(2,999)
Proceeds from term FHLB advances, net of deferred prepayment penalty	59,769	—
Repayments of term FHLB advances	(100,725)	—
Proceeds from issuance of subordinated debentures, net of issuance costs	34,209	—
Repayments subordinated debentures	(25,000)	—
Payments related to tax withholding for equity awards	(338)	(731)
Cash dividends paid	(1,488)	(1,499)
Repurchase of common stock of Hanover Bancorp, Inc.	(2,648)	—
Proceeds from exercise of stock options, net	115	(468)
Net cash from financing activities	(51,651)	(5,697)
Net change in cash and cash equivalents	(67,661)	1,678
Cash and cash equivalents, beginning of period	208,904	162,857
Cash and cash equivalents, end of period	$ 141,243	$ 164,535
Supplemental cash flow information:		
Interest paid	$ 31,191	$ 35,521
Income taxes paid	184	1,161
Supplemental non-cash disclosure:		
Transfers from portfolio loans to loans held-for-sale	$ 14,587	$ 50,664
Lease liabilities arising from obtaining right-of-use assets	—	3,606

See accompanying notes to unaudited consolidated financial statements.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

Hanover Bancorp, Inc., a Maryland corporation (the "Company"), is the holding company for Hanover Community Bank (the "Bank"). On June 25, 2025, the Company completed its reincorporation from New York to Maryland (the "Reincorporation"). The Reincorporation was approved by the Company's shareholders at the annual shareholder meeting held on March 5, 2024, by the Federal Reserve Bank of New York on July 5, 2024, and the New York State Department of Financial Services (the "DFS") on November 20, 2024. Accordingly, the Company is incorporated in the State of Maryland.

The Bank, headquartered in Mineola, New York, is a New York State chartered bank. The Bank commenced operations on November 4, 2008 and is a full-service bank providing personal and business lending and deposit services. As a New York State chartered, non-Federal Reserve member bank, the Bank is subject to regulation by the DFS and the Federal Deposit Insurance Corporation ("FDIC"). The Company is subject to regulation and examination by the Board of Governors of the Federal Reserve System (the "FRB").

Basis of Presentation

In the opinion of the Company's management, the preceding unaudited interim consolidated financial statements contain all adjustments, consisting of normal accruals, necessary for a fair presentation of the Company's consolidated statement of financial condition as of June 30, 2026, its consolidated statements of income for the three and six months ended June 30, 2026 and 2025, its consolidated statements of comprehensive income for the three and six months ended June 30, 2026 and 2025, its consolidated statements of changes in stockholders' equity for the three and six months ended June 30, 2026 and 2025 and its consolidated statements of cash flows for the six months ended June 30, 2026 and 2025. Certain prior period amounts have been reclassified to conform to the current period presentation. These reclassifications had an immaterial effect on the Company's consolidated financial statements and had no effect on prior period net income or stockholders' equity.

In addition, the preceding unaudited interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X, as well as in accordance with predominant practices within the banking industry. They do not include all the information and footnotes required by U.S. GAAP for complete financial statements. The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates. The results of operations for the three and six months ended June 30, 2026 are not necessarily indicative of results for any other interim period or of the results for the full fiscal year 2026. The unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025. There have been no material changes to the Company's significant accounting policies since December 31, 2025.

All material intercompany accounts and transactions have been eliminated in consolidation. Unless the context otherwise requires, references herein to the Company include the Company and the Bank on a consolidated basis.

Salaries and employee benefits for the six months ended June 30, 2026 includes a severance payment related to a Board approved Transition Agreement dated February 12, 2026 between the Company and the former President of the Company and the Bank, McClelland Wilcox. In connection with a management restructuring initiative, Mr. Wilcox's last day of employment was March 31, 2026 and pursuant to the terms of his Employment Agreement, he was entitled to a severance benefit of approximately $2.15 million.

2. EARNINGS PER SHARE

The two-class method is used in the calculation of basic and diluted earnings per share ("EPS"). Under the two-class method, earnings available to common shareholders for the period are allocated between common shareholders and participating securities according to dividends declared and participation rights in undistributed earnings. The restricted stock awards granted by the Company contain non-forfeitable rights to dividends and therefore are considered participating securities.

The Company's basic and diluted EPS calculations for the three and six months ended June 30, 2026 and 2025 are as follows. There were no stock options outstanding as of June 30, 2026. There were no stock options that were antidilutive for the three and six months ended June 30, 2025.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands, except share and per share data)	**2026**	**2025**	**2026**	**2025**
Net income available to common stockholders	$ 4,064	$ 2,443	$ 5,938	$ 3,964
Less: Dividends paid and earnings allocated to participating securities	(91)	(64)	(144)	(111)
Income attributable to common stock	$ 3,973	$ 2,379	$ 5,794	$ 3,853
Weighted average common shares outstanding, including participating securities	7,396,444	7,500,871	7,415,171	7,482,307
Less: Weighted average participating securities	(176,026)	(213,634)	(190,192)	(226,709)
Weighted average common shares outstanding	7,220,418	7,287,237	7,224,979	7,255,598
Basic EPS	$ 0.55	$ 0.33	$ 0.80	$ 0.53
Income attributable to common stock	$ 3,973	$ 2,379	$ 5,794	$ 3,853
Weighted average common shares outstanding	7,220,418	7,287,237	7,224,979	7,255,598
Weighted average common equivalent shares outstanding	—	5,713	—	5,919
Weighted average common and equivalent shares outstanding	7,220,418	7,292,950	7,224,979	7,261,517
Diluted EPS	$ 0.55	$ 0.33	$ 0.80	$ 0.53

Table of Contents

3. SECURITIES

The following tables summarize the amortized cost, fair value and allowance for credit losses of securities available for sale and securities held to maturity at June 30, 2026 and December 31, 2025 and the corresponding amounts of gross unrealized gains and losses recognized in accumulated other comprehensive loss and gross unrecognized gains and losses:

	June 30, 2026				
(in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
Available for sale:					
U.S. GSE residential mortgage-backed securities	$ 28,416	$ 45	$ (466)	$ —	$ 27,995
U.S. GSE residential collateralized mortgage obligations	11,017	83	(43)	—	11,057
U.S. GSE commercial mortgage-backed securities	2,580	—	(66)	—	2,514
Collateralized loan obligations	48,619	12	(148)	—	48,483
Corporate bonds	45,064	423	(493)	—	44,994
Total available for sale securities	$ 135,696	$ 563	$ (1,216)	$ —	$ 135,043

	Amortized Cost	Gross Unrecognized Gains	Gross Unrecognized Losses	Fair Value	Allowance for Credit Losses
Held to maturity:					
U.S. GSE residential mortgage-backed securities	$ 912	$ —	$ (46)	$ 866	$ —

	December 31, 2025				
(in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
Available for sale:					
U.S. Treasury securities	$ 4,495	$ —	$ —	$ —	$ 4,495
U.S. GSE residential mortgage-backed securities	18,055	193	(105)	—	18,143
U.S. GSE residential collateralized mortgage obligations	11,691	69	(3)	—	11,757
U.S. GSE commercial mortgage-backed securities	2,583	—	(51)	—	2,532
Collateralized loan obligations	32,758	30	(124)	—	32,664
Corporate bonds	30,250	294	(583)	—	29,961
Total available for sale securities	$ 99,832	$ 586	$ (866)	$ —	$ 99,552

	Amortized Cost	Gross Unrecognized Gains	Gross Unrecognized Losses	Fair Value	Allowance for Credit Losses
Held to maturity:					
U.S. GSE residential mortgage-backed securities	$ 1,017	$ —	$ (41)	$ 976	$ —

The amortized cost and fair value of investment securities at June 30, 2026, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities if borrowers have the right to call or prepay obligations with or without call or prepayment penalties. Securities not due at a single date are shown separately.

	June 30, 2026	
(in thousands)	Amortized Cost	Fair Value
Securities available for sale:		
Due in one year or less	$ 1,000	$ 1,008
Due after one year through five years	6,584	6,463
Five to ten years	35,980	36,027
Beyond ten years	50,119	49,979
U.S. GSE residential mortgage-backed securities	28,416	27,995
U.S. GSE residential collateralized mortgage obligations	11,017	11,057
U.S. GSE commercial mortgage-backed securities	2,580	2,514
Total securities available for sale	135,696	135,043
Securities held to maturity:		
U.S. GSE residential mortgage-backed securities	912	866
Total investment securities	$ 136,608	$ 135,909

At June 30, 2026 and December 31, 2025, investment securities with a carrying amount of $47.5 million and $34.0 million, respectively, were pledged to secure public deposits and for other purposes required or permitted by law.

There were no sales of securities during the three and six months ended June 30, 2026 and 2025.

There were no holdings of securities of any one issuer in an amount greater than 10% of stockholders' equity other than securities issued by the U.S. government and its agencies at June 30, 2026 and December 31, 2025.

The following tables summarize securities available-for-sale in an unrealized loss position for which an allowance for credit losses has not been recorded at June 30, 2026 and December 31, 2025, aggregated by major security type and length of time in a continuous unrealized loss position:

	June 30, 2026						
	Less than Twelve Months		Twelve Months or Longer		Total		
(in thousands, except number of securities)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Number of Securities	Fair Value	Gross Unrealized Losses
Available-for-sale:							
U.S. GSE residential mortgage-backed securities	$ 21,766	$ (356)	$ 1,073	$ (110)	16	$ 22,839	$ (466)
U.S. GSE residential collateralized mortgage obligations	1,908	(41)	18	(2)	2	1,926	(43)
U.S. GSE commercial mortgage-backed securities	2,514	(66)	—	—	1	2,514	(66)
Collateralized loan obligations	29,778	(140)	9,704	(8)	8	39,482	(148)
Corporate bonds	16,144	(170)	11,177	(323)	18	27,321	(493)
Total available-for-sale	$ 72,110	$ (773)	$ 21,972	$ (443)	45	$ 94,082	$ (1,216)

	December 31, 2025						
	Less than Twelve Months		Twelve Months or Longer		Total		
(in thousands, except number of securities)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Number of Securities	Fair Value	Gross Unrealized Losses
Available-for-sale:							
U.S. GSE residential mortgage-backed securities	$ 4,562	$ (10)	$ 2,719	$ (95)	7	$ 7,281	$ (105)
U.S. GSE residential collateralized mortgage obligations	—	—	19	(3)	1	19	(3)
U.S. GSE commercial mortgage-backed securities	2,532	(51)	—	—	1	2,532	(51)
Collateralized loan obligations	23,654	(124)	—	—	5	23,654	(124)
Corporate bonds	1,987	(14)	10,931	(569)	8	12,918	(583)
Total available-for-sale	$ 32,735	$ (199)	$ 13,669	$ (667)	22	$ 46,404	$ (866)

Assessment of Available for Sale Debt Securities for Credit Risk

Management assesses the decline in fair value of investment securities periodically. Unrealized losses on debt securities may occur from current market conditions, increases in interest rates since the time of purchase, a structural change in an investment, volatility of earnings of a specific issuer, or deterioration in credit quality of the issuer. Management evaluates both qualitative and quantitative factors to assess whether an impairment exists. The following is a discussion of the credit quality characteristics of portfolio segments carrying unrealized losses at June 30, 2026 and December 31, 2025.

Obligations of U.S. Government agencies and sponsored entities

The mortgage-backed securities and collateralized mortgage obligations held by the Company were issued by U.S. government-sponsored entities and agencies. The decline in fair value is attributable to changes in interest rates and illiquidity, and not credit quality. The Company does not have the intent to sell these mortgage-backed securities and collateralized mortgage obligations and it is likely that it will not be required to sell the securities before their anticipated recovery. These securities continue to accrue interest and make payments as expected with no defaults or deferrals on the part of the issuers. The Company did not record expected credit loss on these securities at June 30, 2026 and December 31, 2025.

Corporate bonds

The Company's corporate bond portfolio is comprised of subordinated debt issues of community and regional banks. Management considers the credit quality of each individual investment. Management reviewed the collectibility of these investments, taking into account such factors as the financial condition of the issuers, reported regulatory capital ratios, and credit ratings, when available, and other factors. All corporate bond debt securities continue to accrue interest and make payments as expected with no defaults or deferrals on the part of the issuers. The Company considers the potential credit risk of the issuers to be immaterial and has not allocated an allowance for credit losses on its corporate bond portfolio as of June 30, 2026 and December 31, 2025.

Collateralized loan obligations ("CLO")

The Company's CLO portfolio is comprised of an actively managed portfolio of senior secured Class A Notes. Management considers the credit quality of each individual investment. Management reviewed the collectibility of these investments, taking into account such factors as the financial condition of the issuers and credit ratings, when available and other factors. All CLO securities continue to accrue interest and make payments as expected with no defaults or deferrals on the part of the issuers. The Company considers the potential credit risk of the issuers to be immaterial and has not allocated an allowance for credit losses on its CLO portfolio as of June 30, 2026 and December 31, 2025.

4. LOANS

The following table sets forth the classification of the Company's loans by loan portfolio segment for the periods presented.

(in thousands)	June 30, 2026	December 31, 2025
Residential real estate	$ 764,175	$ 776,995
Multifamily	565,879	541,083
Commercial real estate	506,731	525,569
Commercial and industrial	150,403	145,591
Construction and land development	10,256	11,081
Consumer	449	430
Total loans	1,997,893	2,000,749
Allowance for credit losses	(19,139)	(18,694)
Total loans, net	$ 1,978,754	$ 1,982,055

At June 30, 2026 and December 31, 2025, the Company was servicing approximately $367.5 million and $375.6 million, respectively, of loans for others. The Company had no SBA loans held for sale at June 30, 2026 and December 31, 2025, respectively. The Company had $2.9 million and $6.4 million of residential real estate loans held for sale at June 30, 2026 and December 31, 2025, respectively.

For the three months ended June 30, 2026 and 2025, the Company sold loans totaling approximately $35.5 million and $46.0 million, respectively, recognizing net gains of $1.4 million and $2.3 million, respectively. For the six months ended June 30, 2026 and 2025, the Company sold loans totaling approximately $77.0 million and $92.7 million, respectively, recognizing net gains of $2.8 million and $4.7 million, respectively.

The following tables summarize the activity in the allowance for credit losses by portfolio segment for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30, 2026						
(in thousands)	Residential Real Estate Loans	Multifamily Loans	Commercial Real Estate Loans	Commercial and Industrial Loans	Construction and Land Development Loans	Consumer Loans	Total
Allowance for credit losses:							
Beginning balance	$ 5,016	$ 3,893	$ 4,849	$ 5,149	$ 221	$ 21	$ 19,149
Charge-offs	—	(104)	—	(418)	—	—	(522)
Recoveries	—	1	—	11	—	—	12
Provision for credit losses	(237)	(61)	87	748	(38)	1	500
Ending balance	$ 4,779	$ 3,729	$ 4,936	$ 5,490	$ 183	$ 22	$ 19,139

	Three Months Ended June 30, 2025						
(in thousands)	Residential Real Estate Loans	Multifamily Loans	Commercial Real Estate Loans	Commercial and Industrial Loans	Construction and Land Development Loans	Consumer Loans	Total
Allowance for credit losses:							
Beginning balance	$ 6,551	$ 4,999	$ 5,379	$ 5,860	$ 113	$ 23	$ 22,925
Charge-offs	—	—	—	(3,534)	—	—	(3,534)
Recoveries	—	—	—	10	—	—	10
Provision for credit losses (1)	141	(1,081)	23	3,050	38	(1)	2,170
Ending balance	$ 6,692	$ 3,918	$ 5,402	$ 5,386	$ 151	$ 22	$ 21,571

(1) Additional provision related to off-balance sheet exposure was a debit of $187 thousand for the three months ended June 30, 2025.

	Six Months Ended June 30, 2026						
(in thousands)	Residential Real Estate Loans	Multifamily Loans	Commercial Real Estate Loans	Commercial and Industrial Loans	Construction and Land Development Loans	Consumer Loans	Total
Allowance for credit losses:							
Beginning balance	$ 5,035	$ 3,387	$ 5,123	$ 4,912	$ 215	$ 22	$ 18,694
Charge-offs	—	(104)	(22)	(454)	—	—	(580)
Recoveries	—	1	3	21	—	—	25
Provision for credit losses (1)	(256)	445	(168)	1,011	(32)	—	1,000
Ending balance	$ 4,779	$ 3,729	$ 4,936	$ 5,490	$ 183	$ 22	$ 19,139

(1) Additional provision related to off-balance sheet exposure was a debit of $30 thousand for the six months ended June 30, 2026.

	Six Months Ended June 30, 2025						
(in thousands)	Residential Real Estate Loans	Multifamily Loans	Commercial Real Estate Loans	Commercial and Industrial Loans	Construction and Land Development Loans	Consumer Loans	Total
Allowance for credit losses:							
Beginning balance	$ 6,236	$ 5,284	$ 5,605	$ 5,447	$ 180	$ 27	$ 22,779
Charge-offs	—	(33)	(305)	(3,667)	—	—	(4,005)
Recoveries	—	—	—	27	—	—	27
Provision for credit losses (1)	456	(1,333)	102	3,579	(29)	(5)	2,770
Ending balance	$ 6,692	$ 3,918	$ 5,402	$ 5,386	$ 151	$ 22	$ 21,571

(1) Additional provision related to off-balance sheet exposure was a debit of $187 thousand for the six months ended June 30, 2025.

Table of Contents

Allowance for Credit Losses on Unfunded Commitments

The Company has recorded an ACL for unfunded credit commitments, which is recorded in other liabilities. The provision for credit losses on unfunded commitments is recorded within the provision for credit losses on the Company's income statement. The following table presents the allowance for credit losses for unfunded commitments for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2026	2025	2026	2025
Balance at beginning of period	$ 656	$ 314	$ 626	$ 314
Provision for credit losses	—	187	30	187
Balance at end of period	$ 656	$ 501	$ 656	$ 501

The table below presents the provision for credit losses on loans and unfunded commitments for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2026	2025	2026	2025
Provision for credit losses - loans	$ 500	$ 2,170	$ 1,000	$ 2,770
Provision for credit losses - unfunded commitments	—	187	30	187
Provision for credit losses	$ 500	$ 2,357	$ 1,030	$ 2,957

The following table presents the amortized cost basis of loans on nonaccrual status and loans past due over 89 days still accruing as of June 30, 2026 and December 31, 2025:

	June 30, 2026		
(in thousands)	Nonaccrual With No Allowance for Credit Loss	Nonaccrual	Loans Past Due Over 89 Days Still Accruing
Residential real estate	$ 2,136	$ 2,136	$ —
Multifamily	—	453	—
Commercial real estate	15,805	16,541	—
Commercial and industrial	1,227	9,210	—
Construction and land development	—	—	—
Consumer	—	—	—
Total	$ 19,168	$ 28,340	$ —

	December 31, 2025		
(in thousands)	Nonaccrual With No Allowance for Credit Loss	Nonaccrual	Loans Past Due Over 89 Days Still Accruing
Residential real estate	$ 4,524	$ 4,524	$ —
Multifamily	—	449	—
Commercial real estate	6,053	7,261	—
Commercial and industrial	1,527	9,370	—
Construction and land development	—	—	—
Consumer	—	—	—
Total	$ 12,104	$ 21,604	$ —

Individually Analyzed Loans

The Company analyzes loans on an individual basis when management has determined that the loan no longer exhibits risk characteristics consistent with the risk characteristics existing in its designed pool of loans, under the Company's CECL methodology. Loans individually analyzed include certain nonaccrual loans.

As of June 30, 2026 and December 31, 2025, the amortized cost basis of individually analyzed loans amounted to $28.3 million and $17.2 million, respectively, of which $27.4 million and $16.4 million were considered collateral dependent. For collateral dependent loans where foreclosure is probable or the borrower is experiencing financial difficulty and repayment is likely to be substantially provided through the sale or operation of the collateral, the ACL is measured based on the difference between the fair value of the collateral adjusted for sales costs and the amortized cost basis of the loan, at measurement date. Certain assets held as collateral may be exposed to future deterioration in fair value, particularly due to changes in real estate markets or usage.

The following tables present the amortized cost basis and related allowance for credit loss of individually analyzed loans considered to be collateral dependent as of June 30, 2026 and December 31, 2025.

	June 30, 2026	
(in thousands)	**Amortized Cost Basis**	**Related Allowance**
Residential real estate [1]	$ 2,136	$ —
Multifamily [2]	453	64
Commercial real estate [2]	16,265	27
Commercial and industrial [1] [2] [3]	8,569	1,915
Total	$ 27,423	$ 2,006

[1] Secured by residential real estate
[2] Secured by commercial real estate
[3] Secured by business assets

	December 31, 2025	
(in thousands)	**Amortized Cost Basis**	**Related Allowance**
Residential real estate [1]	$ 4,320	$ —
Multifamily [2]	442	64
Commercial real estate [2]	3,420	135
Commercial and industrial [1] [2] [3]	8,239	1,371
Total	$ 16,421	$ 1,570

[1] Secured by residential real estate
[2] Secured by commercial real estate
[3] Secured by business assets

The following tables present the aging of the amortized cost basis in past due loans as of June 30, 2026 and December 31, 2025 by class of loans:

(in thousands) **June 30, 2026**	**30 - 59 Days Past Due**	**60 - 89 Days Past Due**	**Greater than 89 Days Past Due**	**Total Past Due**	**Loans Not Past Due**	**Total**
Residential real estate	$ 7,241	$ 641	$ 1,471	$ 9,353	$ 754,822	$ 764,175
Multifamily	—	—	453	453	565,426	565,879
Commercial real estate	3,469	821	11,268	15,558	491,173	506,731
Commercial and industrial	2,814	1,369	8,745	12,928	137,475	150,403
Construction and land development	—	—	—	—	10,256	10,256
Consumer	—	—	—	—	449	449
Total	$ 13,524	$ 2,831	$ 21,937	$ 38,292	$ 1,959,601	$ 1,997,893

(in thousands) December 31, 2025	30 - 59 Days Past Due	60 - 89 Days Past Due	Greater than 89 Days Past Due	Total Past Due	Loans Not Past Due	Total
Residential real estate	$ 9,400	$ 2,917	$ 2,963	$ 15,280	$ 761,715	$ 776,995
Multifamily	1,413	856	449	2,718	538,365	541,083
Commercial real estate	2,602	5,151	6,114	13,867	511,702	525,569
Commercial and industrial	8,328	688	2,691	11,707	133,884	145,591
Construction and land development	—	—	—	—	11,081	11,081
Consumer	—	—	—	—	430	430
Total	$ 21,743	$ 9,612	$ 12,217	$ 43,572	$ 1,957,177	$ 2,000,749

The Company may occasionally make modifications to loans where the borrower is considered to be in financial distress. Types of modifications include principal reductions, significant payment delays, term extensions, interest rate reductions or a combination thereof. The amount of principal reduction is charged-off against the allowance for credit losses.

The following tables present the amortized cost basis of loans that were both experiencing financial difficulty and modified during the three and six month periods ended June 30, 2026 and 2025, by class and type of modification. The percentage of the amortized cost basis of loans that were modified to borrowers in financial distress as compared to the amortized cost basis of each class of financing receivable is also presented below.

	Three Months Ended June 30, 2026					
(in thousands)	Principal Reduction	Payment Delay	Term Extension	Interest Rate Reduction	Combination	% of Total Class of Financing Receivable
Multifamily	$ —	$ 6,756	$ —	$ —	$ —	1.19 %

	Six Months Ended June 30, 2026					
(in thousands)	Principal Reduction	Payment Delay	Term Extension	Interest Rate Reduction	Combination	% of Total Class of Financing Receivable
Multifamily	$ —	$ 6,756	$ —	$ —	$ —	1.19 %
Commercial and industrial	—	1,215	—	—	—	0.81
Total	$ —	$ 7,971	$ —	$ —	$ —	0.40 %

(in thousands)	For the Three and Six Months Ended June 30, 2025 Principal Reduction	Payment Delay	Term Extension	Interest Rate Reduction	Combination	% of Total Class of Financing Receivable
Commercial and industrial	$ —	$ —	$ 255	$ —	$ —	0.17 %

The Company had no commitment to lend additional funds to borrowers for which modifications described above were made during the three and six month periods ended June 30, 2026 and 2025.

The Company monitors the performance of loans that are modified to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. No such loans that have been modified in the last twelve month periods preceding June 30, 2026 and June 30, 2025 were past due.

The following tables present the financial effect of the loan modifications presented above to borrowers experiencing financial difficulty during the three and six month periods ended June 30, 2026 and 2025:

(in thousands)	Three Months Ended June 30, 2026 Principal Reduction	Payment Delay	Weighted Average Term Extension (in months)
Multifamily	$ —	$ 14	—

(in thousands)	Six Months Ended June 30, 2026 Principal Reduction	Payment Delay	Weighted Average Term Extension (in months)
Multifamily	$ —	$ 14	—
Commercial and industrial	—	82	—
Total	$ —	$ 96	—

(in thousands)	For the Three and Six Months Ended June 30, 2025 Principal Reduction	Weighted Average Interest Rate Reduction	Weighted Average Term Extension (in months)
Commercial and industrial	$ —	— %	36

Upon the Company’s determination that a modified loan (or a portion of a loan) has subsequently been deemed uncollectible, the loan (or a portion of the loan) is written off. Therefore, the amortized cost basis of the loan is reduced by the uncollectible amount and the allowance for credit losses is adjusted by the same amount. During the three and six month periods ended June 30, 2026 and 2025, no loans that were modified to borrowers experiencing financial difficulty had a payment default within twelve months of modification.

Credit Quality Indicators:

The Company has adopted a credit risk rating system as part of the risk assessment of its loan portfolio. The Company's lending officers are required to assign a credit risk rating to each loan in their portfolio at origination. When the lender learns of important financial developments, the risk rating is reviewed and adjusted if necessary. In addition, the Company engages a third-party independent loan reviewer that performs semi-annual reviews of a sample of loans, validating the credit risk ratings assigned to such loans. The credit risk ratings play an important role in the establishment of the loan loss provision and to confirm the adequacy of the allowance for credit losses.

The Company 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 Company analyzes commercial loans individually by classifying the loans as to credit risk. The Company uses the following definitions for risk ratings:

Special Mention: The loan has potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of repayment prospects for the asset or in the Company's credit position at some future date.

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

Doubtful: The loan has all the weaknesses inherent in one classified substandard with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing factors, conditions, and values, highly questionable and improbable.

Loans not having a credit risk rating of Special Mention, Substandard or Doubtful are considered pass loans.

The following table summarizes the Company’s loans by year of origination and internally assigned credit risk at June 30, 2026 and gross charge-offs for the six months ended June 30, 2026:

(in thousands)	Term Loans Amortized Cost by Origination Year 2026	2025	2024	2023	2022	Prior	Revolving Loans	Revolving Loans to Term Loans	Total
Residential real estate [1]									
Pass	$ 53,655	137,395	72,244	142,897	167,003	160,567	$ —	$ 26,948	$ 760,709
Special Mention	—	—	641	510	—	—	—	—	1,151
Substandard	—	—	354	—	—	1,782	—	—	2,136
Total Residential real estate	53,655	137,395	73,239	143,407	167,003	162,349	—	26,948	763,996
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Multifamily									
Pass	34,621	25,228	2,722	3,317	271,370	221,412	—	—	558,670
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	7,209	—	—	7,209
Total Multifamily	34,621	25,228	2,722	3,317	271,370	228,621	—	—	565,879
Current period gross charge-offs	—	—	—	—	—	104	—	—	104
Commercial real estate									
Pass	20,165	65,118	55,199	55,731	150,282	134,083	—	—	480,578
Special Mention	—	—	676	—	1,639	6,577	—	—	8,892
Substandard	—	—	9,672	1,047	460	6,082	—	—	17,261
Total Commercial real estate	20,165	65,118	65,547	56,778	152,381	146,742	—	—	506,731
Current period gross charge-offs	—	—	—	22	—	—	—	—	22
Commercial and industrial									
Pass	16,690	33,539	26,686	43,737	6,285	4,871	—	—	131,808
Special Mention	—	38	1,252	5,220	—	2,766	—	—	9,276
Substandard	—	—	420	7,494	336	1,069	—	—	9,319
Total Commercial and industrial	16,690	33,577	28,358	56,451	6,621	8,706	—	—	150,403
Current period gross charge-offs	—	22	410	22	—	—	—	—	454
Construction and land development									
Pass	368	8,779	—	—	—	—	—	—	9,147
Special Mention	—	1,109	—	—	—	—	—	—	1,109
Substandard	—	—	—	—	—	—	—	—	—
Total Construction and land development	368	9,888	—	—	—	—	—	—	10,256
Current period gross charge-offs	—	—	—	—	—	—	—	—	—
Consumer									
Pass	47	37	116	196	53	—	—	—	449
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Total Consumer	47	37	116	196	53	—	—	—	449
Current period gross charge-offs	—	—	—	—	—	—	—	—	—
Total Loans	$ 125,546	$ 271,243	$ 169,982	$ 260,149	$ 597,428	$ 546,418	$ —	$ 26,948	$ 1,997,714
Total Gross charge-offs	$ —	$ 22	$ 410	$ 44	$ —	$ 104	$ —	$ —	$ 580

(1) Certain fixed rate residential mortgage loans are included in a fair value hedging relationship. The amortized cost excludes a contra asset of $179,000 related to basis adjustments for loans in the closed portfolio under the portfolio layer method at June 30, 2026. These basis adjustments would be allocated to the amortized cost of specific loans within the pool if the hedge was de-designated. See “Note 10 – Derivatives” for more information on the fair value hedge.

The following table summarizes the Company's loans by year of origination and internally assigned credit risk at December 31, 2025:

	Term Loans Amortized Cost by Origination Year							Revolving	
(in thousands)	2025	2024	2023	2022	2021	Prior	Revolving Loans	Revolving Loans to Term Loans	Total
Residential real estate [(1)]									
Pass	$ 141,755	$ 77,692	$ 161,707	$ 176,313	$ 50,906	$ 133,911	$ —	$ 25,459	$ 767,743
Special Mention	—	—	—	1,184	1,185	1,449	—	—	3,818
Substandard	1,136	376	—	—	—	3,383	—	—	4,895
Total Residential real estate	142,891	78,068	161,707	177,497	52,091	138,743	—	25,459	776,456
Multifamily									
Pass	25,386	2,734	3,343	274,404	154,614	80,153	—	—	540,634
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	449	—	—	449
Total Multifamily	25,386	2,734	3,343	274,404	154,614	80,602	—	—	541,083
Commercial real estate									
Pass	65,373	62,277	59,357	156,010	56,447	100,094	—	—	499,558
Special Mention	1,182	4,967	—	2,054	7,473	2,385	—	—	18,061
Substandard	—	5,563	1,699	—	—	688	—	—	7,950
Total Commercial real estate	66,555	72,807	61,056	158,064	63,920	103,167	—	—	525,569
Commercial and industrial									
Pass	39,132	27,187	46,472	7,210	5,015	3,368	—	—	128,384
Special Mention	—	1,428	5,083	—	939	317	—	—	7,767
Substandard	—	114	7,772	477	237	840	—	—	9,440
Total Commercial and industrial	39,132	28,729	59,327	7,687	6,191	4,525	—	—	145,591
Construction and land development									
Pass	5,855	1,463	—	—	—	—	—	—	7,318
Special Mention	—	—	—	—	3,763	—	—	—	3,763
Substandard	—	—	—	—	—	—	—	—	—
Total Construction and land development	5,855	1,463	—	—	3,763	—	—	—	11,081
Consumer									
Pass	39	124	209	58	—	—	—	—	430
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Total Consumer	39	124	209	58	—	—	—	—	430
Total Loans	$ 279,858	$ 183,925	$ 285,642	$ 617,710	$ 280,579	$ 327,037	$ —	$ 25,459	$ 2,000,210

(1) Certain fixed rate residential mortgage loans are included in a fair value hedging relationship. The amortized cost excludes a contra asset of $539,000 related to basis adjustments for loans in the closed portfolio under the portfolio layer method at December 31, 2025. These basis adjustments would be allocated to the amortized cost of specific loans within the pool if the hedge was de-designated. See "Note 10 – Derivatives" for more information on the fair value hedge.

5. EQUITY COMPENSATION PLANS

On May 28, 2026, the Company's stockholders approved the Hanover Bancorp, Inc. 2026 Equity Incentive Plan (the "2026 Plan"). Upon stockholder approval of the 2026 Plan, the Company terminated the 2021 and 2018 Equity Compensation Plans (the "2018 Plan" and the “2021 Plan”). As a result, no further awards may be granted under the 2018 and 2021 Plans.

Shares available for future issuance under the 2018 and 2021 Plans immediately prior to their termination were rolled over and added to the authorized share reserve under the 2026 Plan. Specifically, 110,713 shares that were previously authorized but unissued under the 2021 Plan and 5,026 shares that were previously authorized but unissued under the 2018 Plan, were rolled into the 2026 Plan. Under the terms of the 2026 Plan, the total number of shares authorized for issuance consists of these rolled-over shares plus an additional 155,000 newly authorized shares. At June 30, 2026, a total of 270,739 shares of common stock are available for issuance under the 2026 Plan.

Outstanding awards previously granted under the 2018 and 2021 Plans continue to be governed by the terms of those Plans but are now counted against the aggregate share pool of the 2026 Plan. If any outstanding awards under the 2018 or the 2021 Plan are forfeited, expire, or are settled in cash without the delivery of shares, the equivalent number of shares will become available for future grant under the 2026 Plan.

Stock Options

Stock options are granted with an exercise price equal to the fair market value of the Company’s common stock at the date of grant, and generally with vesting periods of three years and contractual terms of ten years. All stock options fully vest upon a change in control.

The fair value of stock options is estimated on the date of grant using a closed form option valuation (Black-Scholes) model. Expected volatilities are based on historical volatilities of the common stock of the Company’s peers. The Company uses historical data to estimate option exercise and post-vesting termination behavior. Expected terms are based on historical data and represent the periods in which the options are expected to be outstanding. 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 grant.

There were 16,000 stock options exercised resulting in the net issuance (after netting the value of the exercise price and/or certain tax liabilities) of 12,711 shares of common stock during the six months ended June 30, 2026. There were 42,000 stock options exercised resulting in the net issuance (after netting the value of the exercise price and/or certain tax liabilities) of 14,332 shares of common stock during the six months ended June 30, 2025.

A summary of stock option activity follows (aggregate intrinsic value in thousands):

	Number of Options	Weighted Average Exercise Price	Aggregate Intrinsic Value	Weighted Average Remaining Contractual Term
Outstanding, January 1, 2026	16,000	$ 13.00	$ 164	0.67 years
Granted	—	—		
Exercised	(16,000)	13.00		
Forfeited	—	—		
Outstanding, June 30, 2026	—	$ —	$ —	0.00 years

The following table presents information related to the stock option plan for the periods presented:

(in thousands)	Six Months Ended June 30, 2026	2025
Intrinsic value of options exercised	$ 167	$ 847
Cash received from option exercises	130	—
Tax benefit from option exercises	50	296

There was no compensation expense attributable to stock options for the three and six months ended June 30, 2026 and 2025.

Restricted Stock Awards

During the six months ended June 30, 2026, restricted stock awards of 53,596 shares were granted with vesting periods ranging from three to five years. During the six months ended June 30, 2025, restricted stock awards of 51,250 shares were granted with a five-year vesting period. Compensation expense is recognized over the vesting period of the awards based on the fair value of the stock at issue date.

A summary of restricted stock awards activity follows:

	Number of Shares	Weighted-Average Grant Date Fair Value
Unvested, January 1, 2026	200,404	$ 20.76
Granted	53,596	23.24
Vested	(61,194)	20.29
Forfeited	(17,917)	21.11
Unvested, June 30, 2026	174,889	$ 21.65

Compensation expense attributable to restricted stock awards was $368 thousand and $325 thousand for the three months ended June 30, 2026 and 2025, respectively. Compensation expense attributable to restricted stock awards was $708 thousand and $674 thousand for the six months ended June 30, 2026 and 2025, respectively. As of June 30, 2026 and December 31, 2025, there was $3.1 million and $2.9 million of total unrecognized compensation cost related to unvested restricted stock, expected to be recognized over a weighted-average term of 2.75 years and 3.01 years, respectively. The total fair value of shares vested during the six months ended June 30, 2026 and 2025 was $1.3 million and $1.8 million, respectively.

Restricted Stock Units

Long Term Incentive Plan

Restricted stock units ("RSU"s) represent an obligation to deliver shares to a grantee at a future date if certain vesting conditions are met. RSUs are subject to a time-based vesting schedule and the satisfaction of performance conditions and are settled in shares of the Company's common stock. RSUs do not provide voting rights and RSUs may accrue dividends from the date of grant.

The following table summarizes the unvested performance-based RSU activity for the six months ended June 30, 2026:

	Number of Shares	Weighted-Average Grant Date Fair Value
Unvested, January 1, 2026	22,345	$ 26.30
Granted	20,022	23.55
Vested	—	—
Forfeited	(5,228)	26.30
Unvested, June 30, 2026	37,139	$ 24.82

During the six months ended June 30, 2026, the Company granted 20,022 RSUs. These performance-based RSUs cliff vest after three years and are subject to the achievement of the Company's pre-defined performance goals for the three-year period ending December 31, 2028. Performance-based RSUs granted in 2025 cliff vest after three years and are subject to the achievement of the Company's pre-defined performance goals for the three-year period ending December 31, 2027.

Compensation expense attributable to RSUs was $73 thousand and $67 thousand, respectively, for the three months ended June 30, 2026 and 2025. Compensation expense attributable to RSUs was $91 thousand and $212 thousand, respectively, for the six months ended June 30, 2026 and 2025. As of June 30, 2026 and December 31, 2025, there was $658 thousand and $414 thousand of total unrecognized compensation cost related to non-vested RSUs. The cost is expected to be recognized over a weighted-average period of 2.35 years and 2.21 years, respectively.

6. REGULATORY MATTERS

The Bank is subject to various regulatory capital requirements administered by federal banking agencies. Capital adequacy regulations and, additionally, 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 judgments by regulators. Failure to meet minimum capital requirements can initiate regulatory action. The effects of accumulated other comprehensive income or loss are not included in computing regulatory capital. Management believes as of June 30, 2026, the Bank meets all capital adequacy requirements to which it is subject.

In addition to the minimum capital requirements discussed above, the Bank is also required to maintain a capital buffer above the requirements set forth in the capital adequacy regulations. Failure to maintain the required buffer could impair the Bank's ability to pay dividends to the Company and to pay certain compensation to its executives.

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 or worse, 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. At June 30, 2026 and December 31, 2025, 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 that notification that management believes have changed the institution's category.

Under a policy of the Federal Reserve applicable to bank holding companies with less than $3.0 billion in consolidated assets, the Company is not subject to consolidated regulatory capital requirements.

The following table sets forth the Bank's actual and required capital amounts (in thousands) and ratios under current regulations:

	Actual Capital		Minimum Capital Adequacy Requirement		Minimum Capital Adequacy Requirement with Capital Conservation Buffer		Minimum to Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
June 30, 2026								
Total capital to risk-weighted assets	$ 235,444	14.84 %	$ 126,964	8.00 %	$ 166,641	10.50 %	$ 158,706	10.00 %
Tier 1 capital to risk-weighted assets	215,650	13.59 %	95,223	6.00 %	134,900	8.50 %	126,964	8.00 %
Common equity tier 1 capital to risk-weighted assets	215,650	13.59 %	71,417	4.50 %	111,094	7.00 %	103,159	6.50 %
Tier 1 capital to average total assets	215,650	9.76 %	88,403	4.00 %	N/A	N/A	110,504	5.00 %
December 31, 2025								
Total capital to risk-weighted assets	$ 222,739	14.06 %	$ 126,770	8.00 %	$ 166,385	10.50 %	$ 158,462	10.00 %
Tier 1 capital to risk-weighted assets	204,431	12.90 %	95,077	6.00 %	134,693	8.50 %	126,770	8.00 %
Common equity tier 1 capital to risk-weighted assets	204,431	12.90 %	71,308	4.50 %	110,923	7.00 %	103,000	6.50 %
Tier 1 capital to average total assets	204,431	9.05 %	90,398	4.00 %	N/A	N/A	112,997	5.00 %

Dividend restrictions - The Company's principal source of funds for dividend and debt service payments is dividends received from the Bank. During the six months ended June 30, 2026 the Bank paid $2.3 million in cash dividends to the Company. Banking regulations limit the amount of dividends that may be paid without prior approval of regulatory agencies. As of June 30, 2026, the Bank had $29.8 million of retained net income available for dividends to the Company, without obtaining regulatory approval, provided that the Bank satisfies the regulatory capital requirements, including the capital conservation buffer, disclosed above. The Company made capital contributions of $6.0 million to the Bank during the six months ended June 30, 2026.

7. FAIR VALUE

Fair value is the exchange price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined using quoted market prices. However, in many instances, quoted market prices are not available. In such instances, fair values are determined using appropriate valuation techniques. Various assumptions and observable inputs must be relied upon in applying these techniques. Accordingly, categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. As such, the fair value estimates may not be realized in an immediate transfer of the respective asset or liability.

There are three levels of inputs that may be used to measure fair values:

- Level 1: Valuation is based upon unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

- Level 2: Fair value is calculated using significant inputs other than quoted market prices that are directly or indirectly observable for the asset or liability. The valuation may rely on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability (such as interest rates, rate volatility, prepayment speeds, credit ratings) or inputs that are derived principally or corroborated by market data, by correlation, or other means.

- Level 3: Inputs for determining the fair value of the respective assets or liabilities are not observable. Level 3 valuations are reliant upon pricing models and techniques that require significant management judgment or estimation.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates do not reflect any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument. Because no market exists for a significant portion of the Company's financial instruments, fair value estimates are based on judgments regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Fair value estimates are based on existing on- and off-balance-sheet financial instruments without attempting to estimate the value of anticipated future business and the value of assets and liabilities that are not considered financial instruments. In addition, the tax ramifications related to the realization of the unrealized gains and losses can have a significant effect on fair value estimates and have not been considered in the estimates.

Assets Measured at Fair Value on a Recurring Basis

The following presents fair value measurements on a recurring basis at June 30, 2026 and December 31, 2025:

	June 30, 2026			
		Fair Value Measurements Using:		
(in thousands)	Carrying Amount	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets:				
Available-for-sale securities:				
U.S. GSE residential mortgage-backed securities	$ 27,995	$ —	$ 27,995	$ —
U.S. GSE residential collateralized mortgage obligations	11,057	—	11,057	—
U.S. GSE commercial mortgage-backed securities	2,514	—	2,514	—
Collateralized loan obligations	48,483	—	48,483	—
Corporate bonds	44,994	—	44,994	—
Loan servicing rights	6,020	—	—	6,020
Derivatives	12	—	12	—
Total	$ 141,075	$ —	$ 135,055	$ 6,020
Financial liabilities:				
Derivatives	$ 225	$ —	$ 225	$ —

	December 31, 2025			
		Fair Value Measurements Using:		
(In thousands)	Carrying Amount	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets:				
Available-for-sale securities:				
U.S. Treasury securities	$ 4,495	$ —	$ 4,495	$ —
U.S. GSE residential mortgage-backed securities	18,143	—	18,143	—
U.S. GSE residential collateralized mortgage obligations	11,757	—	11,757	—
U.S. GSE commercial mortgage-backed securities	2,532	—	2,532	—
Collateralized loan obligations	32,664	—	32,664	—
Corporate bonds	29,961	—	29,961	—
Loan servicing rights	6,320	—	—	6,320
Total	$ 105,872	$ —	$ 99,552	$ 6,320
Financial liabilities:				
Derivatives	$ 1,053	$ —	$ 1,053	$ —

The fair value for the securities available-for-sale were obtained from an independent broker based upon matrix pricing, which is a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities. The Company has determined these are classified as Level 2 inputs within the fair value hierarchy.

Derivatives represent interest rate swaps for which the estimated fair values are based on valuation models using observable market data as of the measurement date resulting in a Level 2 classification.

The fair value of collateral-dependent loans with specific allocations of the allowance for credit losses is generally based on recent real estate appraisals. These appraisals may utilize a single valuation approach or a combination of approaches including comparable sales and the income approach. Adjustments are routinely made in the appraisal process by the independent appraisers to adjust for differences between the comparable sales and income data available for similar loans and collateral underlying such loans. Non-real estate collateral may be valued using an appraisal, net book value per the borrowers financial statements, adjusted or discounted based on management's knowledge, changes in market conditions from the time of the valuation, and management's expertise and knowledge of the client and client's business, resulting in a Level 3 fair value classification. Collateral-dependent loans are evaluated on a quarterly basis and adjusted in accordance with the allowance policy.

Other Real Estate Owned ("OREO") (included in Other Assets): Assets acquired through or in lieu of loan foreclosures are initially recorded at fair value less costs to sell when acquired, establishing a new cost basis. These assets are subsequently accounted for at the lower of cost or fair value less estimated costs to sell. Fair value is commonly based on recent real estate appraisals which are updated no less frequently than annually. These appraisals may utilize a single valuation approach or a combination of approaches including comparable sales and income approach with data comparable properties. Adjustments are routinely made in the appraisal process by the independent appraisers to adjust for differences between the comparable sales and income data available. Such adjustments are usually significant and typically result in a Level 3 classification of the inputs for determining fair value. OREO properties are evaluated on a quarterly basis for additional impairment and adjusted accordingly.

Appraisals for both collateral-dependent loans and OREO are performed by certified commercial appraisers for commercial properties or certified residential appraisers for residential properties whose qualifications and licenses have been reviewed and approved by the Bank. Once received, an independent third party reviews the assumptions and approaches utilized in the appraisal as well as the overall resulting fair value in comparison with independent data sources such as recent market data or industry-wide statistics.

The fair value of mortgage servicing rights is based on a valuation model that calculates the present value of estimated future 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. The fair value of loan servicing rights related to residential mortgage loans at June 30, 2026 was determined based on discounted expected future cash flows using discount rates ranging from 12.8% to 15.3%, prepayment speeds ranging from 17.5% to 18.7% and a weighted average life ranging from 1.2 to 3.6 years. Fair value at December 31, 2025 for loan servicing rights related to residential mortgage loans was determined based on discounted expected future cash flows using discount rates ranging from 12.4% to 14.9%, prepayment speeds ranging from 17.6% to 18.9% and a weighted average life ranging from 1.5 to 3.6 years.

The fair value of loan servicing rights for SBA loans at June 30, 2026 was determined based on discounted expected future cash flows using discount rates ranging from 3.8% to 57.5%, prepayment speeds ranging from 8.4% to 35.9% and a weighted average life ranging from 0.4 to 5.2 years. The fair value of loan servicing rights for SBA loans at December 31, 2025 was determined based on discounted expected future cash flows using discount rates ranging from 6.0% to 48.8%, prepayment speeds ranging from 7.9% to 31.9% and a weighted average life ranging from 0.4 to 5.4 years.

The Company has determined these are mostly unobservable inputs and considers them Level 3 inputs within the fair value hierarchy.

The following table presents the changes in mortgage servicing rights for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2026**	**2025**	**2026**	**2025**
Balance at beginning of period	$ 6,194	$ 6,207	$ 6,320	$ 6,016
Additions	201	461	302	951
Adjustment to fair value	(375)	(219)	(602)	(518)
Balance at end of period	$ 6,020	$ 6,449	$ 6,020	$ 6,449

Assets Measured at Fair Value on a Non-recurring Basis

Assets measured at fair value on a non-recurring basis are summarized below:

	June 30, 2026			
		Fair Value Measurements Using:		
(in thousands)	Carrying Amount	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Collateral-dependent loans:				
Multifamily	$ 378	$ —	$ —	$ 378
Commercial real estate	374	—	—	374
Commercial and industrial	5,804	—	—	5,804
Other real estate owned, net:				
Commercial real estate	650	—	—	650

	December 31, 2025			
		Fair Value Measurements Using:		
(in thousands)	Carrying Amount	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Collateral-dependent loans:				
Multifamily	$ 378	$ —	$ —	$ 378
Commercial real estate	991	—	—	991
Commercial and industrial	6,084	—	—	6,084
Other real estate owned, net:				
Commercial real estate	650	—	—	650

The Bank had one other real estate owned property at June 30, 2026 and December 31, 2025 with a $650 thousand carrying value (included in other assets).

The table below presents quantitative information about level 3 fair value measurements for assets measured at fair value on a non-recurring basis at June 30, 2026 and December 31, 2025:

June 30, 2026	**Fair Value**	**Valuation Technique**	**Unobservable Inputs**	**Range (Weighted Average)**
(Dollar in thousands)				
Collateral-dependent loans:				
Multifamily	$ 378	Income approach	Capitalization rate	4.00% - 9.40% (8.50%)
Commercial real estate	374	Income approach	Capitalization rate	6.62% - 8.29% (7.00%)
Commercial and industrial	5,804	Income approach	Capitalization rate	5.00% - 9.50% (8.50%)
Other real estate owned:				
Commercial real estate	650	Income approach	Capitalization rate	5.50% - 12.00% (9.00%)

December 31, 2025	Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Average)
(Dollar in thousands)				
Collateral-dependent loans:				
Multifamily	$ 378	Income approach	Capitalization rate	4.00% - 9.40% (8.50%)
Commercial real estate	991	Sales comparison approach	Comparable sales adjustments	5.00% - 20.00% (10.00%)
Commercial and industrial	6,084	Income approach	Capitalization rate	5.00% - 9.50% (8.50%)
Other real estate owned:				
Commercial real estate	650	Income approach	Capitalization rate	5.50% - 12.00% (9.00%)

Financial Instruments Not Measured at Fair Value

The following presents the carrying amounts and estimated fair values of the Company's financial instruments not carried at fair value at June 30, 2026 and December 31, 2025:

	June 30, 2026				
		Fair Value Measurements Using:			
(In thousands)	Carrying Amount	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Financial assets:					
Cash and cash equivalents	$ 141,243	$ 141,243	$ —	$ —	$ 141,243
Securities held-to-maturity	912	—	866	—	866
Loans, net	1,978,754	—	—	1,977,442	1,977,442
Accrued interest receivable	11,646	—	1,643	10,003	11,646
Financial liabilities:					
Time deposits	506,338	—	506,208	—	506,208
Demand and other deposits	1,506,501	1,506,501	—	—	1,506,501
Borrowings	59,810	—	59,061	—	59,061
Subordinated debentures	34,229	—	34,950	—	34,950
Accrued interest payable	1,775	14	1,761	—	1,775

(In thousands)	December 31, 2025				
		Fair Value Measurements Using:			
	Carrying Amount	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Financial assets:					
Cash and cash equivalents	$ 208,904	$ 208,904	$ —	$ —	$ 208,904
Securities held-to-maturity	1,017	—	976	—	976
Loans, net	1,982,055	—	—	1,981,457	1,981,457
Accrued interest receivable	11,780	—	1,165	10,615	11,780
Financial liabilities:					
Time deposits	509,896	—	510,703	—	510,703
Demand and other deposits	1,518,491	1,518,491	—	—	1,518,491
Borrowings	100,725	—	101,510	—	101,510
Subordinated debentures	24,743	—	26,342	—	26,342
Accrued interest payable	1,741	11	1,730	—	1,741

8. BORROWINGS

Federal Home Loan Bank (“FHLB”) Advances

On February 23, 2026, the Company restructured five existing FHLB advances with a total principal balance of $60.3 million and a weighted average rate of 4.27%. These advances were replaced with two new putable fixed-rate advances with FHLB totaling $60.3 million at a weighted average rate of 3.47%. $13.5 million and $46.8 million maturing on February 23, 2029 and February 24, 2031, respectively, are structured with an embedded option allowing the FHLB to terminate the advances at par on specified dates after a one-year and two-year lock-out period, respectively. If the FHLB exercises this option, the Company will need to replace this funding at market rates. A prepayment penalty of $481 thousand was incurred but deferred and is being amortized as a yield adjustment over the life of the new advances.

At June 30, 2026 and December 31, 2025, FHLB term borrowings outstanding were $59.8 million (net of $440 thousand deferred prepayment penalty) and $100.7 million, respectively, all of which were fixed rate.

There were no FHLB overnight borrowings outstanding at June 30, 2026 and December 31, 2025.

Each advance is payable at its maturity date, with a prepayment penalty for fixed rate advances. The advances were collateralized by residential and commercial mortgage loans under a blanket lien arrangement at June 30, 2026 and December 31, 2025. Based on this collateral and the Company’s holdings of FHLB stock, the Company was eligible to borrow up to an additional total of $215.2 million and $8.9 million at June 30, 2026 and December 31, 2025, respectively.

The following tables set forth the contractual maturities in the next five years and weighted average interest rates of the Company's fixed rate FHLB advances (dollars in thousands):

	Balance at June 30, 2026	
Contractual Maturity	Amount	Weighted Average Rate
Overnight	$ —	— %
2029, rate 3.87%	13,297	3.87 %
2031, rate 3.38%	46,513	3.38 %
Total term advances	59,810	3.49 %
Total FHLB advances	$ 59,810	3.49 %

	Balance at December 31, 2025	
Contractual Maturity	Amount	Weighted Average Rate
Overnight	$ —	— %
2026, rates from 4.29% to 4.98%	40,475	4.50 %
2027, rates from 4.13% to 4.74%	40,250	4.32 %
2028, rates from 3.99% to 4.58%	20,000	4.18 %
Total term advances	100,725	4.36 %
Total FHLB advances	$ 100,725	4.36 %

Federal Reserve Borrowings

The Company pledges residential and commercial loans and investments to the Federal Reserve Bank of New York's Discount Window. Based on this collateral, the Company was eligible to borrow up to $85.2 million and $97.3 million as of June 30, 2026 and December 31, 2025, respectively. The Company did not have any outstanding borrowings against this line as of June 30, 2026 and December 31, 2025.

Correspondent Bank Borrowings

At June 30, 2026, approximately $92.0 million in unsecured lines of credit extended by correspondent banks were available to be utilized for short-term funding purposes. No borrowings were outstanding under lines of credit with correspondent banks at June 30, 2026 and December 31, 2025.

9. SUBORDINATED DEBENTURES

In October 2020, the Company completed the private placement of $25.0 million in aggregate principal amount of fixed-to-floating rate subordinated notes due on October 15, 2030 (the "2020 Notes") to certain qualified institutional buyers and accredited investors. The 2020 Notes bore interest, payable semi-annually, at the rate of 5.00% per annum, until October 15, 2025. From and including October 15, 2025 through maturity or earlier redemption, the interest rate applicable to the outstanding principal amount due reset quarterly to the then current three-month Secured Overnight Financing Rate ("SOFR") plus 487.4 basis points payable quarterly in arrears on January 15, April 15, July 15, and October 15 of each year, commencing on January 15, 2026. On April 15, 2026, the Company redeemed in full the $25.0 million in aggregate principal amount of its outstanding floating rate subordinated notes for a total redemption price of $25.0 million plus accrued interest of $534 thousand. As a result of this redemption, the Company recorded debt extinguishment charges of $240 thousand in the second quarter of 2026 representing the acceleration and write-off of the remaining unamortized debt issuance costs. The redemption was funded using a portion of the net proceeds from the $35.0 million subordinated notes that the Company issued on March 12, 2026, as discussed below.

On March 12, 2026, the Company completed the private placement of $35 million in aggregate principal amount of fixed-to-floating rate subordinated notes due on March 15, 2036 (the “2026 Notes”) to certain qualified institutional buyers and accredited investors. The 2026 Notes bear interest, payable semi-annually, at the rate of 7.25% per annum, to be excluding March 15, 2031. From and including March 15, 2031 through the maturity date or early redemption date, the interest rate applicable to the outstanding principal amount due will reset quarterly to the then current three-month SOFR plus 386 basis points. The Company may, at its option, beginning with the interest payment date of March 15, 2031, but not generally prior thereto, and on any scheduled interest payment date thereafter, redeem the 2026 Notes, in whole or in part, subject to the receipt of any required regulatory approval. The 2026 Notes are not subject to redemption at the option of the holders of the 2026 Notes. The Company used the net proceeds of the 2026 Notes to redeem the 2020 Notes on April 15, 2026 and for general corporate purposes, including contributing equity capital to the Bank. The portion of the proceeds of the 2026 Notes contributed to the Bank is included as a component of the Bank’s Tier 1 capital for regulatory reporting.

At June 30, 2026 and December 31, 2025, the unamortized issuance costs of the subordinated notes were $771 thousand and $257 thousand, respectively. For the three months ended June 30, 2026 and 2025, $20 thousand and $13 thousand in issuance costs were recorded in interest expense. For the six months ended June 30, 2026 and 2025, $37 thousand and $27 thousand in issuance costs were recorded in interest expense The subordinated notes are presented net of unamortized issuance costs in the Company’s Consolidated Statements of Financial Condition.

10. DERIVATIVES

As part of its asset liability management, the Company utilizes interest rate swap agreements to help manage its interest rate risk position. The notional amount of the interest rate swap does not represent the amount exchanged by the parties. The amount exchanged is determined by reference to the notional amount and the other terms of the individual interest rate swap agreements.

The following sets forth information regarding the Company’s derivative financial instruments as of the dates indicated:

	Assets		Liabilities	
(in thousands)	Notional Amount	Fair Value [1]	Notional Amount	Fair Value [1]
June 30, 2026				
Cash flow hedges:				
Interest rate swaps (Brokered Certificates of Deposit)	$ 25,000	$ 12	$ 50,000	$ (94)
Fair value hedges:				
Interest rate swaps (Loans)	—	—	50,000	(131)
Total	$ 25,000	$ 12	$ 100,000	$ (225)
December 31, 2025				
Cash flow hedges:				
Interest rate swaps (Brokered Certificates of Deposit)	$ —	$ —	$ 75,000	$ (594)
Fair value hedges:				
Interest rate swaps (Loans)	—	—	50,000	(459)
Total	$ —	$ —	$ 125,000	$ (1,053)

(1) Derivatives in a positive position are recorded as “Other assets” and derivatives in a negative position are recorded as “Other liabilities” in the Consolidated Statements of Financial Condition.

Cash Flow Hedges of Interest Rate Risk

Interest rate swaps with notional amounts totaling $75.0 million as of June 30, 2026 and December 31, 2025, were designated as cash flow hedges of certain Brokered Certificates of Deposit. The swaps were determined to be fully effective during the periods presented and therefore no amount of ineffectiveness has been included in net income. The aggregate fair value of the swaps is recorded in other assets/(other liabilities) with changes in fair value recorded in other comprehensive income (loss). The amount included in accumulated other comprehensive income (loss) would be reclassified to current earnings should the hedges no longer be considered effective. The Company expects the hedges to remain fully effective during the remaining term of the swaps.

The following table presents the net gains (losses) recorded in accumulated other comprehensive income and the consolidated statements of income relating to the cash flow derivative instruments for the periods indicated.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2026	2025	2026	2025
Gain (loss) recognized in other comprehensive income, net of tax	$ 158	$ (32)	$ 399	$ (270)
Loss recognized in interest expense	(134)	(2)	(260)	(2)

Fair Value Hedges of Interest Rate Risk

On November 1, 2023, the Company entered into a three year interest rate swap with a notional amount totaling $50 million which was designated as a fair value hedge of certain fixed rate residential mortgages. The Company pays a fixed rate of 4.56% and receives a floating rate based on SOFR for the life of the agreement without an exchange of the underlying notional amount. The hedge was determined to be effective during all periods presented and the Company expects the hedge to remain effective during the remaining term of the swap. The gain or loss on the derivative as well as the offsetting loss or gain on the hedged item attributable to the hedged risk is recognized in interest income.

The following table presents the effects of the Company’s derivative instruments designated as fair value hedges on the Consolidated Statements of Income for the three and six months ended June 30, 2026 and 2025.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2026	2025	2026	2025
Net (loss) gain on hedged items recorded in interest income on loans	$ (29)	$ 6	$ (32)	$ 9
Loss on hedge recorded in interest income on loans	(117)	(29)	(228)	(56)

At June 30, 2026 and December 31, 2025, the following amounts were recorded on the Statement of Financial Condition related to cumulative basis adjustment for fair value hedges.

(in thousands)	June 30, 2026	December 31, 2025
Loans receivable:		
Carrying amount of the hedged assets[(1)]	$ 50,000	$ 50,000
Fair value hedging adjustment included in the carrying amount of the hedged assets	179	539

(1) This amount includes the amortized cost basis of the closed portfolios of loans receivable used to designate hedging relationships in which the hedged item is the stated amount of assets in the closed portfolios anticipated to be outstanding for the designated hedge period. At June 30, 2026 and December 31, 2025, the amortized cost basis of the closed portfolios used in the hedging relationships was $282.0 million and $318.6 million, respectively. The cumulative basis adjustments associated with these hedging relationships was $0.2 million and $0.5 million, respectively, and the amounts of the designated hedged items were $50.0 million and $50.0 million, respectively.

Credit-Risk-Related Contingent Features

The Company has minimum collateral posting thresholds with certain of its derivative counterparties. If the termination value of derivatives is a net liability position, the Company is required to post collateral against its obligations under the agreements. However, if the termination value of derivatives is a net asset position, the counterparty is required to post collateral to the Company. At June 30, 2026 and December 31, 2025, the Company posted $0.4 million and $1.2 million, respectively, in collateral to its counterparties in a net liability position.

11. ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME

The following presents changes in accumulated other comprehensive (loss) income by component, net of tax, for the periods indicated:

(in thousands)	Unrealized Gains and Losses on Available-for-Sale Debt Securities	Gains and Losses on Cash Flow Hedges	Total
Balance at April 1, 2026	$ (443)	$ (221)	$ (664)
Other comprehensive (loss) income, before reclassification	(65)	158	93
Amount reclassified from accumulated other comprehensive loss	—	—	—
Net current period other comprehensive (loss) income	(65)	158	93
Balance at June 30, 2026	$ (508)	$ (63)	$ (571)

(in thousands)	Unrealized Gains and Losses on Available-for-Sale Debt Securities	Gains and Losses on Cash Flow Hedges	Total
Balance at April 1, 2025	$ (859)	$ (537)	$ (1,396)
Other comprehensive income (loss), before reclassification	201	(32)	169
Amount reclassified from accumulated other comprehensive loss	—	—	—
Net current period other comprehensive income (loss)	201	(32)	169
Balance at June 30, 2025	$ (658)	$ (569)	$ (1,227)

(in thousands)	Unrealized Gains and Losses on Available-for-Sale Debt Securities	Gains and Losses on Cash Flow Hedges	Total
Balance at January 1, 2026	$ (218)	$ (462)	$ (680)
Other comprehensive (loss) income, before reclassification	(290)	399	109
Amount reclassified from accumulated other comprehensive loss	—	—	—
Net current period other comprehensive (loss) income	(290)	399	109
Balance at June 30, 2026	$ (508)	$ (63)	$ (571)

(in thousands)	Unrealized Gains and Losses on Available-for-Sale Debt Securities	Gains and Losses on Cash Flow Hedges	Total
Balance at January 1, 2025	$ (1,035)	$ (299)	$ (1,334)
Other comprehensive income (loss), before reclassification	377	(270)	107
Amount reclassified from accumulated other comprehensive loss	—	—	—
Net current period other comprehensive income (loss)	377	(270)	107
Balance at June 30, 2025	$ (658)	$ (569)	$ (1,227)

There were no significant amounts reclassified out of accumulated other comprehensive (loss) income for the three and six months ended June 30, 2026 and 2025.

12. SEGMENT INFORMATION

The Company’s reportable segment is determined by the Chief Executive Officer, who is the designated chief operating decision maker (the “CODM”). The Chief Executive Officer along with others in the Company’s executive management evaluates performance and allocates resources based upon analysis of the Company as one operating segment or unit. The activities of the Company comprise one reportable segment, "Community Banking." All of the Company’s activities are interrelated, and each activity is dependent and assessed based on the manner in which it supports the other activities of the Company. All the consolidated assets are attributable to the Community Banking segment.

The Company provides a range of community banking services, including commercial and consumer lending, personal and business banking, cash management services, and other financial services primarily to individuals, businesses, and municipalities in the New York metropolitan area.

The CODM is provided with the Company’s consolidated statements of financial condition and income and evaluates the Company’s operating results based on consolidated net interest income, non-interest income, non-interest expense, and net income, which can be seen on the consolidated statements of income. These results are used to measure the Company against its competitors. Other significant non-cash items assessed by the CODM are depreciation, amortization and provision for credit losses consistent with the reporting on the consolidated statements of cash flows. Expenditures for long-lived assets are also evaluated and are consistent with the reporting on the consolidated statements of cash flows. Strategic plans and budget to actual monitoring are evaluated as one reportable segment. The actual results are used in assessing performance of the segment and in establishing compensation. All revenues are derived from banking operations within the United States, and for the three and six months ended June 30, 2026 and 2025, there was no customer that accounted for more than 10% of the Company's consolidated revenue.

ITEM 2. - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cautionary Statement Regarding Forward-Looking Statements - This document contains a number of forward-looking statements, including statements about the financial condition, results of operations, earnings outlook and prospects of the Company. Forward-looking statements are typically identified by words such as "should," "likely," "plan," "believe," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "target," "project," "goal" and other similar words and expressions. The forward-looking statements involve certain risks and uncertainties. The ability of the Company to predict results or the actual effects of its plans and strategies is subject to inherent uncertainty.

Factors that may cause actual results or earnings to differ materially from such forward-looking statements include those set forth in Part I, Item 1A. Risk Factors in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, as updated by the Company's subsequent filings with the SEC and, among others, the following:

- Changes in monetary and fiscal policies of the FRB and the U. S. Government, particularly related to changes in interest rates, money supply and inflation, may affect interest margins and the fair value of financial instruments;

- Changes in general economic conditions, either nationally or in our market areas, including due to increased market volatility related to government policy or the impact of tariffs or trade policy, that are different than expected and the impact of changing political conditions or federal government shutdowns;

- The ability to enhance revenue through increased market penetration, expanded lending capacity and product offerings;

- Occurrence of natural or man-made disasters or calamities, including health emergencies, the spread of infectious diseases, or outbreaks of hostilities, such as between Russia and Ukraine and in the Middle East, or the effects of climate change, and the ability of the Company to deal effectively with disruptions caused by the foregoing;

- Legislative, regulatory or policy changes, including those relating, but not limited, to banking, securities, rent regulation and housing, financial accounting and reporting, environmental protection and insurance matters and the impact of such changes, as well as our ability to comply with such changes in a timely manner;

- Downturns in demand for loan, deposit and other financial services in the Company's market area and the adequacy of the allowance for credit losses;

- Increased competition from other banks and non-bank providers of financial services;

- Technological changes and increased technology-related costs;

- Our ability to attract and retain qualified personnel;

- A breach of our information systems security, including the occurrence of a cyber incident or a deficiency in cyber security; and

- Changes in accounting principles, or the application of generally accepted accounting principles.

Because these forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this document. All subsequent written and oral forward-looking statements concerning matters addressed in this document and attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this document. Except to the extent required by applicable law or regulation, the Company undertakes no obligation to update these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

Non-GAAP Disclosure - This discussion includes discussions of the Company's tangible common equity ("TCE") ratio, TCE, tangible assets and efficiency ratio, all of which are non-GAAP financial measures. A non-GAAP financial measure is a numerical measure of historical or future financial performance, financial position or cash flows that excludes or modifies amounts that are required to be disclosed in the most directly comparable measure calculated and presented in accordance with U.S. GAAP. The Company believes that these non-GAAP financial measures provide both management and investors a more complete understanding of the underlying operational results and trends and the Company's marketplace performance. The presentation of this additional information is not meant to be considered in isolation or as a substitute for the numbers prepared in accordance with U.S. GAAP and may not be comparable to similarly titled measures used by other financial institutions.

With respect to the calculations and reconciliations of TCE, tangible assets and the TCE ratio, please see Liquidity and Capital Resources contained herein for a reconciliation to the most directly comparable GAAP measure.

Executive Summary – The Company is a one-bank holding company incorporated in 2016. The Company operates as the parent for its wholly owned subsidiary, the Bank, which commenced operations in 2008. The income of the Company is primarily derived through the operations of the Bank. Unless the context otherwise requires, references herein to the Company include the Company and the Bank on a consolidated basis.

The Company completed its core processing system conversion to FIS Horizon in February 2025. This conversion, coupled with our refreshed corporate logo, exemplifies our momentum towards a more technologically advanced, modern and digitally forward-thinking bank.

The Company was added to the Russell 2000 Index in late June 2025. The Russell 2000 Index tracks 2,000 small-cap U.S.-traded stocks by objective, market-capitalization rankings, and style attributes. The Russell Indexes are widely used by investment managers and institutional investors for index funds and as benchmarks for active investment strategies.

The Bank operates as a locally headquartered, community-oriented bank serving customers throughout the New York metro area from offices in Nassau, Suffolk, Queens, Kings (Brooklyn) and New York (Manhattan) Counties, New York, and Freehold, Monmouth County, New Jersey. We opened the Bank's Hauppauge Business Banking Center in Hauppauge, Suffolk County, New York in May 2023. This location is the nexus of our expanded commercial lending and deposit activities that are integral to the ongoing diversification of our balance sheet as we fill the void left by the diminishing number of commercial banks in the NYC Metro area. In June 2025, we opened a full-service branch in Port Jefferson, Suffolk County, New York to serve the thriving Suffolk County area. Our new full-service branch in downtown Riverhead, New York is currently scheduled to open for business in the third quarter of 2026. We offer personal and business loans on a secured and unsecured basis, SBA and USDA guaranteed loans, revolving lines of credit, commercial mortgage loans, and one- to four-family non-qualified mortgages secured by primary and secondary residences that may be owner occupied or investment properties, home equity loans, bridge loans and other personal purpose loans.

The Bank works to provide more direct, personal attention to customers than management believes is offered by competing financial institutions, the majority of which are headquartered outside of the Bank's primary trade area and are represented locally by branch offices. By striving to employ professional, responsive and knowledgeable staff, the Bank believes it offers a superior level of service to its customers. As a result of senior management's availability for consultation on a daily basis, the Bank believes it offers customers quicker responses on loan applications and other banking transactions, as well as greater and earlier certainty as to whether these transactions will actually close, than competitors, whose decisions may take longer and be made in distant headquarters.

Historically, the Bank has generated additional income by strategically originating and selling residential and government guaranteed loans to other financial institutions at premiums, while also retaining servicing rights in some sales. However, with the higher market interest rates experienced in recent years, the appetite among the Bank's purchasers of residential loans for pools of loans declined, eliminating the Bank's ability to sell residential loans in its portfolio on desirable terms. In response, the Bank developed a flow origination program under which the Bank originates individual loans for sale to specific buyers, thereby positioning the Bank to resume residential loan sales and generate fee income to complement sale premiums earned from the sale of the guaranteed portion of SBA loans. The Bank is an approved SBA Preferred Lender, enabling the Bank to process SBA applications under delegated authority from the SBA and enhancing the Bank's ability to compete more effectively for SBA lending opportunities.

The Bank remains focused on expanding its core verticals and continues to originate loans for its portfolio and for sale in the secondary market under its residential flow origination program. During the quarters ended June 30, 2026 and 2025, the Company sold $27.2 million and $23.7 million, respectively, of residential loans under its flow origination program and recorded gains on sale of loans held-for-sale of $0.7 million and $0.5 million, respectively.

During the quarters ended June 30, 2026 and 2025, the Company sold approximately $8.3 million and $22.3 million, respectively, of government guaranteed SBA loans and recorded gains on sale of loans held-for-sale of $0.7 million and $1.8 million, respectively. SBA loan originations and gains on sale continue to be lower due to a less favorable economic outlook for many business owners along with the Bank's ongoing prudent decision to tighten credit. Together, these factors contributed to lower SBA loan volume, approval levels, and related gain-on-sale income.

In February 2026, the Bank executed a proactive wholesale funding optimization strategy, restructuring five FHLB advances maturing in 2027 and 2028 and totaling $60.3 million in two new advances of equal principal with embedded put features to enhance balance sheet flexibility. The transaction reduced the weighted average all-in borrowing cost from 4.27% to 3.47%, generating approximately $40 thousand in monthly interest expense savings while preserving appropriate term funding and call protection.

On March 12, 2026, the Company issued $35 million of 10-year fixed-to-floating rate subordinated notes with a fixed coupon rate of 7.25% for the first five years. The Company used the net proceeds to provide capital to support growth of the consolidated entity and redeemed in full its previously outstanding $25 million of 8.54% floating rate subordinated notes on April 15, 2026, thereby reducing the Company's cost of funds.

As previously announced on July 20, 2026, Kevin O'Connor has been named to the position of President of the Company and the Bank effective July 27, 2026. Mr. O'Connor brings more than 35 years of banking experience to Hanover Bank, having most recently served as Long Island Market President at Valley Bank.

The Bank finances most of its activities through a combination of deposits, including non-interest-bearing demand, savings, NOW and money market deposits as well as time deposits, and both short- and long-term borrowings. The Company's chief competition includes local banks within its market area, New York City money center banks and regional banks, as well as non-bank lenders, including fintech lenders.

Financial Performance Summary
As of or for the three and six months ended June 30, 2026 and 2025
(dollars in thousands, except per share data)

	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Revenue [1]	**$ 19,567**	$ 18,356	**$ 38,673**	$ 36,717
Non-interest expense	**13,648**	12,616	**29,254**	28,612
Provision for credit losses	**500**	2,357	**1,030**	2,957
Net income	**4,064**	2,443	**5,938**	3,964
Net income per share - diluted	**0.55**	0.33	**0.80**	0.53
Return on average assets	**0.73 %**	0.44 %	**0.53 %**	0.36 %
Return on average stockholders' equity [2]	**8.01 %**	4.93 %	**5.89 %**	4.02 %
Tier 1 leverage ratio	**9.76 %**	9.29 %	**9.76 %**	9.29 %
Common equity tier 1 risk-based capital ratio	**13.59 %**	13.16 %	**13.59 %**	13.16 %
Tier 1 risk-based capital ratio	**13.59 %**	13.16 %	**13.59 %**	13.16 %
Total risk-based capital ratio	**14.84 %**	14.41 %	**14.84 %**	14.41 %
Total stockholders' equity/total assets [3]	**8.68 %**	8.60 %	**8.68 %**	8.60 %
Tangible common equity ratio (non-GAAP) [2]	**7.91 %**	7.83 %	**7.91 %**	7.83 %
Efficiency ratio [4]	**69.75 %**	68.73 %	**75.64 %**	77.93 %

(1) Represents net interest income plus total non-interest income.
(2) Includes common stock and Series A preferred stock.
(3) The ratio of total stockholders' equity to total assets is the most comparable GAAP measure to the non-GAAP tangible common equity ratio presented herein.
(4) Represents non-interest expense divided by the sum of net interest income and non-interest income.

At June 30, 2026 the Company, on a consolidated basis, had total assets of $2.3 billion, total deposits of $2.0 billion and total stockholders' equity of $202.7 million. The Company recorded net income of $4.1 million, or $0.55 per diluted share (including Series A preferred shares) for the three months ended June 30, 2026 compared to net income of $2.4 million, or $0.33 per diluted share (including Series A preferred shares), for the same period in 2025.

During the quarter ended June 30, 2026, net interest income increased $2.0 million and provision for credit losses decreased $1.9 million, compared to the June 30, 2025 quarter. These were partially offset by a decrease of $0.8 million in non-interest income, particularly a decrease in gain on sale of loans held for sale of $0.9 million, a $1.0 million increase in non-interest expense, which includes $240 thousand debt extinguishment charges in the 2026 quarter and a $0.4 million increase in income tax expense, resulting in a $1.6 million increase in net income between these periods.

The Company's return on average assets and return on average stockholders' equity were 0.73% and 8.01%, respectively, for the three months ended June 30, 2026, versus 0.44% and 4.93%, respectively, for the comparable 2025 quarter.

Total non-accrual loans at June 30, 2026 were $28.3 million, or 1.42% of total loans, compared to $21.6 million, or 1.08% of total loans at December 31, 2025 and $12.7 million, or 0.64% of total loans, at June 30, 2025. The allowance for credit losses as a percentage of total non-accrual loans amounted to 68%, 87% and 171% at June 30, 2026, December 31, 2025 and June 30, 2025, respectively.

The Company's efficiency ratio was 69.75% for the three months ended June 30, 2026, versus 68.73% in the June 30, 2025 quarter.

Critical Accounting Policies, Judgments and Estimates - To prepare financial statements in conformity with U.S. GAAP, the Company's 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. Critical accounting estimates are accounting estimates where (a) the nature of the estimate is material due to levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change, and (b) the impact of the estimate on financial condition or operating performance is material. At June 30, 2026, there have been no material changes to the Company's critical accounting policies as compared to the critical accounting policies disclosed in Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's most recent Annual Report on Form 10-K for the year ended December 31, 2025.

Financial Condition – Total assets of the Company were $2.3 billion at June 30, 2026 and $2.4 billion at December 31, 2025. Total securities available for sale at June 30, 2026 were $135.0 million, an increase of $35.5 million from December 31, 2025, primarily driven by growth in U.S. GSE residential mortgage-backed securities, collateralized loan obligations and corporate bonds, offset by decreases in U.S. Treasury securities and collateralized mortgage obligations. Total loans at June 30, 2026 and December 31, 2025 were $2.0 billion. Total deposits were $2.0 billion at June 30, 2026 and at December 31, 2025. Total borrowings and subordinated debt at June 30, 2026 were $94.0 million, including $59.8 million (net of $440 thousand deferred prepayment penalty) of outstanding FHLB advances, compared to $125.5 million at December 31, 2025.

At June 30, 2026, the residential loan portfolio amounted to $764.2 million, or 38.2% of total loans. Commercial real estate loans, including multifamily loans and construction and land development loans, totaled $1.1 billion or 54.2% of total loans at June 30, 2026. Commercial and industrial loans totaled $150.4 million or 7.5% of total loans at June 30, 2026.

Total deposits were $2.0 billion at June 30, 2026 and at December 31, 2025. Our loan to deposit ratio was 99% at June 30, 2026 and at December 31, 2025. Core deposit balances, which consist of demand, NOW, savings and money market deposits, represented 74.8% and 74.9% of total deposits at June 30, 2026 and December 31, 2025, respectively. At those dates, demand deposit balances represented 12.6% and 12.2% of total deposits. The Company's municipal deposit program is built on long-standing relationships developed in the local marketplace. We believe that this core deposit business will continue to provide a stable source of funding for the Company's lending products at costs lower than both consumer deposits and market-based borrowings. The Company continues to broaden its municipal deposit program. At June 30, 2026, total municipal deposits were $577.4 million, representing 28.7% of total deposits, compared to $700.7 million, or 34.5% of total deposits at December 31, 2025. The weighted average rate on the municipal deposit portfolio was 2.98% at June 30, 2026 and 3.01% at December 31, 2025. The aggregate amount of the Company's outstanding uninsured deposits was $258.2 million or 12.8% of total deposits as of June 30, 2026 and $304.8 million or 15.0% of total deposits as of December 31, 2025.

Borrowings at June 30, 2026 and December 31, 2025 were $59.8 million (net of $440 thousand deferred prepayment penalty) and $100.7 million, respectively, comprised of outstanding FHLB advances. The Company had no borrowings outstanding under lines of credit with correspondent banks at June 30, 2026 and December 31, 2025.

Commercial Real Estate Statistics

The Company continues to actively manage its Multifamily and Commercial Real Estate portfolios which resulted in a reduction in the commercial real estate concentration ratio to 346% of capital at June 30, 2026.

A significant portion of the Bank's commercial real estate portfolio consists of loans secured by Multifamily and CRE-Investor owned real estate that are predominantly subject to fixed interest rates for an initial period of 5 years. The Bank's exposure to Land/Construction loans as of June 30, 2026 is not significant at $10.3 million, all at floating interest rates. As shown below, as of June 30, 2026, 16% of the loan balances in these combined portfolios will either have a rate reset or mature in 2026, with another 54% with rate resets or maturing in 2027.

Multifamily Market Rent Portfolio Fixed Rate Reset/Maturity Schedule				
Calendar Period (Loan Data as of 6/30/2026)	# Loans	Total O/S ($000's omitted)	Avg O/S ($000's omitted)	Avg Interest Rate
2026	22	$ 70,753	$ 3,216	3.62 %
2027	70	184,958	2,642	4.39 %
2028	15	20,517	1,368	6.14 %
2029	7	11,120	1,589	6.58 %
2030	8	20,099	2,512	6.19 %
2031+	19	48,314	2,543	5.83 %
Fixed Rate	**141**	**355,761**	**2,523**	**4.70 %**
Floating Rate	**1**	**101**	**101**	**9.50 %**
Total	**142**	**$ 355,862**	**$ 2,506**	**4.71 %**

Multifamily Stabilized Rent Portfolio Fixed Rate Reset/Maturity Schedule				
Calendar Period (Loan Data as of 6/30/2026)	# Loans	Total O/S ($000's omitted)	Avg O/S ($000's omitted)	Avg Interest Rate
2026	11	$ 25,609	$ 2,328	3.96 %
2027	52	126,943	2,441	4.29 %
2028	10	8,318	832	6.84 %
2029	5	19,750	3,950	6.40 %
2030	7	13,471	1,924	6.32 %
2031+	10	15,473	1,547	6.16 %
Fixed Rate	**95**	**209,564**	**2,206**	**4.82 %**
Floating Rate	**1**	**453**	**453**	**7.92 %**
Total	**96**	**$ 210,017**	**$ 2,188**	**4.82 %**

CRE Investor Portfolio Fixed Rate Reset/Maturity Schedule				
Calendar Period (Loan Data as of 6/30/2026)	# Loans	Total O/S ($000's omitted)	Avg O/S ($000's omitted)	Avg Interest Rate
2026	17	$ 31,740	$ 1,867	6.02 %
2027	81	126,645	1,564	4.74 %
2028	28	30,106	1,075	6.65 %
2029	6	8,160	1,360	6.78 %
2030	14	13,353	954	6.99 %
2031+	24	30,891	1,287	6.63 %
Fixed Rate	**170**	**240,895**	**1,417**	**5.58 %**
Floating Rate	**10**	**7,677**	**768**	**7.92 %**
Total CRE-Inv.	**180**	**$ 248,572**	**$ 1,381**	**5.66 %**

Stabilized Multifamily Pro Forma Stress Results

The table below reflects a pro forma stressed evaluation of the Bank's Multifamily stabilized loan portfolio as of June 30, 2026, using the primary assumption for a revised Debt Service Coverage Ratio ("DSCR") calculation, for all loans where the current interest rate is below 6.00%. The current balance for these loans is recast at 6.00% with a 30-year amortization. The chart below reflects the impact of these adjustments on the portfolio. The projected loan to value ("LTV") assumption resets all loans using a 6.25% cap rate and the last reported property net operating income ("NOI") to determine an implied property valuation and based on the current loan balance, the resultant LTV.

Multifamily Stabilized Rent Portfolio (Loan Data as of 6/30/2026)					
DSCR Range	**# Loans**	**Total O/S ($000's omitted)**	**% of Total MF Portfolio**	**Current Weighted Average LTV**	**Projected Weighted Average LTV**
< 1.0	5	$ 16,207	3 %	62 %	102 %
1.0 < x <1.2	14	33,833	6 %	62 %	75 %
1.2 < x <1.3	12	48,544	8 %	64 %	74 %
1.3 < x <1.5	30	70,004	12 %	62 %	63 %
1.5 < x <2.0	21	32,745	6 %	58 %	55 %
x > 2.0	14	8,684	2 %	45 %	37 %
Total	**96**	**$ 210,017**	**37 %**	**61 %**	**68 %**

As reflected above, only 5 loans totaling $16 million in the multifamily rent stabilized portfolio would have a pro forma DSCR less than 1x, which represents 3% of the total multifamily portfolio. The remainder of this portfolio, totaling $194 million, representing 34% of the entire multifamily portfolio, would possess DSCR's greater than 1x while maintaining a projected weighted average LTV well within our policy guidelines. Additionally, 73% of the rent stabilized loans and 74% of the entire multifamily portfolio are further secured with personal guarantees from the borrowers. Based on the maturities and rate resets in the previous 12 months, we believe the overall demand for multifamily housing in our market will allow our borrowers to address any adverse impact proactively. The Bank continues to successfully manage multifamily loans with scheduled rate repricing or maturities. Matured loans that qualified for renewal have been retained while others have paid off in full through refinances. The majority of the rate resetting loans remain as performing loans at the new higher interest rate.

Rental Breakdown of Multifamily Portfolio

The table below segments our portfolio of loans secured by Multifamily properties based on rental terms and location as of June 30, 2026. As shown below, 63% of the combined portfolio is secured by properties subject to free market rental terms, which is the dominant tenant type. Both the Market Rent and Stabilized Rent segments of our portfolio present very similar average borrower profiles. The portfolio is primarily located in the New York City boroughs of Brooklyn, the Bronx and Queens.

Multifamily Loan Portfolio - Loans by Rent Type (Loan Data as of 6/30/2026)							
Rent Type	**# Notes**	**Outstanding Loan Balance**	**% of Total Multi-Family**	**Avg Loan Size**	**LTV**	**Current DSCR**	**Avg # of Units**
		($000's omitted)		($000's omitted)			
Market	**142**	**$ 355,862**	**63 %**	**$ 2,506**	**60.8 %**	**1.43**	**10**
Location							
Manhattan	6	$ 10,300	2 %	$ 1,717	49.3 %	1.44	9
Other NYC	94	$ 263,153	46 %	$ 2,800	60.7 %	1.40	9
Outside NYC	42	$ 82,409	15 %	$ 1,962	62.4 %	1.52	14
Stabilized	**96**	**$ 210,017**	**37 %**	**$ 2,188**	**61.1 %**	**1.42**	**12**
Location							
Manhattan	7	$ 10,090	2 %	$ 1,441	49.8 %	1.76	19
Other NYC	78	$ 183,077	32 %	$ 2,347	61.6 %	1.39	11
Outside NYC	11	$ 16,850	3 %	$ 1,532	61.9 %	1.58	14

Office Property Exposure

The Bank's exposure to the Office market is not significant. Loans secured by office space accounted for 2% of the total loan portfolio at June 30, 2026, with a total balance of $40.2 million, of which less than 1% is located in Manhattan. The pool has a 2.44x weighted average DSCR and a 54% weighted average LTV.

Liquidity and Capital Resources – Liquidity management is defined as the ability of the Company and the Bank to meet their financial obligations on a continuous basis without material loss or disruption of normal operations. These obligations include the withdrawal of deposits on demand or at their contractual maturity, the repayment of borrowings as they mature, funding new and existing loan commitments and the ability to take advantage of business opportunities as they arise. Asset liquidity is provided by short-term investments, such as fed funds sold, the marketability of securities available for sale and interest-bearing deposits due from the Federal Reserve Bank of New York, FHLB and correspondent banks, which totaled $276.3 million and $308.5 million at June 30, 2026 and December 31, 2025, respectively. These liquid assets may include assets that have been pledged primarily against municipal deposits or borrowings. Liquidity is also provided by the maintenance of a base of core deposits, cash and non-interest-bearing deposits due from banks, the ability to sell or pledge marketable assets and access to lines of credit. At June 30, 2026, undrawn liquidity sources, which include cash and unencumbered securities and secured and unsecured funding capacity, totaled $742.6 million or approximately 288% of uninsured deposit balances.

Liquidity is continuously monitored, thereby allowing management to better understand and react to emerging balance sheet trends, including temporary mismatches with regard to sources and uses of funds. After assessing actual and projected cash flow needs, management seeks to obtain funding at the most economical cost. These funds can be obtained by converting liquid assets to cash or by attracting new deposits or other sources of funding. Many factors affect the Company's ability to meet liquidity needs, including variations in the markets served, loan demand, its asset/liability mix, its reputation and credit standing in its markets and general economic conditions. Borrowings and the scheduled amortization of investment securities and loans are more predictable funding sources. Deposit flows and securities prepayments are somewhat less predictable as they are often subject to external factors. Among these are changes in the local and national economies, competition from other financial institutions and changes in market interest rates.

The Company's primary sources of funds are cash provided by deposits, which may include brokered and listing service deposits, borrowings, proceeds from maturities and sales of securities and cash provided by operating activities. At June 30, 2026, total deposits were $2.0 billion, of which $496.5 million were time deposits scheduled to mature within the next 12 months. Based on historical experience, the Company expects to be able to replace a substantial portion of those maturing deposits with comparable deposit products. Insured and collateralized deposits, which include municipal deposits, accounted for approximately 87% of total deposits at June 30, 2026. At June 30, 2026 and December 31, 2025, the Company had $59.8 million (net of $440 thousand deferred prepayment penalty) and $100.7 million, respectively, in borrowings outstanding.

The Liquidity and Wholesale Funding Policy of the Bank establishes specific policies and operating procedures governing liquidity levels to assist management in developing plans to address future and current liquidity needs. Management monitors the rates and cash flows from loan and investment portfolios while also examining the maturity structure and volatility characteristics of liabilities to develop an optimum asset/liability mix. Available funding sources include retail, commercial and municipal deposits, purchased liabilities and stockholders' equity. Daily, management receives a current cash position update to ensure that all obligations are satisfied. On a weekly basis, appropriate senior management receives a current liquidity position report and a ninety day forecasted cash flow to ensure that all short-term obligations will be met and there is sufficient liquidity available. At June 30, 2026, the Bank had a total borrowing capacity of $829.3 million at the Federal Home Loan Bank of New York, of which $553.6 million was used to collateralize municipal deposits, $60.3 million was utilized for term advances and $0.2 million was used for MPF-CMA Credit enhancements. At June 30, 2026, the Bank had an $85.2 million collateralized line of credit from the Federal Reserve Bank of New York's discount window with no outstanding borrowings. At June 30, 2026, the Bank had access to approximately $92 million in unsecured lines of credit extended by correspondent banks, if needed, for short-term funding purposes. No borrowings were outstanding under lines of credit with correspondent banks at June 30, 2026.

Our sources of wholesale funding included brokered deposits, listing service certificates of deposit and insured cash sweep ("ICS") reciprocal deposits in excess of 20% of total liabilities, which balances totaled approximately $126.9 million, $0.3 million and $0, or 6.3%, 0.0% and 0.0% of total deposits, respectively, at June 30, 2026. We utilized brokered certificates of deposit and listing service certificates of deposit as alternatives to other forms of wholesale funding, including borrowings, when interest rates and market conditions favor the use of such deposits. For a portion of our brokered certificates of deposit, we utilized interest rate swap contracts to effectively extend their duration and to fix their cost.

The Company strives to maintain an efficient level of capital, commensurate with its risk profile, on which a competitive rate of return to stockholders will be realized over the short and long terms. Capital is managed to enhance stockholder value while providing flexibility for management to act opportunistically in a changing marketplace. Management continually evaluates the Company's capital position in light of current and future growth objectives and regulatory guidelines. Total stockholders' equity was $202.7 million at June 30, 2026 and $200.3 million at December 31, 2025. Retained earnings increased by $4.4 million due primarily to net income of $5.9 million for the six months ended June 30, 2026, which was offset by $1.5 million of dividends declared. The accumulated other comprehensive loss at June 30, 2026 was 0.28% of total equity and was comprised of a $0.5 million after tax net unrealized loss on the investment portfolio and a $0.1 million after tax net unrealized loss on derivatives.

The Bank is subject to regulatory capital requirements. The Bank's tier 1 leverage, common equity tier 1 risk-based, tier 1 risk-based and total risk-based capital ratios were 9.76%, 13.59%, 13.59% and 14.84%, respectively, at June 30, 2026, exceeding all regulatory guidelines for a well-capitalized institution, the highest regulatory capital category. Moreover, capital rules also place limits on capital distributions and certain discretionary bonus payments if a banking organization does not maintain a buffer of common equity tier 1 capital above the minimum capital requirements. At June 30, 2026, the Bank's capital buffer was in excess of requirements.

On October 5, 2023, the Company announced that the Board of Directors approved a stock repurchase program. Under the repurchase program, the Company may repurchase up to 366,050 shares of its common stock, or approximately 5% of its then outstanding shares. The repurchase program permits shares to be repurchased in the open market as conditions allow, or in privately negotiated transactions, and pursuant to any trading plan that may be adopted in accordance with Rule 10b5-1 of the Securities and Exchange Commission. During the six months ended June 30, 2026, the Company repurchased 112,346 shares of its common stock at an aggregate cost of $2.6 million. There were no share repurchases during the six months ended June 30, 2025. As of June 30, 2026, 171,729 shares remained available for repurchase under the program. See "Part II – Item 2. – Unregistered Sales of Equity Securities and Use of Proceeds" for additional information about repurchases of common stock.

The Company's total stockholders' equity to total assets ratio and tangible common equity to tangible assets ratio ("TCE ratio") were 8.68% and 7.91%, respectively, at June 30, 2026, versus 8.40% and 7.65%, respectively, at December 31, 2025. The TCE ratio is a non-GAAP ratio. The ratio of total stockholders' equity to total assets is the most comparable U.S. GAAP measure to this non-GAAP ratio. The ratio of tangible common equity to tangible assets, or TCE ratio, is calculated by dividing total stockholders' equity by total assets, after reducing both amounts by intangible assets. The TCE ratio is not required by U.S. GAAP or by applicable bank regulatory requirements, but is a metric used by management to evaluate the adequacy of our capital levels. Since there is no authoritative requirement to calculate the TCE ratio, our TCE ratio is not necessarily comparable to similar capital measures disclosed or used by other companies in the financial services industry. Tangible common equity and tangible assets are non-GAAP financial measures and should be considered in addition to, not as a substitute for or superior to, financial measures determined in accordance with U.S. GAAP. Set forth below are the reconciliations of tangible common equity to U.S. GAAP total stockholders' equity and tangible assets to U.S. GAAP total assets at June 30, 2026 (in thousands). (See also Non-GAAP Disclosure contained herein.)

				Ratios
Total stockholders' equity [3]	$ 202,747	Total assets	$ 2,336,630	8.68% [1]
Less: goodwill	(19,168)	Less: goodwill	(19,168)	
Less: core deposit intangible	(171)	Less: core deposit intangible	(171)	
Tangible common equity [3]	$ 183,408	**Tangible assets**	$ 2,317,291	7.91% [2]

(1) The ratio of total stockholders' equity to total assets is the most comparable GAAP measure to the non-GAAP tangible common equity ratio presented herein.
(2) TCE ratio
(3) Includes common stock and Series A preferred stock.

All dividends must conform to applicable statutory and regulatory requirements. The Company's ability to pay dividends to stockholders depends on the Bank's ability to pay dividends to the Company. Additionally, the ability of the Bank to pay dividends to the Company is subject to certain regulatory restrictions. Under New York law, a bank may pay a dividend on its common stock only out of net profits, and must obtain the approval of the Superintendent of the DFS if the total of all dividends declared by a bank or trust company in any calendar year exceeds the total of its net profits for that year combined with its retained net profits for the preceding two years, less any required transfer to surplus or a fund for the retirement of any preferred stock.

The Company's Board of Directors approved the declaration of a $0.10 per share cash dividend on both common shares and Series A preferred shares payable on August 13, 2026 to stockholders of record on August 6, 2026.

Off-Balance Sheet Arrangements - The Bank 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. These financial instruments include commitments to extend credit and letters of credit. Those instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the consolidated financial statements. The Bank uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments.

Commitments to extend credit are agreements to lend to customers provided there are no violations of material conditions established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Bank evaluates each customer’s creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Bank upon extension of credit, is based on management’s credit evaluation of the customer. Collateral required varies, but may include accounts receivable, inventory, equipment, real estate and income-producing commercial properties. At June 30, 2026 and December 31, 2025, commitments to originate loans and commitments under unused lines of credit for which the Bank is obligated amounted to approximately $168.3 million and $160.9 million, respectively.

Letters of credit are conditional commitments guaranteeing payments of drafts in accordance with the terms of the letter of credit agreements. Commercial letters of credit are used primarily to facilitate trade or commerce and are also issued to support public and private borrowing arrangements, bond financings and similar transactions. Collateral may be required to support letters of credit based upon management’s evaluation of the creditworthiness of each customer. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. At June 30, 2026 and December 31, 2025, letters of credit outstanding were approximately $1.0 million and $0.8 million, respectively.

Results of Operations – Comparison of the Three Months Ended June 30, 2026 and 2025 – The Company recorded net income of $4.1 million during the three months ended June 30, 2026, versus net income of $2.4 million in the 2025 comparable quarter. During the quarter ended June 30, 2026, net interest income increased $2.0 million and provision for credit losses decreased $1.9 million, compared to the June 30, 2025 quarter. These were partially offset by a decrease of $0.8 million in non-interest income, particularly a decrease in gain on sale of loans held for sale of $0.9 million, a $1.0 million increase in non-interest expense, which includes $240 thousand debt extinguishment charges in the 2026 quarter, and a $0.4 million increase income tax expense.

Net Interest Income and Margin

The $2.0 million increase in net interest income for the three months ended June 30, 2026, versus the comparable 2025 quarter was due to improvement in the Company’s net interest margin to 3.10% in the 2026 quarter from 2.76% in the comparable 2025 quarter. The cost of interest-bearing liabilities decreased to 3.46% in the 2026 quarter from 3.94% in the comparable 2025 quarter, a decrease of 48 basis points. This decrease was partially offset by a 5 basis point decrease in the yield on interest earning assets to 5.93% in the 2026 quarter from 5.98% in the second quarter of 2025. Net interest income on a linked quarter basis increased $0.4 million or 2.50%, resulting from a 9 basis point increase in the yield on interest earning assets and a 5 basis point decrease in cost of interest-bearing liabilities.

The following table, "Net Interest Income Analysis", presents for the three months ended June 30, 2026 and 2025, the Company's average assets, liabilities and stockholders' equity. The Company's net interest income, net interest spread and net interest margin are also reflected.

NET INTEREST INCOME ANALYSIS
For the Three Months Ended June 30, 2026 and 2025
(dollars in thousands)

	2026			2025		
	Average Balance	Interest	Average Yield/Cost(1)	Average Balance	Interest	Average Yield/Cost(1)
Assets:						
Interest-earning assets						
Loans(2)	$ 1,990,722	$ 29,788	6.00 %	$ 1,978,535	$ 29,785	6.04 %
Investment securities	119,512	1,650	5.54 %	99,448	1,433	5.78 %
Interest-earning cash	53,225	494	3.72 %	62,760	695	4.44 %
FHLB stock and other investments	6,674	134	8.05 %	8,039	136	6.79 %
Total interest-earning assets	2,170,133	32,066	5.93 %	2,148,782	32,049	5.98 %
Non interest-earning assets:						
Cash and due from banks	10,220			9,218		
Other assets	51,589			50,164		
Total assets	$ 2,231,942			$ 2,208,164		
Liabilities and stockholders' equity:						
Interest-bearing liabilities						
Savings, NOW and money market deposits	$ 1,163,445	$ 9,129	3.15 %	$ 1,126,495	$ 10,649	3.79 %
Time deposits	479,267	4,575	3.83 %	487,088	5,058	4.17 %
Total interest-bearing deposits	1,642,712	13,704	3.35 %	1,613,583	15,707	3.90 %
Borrowings	94,054	853	3.64 %	118,026	1,221	4.15 %
Subordinated debentures	38,034	738	7.78 %	24,707	326	5.29 %
Total interest-bearing liabilities	1,774,800	15,295	3.46 %	1,756,316	17,254	3.94 %
Demand deposits	225,147			225,364		
Other liabilities	28,533			27,615		
Total liabilities	2,028,480			2,009,295		
Stockholders' equity	203,462			198,869		
Total liabilities and stockholders' equity	$ 2,231,942			$ 2,208,164		
Net interest rate spread(3)			2.47 %			2.04 %
Net interest income/margin(4)		$ 16,771	3.10 %		$ 14,795	2.76 %

(1) Annualized.

(2) Includes non-accrual loans.

(3) Net interest spread represents the difference between the yield on average interest-earning assets and the cost of average interest-bearing liabilities.

(4) Net interest margin represents net interest income divided by average interest-earning assets.

Provision and Allowance for Credit losses on Loans

The Company recorded a provision for credit losses of $500 thousand for the three months ended June 30, 2026, versus $2.4 million (including a $187 thousand provision for credit losses on unfunded commitments) in the quarter ended June 30, 2025. Net charge-offs of $510 thousand were incurred during the quarter ended June 30, 2026. The June 30, 2026 allowance for credit losses was $19.1 million versus $18.7 million at December 31, 2025. The allowance for credit losses as a percentage of total loans was 0.96% at June 30, 2026 and 0.93% at December 31, 2025. (See also Critical Accounting Policies, Judgments and Estimates and Asset Quality contained herein.)

Reserve for Unfunded Commitments

The Company maintains a reserve, recorded in other liabilities, associated with unfunded loan commitments accepted by borrowers. The amount of the reserve was $0.7 million at June 30, 2026 and $0.6 million at December 31, 2025. This reserve is determined based upon the outstanding volume of loan commitments at the end of each period. Any increases or reductions in this reserve are recognized in the provision for credit losses.

Non-interest Income

Non-interest income decreased by $0.8 million for the three months ended June 30, 2026 versus the comparable 2025 quarter. The decrease in non-interest income is primarily related to the decrease in the net gain on sale of loans held for sale of $0.9 million, which was partially offset by increases in loan servicing and fee income and other income.

Non-Interest Income
For the three and six months ended June 30, 2026 and 2025
(in thousands)

(in thousands)	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Loan servicing and fee income	**$ 1,164**	$ 1,083	**$ 2,206**	$ 2,164
Service charges on deposit accounts	**119**	162	**369**	279
Net gain on sale of loans held for sale	**1,377**	2,298	**2,820**	4,650
Other income	**136**	18	**145**	200
Total non-interest income	**$ 2,796**	$ 3,561	**$ 5,540**	$ 7,293

Non-interest Expense

Total non-interest expense increased by $1.0 million for the three months ended June 30, 2026 versus the comparable 2025 quarter due to a $0.3 million increase in salaries and employee benefits, a $0.1 million increase in occupancy and equipment and a $0.6 million increase in other expenses, which includes $240 thousand debt extinguishment charges in the 2026 quarter.

Non-Interest Expense
For the three and six months ended June 30, 2026 and 2025
(in thousands)

(in thousands)	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Salaries and employee benefits	**$ 7,368**	$ 7,003	**$ 17,495**	$ 14,235
Conversion expenses	**—**	—	**—**	3,180
Occupancy and equipment	**2,012**	1,910	**4,080**	3,746
Data processing	**431**	508	**853**	1,101
Professional fees	**897**	878	**1,803**	1,665
Federal deposit insurance premiums	**364**	365	**726**	702
Other expenses	**2,576**	1,952	**4,297**	3,983
Total non-interest expense	**$ 13,648**	$ 12,616	**$ 29,254**	$ 28,612

The Company recorded income tax expense of $1.4 million for the three months ended June 30, 2026, versus income tax expense of $0.9 million in the comparable 2025 quarter.

Results of Operations – Comparison of the Six Months Ended June 30, 2026 and 2025 – The Company recorded net income of $5.9 million during the six months ended June 30, 2026, versus net income of $4.0 million in the comparable 2025 six month period. The $1.9 million increase in earnings for the six months ended June 30, 2026, versus the comparable 2025 period resulted from a $3.7 million increase in net interest income and a $1.9 million decrease in provision for credit losses. This was partially offset by a $1.8 million decrease in non-interest income, primarily the decrease in the net gain on sale of loans held for sale, a $0.6 million increase in non-interest expense, and a $1.3 million increase in income tax expense.

Net Interest Income and Margin

The $3.7 million increase in net interest income for the six months ended June 30, 2026, versus the comparable 2025 period was due to the improvement of the Company's net interest margin to 3.03% in the 2026 six month period from 2.72% in the comparable 2025 period. The cost of interest-bearing liabilities decreased to 3.48% in the 2026 six months period from 3.98% in the comparable 2025 period, a decrease of 50 basis points. This decrease was partially offset by a 11 basis point decrease in the yield on interest earning assets to 5.88% in the 2026 period from 5.99% in the comparable 2025 period.

The following table, "Net Interest Income Analysis", presents for the six months ended June 30, 2026 and 2025, the Company's average assets, liabilities and stockholders' equity. The Company's net interest income, net interest spread and net interest margin are also reflected.

NET INTEREST INCOME ANALYSIS
For the Six Months Ended June 30, 2026 and 2025
(dollars in thousands)

	2026			2025		
	Average Balance	Interest	Average Yield/Cost[1]	Average Balance	Interest	Average Yield/Cost[1]
Assets:						
Interest-earning assets						
Loans[2]	$ 1,998,461	$ 59,406	5.99 %	$ 1,984,135	$ 59,769	6.07 %
Investment securities	110,321	3,021	5.52 %	92,681	2,619	5.70 %
Interest-earning cash	89,901	1,658	3.72 %	97,914	2,177	4.48 %
FHLB stock and other investments	7,080	273	7.78 %	8,027	321	8.06 %
Total interest-earning assets	2,205,763	64,358	5.88 %	2,182,757	64,886	5.99 %
Non interest-earning assets:						
Cash and due from banks	11,081			9,360		
Other assets	52,838			49,930		
Total assets	$ 2,269,682			$ 2,242,047		
Liabilities and stockholders' equity:						
Interest-bearing liabilities						
Savings, NOW and money market deposits	$ 1,198,556	$ 18,681	3.14 %	$ 1,171,711	$ 22,104	3.80 %
Time deposits	480,322	9,305	3.91 %	489,023	10,378	4.28 %
Total interest-bearing deposits	1,678,878	27,986	3.36 %	1,660,734	32,482	3.94 %
Borrowings	93,820	1,808	3.89 %	113,524	2,328	4.14 %
Subordinated debentures	35,291	1,431	8.18 %	24,700	652	5.32 %
Total interest-bearing liabilities	1,807,989	31,225	3.48 %	1,798,958	35,462	3.98 %
Demand deposits	229,919			218,235		
Other liabilities	28,534			26,179		
Total liabilities	2,066,442			2,043,372		
Stockholders' equity	203,240			198,675		
Total liabilities and stockholders' equity	$ 2,269,682			$ 2,242,047		
Net interest rate spread[3]			2.40 %			2.01 %
Net interest income/margin[4]		$ 33,133	3.03 %		$ 29,424	2.72 %

(1) Annualized.
(2) Includes non-accrual loans.
(3) Net interest spread represents the difference between the yield on average interest-earning assets and the cost of average interest-bearing liabilities.
(4) Net interest margin represents net interest income divided by average interest-earning assets.

Provision for Credit Losses on Loans

The Company recorded a provision for credit losses of $1.0 million (including a $30 thousand provision for credit losses on unfunded commitments) for the six months ended June 30, 2026, versus $3.0 million (including a $187 thousand provision for credit losses on unfunded commitments) recorded for the comparable period in 2025. (See also Critical Accounting Policies, Judgments and Estimates and Asset Quality contained herein.)

Non-interest Income

Non-interest income decreased by $1.8 million for the six months ended June 30, 2026 versus the comparable 2025 period. This decrease was driven by a $1.8 million decrease in net gain on sale of loans held for sale and a $0.1 million decrease in other income, which were partially offset by a total $0.1 million increase in loan servicing and fee income and service charges on deposit accounts.

Non-interest Expense

Total non-interest expense increased by $0.6 million for the six months ended June 30, 2026 versus the comparable 2025 period. The increase in non-interest expense was primarily related to increases of $3.3 million in salaries and employee benefits and $0.3 million in occupancy and equipment. Salaries and employee benefits for the six months ended June 30, 2026 includes a severance benefit of approximately $2.2 million to the former President of the Company and the Bank whose last day of employment was March 31, 2026. Non-interest expense for the six months ended June 30, 2025 includes a $3.2 million core system conversion expenses.

The Company recorded income tax expense of $2.5 million for the six months ended June 30, 2026, versus income tax expense of $1.2 million in the comparable 2025 period. Income tax expense increased during 2026 due to a higher impact from non-deductible compensation costs subject to the limitations of Section 162(m) of the Internal Revenue Code. In addition, the prior year period benefited from excess tax benefits associated with the exercise of non-qualified stock options, which did not recur at the same level in the current period.

Asset Quality - Total non-accrual loans at June 30, 2026 were $28.3 million, or 1.42% of total loans, compared to $21.6 million, or 1.08% of total loans at December 31, 2025. The allowance for credit losses as a percentage of total non-accrual loans amounted to 68%, 87% and 171% at June 30, 2026, December 31, 2025 and June 30, 2025, respectively.

Total loans having credit risk ratings of Special Mention and Substandard were $56.4 million at June 30, 2026, versus $56.1 million at December 31, 2025. The Company's Special Mention and Substandard loans were comprised of residential real estate, multifamily, commercial real estate loans, commercial and industrial loans (including SBA facilities) and construction and land development loans at June 30, 2026. The Company had no loans with a credit risk rating of Doubtful for the periods presented. All loans not having credit risk ratings of Special Mention, Substandard or Doubtful are considered pass loans.

At June 30, 2026, the Company's allowance for credit losses amounted to $19.1 million or 0.96% of period-end total loans outstanding. The allowance as a percentage of loans outstanding was 0.93% at December 31, 2025 and 1.10% at June 30, 2025. Net loan charge-offs of $510 thousand were recorded during the three months ended June 30, 2026. The Company recorded net loan charge-offs of $3.5 million for the three months ended June 30, 2025, of which $2.5 million is attributable to the charge-off of a specific reserve on an individually evaluated commercial loan.

The Company recorded a provision for credit losses of $0.5 million for the three months ended June 30, 2026, versus $2.4 million (including a $187 thousand provision for credit losses on unfunded commitments) for the June 30, 2025 quarter. Additional information regarding the ACL and the associated provisions recognized during the quarters ended June 30, 2026 and 2025 is presented in Note 4 to the unaudited consolidated financial statements. (See also Critical Accounting Policies, Judgments and Estimates contained herein).

ASSET QUALITY
June 30, 2026 versus December 31, 2025 and June 30, 2025
(dollars in thousands)

	As of or for the three months ended		
	6/30/2026	12/31/2025	6/30/2025
Non-accrual loans	$ 28,340	$ 21,604	$ 12,651
Non-accrual loans held for sale	—	—	—
Loans greater than 90 days past due and accruing	—	—	4,677
Other real estate owned	650	650	—
Total non-performing assets [1]	$ 28,990	$ 22,254	$ 17,328
Loans held for sale	$ 2,928	$ 6,407	$ 10,593
Loans held for investment	1,997,893	2,000,749	1,966,452
Allowance for credit losses:			
Beginning balance	$ 19,149	$ 22,354	$ 22,925
Provision	500	5,925	2,170
Charge-offs	(522)	(9,590)	(3,534)
Recoveries	12	5	10
Ending balance	$ 19,139	$ 18,694	$ 21,571
Allowance for credit losses as a % of total loans [2]	0.96 %	0.93 %	1.10 %
Allowance for credit losses as a % of non-accrual loans [2]	68 %	87 %	171 %
Non-accrual loans as a % of total loans [2]	1.42 %	1.08 %	0.64 %
Non-performing assets as a % of total loans, loans held for sale and other real estate owned	1.45 %	1.11 %	0.88 %
Non-performing assets as a % of total assets	1.24 %	0.93 %	0.75 %
Non-performing assets to total loans held for sale and investment	1.45 %	1.11 %	0.88 %

(1) Non-performing assets defined as non-accrual loans, non-accrual loans held for sale, loans greater than 90 days past due and accruing and other real estate owned.
(2) Excludes loans held for sale.

ITEM 3. - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company originates and invests in interest-earning assets and solicits interest-bearing deposit accounts. The Company's operations are subject to market risk resulting from fluctuations in interest rates to the extent that there is a difference between the amounts of interest-earning assets and interest-bearing liabilities that are prepaid, withdrawn, matured or repriced in any given period of time. The Company's earnings or the net value of its portfolio will change under different interest rate scenarios. The principal objective of the Company's asset/liability management program is to maximize net interest income within an acceptable range of overall risk, including both the effect of changes in interest rates and liquidity risk.

The Company utilizes a number of strategies to manage interest rate risk including, but not limited to: (i) balancing the types and structures of interest-earning assets and interest-bearing liabilities by diversifying mix, coupons, maturities and/or repricing characteristics, (ii) reducing the overall interest rate sensitivity of liabilities by emphasizing core and/or longer-term deposits; utilizing FHLB advances and wholesale deposits for our interest rate risk profile, and (iii) entering into interest rate swap agreements.

The following presents the Company's economic value of equity ("EVE") and net interest income ("NII") sensitivities at June 30, 2026 (dollars in thousands). The results are within the Company's policy limits.

At June 30, 2026							
Interest Rates (basis points)	**Estimated EVE**	**Estimated Change in EVE**		**Interest Rates (basis points)**	**Estimated NII(1)**	**Estimated Change in NII(1)**	
		Amount	**%**			**Amount**	**%**
+200	$ 228,228	$ (22,136)	(8.8)	+200	$ 70,101	$ (4,488)	(6.0)
+100	239,986	(10,378)	(4.1)	+100	72,596	(1,993)	(2.7)
0	250,364			0	74,589		
-100	263,434	13,070	5.2	-100	76,721	2,132	2.9
-200	281,180	30,816	12.3	-200	79,053	4,464	6.0
-300	292,718	42,354	16.9	-300	80,874	6,285	8.4

(1) Assumes 12 month time horizon.

Certain model limitations are inherent in the methodology used in the EVE and net interest income measurements. The models require the making of certain assumptions which may tend to oversimplify the way actual yields and costs respond to changes in market interest rates. The models assume that the composition of the Company's interest sensitive assets and liabilities existing at the beginning of a period remain constant over the period being measured, thus they do not consider the Company's strategic plans, or any other steps it may take to respond to changes in rates over the forecasted period of time. Additionally, the models assume immediate changes in interest rates, based on yield curves as of a point-in-time, which are reflected in a parallel, instantaneous and uniform manner across all yield curves, when in reality changes may rarely be of this nature. The models also utilize data derived from historical performance and as interest rates change the actual performance of loan prepayments, rate sensitivities, and average life assumptions may deviate from assumptions utilized in the models and can impact the results. Accordingly, although the above measurements provide an indication of the Company's interest rate risk exposure at a particular point in time, such measurements are not intended to provide a precise forecast of the effect of changes in market interest rates. Given the speed with which interest rates may change, the projections noted above on the Company's EVE and net interest income can be expected to differ from actual results.

ITEM 4. – CONTROLS AND PROCEDURES

Disclosure controls and procedures. The Company carried out an evaluation, under the supervision and with the participation of its principal executive officer and principal financial officer, of the effectiveness of the design and operation of its disclosure controls and procedures as defined in Rule l3a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on this evaluation, the Company's principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures are effective in timely alerting them to material information required to be included in the Company's periodic reports filed with the Securities and Exchange Commission.

Changes in internal controls over financial reporting. There have been no changes in the Company's internal control over financial reporting that occurred during the Company's last fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II

ITEM 1. - LEGAL PROCEEDINGS

The Company is not subject to any legal proceedings, which if determined adversely to the Company could have a materially adverse impact on its results of operations and financial condition.

ITEM 1A. – RISK FACTORS

There have been no material changes to the risks disclosed in the "Risk Factors" section of the Company's Annual Report on Form 10-K for the year ended December 31, 2025, as filed with the Securities and Exchange Commission.

ITEM 2. – UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(c) Issuer Purchases of Equity Securities

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced programs	Maximum number of shares that may yet be purchased under the program (1)
April 2026	2,423	$ 23.81	2,423	281,652
May 2026	49,923	23.23	49,923	231,729
June 2026	60,000	23.78	60,000	171,729
Quarter ended June 30, 2026	112,346	$ 23.54	112,346	171,729

(1) In October 2023, the Company announced the adoption of a new stock repurchase program of up to 366,050 shares of its common stock. The stock repurchase program may be suspended, terminated, or modified at any time for any reason, and has no termination date. As of June 30, 2026, 171,729 shares remained available for repurchase under the program.

ITEM 3. – DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. – MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. – OTHER INFORMATION

During the fiscal quarter ended June 30, 2026, none of our directors or officers informed us of the adoption or termination of a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as those terms are defined in Item 408 of Regulation S-K.

ITEM 6. – EXHIBITS

10.1	Amended and Restated Employment Agreement, dated as of July 1, 2026, by and between Hanover Bank and Michael P. Locorriere *
10.2	Amended and Restated Change in Control Agreement with Kevin Corbett, dated July 31, 2026 *
10.3	Amended and Restated Change in Control Agreement with Joseph Burns, dated July 31, 2026 *
10.4	Change in Control Agreement with John Vivona, dated July 31, 2026 *
10.5	Amended and Restated Change in Control Agreement with Lisa Diiorio, dated July 31, 2026 *
31.1	Certification of principal executive officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of principal financial officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of principal executive officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of principal financial officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Management contract or compensatory plan, contract or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	HANOVER BANCORP, INC.
Dated: August 7, 2026	/s/ Michael P. Puorro
	Michael P. Puorro Chairman & Chief Executive Officer (Principal Executive Officer)
Dated: August 7, 2026	/s/ Lance P. Burke
	Lance P. Burke Senior Executive Vice President & Chief Financial Officer (Principal Financial Officer)

AMENDED AND RESTATED EMPLOYMENT AGREEMENT BY AND BETWEEN

MICHAEL P. LOCORRIERE AND HANOVER COMMUNITY BANK

THIS AGREEMENT originally entered into on the 2nd day of November, 2020, by and between **Hanover Community Bank**, a New York state charted commercial bank with its principal place of business located at 80 East Jericho Turnpike, Mineola, New York 11501 ("Employer" or "Bank") and **Michael P. Locorriere**, an individual residing at 54 Davison Lane, West Islip, New York 11795 ("Employee") and subsequently amended November 1, 2023, March 27, 2024, June 26, 2024, December 12, 2024 and June 25, 2025 is hereby amended and restated in its entirety effective July 1, 2026 ("Effective Date").

BACKGROUND

A. The Employer desires to continue to employ the Employee, and the Employee is willing to continue to his employment with the Employer under the terms and conditions herein provided.

B. The Employer employs the Employee in a position of trust and confidence and the Employee has become acquainted with the Employer's business, its officers and employees, its strategic and operating plans, its business practices, processes, and relationships, the needs and expectations of its "Customers" and "Potential Customers", and its trade secrets and other property, including "Referral Sources" and "Confidential Information" as defined in Sections 8 and 9 herein.

C. To affect the foregoing, the parties hereto desire to enter into this employment agreement under the terms and conditions set forth below.

D. The Compensation Committee of the Board of Directors of the Bank ("Compensation Committee") recommended that the Board of Directors of the Bank enter into this Agreement with the Employee.

NOW, THEREFORE, in consideration of the premises and the respective covenants and agreements of the parties contained herein, and intending to be legally bound hereby, the parties hereto agree as follows:

1. *Term.*

(a) Except as otherwise provided herein, the term of this Agreement shall include: (i) the period commencing on the Effective Date and ending July 1, 2029, plus (ii) any and all extensions of the term made pursuant to paragraphs (b) and (c) of this Section 1 (the "Term").

(b) Beginning on July 1, 2027, and on or around each July 1st thereafter, the term of this Agreement shall be automatically extended by one (1) year, so that, at the time of such extension, the term of the Agreement shall be for a period of three (3) years. Notwithstanding the foregoing, the Employer or the Employee may elect to terminate the automatic annual extension of the Term in this paragraph (b) by giving written notice of such election no less than ninety (90) days prior to any anniversary of the Effective Date, not to so extend the Term, in which case the Term shall then end on the second anniversary of the date such notice is given.

(c) Notwithstanding paragraph (b) of this Section 1, in the event of a Change in Control, the Term shall not end before the first anniversary of such Change in Control; provided, however, this sentence shall apply only to the first Change in Control to occur while this Agreement is in effect.

(d) Nothing in this Agreement shall mandate or prohibit a continuation of the Employee's employment following the expiration of the Term upon such terms and conditions as the Employee and the Employer may mutually agree.

2. *Position and Duties.* The Employee shall continue to be employed as Senior Executive Vice President and Chief Municipal Officer of the Employer, to perform such services in that capacity as noted in the job description attached as Exhibit A hereto and as shall from time-to-time be established by the President, Chief Executive Officer and Chairman of the Board and/or the Board of Directors of the Employer, not inconsistent with the terms hereof. Employee agrees that he will devote his full business time and efforts to his duties hereunder.

3. *Compensation.* Employer shall pay the Employee compensation for his services as follows:

(a) Base Salary. During the Term, Employer shall pay to the Employee an annual base salary at a rate not less than three hundred and seventy thousand dollars ($370,000) ("Base Salary") unless any reduction in Base Salary to less than the Base Salary then in effect is part of an overall reduction in compensation applicable to all senior executive officers of the Employer. The Board of Directors of Employer or the Compensation Committee shall periodically review the Employee's employment performance, in accordance with policies generally in effect from time to time, for possible merit or cost-of-living increases and any and all such increases shall be deemed to constitute amendments to this Section 3(a) to reflect the increased amounts, effective as of the date established for such increases. The frequency and manner of payment of the Employee's Base Salary shall be in accordance with the Employer's payroll practices from time to time in effect. Nothing herein shall be construed as precluding the Employee from entering into any salary reduction or deferral plan or arrangement during the Term.

(b) Cash-Based Incentives. In addition to the Base Salary, Employee shall be eligible to participate in the Chief Municipal Officer Annual Incentive Program attached hereto as Exhibit B. While participating in the Chief Municipal Officer Annual Incentive Program, Employee is not eligible to participate in the Hanover Community Bank Executive Annual Incentive Plan.

(c) Equity-based Incentives. The Employee shall be eligible to participate in any long-term equity incentive plan or program established by the Employer or an affiliate of the Employer. All equity-based incentives (if any) will be determined by the Compensation Committee.

4. *Other Benefits.*

(a) Automobile Allowance. The Employee shall be eligible for a cash allowance in the amount of one thousand three hundred and fifty dollars ($1,350) per month during the Term to be used for the purpose of maintaining an automobile for use in the business of the Employer. The Compensation Committee will review the automobile allowance from time to time and may increase it as necessary and appropriate.

(b) Insurance Coverage and Employee Benefit Plans. The Employee shall be eligible to receive hospital, health, medical, disability and life insurance benefits and shall be eligible to participate in any other employee benefit, incentive or retirement plans offered by Employer to its employees generally.

(c) Expenses. The Employee shall be entitled to reimbursement for all proper business expenses incurred by him with respect to the business of the Employer upon the provision of documentation evidencing such expenses in accordance with the Employer's expense reimbursement policies and in the same manner and to the same extent as such expenses are reimbursed to other officers of the Employer.

(d) Paid Time Off. The Employee shall be eligible for paid time off in accordance with the Hanover Community Bank Paid Time Off (“PTO”) Policy for Executives, as amended from time to time. PTO shall be taken at reasonable times and in reasonable periods as Employee and Employer shall mutually determine and provided that no PTO shall interfere with the duties of Employee hereunder.

5. *Termination.* The Employee may be terminated at any time, without prejudice to Employee’s right to compensation or benefits as provided herein. The Employee's rights upon termination shall be as follows:

(a) Cause. For purposes of this Agreement "Cause", with respect to the termination by Employer (as defined below) of Employee's employment, shall mean (i) willful and continued failure, for a period of at least thirty (30) calendar days, by the Employee to perform his duties for Employer under this Agreement after at least one (1) warning in writing from the Chief Executive Officer of the Employer identifying specifically any such failure, (ii) the willful engaging by the Employee in misconduct which causes material injury to Employer as specified in written notice to the Employee from the Chief Executive Officer of the Employer; or (iii) conviction of or a plea of nolo contendere to a crime (other than a traffic violation) which is either a felony or an indictable offense or (iv) Employee's habitual drunkenness, drug abuse, or excessive absenteeism other than due to Disability (as defined herein), after a warning (with respect to drunkenness or absenteeism only) in writing from Chief Executive Officer of the Employer to refrain from such behavior.

(b) Termination With Cause. The Employer shall have the right to terminate the Employee for "Cause". In the event of such termination, the Employee shall only be entitled to his Base Salary and benefits accrued through his termination date.

(c) Termination Without Cause. Employer shall have the right to terminate the Employee without "Cause" at any time. Upon a termination of Employee's employment hereunder without "Cause", in recognition of such termination and Employee's agreement to be bound by the covenants contained in Sections 8 and 9 hereof, Employee shall be entitled to receive a lump sum severance payment equal to the sum of: (i) his then current annual Base Salary (ii) the highest annual cash-based incentive paid to Employee over the past three calendar years preceding Employee's termination of employment, and (iii) the annual total automobile allowance paid to Employee under Section 4(a) hereof. In addition, Employer shall continue to provide the Employee with health, medical and dental insurance coverage, and any other like benefits in effect at the time of such termination, on the terms and conditions under which they were offered to Employee prior to such termination for a period of one (1) year from the date of such termination. In the event Employer, under its insurance and benefit plans then in effect, is unable to provide Employee with the benefits provided for above under the terms provided for herein, then in lieu of providing such benefits, Employer will pay the amount of Employee's premium to continue such coverage pursuant to the terms of the Comprehensive Omnibus Budget Reconciliation Act ("COBRA"). The Employee shall have no duty to mitigate damages in connection with his termination by Employer without "Cause"; however, if the Employee obtains new employment and such new employment provides for health, medical and dental insurance coverage, and other benefits, in a manner substantially similar to the benefits payable by Employer hereunder, Employer may permanently terminate the duplicative benefits it is obligated to provide hereunder. Following the cessation of the continuation of Employee's health, dental and medical insurance coverage, Employee shall be permitted to elect to extend such insurance coverage under the policies maintained by Employer in accordance with the applicable provisions of the Section 4980B of the Internal Revenue Code of 1986, as amended ("Code"), and/or applicable state law, to the extent eligible to do so under the Code and such state law.

(d) Death or Disability. This Agreement shall automatically terminate upon the death or Disability of Employee. Upon such termination, Employee shall not be entitled to any additional compensation hereunder, provided, however that the forgoing shall not prejudice Employee's right to be paid for all compensation earned through the date of such termination and the benefits of any insurance programs maintained for the benefit of Employee or his beneficiaries in the event of his death or Disability. For purposes hereof, Disability shall be defined to mean a disability under any long-term disability plan of the Employer then in effect.

6. *Change in Control.* [1]

Upon the occurrence of a Change in Control (as herein defined), Employee shall be entitled to receive the payments provided for under paragraph (b) hereof.

(a) A "Change in Control" shall mean:

(i) A reorganization, merger, consolidation or sale of all or substantially all of the assets of Hanover Bancorp, Inc. ("HBI"or "Company"), or a similar transaction, in any case in which the holders of the voting stock of HBI prior to such transaction do not hold a majority of the voting power of the resulting entity; or

(ii) individuals who constitute the Incumbent Board (as herein defined) of HBI cease for any reason to constitute a majority thereof.

For these purposes, "Incumbent Board" means the Board of Directors of HBI on the date hereof, provided that any person becoming a director subsequent to the date hereof whose election was approved by a voting of at least three-quarters of the directors comprising the Incumbent Board, or whose nomination for election by members or stockholders was approved by the same nominating committee serving under an Incumbent Board, shall be considered as though he were a member of the Incumbent Board.

To the extent necessary to comply with Code Section 409A, a Change in Control will be deemed to have occurred only if the event also constitutes a change in the effective ownership or effective control of the Company or the Employer, as applicable, or a change in the ownership of a substantial portion of the assets of the Company or the Employer, as applicable, in each case within the meaning of Treasury Regulation section 1.409A-3(i)(5).

(b) In the event the conditions of Section (a) above are satisfied, Employee shall be entitled to receive a lump sum cash payment equal to two (2) times the sum of: (i) his then current annual Base Salary, (ii) the highest annual cash-based incentive paid to Employee over the past three calendar years preceding the Change in Control, and (iii) the annual total automobile allowance paid to Employee under Section 4(a) hereof; provided, however, that in the event any payments provided for hereunder, when combined with any other payments due to Employee under any other agreement or benefit plan of the Employer contingent upon a Change in Control, constitute an "excess parachute payment" under Section 280G of the Internal Revenue Code of 1986, as amended or any successor thereto, the total payments will be reduced such that no portion of such payments are subject to the excise tax under Section 4999 of the Code to the extent that, after all applicable taxes, the Employee retains more of the total payments after this reduction than if the full amount were payable. Payments will be reduced in such manner as has the least economic effect on the Employee. In applying these principles, any reduction or elimination of the Payments shall be made in a manner consistent with the requirements of Section 409A of the Code and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. Unless the Employer and the Employee otherwise agree in writing, any determination required under this Section 6(b) shall be made in writing by an accounting firm, independent compensation consultant or law firm selected by the Employer (the “Advisors”), whose determination will be conclusive and binding upon the Employee and the Employer for all purposes. For purposes of making the calculations required by this Section 6(b), the Advisors (i) may make reasonable assumptions and approximations concerning applicable taxes. (ii) may rely on reasonable, good faith interpretations concerning the application or Sections 280G and 4999 of the Code, and (iii) shall take into account a "reasonable compensation" (within the meaning of Q&A-9 and Q&A-40 to Q&A-44 of the final regulations under Section 280G or the Code) analysis of the value of services provided or to be provided by the Employee, including any agreement by the Employee (if applicable) to refrain from performing services pursuant to a covenant not to compete or similar covenant applicable to the Employee that may then be in effect (including, without limitation, those contemplated by Section 8 of this Agreement). The Employer and the Employee agree to provide to the Advisors such information and documents as the Advisors may reasonably request in order to make a determination under this provision. The Employer shall bear all costs the Advisors may reasonably incur in connection with any calculations contemplated by this provision. In addition to the foregoing, the Employer or its successor shall pay to the Employee a single lump sum payment in an after-tax amount (determined using an assumed aggregate tax rate of 40%) equal to twenty-four (24) times the monthly COBRA charge (Employee and Employer) in effect on the Employee’s termination date (including the administration fee) for the type of Bank-provided group health, medical and dental coverage in effect for Employee (e.g. family coverage) on his termination date (regardless of whether the Employee elects COBRA). Any payment made hereunder shall be deemed to have satisfied Employer's obligations under this Agreement, and in no event shall Employee thereafter be entitled to receive any payment under Section 5(c) hereof.

7. *Release.* All payments and benefits provided for under Section 5(c) hereof shall be contingent upon Employee executing a general release of claims in favor of the Employer, its subsidiaries and affiliates, and their respective officers, directors, shareholders, partners, members, managers, agents or employees, which release shall be provided to the Employee within five (5) business days following the termination date or Employee's employment, and which must be executed by the Employee and become effective within thirty (30) days thereafter. Payments made under Section 5 that are contingent upon such release shall, subject to Section 11(f), commence within ten (10) days after such release becomes effective; provided, however, that if the date of Employee's termination of employment occurs on or after November 15 of a calendar year, then payments shall, subject to the effectiveness of such release and Section 11(f), commence on the first business day of the following calendar year.

8. *Non-Solicitation.* During the period Employee is performing services for the Employer and for a period of one (1) year following the termination of the Employee's services for the Employer for any reason ("Non-Solicitation Period"), the Employee agrees that the Employee will not, directly or indirectly, for the Employee's benefit or for the benefit of any other person, firm or entity, do any of the following:

(i) solicit or attempt to solicit from (i) any customer that Employee serviced or learned of while in the employ of the Employer ("Customer"), (ii) any potential customer of the Employer which has been the subject of a known written or oral bid, offer or proposal by the Employer, or of substantial preparation with a view to making such a bid, proposal or offer, within twelve months prior to such Employee's termination ("Potential Customer"), or (iii) referral sources or prospective referral sources which are actively being sought by Employer at the time of Employee's termination (a "Referral Source"), business of a similar nature or related to the business of the Employer;

(ii) accept any business from, or perform any work or services for, any Customer, Potential Customer or Referral Source, which business, work or services is similar to the business of the Employer;

(iii) cause or induce or attempt to cause or induce any Customer, Potential Customer, Referral Source, licensor, supplier or vendor of the Employer to reduce or sever its affiliation with the Employer;

(iv) solicit the employment or services of, or hire or engage, or assist anyone else to hire or engage, any person who was known to be employed or engaged by or was a known employee of or consultant to the Employer upon the termination of the Employee's services to the Employer, or within twelve months prior thereto; or

(v) otherwise interfere with the business or accounts of the Employer.

For purposes hereof, "solicitation" shall include directly or indirectly initiating any contact or communication of any kind whatsoever for purposes of inviting, encouraging or requesting such Customer, Potential Customer, Referral Source, licensor, supplier, vendor, employee or consultant to materially alter its business relationship, or engage in business, with the Employee or any person, firm or entity other than the Employer.

9. *Confidential Information.*

(a) As used herein, "Confidential Information" means any confidential or proprietary information relating to the Employer and its affiliates including, without limitation, the identity of the employer's customers, the identity of representatives of customers with whom the Employer has dealt, the kinds of services provided by the Employer to customers. the manner in which such services are performed or offered to be performed, the service needs of actual or prospective customers, customer preferences and policies, pricing information, business and marketing plans, financial information, budgets, compensation or personnel records, information concerning the creation, acquisition or disposition of products and services, vendors, software, data processing programs, databases, customer maintenance listings, computer software applications, research and development data, know-how, and other trade secrets.

Notwithstanding the above, Confidential Information does not include information which: (i) is or becomes public knowledge without breach of this Agreement; or (ii) is received by Employee from a third party without any violation of any obligation of confidentiality and without confidentiality restrictions; provided, however, that nothing in this Agreement shall prevent the Employee from participating in or disclosing documents or information in connection with any judicial or administrative investigation, inquiry or proceeding to the extent that such participation or disclosure is required under applicable law; provided further, however, that the Employee will provide the Employer with prompt notice of such request so that the Employer may seek (with the cooperation of the Employee, if so requested by the Employer), a protective order or other appropriate remedy and/or waiver in writing or compliance with the provisions of this Agreement. If a particular portion or aspect of Confidential Information becomes subject to any of the foregoing exceptions, all other portions or aspects of such information shall remain subject to all of the provisions of this Agreement.

Notwithstanding the foregoing, U.S. federal law (18 U.S.C. section 1833(b)) states that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. That law further states that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual: (1) files any document containing the trade secret under seal; and (2) does not disclose the trade secret, except pursuant to court order. For the avoidance of doubt, nothing in this Agreement is intended to, nor shall be construed to, conflict with 18 U.S.C. section 1833(b).

Employee understands that nothing in this Agreement or any other agreement that Employee may have with the Employer restricts or prohibits Employee from initiating communications directly with, responding to any inquiries from, providing testimony before, reporting possible violations of law or regulation to, filing a claim with or assisting with an investigation by a self-regulatory authority or a government agency or entity, including but not limited to the U.S. Securities and Exchange Commission and the federal Occupational Safety and Health Administration (collectively, "Government Agencies"), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation, and Employee does not need the Employer's prior authorization to engage in such conduct.

(b) At all times, both during the period of Employee's services for the Employer and after termination of Employee's services, the Employee will keep in strictest confidence and trust all Confidential Information and the Employee will not directly or indirectly use or disclose to any third-party, any Confidential Information, except as may be necessary in the ordinary course of performing the Employee's duties for the Employer, or disclose any Confidential Information, or permit or encourage any other person or entity to do so, without the prior written consent of the Employer except as may be necessary in the ordinary course of performing the Employee's duties for the Employer.

(c) Following his termination of employment, the Employee agrees to return promptly all Confidential Information in tangible form, including, without limitation, all photocopies, extracts and summaries thereof, and any such information stored electronically on tapes, computer disks, mobile or remote computers (including personal digital assistants) or in any other manner to the Employer at any time that the Employer makes such a request and automatically, without request, within five days after the termination of the Employee's performance of services for the Employer for any reason.

10. *Arbitration.* Any dispute or controversy arising under this Agreement shall be settled exclusively by binding arbitration, as an alternative to civil litigation and without any trial by jury to resolve such claims, conducted by a single arbitrator, mutually acceptable to the Employer and the Employee, sitting in Nassau County, New York, unless otherwise mutually agreed by the Employer and the Employee, in accordance with the rules of the American Arbitration Association's National Rules for the Resolution of Employment Disputes then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Notwithstanding the foregoing, the parties to this Agreement may seek equitable relief in any court of competent jurisdiction for a matter in the nature of, but not limited to, restraining orders or injunctions.

11. Miscellaneous.

(a) Governing Law. In the absence of controlling Federal law, this Agreement shall be governed by and interpreted under the substantive law of the State of New York.

(b) Severability. If any provision of this Agreement shall be held to be invalid, void, or unenforceable, the remaining provisions hereof shall in no way be affected or impaired, and such remaining provisions shall remain in full force and effect. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid or enforceable, then such provision shall be deemed to be written. construed, and enforced as so limited.

(c) Entire Agreement; Amendment. This Agreement sets forth the entire understanding of the parties with regard to the subject matter contained herein and supersedes any and all prior agreements, arrangements or understandings relating to the subject matter hereof and may only be amended by written agreement signed by both parties hereto or their duly authorized representatives.

(d) Successors and Assigns. This Agreement shall be binding upon and become the legal obligation of the successors and assigns of Employer and shall inure to the benefit of Employee's estate, heirs and representatives in the event of his death or Disability.

(e) Clawback and Recoupment. Any amounts paid to Employee hereunder shall be subject to any clawback or recoupment policy adopted by Employer, or the requirements of any law or regulation applicable to the Employer and governing the clawback or recoupment of executive compensation. In addition, with regard to any payment made hereunder pursuant to Sections 5(c) or 6(c) hereunder, Employer or its successors retains the legal right to demand the return of any payment made should Employer or its successors later obtain information indicating that the Employee has committed, is substantially responsible for, or has violated, the respective acts or omissions, conditions, or offenses outlined under the FDIC's regulations at 12 C.F.R. 359.4(a)(4).

(f) Section 409A Compliance. This Agreement shall be interpreted to avoid any penalty sanctions under Section 409A of the Code ("Section 409A") and regulations promulgated thereunder. Notwithstanding anything contained herein to the contrary, the Employee shall not be considered to have terminated employment with the Employer for purposes of the payments and benefit of Section l hereof unless he would be considered to have incurred a "termination of employment" from the Employer within the meaning of Treasury Regulation §1.409A-l(h)(l)(ii). For purposes of Section 409A, each payment made under this Agreement shall be treated as a separate payment. in no event may the Employee, directly or indirectly, designate the calendar year of payment. If the Employee is a "specified employee" for purposes of Section 409A of the Code, to the extent required to comply with Section 409A of the Code, any payments required to be made pursuant to this Agreement which are deferred compensation and subject to Section 409A of the Code (and do not qualify for an exemption thereunder) shall not commence until one day after the day which is six (6) months from the date of termination. Should this Section 11(f) result in a delay of payments to the Employee, on the first day any such payments may be made without incurring a penalty pursuant to Section 409A (the “409A Payment Date"), Employer shall begin to make such payments as described in this Section 11(f), provided that any amounts that would have been payable earlier but for application or this Section 11(f) shall be paid in lump-sum on the 409A Payment Date.

[*Signature page to follow*]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the effective date first above written.

HANOVER COMMUNITY BANK (EMPLOYER)

By: /s/ Michael P. Puorro

Name: Michael P. Puorro
Title: Chairman, President & CEO

EMPLOYEE:

By: /s/ Michael P. Locorriere

Name: Michael P. Locorriere

FORM OF

AMENDED AND RESTATED CHANGE IN CONTROL AGREEMENT

THIS CHANGE IN CONTROL AGREEMENT (this "Agreement") was originally entered into by and between **HANOVER COMMUNITY BANK**, a New York state commercial bank with its principal place of business located at 80 East Jericho Turnpike, Mineola, NY 11501**,** (the "Employer"), and **Kevin Corbett**, an individual residing at 4006 Fulton Avenue, Seaford, NY 11783 ("Employee") effective January 2, 2020 and is hereby amended and restated in its entirety effective July 31, 2026.

W I T N E S S E T H:

WHEREAS, Employer wishes to continue to encourage the Employee's dedication to his or her assigned duties in the face of potential distractions arising from the prospect of a Change in Control (as defined herein), the Employer wishes to provide certain benefits and payments upon a Change in Control;

WHEREAS, it is a condition to Employee's retention that the Employer enter into this Agreement with Employee;

NOW, THEREFORE, in consideration of the mutual promises and undertakings herein contained, the parties hereto, intending to be legally bound by this Agreement as follows:

1. Change in Control.

(a) Upon the occurrence of a Change in Control (as herein defined), Employee shall be entitled to receive the payments provided for under paragraph (c) hereof.

(b) A "Change in Control" shall mean:

(i) a reorganization, merger, consolidation or sale of all or substantially all of the assets of the Company, or a similar transaction, in any case in which the holders of the voting stock of the Company prior to such transaction do not hold a majority of the voting power of the resulting entity; or

(ii) individuals who constitute the Incumbent Board (as herein defined) of the Company cease for any reason to constitute a majority thereof.

For these purposes, “Company” shall mean Hanover Bancorp, Inc., the parent corporation of the Employer, and "Incumbent Board" means the Board of Directors of the Company as of the date hereof, provided that any person becoming a director subsequent to the date hereof whose election was approved by a voting of at least three-quarters of the directors comprising the Incumbent Board, or whose nomination for election by members or stockholders was approved by the same nominating committee serving under an Incumbent Board, shall be considered as though he were a member of the Incumbent Board.

To the extent necessary to comply with Code Section 409A, a Change in Control will be deemed to have occurred only if the event also constitutes a change in the effective ownership or effective control of the Company or the Employer, as applicable, or a change in the ownership of a substantial portion of the assets of the Company or the Employer, as applicable, in each case within the meaning of Treasury Regulation section 1.409A-3(i)(5).

(c) In the event the conditions of Section (b) above are satisfied, Employee shall be entitled to receive a lump sum payment equal to one (1) times the sum of (i) his or her then current annual base salary as noted in the records of the Employer, and (ii) the highest cash bonus paid to Employee over the past three years preceding the Change in Control; provided, however, that in the event any payments provided for hereunder, when combined with any other payments due to Employee under any other agreement or benefit plan of Employer contingent upon a Change in Control, constitute an "excess parachute payment" under Section 280G of the Internal Revenue Code of 1986, as amended or any successor thereto, then in order to avoid such a result the benefits provided for hereunder (or, at the option of Employee, any other agreement, plan or program providing for payments contingent upon a Change in Control) will be reduced, if necessary, to an amount which is One Dollar ($1.00) less than an amount equal to three (3) times Employee's "base amount" as determined in accordance with such Section 280G.

(d) In addition to the lump sum cash payment set forth in paragraph (c) above, in the event the Employee’s employment is terminated within one (1) year of a Change in Control, the Employer or its successor shall pay to the Employee a single lump sum payment in an after-tax amount (determined using an assumed aggregate tax rate of 40%) equal to 24 times the monthly COBRA charge (Employee and Employer) in effect on the Employee’s termination date (including the administration fee) for the type of Bank-provided group health, medical and dental coverage in effect for Employee (e.g. family coverage) on his termination date (regardless of whether the Employee elects COBRA). For the avoidance of doubt, if an Employee does not accept an offer of employment, it is deemed a termination of employment for this paragraph.

(e) Employee must execute a written acknowledgement and acceptance to the Employer or its successor that the lump sum payment amounts due under paragraphs (c) and (d) above, and calculated by the Employer, represent the amounts due and owing under paragraphs (c) and (d) of this Agreement.

2. **No Guaranty of Employment.** Nothing in this Agreement shall be construed as guarantying the employment of the Employee. Employee shall remain an "employee at will" of Employer at all times during the term of this Agreement.

3. **Notices**. Any and all notices, demands or requests required or permitted to be given under this Agreement shall be given in writing and sent, (i) by registered or certified U.S. mail, return receipt requested, (ii) by hand, (iii) by overnight courier or (iv) by telecopier addressed to the parties hereto at their addresses set forth above or such other addresses as they may from time-to-time designate by written notice, given in accordance with the terms of this Section, together with copies thereof as follows:

In the case of Employee, to the address set forth on the first page hereof or to such other address as Employee shall provide in writing to the Employer for the provision of notices hereunder.

In the case of Employer, to the address set forth on the first page hereof with a copy to:

Kilpatrick Townsend & Stockton LLP.
701 Pennsylvania Avenue, NW – Suite 200
Washington, DC 20004
Attention: Suzanne Walker
suwalker@ktslaw.com

Notice given as provided in this Section shall be deemed effective: (i) on the date hand delivered, (ii) on the first business day following the sending thereof by overnight courier, (iii) on the seventh calendar day (or, if it is not a business day, then the next succeeding business day thereafter) after the depositing thereof into the exclusive custody of the U.S. Postal Service or (iv) on the date telecopied.

4. **Term.** The term of this Agreement shall begin on the Effective Date, and shall continue for one (1) year; *provided, however*, that beginning on the first anniversary of the Effective Date, and on each anniversary of the Effective Date thereafter, the term of this Agreement shall be automatically extended for an additional year such that the remaining term shall be one (1) year ("Term"), unless the Employer or Employee shall have provided notice to the other party at least ninety (90) days before such annual anniversary date that the Term shall not be extended. Notwithstanding the preceding provisions of this Section 4, if a Change of Control occurs during the Term, the Term shall not end before the first anniversary of the Change of Control; *provided, however*, this sentence shall apply only to the first Change of Control to occur while this Agreement is in effect

5. **Non-Solicitation.** During the period Employee is performing services for the Employer and for a period of one (1) year following the termination of the Employee's services with the Employer for any reason, the Employee agrees that the Employee will not, directly or indirectly, for the Employee's benefit or for the benefit of any other person, firm or entity, do any of the following:

(a) solicit or attempt to solicit from (i) any customer that Employee serviced or learned of while in the employ of the Employer ("Customer"), (ii) referral sources or prospective referral sources which are actively being sought by Employer at the time of Employee's termination (a "Referral Source"), or (iii) any potential customer of the Employer which has been the subject of a known written or oral bid, offer or proposal by the Employer, or of substantial preparation with a view to making such a bid, proposal or offer, within twelve months prior to such Employee's termination ("Potential Customer"), business of a similar nature or related to the business of the Employer;

(b) accept any business from, or perform any work or services for, any Customer, Referral Source or Potential Customer, which business, work or services is similar to the business of the Employer;

(c) cause or induce or attempt to cause or induce any Customer, Referral Source, Potential Customer, licensor, supplier or vendor of the Employer to reduce or sever its affiliation with the Employer;

(d) solicit the employment or services of, or hire or engage, or assist anyone else to hire or engage, any person who was known to be employed or engaged by or was a known employee of or consultant to the Employer upon the termination of the Employee's services to the Employer, or within twelve months prior thereto; or

(e) otherwise interfere with the business or accounts of the Employer.

For purposes hereof, "solicitation" shall include directly or indirectly initiating any contact or communication of any kind whatsoever for purposes of inviting, encouraging or requesting such Customer, Referral Source, Potential Customer, licensor, supplier, vendor, employee or consultant to materially alter its business relationship, or engage in business, with the Employee or any person, firm or entity other than the Employer.

6. **<u>Confidential Information</u>.**

(a) As used herein, "Confidential Information" means any confidential or proprietary information relating to the Employer and its affiliates including, without limitation, the identity of the Employer's customers, the identity of representatives of customers with whom the Employer has dealt, the kinds of services provided by the Employer to customers, the manner in which such services are performed or offered to be performed, the service needs of actual or prospective customers, customer preferences and policies, pricing information, business and marketing plans, financial information, budgets, compensation or personnel records, information concerning the creation, acquisition or disposition of products and services, vendors, software, data processing programs, databases, customer maintenance listings, computer software applications, research and development data, know-how, and other trade secrets.

Notwithstanding the above, Confidential Information does not include information which: (i) is or becomes public knowledge without breach of this Agreement; or (ii) is received by Employee from a third party without any

violation of any obligation of confidentiality and without confidentiality restrictions; provided, however, that nothing in this Agreement shall prevent the Employee from participating in or disclosing documents or information in connection with any judicial or administrative investigation, inquiry or proceeding to the extent that such participation or disclosure is required under applicable law; provided further, however, that the Employee will provide the Employer with prompt notice of such request so that the Employer may seek (with the cooperation of the Employee, if so requested by the Employer), a protective order or other appropriate remedy and/or waiver in writing of compliance with the provisions of this Agreement. If a particular portion or aspect of Confidential Information becomes subject to any of the foregoing exceptions, all other portions or aspects of such information shall remain subject to all of the provisions of this Agreement.

(b) At all times, both during the period of Employee's services for the Employer and after termination of Employee's services, the Employee will keep in strictest confidence and trust all Confidential Information and the Employee will not directly or indirectly use or disclose to any third-party any Confidential Information, except as may be necessary in the ordinary course of performing the Employees duties for the Employer, or disclose any Confidential Information, or permit or encourage any other person or entity to do so, without the prior written consent of the Employer except as may be necessary in the ordinary course of performing the Employee's duties for the Employer.

(c) Following termination of employment, the Employee agrees to return promptly all Confidential Information in tangible form, including, without limitation, all photocopies, extracts and summaries thereof, and any such information stored electronically on tapes, computer disks, mobile or remote computers (including personal digital assistants) or in any other manner to the Employer at any time that the Employer makes such a request and automatically, without request, within five days after the termination of the Employee's services for the Employer for any reason.

(d) Notwithstanding the foregoing, U.S. federal law (18 U.S.C. section 1833(b)) states that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. That law further states that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual: (1) files any document containing the trade secret under seal; and (2) does not disclose the trade secret, except pursuant to court order. For the avoidance of doubt, nothing in this Agreement is intended to, nor shall be construed to, conflict with 18 U.S.C. section 1833(b).

(e) Employee understands that nothing in this Agreement or any other agreement that Employee may have with the Employer restricts or prohibits Employee from initiating communications directly with, responding to any inquiries from, providing testimony before, reporting possible violations of law or regulation to,

filing a claim with or assisting with an investigation by a self-regulatory authority or a government agency or entity, including but not limited to the U.S. Securities and Exchange Commission and the federal Occupational Safety and Health Administration (collectively, "Government Agencies"), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation, and Employee does not need the Employer's prior authorization to engage in such conduct.

7. **Assignability.** The services of the Employee hereunder are personal in nature, and neither this Agreement nor the rights or obligations of Employee hereunder may be assigned, whether by operation of law or otherwise. This Agreement shall be binding upon, and inure to the benefit of, Employer and its successors and assigns. This Agreement shall inure to the benefit of the Employee's heirs, executors, administrators and other legal representatives.

8. **Waiver.** The waiver by Employer or the Employee of a breach of any provision of this Agreement by the other shall not operate or be construed as a waiver of any subsequent or other breach hereof.

9. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York without giving effect to principles of conflict of laws.

10. **Entire Agreement.** This Agreement contains the entire agreement of the parties hereto with respect to the subject matter hereof and may not be amended, waived, changed, modified or discharged, except by an agreement in writing signed by the parties hereto.

11. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument.

12. **Amendment.** This Agreement may be modified or amended only by an amendment in writing signed by both parties.

13. **Severability.** If any provision of this Agreement shall be held invalid or unenforceable, such invalidity or unenforceability shall attach only to such provision, only to the extent it is invalid or unenforceable, and shall not in any manner affect or render invalid or unenforceable any other severable provision of this Agreement, and this Agreement shall be carried out as if any such invalid or unenforceable provision were not contained herein.

14. **Section Headings.** The headings contained in this Agreement are solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

15. **Section 409A.** This Agreement shall be interpreted to avoid any penalty sanctions under Section 409A of the Code ("Section 409A") and regulations promulgated thereunder. Notwithstanding anything contained herein to the contrary, the Employee shall not be considered to have terminated employment with the Employer for purposes of the payments and benefit of Section 1 hereof unless he would be considered to have incurred

a "termination of employment" from the Employer within the meaning of Treasury Regulation §1.409A-1(h)(1)(ii). For purposes of Section 409A, each payment made under this Agreement shall be treated as a separate payment. In no event may the Employee, directly or indirectly, designate the calendar year of payment. Notwithstanding the foregoing, if necessary to comply with the restriction in Section 409A(a)(2)(B) of the Code concerning payments to "specified employees", any payment as a result of the termination of the Employee's employment that would otherwise be due hereunder within six months after such termination of employment shall nonetheless be delayed until the first business day of the seventh month following the Employee's date of termination and the first such payment shall include the cumulative amount of any payments that would have been paid prior to such date if not for such restriction.

16. **Arbitration**. Any dispute or controversy arising under this Agreement shall be settled exclusively by binding arbitration, as an alternative to civil litigation and without any trial by jury to resolve such claims, conducted by a single arbitrator, mutually acceptable to the Employer and the Employee, sitting in Nassau County, New York, unless otherwise mutually agreed by the Employer and the Employee, in accordance with the rules of the American Arbitration Association's National Rules for the Resolution of Employment Disputes then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Notwithstanding the forgoing, the parties to this Agreement may seek equitable relief in any court or competent jurisdiction for a matter in the nature of, but not limited to, restraining orders or injunctions.

17. **Clawback.** With regard to any payment made hereunder, Employer or its successors retains the legal right to demand the return of any payment made should Employer or its successors later obtain information indicating that the Employee has committed, is substantially responsible for, or has violated, the respective acts or omissions, conditions, or offenses outlined under the FDIC's regulations at 12 C.F.R. 359.4(a)(4).

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under their respective hands and seals as of the day and year first above written.

ATTEST:	**HANOVER COMMUNITY BANK**
	By: /s/ Michael Puorro
______________________________	______________________________
	Michael Puorro Chairman & CEO
WITNESS:	**EMPLOYEE**:
	/s/ Kevin Corbett
______________________________	______________________________
	Name: Kevin Corbett Title: Chief Credit Officer

FORM OF

AMENDED AND RESTATED CHANGE IN CONTROL AGREEMENT

THIS CHANGE IN CONTROL AGREEMENT (this "Agreement") was originally entered into by and between **HANOVER COMMUNITY BANK**, a New York state commercial bank with its principal place of business located at 80 East Jericho Turnpike, Mineola, NY 11501**,** (the "Employer"), and **Joseph Burns**, an individual residing at 63 Dogwood Avenue, Malverne, NY 11565 ("Employee") effective December 23, 2023 and is hereby amended and restated in its entirety effective July 31, 2026.

W I T N E S S E T H:

WHEREAS, Employer wishes to continue to encourage the Employee's dedication to his or her assigned duties in the face of potential distractions arising from the prospect of a Change in Control (as defined herein), the Employer wishes to provide certain benefits and payments upon a Change in Control;

WHEREAS, it is a condition to Employee's retention that the Employer enter into this Agreement with Employee;

NOW, THEREFORE, in consideration of the mutual promises and undertakings herein contained, the parties hereto, intending to be legally bound by this Agreement as follows:

1. Change in Control.

(a) Upon the occurrence of a Change in Control (as herein defined), Employee shall be entitled to receive the payments provided for under paragraph (c) hereof.

(b) A "Change in Control" shall mean:

(i) a reorganization, merger, consolidation or sale of all or substantially all of the assets of the Company, or a similar transaction, in any case in which the holders of the voting stock of the Company prior to such transaction do not hold a majority of the voting power of the resulting entity; or

(ii) individuals who constitute the Incumbent Board (as herein defined) of the Company cease for any reason to constitute a majority thereof.

For these purposes, "Company" shall mean Hanover Bancorp, Inc., the parent corporation of the Employer, and "Incumbent Board" means the Board of Directors of the Company as of the date hereof, provided that any person becoming a director subsequent to the date hereof whose election was approved by a voting of at least three-quarters of the directors comprising the Incumbent Board, or whose nomination for election by members or stockholders was approved by the same nominating committee serving under an Incumbent Board, shall be considered as though he were a member of the Incumbent Board.

To the extent necessary to comply with Code Section 409A, a Change in Control will be deemed to have occurred only if the event also constitutes a change in the effective ownership or effective control of the Company or the Employer, as applicable, or a change in the ownership of a substantial portion of the assets of the Company or the Employer, as applicable, in each case within the meaning of Treasury Regulation section 1.409A-3(i)(5).

(c) In the event the conditions of Section (b) above are satisfied, Employee shall be entitled to receive a lump sum payment equal to one (1) times the sum of (i) his or her then current annual base salary as noted in the records of the Employer, and (ii) the highest cash bonus paid to Employee over the past three years preceding the Change in Control; provided, however, that in the event any payments provided for hereunder, when combined with any other payments due to Employee under any other agreement or benefit plan of Employer contingent upon a Change in Control, constitute an "excess parachute payment" under Section 280G of the Internal Revenue Code of 1986, as amended or any successor thereto, then in order to avoid such a result the benefits provided for hereunder (or, at the option of Employee, any other agreement, plan or program providing for payments contingent upon a Change in Control) will be reduced, if necessary, to an amount which is One Dollar ($1.00) less than an amount equal to three (3) times Employee's "base amount" as determined in accordance with such Section 280G.

(d) In addition to the lump sum cash payment set forth in paragraph (c) above, in the event the Employee's employment is terminated within one (1) year of a Change in Control, the Employer or its successor shall pay to the Employee a single lump sum payment in an after-tax amount (determined using an assumed aggregate tax rate of 40%) equal to 12 times the monthly COBRA charge (Employee and Employer) in effect on the Employee's termination date (including the administration fee) for the type of Bank-provided group health, medical and dental coverage in effect for Employee (e.g. family coverage) on his termination date (regardless of whether the Employee elects COBRA). For the avoidance of doubt, if an Employee does not accept an offer of employment, it is deemed a termination of employment for this paragraph.

(e) Employee must execute a written acknowledgement and acceptance to the Employer or its successor that the lump sum payment amounts due under paragraphs (c) and (d) above, and calculated by the Employer, represent the amounts due and owing under paragraphs (c) and (d) of this Agreement.

2. **<u>No Guaranty of Employment</u>.** Nothing in this Agreement shall be construed as guarantying the employment of the Employee. Employee shall remain an "employee at will" of Employer at all times during the term of this Agreement.

3. **<u>Notices</u>**. Any and all notices, demands or requests required or permitted to be given under this Agreement shall be given in writing and sent, (i) by registered or certified U.S. mail, return receipt requested, (ii) by hand, (iii) by overnight courier or (iv) by telecopier addressed to the parties hereto at their addresses set forth above or such other addresses as they may from time-to-time designate by written notice, given in accordance with the terms of this Section, together with copies thereof as follows:

In the case of Employee, to the address set forth on the first page hereof or to such other address as Employee shall provide in writing to the Employer for the provision of notices hereunder.

In the case of Employer, to the address set forth on the first page hereof with a copy to:

Kilpatrick Townsend & Stockton LLP.
701 Pennsylvania Avenue, NW – Suite 200
Washington, DC 20004
Attention: Suzanne Walker
suwalker@ktslaw.com

Notice given as provided in this Section shall be deemed effective: (i) on the date hand delivered, (ii) on the first business day following the sending thereof by overnight courier, (iii) on the seventh calendar day (or, if it is not a business day, then the next succeeding business day thereafter) after the depositing thereof into the exclusive custody of the U.S. Postal Service or (iv) on the date telecopied.

4. **<u>Term</u>.** The term of this Agreement shall begin on the Effective Date, and shall continue for one (1) year; *provided, however*, that beginning on the first anniversary of the Effective Date, and on each anniversary of the Effective Date thereafter, the term of this Agreement shall be automatically extended for an additional year such that the remaining term shall be one (1) year ("Term"), unless the Employer or Employee shall have provided notice to the other party at least ninety (90) days before such annual anniversary date that the Term shall not be extended. Notwithstanding the preceding provisions of this Section 4, if a Change of Control occurs during the Term, the Term shall not end before the first anniversary of the Change of Control; *provided, however*, this sentence shall apply only to the first Change of Control to occur while this Agreement is in effect

5. **<u>Non-Solicitation</u>.** During the period Employee is performing services for the Employer and for a period of one (1) year following the termination of the Employee's services with the Employer for any reason, the Employee agrees that the Employee will not, directly or indirectly, for the Employee's benefit or for the benefit of any other person, firm or entity, do any of the following:

(a) solicit or attempt to solicit from (i) any customer that Employee serviced or learned of while in the employ of the Employer ("Customer"), (ii) referral sources or prospective referral sources which are actively being sought by Employer at the time of Employee's termination (a "Referral Source"), or (iii) any potential customer of the Employer which has been the subject of a known written or oral bid, offer or proposal by the Employer, or of substantial preparation with a view to making such a bid, proposal or offer, within twelve months prior to such Employee's termination ("Potential Customer"), business of a similar nature or related to the business of the Employer;

(b) accept any business from, or perform any work or services for, any Customer, Referral Source or Potential Customer, which business, work or services is similar to the business of the Employer;

(c) cause or induce or attempt to cause or induce any Customer, Referral Source, Potential Customer, licensor, supplier or vendor of the Employer to reduce or sever its affiliation with the Employer;

(d) solicit the employment or services of, or hire or engage, or assist anyone else to hire or engage, any person who was known to be employed or engaged by or was a known employee of or consultant to the Employer upon the termination of the Employee's services to the Employer, or within twelve months prior thereto; or

(e) otherwise interfere with the business or accounts of the Employer.

For purposes hereof, "solicitation" shall include directly or indirectly initiating any contact or communication of any kind whatsoever for purposes of inviting, encouraging or requesting such Customer, Referral Source, Potential Customer, licensor, supplier, vendor, employee or consultant to materially alter its business relationship, or engage in business, with the Employee or any person, firm or entity other than the Employer.

6. **Confidential Information.**

(a) As used herein, "Confidential Information" means any confidential or proprietary information relating to the Employer and its affiliates including, without limitation, the identity of the Employer's customers, the identity of representatives of customers with whom the Employer has dealt, the kinds of services provided by the Employer to customers, the manner in which such services are performed or offered to be performed, the service needs of actual or prospective customers, customer preferences and policies, pricing information, business and marketing plans, financial information, budgets, compensation or personnel records, information concerning the creation, acquisition or disposition of products and services, vendors, software, data processing programs, databases, customer maintenance listings, computer software applications, research and development data, know-how, and other trade secrets.

Notwithstanding the above, Confidential Information does not include information which: (i) is or becomes public knowledge without breach of this Agreement; or (ii) is received by Employee from a third party without any

violation of any obligation of confidentiality and without confidentiality restrictions; provided, however, that nothing in this Agreement shall prevent the Employee from participating in or disclosing documents or information in connection with any judicial or administrative investigation, inquiry or proceeding to the extent that such participation or disclosure is required under applicable law; provided further, however, that the Employee will provide the Employer with prompt notice of such request so that the Employer may seek (with the cooperation of the Employee, if so requested by the Employer), a protective order or other appropriate remedy and/or waiver in writing of compliance with the provisions of this Agreement. If a particular portion or aspect of Confidential Information becomes subject to any of the foregoing exceptions, all other portions or aspects of such information shall remain subject to all of the provisions of this Agreement.

(b) At all times, both during the period of Employee's services for the Employer and after termination of Employee's services, the Employee will keep in strictest confidence and trust all Confidential Information and the Employee will not directly or indirectly use or disclose to any third-party any Confidential Information, except as may be necessary in the ordinary course of performing the Employees duties for the Employer, or disclose any Confidential Information, or permit or encourage any other person or entity to do so, without the prior written consent of the Employer except as may be necessary in the ordinary course of performing the Employee's duties for the Employer.

(c) Following termination of employment, the Employee agrees to return promptly all Confidential Information in tangible form, including, without limitation, all photocopies, extracts and summaries thereof, and any such information stored electronically on tapes, computer disks, mobile or remote computers (including personal digital assistants) or in any other manner to the Employer at any time that the Employer makes such a request and automatically, without request, within five days after the termination of the Employee's services for the Employer for any reason.

(d) Notwithstanding the foregoing, U.S. federal law (18 U.S.C. section 1833(b)) states that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. That law further states that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual: (1) files any document containing the trade secret under seal; and (2) does not disclose the trade secret, except pursuant to court order. For the avoidance of doubt, nothing in this Agreement is intended to, nor shall be construed to, conflict with 18 U.S.C. section 1833(b).

(e) Employee understands that nothing in this Agreement or any other agreement that Employee may have with the Employer restricts or prohibits Employee from initiating communications directly with, responding to any inquiries from, providing testimony before, reporting possible violations of law or regulation to,

filing a claim with or assisting with an investigation by a self-regulatory authority or a government agency or entity, including but not limited to the U.S. Securities and Exchange Commission and the federal Occupational Safety and Health Administration (collectively, "Government Agencies"), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation, and Employee does not need the Employer's prior authorization to engage in such conduct.

7. **Assignability.** The services of the Employee hereunder are personal in nature, and neither this Agreement nor the rights or obligations of Employee hereunder may be assigned, whether by operation of law or otherwise. This Agreement shall be binding upon, and inure to the benefit of, Employer and its successors and assigns. This Agreement shall inure to the benefit of the Employee's heirs, executors, administrators and other legal representatives.

8. **Waiver.** The waiver by Employer or the Employee of a breach of any provision of this Agreement by the other shall not operate or be construed as a waiver of any subsequent or other breach hereof.

9. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York without giving effect to principles of conflict of laws.

10. **Entire Agreement.** This Agreement contains the entire agreement of the parties hereto with respect to the subject matter hereof and may not be amended, waived, changed, modified or discharged, except by an agreement in writing signed by the parties hereto.

11. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument.

12. **Amendment.** This Agreement may be modified or amended only by an amendment in writing signed by both parties.

13. **Severability.** If any provision of this Agreement shall be held invalid or unenforceable, such invalidity or unenforceability shall attach only to such provision, only to the extent it is invalid or unenforceable, and shall not in any manner affect or render invalid or unenforceable any other severable provision of this Agreement, and this Agreement shall be carried out as if any such invalid or unenforceable provision were not contained herein.

14. **Section Headings.** The headings contained in this Agreement are solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

15. **Section 409A.** This Agreement shall be interpreted to avoid any penalty sanctions under Section 409A of the Code ("Section 409A") and regulations promulgated thereunder. Notwithstanding anything contained herein to the contrary, the Employee shall not be considered to have terminated employment with the Employer for purposes of the payments and benefit of Section 1 hereof unless he would be considered to have incurred

a "termination of employment" from the Employer within the meaning of Treasury Regulation §1.409A-1(h)(1)(ii). For purposes of Section 409A, each payment made under this Agreement shall be treated as a separate payment. In no event may the Employee, directly or indirectly, designate the calendar year of payment. Notwithstanding the foregoing, if necessary to comply with the restriction in Section 409A(a)(2)(B) of the Code concerning payments to "specified employees", any payment as a result of the termination of the Employee's employment that would otherwise be due hereunder within six months after such termination of employment shall nonetheless be delayed until the first business day of the seventh month following the Employee's date of termination and the first such payment shall include the cumulative amount of any payments that would have been paid prior to such date if not for such restriction.

16. **Arbitration**. Any dispute or controversy arising under this Agreement shall be settled exclusively by binding arbitration, as an alternative to civil litigation and without any trial by jury to resolve such claims, conducted by a single arbitrator, mutually acceptable to the Employer and the Employee, sitting in Nassau County, New York, unless otherwise mutually agreed by the Employer and the Employee, in accordance with the rules of the American Arbitration Association's National Rules for the Resolution of Employment Disputes then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Notwithstanding the forgoing, the parties to this Agreement may seek equitable relief in any court or competent jurisdiction for a matter in the nature of, but not limited to, restraining orders or injunctions.

17. **Clawback.** With regard to any payment made hereunder, Employer or its successors retains the legal right to demand the return of any payment made should Employer or its successors later obtain information indicating that the Employee has committed, is substantially responsible for, or has violated, the respective acts or omissions, conditions, or offenses outlined under the FDIC's regulations at 12 C.F.R. 359.4(a)(4).

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under their respective hands and seals as of the day and year first above written.

ATTEST:	**HANOVER COMMUNITY BANK**
	By: /s/ Michael Puorro
________________________________	________________________________
	Michael Puorro Chairman & CEO
WITNESS:	**EMPLOYEE**:
	/s/ Joseph Burns
________________________________	________________________________
	Name: Joseph Burns Title: Chief Lending Officer

FORM OF

CHANGE IN CONTROL AGREEMENT

CHANGE IN CONTROL AGREEMENT (this "Agreement") made as of this 31st day of July, 2026, by and between **HANOVER COMMUNITY BANK**, a New York state commercial bank with its principal place of business located at 80 East Jericho Turnpike, Mineola, NY 11501**,** (the "Employer"), and **John Vivona**, an individual residing at 5 Verton Court, East Northport, NY 11731("Employee").

W I T N E S S E T H:

WHEREAS, Employer wishes to encourage the Employee's dedication to his assigned duties in the face of potential distractions arising from the prospect of a Change in Control (as defined herein), the Employer wishes to provide certain benefits and payments upon a Change in Control;

WHEREAS, it is a condition to Employee's retention that the Employer enter into this Agreement with Employee;

NOW, THEREFORE, in consideration of the mutual promises and undertakings herein contained, the parties hereto, intending to be legally bound, agree as follows:

1. Termination After a Change in Control.

(a) If Employee's employment with the Bank (or its successor) terminates involuntary but without "Cause" (as defined in paragraph (c) below) or voluntarily but with "Good Reason" (as defined in paragraph (d) below) in either case within twelve (12) months after a Change in Control, the Bank (or its successor) shall make a lump sum payment equal one (1) times the sum of: (i) his then current annual base salary as noted in the records of the Employer, and (ii) the average cash bonus paid to Employee over the past three years preceding the Change in Control; provided, however, that in the event any payments provided for hereunder, when combined with any other payments due to Employee under any other agreement or benefit plan of Employer contingent upon a Change in Control, constitute an "excess parachute payment" under Section 280G of the Internal Revenue Code of 1986, as amended or any successor thereto, then in order to avoid such a result the benefits provided for hereunder (or, at the option of Employee, any other agreement, plan or program providing for payments contingent upon a Change in Control) will be reduced, if necessary, to an amount which is One Dollar ($1.00) less than an amount equal to three (3) times Employee's "base amount" as determined in accordance with such Section 280G.

(b) In addition to the severance payment set forth in paragraph (a) above, in the event the

Employee’s employment is terminated within twelve (12) months after a Change in Control, the Employer or its successor shall pay to the Employee a single lump sum payment in an after-tax amount (determined using an assumed aggregate tax rate of 40%) equal to twelve (12) times the monthly COBRA charge (Employee and Employer) in effect on the Employee’s termination date (including the administration fee) for the type of Bank-provided group health, medical and dental coverage in effect for Employee (e.g. family coverage) on his termination date (regardless of whether the Employee elects COBRA).

(c) A "Change in Control" shall mean:

(i) a reorganization, merger, consolidation or sale of all or substantially all of the assets of the Company, or a similar transaction, in any case in which the holders of the voting stock of the Company prior to such transaction do not hold a majority of the voting power of the resulting entity; or

(ii) individuals who constitute the Incumbent Board (as herein defined) of the Company cease for any reason to constitute a majority thereof.

For these purposes, “Company” shall mean Hanover Bancorp, Inc., the parent corporation of the Employer, and "Incumbent Board" means the Board of Directors of the Company as of the date hereof, provided that any person becoming a director subsequent to the date hereof whose election was approved by a voting of at least three-quarters of the directors comprising the Incumbent Board, or whose nomination for election by members or stockholders was approved by the same nominating committee serving under an Incumbent Board, shall be considered as though he were a member of the Incumbent Board.

To the extent necessary to comply with Code Section 409A, a Change in Control will be deemed to have occurred only if the event also constitutes a change in the effective ownership or effective control of the Company or the Employer, as applicable, or a change in the ownership of a substantial portion of the assets of the Company or the Employer, as applicable, in each case within the meaning of Treasury Regulation section 1.409A-3(i)(5).

(d) “Cause” shall mean (i) willful and continued failure, for a period of at least thirty (30) calendar days, by the Employee to perform his duties for Employer under this Agreement after at least one (1) warning in writing from the Chief Executive Officer of the Employer identifying specifically any such failure, (ii) the willful engaging by the Employee in misconduct which causes material injury to Employer as specified in written notice to the Employee from the Chief Executive Officer of the Employer; or (iii) conviction of or a plea of nolo contendere to a crime (other than a traffic violation) which is either a felony or an indictable offense or (iv) Employee's habitual drunkenness, drug abuse, or excessive absenteeism other than due to Disability (as defined herein), after a warning (with respect to drunkenness or absenteeism only) in writing from Chief Executive Officer of the Employer to refrain from such behavior.

(e) “Good Reason” shall mean, unless consented in writing thereto, the occurrence of any of the following within 12 months of a Change in Control:

(i) The assignment to the Employee of duties that constitute a material diminution of his authority, duties, or responsibilities (including reporting requirements);

(ii) A material diminution in the Executive's base salary; or

(iii) Relocation of the Executive's primary workplace to a location outside a radius of 50 miles of the Company's corporate headquarters in Mineola, New York;

provided, however, that within ninety (90) days after the initial existence of such event, the Employer shall be given notice and an opportunity, not less than thirty (30) days, to effectuate a cure for such asserted "Good Reason" by the Employee. The Employee's resignation hereunder for Good Reason shall not occur later than sixty (60) days following the initial date on which the event the Employee claims constitutes Good Reason occurred.

2. **No Guaranty of Employment.** Nothing in this Agreement shall be construed as guarantying the employment of the Employee. Employee shall remain an "employee at will" of Employer at all times during the term of this Agreement.

3. **Notices**. Any and all notices, demands or requests required or permitted to be given under this Agreement shall be given in writing and sent, (i) by registered or certified U.S. mail, return receipt requested, (ii) by hand, (iii) by overnight courier or (iv) by telecopier addressed to the parties hereto at their addresses set forth above or such other addresses as they may from time-to-time designate by written notice, given in accordance with the terms of this Section, together with copies thereof as follows:

In the case of Employee, to the address set forth on the first page hereof or to such other address as Employee shall provide in writing to the Employer for the provision of notices hereunder.

In the case of Employer, to the address set forth on the first page hereof with a copy to:

Kilpatrick Townsend & Stockton LLP.
701 Pennsylvania Avenue, NW – Suite 200
Washington, DC 20004
Attention: Suzanne Walker
suwalker@ktslaw.com

Notice given as provided in this Section shall be deemed effective: (i) on the date hand delivered, (ii) on the first business day following the sending thereof by overnight courier, (iii) on the seventh calendar day (or, if it is not a business day, then the next succeeding business day thereafter) after the depositing thereof into the exclusive custody of the U.S. Postal Service or (iv) on the date telecopied.

4. **Term.** The term of this Agreement shall begin on the Effective Date, and shall continue for one (1) year; *provided, however*, that beginning on the first anniversary of the Effective Date, and on each anniversary of the Effective Date thereafter, the term of this Agreement shall be automatically extended for an additional year such that the remaining term shall be one (1) year ("Term"), unless the Employer or Employee shall have provided notice to the other party at least ninety (90) days before such annual anniversary date that the Term shall not be extended.

Notwithstanding the preceding provisions of this Section 4, if a Change of Control occurs during the Term, the Term shall not end before the first anniversary of the Change of Control; *provided, however*, this sentence shall apply only to the first Change of Control to occur while this Agreement is in effect.

5. **Non-Solicitation.** During the period Employee is performing services for the Employer and for a period of one (1) year following the termination of the Employee's services with the Employer for any reason, the Employee agrees that the Employee will not, directly or indirectly, for the Employee's benefit or for the benefit of any other person, firm or entity, do any of the following:

(a) solicit or attempt to solicit from (i) any customer that Employee serviced or learned of while in the employ of the Employer ("Customer"), (ii) referral sources or prospective referral sources which are actively being sought by Employer at the time of Employee’s termination (a “Referral Source”), or (iii) any potential customer of the Employer which has been the subject of a known written or oral bid, offer or proposal by the Employer, or of substantial preparation with a view to making such a bid, proposal or offer, within twelve months prior to such Employee's termination ("Potential Customer"), business of a similar nature or related to the business of the Employer;

(b) accept any business from, or perform any work or services for, any Customer, Referral Source or Potential Customer, which business, work or services is similar to the business of the Employer;

(c) cause or induce or attempt to cause or induce any Customer, Referral Source, Potential Customer, licensor, supplier or vendor of the Employer to reduce or sever its affiliation with the Employer;

(d) solicit the employment or services of, or hire or engage, or assist anyone else to hire or engage, any person who was known to be employed or engaged by or was a known employee of or consultant to the Employer upon the termination of the Employee's services to the Employer, or within twelve months prior thereto; or

(e) otherwise interfere with the business or accounts of the Employer.

For purposes hereof, "solicitation" shall include directly or indirectly initiating any contact or communication of any kind whatsoever for purposes of inviting, encouraging or requesting such Customer, Referral Source, Potential Customer, licensor, supplier, vendor, employee or consultant to materially alter its business relationship, or engage in business, with the Employee or any person, firm or entity other than the Employer.

6. **Confidential Information.**

(a) As used herein, "Confidential Information" means any confidential or proprietary information relating to the Employer and its affiliates including, without limitation, the identity of the Employer's customers, the identity of representatives of customers with whom the Employer has dealt, the kinds of services provided by the Employer to customers, the manner in which such services are performed or offered to be performed, the service needs of actual or prospective customers, customer preferences and policies, pricing information, business and marketing plans, financial information, budgets, compensation or personnel records, information concerning the creation, acquisition or disposition of products and services, vendors, software, data processing programs, databases, customer maintenance listings, computer software applications, research and development data, know-how, and other trade secrets.

Notwithstanding the above, Confidential Information does not include information which: (i) is or becomes public knowledge without breach of this Agreement; or (ii) is received by Employee from a third party without any violation of any obligation of confidentiality and without confidentiality restrictions; provided, however, that nothing in this Agreement shall prevent the Employee from participating in or disclosing documents or information in connection with any judicial or administrative investigation, inquiry or proceeding to the extent that such participation or disclosure is required under applicable law; provided further, however, that the Employee will provide the Employer with prompt notice of such request so that the Employer may seek (with the cooperation of the Employee, if so requested by the Employer), a protective order or other appropriate remedy and/or waiver in writing of compliance with the provisions of this Agreement. If a particular portion or aspect of Confidential Information becomes subject to any of the foregoing exceptions, all other portions or aspects of such information shall remain subject to all of the provisions of this Agreement.

(b) At all times, both during the period of Employee's services for the Employer and after termination of Employee's services, the Employee will keep in strictest confidence and trust all Confidential Information and the Employee will not directly or indirectly use or disclose to any third-party any Confidential Information, except as may be necessary in the ordinary course of performing the Employees duties for the Employer, or disclose any Confidential Information, or permit or encourage any other person or entity to do so, without the prior written consent of the Employer except as may be necessary in the ordinary course of performing the Employee's duties for the Employer.

(c) Following termination of employment, the Employee agrees to return promptly all Confidential Information in tangible form, including, without limitation, all photocopies, extracts and summaries thereof, and any such information stored electronically on tapes, computer disks, mobile or remote computers (including personal digital assistants) or in any other manner to the Employer at any time that the Employer makes such a request and automatically, without request, within five days after the termination of the Employee's services for the Employer for any reason.

(d) Notwithstanding the foregoing, U.S. federal law (18 U.S.C. section 1833(b)) states that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. That law further states that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual: (1) files any document containing the trade secret under seal;

and (2) does not disclose the trade secret, except pursuant to court order. For the avoidance of doubt, nothing in this Agreement is intended to, nor shall be construed to, conflict with 18 U.S.C. section 1833(b).

(e) Employee understands that nothing in this Agreement or any other agreement that Employee may have with the Employer restricts or prohibits Employee from initiating communications directly with, responding to any inquiries from, providing testimony before, reporting possible violations of law or regulation to, filing a claim with or assisting with an investigation by a self-regulatory authority or a government agency or entity, including but not limited to the U.S. Securities and Exchange Commission and the federal Occupational Safety and Health Administration (collectively, "Government Agencies"), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation, and Employee does not need the Employer's prior authorization to engage in such conduct.

7. **Assignability.** The services of the Employee hereunder are personal in nature, and neither this Agreement nor the rights or obligations of Employee hereunder may be assigned, whether by operation of law or otherwise. This Agreement shall be binding upon, and inure to the benefit of, Employer and its successors and assigns. This Agreement shall inure to the benefit of the Employee's heirs, executors, administrators and other legal representatives.

8. **Waiver.** The waiver by Employer or the Employee of a breach of any provision of this Agreement by the other shall not operate or be construed as a waiver of any subsequent or other breach hereof.

9. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York without giving effect to principles of conflict of laws.

10. **Entire Agreement.** This Agreement contains the entire agreement of the parties hereto with respect to the subject matter hereof and may not be amended, waived, changed, modified or discharged, except by an agreement in writing signed by the parties hereto.

11. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument.

12. **Amendment.** This Agreement may be modified or amended only by an amendment in writing signed by both parties.

13. **Severability.** If any provision of this Agreement shall be held invalid or unenforceable, such invalidity or unenforceability shall attach only to such provision, only to the extent it is invalid or unenforceable, and shall not in any manner affect or render invalid or unenforceable any other severable provision of this Agreement, and this Agreement shall be carried out as if any such invalid or unenforceable provision were not contained herein.

14. **Section Headings.** The headings contained in this Agreement are solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

15. **<u>Section 409A</u>.** This Agreement shall be interpreted to avoid any penalty sanctions under Section 409A of the Code ("Section 409A") and regulations promulgated thereunder. Notwithstanding anything contained herein to the contrary, the Employee shall not be considered to have terminated employment with the Employer for purposes of the payments and benefit of Section 1 hereof unless he would be considered to have incurred a "termination of employment" from the Employer within the meaning of Treasury Regulation §1.409A-1(h)(1)(ii). For purposes of Section 409A, each payment made under this Agreement shall be treated as a separate payment. In no event may the Employee, directly or indirectly, designate the calendar year of payment. Notwithstanding the foregoing, if necessary to comply with the restriction in Section 409A(a)(2)(B) of the Code concerning payments to "specified employees", any payment as a result of the termination of the Employee's employment that would otherwise be due hereunder within six months after such termination of employment shall nonetheless be delayed until the first business day of the seventh month following the Employee's date of termination and the first such payment shall include the cumulative amount of any payments that would have been paid prior to such date if not for such restriction.

16. **<u>Arbitration</u>**. Any dispute or controversy arising under this Agreement shall be settled exclusively by binding arbitration, as an alternative to civil litigation and without any trial by jury to resolve such claims, conducted by a single arbitrator, mutually acceptable to the Employer and the Employee, sitting in Nassau County, New York, unless otherwise mutually agreed by the Employer and the Employee, in accordance with the rules of the American Arbitration Association's National Rules for the Resolution of Employment Disputes then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Notwithstanding the forgoing, the parties to this Agreement may seek equitable relief in any court or competent jurisdiction for a matter in the nature of, but not limited to, restraining orders or injunctions.

17. **<u>Clawback</u>.** With regard to any payment made hereunder, Employer or its successors retains the legal right to demand the return of any payment made should Employer or its successors later obtain information indicating that the Employee has committed, is substantially responsible for, or has violated, the respective acts or omissions, conditions, or offenses outlined under the FDIC's regulations at 12 C.F.R. 359.4(a)(4).

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under their respective hands and seals as of the day and year first above written.

ATTEST:	**HANOVER COMMUNITY BANK**
	By: /s/ Michael Puorro
______________________________	______________________________
	Michael Puorro Chairman & CEO
WITNESS:	**EMPLOYEE**:
	/s/ John Vivona
______________________________	______________________________
	Name: John Vivona Title: Chief Risk Officer

FORM OF

AMENDED AND RESTATED CHANGE IN CONTROL AGREEMENT

THIS CHANGE IN CONTROL AGREEMENT (this "Agreement") was originally entered into by and between **HANOVER COMMUNITY BANK**, a New York state commercial bank with its principal place of business located at 80 East Jericho Turnpike, Mineola, NY 11501**,** (the "Employer"), and **Lisa Diiorio**, an individual residing at 256 8th Street, Bethpage, NY 11714 ("Employee") effective January 30, 2020 and is hereby amended and restated in its entirety effective July 31, 2026.

W I T N E S S E T H:

WHEREAS, Employer wishes to continue to encourage the Employee's dedication to his or her assigned duties in the face of potential distractions arising from the prospect of a Change in Control (as defined herein), the Employer wishes to provide certain benefits and payments upon a Change in Control;

WHEREAS, it is a condition to Employee's retention that the Employer enter into this Agreement with Employee;

NOW, THEREFORE, in consideration of the mutual promises and undertakings herein contained, the parties hereto, intending to be legally bound by this Agreement as follows:

1. Change in Control.

(a) Upon the occurrence of a Change in Control (as herein defined), Employee shall be entitled to receive the payments provided for under paragraph (c) hereof.

(b) A "Change in Control" shall mean:

(i) a reorganization, merger, consolidation or sale of all or substantially all of the assets of the Company, or a similar transaction, in any case in which the holders of the voting stock of the Company prior to such transaction do not hold a majority of the voting power of the resulting entity; or

(ii) individuals who constitute the Incumbent Board (as herein defined) of the Company cease for any reason to constitute a majority thereof.

For these purposes, “Company” shall mean Hanover Bancorp, Inc., the parent corporation of the Employer, and "Incumbent Board" means the Board of Directors of the Company as of the date hereof, provided that any person becoming a director subsequent to the date hereof whose election was approved by a voting of at least three-quarters of the directors comprising the Incumbent Board, or whose nomination for election by members or stockholders was approved by the same nominating committee serving under an Incumbent Board, shall be considered as though he were a member of the Incumbent Board.

To the extent necessary to comply with Code Section 409A, a Change in Control will be deemed to have occurred only if the event also constitutes a change in the effective ownership or effective control of the Company or the Employer, as applicable, or a change in the ownership of a substantial portion of the assets of the Company or the Employer, as applicable, in each case within the meaning of Treasury Regulation section 1.409A-3(i)(5).

(c) In the event the conditions of Section (b) above are satisfied, Employee shall be entitled to receive a lump sum payment equal to one (1) times the sum of (i) his or her then current annual base salary as noted in the records of the Employer, and (ii) the highest cash bonus paid to Employee over the past three years preceding the Change in Control; provided, however, that in the event any payments provided for hereunder, when combined with any other payments due to Employee under any other agreement or benefit plan of Employer contingent upon a Change in Control, constitute an "excess parachute payment" under Section 280G of the Internal Revenue Code of 1986, as amended or any successor thereto, then in order to avoid such a result the benefits provided for hereunder (or, at the option of Employee, any other agreement, plan or program providing for payments contingent upon a Change in Control) will be reduced, if necessary, to an amount which is One Dollar ($1.00) less than an amount equal to three (3) times Employee's "base amount" as determined in accordance with such Section 280G.

(d) In addition to the lump sum cash payment set forth in paragraph (c) above, in the event the Employee’s employment is terminated within one (1) year of a Change in Control, the Employer or its successor shall pay to the Employee a single lump sum payment in an after-tax amount (determined using an assumed aggregate tax rate of 40%) equal to 24 times the monthly COBRA charge (Employee and Employer) in effect on the Employee’s termination date (including the administration fee) for the type of Bank-provided group health, medical and dental coverage in effect for Employee (e.g. family coverage) on her termination date (regardless of whether the Employee elects COBRA). For the avoidance of doubt, if an Employee does not accept an offer of employment, it is deemed a termination of employment for this paragraph.

(e) Employee must execute a written acknowledgement and acceptance to the Employer or its successor that the lump sum payment amounts due under paragraphs (c) and (d) above, and calculated by the Employer, represent the amounts due and owing under paragraphs (c) and (d) of this Agreement.

2. **No Guaranty of Employment.** Nothing in this Agreement shall be construed as guarantying the employment of the Employee. Employee shall remain an "employee at will" of Employer at all times during the term of this Agreement.

3. **Notices**. Any and all notices, demands or requests required or permitted to be given under this Agreement shall be given in writing and sent, (i) by registered or certified U.S. mail, return receipt requested, (ii) by hand, (iii) by overnight courier or (iv) by telecopier addressed to the parties hereto at their addresses set forth above or such other addresses as they may from time-to-time designate by written notice, given in accordance with the terms of this Section, together with copies thereof as follows:

In the case of Employee, to the address set forth on the first page hereof or to such other address as Employee shall provide in writing to the Employer for the provision of notices hereunder.

In the case of Employer, to the address set forth on the first page hereof with a copy to:

Kilpatrick Townsend & Stockton LLP.
701 Pennsylvania Avenue, NW – Suite 200
Washington, DC 20004
Attention: Suzanne Walker
suwalker@ktslaw.com

Notice given as provided in this Section shall be deemed effective: (i) on the date hand delivered, (ii) on the first business day following the sending thereof by overnight courier, (iii) on the seventh calendar day (or, if it is not a business day, then the next succeeding business day thereafter) after the depositing thereof into the exclusive custody of the U.S. Postal Service or (iv) on the date telecopied.

4. **Term.** The term of this Agreement shall begin on the Effective Date, and shall continue for one (1) year; *provided, however*, that beginning on the first anniversary of the Effective Date, and on each anniversary of the Effective Date thereafter, the term of this Agreement shall be automatically extended for an additional year such that the remaining term shall be one (1) year ("Term"), unless the Employer or Employee shall have provided notice to the other party at least ninety (90) days before such annual anniversary date that the Term shall not be extended. Notwithstanding the preceding provisions of this Section 4, if a Change of Control occurs during the Term, the Term shall not end before the first anniversary of the Change of Control; *provided, however*, this sentence shall apply only to the first Change of Control to occur while this Agreement is in effect

5. **Non-Solicitation.** During the period Employee is performing services for the Employer and for a period of one (1) year following the termination of the Employee's services with the Employer for any reason, the Employee agrees that the Employee will not, directly or indirectly, for the Employee's benefit or for the benefit of any other person, firm or entity, do any of the following:

(a) solicit or attempt to solicit from (i) any customer that Employee serviced or learned of while in the employ of the Employer ("Customer"), (ii) referral sources or prospective referral sources which are actively being sought by Employer at the time of Employee's termination (a "Referral Source"), or (iii) any potential customer of the Employer which has been the subject of a known written or oral bid, offer or proposal by the Employer, or of substantial preparation with a view to making such a bid, proposal or offer, within twelve months prior to such Employee's termination ("Potential Customer"), business of a similar nature or related to the business of the Employer;

(b) accept any business from, or perform any work or services for, any Customer, Referral Source or Potential Customer, which business, work or services is similar to the business of the Employer;

(c) cause or induce or attempt to cause or induce any Customer, Referral Source, Potential Customer, licensor, supplier or vendor of the Employer to reduce or sever its affiliation with the Employer;

(d) solicit the employment or services of, or hire or engage, or assist anyone else to hire or engage, any person who was known to be employed or engaged by or was a known employee of or consultant to the Employer upon the termination of the Employee's services to the Employer, or within twelve months prior thereto; or

(e) otherwise interfere with the business or accounts of the Employer.

For purposes hereof, "solicitation" shall include directly or indirectly initiating any contact or communication of any kind whatsoever for purposes of inviting, encouraging or requesting such Customer, Referral Source, Potential Customer, licensor, supplier, vendor, employee or consultant to materially alter its business relationship, or engage in business, with the Employee or any person, firm or entity other than the Employer.

6. **Confidential Information.**

(a) As used herein, "Confidential Information" means any confidential or proprietary information relating to the Employer and its affiliates including, without limitation, the identity of the Employer's customers, the identity of representatives of customers with whom the Employer has dealt, the kinds of services provided by the Employer to customers, the manner in which such services are performed or offered to be performed, the service needs of actual or prospective customers, customer preferences and policies, pricing information, business and marketing plans, financial information, budgets, compensation or personnel records, information concerning the creation, acquisition or disposition of products and services, vendors, software, data processing programs, databases, customer maintenance listings, computer software applications, research and development data, know-how, and other trade secrets.

Notwithstanding the above, Confidential Information does not include information which: (i) is or becomes public knowledge without breach of this Agreement; or (ii) is received by Employee from a third party without any

violation of any obligation of confidentiality and without confidentiality restrictions; provided, however, that nothing in this Agreement shall prevent the Employee from participating in or disclosing documents or information in connection with any judicial or administrative investigation, inquiry or proceeding to the extent that such participation or disclosure is required under applicable law; provided further, however, that the Employee will provide the Employer with prompt notice of such request so that the Employer may seek (with the cooperation of the Employee, if so requested by the Employer), a protective order or other appropriate remedy and/or waiver in writing of compliance with the provisions of this Agreement. If a particular portion or aspect of Confidential Information becomes subject to any of the foregoing exceptions, all other portions or aspects of such information shall remain subject to all of the provisions of this Agreement.

(b) At all times, both during the period of Employee's services for the Employer and after termination of Employee's services, the Employee will keep in strictest confidence and trust all Confidential Information and the Employee will not directly or indirectly use or disclose to any third-party any Confidential Information, except as may be necessary in the ordinary course of performing the Employees duties for the Employer, or disclose any Confidential Information, or permit or encourage any other person or entity to do so, without the prior written consent of the Employer except as may be necessary in the ordinary course of performing the Employee's duties for the Employer.

(c) Following termination of employment, the Employee agrees to return promptly all Confidential Information in tangible form, including, without limitation, all photocopies, extracts and summaries thereof, and any such information stored electronically on tapes, computer disks, mobile or remote computers (including personal digital assistants) or in any other manner to the Employer at any time that the Employer makes such a request and automatically, without request, within five days after the termination of the Employee's services for the Employer for any reason.

(d) Notwithstanding the foregoing, U.S. federal law (18 U.S.C. section 1833(b)) states that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. That law further states that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual: (1) files any document containing the trade secret under seal; and (2) does not disclose the trade secret, except pursuant to court order. For the avoidance of doubt, nothing in this Agreement is intended to, nor shall be construed to, conflict with 18 U.S.C. section 1833(b).

(e) Employee understands that nothing in this Agreement or any other agreement that Employee may have with the Employer restricts or prohibits Employee from initiating communications directly with, responding to any inquiries from, providing testimony before, reporting possible violations of law or regulation to,

filing a claim with or assisting with an investigation by a self-regulatory authority or a government agency or entity, including but not limited to the U.S. Securities and Exchange Commission and the federal Occupational Safety and Health Administration (collectively, "Government Agencies"), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation, and Employee does not need the Employer's prior authorization to engage in such conduct.

7. **Assignability.** The services of the Employee hereunder are personal in nature, and neither this Agreement nor the rights or obligations of Employee hereunder may be assigned, whether by operation of law or otherwise. This Agreement shall be binding upon, and inure to the benefit of, Employer and its successors and assigns. This Agreement shall inure to the benefit of the Employee's heirs, executors, administrators and other legal representatives.

8. **Waiver.** The waiver by Employer or the Employee of a breach of any provision of this Agreement by the other shall not operate or be construed as a waiver of any subsequent or other breach hereof.

9. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York without giving effect to principles of conflict of laws.

10. **Entire Agreement.** This Agreement contains the entire agreement of the parties hereto with respect to the subject matter hereof and may not be amended, waived, changed, modified or discharged, except by an agreement in writing signed by the parties hereto.

11. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument.

12. **Amendment.** This Agreement may be modified or amended only by an amendment in writing signed by both parties.

13. **Severability.** If any provision of this Agreement shall be held invalid or unenforceable, such invalidity or unenforceability shall attach only to such provision, only to the extent it is invalid or unenforceable, and shall not in any manner affect or render invalid or unenforceable any other severable provision of this Agreement, and this Agreement shall be carried out as if any such invalid or unenforceable provision were not contained herein.

14. **Section Headings.** The headings contained in this Agreement are solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

15. **Section 409A.** This Agreement shall be interpreted to avoid any penalty sanctions under Section 409A of the Code ("Section 409A") and regulations promulgated thereunder. Notwithstanding anything contained herein to the contrary, the Employee shall not be considered to have terminated employment with the Employer for purposes of the payments and benefit of Section 1 hereof unless he would be considered to have incurred

a "termination of employment" from the Employer within the meaning of Treasury Regulation §1.409A-1(h)(1)(ii). For purposes of Section 409A, each payment made under this Agreement shall be treated as a separate payment. In no event may the Employee, directly or indirectly, designate the calendar year of payment. Notwithstanding the foregoing, if necessary to comply with the restriction in Section 409A(a)(2)(B) of the Code concerning payments to "specified employees", any payment as a result of the termination of the Employee's employment that would otherwise be due hereunder within six months after such termination of employment shall nonetheless be delayed until the first business day of the seventh month following the Employee's date of termination and the first such payment shall include the cumulative amount of any payments that would have been paid prior to such date if not for such restriction.

16. **Arbitration**. Any dispute or controversy arising under this Agreement shall be settled exclusively by binding arbitration, as an alternative to civil litigation and without any trial by jury to resolve such claims, conducted by a single arbitrator, mutually acceptable to the Employer and the Employee, sitting in Nassau County, New York, unless otherwise mutually agreed by the Employer and the Employee, in accordance with the rules of the American Arbitration Association's National Rules for the Resolution of Employment Disputes then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Notwithstanding the forgoing, the parties to this Agreement may seek equitable relief in any court or competent jurisdiction for a matter in the nature of, but not limited to, restraining orders or injunctions.

17. **Clawback.** With regard to any payment made hereunder, Employer or its successors retains the legal right to demand the return of any payment made should Employer or its successors later obtain information indicating that the Employee has committed, is substantially responsible for, or has violated, the respective acts or omissions, conditions, or offenses outlined under the FDIC's regulations at 12 C.F.R. 359.4(a)(4).

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under their respective hands and seals as of the day and year first above written.

ATTEST:	**HANOVER COMMUNITY BANK**
	By: /s/ Michael Puorro
______________________________	______________________________
	Michael Puorro Chairman & CEO
WITNESS:	**EMPLOYEE**:
	/s/ Lisa Diiorio
______________________________	______________________________
	Name: Lisa Diiorio Title: Chief Accounting Officer

EXHIBIT 31.1

CERTIFICATION PURSUANT TO RULE 13A-14(A) OR 15D-14(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael P. Puorro, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Hanover Bancorp, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent period that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 7, 2026
/s/ Michael P. Puorro
Michael P. Puorro
Chairman & Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION PURSUANT TO RULE 13A-14(A) OR 15D-14(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Lance P. Burke, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Hanover Bancorp, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent period that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 7, 2026
/s/ Lance P. Burke
Lance P. Burke
Senior Executive Vice President & Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael P. Puorro, Chairman & Chief Executive Officer of Hanover Bancorp, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that: (1) the Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2026 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 7, 2026
/s/ Michael P. Puorro
Michael P. Puorro
Chairman & Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Lance P. Burke, Senior Executive Vice President & Chief Financial Officer of Hanover Bancorp, Inc. (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that: (1) the Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2026 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 7, 2026
/s/ Lance P. Burke
Lance P. Burke
Senior Executive Vice President & Chief Financial Officer
(Principal Financial Officer)