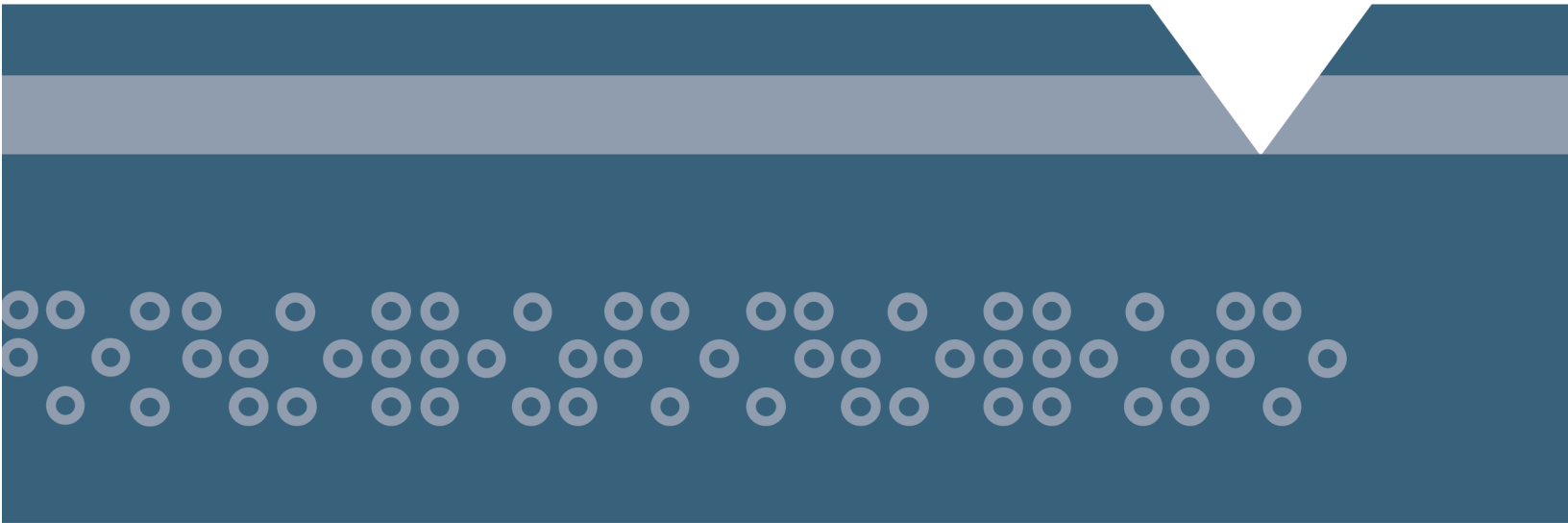


**Bonvenu Bancorp, Inc. and Subsidiary**  
Bossier City, Louisiana

December 31, 2025 and 2024



CERTIFIED PUBLIC  
ACCOUNTANTS

**BONVENU BANCORP, INC. AND SUBSIDIARY**

**BOSSIER CITY, LOUISIANA**

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**AUDITED FINANCIAL STATEMENT**



To the Audit Committee and Board of Directors of Bonvenu Bancorp, Inc.

The Internal Audit Department (Internal Audit) has examined the implementation of internal control over financial reporting for Bonvenu Bancorp, Inc. (the Company) as of December 31, 2025. The purpose of the review is to provide management with an assessment of the Company's effectiveness of internal control over financial reporting.

The Company's internal control over financial reporting is a process designed and effected by those charged with governance, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America and financial statements for regulatory reporting purposes, *i.e.*, Federal Financial Institutions Examination Council 051, Consolidated Reports of Condition and Income and the Board of Governors of the Federal Reserve System FR Y-9SP Parent Company Only Financial Statements for Small Bank Holding Companies. The Company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and financial statements for regulatory reporting purposes, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention, or timely detection and correction, of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Management is responsible for establishing and maintaining effective internal control over financial reporting including controls over the preparation of regulatory financial statements. Based on the evaluation provided by Internal Audit, management assessed the effectiveness of the Company's internal control over financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the Federal Financial Institutions Examination Council 051, Consolidated Reports of Condition and Income and the Board of Governors of the Federal Reserve System FR Y-9SP Parent Company Only Financial Statements for Small Bank Holding Companies, as of December 31, 2025. The evaluation and management's assessment are based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control—Integrated Framework*. Based on that assessment management concluded that, as of December 31, 2025, the Company's internal control over financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the Federal Financial Institutions Examination Council 051, Consolidated Reports of Condition and Income



and the Board of Governors of the Federal Reserve System FR Y-9SP Parent Company Only Financial Statements for Small Bank Holding Companies, is effective based on the criteria established in *Internal Control—Integrated Framework*. The following subsidiary institutions of the Company are subject to this assessment of the effectiveness of internal control over financial reporting: Bonvenu Bank, N.A., Bossier City, LA.

### **Management's Assessment of Compliance with Designated Laws and Regulations**

The management of Bonvenu Bancorp, Inc. (the "Institution") has assessed the Institution's compliance with the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions during the fiscal year that ended on December 31, 2025. Based upon its assessment, management has concluded that the Institution complied with the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions during the fiscal year that ended on December 31, 2025.

### **Independent Assessment of Internal Control over Financial Reporting**

The effectiveness of internal control over financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the Federal Financial Institutions Examination Council 051, Consolidated Reports of Condition and Income and the Board of Governors of the Federal Reserve System FR Y-9SP Parent Company Only Financial Statements for Small Bank Holding Companies, as of December 31, 2025, was also assessed in accordance with auditing standards generally accepted in the United States of America by Heard, McElroy, & Vestal, LLC, an independent public accounting firm, in their audit of Bonvenu Bancorp, Inc. as stated in their report dated March 12, 2026.

*Jason Smith*

Jason Smith (Mar 4, 2026 21:51:28 CST)

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Jason D. Smith, Chief Executive Officer  
Bonvenu Bancorp, Inc. and Bonvenu Bank, N.A.

03/04/26  
Date: \_\_\_\_\_

*Clint Davis*

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Clint J. Davis, Chief Financial Officer  
Bonvenu Bancorp, Inc. and Bonvenu Bank N.A.

03/04/26  
Date: \_\_\_\_\_



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REGIONS TOWER  
333 TEXAS STREET, SUITE 1525 | SHREVEPORT, LOUISIANA 71101  
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## INDEPENDENT AUDITOR'S REPORT

The Audit Committee and Stockholders  
Bonvenu Bancorp, Inc. and Subsidiary  
Bossier City, Louisiana

### Opinion

We have audited the accompanying consolidated financial statements of Bonvenu Bancorp, Inc. and Subsidiary, which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Bonvenu Bancorp, Inc. and Subsidiary as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bonvenu Bancorp, Inc. and Subsidiary 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 audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bonvenu Bancorp, Inc. and Subsidiary's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 generally accepted

auditing standards 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, including omissions, 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 consolidated 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 Bonvenu Bancorp, Inc. and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bonvenu Bancorp, Inc. and Subsidiary's ability to continue as a going concern for a reasonable period of time.

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.

#### **Report on Other Financial Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information on pages 46 through 48 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. 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 consolidated financial statements. The information has been subjected to the auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements. Or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Heard, McElroy & Vestal, LLC*

Shreveport, Louisiana  
March 23, 2026

**BONVENU BANCORP, INC. AND SUBSIDIARY****CONSOLIDATED BALANCE SHEETS****DECEMBER 31, 2025 AND 2024**

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<u>ASSETS</u>	<u>2025</u>	<u>2024</u>
Cash and cash equivalents:		
Cash due from banks	21,535,444	31,188,537
Interest bearing balances due from banks	<u>170,688,114</u>	<u>61,237,951</u>
Total cash and cash equivalents	192,223,558	92,426,488
Investment securities:		
Debt securities available for sale, at fair value	340,482,990	304,336,746
Restricted investment securities, at cost	<u>6,259,670</u>	<u>7,997,869</u>
Total investment securities	346,742,660	312,334,615
Loans, less allowance for credit losses	1,007,074,939	1,058,794,387
Mortgage loans held for sale	110,307	749,973
Accrued interest receivable	4,957,961	4,997,597
Bank premises, automobiles and equipment, net	18,672,067	19,019,523
Cash surrender value of life insurance	28,867,823	28,393,470
Goodwill	5,241,099	5,241,099
Other intangible assets, net	19,818	79,272
Deferred tax assets	10,504,773	14,066,029
Operating lease right-of-use assets	5,748,650	6,248,225
Other assets	<u>2,816,889</u>	<u>2,608,162</u>
<b>Total assets</b>	<u><u>1,622,980,544</u></u>	<u><u>1,544,958,840</u></u>

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The accompanying notes are an integral part of the financial statements.

**BONVENU BANCORP, INC. AND SUBSIDIARY**

**CONSOLIDATED BALANCE SHEETS**

**DECEMBER 31, 2025 AND 2024**

<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>	<u>2025</u>	<u>2024</u>
<b><u>Liabilities:</u></b>		
Deposits:		
Noninterest bearing	331,436,149	316,498,779
Savings and interest bearing	837,088,527	763,965,373
Time	<u>246,490,045</u>	<u>265,426,793</u>
Total deposits	1,415,014,721	1,345,890,945
Borrowings	62,364,535	70,192,269
Accrued interest payable	2,384,729	2,398,856
Operating lease liabilities	5,882,767	6,366,383
Accrued expenses and other liabilities	<u>13,572,667</u>	<u>12,325,098</u>
Total liabilities	1,499,219,419	1,437,173,551
<b><u>Stockholders' equity:</u></b>		
Common stock, authorized 10,000,000 shares, par value \$5.00 per share, issued 6,536,742	32,683,718	32,831,828
Additional paid in capital	12,290,346	12,605,596
Retained earnings	101,789,667	97,983,846
Accumulated other comprehensive income (loss)	<u>(23,002,606)</u>	<u>(35,635,981)</u>
Total stockholders' equity	<u>123,761,125</u>	<u>107,785,289</u>
<b>Total liabilities and stockholder's equity</b>	<u><u>1,622,980,544</u></u>	<u><u>1,544,958,840</u></u>

The accompanying notes are an integral part of the financial statements.  
(continued)

**BONVENU BANCORP, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b><u>Interest income:</u></b>		
Loans, including fees	62,319,435	62,063,581
Investment securities	9,255,080	10,612,321
Interest bearing deposits in banks	<u>3,587,789</u>	<u>1,764,678</u>
Total interest income	75,162,304	74,440,580
<b><u>Interest expense:</u></b>		
Deposits	29,370,826	30,449,521
Federal funds purchased	6,485	99,940
Other borrowed funds	<u>3,901,709</u>	<u>6,239,273</u>
Total interest expense	<u>33,279,020</u>	<u>36,788,734</u>
Net interest income	41,883,284	37,651,846
Provision for credit losses	-	750,000
Provision for off balance sheet credit	<u>400,000</u>	<u>(300,000)</u>
Total provision expense	400,000	450,000
Net interest income after provision for credit losses	41,483,284	37,201,846
<b><u>Other income (loss):</u></b>		
Service charges on deposit accounts	3,168,182	2,890,016
Other service charges and fees	4,713,782	3,989,860
Net (loss) on AFS investments	(354,112)	-
Mortgage servicing revenue, net	<u>271,918</u>	<u>291,088</u>
Total other income (loss)	7,799,770	7,170,964
<b><u>Operating expenses:</u></b>		
Salaries and employee benefits	23,833,965	22,194,412
Occupancy expense	4,188,434	3,909,922
Other operating expenses	<u>12,535,205</u>	<u>12,931,731</u>
Total operating expenses	<u>40,557,604</u>	<u>39,036,065</u>
<b><u>Income before income taxes</u></b>	<u>8,725,450</u>	<u>5,336,745</u>
<b><u>Income tax expense</u></b>	<u>1,381,936</u>	<u>551,993</u>
<b><u>Net income</u></b>	<u><u>7,343,514</u></u>	<u><u>4,784,752</u></u>

The accompanying notes are an integral part of the financial statements.

**BONVENU BANCORP, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

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	<u>2025</u>	<u>2024</u>
Net income	7,343,514	4,784,752
Unrealized holding gain(loss) arising during period net of (\$2,594,261) and (\$147,823) tax effect, respectively)	12,353,626	(703,917)
Reclassification adjustment for loss realized in net income (net of \$74,364 and \$10,849 tax effect, respectively)	<u>279,749</u>	<u>40,812</u>
Other comprehensive income (loss), net of tax	<u>12,633,375</u>	<u>(663,105)</u>
Comprehensive income (loss)	<u><u>19,976,889</u></u>	<u><u>4,121,647</u></u>

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The accompanying notes are an integral part of the financial statements.

**BONVENU BANCORP, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount				
<b>Balance at January 1, 2024</b>	6,569,087	32,845,443	12,748,745	99,769,181	(34,972,876)	110,390,493
Net income	-	-	-	4,784,752	-	4,784,752
Other comprehensive income (loss), net of tax	-	-	-	-	(663,105)	(663,105)
Issuance of common stock	24,268	121,340	330,607	-	-	451,947
Repurchase of common stock	(26,991)	(134,955)	(480,980)	-	-	(615,935)
Stock compensation expense	-	-	7,224	-	-	7,224
Cash dividends	-	-	-	(6,570,087)	-	(6,570,087)
<b>Balance at December 31, 2024</b>	6,566,364	32,831,828	12,605,596	97,983,846	(35,635,981)	107,785,289
Net income	-	-	-	7,343,514	-	7,343,514
Other comprehensive income (loss), net of tax	-	-	-	-	12,633,375	12,633,375
Issuance of common stock	26,236	131,180	346,100	-	-	477,280
Repurchase of common stock	(55,858)	(279,290)	(662,846)	-	-	(942,136)
Deferred Compensation	-	-	-	(256,577)	-	(256,577)
Stock compensation expense	-	-	1,496	-	-	1,496
Cash dividends	-	-	-	(3,281,116)	-	(3,281,116)
<b>Balance at December 31, 2025</b>	<u>6,536,742</u>	<u>32,683,718</u>	<u>12,290,346</u>	<u>101,789,667</u>	<u>(23,002,606)</u>	<u>123,761,125</u>

The accompanying notes are an integral part of the financial statements.

**BONVENU BANCORP, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b><u>Cash flows from operating activities:</u></b>		
Net income	7,343,514	4,784,752
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	-	750,000
Provision for (benefit from) off balance sheet losses	400,000	(300,000)
Loss on sale of securities	354,112	51,661
Gain on sale of other real estate owned	(2,370)	(127,112)
Loss on disposal of bank premises, automobiles and equipment	54,205	74,250
Depreciation	1,466,911	1,402,414
Amortization of investment premium	799,097	1,023,310
Noncash operating lease expense (benefit)	1,168,466	1,094,188
(Increase) in market value of cash surrender value of life insurance	(754,066)	(673,551)
Amortization of intangible assets	59,454	59,454
Deferred income tax expense	203,017	24,283
Stock compensation expense	1,496	7,224
(Increase) decrease in mortgage loans held for sale	639,666	(532,410)
Decrease in accrued interest receivable	39,636	517,886
(Increase) in other assets	(208,727)	(247,940)
Increase (decrease) in accrued interest payable	(14,127)	498,450
Increase (decrease) in accrued expenses and other liabilities	<u>338,939</u>	<u>(1,767,316)</u>
Total adjustments	<u>4,545,709</u>	<u>1,854,791</u>
Net cash provided by operating activities	11,889,223	6,639,543
<b><u>Cash flows from investing activities:</u></b>		
Proceeds from maturities, calls and sales of debt securities available for sale	73,766,651	118,449,070
Purchases of debt securities available for sale	(95,073,986)	(2,092,713)
Net change in restricted investment securities	1,738,199	690,200
Net change in loans	51,319,448	(45,646,205)
Redemption of bank owned life insurance	279,733	-
Purchases of bank premises, automobiles, and equipment	(1,193,160)	(3,052,070)
Proceeds from sale of other real estate owned	<u>-</u>	<u>436,020</u>
Net cash provided by investing activities	30,836,885	68,784,302

The accompanying notes are an integral part of the financial statements.

**BONVENU BANCORP, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

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**Cash flows from financing activities:**

Net change in noninterest bearing demand deposits	14,937,370	(28,752,150)
Net change in savings and interest bearing deposits	73,123,154	(4,551,403)
Net change in time deposits	(18,936,748)	90,456,482
Net change increase in borrowings	(7,827,734)	(110,889,224)
Dividends paid	(3,282,944)	(6,570,087)
Proceeds from exercise of stock options	-	60,070
Repurchase of common stock	<u>(942,136)</u>	<u>(615,935)</u>
Net cash (used in) provided by financing activities	<u>57,070,962</u>	<u>(60,862,247)</u>

<b><u>Net change in cash and cash equivalents</u></b>	99,797,070	14,561,598
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<b><u>Cash and cash equivalents-beginning of year</u></b>	<u>92,426,488</u>	<u>77,864,890</u>
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<b><u>Cash and cash equivalents-end of year</u></b>	<u><u>192,223,558</u></u>	<u><u>92,426,488</u></u>
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**Supplementary non cash disclosures:**

Interest paid on deposits and borrowed funds	31,912,572	35,914,210
Income taxes paid	1,178,919	527,710
Assets acquired in settlement of loans	-	421,672
Operating lease liabilities arising from obtaining right of use assets	399,781	832,396

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The accompanying notes are an integral part of the financial statements.

**BONVENU BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 AND 2024**

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**1. Summary of Significant Accounting Policies**

**Consolidation** – The accounting and reporting policies of Bonvenu Bancorp, Inc. conform to accounting principles generally accepted in the United States of America and general practices within the banking industry. The consolidated financial statements include the accounts of Bonvenu Bancorp, Inc. (the Company) and its wholly owned subsidiary, Bonvenu Bank, N.A. (the Bank). All significant intercompany accounts and transactions have been eliminated in consolidation.

**Business** – Citizens National Bancshares of Bossier, Inc. was incorporated under the laws of the State of Louisiana on June 12, 1995. The Company rebranded to Bonvenu Bancorp, Inc. in April 2024. The Company is a one-bank holding company which owns 100% of the outstanding common stock of Bonvenu Bank, N.A. The Company issued the Company stock and began operations effective November 1, 1995. Effective March 31, 2011, the Company acquired Citizens Bank & Trust Company (Springhill). In November 2011, Springhill merged with and into the Company.

Bonvenu Bank, N.A. originates commercial, residential, and consumer loans to customers throughout Louisiana. Although the Company has a diversified loan portfolio, approximately 84% of its loans are concentrated in small businesses dependent on the local economy. Approximately 82% of the Company's loan portfolio is secured by real estate collateral.

The Company is subject to competition from other financial institutions and is also subject to the regulations of certain federal and state agencies and undergoes periodic examinations by those regulatory authorities.

**Use of Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for credit losses, the valuation of real estate acquired in connection with foreclosures or in satisfaction of loans, deferred tax assets, and fair values of financial instruments. In connection with the determination of the allowances for losses on loans and foreclosed real estate, management obtains independent appraisals for significant properties. While management uses available information to recognize losses on loans, future additions to the allowances may be necessary based on changes in local economic conditions. In addition, regulatory agencies, as an integral part of their examination process, periodically review the Company's allowances for credit losses and foreclosed real estate. Such agencies may require the Company to recognize additions to the allowances based on their judgments about information available to them at the time of their examination. Because of these factors, it is reasonably possible that the allowances for credit losses and foreclosed real estate may change materially in the near future.

**Advertising Costs** – The Company expenses advertising costs as incurred. Advertising costs were \$1,322,827 and \$648,427 for the years ending December 31, 2025 and 2024, respectively.

**Cash and Cash Equivalents** – For purposes of reporting cash flows, cash and cash equivalents include cash on hand, noninterest-bearing balances due from banks, interest bearing deposits in banks that have original maturities of less than three months, and federal funds sold.

**Investment Securities** – The Company classifies its debt and marketable equity securities in one or

**BONVENU BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 AND 2024**

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more of three categories: trading, available for sale, or held to maturity. Trading securities are bought and held principally for the purpose of selling them in the near term. Held to maturity securities are those securities which the Company has the ability and intent to hold until maturity. All other securities not included in trading or held to maturity are classified as available for sale.

Trading and available for sale securities are recorded at fair value. Held to maturity securities are recorded at amortized cost, adjusted for the amortization or accretion of premiums or discounts. Unrealized holding gains and losses on trading securities are included in earnings. Unrealized holding gains and losses, net of the related tax effect, on available for sale securities are reported as a separate component of stockholders' equity until realized. Cumulative changes in unrealized gains and losses on such securities are accounted for in accumulated other comprehensive income as part of stockholders' equity. Transfers of securities between categories are recorded at fair value at the date of transfer.

Management evaluates all investments in an unrealized loss position on at least a quarterly basis, and more frequently when economic or market conditions warrant such evaluation. If the Company has the intent to sell the security, or it is more likely than not that the Company will be required to sell the security, the security is written down to fair value, and the entire loss is recorded in earnings.

If either of the above criteria is not met, the Company evaluates whether the decline in fair value is the result of credit losses or other factors. In making the assessment, the Company may consider various factors including the extent to which fair value is less than amortized cost, performance of any underlying collateral, downgrades in the ratings of the security by a rating agency, the failure of the issuer to make scheduled interest or principal payments and adverse conditions specifically related to the security. If the assessment indicates that a credit loss exists, the present value of the cash flows expected to be collected is compared to the amortized cost basis of the security and any excess is recorded as an allowance for credit loss, limited to the amount that the fair value is less than the amortized cost basis. Any amount of unrealized loss that has not been recorded through an allowance for credit loss is recognized in other comprehensive income.

Changes in the allowance for credit loss are recognized as provision for (or reversal of) credit loss expense. Losses are charged against the allowance for credit loss when management believes an available-for-sale security is confirmed to be uncollectible or when either of the criteria regarding intent or requirement to sell is met. As of December 31, 2025 and 2024, there was no allowance for credit loss related to the available-for-sale portfolio. Accrued interest receivable on available-for-sale securities was excluded from the estimate of credit losses.

Premiums and discounts are amortized or accreted over the life of the related security as an adjustment to yield. Dividend and interest income are recognized when earned. Realized gains and losses for securities classified as available-for-sale and held-to-maturity are included in earnings and are derived using the specific identification method for determining the cost of securities sold.

The Company acquires restricted securities in nonpublic transactions and are carried on the books at cost. The stakeholder of these restricted securities prompts the sale of the restricted stock. Gain or loss on sale would be recognized at the time of sale.

***Mortgage Loans Held for Sale*** – Mortgage loans held for sale are primarily fifteen-year to thirty-year fixed-rate, one-to-four family real estate loans which are valued at the lower of cost or market, as

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determined by outstanding commitments from investors or current investor yield requirements, calculated on an individual basis. These loans are originated with the intent of selling them on the secondary market. Net gains on sales of loans amounted to \$271,918 and \$291,088 for the years ended December 31, 2025 and 2024, respectively.

Unrealized losses on mortgage loans held for sale are charged against income in the period of decline. Such declines are recorded in a valuation allowance account and deducted from the cost basis of the loans. Gains and losses on mortgage loans held for sale are recognized based on the difference between the selling price and the carrying value of the related mortgage loans sold.

**Loans** – Loans that management has the intent and ability to hold for the foreseeable future or until maturity or pay-off generally are reported at their outstanding unpaid principal balances adjusted for charge-offs, the allowance for credit losses, and any deferred fees or costs on originated loans. Interest income is accrued on the unpaid principal balance. Loan origination fees (net of related loan costs) are deferred and recognized as an adjustment of the related loan yield using the interest method.

The accrual of interest on loans is discontinued at the time the loan is 90 days past due unless the credit is well secured and in the process of collection. Past due status is based on the contractual terms of the loan. However, loans may be placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful.

All interest accrued but not collected for loans that are placed on nonaccrual or charged off is reversed against interest income. The interest on these loans is subsequently accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all principal and interest amounts contractually due are brought current and future payments are reasonably assured, or when the loan becomes well secured and in the process of collection.

**Loans Acquired as a Result of Merger** – The Bank accounts for its acquisitions using the purchase method of accounting. All identifiable assets acquired, including loans, are recorded at fair value. No allowance for credit losses related to the acquired loans is recorded on the acquisition date as the fair value of the loans acquired incorporates assumptions regarding credit risk. The fair value estimates associated with the loans include estimates related to expected prepayments and the amount and timing of undiscounted expected principal, interest, and other cash flows. Interest income is recognized based on the acquired loan's contractual cash flows. Any discount is accreted to earnings based on contractual cash flows.

**Allowance for Credit Losses** – The Company's allowance for credit losses (ACL) methodology is based upon guidance within ASC 326 as well as applicable regulatory guidance. The ACL is a valuation account that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the loans. Loans are charged off against the ACL when management believes the uncollectability of a loan balance is confirmed. Expected recoveries do not exceed the aggregate of amounts previously charged-off and expected to be charged-off. Accrued interest receivable is excluded from the estimate of credit losses.

The allowance for credit losses represents management's estimate of lifetime credit losses inherent in loans as of the balance sheet date. When computing allowance levels, credit loss assumptions are estimated using a model that categorizes loan pools based on loss history, delinquency status and

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other credit trends and risk characteristics, including current conditions and reasonable and supportable forecasts about the future. Evaluations of the portfolio and individual credits are inherently subjective, as they require estimates, assumptions and judgements as to the facts and circumstances of particular situations. Determining the appropriateness of the allowance is complex and requires judgement by Management about the effect of matters that are inherently uncertain. In future periods, evaluations of the overall loan portfolio, in light of the facts and forecasts then prevailing, may result in significant changes in the allowance for credit loss expenses.

The allowance for credit losses is estimated by management using relevant available information, from internal and external sources, related past events, current conditions, and reasonable and supportable forecasts. The Company uses a third-party software application to calculate the quantitative portion of the ACL using a methodology and assumptions specific to each loan pool. The qualitative portion of the allowance is based on general economic conditions and other internal and external factors affecting the Company as a whole specific to the loan portfolio. Factors include the following: lending policies and procedures, economic conditions and concentrations of credit, nature and volume of the loan portfolio, performance trends and external factors. The quantitative and qualitative portions of the allowance are added together to determine the total ACL, which reflects management's expectations of future conditions based on reasonable and supportable forecasts.

Historical credit loss experience provides the basis for the estimation of expected credit losses. Adjustments to historical loss information are made for differences in current loan-specific risk characteristics such as differences in underwriting standards, portfolio mix, delinquency level, or term as well as for changes in environmental conditions, such as changes in unemployment rates, property values, or other relevant factors.

The methodology for estimating the amount of expected credit losses reported in the ACL has two basic components: a collective, or pooled, component for estimated expected credit losses for pools of loans that share similar risk characteristics, and an asset-specific component involving individual loans that do not share risk characteristics with other loans and the measurement of expected credit losses for such individual loans. In estimating the ACL for the collective component, loans are segregated into loan pools based on loan product types and similar risk characteristics. The Company has segregated its loan portfolio by FDIC call report codes.

The Company calculates the allowance for credit losses for each pool using the Cohort method. Historical loss rates for each pool are calculated based on charge-off and recovery data over a ten-year look-back period. Historical loss rates are adjusted for the effects of the quantitative and qualitative factors mentioned above. The estimated remaining lives consist of the contractual lives, adjusted for estimated prepayments. An unallocated component is maintained to cover uncertainties that could affect management's estimate of probable losses. The unallocated component of the allowance reflects the margin of imprecision inherent in the underlying assumptions used in the methodologies for estimating specific and general losses in the portfolio.

Loans that exhibit characteristics different from their pool characteristics are evaluated on an individual basis. Loans evaluated individually are also not included in the collective evaluation. When the borrower is experiencing financial difficulty and repayment is expected to be provided through operation or sale of the collateral, the expected credit losses are based on the fair value of collateral

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at the reporting date, adjusted for selling costs as appropriate.

**Allowance for Credit Losses – Unfunded Commitments** - Financial instruments include off-balance sheet credit instruments, such as commitments to make loans and commercial letters of credit issued to meet customer financing needs. The Company's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for off-balance sheet loan commitments is represented by the contractual amount of those instruments. Such financial instruments are recorded when they are funded.

The Company records an allowance for off-balance sheet exposures, unless the commitments to extend credit are unconditionally cancelable, through a charge to provision for unfunded commitments in the Company's income statements. The allowance for credit losses on off-balance sheet credit exposures is estimated by loan segment at each balance sheet date under the current expected credit loss model using the same methodologies as portfolio loans, taking into consideration the likelihood that funding will occur as well as any third-party guarantees. The allowance for unfunded commitments is included in other liabilities on the Company's consolidated balance sheet and was \$1,396,315 and \$996,315 as of December 31, 2025 and 2024, respectively.

**Leases** - Leases are classified as operating or finance leases at the lease commencement date. The Company leases certain bank branches and office spaces. The Company records leases on the balance sheet in the form of a lease liability for the present value of future minimum payments under the lease terms and a right-of-use asset equal to the lease liability adjusted for items such as deferred or prepaid rent, lease incentives, and any impairment of the right-of-use asset. When a stated discount rate is not present in the lease agreement, the discount rate used in determining the lease liability is based upon the incremental borrowing rates the Company could obtain for similar loans as of the date of commencement or renewal. The Company does not record leases on the consolidated balance sheets that are classified as short term (less than one year).

At lease inception, the Company determines the lease term by considering the minimum lease term and all optional renewal periods that the Company is reasonably certain to renew. The lease term is also used to calculate straight-line rent expense. The depreciable life of leasehold improvements is limited by the estimated lease term, including renewals if they are reasonably certain to be renewed. The Company's leases do not contain residual value guarantees or material variable lease payments that will impact the Company's ability to pay dividends or cause the Company to incur additional expenses.

Rent expense is included in occupancy expense on the Company's Consolidated statements of income. The Company's variable lease expense includes rent escalators that are based on market conditions and include items such as common area maintenance, utilities, property taxes, insurance, and other costs associated with the lease.

**Bank Premises, Automobiles and Equipment** – Bank premises, automobiles and equipment are carried at cost, less accumulated depreciation. Depreciation of premises, automobiles and equipment is provided on the straight-line method over the estimated useful lives of the related assets, ranging from three to fifty years. Accelerated depreciation methods are used for income tax purposes. Maintenance and repairs are charged to expense as incurred, and renewals and betterments are capitalized. When premises, automobiles and equipment are retired or otherwise

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disposed of, the cost of the assets and related accumulated depreciation are removed from the accounts and the resulting gains or losses are recognized.

**Other Real Estate** – Other real estate represents property acquired through foreclosure or deeded in lieu of foreclosure on loans on which the borrowers have defaulted as to payment of principal and interest. These properties are carried at the lower of cost of acquisition or the asset's fair value, less estimated selling costs. Reductions in the balance at the date of acquisition are charged to the allowance for credit losses. Any subsequent write-downs to reflect current fair value are charged to noninterest expense. There were no allowances for possible write-downs in the value of other real estate owned at December 31, 2025 and 2024.

**Goodwill and Other Intangible Assets** – Goodwill arises from business combinations and is generally determined as the excess of the fair value of the consideration transferred. Goodwill and intangible assets acquired in a purchase business combination and determined to have an indefinite useful life are not amortized but tested for impairment at least annually or more frequently if events exist that indicate a goodwill impairment test should be performed. The Company has selected December 31, 2025, as the date to perform the annual impairment test. Intangible assets with definite useful lives are amortized over their estimated useful lives. Other intangible assets consist of core deposits arising from bank acquisitions are amortized over their useful lives.

**Income Taxes** – The Company, with its subsidiary, Bonvenu Bank, N.A., files a consolidated federal tax return. Income taxes and benefits are allocated based on each entity's relative amount of pretax income or loss.

Provisions for income taxes are based on taxes payable or refundable for the current year (after exclusion of nontaxable income such as interest on state and municipal securities) and deferred taxes on temporary differences between the tax bases of assets and liabilities and their reported amounts in the financial statements. Deferred tax assets and liabilities are included in the financial statements at currently enacted tax rates applicable to the period in which the deferred tax assets and liabilities are expected to be realized or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes. A valuation allowance is established, if necessary, to reduce deferred tax assets to amounts that will more likely than not be realized.

**Stock-Based Compensation Plans**– The cost of employee services received in exchange for stock options or restricted stock grants are measured using the fair value of the award on the grant date and is recognized over the service period.

The Company applies the provisions of FASB ASC 718, "Compensation – Stock Compensation" to its stock-based compensation plan. Accordingly, shares of stock or other equity instruments of the Company issued to employees or liabilities incurred by the Company to employees based on the price of its stock are recorded at fair value. The cost of employee services received in exchange for stock options is measured using the fair value of the award on the grant date and is recognized over the service period, which is usually the vesting period. The restricted stock granted under these plans provides common stock to recipients at the grant date. The restrictions vest in thirty-three percent increments on the first through third anniversaries of the grant date. The Company recognizes forfeitures as they occur.

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**Comprehensive Income** – Comprehensive income consists of net income and other comprehensive income. Other comprehensive income includes unrealized gains and losses on available-for-sale securities, which are reported as a separate component of equity.

**Bank-Owned Life Insurance** – The Bank has purchased life insurance policies on certain key executives. Bank-owned life insurance is recorded at the amount that can be realized under the insurance contract at the balance sheet date, which is the cash surrender value adjusted for other charges or other amounts due that are probable at settlement.

**Revenue Recognition** – The Company’s interest income is derived from loans, securities and other short-term investments. The Company recognizes interest income in accordance with the applicable guidance in U.S. GAAP for these assets. Non-interest income that are within the scope of the revenue recognition standard are composed of the following:

- Service charges on deposits consist primarily of monthly service charges on deposit accounts, transaction-based fees (such as overdraft fees and wire transfer fees), and other deposit account-related charges. The Company’s performance obligations for consumer deposit account service charges are typically satisfied over time while performance obligations for transaction-based fees are typically satisfied at a point in time. Revenues are recognized when or as the services are provided to the customer. Payments are typically collected from the customer directly from the related deposit account at the time the transaction is processed and/or at the end of the customer’s statement cycle (typically monthly).
- Other income primarily includes ATM fees, interchange fees earned when the Company’s credit and debit cards are processed through card association networks, bank-owned life insurance income and other miscellaneous revenues and gains. For these fees, the Company’s performance obligations are generally satisfied when the transactions generating the fees are processed or completed.
- Mortgage revenues consist primarily of origination fees and gains on loan sales. Mortgage revenues are recognized when earned or as each transaction occurs.

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**2. Investment Securities**

The amortized cost of investment securities available-for-sale and their fair values at December 31, 2025 and 2024, are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<b><u>December 31, 2025</u></b>				
Debt securities:				
U.S Gov't Agency	-	-	-	-
U.S. Treasury	-	-	-	-
Mortgage-backed	305,835,762	557,791	(24,672,157)	281,721,396
State and municipal	63,764,452	3,423	(5,006,281)	58,761,594
	<u>369,600,214</u>	<u>561,214</u>	<u>(29,678,438)</u>	<u>340,482,990</u>

**December 31, 2024**

Debt securities:

U.S Gov't Agency	7,855,458	879	(3,708)	7,852,629
U.S. Treasury	6,992,258	-	(12,038)	6,980,220
Mortgage-backed	261,916,594	-	(37,173,407)	224,743,187
State and municipal	72,681,273	-	(7,920,563)	64,760,710
	<u>349,445,583</u>	<u>879</u>	<u>(45,109,716)</u>	<u>304,336,746</u>

The amortized cost and fair value of available-for-sale securities at December 31, 2025, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties. Mortgage-backed securities are reported based upon the stated maturity date.

	Securities	
	Available-for-Sale	
	Cost	Fair Value
Due in one year or less	1,149,932	1,151,498
Due from one year to five years	16,028,609	15,720,828
Due from five to ten years	67,787,068	61,863,609
Due after ten years	284,634,606	261,747,055
	<u>369,600,215</u>	<u>340,482,990</u>

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Information pertaining to securities with gross unrealized losses at December 31, 2025 and 2024, aggregated by investment category and length of time that individual securities have been in a continuous loss position are as follows:

	<u>Less Than 12 Months</u>		<u>Greater Than 12 Months</u>		<u>Total</u>	
	Gross		Gross		Gross	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
<b><u>Securities available-for-sale</u></b>						
<b><u>December 31, 2025</u></b>						
Debt securities:						
U.S Gov't Agency	-	-	-	-	-	-
U.S. Treasury	-	-	-	-	-	-
Mortgage-backed	29,316,836	(73,675)	189,645,188	(24,598,482)	218,962,024	(24,672,157)
State and municipal	1,807,219	(2,955)	51,276,019	(5,003,326)	53,083,238	(5,006,281)
	<u>31,124,055</u>	<u>(76,630)</u>	<u>240,921,207</u>	<u>(29,601,808)</u>	<u>272,045,262</u>	<u>(29,678,438)</u>
<b><u>Securities available-for-sale</u></b>						
<b><u>December 31, 2024</u></b>						
Debt securities:						
U.S Gov't Agency	2,852,629	(3,708)	-	-	2,852,629	(3,708)
U.S. Treasury	-	-	6,980,220	(12,038)	6,980,220	(12,038)
Mortgage-backed	14,828,304	(177,108)	209,914,883	(36,996,299)	224,743,187	(37,173,407)
State and municipal	4,876,619	(53,462)	59,884,091	(7,867,101)	64,760,710	(7,920,563)
	<u>22,557,552</u>	<u>(234,278)</u>	<u>276,779,194</u>	<u>(44,875,438)</u>	<u>299,336,746</u>	<u>(45,109,716)</u>

Management evaluates available for sale debt securities in unrealized loss positions to determine whether the impairment is due to credit-related factors or noncredit-related factors. Consideration is given to (1) the extent to which the fair value is less than the cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Company to retain its investment in the security for a period of time sufficient to allow for any anticipated recovery in fair value.

Management does not have the intent to sell any of the securities in an unrealized loss position and believes that it is more likely than not that the Company will not have to sell any such securities before a recovery of cost. The fair value is expected to recover as the securities approach their maturity date or repricing date or if market yields for such investments decline. Accordingly, at December 31, 2025, management believes that the unrealized losses detailed in the previous table are due to noncredit-related factors, including changes in interest rates and other market conditions, and therefore no losses have been recognized in the Company's consolidated statements of income.

For the years ended December 31, 2025 and 2024, proceeds from sales of securities available for sale amounted to \$11,721,951 and \$35,327,339, respectively. Gross realized gains amounted to \$581 and \$31,678, respectively, and gross realized losses amounted to \$354,112 and \$83,339 respectively.

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Investment securities with amortized costs of \$127,218,594 and \$147,853,277 at December 31, 2025 and 2024, respectively, were pledged to secure public deposits; their corresponding fair value was \$113,434,385 and \$126,338,470, respectively.

Restricted investment securities at December 31, 2025 and 2024, are as follows:

	<u>2025</u>	<u>2024</u>
Federal Home Loan Bank stock, at cost	3,963,400	5,701,599
Federal Reserve Banks stock, at cost	1,611,750	1,611,750
First National Bankers Bank stock, at cost	610,400	610,400
The Independent Bankers Bank, at cost	64,120	64,120
Financial Institution Service Corporation, at cost	10,000	10,000
	<u>6,259,670</u>	<u>7,997,869</u>

**3. Loans and Allowance for Loan Losses**

Major classifications of loans at December 31, 2025 and 2024, follow:

	<u>2025</u>	<u>2024</u>
Real estate:		
Construction and land development	105,414,710	135,667,069
Farmland	7,881,403	8,290,574
Revolving open end 1-4 family residential	25,827,002	19,683,627
Closed-end 1-4 family residential first liens	166,089,236	161,793,594
Closed-end 1-4 family residential junior liens	3,566,458	3,840,732
Multi-family residential	40,860,324	35,484,278
Nonfarm, nonresidential	496,149,069	550,252,668
Commercial and industrial	111,059,177	102,083,366
Individual - family, personal, installment	4,436,462	4,002,858
Obligations of state and political subdivisions	22,805,532	25,763,156
Other Loans	<u>35,412,882</u>	<u>24,945,215</u>
	1,019,502,255	1,071,807,137
Allowance for credit losses	(11,887,205)	(12,284,094)
Deferred net loan fees	<u>(540,111)</u>	<u>(728,656)</u>
Loans-net	<u>1,007,074,939</u>	<u>1,058,794,387</u>

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The following tables detail the balance in the allowance for loan losses by portfolio segment at December 31, 2025 and 2024:

	<u>2025</u>				Balance December 31, 2025
	Balance January 1, 2025	Provision for Credit Losses	Loans Charged Off	Recoveries	
Real estate:					
Construction and land development	1,874,643	(439,346)	-	-	1,435,297
Farmland	69,833	2,018	-	-	71,851
Revolving open end 1-4 family residential	433,461	126,173	6,873	8,570	561,331
Closed-end 1-4 family residential first liens	1,798,806	59,254	11,897	18,545	1,864,708
Closed-end 1-4 family residential junior liens	75,405	104,018	99,400	-	80,023
Multi-family residential	338,171	69,113	-	-	407,284
Nonfarm, nonresidential	5,149,347	(301,454)	-	-	4,847,893
Commercial and industrial	2,218,680	235,767	395,754	126,359	2,185,052
Individual - family, personal, installment	58,484	45,153	40,091	3,652	67,198
Obligations of state and political subdivisions	56,243	(5,683)	-	-	50,560
Other Loans	211,021	104,987	-	-	316,008
	<u>12,284,094</u>	<u>-</u>	<u>554,015</u>	<u>157,126</u>	<u>11,887,205</u>
	<u>2024</u>				Balance December 31, 2024
	Balance January 1, 2024	Provision for Credit Losses	Loans Charged Off	Recoveries	
Real estate:					
Construction and land development	2,583,072	(1,150,431)	30,725	472,727	1,874,643
Farmland	46,733	23,100	-	-	69,833
Revolving open end 1-4 family residential	291,510	129,867	-	12,084	433,461
Closed-end 1-4 family residential first liens	1,619,133	175,709	-	3,964	1,798,806
Closed-end 1-4 family residential junior liens	74,075	1,330	-	-	75,405
Multi-family residential	159,336	178,835	-	-	338,171
Nonfarm, nonresidential	4,040,722	1,108,625	-	-	5,149,347
Commercial and industrial	2,041,312	181,888	32,545	28,025	2,218,680
Individual - family, personal, installment	51,937	34,119	27,672	100	58,484
Obligations of state and political subdivisions	62,172	(5,929)	-	-	56,243
Other Loans	138,134	72,887	-	-	211,021
	<u>11,108,136</u>	<u>750,000</u>	<u>90,942</u>	<u>516,900</u>	<u>12,284,094</u>

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**Credit Indicators**

Loans are categorized into risk categories based on relevant information about the ability of borrowers to service their debt, such as: current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The following definitions are utilized for risk ratings, which are consistent with the definitions used in supervisory guidance:

**Special Mention** – Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

**Substandard** – Loans classified as substandard are inadequately protected by the current financial condition of the borrower, collateral pledged, or ability to pay based on current terms. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

**Doubtful** – Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

**Loss** – Loans classified as loss are considered uncollectible and their continuance as a Bank asset is unwarranted.

Loans not meeting the criteria above that are analyzed individually as part of the above-described process are considered to be pass rated loans.

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The following table presents the Company's recorded investment in loans by credit quality indicators by year of origination as of December 31, 2025:

	Term Loans by Year of Origination						Total
	2025	2024	2023	2022	2021	Prior	
Construction and land development							
Pass	34,959,810	19,018,775	2,522,535	42,918,741	1,586,791	1,818,177	102,824,829
Special Mention	-	-	-	-	-	-	-
Classified	1,155,220	1,015,877	418,785	-	-	-	2,589,882
Total construction and land development	<u>36,115,030</u>	<u>20,034,652</u>	<u>2,941,320</u>	<u>42,918,741</u>	<u>1,586,791</u>	<u>1,818,177</u>	<u>105,414,711</u>
Current period gross write-offs	-	-	-	-	-	-	-
Farmland							
Pass	3,489,038	1,522,367	610,210	1,547,284	102,481	610,023	7,881,403
Special Mention	-	-	-	-	-	-	-
Classified	-	-	-	-	-	-	-
Total farmland	<u>3,489,038</u>	<u>1,522,367</u>	<u>610,210</u>	<u>1,547,284</u>	<u>102,481</u>	<u>610,023</u>	<u>7,881,403</u>
Current period gross write-offs	-	-	-	-	-	-	-
Revolving open end 1-4 family residential							
Pass	14,308,693	6,246,454	2,498,050	1,426,369	423,463	824,004	25,727,033
Special Mention	-	-	-	-	-	-	-
Classified	-	-	-	-	-	99,969	99,969
Total revolving open end 1-4 family residential	<u>14,308,693</u>	<u>6,246,454</u>	<u>2,498,050</u>	<u>1,426,369</u>	<u>423,463</u>	<u>923,973</u>	<u>25,827,002</u>
Current period gross write-offs	-	-	-	-	-	-	-
Closed-end 1-4 family residential first liens							
Pass	31,823,214	22,403,658	29,169,413	37,755,438	26,896,616	16,337,219	164,385,558
Special Mention	-	-	28,371	-	-	-	28,371
Classified	335,730	844,463	-	-	-	495,114	1,675,307
Total closed-end 1-4 family residential first liens	<u>32,158,944</u>	<u>23,248,121</u>	<u>29,197,784</u>	<u>37,755,438</u>	<u>26,896,616</u>	<u>16,832,333</u>	<u>166,089,236</u>
Current period gross write-offs	-	-	-	-	11,897	-	11,897
Closed-end 1-4 family residential junior liens							
Pass	1,223,010	797,926	320,080	342,779	197,480	567,540	3,448,815
Special Mention	-	-	-	-	-	62,560	62,560
Classified	-	-	53,978	-	-	1,105	55,083
Total closed-end 1-4 family residential junior liens	<u>1,223,010</u>	<u>797,926</u>	<u>374,058</u>	<u>342,779</u>	<u>197,480</u>	<u>631,205</u>	<u>3,566,458</u>
Current period gross write-offs	-	41,872	64,401	-	-	-	106,273
Multi-family residential							
Pass	-	1,418,504	424,220	28,746,249	8,347,449	1,923,902	40,860,324
Special Mention	-	-	-	-	-	-	-
Classified	-	-	-	-	-	-	-
Total multi-family residential	<u>-</u>	<u>1,418,504</u>	<u>424,220</u>	<u>28,746,249</u>	<u>8,347,449</u>	<u>1,923,902</u>	<u>40,860,324</u>
Current period gross write-offs	-	-	-	-	-	-	-
Nonfarm, nonresidential							
Pass	31,936,930	47,892,585	45,227,690	184,918,307	109,865,750	61,325,702	481,166,964
Special Mention	219,050	-	-	5,796,517	-	-	6,015,567
Classified	6,411,889	20,824	627,332	-	627,039	1,279,454	8,966,538
Total nonfarm, nonresidential	<u>38,567,869</u>	<u>47,913,409</u>	<u>45,855,022</u>	<u>190,714,824</u>	<u>110,492,789</u>	<u>62,605,156</u>	<u>496,149,069</u>
Current period gross write-offs	-	-	-	-	-	-	-

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Commercial and industrial							
Pass	55,240,387	26,394,200	10,605,769	11,891,967	1,187,212	1,133,207	106,452,742
Special Mention	-	3,962,196	-	-	-	-	3,962,196
Classified	509,643	134,596	-	-	-	-	644,239
Total commercial and industrial	<u>55,750,030</u>	<u>30,490,992</u>	<u>10,605,769</u>	<u>11,891,967</u>	<u>1,187,212</u>	<u>1,133,207</u>	<u>111,059,177</u>
Current period gross write-offs	-	55,626	-	337,414	-	2,714	395,754
Individual - family, personal, installment							
Pass	2,911,500	1,052,623	155,066	120,064	40,222	155,113	4,434,588
Special Mention	-	-	-	-	-	-	-
Classified	-	-	-	1,874	-	-	1,874
Total individual - family, personal, installment	<u>2,911,500</u>	<u>1,052,623</u>	<u>155,066</u>	<u>121,938</u>	<u>40,222</u>	<u>155,113</u>	<u>4,436,462</u>
Current period gross write-offs	-	11,538	12,507	12,556	3,490	-	40,091
Obligation of state and political subdivisions							
Pass	1,000,000	-	-	-	-	21,805,532	22,805,532
Special Mention	-	-	-	-	-	-	-
Classified	-	-	-	-	-	-	-
Total obligation of state and political subdivisions	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,805,532</u>	<u>22,805,532</u>
Current period gross write-offs	-	-	-	-	-	-	-
Other Loans							
Pass	5,206,917	9,303,128	1,865,957	19,036,880	-	-	35,412,882
Special Mention	-	-	-	-	-	-	-
Classified	-	-	-	-	-	-	-
Total obligation of state and political subdivisions	<u>5,206,917</u>	<u>9,303,128</u>	<u>1,865,957</u>	<u>19,036,880</u>	<u>-</u>	<u>-</u>	<u>35,412,882</u>
Current period gross write-offs	-	-	-	-	-	-	-

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The following tables present information on past due loans by portfolio segment at December 31, 2025 and 2024:

	2025						
	Past Due 30- 59 Days	Past Due Over 90 Days			Total Past Due	Current	Total Loans
		Past Due 60-89 Days	and Accruing	Non-Accruing			
Real estate:							
Construction and land development	76,630	17,504	38,474	-	132,608	105,282,102	105,414,710
Farmland	42,268	-	-	-	42,268	7,839,135	7,881,403
Revolving open end 1-4 family residential	-	-	99,969	-	99,969	25,727,033	25,827,002
Closed-end 1-4 family residential first liens	60,824	-	456,579	126,924	644,327	165,444,909	166,089,236
Closed-end 1-4 family residential junior liens	-	-	-	1,105	1,105	3,565,353	3,566,458
Multi-family residential	-	-	-	-	-	40,860,324	40,860,324
Nonfarm, nonresidential	-	-	-	-	-	496,149,069	496,149,069
Commercial and industrial	-	-	-	-	-	111,059,177	111,059,177
Individual - family, personal, Obligations of state and political	839	-	1,874	-	2,713	4,433,749	4,436,462
Other loans	-	-	-	-	-	35,412,882	35,412,882
	<u>180,561</u>	<u>17,504</u>	<u>596,896</u>	<u>128,029</u>	<u>922,990</u>	<u>1,018,579,265</u>	<u>1,019,502,255</u>

	2024						
	Past Due 30- 59 Days	Past Due Over 90 Days			Total Past Due	Current	Total Loans
		Past Due 60-89 Days	and Accruing	Non-Accruing			
Real estate:							
Construction and land development	-	-	-	-	-	135,667,070	135,667,070
Farmland	-	-	-	-	-	8,290,574	8,290,574
Revolving open end 1-4 family residential	99,734	-	-	99,662	199,396	19,484,231	19,683,627
Closed-end 1-4 family residential first liens	131,851	-	-	-	131,851	161,661,743	161,793,594
Closed-end 1-4 family residential junior liens	147,157	-	-	-	147,157	3,693,575	3,840,732
Multi-family residential	-	-	-	-	-	35,484,278	35,484,278
Nonfarm, nonresidential	-	-	-	-	-	550,252,668	550,252,668
Commercial and industrial	81,087	398,883	-	-	479,970	101,603,396	102,083,366
Individual - family, personal, installment	1,937	13,685	-	-	15,622	3,987,236	4,002,858
Obligations of state and political subdivisions	-	-	-	-	-	25,763,156	25,763,156
Other loans	-	-	-	-	-	24,945,214	24,945,214
	<u>461,766</u>	<u>412,568</u>	<u>-</u>	<u>99,662</u>	<u>973,996</u>	<u>1,070,833,141</u>	<u>1,071,807,137</u>

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The average recorded investment in impaired loans was \$2,270,151 for 2025, and \$1,204,252 for 2024. No additional funds are committed to being advanced in connection with impaired loans.

At December 31, 2025 and 2024, the accrual of interest had been discontinued or reduced on loans having balances of \$2,683,240 and \$1,350,663, respectively. Net interest income for 2025 and 2024 would have been higher by approximately \$39,874 and \$65,055, respectively, had interest been accrued at contractual rates on nonperforming loans. Loans having carrying values of \$0 and \$421,672 were transferred to other real estate owned in 2025 and 2024, respectively.

The Company had no material accrued interest receivables were written off in 2025.

The allowance for credit losses incorporates an estimate of lifetime expected credit losses and is recorded on each asset upon asset origination or acquisition. The starting point for the estimate of the allowance for credit losses is historical loss information, which includes losses from modifications of receivables to borrowers experiencing financial difficulty. The Company uses a probability of default/loss given default model to determine the allowance for credit losses. An assessment of whether a borrower is experiencing financial difficulty is made on the date of a modification.

Because the effect of most modifications made to borrowers experiencing financial difficulty is already included in the allowance for credit losses because of the measurement methodologies used to estimate the allowance, a change to the allowance for credit losses is generally not recorded upon modification. Occasionally, the Company modifies loans by providing principal forgiveness on certain of its real estate loans. When principal forgiveness is provided, the amortized cost basis of the asset is written off against the allowance for credit losses. The amount of the principal forgiveness is deemed to be uncollectible; therefore, that portion of the loan is written off, resulting in a reduction of the amortized cost basis and a corresponding adjustment to the allowance for credit losses.

In some cases, the Company will modify a certain loan by providing multiple types of concessions. Typically, one type of concession, such as a term extension, is granted initially. If the borrower continues to experience financial difficulty, another concession, such as principal forgiveness, may be granted.

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The following table shows the amortized cost basis as of December 31, 2025 and 2024, of the loans modified to borrowers experiencing financial difficulty:

	Modification		
	Amortized Cost		Financial Effect
<u>2025</u>	Basis	% of Total Loan Type	
Real estate:			
Construction and land development	-		
Revolving open end 1-4 family residential	-		
Closed-end 1-4 family residential first liens	1,988,461	1.20%	Debt consolidated
Closed-end 1-4 family residential junior liens	-		
Multi-family residential	-		
Nonfarm, nonresidential	14,789,761	2.98%	Interest only period was extended an additional 6 months
Commercial and industrial	-		
Individual - family, personal, installment	-		
<b>Totals</b>	<b><u>16,778,222</u></b>		

	Modification		
	Amortized Cost		Financial Effect
<u>2024</u>	Basis	% of Total Loan Type	
Real estate:			
Construction and land development	-		
Revolving open end 1-4 family residential	-		
Closed-end 1-4 family residential first liens	-		
Closed-end 1-4 family residential junior liens	-		
Multi-family residential	-		
Nonfarm, nonresidential	10,005,712	1.82%	Interest only period was extended an additional 6 months
Commercial and industrial	-		
Individual - family, personal, installment	-		
<b>Totals</b>	<b><u>10,005,712</u></b>		

The Company has certain loans for which repayment is dependent upon the operation or sale of collateral, as the borrower is experiencing financial difficulty. The underlying collateral can vary based upon the type of loan. The following provides more detail about the types of collateral that secure collateral-dependent loans:

- Commercial real estate loans can be secured by either owner-occupied commercial real estate or non-owner-occupied investment commercial real estate. Typically, owner-occupied commercial real estate loans are secured by office buildings, warehouses, manufacturing facilities and other commercial and industrial properties occupied by operating companies. Non-owner-occupied commercial real estate loans are generally secured by office buildings and complexes, retail facilities, multifamily complexes, land under development, industrial properties, as well as other commercial or industrial real estate.

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- Residential real estate loans are typically secured by first mortgages, and in some cases could be secured by a second mortgage.
- Home equity lines of credit are generally secured by second mortgages on residential real estate property.
- Consumer loans are generally secured by automobiles, motorcycles, recreational vehicles and other personal property. Some consumer loans are unsecured and have no underlying collateral.

The following table details the amortized cost of collateral dependent loans:

	<u>December 31, 2025</u>
Real estate:	
Construction and land development	2,589,882
Farmland	-
Revolving open end 1-4 family residential	99,969
Closed-end 1-4 family residential first liens	1,703,679
Closed-end 1-4 family residential junior liens	55,083
Multi-family residential	-
Nonfarm, nonresidential	8,966,537
Commercial and industrial	548,021
Individual - family, personal, installment	-
Obligations of state and political subdivisions	-
	<u>13,963,171</u>

	<u>December 31, 2024</u>
Real estate:	
Construction and land development	173,010
Farmland	-
Revolving open end 1-4 family residential	99,662
Closed-end 1-4 family residential first liens	878,501
Closed-end 1-4 family residential junior liens	121,859
Multi-family residential	-
Nonfarm, nonresidential	5,932,002
Commercial and industrial	363,853
Individual - family, personal, installment	-
Obligations of state and political subdivisions	-
	<u>7,568,887</u>

The following table is a summary of the Company's nonaccrual loans by major categories for the periods indicated:

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	December 31, 2025		
	Nonaccrual Loans with No Allowance	Nonaccrual Loans with an Allowance	Total Nonaccrual Loans
Real estate:			
Construction and land development	-	-	-
Closed-end 1-4 family residential first liens	358,847	-	358,847
Closed-end 1-4 family residential junior liens	1,105	-	1,105
Revolving open end 1-4 family residential	-	-	-
Nonfarm, nonresidential	-	-	-
Commercial and industrial	14,654	-	14,654
Individual - family, personal, installment	-	-	-
Total loans	<u>374,606</u>	<u>-</u>	<u>374,606</u>

	December 31, 2024		
	Nonaccrual Loans with No Allowance	Nonaccrual Loans with an Allowance	Total Nonaccrual Loans
Real estate:			
Construction and land development	-	-	-
Closed-end 1-4 family residential first liens	289,138	-	289,138
Closed-end 1-4 family residential junior liens	7,880	-	7,880
Revolving open end 1-4 family residential	99,662	-	99,662
Nonfarm, nonresidential	202,103	252,023	454,126
Commercial and industrial	9,216	-	9,216
Individual - family, personal, installment	13,685	-	13,685
Total loans	<u>621,684</u>	<u>252,023</u>	<u>873,707</u>

The Company recognized \$13,619 and \$7,452 of interest income on nonaccrual loans during the year ended December 31, 2025, and 2024. The Company had no accrued interest receivables written off by reversing interest in the year December 31, 2025 and 2024.

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The following table presents the balance and activity in the allowance for credit losses for unfunded commitments for the year ended December 31, 2025:

	<u>Total Allowance for Credit Losses - Unfunded Commitments</u>
Balance, December 31, 2024	996,315
Provision for unfunded commitments	400,000
Adjustment to allowance for unfunded commitments	-
Balance, December 31, 2025	<u>1,396,315</u>
Balance, December 31, 2023	1,296,315
Provision for unfunded commitments	(300,000)
Adjustment to allowance for unfunded commitments	-
Balance, December 31, 2024	<u>996,315</u>

**4. Bank Premises, Automobiles and Equipment**

Major classifications of these assets at December 31, 2025 and 2024, are summarized below:

	<u>2025</u>	<u>2024</u>
Land	3,509,359	3,509,359
Buildings	17,620,854	17,451,832
Equipment	6,543,298	6,247,456
Furniture and fixtures	3,625,581	3,577,902
Leasehold improvements	3,614,362	3,107,739
Automobiles	195,585	183,449
Construction in progress	20,605	102,890
	<u>35,129,644</u>	<u>34,180,627</u>
Less-accumulated depreciation	<u>(16,457,577)</u>	<u>(15,161,104)</u>
Total	<u>18,672,067</u>	<u>19,019,523</u>

Depreciation expense for the years ending December 31, 2025 and 2024, was \$1,466,911 and \$1,402,414, respectively.

At December 31, 2025 and 2024, the Company had no purchase commitments related to property and equipment.

**5. Goodwill and Other Intangible Assets**

The Company has recorded goodwill in the amount of \$5,241,099 as of December 31, 2025 and 2024, in connection with the acquisition of Citizens Bank & Trust (Springhill) in March 2011. Management evaluated the goodwill at December 31, 2025 and 2024, and determined there was no impairment.

Also, in regard to the acquisition of Springhill, deposit-based intangibles of \$891,809 were recorded as of December 31, 2025 and 2024. These intangibles are being amortized over a designated life of

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one hundred eighty (180) months. Amortization expense of \$59,454 was recorded in 2025 and 2024. The balance of the deposit-based intangibles net of accumulated amortization was \$19,818 and \$79,272 as of December 31, 2025 and 2024, respectively.

**6. Time Deposits**

Included in time deposits at December 31, 2025 and 2024, respectively, were approximately \$99,923,501 and \$74,686,205 of certificates of deposit in denominations of \$250,000 or more.

At December 31, 2025, the scheduled maturities of time deposits are as follows:

2026	226,056,635
2027	4,343,465
2028	5,981,127
2029	7,069,877
2030	<u>3,038,941</u>
	<u>246,490,045</u>

**7. Federal Home Loan Bank Advances and Other Borrowed Funds**

These advances are all fixed rates and are subject to restrictions or penalties in the event of prepayment.

	<u>2025</u>	<u>2024</u>
Long-term FHLB	46,364,535	52,192,269
Other borrowings	<u>16,000,000</u>	<u>18,000,000</u>
	<u>62,364,535</u>	<u>70,192,269</u>

**Federal Home Loan Bank Advances**

At December 31, 2025, advances from the Federal Home Loan Bank were as follows:

	<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Long-term FHLB advance, fixed rate	30,000,000	4.67%	1/9/2026
Long-term FHLB advance, fixed rate	16,364,535	4.64%	7/3/2028

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At December 31, 2025, the scheduled maturities of Federal Home Loan Bank borrowings are as follows:

2026	36,103,723
2027	6,392,782
2028	<u>3,868,030</u>
	<u>46,364,535</u>

As of December 31, 2025, the Company held ten (10) unfunded letters of credit from the Federal Home Loan Bank totaling \$323,200,000 with expiration dates ranging from January 2, 2026, to March, 13, 2028. As of December 31, 2024, the Company held seven (7) unfunded letters of credit from the Federal Home Loan Bank totaling \$204,250,000 with expiration dates ranging from January 2, 2025, to April 17, 2025.

Security for all indebtedness and outstanding commitments consists of a security interest in all of the first mortgage loans, farm/agriculture loans, small business loans, capital stock of Federal Home Loan Bank, and deposit accounts in the Federal Home Loan Bank owned by the Company. The net available under the blanket floating lien as of December 31, 2025 and 2024, was \$99,007,444 and \$231,775,113, respectively.

**Other Borrowed Funds**

The Company also has the ability to borrow funds under multiple federal funds lines of credit. The unsecured federal funds lines of credit total \$70,000,000. Borrowings under these lines, including the rates and maturities for such borrowings, are at the sole discretion of the issuing banks and depend upon the availability of funds. Outstanding borrowings under these federal funds lines were \$0 and \$0 at December 31, 2025 and 2024, respectively.

Additionally, on December 31, 2025 and 2024, the Company had the availability to borrow \$41,260,660 and \$57,612,013, respectively, from the discount window at the Federal Reserve Bank of Dallas. There were \$0 and \$0 borrowings against the line at December 31, 2025 and 2024, respectively.

In September 2023, Bonvenu Bancorp, Inc. completed an agreement to borrow \$20,000,000 from First National Bankers Bank Inc. on a variable rate currently at 6.75% for 10 years with principal payments paid annually. Bonvenu Bancorp, Inc. took the full principal amount of the loan as a cash infusion into the Company subsidiary Bonvenu Bank N.A., which increases the regulatory capital in the same amount respectively. The Company had balances of \$16,000,000 and \$18,000,000 for year ending December 31, 2025 and 2024, respectively.

2026	2,000,000
2027	2,000,000
2028	2,000,000
2029	2,000,000
2030	2,000,000
Thereafter	<u>6,000,000</u>
	<u>16,000,000</u>

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**8. Income Taxes**

Provisions for federal income taxes (benefits) in the financial statements consist of the following:

	<u>2025</u>	<u>2024</u>
Current	1,178,919	527,710
Deferred	<u>203,017</u>	<u>24,283</u>
Income taxes	<u><u>1,381,936</u></u>	<u><u>551,993</u></u>

Income tax expense does not reflect the tax effects of unrealized gains and losses on securities available for sale. Effective tax rates differ from the federal statutory rate of 21% for the years 2025 and 2024 applied to income taxes due to the following:

Deferred tax assets (liabilities) consist of the following at December 31:

	<u>2025</u>	<u>2024</u>
Expected income tax expense	1,832,344	1,120,716
Non-taxable income	(769,118)	(762,574)
Change in valuation allowance	653	183,951
Other items, net	<u>318,057</u>	<u>9,900</u>
Income taxes	<u><u>1,381,936</u></u>	<u><u>551,993</u></u>

	<u>2025</u>	<u>2024</u>
Gross deferred tax assets:		
Allowance for loan losses	2,789,539	2,788,575
Deferred compensation	2,145,576	2,227,845
Nonemployee compensation-stock options	623,858	622,027
Unrealized loss on investments	<u>6,114,617</u>	<u>9,472,856</u>
Gross deferred tax assets	11,673,590	15,111,303
Gross deferred tax liabilities:		
Depreciation	<u>(1,168,817)</u>	<u>(1,045,274)</u>
Net deferred tax assets	<u><u>10,504,773</u></u>	<u><u>14,066,029</u></u>

The Company files a consolidated federal tax return. The Company's federal income tax returns are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

**9. Related Party Transactions**

Some of the directors and executive officers of the Company and the Company are customers of the

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Company, and some of the individuals are principals in entities which are customers of the Company. As such customers, they have had transactions in the ordinary course of business with the Company, including borrowings, all of which, in the opinion of management, were on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and did not involve more than a normal risk of collectability or present any other unfavorable features to the Company. At December 31, 2025 and 2024, the aggregate indebtedness of those individuals and their interests as a group to the Company was approximately \$1,963,115 and \$331,516, respectively. Total principal loan additions were approximately \$394,510 and \$223,490 and total principal payments and other reductions were \$167,418 and \$207,987 for the years ended December 31, 2025 and 2024, respectively. Deposits from related parties held by the Company at December 31, 2025 and 2024, amounted to \$20,451,825 and \$18,881,174, respectively.

**10. Leases**

The Company leases certain real estate under non-cancelable operating leases that expire at various dates through 2033. The consolidated balance sheets detail and components of the Company's leases were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Operating lease right of use assets	5,748,650	6,248,225
Operating lease liabilities (short term)	945,590	886,044
Operating lease liabilities (long term)	4,937,177	5,480,339
Weighted average remaining lease term (years) - operating lease	6.04	6.96
Weighted average discount rate - operating lease	3.67%	3.60%

Maturities of operating lease liabilities at December 31, 2025, were as follows:

2026	1,165,183
2027	1,246,213
2028	1,198,283
2029	1,144,166
2030	781,648
Thereafter	<u>1,212,404</u>
Total lease payments	6,747,897
Less: present value discount	<u>(865,130)</u>
Total lease obligations	<u><u>5,882,767</u></u>

**11. Employee Stock Ownership Plan**

The Company has a qualified, contributory employee stock ownership plan which includes 401(k) provisions for all eligible employees. Eligible employees may contribute into the plan on a tax-deferred basis and receive a discretionary matching contribution from the Company. Employee deferrals and matching contributions are fully vested upon receipt. In addition, the Company can contribute discretionary amounts which are subject to a six-year graded vesting schedule. The

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employees can designate to have their amounts invested in the Company stock or other investments. Contributions charged against operations amounted to \$370,112 and \$225,002 for 2025 and 2024, respectively.

**12. Deferred Compensation**

The Company has a nonqualified executive supplemental income plan for certain officers of the Company. Under the provisions of this plan, the Company and the participating officers execute agreements providing each officer or beneficiary with a pre-retirement death benefit based on a percentage of the officer's current compensation and a post-retirement annuity benefit designed to supplement retirement benefits from Social Security in order to provide the officer with a certain percentage of his final average income at retirement age. While the officer is receiving benefits under this plan, the officer will be prohibited from competing with the Company and will be required to be available for consulting work. The plan agreement also requires that the officer be employed at the Company at the earlier of death or retirement to be eligible for benefits. The plan is an unfunded plan, although the Company has the right to acquire investments to informally and indirectly provide funding for the benefit liabilities which totaled \$8,212,987 and \$8,448,423 as of December 31, 2025 and 2024, respectively. The liabilities associated with the obligation to pay death and retirement benefits are offset by investment in life insurance policies on the participating officers.

As a result of the merger with Springhill in 2011, the Company acquired another nonqualified executive retirement plan for certain employees. This plan is also an unfunded plan in which the Company has the right to acquire investments to informally and indirectly provide funding for the benefits liabilities which totaled \$2,004,040 and \$2,160,360 at December 31, 2025 and 2024, respectively. The liabilities associated with the plan are offset by investment in life insurance policies on the participating employees.

**13. Stock Based Compensation**

The Company has a stock-based compensation plan, which is described below. The compensation cost that has been charged against income for the plan was \$1,496 and \$7,224 for 2025 and 2024, respectively.

The Company's incentive stock option and non-statutory stock option plan, which is stockholder-approved, permits the grant of stock options and shares to its employees and directors for up to 300,000 shares of common stock. Option awards are generally granted with an exercise price equal to the market value of the Company's stock as of the last valuation date prior to the grant date of the options. The option awards have ten-year contractual terms. The option awards are subject to vesting schedules, which range from immediate to five years. Option awards provide for accelerated vesting if there is a change in control (as defined in the Plan).

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model. There were no options granted in 2025.

A summary of option activity under the Plan as of December 31, 2025 and 2024, and changes during the year then ended is presented below:

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	Shares	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2024	87,710	\$19.89	3.47	(231,618)
Granted	-	-		
Exercised	-	-		
Forfeited	-	-		
Outstanding at December 31, 2025	87,710	\$19.89	2.89	100,802
Exercisable at December 31, 2025	87,710	\$19.89		

	Shares	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2023	98,310	\$19.61	4.69	(50,275)
Granted	-	-		
Exercised	(9,000)	\$17.30		
Forfeited	(1,600)	\$17.30		
Outstanding at December 31, 2024	87,710	\$19.89	3.47	(231,618)
Exercisable at December 31, 2024	84,810	\$19.98		

The total intrinsic value of options exercised during the years ended December 31, 2025 and 2024, was \$0 and (\$450), respectively.

A summary of non-vested share options under the Plan as of December 31, 2025 and 2024, and changes during the years then ended is presented below:

<u>Non-Vested Shares</u>	<u>Shares</u>
Non-vested at December 31, 2023	16,900
Granted	-
Vested	(12,400)
Forfeited	(1,600)
Non-vested at December 31, 2024	2,900
Granted	-
Vested	(2,900)
Forfeited	-
Non-vested at December 31, 2025	-

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As of December 31, 2025 and 2024, there was \$0 and \$1,496, respectively, of total unrecognized compensation cost related to non-vested share-based arrangements granted under the Plan.

No options were granted during 2025. The weighted-average adjusted exercise price of options exercised during 2024 was \$17.30. The exercise price is adjusted by changes in the capital of the Company, such as stock dividends.

The Company awarded restricted stock awards in 2025 to employees and board of directors. The restrictions vest in thirty-three percent increments on the first through third anniversaries of the grant date. Compensation expense for these grants is recognized ratably over the vesting period of the awards based on the fair value of the stock at the grant date.

During 2025, the Compensation Committee granted 15,207 restricted stock awards with a weighted average fair value of \$18.15. For year ended December 31, 2025, the compensation expense for the vested restricted stock was \$19,425. As of December 31, 2025, there was approximately \$256,576 of total unrecognized compensation cost related to restricted stock awards.

There was no restricted stock awards granted and no compensation cost in 2024.

A summary of the Bank's nonvested restricted stock is presented below:

<u>Non-Vested Shares</u>	<u>Shares</u>	<u>Weighted Average Grant Date Fair Value</u>
Non-vested at December 31, 2024	-	-
Granted	15,207	\$ 18.15
Vested	<u>(1,092)</u>	<u>\$ 17.78</u>
Non-vested at December 31, 2025	14,115	\$ 18.18

**14. Derivative Financial Instruments**

The Company is exposed to price risk relative to interest rate lock commitments (IRLC) on mortgage loans held for sale. The Company issues IRLCs to approved mortgage originators and borrowers to guarantee the rate and points on the underlying mortgage for a specified period. From the time an IRLC is issued to the time the related mortgage is sold, the Company is exposed to price risk because the value of the IRLC or mortgage loan held for sale changes inversely to the changes in mortgage interest rates; however, the IRLC is a "best effort" commitment, and the loan could be denied at any time for various reasons. The Company also enters into forward sale commitments for loans that have been closed but not sold. As of December 31, 2025 and 2024, the Company had interest rate lock commitments of \$476,225 and \$806,313, respectively, and forward sale commitments on loans held for sale of \$110,307 and \$749,973, respectively.

**15. Commitments and Contingencies**

The financial statements do not reflect various commitments and contingent liabilities which arise in the normal course of business, and which involve elements of credit risk, interest rate risk and liquidity risk. These commitments and contingent liabilities are commitments to extend credit and

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commercial letters of credit. Commitments to extend credit amounted to \$150,613,104 and \$141,912,384 at December 31, 2025 and 2024, respectively. Outstanding commercial letters of credit amounted to \$8,662,621 and \$6,931,841 at December 31, 2025 and 2024, respectively. Commitments to extend credit and commercial letters of credit include exposure to some credit loss in the event of nonperformance of the customer.

There are various claims and legal actions arising in the ordinary course of business involving the Company and/or the Company. In the opinion of management of the Company, the ultimate disposition of these matters will not have a material adverse effect on the Company's financial condition.

**16. Fair Value of Financial Instruments**

Fair value measurements are used to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. In accordance with FASB ASC 820, "*Fair Value Measurement and Disclosures*," the fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, fair value estimates may not be realized in an immediate settlement of the instrument.

The fair value guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment. The fair value is a reasonable point within the range that is most representative of fair value under current market conditions.

*Fair Value Hierarchy.* In accordance with this guidance, financial assets and financial liabilities, generally measured at fair value, are grouped in three levels, based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value.

Level 1 – Valuation is based on quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets and liabilities generally include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuation is based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. The valuation may be based on quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.

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Level 3 – Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

A financial instrument’s categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Following is a description of the valuation methodologies used for assets and liabilities measured and recorded at fair value on a recurring basis.

Securities Available for Sale. Fair values for securities available for sale are based on quoted market prices where available. If quoted prices are not available, fair values are based on quoted market prices of similar instruments.

Fair values of assets and liabilities measured at fair value on a recurring basis at December 31, 2025 and 2024, are as follows:

	Level 1	Level 2	Level 3	Total
<b><u>December 31, 2025</u></b>				
Securities available for sale:				
Debt securities:				
U.S Gov’t Agency	-	-	-	-
U.S. Treasury	-	-	-	-
Mortgage-backed	-	281,721,396	-	281,721,396
State and municipal	-	58,761,594	-	58,761,594
Total securities available-for-sale	<u>-</u>	<u>340,482,990</u>	<u>-</u>	<u>340,482,990</u>
<b><u>December 31, 2024</u></b>				
Securities available for sale:				
Debt securities:				
U.S Gov’t Agency	-	7,852,629	-	7,852,629
U.S. Treasury	6,980,220	-	-	6,980,220
Mortgage-backed	-	224,743,187	-	224,743,187
State and municipal	-	64,760,710	-	64,760,710
Total securities available-for-sale	<u>6,980,220</u>	<u>297,356,526</u>	<u>-</u>	<u>304,336,746</u>

Following is a description of the valuation methodologies used for assets and liabilities measured and recorded at fair value on a nonrecurring basis. These nonrecurring fair value adjustments typically are a result of lower of cost or fair value accounting or a write-down occurring during the period. In periods when there is no adjustment, the asset or liability is generally not considered to be at fair value.

Mortgage Loans Held for Sale. Mortgage loans held for sale are recorded at the lower of cost or fair value as determined by outstanding commitments from investors or current investor yield requirements.

Impaired Loans. Loans for which it is probable that the Company will not collect all principal and interest due according to contractual terms are measured for impairment. Write-downs of impaired loans are estimated using the present value of expected cash flows or the appraised value of the

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underlying collateral discount as necessary due to management’s estimates of changes in economic conditions.

Other Real Estate. Other real estate is carried at the lower of the recorded investment in the loan or fair value less estimated costs to sell the property. Fair values are based on appraisals (performed either by the Company or by independent appraisers) on the subject property using market prices of similar real estate.

Carrying values of assets and liabilities measured at fair value on a nonrecurring basis at December 31, 2025 and 2024, are as follows:

	Level 1	Level 2	Level 3	Total
<b><u>December 31, 2025</u></b>				
Mortgage loans held for sale	-	110,307	-	110,307
Other real estate	-	-	-	-
<b><u>December 31, 2024</u></b>				
Mortgage loans held for sale	-	749,973	-	749,973
Other real estate	-	43,926	-	43,926

The following methods were used to estimate the fair value of all other financial instruments recognized at amounts other than fair value.

Cash and Cash Equivalents. The carrying amounts of cash and cash equivalents approximate fair values based on the short-term nature of the assets.

Loans. Fair values are estimated for portfolios of loans with similar financial characteristics. Each loan category is further segmented into fixed and adjustable-rate interest terms and by performing and nonperforming categories.

The fair value of performing loans is calculated by discounting scheduled cash flows through estimated maturity using estimated market discount rates that reflect the credit and interest rate risk inherent in the loan. The estimate of maturity is based on the Company’s historical experience with repayments for each loan classification, modified, as required, by an estimate of the effect of current economic and lending conditions.

Fair value for significant nonperforming loans is based on recent external appraisals. If appraisals are not available, estimated cash flows are discounted using a rate commensurate with the risk associated with the estimated cash flows. Assumptions regarding credit risk, cash flows, and discount rates are judgmentally determined using available market information and specific borrower information.

Deposits. The fair value of deposits with no stated maturity, such as noninterest-bearing demand deposits, savings, NOW, money market and checking accounts, is equal to the amount payable on demand at the reporting date (that is, their carrying amounts). The fair value of certificates of deposit is based on the discounted value of contractual cash flows. The discount rate is estimated using the rates currently offered for deposits of similar remaining maturities.

Short-Term Borrowings. The carrying amounts of federal funds purchased and other short-term borrowings maturing within ninety days approximate their fair values.

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Long-Term Borrowings. Current market rates for debt with similar terms and remaining maturities are used to estimate fair value of existing debt.

Accrued Interest. The carrying amounts of accrued interest receivable and payable approximate fair value.

Off-Balance Sheet Credit-Related Instrument. Fair values for off-balance sheet, credit-related financial instruments are based on fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the counterparties' credit standing.

The fair values, and related carrying or notional amounts, of financial instruments are as follows:

	December 31, 2025		December 31, 2024	
	Book Value	Fair Value	Book Value	Fair Value
<b><u>Financial assets:</u></b>				
Cash and cash equivalents	192,223,558	19,223,558	92,426,488	92,426,488
Securities available for sale	340,482,990	340,482,990	304,336,746	304,336,746
Restricted investment securities	6,259,670	6,259,670	7,997,870	7,997,870
Accrued interest receivable	4,957,961	4,957,961	4,997,597	4,997,597
Loans, less allowance for credit losses	1,007,074,939	961,440,939	1,058,794,387	985,724,387
<b><u>Financial liabilities:</u></b>				
Deposits	1,415,014,721	1,414,076,721	1,345,890,945	1,343,915,945
Accrued interest payable	2,384,729	2,384,729	2,398,856	2,398,856
<b><u>Unrecognized financial instruments:</u></b>				
Commitments to extend credit		150,613,104		141,912,384
Standby letters of credit		8,662,621		6,931,841

**17. Retained Earnings and Regulatory Matters**

The Company is subject to various regulatory capital requirements administered by federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary, actions by regulators that, if undertaken, could have a direct material effect on the Company's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company must meet specific capital guidelines that involve quantitative measures of the Company's assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The Company's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Company to maintain minimum amounts and ratios (set forth in the table below) of total, Tier I, and Common Equity Tier I capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier I capital (as defined) to average assets (as defined). Management believes, as of December 31, 2025, that the Company meets all capital adequacy requirements to which it is subject.

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As of December 31, 2025, the most recent notification from the Office of the Comptroller of the Currency categorized the Company as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized the Company must maintain minimum total risk-based, Tier I risk-based, Tier I leverage, and Common Equity Tier I risk-based ratios as set forth in the table. There are no conditions or events since that notification that management believes have changed the category.

The Company's actual capital amounts and ratios are also presented in the table. Consolidated capital is not significantly different than that of the Company.

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
	<b>As of December 31, 2025</b>					
Total capital (to risk-weighted assets)	\$170,125,000	15.13%	≥\$89,947,000	≥8.0%	≥\$112,434,000	≥10.0%
Tier I capital (to risk-weighted assets)	\$157,508,000	14.01%	≥\$67,461,000	≥6.0%	≥\$89,947,000	≥8.0%
Tier I capital (to average assets)	\$157,508,000	10.19%	≥\$61,833,000	≥4.0%	≥\$77,291,000	≥5.0%
Common Equity Tier I capital (to risk-weighted assets)	\$157,508,000	14.01%	≥\$50,595,000	≥4.5%	≥\$73,082,000	≥6.5%
<b>As of December 31, 2024</b>						
Total capital (to risk-weighted assets)	\$168,839,000	14.26%	≥\$94,722,000	≥8.0%	≥\$118,402,000	≥10.0%
Tier I capital (to risk-weighted assets)	\$156,891,000	13.25%	≥\$71,041,000	≥6.0%	≥\$94,722,000	≥8.0%
Tier I capital (to average assets)	\$156,891,000	10.08%	≥\$62,238,000	≥4.0%	≥\$77,798,000	≥5.0%
Common Equity Tier I capital (to risk-weighted assets)	\$156,891,000	13.25%	≥\$53,281,000	≥4.5%	≥\$76,961,000	≥6.5%

**18. Concentration of Credit Risk**

The Company grants real estate, commercial, consumer, and residential loans to customers located within Louisiana. Although the Company has a diversified loan portfolio, a substantial portion of its loans, although not necessarily originated for the purposes of real estate acquisition, is secured by real estate, and its ability to fully collect its loans could depend upon the real estate market in this region.

The Company does not have any significant concentrations to any one industry or customer.

Additionally, at times, the Company maintains deposits and federal funds sold in federally insured

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financial institutions in excess of federally insured limits. Management monitors the soundness of these financial institutions and feels the Company's risk is negligible.

**19. Subsequent Events**

The Company evaluated events and transactions that occurred after the balance sheet date but before the financial statements were made available for potential recognition or disclosure in the financial statements. The Company evaluated such events through March 23, 2026, the date for which the financial statements were available for distribution, for potential recognition and disclosure. No subsequent events requiring potential recognition or disclosure were noted.

**OTHER FINANCIAL INFORMATION**

**BONVENU BANCORP, INC. AND SUBSIDIARY**

**DETAILS OF CONSOLIDATED BALANCE SHEET**

**DECEMBER 31, 2025**

<u>ASSETS</u>	Bonvenu Bancorp,			
	<u>Inc.</u>	<u>Bonvenu Bank</u>	<u>Eliminations</u>	<u>Consolidated</u>
Cash and cash equivalents:				
Cash and noninterest-bearing balances				
due from banks	597,834	21,553,846	(616,236)	21,535,444
Interest-bearing balances due from banks	-	170,688,114	-	170,688,114
Total cash and cash equivalents	597,834	192,241,960	(616,236)	192,223,558
Investment securities:				
Securities available-for-sale, at fair value	-	340,482,990	-	340,482,990
Restricted investment securities, at cost	-	6,259,670	-	6,259,670
Investment in subsidiary	139,100,405	-	(139,100,405)	-
Total investment securities	139,100,405	346,742,660	(139,100,405)	346,742,660
Loans, less allowance for credit losses	-	1,007,074,939	-	1,007,074,939
Mortgage loans held for sale	-	110,307	-	110,307
Accrued interest receivable	-	4,957,961	-	4,957,961
Bank premises, automobiles, and equipment	-	18,672,067	-	18,672,067
Cash surrender value of life insurance	-	28,867,823	-	28,867,823
Goodwill	-	5,241,099	-	5,241,099
Other intangible assets, net	-	19,818	-	19,818
Deferred tax assets	623,858	9,880,915	-	10,504,773
Operating lease right-of-use assets	-	5,748,650	-	5,748,650
Other assets	-	2,816,889	-	2,816,889
<b>Total assets</b>	<u>140,322,097</u>	<u>1,622,375,088</u>	<u>(139,716,641)</u>	<u>1,622,980,544</u>

**BONVENU BANCORP, INC. AND SUBSIDIARY**  
**DETAILS OF CONSOLIDATED BALANCE SHEET**  
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<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	Bonvenu Bancorp, Inc.	Bonvenu Bank	Eliminations	Consolidated
<b>Liabilities:</b>				
Deposits:				
Noninterest-bearing	-	332,052,385	(616,236)	331,436,149
Savings and interest-bearing	-	837,088,527	-	837,088,527
Time	-	246,490,045	-	246,490,045
Total deposits	-	1,415,630,957	(616,236)	1,415,014,721
Borrowings	16,000,000	46,364,535	-	62,364,535
Accrued interest payable	282,740	2,101,989	-	2,384,729
Operating lease liabilities	-	5,882,767	-	5,882,767
Accrued expenses and other liabilities	278,232	13,294,435	-	13,572,667
Total liabilities	16,560,972	1,483,274,683	(616,236)	1,499,219,419
<b>Stockholders' equity:</b>				
Common stock, authorized 10,000,000 shares, par value \$5.00 per share, issued 6,536,742	32,683,718	2,425,500	(2,425,500)	32,683,718
Additional paid-in capital	12,290,346	51,297,777	(51,297,777)	12,290,346
Retained earnings	101,789,667	108,379,734	(108,379,734)	101,789,667
Accumulated other comprehensive income (loss)	(23,002,606)	(23,002,606)	23,002,606	(23,002,606)
Total stockholders' equity	123,761,125	139,100,405	(139,100,405)	123,761,125
<b>Total liabilities and stockholder's equity</b>	<b>140,322,097</b>	<b>1,622,375,088</b>	<b>(139,716,641)</b>	<b>1,622,980,544</b>

**BONVENU BANCORP, INC. AND SUBSIDIARY**  
**DETAILS OF CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Bonvenu Bancorp, Inc.	Bonvenu Bank	Eliminations	Consolidated
<b><u>Interest income:</u></b>				
Loans, including fees	-	62,319,435	-	62,319,435
Investment securities	-	9,255,080	-	9,255,080
Interest bearing deposits in banks	-	3,587,789	-	3,587,789
Total interest income	-	75,162,304	-	75,162,304
<b><u>Interest expense:</u></b>				
Deposits	-	29,370,826	-	29,370,826
Federal funds purchased	-	6,485	-	6,485
Other borrowed funds	1,290,637	2,611,072	-	3,901,709
Total interest expense	1,290,637	31,988,383	-	33,279,020
Net interest income	(1,290,637)	43,173,921	-	41,883,284
Provision for credit losses	-	-	-	-
Provision for off balance sheet credit	-	400,000	-	400,000
Total provision expense	-	400,000	-	400,000
Net interest income after provision for credit losses	(1,290,637)	42,773,921	-	41,483,284
<b><u>Other income (loss):</u></b>				
Service charges on deposit accounts	-	3,168,182	-	3,168,182
Other service charges and fees	-	4,713,782	-	4,713,782
Net (loss) on AFS investments	-	(354,112)	-	(354,112)
Mortgage servicing revenue, net	-	271,918	-	271,918
Equity in earnings of subsidiary	8,416,517	-	8,416,517	-
Total other income (loss)	8,416,517	7,799,770	8,416,517	7,799,770
<b><u>Operating expenses:</u></b>				
Salaries and employee benefits	-	23,833,965	-	23,833,965
Occupancy expense	-	4,188,434	-	4,188,434
Other operating expenses	68,125	12,467,080	-	12,535,205
Total operating expenses	68,125	40,489,479	-	40,557,604
<b><u>Income before income taxes</u></b>	7,057,755	10,084,212	8,416,517	8,725,450
<b><u>Income tax expense (benefit)</u></b>	(285,758)	1,667,694	-	1,381,936
<b><u>Net income</u></b>	7,343,513	8,416,518	8,416,517	7,343,514