

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2023 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023	
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____ ☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶ ☐

Part II	Basic Plan Information—enter all requested information	
1a	Name of plan PARKWAY BANCORP, INC. 401(K) PLAN	1b Three-digit plan number (PN) ▶ 002
		1c Effective date of plan 12/31/1994
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) PARKWAY BANCORP, INC. 4800 NORTH HARLEM AVENUE HARWOOD HEIGHTS, IL 60706	2b Employer Identification Number (EIN) 36-2694975 2c Plan Sponsor's telephone number 708-869-2629 2d Business code (see instructions) 551111

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.			
Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.			
SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2024	FRANK J. LIS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 453
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 314 6a(2) 310 6b 5 6c 105 6d 420 6e 3 6f 423 6g(1) 439 6g(2) 406 6h 2
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2E 2F 2G 2J 2R 2S 3D 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
- (4) ☐ **DCG** (Individual Plan Information) – Number Attached _____
- (5) ☐ **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information) – Number Attached 0
- (4) ☒ **C** (Service Provider Information)
- (5) ☐ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2023 Form M-1 annual report. If the plan was not required to file the 2023 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2023
		This Form is Open to Public Inspection.

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

A Name of plan PARKWAY BANCORP, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 PARKWAY BANCORP, INC.	D Employer Identification Number (EIN) 36-2694975

Part I

Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. ☐ Yes ☒ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

RAYMOND JAMES & ASSOC., INC

59-1237041

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
26 27	ADVISOR	46336	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

NEWPORT GROUP, INC.

27-2037969

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 37 64 65	RECORDKEEPER	30686	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2023
		This Form is Open to Public Inspection

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan PARKWAY BANCORP, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 PARKWAY BANCORP, INC.		
D Employer Identification Number (EIN) 36-2694975		

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	73247	6462
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	2681176	2552030
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	449716	432463
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	14783832	18305387
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	23035	23951

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	7665000	7565000
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	25676006	28885293
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	0	32608
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	32608
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	25676006	28852685

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	491259	
(B) Participants	2a(1)(B)	926517	
(C) Others (including rollovers)	2a(1)(C)	153588	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1571364
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	755	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	31374	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		32129
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	193515	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	119456	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		312971
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		3176662
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		5093126

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1800602	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1800602
f Corrective distributions (see instructions)	2f		32608
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees.....	2i(2)	30686	
(3) Recordkeeping fees.....	2i(3)		
(4) IQPA audit fees.....	2i(4)		
(5) Investment advisory and investment management fees	2i(5)	46336	
(6) Bank or trust company trustee/custodial fees	2i(6)	6215	
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)		
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		83237
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1916447

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		3176679
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **LEGACY PROFESSIONALS, LLP**

(2) EIN: **32-0043599**

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) ☐ This form is filed for a CCT, PSA, DCG or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		☒	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		☒	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		☒	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		☒	
e Was this plan covered by a fidelity bond?	☒		2000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		☒	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	☒		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		☒	
l Has the plan failed to provide any benefit when due under the plan?		☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		☒	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2023 This Form is Open to Public Inspection.
--	--	---

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan PARKWAY BANCORP, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 PARKWAY BANCORP, INC.	D Employer Identification Number (EIN) 36-2694975	

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1	Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	0
2	Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 75-3182674		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.			
3	Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
---------	--

4	Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.				
5	If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6	a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
	b Enter the amount contributed by the employer to the plan for this plan year	6b		
	c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.				
7	Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8	If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9	If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
---------	--

10	Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11	a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
	b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12	Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for: a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment) b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14a 14b 14c	
15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:		
a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	
16 Information with respect to any employers who withdrew from the plan during the preceding plan year:		
a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	
17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐		

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐	
19 If the total number of participants is 1,000 or more, complete lines (a) and (b):	
a Enter the percentage of plan assets held as: Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____% High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____%	
b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets: ☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☐ 15 years or more	
20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.	
a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No	
b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box: ☐ Yes. ☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date. ☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date. ☐ No. Other. Provide explanation: _____	

Part VII	IRS Compliance Questions
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21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☐ Yes ☐ No	
21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2). ☐ Design-based safe harbor method ☐ "Prior year" ADP test ☒ "Current year" ADP test ☐ N/A	
22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter <u>06 / 30 / 2020</u> (MM/DD/YYYY) and the Opinion Letter serial number <u>Q702826A</u> .	

PARKWAY BANCORP, INC. 401(K) PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2023

PARKWAY BANCORP, INC. 401(K) PLAN

FINANCIAL STATEMENTS WITH SUPPLEMENTAL SCHEDULE

DECEMBER 31, 2023 AND 2022

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REPORT OF INDEPENDENT AUDITORS

To the Participants and Trustees of
Parkway Bancorp, Inc. 401(k) Plan

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of Parkway Bancorp, Inc. 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2023 and 2022, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution, as of and for the years ended December 31, 2023 and 2022, stating that the certified investment information, as described in Note 6 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report:

- The amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America; and
- The information in the accompanying financial statements related to assets held by and certified to by the qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of an ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditors' Responsibilities for the Audit of the Financial Statements

Except as described in the *Scope and Nature of the ERISA Section 103(a)(3)(C) Audit* section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

In performing an audit in accordance with GAAS, we:

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

Our audits did not extend to the certified investment information, except for obtaining and reading the certifications, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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

Legacy Professionals LLP

Westchester, Illinois

October 11, 2024

PARKWAY BANCORP, INC. 401(K) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
INVESTMENTS - at fair value	<u>\$ 28,446,368</u>	<u>\$ 25,153,043</u>
RECEIVABLES		
Employer contributions	508,114	491,259
Notes receivable from participants	<u>432,463</u>	<u>449,716</u>
Total receivables	<u>940,577</u>	<u>940,975</u>
CASH	<u>6,462</u>	<u>73,247</u>
Total assets	<u>29,393,407</u>	<u>26,167,265</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Excess contributions payable	<u>32,608</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 29,360,799</u>	<u>\$ 26,167,265</u>

See accompanying notes to financial statements.

PARKWAY BANCORP, INC. 401(K) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ADDITIONS		
Investment income		
Net appreciation (depreciation) in fair value of investments	\$ 3,176,662	\$ (2,529,542)
Dividends and interest	<u>313,726</u>	<u>374,569</u>
Investment income (loss) - net	<u>3,490,388</u>	<u>(2,154,973)</u>
Interest on notes receivable from participants	<u>31,374</u>	<u>27,566</u>
Contributions		
Participants	926,517	878,621
Employer	508,114	491,259
Rollover	<u>153,588</u>	<u>15,413</u>
Total contributions	<u>1,588,219</u>	<u>1,385,293</u>
	<u>5,109,981</u>	<u>(742,114)</u>
DEDUCTIONS		
Benefits paid to participants	1,800,602	2,661,488
Corrective distributions	32,608	-
Administrative expenses	<u>83,237</u>	<u>77,772</u>
Total deductions	<u>1,916,447</u>	<u>2,739,260</u>
NET INCREASE (DECREASE)	3,193,534	(3,481,374)
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	<u>26,167,265</u>	<u>29,648,639</u>
End of year	<u>\$ 29,360,799</u>	<u>\$ 26,167,265</u>

See accompanying notes to financial statements.

PARKWAY BANCORP, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

NOTE 1. DESCRIPTION OF THE PLAN

Parkway Bancorp, Inc. 401(k) Plan (the Plan) is a defined contribution retirement plan covering all full-time and part-time regular employees of Parkway Bancorp, Inc. and Parkway Bank & Trust Company (collectively, the Company) who have completed one year of employment with at least 1,000 hours of service.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. Benefits under the Plan are not insured by the Pension Benefit Guaranty Corporation.

Participants may elect to defer all or a portion of their compensation and have that amount contributed to the Plan on a pre-tax basis or on an after-tax basis as a Roth deferral, as defined by the Plan, subject to limitations set forth by the Internal Revenue Code. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions (rollover contributions) from other qualified plans.

Employee salary 401(k) deferral contributions are automatically deducted at the rate of 2% of eligible compensation unless the employee elects a different deferral rate or affirmatively elects not to participate in the automatic enrollment feature of the Plan. Contributions are automatically invested in a designated default fund until changed by the participant. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers various mutual funds and a money market fund as investment options for participants. In previous years, the Plan offered investments in the Company's common stock. During 2022, the Plan suspended future investment in the Company's common stock. However, participants have the option to continue to maintain their investment in the common stock. Participants must evaluate their own investment goals and objectives and choose investments best suited to achieve those goals and objectives. Poor investment performance by the investment funds selected by the participants may cause their vested balances to be lower than the amounts contributed to the Plan on their behalf. Participants may change their investment options daily.

The Company may make a discretionary non-elective employer contribution to the Plan as approved by the Company's management. The Company made non-elective (discretionary) employer contributions of \$508,114 and \$491,259 for the years ended December 31, 2023 and 2022, respectively. A participant must be employed on the last day of the Plan year to be eligible to receive an employer contribution.

NOTE 1. DESCRIPTION OF THE PLAN (CONTINUED)

Each participant's account is credited with the participant's contribution as well as allocations of the Company's contributions, Plan earnings or losses and forfeitures of terminated participants' non-vested accounts, and is charged with an allocation of Plan administrative and recordkeeping fees, and certain transactional fees. The allocation of recordkeeping fees is assessed on a per capita basis and deducted from participants' accounts on a quarterly basis. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Participants are immediately vested in elective salary deferrals and rollover contributions and any earnings thereon. Vesting in the fixed non-elective contribution, plus actual earnings thereon, is based on years of service. Under current Plan provisions, a year of service for vesting purposes is defined as occurring within a year ending on the participant's annual employment anniversary date, and not within a calendar year. A participant becomes 100% vested after completing three years of service with the Company. Vesting also occurs at age 65, or upon death or disability.

If a participant is not fully vested at the time benefits are withdrawn or after a five-year consecutive break in service, the non-vested portion of the account is forfeited. During the years ended December 31, 2023 and 2022, forfeitures of \$3,373 and \$5,124 respectively, were incurred. Forfeitures may be used to reduce the fixed non-elective employer contribution or to pay administrative expenses of the Plan, and any remaining amounts may be allocated to the participants' accounts. Allocations of forfeitures are considered additional employer contributions and are subject to the vesting provisions of employer fixed non-elective contributions. As of December 31, 2023 and 2022, forfeiture balances totaled \$10,586 and \$5,851 respectively.

Distributions are payable upon the retirement, death, disability or termination of employment. The Plan also allows in-service distributions. Participants who are age 59½ or older and who are still employed may elect to receive distributions while continuing to work. Additionally, the Plan has established a hardship withdrawal option in which participants may be eligible for a partial withdrawal of their balance if certain hardship events have occurred. Payment of benefits may be in the form of an annuity, installment or lump-sum amount equal to the vested balance of a participant's account.

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested balances. Loans are charged an interest rate equal to the prime lending rate plus 2%. The loans are collateralized by the balance in the participant's account and bear interest rates that ranged between 5.25% and 10.50% during the years ended December 31, 2023 and 2022, which are commensurate with that charged for similar loans by lending institutions. Loan repayment terms can range from one to five years for general purpose loans and up to thirty years for primary residence loans. Principal and interest are generally repaid ratably through payroll deductions.

Participants should refer to the plan document for more complete information.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting - The accompanying financial statements have been prepared using the accrual basis of accounting.

New Accounting Pronouncement - In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments - Credit Losses* (Topic 326), which is effective for the year ended December 31, 2023. This new standard provides financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. The standard replaced the incurred loss impairment model with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The standard was considered immaterial for recognition and disclosure.

Investments - Investments are reported at fair value. The fair value of a financial instrument is the amount that would be received to sell that asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date (the exit price). Net appreciation or depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Purchases and sales of the investments are reflected on a trade-date basis.

Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

Payment of Benefits - Benefit payments to participants are recorded upon distribution. There were no participants who elected to withdraw from the Plan but were not yet paid at December 31, 2023 and 2022.

Notes Receivable from Participants - Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Related fees are recorded as administrative expenses when incurred. No allowance for credit losses has been recorded as of either December 31, 2023 and 2022. If a participant ceases to make loan repayments and the Plan Administrator deems the participant loan to be in default, the loan balance is recorded as a deemed distribution.

Excess Contributions Payable - Amounts payable to participants totaling \$32,608 at December 31, 2023 for contributions in excess of amounts allowed by the Internal Revenue Code are recorded as excess contributions payable, with a corresponding deduction from net assets. The Plan made the corrective distributions prior to March 15, 2024.

Expenses - Certain administrative services incurred by the Plan are absorbed by the Plan sponsor, Parkway Bank & Trust Company (the Company). Fees related to the administration of certain transactions and recordkeeping fees are charged directly to the participant's account and are included in administrative expenses. Certain investment related and administrative expenses are included in net appreciation (depreciation) in fair value of investments.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Subsequent Events - Subsequent events have been evaluated through October 11, 2024, which is the date the financial statements were available to be issued.

NOTE 3. PRIORITIES UPON TERMINATION

Although it has not expressed any intent to do so, the Plan sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in the plan agreement and ERISA. Upon termination of the Plan, participants become 100% vested in their account balances.

NOTE 4. TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service (IRS) dated November 30, 2020, stating that the Plan is qualified under Internal Revenue Code (IRC) Section 401(a), and therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Plan has been amended since receiving its determination letter. The Plan Administrator believes the Plan was designed and is being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

Accounting principles generally accepted in the United States of American require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing authorities; however, there are currently no audits for any tax periods in progress.

NOTE 5. FAIR VALUE MEASUREMENTS

The *Fair Value Measurements and Disclosures* Topic of the Financial Accounting Standards Board Accounting Standards Codification established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Basis of Fair Value Measurement

Level 1	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities
Level 2	Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly
Level 3	Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable

The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth, by level within the fair value hierarchy, the Plan's investment assets at fair value as of December 31, 2023 and 2022. As required, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

		<u>Fair Value Measurements at 12/31/23 Using</u>		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	<u>Total</u>			
Mutual funds	\$ 18,305,387	\$ 18,305,387	\$ -	\$ -
Self-directed brokerage accounts	23,951	20,202	3,749	
Money market fund	2,552,030	2,552,030	-	-
Parkway Bancorp, Inc. common stock	7,565,000	-	-	7,565,000
Total	<u>\$ 28,446,368</u>	<u>\$ 20,877,619</u>	<u>\$ 3,749</u>	<u>\$ 7,565,000</u>

NOTE 5. FAIR VALUE MEASUREMENTS (CONTINUED)

		<u>Fair Value Measurements at 12/31/22 Using</u>		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	<u>Total</u>			
Mutual funds	\$ 14,783,832	\$ 14,783,832	\$ -	\$ -
Self-directed brokerage accounts	23,035	19,872	3,163	
Money market fund	2,681,176	2,681,176	-	-
Parkway Bancorp, Inc. common stock	<u>7,665,000</u>	<u>-</u>	<u>-</u>	<u>7,665,000</u>
Total	<u>\$ 25,153,043</u>	<u>\$ 17,484,880</u>	<u>\$ 3,163</u>	<u>\$ 7,665,000</u>

Level 1 Measurements

The fair values of the mutual funds are determined by reference to the funds' underlying assets, which are principally marketable equity and fixed income securities. Shares held in mutual funds are traded on national securities exchanges and are valued at the net asset value on the last business day of each period presented.

Self-directed brokerage accounts are investment accounts primarily comprised of equities traded in active markets on national securities exchanges and are valued at closing prices on the measurement date.

The money market fund represents shares held in a mutual fund.

Level 2 Measurements

Included in the self-directed brokerage accounts is a money market fund valued at cost, which approximates its fair value.

Level 3 Measurements

The Parkway Bancorp, Inc. common stock is not actively traded and significant observable inputs are not available. The fair value of the stock is determined by an independent appraisal. An independent appraiser selected by the Trustees performed the appraisal. The appraisal is based on a combination of factors including the nature and history of the Company, the competitive and economic outlook of the Company's trade areas and the banking industry in general, the book value and financial condition of the Company, its future earnings and dividend paying capacity, previous sales of the common stock of the Company, the prevailing market prices of selected publicly traded banking organizations located in the upper Midwest United States (Indiana, Illinois, Iowa, Minnesota and Wisconsin), and certain other information deemed pertinent to the evaluation. The valuation uses a hybrid of income and market approach methodologies to estimate fair value and also includes a marketability adjustment of 15%.

NOTE 5. FAIR VALUE MEASUREMENTS (CONTINUED)**Level 3 Measurements** (continued)

The following table reconciles the beginning and ending balances of the Parkway Bancorp, Inc. common stock for the years ended December 31, 2023 and 2022:

Beginning balance at December 31, 2021	\$ 9,044,000
Net appreciation in fair value	882,000
Purchases, sales and settlements	<u>(2,261,000)</u>
Ending balance at December 31, 2022	7,665,000
Net appreciation in fair value	240,000
Purchases, sales and settlements	<u>(340,000)</u>
Ending balance at December 31, 2023	<u>\$ 7,565,000</u>

The Plan's policy is to recognize transfers into and out of Level 3 as of the date of the event or change in circumstances that caused the transfer. For the years ended December 31, 2023 and 2022, there were no significant transfers into or out of Level 3.

In September 2023, to provide Plan participants greater liquidity, the Company agreed to purchase one share of common stock for \$340,000 from current and former participants. In September 2022, to provide Plan participants greater liquidity, the Company agreed to purchase seven shares of common stock for \$2,261,000 from current and former participants. Current participants have the option to continue to maintain their investment in the stock.

NOTE 6. INFORMATION CERTIFIED BY TRUSTEE

The Plan Administrator has obtained certifications from Newport Trust Company (Newport), a qualified institution, that the following information as of and for the years ended December 31, 2023 and 2022 is complete and accurate:

	<u>2023</u>	<u>2022</u>
Cash	\$ 6,462	\$ 26,854
Investments - at fair value:		
Mutual funds	\$ 18,305,387	\$ 14,783,832
Money market fund	\$ 2,552,030	\$ 2,681,176
Notes receivable from participants	\$ 432,463	\$ 449,716
Investment income:		
Net appreciation (depreciation) in fair value of investments	\$ 2,936,332	\$ (3,411,542)
Interest and dividends	\$ 119,647	\$ 42,950
Interest on notes receivable from participants	\$ 31,374	\$ 27,566

NOTE 7. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and amounts reported in the statements of net assets available for benefits.

Included in investments at December 31, 2023 and 2022 are shares of the Plan sponsor's common stock amounting to \$7,565,000 and \$7,665,000 respectively. This investment represented approximately 27% and 30% of total investments at December 31, 2023 and 2022, respectively. The fair value of the Plan sponsor's common stock has been estimated by Plan management in the absence of readily determinable fair values. Management's estimates are based on information provided by an independent appraisal. A significant decline in the fair value of the Plan sponsor's stock would significantly affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Investment decisions are made, and the resulting risks are borne, exclusively by the Plan participant who made such decisions.

NOTE 8. PARTY-IN-INTEREST TRANSACTIONS

Newport is the Trustee of the Plan. As such, transactions between the Plan and the Trustee are considered party-in-interest transactions which are exempt from the prohibited transaction rules of ERISA, upon meeting specified conditions. Newport provides certain administrative services to the Plan pursuant to a service agreement. Administrative services are primarily paid through a quarterly administrative fee charged to participants' accounts. These fees totaled \$77,022 and \$64,942 for the years ended December 31, 2023 and 2022, respectively.

Certain administrative fees are paid by the Company and are not material to the financial statements.

As of December 31, 2023 and 2022, the Plan held 20 and 21 shares, respectively, of Parkway Bancorp, Inc. common stock, which represents 2.61% and 2.64%, respectively, of Parkway Bancorp, Inc.'s total outstanding common stock. Sales proceeds of \$340,000 and \$2,261,000 were recorded for Parkway Bancorp, Inc.'s stock during 2023 and 2022, respectively. Dividends received on the Parkway Bancorp, Inc.'s stock totaled \$193,515 and \$331,100 for the years ended December 31, 2023 and 2022, respectively. In-kind distributions of Company stock are permitted under the Plan.

NOTE 9. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500:

	<u>2023</u>	<u>2022</u>
Net assets available for benefits per the financial statements	\$ 29,360,799	\$ 26,167,265
Less - employer contributions receivable at end of year	<u>(508,114)</u>	<u>(491,259)</u>
Net assets available for benefits per Form 5500	<u>\$ 28,852,685</u>	<u>\$ 25,676,006</u>

The following is a reconciliation of employer contributions per the financial statements to Form 5500 for the year ended December 31, 2023:

Employer contributions per the financial statements	\$ 508,114
Add - employer contributions receivable at beginning of year	491,259
Less - employer contributions receivable at end of year	<u>(508,114)</u>
Employer contributions per Form 5500	<u>\$ 491,259</u>

SUPPLEMENTAL SCHEDULE

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTAL SCHEDULE REQUIRED BY ERISA

To the Participants and Trustees of
Parkway Bancorp, Inc. 401(k) Plan

We have audited the financial statements of Parkway Bancorp, Inc. 401(k) Plan (the Plan) as of and for the years ended December 31, 2023 and 2022, and our report thereon dated October 11, 2024, appears on pages 1 through 3. Our audits were conducted in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosures under the Employee Retirement Income Security Act of 1974 (ERISA). Therefore, as permitted by ERISA Section 103(a)(3)(C), the audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosures under ERISA (qualified institution). For an ERISA Section 103(a)(3)(C) audit, the audit will not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures related to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirement of accounting principles generally accepted in the United States of America (GAAP).

The supplemental schedule is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA). Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in audit of the financial statements or to the financial statements themselves, and other additional procedures in accordance with general accepted auditing standards. For information included in the supplemental schedule that agree to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including their form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. In our opinion:

- The form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA; and
- The information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Legacy Professionals LLP

Westchester, Illinois

October 11, 2024

PARKWAY BANCORP, INC. 401(K) PLAN

PLAN NO: 002

SCHEDULE H, LINE 41 - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2023

<u>Description of Fund and Investment</u>	<u>Current Value**</u>
* Newport Trust Company	
Cash	\$ 6,462
Money market fund	
Vanguard Federal Money Market Fund Investor Shares	2,552,030
Mutual funds	
BlackRock EAFE Equity Index	136,996
BlackRock Russell 2000 Index Fund	229,406
Columbia Overseas Value CIT	46,105
BlackRock U.S. Debt Index Fund	186,140
BlackRock U.S. TIPs Index Fund	158
BlackRock Equity Index Fund	3,131,057
BlackRock Mid Cap Equity Index Fund	35,861
MyWayRetirement Index 2025 Fund	1,684,868
MyWayRetirement Index 2030 Fund	748,167
MyWayRetirement Index 2035 Fund	757,112
MyWayRetirement Index 2040 Fund	323,291
MyWayRetirement Index 2045 Fund	470,099
MyWayRetirement Index 2050 Fund	144,762
MyWayRetirement Index 2055 Fund	155,981
MyWayRetirement Index 2060 Fund	48,933
MyWayRetirement Index 2065 Fund	29,480
MyWayRetirement Index Retirement Fund	405,299
MyWayRetirement Balanced Fund	1,334,244
MyWayRetirement Commodities Fund	77,414
MyWayRetirement Core Bond Fund	11,935
MyWayRetirement Emerging Markets Fund Class	153,827
MyWayRetirement Global Bond Fund	2,374
MyWayRetirement International Growth Fund	777,212
MyWayRetirement Large Cap Growth Fund	2,593,608
MyWayRetirement Large Cap Value Fund	820,127
MyWayRetirement Mid Cap Growth Fund	1,449,284
MyWayRetirement Mid Cap Value Fund	685,824
MyWayRetirement Multisector Bond Fund	1,016,196
MyWayRetirement Real Estate Fund	26,625
MyWayRetirement Small Cap Growth Fund	420,045
MyWayRetirement Small Cap Value Fund	402,957
Total mutual funds	18,305,387
Self-directed brokerage accounts	23,951
Subtotal	20,887,830
* Parkway Bancorp, Inc.	
Parkway Bancorp, Inc. common stock	7,565,000
* Notes receivable from participants, various maturities through July 2028, interest rates 5.25% - 10.50%	432,463
Total	\$ 28,885,293

* Represents a party-in-interest

** Cost not required for participant-directed investments

PARKWAY BANCORP, INC. 401(K) PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2023

PARKWAY BANCORP, INC. 401(K) PLAN

FINANCIAL STATEMENTS WITH SUPPLEMENTAL SCHEDULE

DECEMBER 31, 2023 AND 2022

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REPORT OF INDEPENDENT AUDITORS

To the Participants and Trustees of
Parkway Bancorp, Inc. 401(k) Plan

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of Parkway Bancorp, Inc. 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2023 and 2022, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution, as of and for the years ended December 31, 2023 and 2022, stating that the certified investment information, as described in Note 6 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report:

- The amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America; and
- The information in the accompanying financial statements related to assets held by and certified to by the qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of an ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditors' Responsibilities for the Audit of the Financial Statements

Except as described in the *Scope and Nature of the ERISA Section 103(a)(3)(C) Audit* section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

In performing an audit in accordance with GAAS, we:

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

Our audits did not extend to the certified investment information, except for obtaining and reading the certifications, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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

Legacy Professionals LLP

Westchester, Illinois

October 11, 2024

PARKWAY BANCORP, INC. 401(K) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
INVESTMENTS - at fair value	<u>\$ 28,446,368</u>	<u>\$ 25,153,043</u>
RECEIVABLES		
Employer contributions	508,114	491,259
Notes receivable from participants	<u>432,463</u>	<u>449,716</u>
Total receivables	<u>940,577</u>	<u>940,975</u>
CASH	<u>6,462</u>	<u>73,247</u>
Total assets	<u>29,393,407</u>	<u>26,167,265</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Excess contributions payable	<u>32,608</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 29,360,799</u>	<u>\$ 26,167,265</u>

See accompanying notes to financial statements.

PARKWAY BANCORP, INC. 401(K) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ADDITIONS		
Investment income		
Net appreciation (depreciation) in fair value of investments	\$ 3,176,662	\$ (2,529,542)
Dividends and interest	<u>313,726</u>	<u>374,569</u>
Investment income (loss) - net	<u>3,490,388</u>	<u>(2,154,973)</u>
Interest on notes receivable from participants	<u>31,374</u>	<u>27,566</u>
Contributions		
Participants	926,517	878,621
Employer	508,114	491,259
Rollover	<u>153,588</u>	<u>15,413</u>
Total contributions	<u>1,588,219</u>	<u>1,385,293</u>
	<u>5,109,981</u>	<u>(742,114)</u>
DEDUCTIONS		
Benefits paid to participants	1,800,602	2,661,488
Corrective distributions	32,608	-
Administrative expenses	<u>83,237</u>	<u>77,772</u>
Total deductions	<u>1,916,447</u>	<u>2,739,260</u>
NET INCREASE (DECREASE)	3,193,534	(3,481,374)
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	<u>26,167,265</u>	<u>29,648,639</u>
End of year	<u>\$ 29,360,799</u>	<u>\$ 26,167,265</u>

See accompanying notes to financial statements.

PARKWAY BANCORP, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

NOTE 1. DESCRIPTION OF THE PLAN

Parkway Bancorp, Inc. 401(k) Plan (the Plan) is a defined contribution retirement plan covering all full-time and part-time regular employees of Parkway Bancorp, Inc. and Parkway Bank & Trust Company (collectively, the Company) who have completed one year of employment with at least 1,000 hours of service.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. Benefits under the Plan are not insured by the Pension Benefit Guaranty Corporation.

Participants may elect to defer all or a portion of their compensation and have that amount contributed to the Plan on a pre-tax basis or on an after-tax basis as a Roth deferral, as defined by the Plan, subject to limitations set forth by the Internal Revenue Code. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions (rollover contributions) from other qualified plans.

Employee salary 401(k) deferral contributions are automatically deducted at the rate of 2% of eligible compensation unless the employee elects a different deferral rate or affirmatively elects not to participate in the automatic enrollment feature of the Plan. Contributions are automatically invested in a designated default fund until changed by the participant. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers various mutual funds and a money market fund as investment options for participants. In previous years, the Plan offered investments in the Company's common stock. During 2022, the Plan suspended future investment in the Company's common stock. However, participants have the option to continue to maintain their investment in the common stock. Participants must evaluate their own investment goals and objectives and choose investments best suited to achieve those goals and objectives. Poor investment performance by the investment funds selected by the participants may cause their vested balances to be lower than the amounts contributed to the Plan on their behalf. Participants may change their investment options daily.

The Company may make a discretionary non-elective employer contribution to the Plan as approved by the Company's management. The Company made non-elective (discretionary) employer contributions of \$508,114 and \$491,259 for the years ended December 31, 2023 and 2022, respectively. A participant must be employed on the last day of the Plan year to be eligible to receive an employer contribution.

NOTE 1. DESCRIPTION OF THE PLAN (CONTINUED)

Each participant's account is credited with the participant's contribution as well as allocations of the Company's contributions, Plan earnings or losses and forfeitures of terminated participants' non-vested accounts, and is charged with an allocation of Plan administrative and recordkeeping fees, and certain transactional fees. The allocation of recordkeeping fees is assessed on a per capita basis and deducted from participants' accounts on a quarterly basis. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Participants are immediately vested in elective salary deferrals and rollover contributions and any earnings thereon. Vesting in the fixed non-elective contribution, plus actual earnings thereon, is based on years of service. Under current Plan provisions, a year of service for vesting purposes is defined as occurring within a year ending on the participant's annual employment anniversary date, and not within a calendar year. A participant becomes 100% vested after completing three years of service with the Company. Vesting also occurs at age 65, or upon death or disability.

If a participant is not fully vested at the time benefits are withdrawn or after a five-year consecutive break in service, the non-vested portion of the account is forfeited. During the years ended December 31, 2023 and 2022, forfeitures of \$3,373 and \$5,124 respectively, were incurred. Forfeitures may be used to reduce the fixed non-elective employer contribution or to pay administrative expenses of the Plan, and any remaining amounts may be allocated to the participants' accounts. Allocations of forfeitures are considered additional employer contributions and are subject to the vesting provisions of employer fixed non-elective contributions. As of December 31, 2023 and 2022, forfeiture balances totaled \$10,586 and \$5,851 respectively.

Distributions are payable upon the retirement, death, disability or termination of employment. The Plan also allows in-service distributions. Participants who are age 59½ or older and who are still employed may elect to receive distributions while continuing to work. Additionally, the Plan has established a hardship withdrawal option in which participants may be eligible for a partial withdrawal of their balance if certain hardship events have occurred. Payment of benefits may be in the form of an annuity, installment or lump-sum amount equal to the vested balance of a participant's account.

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested balances. Loans are charged an interest rate equal to the prime lending rate plus 2%. The loans are collateralized by the balance in the participant's account and bear interest rates that ranged between 5.25% and 10.50% during the years ended December 31, 2023 and 2022, which are commensurate with that charged for similar loans by lending institutions. Loan repayment terms can range from one to five years for general purpose loans and up to thirty years for primary residence loans. Principal and interest are generally repaid ratably through payroll deductions.

Participants should refer to the plan document for more complete information.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting - The accompanying financial statements have been prepared using the accrual basis of accounting.

New Accounting Pronouncement - In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments - Credit Losses* (Topic 326), which is effective for the year ended December 31, 2023. This new standard provides financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. The standard replaced the incurred loss impairment model with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The standard was considered immaterial for recognition and disclosure.

Investments - Investments are reported at fair value. The fair value of a financial instrument is the amount that would be received to sell that asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date (the exit price). Net appreciation or depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Purchases and sales of the investments are reflected on a trade-date basis.

Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

Payment of Benefits - Benefit payments to participants are recorded upon distribution. There were no participants who elected to withdraw from the Plan but were not yet paid at December 31, 2023 and 2022.

Notes Receivable from Participants - Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Related fees are recorded as administrative expenses when incurred. No allowance for credit losses has been recorded as of either December 31, 2023 and 2022. If a participant ceases to make loan repayments and the Plan Administrator deems the participant loan to be in default, the loan balance is recorded as a deemed distribution.

Excess Contributions Payable - Amounts payable to participants totaling \$32,608 at December 31, 2023 for contributions in excess of amounts allowed by the Internal Revenue Code are recorded as excess contributions payable, with a corresponding deduction from net assets. The Plan made the corrective distributions prior to March 15, 2024.

Expenses - Certain administrative services incurred by the Plan are absorbed by the Plan sponsor, Parkway Bank & Trust Company (the Company). Fees related to the administration of certain transactions and recordkeeping fees are charged directly to the participant's account and are included in administrative expenses. Certain investment related and administrative expenses are included in net appreciation (depreciation) in fair value of investments.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Subsequent Events - Subsequent events have been evaluated through October 11, 2024, which is the date the financial statements were available to be issued.

NOTE 3. PRIORITIES UPON TERMINATION

Although it has not expressed any intent to do so, the Plan sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in the plan agreement and ERISA. Upon termination of the Plan, participants become 100% vested in their account balances.

NOTE 4. TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service (IRS) dated November 30, 2020, stating that the Plan is qualified under Internal Revenue Code (IRC) Section 401(a), and therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Plan has been amended since receiving its determination letter. The Plan Administrator believes the Plan was designed and is being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

Accounting principles generally accepted in the United States of American require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing authorities; however, there are currently no audits for any tax periods in progress.

NOTE 5. FAIR VALUE MEASUREMENTS

The *Fair Value Measurements and Disclosures* Topic of the Financial Accounting Standards Board Accounting Standards Codification established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Basis of Fair Value Measurement

Level 1	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities
Level 2	Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly
Level 3	Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable

The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth, by level within the fair value hierarchy, the Plan's investment assets at fair value as of December 31, 2023 and 2022. As required, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

		<u>Fair Value Measurements at 12/31/23 Using</u>		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	<u>Total</u>			
Mutual funds	\$ 18,305,387	\$ 18,305,387	\$ -	\$ -
Self-directed brokerage accounts	23,951	20,202	3,749	
Money market fund	2,552,030	2,552,030	-	-
Parkway Bancorp, Inc. common stock	7,565,000	-	-	7,565,000
Total	<u>\$ 28,446,368</u>	<u>\$ 20,877,619</u>	<u>\$ 3,749</u>	<u>\$ 7,565,000</u>

NOTE 5. FAIR VALUE MEASUREMENTS (CONTINUED)

		<u>Fair Value Measurements at 12/31/22 Using</u>		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	<u>Total</u>			
Mutual funds	\$ 14,783,832	\$ 14,783,832	\$ -	\$ -
Self-directed brokerage accounts	23,035	19,872	3,163	
Money market fund	2,681,176	2,681,176	-	-
Parkway Bancorp, Inc. common stock	<u>7,665,000</u>	<u>-</u>	<u>-</u>	<u>7,665,000</u>
Total	<u>\$ 25,153,043</u>	<u>\$ 17,484,880</u>	<u>\$ 3,163</u>	<u>\$ 7,665,000</u>

Level 1 Measurements

The fair values of the mutual funds are determined by reference to the funds' underlying assets, which are principally marketable equity and fixed income securities. Shares held in mutual funds are traded on national securities exchanges and are valued at the net asset value on the last business day of each period presented.

Self-directed brokerage accounts are investment accounts primarily comprised of equities traded in active markets on national securities exchanges and are valued at closing prices on the measurement date.

The money market fund represents shares held in a mutual fund.

Level 2 Measurements

Included in the self-directed brokerage accounts is a money market fund valued at cost, which approximates its fair value.

Level 3 Measurements

The Parkway Bancorp, Inc. common stock is not actively traded and significant observable inputs are not available. The fair value of the stock is determined by an independent appraisal. An independent appraiser selected by the Trustees performed the appraisal. The appraisal is based on a combination of factors including the nature and history of the Company, the competitive and economic outlook of the Company's trade areas and the banking industry in general, the book value and financial condition of the Company, its future earnings and dividend paying capacity, previous sales of the common stock of the Company, the prevailing market prices of selected publicly traded banking organizations located in the upper Midwest United States (Indiana, Illinois, Iowa, Minnesota and Wisconsin), and certain other information deemed pertinent to the evaluation. The valuation uses a hybrid of income and market approach methodologies to estimate fair value and also includes a marketability adjustment of 15%.

NOTE 5. FAIR VALUE MEASUREMENTS (CONTINUED)Level 3 Measurements (continued)

The following table reconciles the beginning and ending balances of the Parkway Bancorp, Inc. common stock for the years ended December 31, 2023 and 2022:

Beginning balance at December 31, 2021	\$ 9,044,000
Net appreciation in fair value	882,000
Purchases, sales and settlements	<u>(2,261,000)</u>
Ending balance at December 31, 2022	7,665,000
Net appreciation in fair value	240,000
Purchases, sales and settlements	<u>(340,000)</u>
Ending balance at December 31, 2023	<u>\$ 7,565,000</u>

The Plan's policy is to recognize transfers into and out of Level 3 as of the date of the event or change in circumstances that caused the transfer. For the years ended December 31, 2023 and 2022, there were no significant transfers into or out of Level 3.

In September 2023, to provide Plan participants greater liquidity, the Company agreed to purchase one share of common stock for \$340,000 from current and former participants. In September 2022, to provide Plan participants greater liquidity, the Company agreed to purchase seven shares of common stock for \$2,261,000 from current and former participants. Current participants have the option to continue to maintain their investment in the stock.

NOTE 6. INFORMATION CERTIFIED BY TRUSTEE

The Plan Administrator has obtained certifications from Newport Trust Company (Newport), a qualified institution, that the following information as of and for the years ended December 31, 2023 and 2022 is complete and accurate:

	<u>2023</u>	<u>2022</u>
Cash	\$ 6,462	\$ 26,854
Investments - at fair value:		
Mutual funds	\$ 18,305,387	\$ 14,783,832
Money market fund	\$ 2,552,030	\$ 2,681,176
Notes receivable from participants	\$ 432,463	\$ 449,716
Investment income:		
Net appreciation (depreciation) in fair value of investments	\$ 2,936,332	\$ (3,411,542)
Interest and dividends	\$ 119,647	\$ 42,950
Interest on notes receivable from participants	\$ 31,374	\$ 27,566

NOTE 7. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and amounts reported in the statements of net assets available for benefits.

Included in investments at December 31, 2023 and 2022 are shares of the Plan sponsor's common stock amounting to \$7,565,000 and \$7,665,000 respectively. This investment represented approximately 27% and 30% of total investments at December 31, 2023 and 2022, respectively. The fair value of the Plan sponsor's common stock has been estimated by Plan management in the absence of readily determinable fair values. Management's estimates are based on information provided by an independent appraisal. A significant decline in the fair value of the Plan sponsor's stock would significantly affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Investment decisions are made, and the resulting risks are borne, exclusively by the Plan participant who made such decisions.

NOTE 8. PARTY-IN-INTEREST TRANSACTIONS

Newport is the Trustee of the Plan. As such, transactions between the Plan and the Trustee are considered party-in-interest transactions which are exempt from the prohibited transaction rules of ERISA, upon meeting specified conditions. Newport provides certain administrative services to the Plan pursuant to a service agreement. Administrative services are primarily paid through a quarterly administrative fee charged to participants' accounts. These fees totaled \$77,022 and \$64,942 for the years ended December 31, 2023 and 2022, respectively.

Certain administrative fees are paid by the Company and are not material to the financial statements.

As of December 31, 2023 and 2022, the Plan held 20 and 21 shares, respectively, of Parkway Bancorp, Inc. common stock, which represents 2.61% and 2.64%, respectively, of Parkway Bancorp, Inc.'s total outstanding common stock. Sales proceeds of \$340,000 and \$2,261,000 were recorded for Parkway Bancorp, Inc.'s stock during 2023 and 2022, respectively. Dividends received on the Parkway Bancorp, Inc.'s stock totaled \$193,515 and \$331,100 for the years ended December 31, 2023 and 2022, respectively. In-kind distributions of Company stock are permitted under the Plan.

NOTE 9. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500:

	<u>2023</u>	<u>2022</u>
Net assets available for benefits per the financial statements	\$ 29,360,799	\$ 26,167,265
Less - employer contributions receivable at end of year	<u>(508,114)</u>	<u>(491,259)</u>
Net assets available for benefits per Form 5500	<u><u>\$ 28,852,685</u></u>	<u><u>\$ 25,676,006</u></u>

The following is a reconciliation of employer contributions per the financial statements to Form 5500 for the year ended December 31, 2023:

Employer contributions per the financial statements	\$ 508,114
Add - employer contributions receivable at beginning of year	491,259
Less - employer contributions receivable at end of year	<u>(508,114)</u>
Employer contributions per Form 5500	<u><u>\$ 491,259</u></u>

SUPPLEMENTAL SCHEDULE

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTAL SCHEDULE REQUIRED BY ERISA

To the Participants and Trustees of
Parkway Bancorp, Inc. 401(k) Plan

We have audited the financial statements of Parkway Bancorp, Inc. 401(k) Plan (the Plan) as of and for the years ended December 31, 2023 and 2022, and our report thereon dated October 11, 2024, appears on pages 1 through 3. Our audits were conducted in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosures under the Employee Retirement Income Security Act of 1974 (ERISA). Therefore, as permitted by ERISA Section 103(a)(3)(C), the audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosures under ERISA (qualified institution). For an ERISA Section 103(a)(3)(C) audit, the audit will not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures related to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirement of accounting principles generally accepted in the United States of America (GAAP).

The supplemental schedule is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA). Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in audit of the financial statements or to the financial statements themselves, and other additional procedures in accordance with general accepted auditing standards. For information included in the supplemental schedule that agree to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including their form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. In our opinion:

- The form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA; and
- The information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Legacy Professionals LLP

Westchester, Illinois

October 11, 2024

PARKWAY BANCORP, INC. 401(K) PLAN

PLAN NO: 002

SCHEDULE H, LINE 41 - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2023

<u>Description of Fund and Investment</u>	<u>Current Value**</u>
* Newport Trust Company	
Cash	\$ 6,462
Money market fund	
Vanguard Federal Money Market Fund Investor Shares	2,552,030
Mutual funds	
BlackRock EAFE Equity Index	136,996
BlackRock Russell 2000 Index Fund	229,406
Columbia Overseas Value CIT	46,105
BlackRock U.S. Debt Index Fund	186,140
BlackRock U.S. TIPs Index Fund	158
BlackRock Equity Index Fund	3,131,057
BlackRock Mid Cap Equity Index Fund	35,861
MyWayRetirement Index 2025 Fund	1,684,868
MyWayRetirement Index 2030 Fund	748,167
MyWayRetirement Index 2035 Fund	757,112
MyWayRetirement Index 2040 Fund	323,291
MyWayRetirement Index 2045 Fund	470,099
MyWayRetirement Index 2050 Fund	144,762
MyWayRetirement Index 2055 Fund	155,981
MyWayRetirement Index 2060 Fund	48,933
MyWayRetirement Index 2065 Fund	29,480
MyWayRetirement Index Retirement Fund	405,299
MyWayRetirement Balanced Fund	1,334,244
MyWayRetirement Commodities Fund	77,414
MyWayRetirement Core Bond Fund	11,935
MyWayRetirement Emerging Markets Fund Class	153,827
MyWayRetirement Global Bond Fund	2,374
MyWayRetirement International Growth Fund	777,212
MyWayRetirement Large Cap Growth Fund	2,593,608
MyWayRetirement Large Cap Value Fund	820,127
MyWayRetirement Mid Cap Growth Fund	1,449,284
MyWayRetirement Mid Cap Value Fund	685,824
MyWayRetirement Multisector Bond Fund	1,016,196
MyWayRetirement Real Estate Fund	26,625
MyWayRetirement Small Cap Growth Fund	420,045
MyWayRetirement Small Cap Value Fund	402,957
Total mutual funds	18,305,387
Self-directed brokerage accounts	23,951
Subtotal	20,887,830
* Parkway Bancorp, Inc.	
Parkway Bancorp, Inc. common stock	7,565,000
* Notes receivable from participants, various maturities through July 2028, interest rates 5.25% - 10.50%	432,463
Total	\$ 28,885,293

* Represents a party-in-interest

** Cost not required for participant-directed investments