

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See Attached Schedule

Blank lined area for listing applicable Internal Revenue Code sections and subsections.

18 Can any resulting loss be recognized? ▶ See Attached Schedule

Blank lined area for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See Attached Schedule

Blank lined area for providing other necessary information for the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶ D. Scott Wilson Date ▶ 05/06/2026

Print your name ▶ D. Scott Wilson Title ▶ EVP/CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			

Vallant Financial, Inc.
Attachment to Form 8937
EIN 58-153-8862
Report of Organization Actions Affecting Basis of Securities

Form 8937 Part 1, Box 9:

The securities subject to reporting include all shares of Vallant Financial, Inc. (“VF”) common stock issued in exchange for the outstanding common stock of Morris State Bancshares, Inc. (“MSB”) as a result of the merger of MSB with and into VF, effective April 1, 2026.

Form 8937 Part II, Box 14:

On April 1, 2026, MSB completed a merger with VF. Pursuant to the terms and conditions of the Agreement and Plan of Merger, dated November 19, 2025, MSB merged with and into VF. As a result of the merger, VF is the surviving corporation while MSB ceased to exist as a corporation.

As noted in the Agreement and Plan of Merger, dated November 19, 2025, MSB shareholders received shares of common stock of VF in exchange for their shares of MSB common stock, plus cash in lieu of any fractional shares of VF common stock that would otherwise have been issued pursuant to the terms of the merger. VF also paid cash for any shares of MSB common stock for which the holder validly exercised statutory dissenter’s rights.

The per share stock consideration for every share of MSB common stock was 0.1095 shares of VF common stock.

No fractional shares of VF common stock were issued in the merger; rather, VF paid cash in lieu of fractional shares. The cash value of fractional shares was \$215.00 times the fraction of a share of VF common stock that would have otherwise been issued.

Prior to the transaction, MSB had 10,249,299.4938 shares. Excluding cash paid to MSB shareholders who validly exercised dissenters’ rights, the final results of the merger consideration were 1,122,108 shares of VF in exchange for MSB shares and cash of \$51,448.73 in lieu of the issuance of fractional shares of VF common stock.

Form 8937 Part II, Box 15:

The merger of MSB with and into VF qualifies as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code, as amended. As a result, each MSB shareholder will recognize a taxable gain, but not a loss, equal to the lesser of the amount of cash received in the exchange or the amount, if any, by which the sum of the cash received plus the fair market value of the shares of VF Common Stock received in the exchange (measured at the time of the exchange) exceeds MSB shareholder’s tax basis in the MSB shares surrendered in the exchange.

Gain or loss must be calculated separately for each identifiable block of MSB common shares surrendered in the exchange having a common tax basis. Each MSB shareholder is encouraged

to consult his or her own personal tax advisor regarding the determination of this realized gain or loss on the exchange.

Each MSB shareholder is required to determine the tax basis on the VF common stock received in the exchange by performing the following calculations separately for each identifiable block of MSB common shares surrendered in the exchange having a common tax basis:

- Begin with the aggregate tax basis of MSB common shares surrendered in the exchange.
- Add the amount of taxable gain, if any, determined from the above calculation (excluding any gain or loss resulting from the deemed receipt and sale of fractional shares);
- Subtract the total amount of cash received (excluding any cash received in lieu of fractional shares described below); and
- Subtract the tax basis in any fractional shares of VF Common Stock that were deemed to have been received in the exchange and immediately sold.

The resulting figure represents the aggregate tax basis of the shares of VF common stock received in the exchange for that identifiable block of MSB common shares transferred. The tax basis of each individual share of VF common stock within this identifiable block is determined by dividing this aggregate tax basis by the number of shares of VF common stock that comprise this identifiable block.

The MSB shareholders who receive cash in lieu of a fractional share of VF common stock are, for purposes of determining the taxability of that cash, deemed to have received the fractional share in the exchange and then as having sold the fractional share for cash. These MSB shareholders will generally recognize a taxable gain or loss equal to the difference between the tax basis of the common shares deemed to have been exchanged for the fractional share and the amount of cash received.

Form 8937 Part II, Box 16:

Refer to the description of the basis calculation in Part II, Box 15 above. The closing price per share of VF common stock on the day of closing was established by valuation at \$215.00.

Form 8937 Part II, Box 17:

VF's acquisition of MSB, pursuant to the merger completed on April 1, 2026, was structured to qualify as a reorganization within the meaning of Section 368(a), and Section 368-2(g) of the Internal Revenue Code, as amended. In general, the income tax consequences to the shareholders are determined under Internal Revenue Code, sections 354 and 361 of the Code.

Form 8937 Part II Box 18:

In general, none of the MSB shareholders who received VF common stock for their shares of MSB stock will recognize any loss. Any MSB shareholder who received cash in lieu of a

fractional share of their MSB common stock may recognize a loss if the amount of cash received is less than the basis in the fractional share, as applicable.

Form 8937 Part II, Box 19:

In general, any adjustment to the tax basis that causes gain or loss recognized by an MSB shareholder as a result of the completion of the merger should be reported for the taxable year that includes April 1, 2026. A calendar year shareholder should report the transaction on a 2026 federal income tax return. The holding period of VF common stock received in exchange for shares of MSB common stock will include the holding period of the MSB common stock for which it is exchanged. A holder of MSB common stock who received cash in lieu of a fractional share of VF common stock will generally be treated as having received the fractional share pursuant to the merger and then as having sold the fractional share of common stock for cash.

No ruling from the Internal Revenue Service (the “IRS”) has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the merger described in this report. This report is not binding on the IRS, and the IRS and the U.S. Courts could disagree with one or more of the positions described above. The information in the form does not constitute tax advice, and each holder of MSB common stock is urged to consult its tax advisor with respect to the application of the United States federal income tax laws to the holder’s particular situation.