

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

2024

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

- 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.) [x] a single-employer plan [] a DFE (specify) ____
B This return/report is: [] 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: [x] 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): PARKWAY BANCORP, INC.
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.

Table with 4 columns: SIGN HERE, Signature of plan administrator, Date, Enter name of individual signing as plan administrator. Includes rows for employer/plan sponsor and DFE.

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2024) v. 240311

3a Plan administrator's name and address <input checked="" type="checkbox"/> 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	422
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)	307
	6a(2)	280
	6b	10
	6c	112
	6d	402
	6e	2
	6f	404
	6g(1)	406
6g(2)	392	
6h	6	
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)	9b Plan benefit arrangement (check all that apply)
(1) <input type="checkbox"/> Insurance	(1) <input type="checkbox"/> Insurance
(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts	(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts
(3) <input checked="" type="checkbox"/> Trust	(3) <input checked="" type="checkbox"/> Trust
(4) <input type="checkbox"/> General assets of the sponsor	(4) <input type="checkbox"/> General assets of the sponsor

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	b General Schedules
(1) <input checked="" type="checkbox"/> R (Retirement Plan Information)	(1) <input checked="" type="checkbox"/> H (Financial Information)
(2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) <input type="checkbox"/> I (Financial Information – Small Plan)
(3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(3) <input type="checkbox"/> A (Insurance Information) – Number Attached <u>0</u>
(4) <input type="checkbox"/> DCG (Individual Plan Information) – Number Attached _____	(4) <input checked="" type="checkbox"/> C (Service Provider Information)
(5) <input type="checkbox"/> MEP (Multiple-Employer Retirement Plan Information)	(5) <input type="checkbox"/> D (DFE/Participating Plan Information)
	(6) <input type="checkbox"/> 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 2024 Form M-1 annual report. If the plan was not required to file the 2024 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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection.
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For calendar plan year 2024 or fiscal plan year beginning **01/01/2024** and ending **12/31/2024**

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	55494	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(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	36280	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

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

LEGACY PROFESSIONALS, LLC

32-0043599

(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?
10	AUDITOR	21000	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

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
(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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024	
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.

		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	6462	6321
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)	2552030	2236057
(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)	432463	589392
(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)	18305387	21305553
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	23951	30734

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	7565000	7650000
(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	28885293	31818057
Liabilities			
g Benefit claims payable.....	1g		
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j	32608	39357
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	32608	39357
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	28852685	31778700

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)	508114	
(B) Participants.....	2a(1)(B)	962604	
(C) Others (including rollovers).....	2a(1)(C)	281429	
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2).....	2a(3)		1752147
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	1310	
(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)	42458	
(F) Other.....	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)		43768
(2) Dividends:			
(A) Preferred stock.....	2b(2)(A)		
(B) Common stock.....	2b(2)(B)	192000	
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	128150	
(D) Total dividends. Add lines 2b(2)(A), (B), and (C).....	2b(2)(D)		320150
(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)		3025703
c Other income	2c		6783
d Total income. Add all income amounts in column (b) and enter total	2d		5148551

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2091510	
(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)		2091510
f Corrective distributions (see instructions)	2f		39357
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)	25565	
(3) Recordkeeping fees	2i(3)	10610	
(4) IQPA audit fees	2i(4)	0	
(5) Investment advisory and investment management fees	2i(5)	55494	
(6) Bank or trust company trustee/custodial fees	2i(6)		
(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)		91669
j Total expenses. Add all expense amounts in column (b) and enter total	2j		2222536

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		2926015
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, LLC

(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.)		X	
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.)		X	
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.)		X	
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.)		X	
e Was this plan covered by a fidelity bond?	X		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?		X	
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?		X	
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?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
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.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	X		
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.	X		

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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection.
--	---	---

For calendar plan year 2024 or fiscal plan year beginning **01/01/2024** and ending **12/31/2024**

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
---------------	----------------------

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
-----------------	-------------------

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

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: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	14a	
b The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	14b	
c The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	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

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

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 06 / 30 / 2020 (MM/DD/YYYY) and the Opinion Letter serial number Q702826A.

Parkway Bancorp, Inc. 401(k) Plan

Financial Statements

December 31, 2024

Parkway Bancorp, Inc. 401(k) Plan

Financial Statements with Supplemental Schedule

December 31, 2024 and 2023

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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, 2024 and 2023, 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 (DOL) 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 qualified institutions, as of and for the years ended December 31, 2024 and 2023, stating that the certified 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 institutions agrees to, or is derived from, in all material respects, the information prepared and certified by institutions that management determined meet 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 14, 2025

Parkway Bancorp, Inc. 401(k) Plan

Statements of Net Assets Available for Benefits

December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Investments - at fair value	\$ 31,222,344	\$ 28,446,368
Receivables		
Employer contributions	412,545	508,114
Notes receivable from participants	<u>589,392</u>	<u>432,463</u>
Total receivables	<u>1,001,937</u>	<u>940,577</u>
Cash	<u>6,321</u>	<u>6,462</u>
Total assets	32,230,602	29,393,407
Liabilities and Net Assets		
Liabilities		
Excess contributions payable	<u>39,357</u>	<u>32,608</u>
Net assets available for benefits	<u>\$ 32,191,245</u>	<u>\$ 29,360,799</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, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Additions		
Investment income		
Net appreciation in fair value of investments	\$ 3,033,796	\$ 3,176,662
Dividends and interest	<u>320,150</u>	<u>313,726</u>
Investment income - net	<u>3,353,946</u>	<u>3,490,388</u>
Interest on notes receivable from participants	<u>42,458</u>	<u>31,374</u>
Contributions		
Participants	962,604	926,517
Employer	412,545	508,114
Rollover	<u>281,429</u>	<u>153,588</u>
Total contributions	<u>1,656,578</u>	<u>1,588,219</u>
Total additions	<u>5,052,982</u>	<u>5,109,981</u>
Deductions		
Benefits paid to participants	2,091,510	1,800,602
Corrective distributions	39,357	32,608
Administrative expenses	<u>91,669</u>	<u>83,237</u>
Total deductions	<u>2,222,536</u>	<u>1,916,447</u>
Net increase	2,830,446	3,193,534
Net assets available for benefits		
Beginning of year	<u>29,360,799</u>	<u>26,167,265</u>
End of year	<u>\$ 32,191,245</u>	<u>\$ 29,360,799</u>

See accompanying notes to financial statements.

Parkway Bancorp, Inc. 401(k) Plan

Notes to Financial Statements

December 31, 2024 and 2023

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). 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. Elective salary deferrals are subject to Internal Revenue Service Code limitations. 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 retirement plans. The Plan includes an automatic enrollment provision whereby all newly eligible employees are automatically enrolled in the Plan, unless they affirmatively elect not to participate, with a default deferral rate set at 2% of eligible compensation.

Contributions to the Plan are invested as directed by the participants in various investment options. In the absence of participant direction, contributions are invested in a qualified default investment alternative account until changed by the participant. Participants must evaluate their own investment goals and objectives and choose the investments best suited to achieve those goals and objectives. Poor investment performance by the investment options selected by the participants may cause their account balance to be lower than contributions made to the Plan.

Although the Plan suspended investment offering in the Company's common stock, participants have the option to continue to maintain their investment in the common stock.

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 \$412,545 and \$508,114 for the years ended December 31, 2024 and 2023, respectively. A participant must have completed one year of service and be employed on the last day of the Plan year to be eligible to receive an employer contribution. One year of service is earned upon completing 1,000 hours during the Plan year.

Note 1. Description of the Plan (continued)

Each participant's account is credited with the participant's contributions 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, 2024 and 2023, forfeitures of \$11,238 and \$3,373 respectively, were incurred. Forfeitures may be used to reduce the 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, 2024 and 2023, forfeiture balances totaled \$1,662 and \$10,586 respectively.

Distributions are payable upon the participant's 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, 2024 and 2023, 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.

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, 2024 and 2023.

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, 2024 and 2023. 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 \$39,357 and \$32,608 at December 31, 2024 and 2023, respectively, 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 on February 3, 2025 and March 15, 2024, respectively.

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 in fair value of investments.

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.

Note 2. Summary of Significant Accounting Policies (continued)

Subsequent Events - Subsequent events have been evaluated through October 14, 2025, 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 Company adopted a non-standardized prototype plan. The Plan is not required to receive a determination letter directly from the Internal Revenue Service, and therefore, the Plan has not received a determination letter specific to the Plan itself. The prototype plan determination letter has been relied upon by the Plan. The Company and Plan administrator believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code, and therefore believes that the Plan is qualified and the related trust is 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 FASB 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:

Note 5. Fair Value Measurements (continued)

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, 2024 and 2023. 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 12/31/24 Using</u>		
		<u>Quoted Prices</u>		
		<u>in Active</u>	<u>Significant</u>	<u>Significant</u>
		<u>Markets for</u>	<u>Other</u>	<u>Significant</u>
		<u>Identical</u>	<u>Observable</u>	<u>Unobservable</u>
		<u>Assets</u>	<u>Inputs</u>	<u>Inputs</u>
		<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
	<u>Total</u>			
Mutual funds	\$ 21,305,553	\$ 21,305,553	\$ -	\$ -
Self-directed brokerage accounts	30,734	26,370	4,364	-
Money market fund	2,236,057	2,236,057	-	-
Parkway Bancorp, Inc. common stock	7,650,000	-	-	7,650,000
Total	<u>\$ 31,222,344</u>	<u>\$ 23,567,980</u>	<u>\$ 4,364</u>	<u>\$ 7,650,000</u>

		<u>Fair Value Measurements at 12/31/23 Using</u>		
		<u>Quoted Prices</u>		
		<u>in Active</u>	<u>Significant</u>	<u>Significant</u>
		<u>Markets for</u>	<u>Other</u>	<u>Significant</u>
		<u>Identical</u>	<u>Observable</u>	<u>Unobservable</u>
		<u>Assets</u>	<u>Inputs</u>	<u>Inputs</u>
		<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
	<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)

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%. There was no change in either valuation approach or valuation technique during the years ended December 31, 2024 and 2023.

The following table present the changes in fair value of the Parkway Bancorp, Inc. common stock for the years ended December 31, 2024 and 2023:

Balance at January 1, 2023	\$ 7,665,000
Net appreciation in fair value	240,000
Purchases, sales and settlements	<u>(340,000)</u>
Balance at December 31, 2023	7,565,000
Net appreciation in fair value	<u>85,000</u>
Balance at December 31, 2024	<u>\$ 7,650,000</u>

Note 5. Fair Value Measurements (continued)

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, 2024 and 2023, 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. Current participants have the option to continue to maintain their investment in the stock. There were no purchases or sales of Company stock during the year ended December 31, 2024.

Note 6. Information Certified by Trustees

The following information included in the accompanying financial statements and ERISA-required supplemental schedule as of December 31, 2024 and 2023, and for the years then ended, was obtained by management and agreed to or was derived from information certified as complete and accurate by Ascensus Trust Company and Newport Trust Company, qualified institutions.

	<u>2024</u>	<u>2023</u>
Cash	\$ 6,321	\$ 6,462
Investments - at fair value:		
Mutual funds	\$ 21,305,553	\$ 18,305,387
Money market fund	\$ 2,236,057	\$ 2,552,030
Notes receivable from participants	\$ 589,392	\$ 432,463
Investment income:		
Net appreciation in fair value of investments	\$ 2,942,628	\$ 2,936,332
Dividends and interest	\$ 127,535	\$ 119,647
Interest on notes receivable from participants	\$ 42,458	\$ 31,374

Note 7. Risks and Uncertainties

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. The current economic environment has increased the degree of uncertainty.

Note 7. Risks and Uncertainties (continued)

Included in investments at December 31, 2024 and 2023 are shares of the Plan sponsor's common stock amounting to \$7,650,000 and \$7,565,000 respectively. This investment represented approximately 24% and 29% of total investments at December 31, 2024 and 2023, 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

As of December 31, 2024 and 2023, the Plan held 20 shares of Parkway Bancorp, Inc. common stock, which represents 2.62% of Parkway Bancorp, Inc.'s total outstanding common stock. Sales proceeds of \$340,000 were recorded for Parkway Bancorp, Inc.'s stock during 2023. No sales were recorded in 2024. Dividends received on the Parkway Bancorp, Inc.'s stock totaled \$192,000 and \$193,515 for the years ended December 31, 2024 and 2023, respectively. In-kind distributions of Company stock are permitted under the Plan. Transactions in such investments qualify as party-in-interest transactions under ERISA.

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>2024</u>	<u>2023</u>
Net assets available for benefits per the financial statements	\$ 32,191,245	\$ 29,360,799
Less - employer contributions receivable at end of year	<u>(412,545)</u>	<u>(508,114)</u>
Net assets available for benefits per Form 5500	<u>\$ 31,778,700</u>	<u>\$ 28,852,685</u>

The following is a reconciliation of employer contributions per the financial statements to Form 5500 for the year ended December 31, 2024:

Employer contributions per the financial statements	\$ 412,545
Add - employer contributions receivable at beginning of year	508,114
Less - employer contributions receivable at end of year	<u>(412,545)</u>
Employer contributions per Form 5500	<u>\$ 508,114</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, 2024 and 2023, and our report thereon dated October 14, 2025, 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 Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA). Therefore, as permitted by ERISA Section 103(a)(3)(C), the 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 DOL's Rules and Regulations for Reporting and Disclosure 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 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.

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 DOL Rules and Regulations for Reporting and Disclosure under 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 the 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 the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedule that agreed 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 its 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 qualified institutions agrees to, or is derived from, in all material respects, the information prepared and certified by institutions that management determined meet the requirements of ERISA Section 103(a)(3)(C).

Legacy Professionals LLP

Westchester, Illinois

October 14, 2025

Parkway Bancorp, Inc. 401(k) Plan

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2024

<u>Description of Fund and Investment</u>	<u>Current Value**</u>
Money market fund	
Vanguard Federal Money Market Fund Investor Shares	\$ 2,236,057
Mutual funds	
BlackRock EAFE Equity Index	89,084
BlackRock Russell 2000 Index Fund	244,659
BlackRock U.S. Debt Index Fund	179,118
BlackRock Equity Index Fund	3,795,435
BlackRock Mid Cap Equity Index Fund	85,500
MyWayRetirement Index 2030 Fund	947,433
MyWayRetirement Index 2035 Fund	710,967
MyWayRetirement Index 2040 Fund	392,154
MyWayRetirement Index 2045 Fund	547,728
MyWayRetirement Index 2050 Fund	237,306
MyWayRetirement Index 2055 Fund	287,039
MyWayRetirement Index 2060 Fund	121,556
MyWayRetirement Index 2065 Fund	56,859
MyWayRetirement Index Retirement Fund	2,229,125
MyWayRetirement Balanced Fund	1,539,813
MyWayRetirement Commodities Fund	83,734
MyWayRetirement Core Bond Fund	13,155
MyWayRetirement Emerging Markets Fund Class	167,700
MyWayRetirement Global Bond Fund	2,761
MyWayRetirement International Growth Fund	821,097
MyWayRetirement International Value	101,765
MyWayRetirement Large Cap Growth Fund	3,635,417
MyWayRetirement Large Cap Value Fund	927,806
MyWayRetirement Mid Cap Growth Fund	1,563,870
MyWayRetirement Mid Cap Value Fund	621,556
MyWayRetirement Multisector Bond Fund	994,651
MyWayRetirement Real Estate Fund	34,613
MyWayRetirement Small Cap Growth Fund	430,287
MyWayRetirement Small Cap Value Fund	443,365
Total mutual funds	21,305,553
Self-directed brokerage accounts	30,734
Subtotal	23,572,344
* Parkway Bancorp, Inc.	
Parkway Bancorp, Inc. common stock	7,650,000
* Notes receivable from participants, various maturities	589,392
through November 2029, interest rates 5.25% - 10.50%	
Total	\$ 31,811,736

* Represents a party-in-interest

** Cost not required for participant-directed investments

Parkway Bancorp, Inc. 401(k) Plan

Financial Statements

December 31, 2024

Parkway Bancorp, Inc. 401(k) Plan

Financial Statements with Supplemental Schedule

December 31, 2024 and 2023

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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, 2024 and 2023, 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 (DOL) 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 qualified institutions, as of and for the years ended December 31, 2024 and 2023, stating that the certified 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 institutions agrees to, or is derived from, in all material respects, the information prepared and certified by institutions that management determined meet 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 14, 2025

Parkway Bancorp, Inc. 401(k) Plan

Statements of Net Assets Available for Benefits

December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Investments - at fair value	\$ <u>31,222,344</u>	\$ <u>28,446,368</u>
Receivables		
Employer contributions	412,545	508,114
Notes receivable from participants	<u>589,392</u>	<u>432,463</u>
Total receivables	<u>1,001,937</u>	<u>940,577</u>
Cash	<u>6,321</u>	<u>6,462</u>
Total assets	32,230,602	29,393,407
Liabilities and Net Assets		
Liabilities		
Excess contributions payable	<u>39,357</u>	<u>32,608</u>
Net assets available for benefits	<u>\$ 32,191,245</u>	<u>\$ 29,360,799</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, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Additions		
Investment income		
Net appreciation in fair value of investments	\$ 3,033,796	\$ 3,176,662
Dividends and interest	<u>320,150</u>	<u>313,726</u>
Investment income - net	<u>3,353,946</u>	<u>3,490,388</u>
Interest on notes receivable from participants	<u>42,458</u>	<u>31,374</u>
Contributions		
Participants	962,604	926,517
Employer	412,545	508,114
Rollover	<u>281,429</u>	<u>153,588</u>
Total contributions	<u>1,656,578</u>	<u>1,588,219</u>
Total additions	<u>5,052,982</u>	<u>5,109,981</u>
Deductions		
Benefits paid to participants	2,091,510	1,800,602
Corrective distributions	39,357	32,608
Administrative expenses	<u>91,669</u>	<u>83,237</u>
Total deductions	<u>2,222,536</u>	<u>1,916,447</u>
Net increase	2,830,446	3,193,534
Net assets available for benefits		
Beginning of year	<u>29,360,799</u>	<u>26,167,265</u>
End of year	<u>\$ 32,191,245</u>	<u>\$ 29,360,799</u>

See accompanying notes to financial statements.

Parkway Bancorp, Inc. 401(k) Plan

Notes to Financial Statements

December 31, 2024 and 2023

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). 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. Elective salary deferrals are subject to Internal Revenue Service Code limitations. 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 retirement plans. The Plan includes an automatic enrollment provision whereby all newly eligible employees are automatically enrolled in the Plan, unless they affirmatively elect not to participate, with a default deferral rate set at 2% of eligible compensation.

Contributions to the Plan are invested as directed by the participants in various investment options. In the absence of participant direction, contributions are invested in a qualified default investment alternative account until changed by the participant. Participants must evaluate their own investment goals and objectives and choose the investments best suited to achieve those goals and objectives. Poor investment performance by the investment options selected by the participants may cause their account balance to be lower than contributions made to the Plan.

Although the Plan suspended investment offering in the Company's common stock, participants have the option to continue to maintain their investment in the common stock.

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 \$412,545 and \$508,114 for the years ended December 31, 2024 and 2023, respectively. A participant must have completed one year of service and be employed on the last day of the Plan year to be eligible to receive an employer contribution. One year of service is earned upon completing 1,000 hours during the Plan year.

Note 1. Description of the Plan (continued)

Each participant's account is credited with the participant's contributions 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, 2024 and 2023, forfeitures of \$11,238 and \$3,373 respectively, were incurred. Forfeitures may be used to reduce the 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, 2024 and 2023, forfeiture balances totaled \$1,662 and \$10,586 respectively.

Distributions are payable upon the participant's 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, 2024 and 2023, 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.

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, 2024 and 2023.

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, 2024 and 2023. 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 \$39,357 and \$32,608 at December 31, 2024 and 2023, respectively, 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 on February 3, 2025 and March 15, 2024, respectively.

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 in fair value of investments.

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.

Note 2. Summary of Significant Accounting Policies (continued)

Subsequent Events - Subsequent events have been evaluated through October 14, 2025, 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 Company adopted a non-standardized prototype plan. The Plan is not required to receive a determination letter directly from the Internal Revenue Service, and therefore, the Plan has not received a determination letter specific to the Plan itself. The prototype plan determination letter has been relied upon by the Plan. The Company and Plan administrator believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code, and therefore believes that the Plan is qualified and the related trust is 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 FASB 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:

Note 5. Fair Value Measurements (continued)

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, 2024 and 2023. 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 12/31/24 Using</u>		
		<u>Quoted Prices</u>		
		<u>in Active</u>	<u>Significant</u>	<u>Significant</u>
		<u>Markets for</u>	<u>Other</u>	<u>Significant</u>
		<u>Identical</u>	<u>Observable</u>	<u>Unobservable</u>
		<u>Assets</u>	<u>Inputs</u>	<u>Inputs</u>
		<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
	<u>Total</u>			
Mutual funds	\$ 21,305,553	\$ 21,305,553	\$ -	\$ -
Self-directed brokerage accounts	30,734	26,370	4,364	-
Money market fund	2,236,057	2,236,057	-	-
Parkway Bancorp, Inc. common stock	7,650,000	-	-	7,650,000
Total	<u>\$ 31,222,344</u>	<u>\$ 23,567,980</u>	<u>\$ 4,364</u>	<u>\$ 7,650,000</u>

		<u>Fair Value Measurements at 12/31/23 Using</u>		
		<u>Quoted Prices</u>		
		<u>in Active</u>	<u>Significant</u>	<u>Significant</u>
		<u>Markets for</u>	<u>Other</u>	<u>Significant</u>
		<u>Identical</u>	<u>Observable</u>	<u>Unobservable</u>
		<u>Assets</u>	<u>Inputs</u>	<u>Inputs</u>
		<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
	<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)

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%. There was no change in either valuation approach or valuation technique during the years ended December 31, 2024 and 2023.

The following table present the changes in fair value of the Parkway Bancorp, Inc. common stock for the years ended December 31, 2024 and 2023:

Balance at January 1, 2023	\$ 7,665,000
Net appreciation in fair value	240,000
Purchases, sales and settlements	<u>(340,000)</u>
Balance at December 31, 2023	7,565,000
Net appreciation in fair value	<u>85,000</u>
Balance at December 31, 2024	<u>\$ 7,650,000</u>

Note 5. Fair Value Measurements (continued)

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, 2024 and 2023, 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. Current participants have the option to continue to maintain their investment in the stock. There were no purchases or sales of Company stock during the year ended December 31, 2024.

Note 6. Information Certified by Trustees

The following information included in the accompanying financial statements and ERISA-required supplemental schedule as of December 31, 2024 and 2023, and for the years then ended, was obtained by management and agreed to or was derived from information certified as complete and accurate by Ascensus Trust Company and Newport Trust Company, qualified institutions.

	<u>2024</u>	<u>2023</u>
Cash	\$ 6,321	\$ 6,462
Investments - at fair value:		
Mutual funds	\$ 21,305,553	\$ 18,305,387
Money market fund	\$ 2,236,057	\$ 2,552,030
Notes receivable from participants	\$ 589,392	\$ 432,463
Investment income:		
Net appreciation in fair value of investments	\$ 2,942,628	\$ 2,936,332
Dividends and interest	\$ 127,535	\$ 119,647
Interest on notes receivable from participants	\$ 42,458	\$ 31,374

Note 7. Risks and Uncertainties

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. The current economic environment has increased the degree of uncertainty.

Note 7. Risks and Uncertainties (continued)

Included in investments at December 31, 2024 and 2023 are shares of the Plan sponsor's common stock amounting to \$7,650,000 and \$7,565,000 respectively. This investment represented approximately 24% and 29% of total investments at December 31, 2024 and 2023, 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

As of December 31, 2024 and 2023, the Plan held 20 shares of Parkway Bancorp, Inc. common stock, which represents 2.62% of Parkway Bancorp, Inc.'s total outstanding common stock. Sales proceeds of \$340,000 were recorded for Parkway Bancorp, Inc.'s stock during 2023. No sales were recorded in 2024. Dividends received on the Parkway Bancorp, Inc.'s stock totaled \$192,000 and \$193,515 for the years ended December 31, 2024 and 2023, respectively. In-kind distributions of Company stock are permitted under the Plan. Transactions in such investments qualify as party-in-interest transactions under ERISA.

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>2024</u>	<u>2023</u>
Net assets available for benefits per the financial statements	\$ 32,191,245	\$ 29,360,799
Less - employer contributions receivable at end of year	<u>(412,545)</u>	<u>(508,114)</u>
Net assets available for benefits per Form 5500	<u>\$ 31,778,700</u>	<u>\$ 28,852,685</u>

The following is a reconciliation of employer contributions per the financial statements to Form 5500 for the year ended December 31, 2024:

Employer contributions per the financial statements	\$ 412,545
Add - employer contributions receivable at beginning of year	508,114
Less - employer contributions receivable at end of year	<u>(412,545)</u>
Employer contributions per Form 5500	<u>\$ 508,114</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, 2024 and 2023, and our report thereon dated October 14, 2025, 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 Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA). Therefore, as permitted by ERISA Section 103(a)(3)(C), the 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 DOL's Rules and Regulations for Reporting and Disclosure 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 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.

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 DOL Rules and Regulations for Reporting and Disclosure under 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 the 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 the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedule that agreed 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 its 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 qualified institutions agrees to, or is derived from, in all material respects, the information prepared and certified by institutions that management determined meet the requirements of ERISA Section 103(a)(3)(C).

Legacy Professionals LLP

Westchester, Illinois

October 14, 2025

Parkway Bancorp, Inc. 401(k) Plan

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2024

<u>Description of Fund and Investment</u>	<u>Current Value**</u>
Money market fund	
Vanguard Federal Money Market Fund Investor Shares	\$ 2,236,057
Mutual funds	
BlackRock EAFE Equity Index	89,084
BlackRock Russell 2000 Index Fund	244,659
BlackRock U.S. Debt Index Fund	179,118
BlackRock Equity Index Fund	3,795,435
BlackRock Mid Cap Equity Index Fund	85,500
MyWayRetirement Index 2030 Fund	947,433
MyWayRetirement Index 2035 Fund	710,967
MyWayRetirement Index 2040 Fund	392,154
MyWayRetirement Index 2045 Fund	547,728
MyWayRetirement Index 2050 Fund	237,306
MyWayRetirement Index 2055 Fund	287,039
MyWayRetirement Index 2060 Fund	121,556
MyWayRetirement Index 2065 Fund	56,859
MyWayRetirement Index Retirement Fund	2,229,125
MyWayRetirement Balanced Fund	1,539,813
MyWayRetirement Commodities Fund	83,734
MyWayRetirement Core Bond Fund	13,155
MyWayRetirement Emerging Markets Fund Class	167,700
MyWayRetirement Global Bond Fund	2,761
MyWayRetirement International Growth Fund	821,097
MyWayRetirement International Value	101,765
MyWayRetirement Large Cap Growth Fund	3,635,417
MyWayRetirement Large Cap Value Fund	927,806
MyWayRetirement Mid Cap Growth Fund	1,563,870
MyWayRetirement Mid Cap Value Fund	621,556
MyWayRetirement Multisector Bond Fund	994,651
MyWayRetirement Real Estate Fund	34,613
MyWayRetirement Small Cap Growth Fund	430,287
MyWayRetirement Small Cap Value Fund	443,365
Total mutual funds	21,305,553
Self-directed brokerage accounts	30,734
Subtotal	23,572,344
* Parkway Bancorp, Inc.	
Parkway Bancorp, Inc. common stock	7,650,000
* Notes receivable from participants, various maturities	589,392
through November 2029, interest rates 5.25% - 10.50%	
Total	\$ 31,811,736

* Represents a party-in-interest

** Cost not required for participant-directed investments