Carver Bancorp, Inc. Announces Agreement with Holders of Trust Preferred Securities to Cancel Interest in Exchange for Shares of Common Stock

Significantly Advances Carver's Strategy to Improve Capital Position, Reduce Debt Load and Position the Bank to Deliver More for Its Stockholders and All Stakeholders

NEW YORK – March 16, 2026 – Carver Bancorp, Inc. (the "Company") (OTCQB: CARV), the holding company for Carver Federal Savings Bank (the "Bank"), today announced that it has entered into an agreement with institutional holders of its Trust Preferred Securities (the "TruPS Holders") pursuant to which in excess of $1 million of interest obligations will be forgiven by the TruPS Holders in exchange for granting the TruPS Holders 524,826 shares of common stock (the "Exchange").

Donald Felix, President and CEO of Carver Bancorp, Inc., said, "We have been acting expeditiously and with purpose to solidify Carver's foundation and position the Bank for success. This Exchange is a key part of our efforts to strengthen the Bank's capital position, which is at the core of our turnaround strategy. Removing such a significant debt overhang immediately increases our flexibility to take steps toward growth and profitability. The Exchange also represents an important vote of confidence in our direction and potential. We are committed to making the right decisions needed for Carver to compete more effectively, provide value for all stockholders, and further our mission of empowering everyday New Yorkers to achieve their financial goals."

The Exchange remains subject to customary approvals.

Performance Trust Capital Partners, LLC served as financial advisor to the Company with respect to the Exchange.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any securities, nor shall it constitute an offer to sell, solicitation or sale of securities in any jurisdiction in which such an offer, solicitation or sale would be unlawful.

About Carver Bancorp, Inc.

Carver Bancorp, Inc. (OTCQB: CARV) is the holding company for Carver Federal Savings Bank, a federally chartered stock savings bank. Headquartered in Harlem, NY, Carver was founded in 1948 to serve historically underserved communities in New York whose residents, businesses, and institutions had limited access to mainstream financial services. The U.S. Treasury Department has designated Carver as a Community Development Financial Institution ("CDFI") because of its community-focused banking services and dedication to its local community's economic viability and revitalization. Carver is one of the largest African- and Caribbean-American-managed banks in the United States. Carver's online banking presence includes consumer checking and savings accounts across nine states, from Massachusetts to Virginia and Washington, DC. For further information, please visit the Company's website at www.carverbank.com. Be sure to connect with Carver on Facebook, LinkedIn, and Instagram.

Forward-Looking Statements

This release may contain certain "forward-looking statements" that represent the Company's current expectations or beliefs concerning future events. Forward-looking statements can be identified by the use of words such as "estimate," "project," "believe," "intend," "anticipate," "assume," "plan," "seek," "expect," "will," "may," "should," "indicate," "would," "contemplate," "continue," "target" and words of similar meaning. Forward-looking statements are, by their nature, subject to numerous risks and uncertainties. Certain factors that could cause actual results to differ materially from expected results include changes in general economic conditions, changes in the interest rate environment, changes in prevailing depository institution stock prices, the evolution of the depository institution merger market, market reactions to the Company's agreement with the holders of its Trust Preferred Securities as described above, changes to the Company's business plan and strategy review, legislative and regulatory changes that adversely affect the business of the Company and the Bank, and changes in the securities markets. Because of the risks and uncertainties inherent in forward-looking statements, readers are cautioned not to place undue reliance on them, whether included in this news release or made elsewhere from time to time by the Company or on its behalf. The Company disclaims any obligation to update such forward-looking statements.

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