

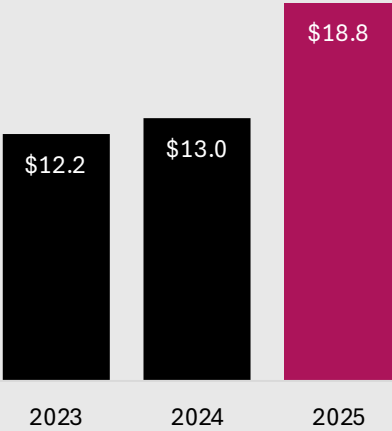


2025 Annual Report

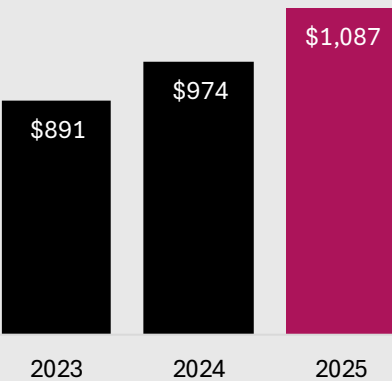


Abigail M. Wendel
President & Chief Executive Officer

Net Income
(\$ millions)



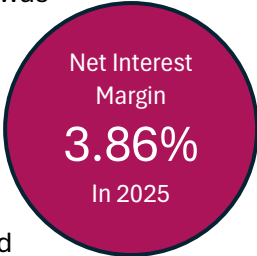
Average Loans Receivable, Net
(\$ millions)



To Our Shareholders

This past year marked an important step forward in Landmark’s continued evolution. We made meaningful organizational improvements, advancing our people, operations, and customer support strategies. Throughout 2025, we advanced the work needed to build a resilient institution that remains grounded in community while preparing for long-term growth. As President and Chief Executive Officer, I am grateful for the engagement of our associates, customers, and shareholders who move our mission forward every day.

Landmark delivered an exceptional financial performance in 2025, highlighted by a 44.4% increase in net earnings, which rose to \$18.8 million for the year. This strong bottom-line growth was driven by meaningful expansion in net interest income. Our net interest margin increased to 3.86%, reflecting disciplined balance sheet management, the benefits of a more favorable earning-asset mix and continued improvement in funding costs. Combined with steady expense control and targeted investments in talent and technology, these results contributed to higher profitability and further growth in both book value and tangible book value per share, while maintaining a strong focus on safety and soundness.



Our teams continued to deepen customer relationships and attract new business in 2025, resulting in 11.5% growth in average loan balances. This growth was broad-based, with continued strength in commercial real estate lending and residential mortgage activity. Deposit balances increased as well, supported by growth in core accounts and strong seasonal inflows late in the year. Credit quality improved as we worked diligently throughout the year to reduce the overall risk in our loan portfolio. With a healthy loan-to-deposit position ratio, strong liquidity, and solid credit performance, Landmark ended 2025 well positioned to support continued growth across the communities we serve.

In 2025, we also advanced important strategic work that will shape Landmark’s next phase of growth. Bank leadership identified three areas of focus central to achieving the Landmark Vision: strengthening our People First culture, enhancing customer experience, and driving customer growth. As these initiatives continued to progress throughout the year, these priorities brought greater cohesion to the organization and ensured our resources are aligned with disciplined execution and long-term financial stability.

At Landmark, our long-term success is rooted in the dedication and growth of our associates. We sharpened our focus on leadership development by strengthening our organizational structure, clarifying expectations for leaders at every level, and improving cross department collaboration. These efforts support consistent decision-making and reinforce accountability. We also celebrated the graduation of our third Leadership Landmark class—and the launch of our fourth cohort—ensuring a steady pipeline of emerging leaders.

To further support this momentum, we expanded our leadership bench with internal promotions in retail and commercial banking and made strategic hires across corporate strategy, operations and technology, and finance, bringing added expertise to help us scale more effectively. These investments, combined with ongoing efforts to enhance the associate experience and strengthen internal alignment, reflect the meaningful progress made in 2025 to build a stronger, more capable organization ready to meet the needs of our customers and communities.

Landmark also made operational and technology improvements throughout the year. We invested in systems that help streamline work, improve data integrity, and provide more reliable tools to frontline bankers and support teams. These changes reduce manual effort and improve consistency, giving associates more capacity to focus on the customer experience. We find that our customers consistently rely on our team’s responsiveness and local insight, and the momentum from those interactions carried throughout the year. The organizational improvements underway in the form of better systems, clearer processes, and stronger leadership have begun to enhance that experience and position Landmark to meet evolving expectations.

As we look to the year ahead, I am confident in the direction we are moving. The advancements made in 2025 reinforced our culture, elevated our capabilities, and strengthened our connection to the communities we serve. In closing, I would like to extend my sincere gratitude to our associates, customers, and you—our valued shareholders—Thank you for your continued support and trust in Landmark. We remain focused on



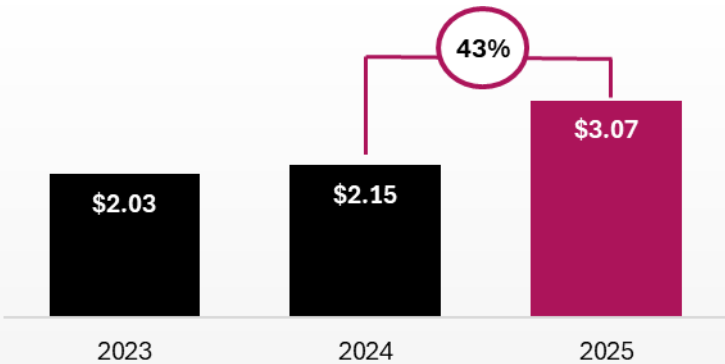
delivering long-term value for those who depend on us and on building a future shaped by purpose, resilience, and steady progress. Thank you for your partnership and confidence in our bank.

Sincerely,

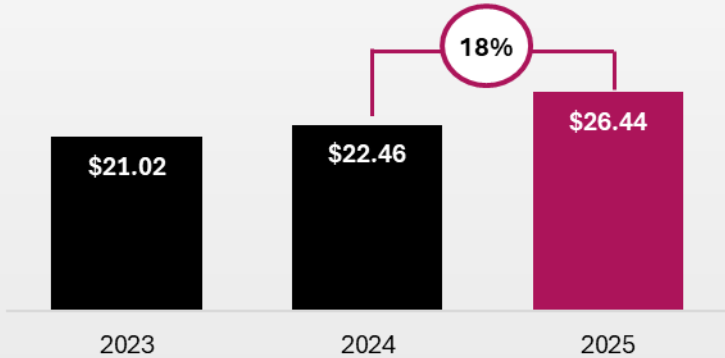
A handwritten signature in black ink, appearing to read "Allison DeFakendel".

President and Chief Executive Officer

Earnings Per Share, Diluted



Book Value Per Share



BOARD OF DIRECTORS



Patrick L. Alexander
Chairman
Retired, President and Chief Executive Officer
Landmark Bancorp, Inc.

Abigail M. Wendel
President and Chief Executive Officer
Landmark Bancorp, Inc.

Sarah Hill-Nelson
President and Chief Executive Officer
The Bowersock Mills & Power Company

Angela S. Hurt
President and Chief Executive Officer
Veracity Consulting, Inc.

Mark J. Kohlrus
Retired, Senior Vice-President
The Brink's Company

Jim W. Lewis
Retired Owner
Lewis Automotive Group

Sandra J. Moll
Owner
Advanced Business Solutions, LLC

Thomas A. Page
Retired, President & Chief Executive Officer
Emprise Bank

Wayne R. Sloan
Chairman Emeritus
BHS Construction, Inc.

David H. Snapp
Owner
David H. Snapp, LC law office

Angelia K. Stanland
Chief of Staff
The Illig Family Enterprise Company

EXECUTIVE OFFICERS



Abigail M. Wendel
President and
Chief Executive Officer
Landmark Bancorp, Inc.



Mark A. Herpich
Vice President, Secretary,
Chief Financial Officer and Treasurer
Landmark Bancorp, Inc.



OFFICES & COMMUNITIES

Auburn

Dodge City

Fort Scott

Garden City

Great Bend

Hoisington

Iola

Junction City

Kansas City

La Crosse

Lawrence

Lenexa

Manhattan

Mound City

Osage City

Osawatomie

Overland Park

Paola

Pittsburg

Prairie Village

Topeka

Wamego

Wellsville



FINANCIAL HIGHLIGHTS

	2021	2022	2023	2024	2025
\$ in thousands, except per share data					
STATEMENT OF EARNINGS					
Net Interest Income	\$ 38,320	\$ 38,880	\$ 43,292	\$ 45,724	\$ 55,685
Provision for Credit Losses	500	-	349	2,300	2,350
Non-Interest Income	22,261	13,700	13,230	14,744	14,951
Non-Interest Expense	37,256	41,270	41,983	44,079	45,233
Earnings Before Income Taxes	22,825	11,310	14,190	14,089	23,053
Income Tax Expense (Benefit)	4,814	1,432	1,954	1,086	4,278
Net Earnings	18,011	9,878	12,236	13,003	18,775
PER SHARE DATA *					
Net Earnings Per Share - Diluted	\$ 2.96	\$ 1.63	\$ 2.02	\$ 2.15	\$ 3.07
Book Value Per Share	22.33	18.46	21.02	22.46	26.44
Dividends Per Share	0.63	0.69	0.73	0.76	0.80
YEAR END DATA					
Cash and Cash Equivalents	\$ 196,591	\$ 32,240	\$ 32,019	\$ 24,385	\$ 24,200
Total Securities	383,622	498,300	464,447	382,802	357,702
Total Gross Loans, includes Held for Sale	666,803	852,428	949,080	1,055,466	1,115,992
Loan Loss Reserve	8,775	8,791	10,608	12,825	12,458
Total Assets	1,328,968	1,502,867	1,561,672	1,574,142	1,606,642
Total Deposits	1,148,481	1,300,649	1,316,251	1,328,766	1,388,854
Total Borrowings	29,054	68,253	99,027	88,505	33,719
Total Stockholders' Equity	135,643	111,433	126,914	136,215	160,631
SELECT RATIOS					
Return on Average Assets	1.44%	0.73%	0.80%	0.83%	1.17%
Return on Average Equity	13.80%	8.25%	10.70%	10.01%	12.68%
Net Interest Margin	3.39%	3.21%	3.17%	3.28%	3.86%
Loans to Deposits	56.9%	64.7%	71.3%	78.2%	79.1%
Reserves to Gross Loans	1.32%	1.03%	1.12%	1.22%	1.12%
Non-performing Loans to Loans	0.79%	0.39%	0.25%	1.25%	0.90%
Net Charge-Offs to Average Loans	0.07%	0.00%	0.00%	0.02%	0.25%
Tier 1 Common Capital	15.0%	10.4%	10.4%	10.5%	11.3%
Tier 1 Ratio	17.7%	12.5%	12.4%	12.4%	13.0%
Total Capital Ratio	18.9%	13.4%	13.3%	13.5%	14.1%
Leverage Ratio	10.8%	8.1%	8.4%	9.0%	9.8%

* Adjusted for 5% stock dividend paid out annually in December.

SHAREHOLDER INFORMATION

Corporate Headquarters

701 Poyntz Avenue
Manhattan, Kansas 66502
800-318-8997

Annual Shareholder Meeting

The annual meeting of stockholders will be held in person at 2:00pm on May 20, 2026.

Kansas State Alumni Center
100 Alumni Ctr, 1720 Anderson Ave
Manhattan, Kansas 66506

Investor Relations

Corporate and investor information, including news releases, webcasts, investor presentations, annual reports, proxy statements and SEC filings are available on the investor section of our bank website at <https://investor.banklandmark.com>.

Common Stock Listing

Landmark Bancorp's common stock trades on the Nasdaq Stock Market (NASDAQ) under the symbol "LARK".

Registrar and Transfer Agent

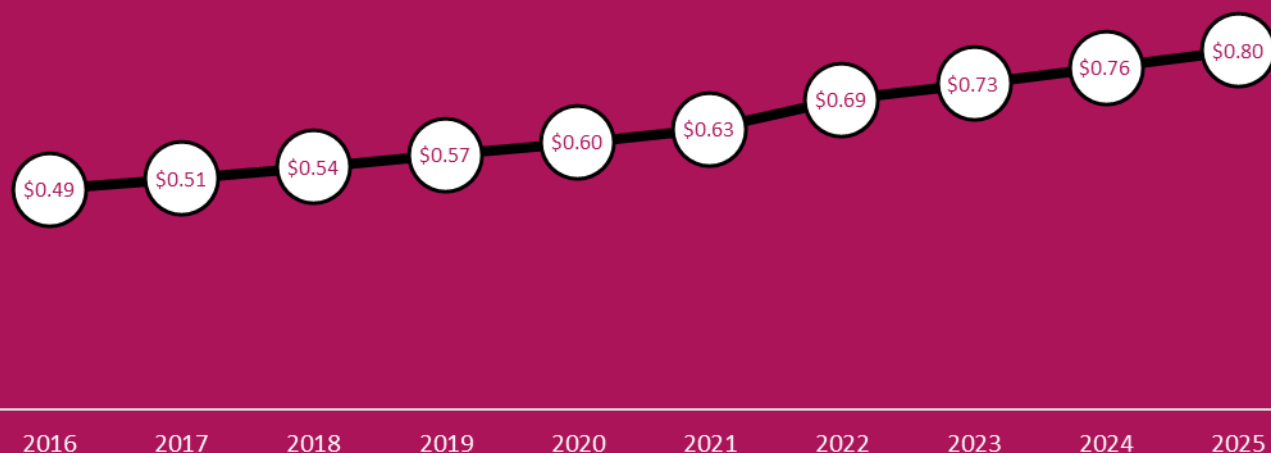
Shareholder account inquiries, including changes of address or ownership, transferring stock and replacing lost certificates or dividend checks should be directed to Computershare at:

Computershare, Inc.
PO Box 43006
Providence, RI, 02940-3006

Independent Registered Public Accounting Firm

Crowe LLP
2200 Ross Avenue, Suite 4200
Dallas, TX 75201

Common Stock Dividends Per Share
10 Year History, Adjusted for Stock Dividends



**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For fiscal year ended December 31, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For transition period from _____ to _____

Commission File Number 0-33203

LANDMARK BANCORP, INC.

(Exact name of Registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

43-1930755

(I.R.S. Employer Identification Number)

701 Povntz Avenue, Manhattan, Kansas 66502

(Address of principal executive offices) (Zip Code)

(785) 565-2000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class:</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered:</u>
Common Stock, par value \$0.01 per share	LARK	Nasdaq Global Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒ Smaller reporting company ☒

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant, based on the last sales price of \$26.44 quoted on the Nasdaq Global Market on the last business day of the registrant's most recently completed second fiscal quarter, was approximately \$109.6 million. On April 10, 2026, the total number of shares of common stock outstanding was 6,098,324.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the Annual Meeting of Stockholders of the registrant to be held on May 20, 2026, are incorporated by reference in Part III hereof, to the extent indicated herein.

LANDMARK BANCORP, INC.
2025 Form 10-K Annual Report
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PART I.

ITEM 1. BUSINESS

The Company

Landmark Bancorp, Inc. (the “Company,” “our,” and “we”) is a financial holding company that was incorporated under the laws of the State of Delaware in 2001. Currently, the Company’s business consists of the ownership of Landmark National Bank (the “Bank”) and Landmark Risk Management, Inc. (the “Captive”), which are wholly-owned subsidiaries of the Company. As of December 31, 2025, the Company had approximately \$1.6 billion in consolidated total assets.

The Company is headquartered in Manhattan, Kansas, and has expanded its geographic presence through both opening of new branches and strategic acquisitions. The Company has 29 branch offices in 23 communities across the state of Kansas and in February 2024, opened a loan production office in Kansas City, Missouri.

The Bank provides banking services to individuals and businesses primarily within its local communities throughout Kansas and in the Kansas City metropolitan area. The banking services provided to individuals and businesses include commercial, commercial real estate (“CRE”), agriculture, residential real estate, and consumer lending. The Bank also offers a variety of deposit products including demand, checking, money market, savings, time deposits and treasury management services. Greater emphasis has been placed on diversification of the deposit mix through the expansion of core deposit accounts such as checking, savings, and money market accounts. We are committed to developing relationships with our customers and providing a total banking service.

Landmark Risk Management, Inc., which was formed and began operations in 2017, is a Nevada-based captive insurance company which provides property and casualty insurance coverage to the Company and the Bank for which insurance may not be currently available or economically feasible in the current insurance marketplace. The Captive is subject to the regulations of the State of Nevada and undergoes periodic examinations by the Nevada Division of Insurance.

The results of operations of the Bank and the Company are dependent primarily upon net interest income and, to a lesser extent, upon other income derived from loan servicing fees, customer deposit services and sales of one-to-four family residential mortgage loans. Additional expenses of the Bank include general and administrative expenses such as salaries, employee benefits, occupancy and related expenses, data processing, professional fees and federal deposit insurance premiums.

The Company’s executive office and the Bank’s main office are located at 701 Poyntz Avenue, Manhattan, Kansas 66502. The telephone number is (785) 565-2000.

Market Areas

The Bank’s primary deposit gathering and lending markets are geographically diversified throughout central, eastern, southeast, and southwest Kansas. The primary industries within these respective markets are also diverse and dependent upon a wide array of industry and governmental activity for their economic base. A brief description of the four geographic areas and the communities which the Bank serves is set forth below.

Central region. The central region of the Bank’s market area consists of the Bank’s locations in Auburn, Junction City, Manhattan, Osage City, Topeka and Wamego, Kansas and includes the counties of Riley, Geary, Osage, Pottawatomie and Shawnee. The economies are significantly impacted by employment at Fort Riley Military Base in Junction City and Kansas State University, the second largest university in Kansas, which is located in Manhattan. Topeka is the capital of Kansas and strongly influenced by the government of the State of Kansas. Topeka and Manhattan are regional destinations for retail shopping as well as home to regional hospitals. Manhattan is also home to the National Bio and Agro-Defense Facility, which has a significant impact on the regional economy. Additionally, manufacturing and service industries play a key role within the central Kansas market.

Eastern region. The Bank’s eastern Kansas branches are located in the communities of Lawrence, Lenexa, Louisburg, Osawatomie, Overland Park, Paola, Prairie Village and Wellsville, Kansas, with a loan production office in Kansas City Missouri. The Bank’s Lawrence locations are located in Douglas County and are significantly impacted by the University of Kansas, the largest university in Kansas. The eastern region is strongly influenced by the Kansas City metropolitan market, which is the highest growth area in the State of Kansas. The region is influenced by public and private industries and businesses of all sizes. In addition, housing growth and CRE are major drivers of the region’s economy.

Southeast region. The southeast region of the Bank’s market area consists of the Bank’s locations in Fort Scott, Iola, Mound City and Pittsburg, Kansas. Agriculture, oil, and gas are the predominant industries in the southeast Kansas region. Both Fort Scott and Pittsburg are recognized as regional commercial centers within the southeast region of the state, which attracts small retail businesses to the region. Additionally, Pittsburg State University and Fort Scott Community College attract a number of individuals from the surrounding area to live within the communities to participate in educational programs and pursue a degree. Additionally, manufacturing and service industries play a key role within the southeast Kansas market.

Southwest region. The Bank’s southwest Kansas branches are located in the communities of Dodge City, Garden City, Great Bend, Hoisington and La Crosse, Kansas. Agriculture, oil, and gas are the predominant industries in the southwest Kansas region. Significant activities involve crop production, feed lot operations, and food processing. Dodge City is known as the “Cowboy Capital of the World” and maintains a significant tourism industry. Both Dodge City and Garden City are recognized as regional commercial centers within the state with small businesses, manufacturing, retail, and service industries having a significant influence upon the local economies. Additionally, the Dodge City, Garden City and Great Bend communities each have a community college that attracts individuals from the surrounding areas.

Competition

The Company faces strong competition both in attracting deposits and making real estate, commercial and other loans. Its most direct competition for deposits and loans comes from large national and regional banks, local community banks, savings and loan associations, securities and brokerage companies, mortgage companies, insurance companies, finance companies, money market mutual funds, credit unions, financial technology (fintech) companies and other non-bank financial service providers including digital asset service providers, located in its principal market areas, including many larger financial institutions which have greater financial and marketing resources available to them. The ability of the Company to attract and retain deposits generally depends on its ability to provide a rate of return, service levels, liquidity and risk comparable to or better than those offered by competing investment opportunities. The Company competes for loans principally through the interest rates and loan fees it charges and the efficiency and quality of services it provides borrowers.

Human Capital Resources

Employees. At December 31, 2025, the Bank had a total of 283 employees (273 full time equivalent employees). The Company has no employees, although the Company is a party to several employment agreements with executives of the Bank. Employees are provided with a comprehensive benefits program, including basic and major medical insurance, life and disability insurance, sick leave, and a 401(k) profit sharing plan. Employees are not represented by any union or collective bargaining group, and the Bank considers its employee relations to be excellent.

Diversity, Equity and Inclusion. The Company believes that a diverse workforce is critical to achieving its strategic goals. The Company strives to foster a strong and inclusive culture that is committed to delivering extraordinary service to our clients and communities by meeting the financial needs of families and businesses across Kansas.

Talent development and retention. The Company utilizes various processes to recruit employees with values that align with the Company’s vision. The long-term success of the Company revolves around the ability to continue to develop and retain these employees.

Lending Activities

General. The Bank strives to provide a full range of financial products and services to small- and medium-sized businesses and to consumers in each market area it serves. The Bank targets owner-operated businesses and utilizes Small Business Administration (“SBA”) lending as a part of its product mix. The Bank has a loan committee for each of its markets, which has authority to approve credits within established guidelines. Concentrations in excess of those guidelines must be approved by either a corporate loan committee comprised of the Bank’s Chief Executive Officer, the Chief Credit Officer, and other senior commercial lenders or the Bank’s board of directors. When lending to an entity, the Bank generally obtains a guaranty from the principals of the entity. The loan mix is subject to the discretion of the Bank’s board of directors and the demands of the local marketplace.

The following is a brief description of each major category of the Bank's lending activity.

One-to-Four Family Residential Real Estate Lending. The Bank originates one-to-four family residential real estate loans with both fixed and variable rates. One-to-four family residential real estate loans, which make up approximately 33.8% of total loans at December 31, 2025, are typically priced and originated following underwriting standards that are consistent with guidelines established by the major buyers in the secondary market. Generally, residential real estate loans retained in the Bank's loan portfolio have fixed or variable rates with adjustment periods of seven years or less and amortization periods of typically either 15 or 30 years. A significant portion of these loans prepay prior to maturity. The Bank has no potential negative amortization loans. While the origination of fixed-rate, one-to-four family residential loans continues to be a key component of our business, the majority of these loans are sold in the secondary market. One-to-four family residential real estate loans that exceed 80% of the appraised value of the real estate generally are required, by policy, to be supported by private mortgage insurance, although on occasion the Bank will retain non-conforming residential loans to known customers at premium pricing. The balances of one-to-four family residential real estate loans increased as of December 31, 2025 compared to December 31, 2024, primarily due to demand for the Bank's variable rate mortgage loans. These loans are retained in portfolio and were the primary factor for the 6.6% increase in balances during 2025 and 2024. While the Bank retains some of the new fixed rate mortgage loan originations, most new fixed rate mortgage loans continue to be sold.

Construction and Land Lending. Loans in this category include loans to facilitate the development of both residential and CRE, which make up approximately 1.8% of total loans at December 31, 2025. Construction and land loans generally have terms of less than 18 months, and the Bank will retain a security interest in the borrower's real estate. Construction loans are generally limited, by policy, to 80% of the appraised value of the property. Land loans are generally limited, by policy, to 65% of the appraised value of the property. The origination of construction and land loans has not been a primary strategy of the Bank over the past few years to reduce risk in the Bank's loan portfolio. The balances of construction and land loans decreased 18.9% as of December 31, 2025 compared to December 31, 2024 primarily due to lower demand from the Bank's loan customers.

CRE Lending. CRE loans, including multi-family loans, generally have amortization periods of 15 or 20 years. CRE loans comprise approximately 35.5% of total loans at December 31, 2025. CRE and multi-family loans are generally limited, by policy, to 80% of the appraised value of the property and are subject to strict underwriting guidelines. CRE loans are also supported by an analysis demonstrating the borrower's ability to repay. The Bank continues to focus on generating additional CRE, which are part of an overall banking relationship with the customer, and does not focus on originating transactional type loans where the borrower does not have other financial relationships with the Bank. This focus results in more owner-occupied CRE loans that are diversified by borrower type and geography. The Bank monitors the CRE loan portfolio closely for concentrations in loan types as well as the financial performance of the borrowers. Currently, the Bank has not identified any negative trends related to the CRE loan portfolio. The Bank's loan growth over the past few years has been driven in large part by CRE loans.

Commercial Lending. Commercial loans, which make up approximately 16.0% of total loans at December 31, 2025, include loans to service, retail, wholesale and light manufacturing businesses. Commercial loans are made based on the financial strength and repayment ability of the borrower, as well as the collateral securing the loans. The Bank targets owner-operated businesses as its customers and makes lending decisions based upon a cash flow analysis of the borrower as well as a collateral analysis. Accounts receivable loans and loans for inventory purchases are generally on a one-year renewable term, and loans for equipment generally have a term of seven years or less. The Bank generally takes a blanket security interest in all assets of the borrower. Equipment loans are generally limited, by policy, to 75% of the cost or appraised value of the equipment. Inventory loans are generally limited to 50% of the value of the inventory, and accounts receivable loans are generally limited to 75% of a predetermined eligible base. The Bank continues to focus its organic growth on generating additional commercial loan relationships, including SBA loans.

Agriculture Lending. Agricultural real estate and operating loans, which make up approximately 9.3% of total loans at December 31, 2025, generally have amortization periods of 20 years or less, during which time the Bank generally retains a security interest in the borrower's real estate. The Bank also provides short-term credit for operating loans and intermediate-term loans for farm product, livestock and machinery purchases and other agricultural improvements. Farm product loans generally have a one-year term, and machinery, equipment and breeding livestock loans generally have five to seven year terms. Extension of credit is based upon the borrower's ability to repay, as well as the existence of federal guarantees and crop insurance coverage. These loans are generally secured by a blanket lien on livestock, equipment, feed, hay, grain and growing crops. Equipment and breeding livestock loans are generally limited, by policy, to 75% of appraised value of the collateral. The Bank continues to focus on generating additional agriculture loan relationships in each of its market areas.

Municipal Lending. Loans to municipalities, which make up approximately 0.6% of total loans at December 31, 2025, are generally related to equipment leasing or general fund loans. Terms are generally limited to 5 years. Equipment leases are generally made for the purchase of municipal assets and are secured by the leased asset. The Bank is generally not active in the origination of municipal loans and leases; however, the Bank may originate loans or leases for municipalities in its market areas.

Consumer and Other Lending. Loans classified as consumer and other loans, which make up approximately 3.0% of total loans at December 31, 2025, include automobile, boat, home improvement and home equity loans. With the exception of home improvement loans and home equity loans, the Bank generally takes a purchase money security interest in collateral for which it provides the original financing. Home improvement loans and home equity loans are principally secured through second mortgages. The terms of the loans typically range from one to five years, depending upon the use of the proceeds, and generally range from 75% to 90% of the value of the collateral. The majority of these loans are installment loans with fixed interest rates. Home improvement and home equity loans are generally secured by a second mortgage on the borrower's personal residence and, when combined with the first mortgage, limited to 80% of the value of the property unless further protected by private mortgage insurance. Home improvement loans are generally made for terms of five to seven years with fixed interest rates. Home equity loans are generally made for terms of ten years on a revolving basis with adjustable monthly interest rates tied to the national prime interest rate. While the Bank primarily provides consumer loans to its existing customers, consumer lending is not a category the Bank targets for organic growth.

Loan Origination and Processing

Loan originations are derived from a number of sources. Residential loan originations result from real estate broker referrals, direct solicitation by the Bank's loan officers, present depositors and borrowers, referrals from builders and attorneys, walk-in customers and, in some instances, other lenders. Consumer and CRE loan originations generally emanate from many of the same sources.

Residential loan applications are underwritten and closed based upon standards which generally meet secondary market guidelines. The loan underwriting procedures followed by the Bank conform to regulatory specifications and are designed to assess both the borrower's ability to make principal and interest payments and the value of any assets or property serving as collateral for the loan. Generally, as part of the process, a loan officer meets with each applicant to obtain the appropriate employment and financial information as well as any other required loan information. The Bank then obtains reports with respect to the borrower's credit record, and on real estate loans, orders and reviews an appraisal of any collateral for the loan (prepared for the Bank by an independent appraiser).

Loan applicants are notified promptly of the decision of the Bank. Prior to closing any long-term loan, the borrower must provide proof of fire and casualty insurance on the property serving as collateral, and such insurance must be maintained during the full term of the loan. Title insurance is required on loans collateralized by real property.

The Bank is focusing on the generation of commercial, CRE and agriculture loans to grow and diversify the loan portfolio. Total gross loans increased during 2025 as a result of the origination of variable rate mortgage loans and loan growth in CRE, and agriculture loans.

Deposits

The Bank has a diversified deposit base. The deposit base consists of retail, commercial and public fund customers located in the markets in which the Bank operates. The Bank provides a diverse financial suite of products to its deposit customers and seeks to be the primary financial service provider for these customers. The Bank considers these deposit relationships to be its core deposit base. If the Bank requires funding that exceeds these customers' deposit balances, non-core or brokered deposits may be utilized. The balance of these non-core or brokered deposits at December 31, 2025 was \$108.9 million, or 7.8% of total deposits, compared to \$91.4 million, or 6.9% of total deposits at December 31, 2024.

In order for the Bank to attract and retain stable deposit relationships, the Bank offers business cash management solution services to help local companies better manage their cash flow. The Bank also offers Insured Cash Sweep ("ICS") and Certificate of Deposit Account Registry Service to provide customers with FDIC insurance coverage for deposit balances that exceed the insurance limit of \$250,000. The ICS accounts are integrated with the Bank's core processor so transfers can be automated for the Bank's customers. The expertise and experience of the Bank's management coupled with the latest technology accessed through third party providers enables the Bank to maximize the growth of business-related deposits.

As for consumers, deposit growth is driven by a variety of factors including, but not limited to, population growth, bank and non-bank competition, local bank mergers and consolidations, increases in household income, interest rates, accessibility of location and the sales efforts of Bank personnel. Time deposits can be attracted and increased by paying an interest rate higher than that offered by competitors, but are the costliest type of deposit. The most profitable type of deposits are non-interest bearing demand (checking) accounts, which can be attracted by offering free checking. However, both high interest rates and free checking accounts generate certain expenses for a bank and the desire to increase deposits must be balanced with the need to be profitable and the extent of banking relationships with the customers. The deposit services of the Bank are generally comprised of demand deposits, savings deposits, money market deposits, time deposits and individual retirement accounts.

Supervision and Regulation

General

Deposits of the Bank are insured by the Deposit Insurance Fund (the “DIF”) of the Federal Deposit Insurance Corporation (the “FDIC”) up to the maximum amount allowable under applicable federal laws and regulations. The Bank is regulated by the Office of the Comptroller of the Currency (the “OCC”), as the chartering authority for national banks, and the FDIC, as the administrator of the DIF. The Company and the Bank are also subject to regulation by the Board of Governors of the Federal Reserve System (the “Federal Reserve”) with respect to reserves required to be maintained against deposits and certain other matters, including the regulation of bank holding companies. The Bank is a member of the Federal Reserve Bank of Kansas City and the Federal Home Loan Bank (the “FHLB”) of Topeka.

FDIC-insured institutions, like the Bank, their holding companies and their affiliates are extensively regulated under federal law. As a result, our growth and earnings performance may be affected not only by management decisions and general economic conditions, but also by the requirements of applicable statutes and by the regulations and policies of various banking agencies, including our primary federal regulator, the Federal Reserve, and the Bank’s primary federal regulator, the OCC, as well as the FDIC, as the insurer of the Bank’s deposits, and consumer financial protection agencies. Furthermore, taxation laws administered by the Internal Revenue Service and state taxing authorities, accounting rules developed by the Financial Accounting Standards Board (“FASB”), securities laws administered by the Securities and Exchange Commission (“SEC”) and state securities authorities, and anti-money laundering and sanctions laws enforced by the U.S. Department of the Treasury (“Treasury”) have an impact on our business. The effect of these statutes, regulations, regulatory policies and accounting rules are significant to our operations and results.

Federal and state banking laws impose a comprehensive system of supervision, regulation and enforcement on the operations of FDIC-insured institutions, their holding companies and affiliates that is intended primarily for the protection of the FDIC-insured deposits and depositors of banks, rather than shareholders. These laws, and the regulations of the banking agencies issued under them, affect, among other things, the scope of our business, the kinds and amounts of investments that we may make, required capital levels relative to assets, the nature and amount of collateral for loans, the establishment of branches, our ability to merge, consolidate and acquire, dealings with the Company’s and the Bank’s insiders and affiliates and our payment of dividends.

In response to the global financial crisis and particularly following passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), we experienced heightened regulatory requirements and scrutiny. Although the reforms primarily targeted large banking organizations and systemically important financial institutions, their influence filtered down in varying degrees to community banking organizations over time and caused our compliance and risk management processes, and the costs thereof, to increase. The Economic Growth, Regulatory Relief and Consumer Protection Act of 2018 (the “Regulatory Relief Act”) clarified the inapplicability of certain Dodd-Frank Act reforms to community banking organizations, including relieving them of any requirement to engage in mandatory stress tests, maintain a risk committee or comply with the Volcker Rule’s complicated prohibitions on proprietary trading and ownership of private funds.

Over the past year, the federal banking agencies have continued efforts to reduce regulatory burden on banking organizations, including community banking organizations, through various supervisory, regulatory and policy initiatives. These efforts have included the rescission or revision of certain rulemakings and proposals, initiatives to streamline examination and application processes and efforts to increase transparency and consistency in supervisory expectations. Congress also has considered additional measures aimed at easing specific compliance obligations for community banks, although no reforms comparable in scope to the Regulatory Relief Act have been enacted to date. The Company believes that these developments may be favorable to the operations of the Company or the Bank; however, future changes in laws, regulations or supervisory priorities, and their impacts on the Company’s or the Bank’s business, remain uncertain.

The supervisory framework applicable to U.S. banking organizations subjects banks and bank holding companies to regular examination by their respective banking agencies. These examinations result in confidential examination reports and supervisory ratings that may impact an institution's operations, capital levels, growth and strategic initiatives. Examinations consider not only compliance with applicable laws and regulations, but also capital levels, asset quality and risk, management ability and performance, earnings, liquidity and overall risk profile, among other things. The banking agencies generally have broad discretion to impose restrictions and limitations on the operations of a regulated entity where the agencies determine that such operations are unsafe or unsound, fail to comply with applicable law or are otherwise inconsistent with laws and regulations. Changes in supervisory approach or emphasis may materially affect the operations and financial results of the Company and the Bank, as well as the banking industry in general.

In recent supervisory communications, rulemakings and policy statements, the federal banking agencies have indicated an increased focus on core, material financial risks (rather than risk management processes), greater transparency in supervisory expectations, and efforts to reduce examination burden, particularly for community banks. For example, the OCC has proposed or implemented initiatives: (i) to clarify standards for unsafe or unsound practices; (ii) to reduce the regulatory burden on community banking organizations in connection with anti-money laundering and countering the financing of terrorism examinations; and (iii) generally to streamline examination procedures for community banking organizations by allowing examiners to tailor the scope and frequency of examinations based on risk-based supervision, consistent with applicable laws and regulations. These initiatives may enable management to focus more effectively on growth opportunities and the management of material financial risks.

The following is a summary of the material elements of the supervisory and regulatory framework applicable to the Company and the Bank. It does not describe all of the statutes, regulations and regulatory policies that apply, nor does it restate all of the requirements of those that are described. The descriptions are qualified in their entirety by reference to the particular statutory and regulatory provision.

The Role of Capital

Regulatory capital represents the net assets of a banking organization available to absorb losses. Because of the risks attendant to their business, FDIC-insured institutions, such as banks, as well as their holding companies (i.e., banking organizations) generally are required to hold more capital than other businesses, which directly affects our earnings capabilities. Although capital historically has been one of the key measures of the financial health of both bank holding companies and banks, its role became fundamentally more important in the wake of the global financial crisis, as the banking agencies recognized that the amount and quality of capital held by banking organizations prior to that crisis was insufficient to absorb losses during periods of severe stress.

Capital Levels. Banking organizations have been required to hold minimum levels of capital based on guidelines established by the federal banking agencies since 1983. The minimum capital levels for banking organizations have been expressed in terms of ratios of "capital" divided by "total assets." The capital guidelines for U.S. banking organizations beginning in 1989 have been based upon international capital accords (known as the "Basel" accords) adopted by the Basel Committee on Banking Supervision, a committee of central banks and bank supervisors that acts as the primary global standard-setter for prudential regulation, as interpreted and implemented by the U.S. federal banking agencies on an interagency basis. These accords recognized that bank assets for the purpose of the capital ratio calculations needed to be risk weighted (the theory being that riskier assets should require more capital) and that off-balance sheet exposures needed to be factored in the calculations. Following the global financial crisis, the Group of Governors and Heads of Supervision, the oversight body of the Basel Committee on Banking Supervision, announced an agreement on a strengthened set of capital requirements for banking organizations around the world, known as the Basel III accords, to address deficiencies recognized in connection with the global financial crisis.

The Basel III Rule. The U.S. federal banking agencies adopted the U.S. Basel III regulatory capital reforms, and, at the same time, effected changes required by the Dodd-Frank Act, in regulations that were effective in 2015 (with certain phase-ins) (the "Basel III Rule"). The Basel III Rule established capital standards for banks and bank holding companies that are meaningfully more stringent than those in place previously and are still in effect today. The Basel III Rule increased the required quantity and quality of capital and required a more complex, detailed and calibrated assessment of risk in the calculation of risk weightings for bank assets. The Basel III Rule is applicable to all banking organizations that are subject to minimum capital requirements, including national and state banks and savings and loan associations, as well as to holding companies, other than "small bank holding companies" and certain qualifying banking organizations that may elect a simplified framework (which we have not done). The Company and the Bank currently are subject to the Basel III Rule as described below.

Not only did the Basel III Rule increase most of the required minimum capital ratios in effect prior to January 1, 2015, but, by requiring that capital instruments be of higher quality to absorb loss, it introduced the concept of Common Equity Tier 1 Capital (“CET1”), which consists primarily of common stock, related surplus (net of treasury stock), retained earnings, and CET1 minority interests, subject to certain regulatory adjustments and deductions. The Basel III Rule also changed the definition of regulatory capital by establishing more stringent criteria for instruments to qualify as Additional Tier 1 Capital (primarily non-cumulative perpetual preferred stock that meets certain requirements) and Tier 2 Capital (primarily other types of preferred stock and subordinated debt, subject to limitations). In addition, the Basel III Rule limited the inclusion of minority interests, mortgage-servicing assets, and deferred tax assets in regulatory capital and required deductions from CET1 in the event that such assets exceeded prescribed thresholds.

The Basel III Rule requires banking organizations to maintain minimum capital ratios to be deemed “adequately capitalized” as follows:

- A ratio of CET1 equal to 4.5% of risk-weighted assets;
- A ratio of Tier 1 Capital equal to 6% of risk-weighted assets;
- A ratio of Total Capital (Tier 1 plus Tier 2 Capital) equal to 8% of risk-weighted assets; and
- A leverage ratio of Tier 1 Capital to total quarterly average assets equal to 4%.

In addition, banking organizations that want to make capital distributions (including dividends and stock repurchases) and pay discretionary bonuses to executive officers without restriction must maintain 2.5% in CET1 in the form of a capital conservation buffer. The purpose of the conservation buffer is to ensure that banking organizations maintain a cushion of capital that can be used to absorb losses during periods of financial and economic stress. Factoring in the capital conservation buffer increases the minimum ratios described above to 7% for CET1, 8.5% for Tier 1 Capital and 10.5% for Total Capital.

Well Capitalized Requirements. The capital ratios described above represent minimum standards for banking organizations to be considered “adequately capitalized.” Banking agencies uniformly encourage banking organizations to maintain capital levels above these minimums and to be classified as “well capitalized.” To that end, federal law and regulations provide various incentives for banking organizations to maintain regulatory capital in excess of minimum regulatory requirements. For example, a well capitalized banking organization may: (i) qualify for exemptions from prior notice or application requirements otherwise applicable to certain activities; (ii) receive expedited processing of other required notices or applications; and (iii) accept, roll-over or renew brokered deposits. In addition, the banking agencies may require higher capital levels where warranted by an institution’s specific risk profile or operating circumstances. For example, the Federal Reserve’s capital guidelines contemplate that additional capital may be required to take adequate account of, among other things, risks, such as interest rate risk, or risks associated with credit concentrations, nontraditional activities or securities trading activities. Further, any banking organization experiencing or anticipating significant growth would be expected to maintain capital ratios, including tangible capital positions (i.e., Tier 1 Capital less all intangible assets), well above the minimum regulatory levels.

Under the capital regulations of the Federal Reserve for the Company and the OCC for the Bank, in order to be well capitalized, we must maintain:

- A CET1 ratio to risk-weighted assets of 6.5% or more;
- A ratio of Tier 1 Capital to total risk-weighted assets of 8% or more;
- A ratio of Total Capital to total risk-weighted assets of 10% or more; and
- A leverage ratio of Tier 1 Capital to total adjusted average quarterly assets of 5% or greater.

Under the Basel III Rule, a banking organization may be considered “well capitalized,” while not complying with the capital conservation buffer requirement described above.

As of December 31, 2025: (i) the Bank was not subject to a directive from the OCC to increase its capital and (ii) the Bank was well-capitalized, as defined by OCC regulations. As of December 31, 2025, the Company had regulatory capital in excess of the Federal Reserve’s requirements and met the Basel III Rule requirements to be well-capitalized. The Company and the Bank also are in compliance with the capital conservation buffer.

Basel III Endgame Proposal. Previously, the federal banking agencies proposed a “Basel III Endgame Rule” to complete the implementation of certain aspects of the Basel III accords, particularly relating to risk-weighted assets; however, the proposal was not adopted, in part due to stakeholder concerns regarding potential economic impacts, data transparency and

the alignment of certain provisions with statutory tailoring requirements. Based on public statements from federal agency officials, it is anticipated that a revised proposal may be issued in the future. Any reproposal of the Basel III Endgame Rule is expected to primarily affect large, complex banking organizations.

Prompt Corrective Action. The concept of a banking organization being “adequately capitalized” or “well capitalized,” as defined above, is part of a regulatory regime that provides the federal banking agencies with broad power to take “prompt corrective action” to resolve the problems of undercapitalized depository institutions based on the capital level of each particular institution. The extent of the banking agencies’ powers depends on whether the institution in question is “adequately capitalized,” “undercapitalized,” “significantly undercapitalized” or “critically undercapitalized,” in each case as defined by regulation. Depending upon the capital category to which a banking organization is assigned, the agencies’ corrective powers include: (i) requiring the institution to submit a capital restoration plan; (ii) limiting the institution’s asset growth and restricting its activities; (iii) requiring the institution to issue additional capital stock (including additional voting stock) or to sell itself; (iv) restricting transactions between the institution and its affiliates; (v) restricting the interest rate that the institution may pay on deposits; (vi) ordering a new election of directors of the institution; (vii) requiring that senior executive officers or directors be dismissed; (viii) prohibiting the institution from accepting deposits from correspondent banks; (ix) requiring the institution to divest certain subsidiaries; (x) prohibiting the payment of principal or interest on subordinated debt; and (xi) ultimately, appointing a receiver for the institution.

Community Bank Capital Simplification. Community banking organizations have long raised concerns with the federal banking agencies about the regulatory burden, complexity and costs associated with certain provisions of the Basel III Rule. In response, Congress provided an “off-ramp” for institutions, like the Company, with total consolidated assets of less than \$10 billion as part of the Regulatory Relief Act. Section 201 of the Regulatory Relief Act specifically instructed the federal banking agencies to establish a single “Community Bank Leverage Ratio” (“CBLR”) of between 8 and 10%. Under a final regulation promulgated by the federal banking agencies, a community banking organization is eligible to elect to comply with its capital requirements under the CBLR framework if it has: (i) less than \$10 billion in total consolidated assets; (ii) limited amounts of certain assets and off-balance sheet exposures; and (iii) a CBLR greater than 9%. In late 2025, the federal banking agencies proposed changes to the CBLR framework intended to encourage broader adoption, including reducing the required leverage ratio from 9.0% to 8.0%; however, the proposal has not yet been finalized. Neither the Company nor the Bank has elected to use the CBLR framework at this time.

Supervision and Regulation of the Company

General. The Company, as the sole shareholder of the Bank, is a bank holding company. As a bank holding company that has elected financial holding company status, we are registered with, and subject to regulation, supervision and enforcement by, the Federal Reserve under the Bank Holding Company Act of 1956, as amended (the “BHCA”). We are legally obligated to act as a source of financial and managerial strength to the Bank and to commit resources to support the Bank in circumstances where we might not otherwise do so. Under the BHCA, we are subject to periodic examination by the Federal Reserve and are required to file with the Federal Reserve periodic reports of our operations and such additional information regarding the Company and the Bank as the Federal Reserve may require.

Acquisitions and Activities. The primary purpose of a bank holding company is to control and manage banks. The BHCA generally requires the prior approval of the Federal Reserve for any merger involving a bank holding company or any acquisition by a bank holding company of another bank or bank holding company. Pursuant to the BHCA and the Dodd-Frank Act, the Federal Reserve may permit a well capitalized and well managed bank holding company to acquire banks located in any U.S. state, subject to federal deposit concentration limits, applicable nondiscriminatory state deposit-cap laws and state minimum-existence requirements for target banks (not exceeding five years).

The BHCA generally prohibits the Company from acquiring direct or indirect ownership or control of more than 5% of a class of the outstanding voting shares of any nonbanking entity and from engaging in any business other than that of banking, managing and controlling banks or furnishing services to banks and their subsidiaries. This general prohibition is subject to a number of exceptions. The principal exception allows bank holding companies to engage in, and to own shares of companies engaged in, certain businesses found by the Federal Reserve prior to November 11, 1999 to be “so closely related to banking... as to be a proper incident thereto.” This authority would permit the Company to engage in a variety of banking-related businesses, including, among other things, the ownership and operation of a savings association, or any entity engaged in consumer finance, equipment leasing, the operation of a computer service bureau (including software development) and mortgage banking and brokerage services. The BHCA does not place formal territorial restrictions on the domestic activities of nonbank subsidiaries of bank holding companies. In addition to approval from the Federal Reserve that may be required in

certain circumstances, prior approval for the establishment or acquisition of nonbank subsidiaries by the Company may be required from other agencies that regulate such nonbank company.

Financial Holding Company Election. Bank holding companies that meet certain BHCA eligibility requirements and elect to operate as financial holding companies may engage in, or own shares in companies engaged in, a wider range of nonbanking activities, including securities and insurance underwriting and sales, merchant banking and any other activity that: (i) the Federal Reserve, in consultation with the Secretary of the Treasury, determines by regulation or order is financial in nature or incidental to any such financial activity; or (ii) the Federal Reserve determines by order to be complementary to any such financial activity, as long as the activity does not pose a substantial risk to the safety or soundness of FDIC-insured institutions or the financial system generally.

We elected to operate as a financial holding company in May 2017. In order to maintain our status as a financial holding company, both the Company and the Bank must be well capitalized and well managed, and the Bank must have at least a satisfactory CRA rating. If the Federal Reserve determines that either a financial holding company or its bank subsidiary is not well capitalized or well managed, the Federal Reserve will provide a period of time in which to achieve compliance, but during the period of noncompliance, the Federal Reserve may place any limitations on such company that it deems appropriate. Furthermore, if the Federal Reserve determines that a financial holding company's bank subsidiary has not received a satisfactory CRA rating, we would not be able to commence any new financial activities or acquire a company that engages in such activities.

Change in Control. Federal law prohibits any person or company from acquiring "control" of an FDIC-insured depository institution or its bank holding company without prior notice to the appropriate federal banking agency. "Control" is conclusively determined to exist upon the acquisition of 25% or more of the outstanding voting securities of a bank or bank holding company, but may be presumed to arise under certain circumstances between 10% and 24.99% ownership.

Capital Requirements. Bank holding companies are required to maintain capital in accordance with Federal Reserve capital adequacy requirements. For a discussion of capital requirements generally, see "the "Role of Capital" above.

Dividend Payments. Our ability to pay dividends to shareholders may be affected by both general corporate law considerations and the policies and capital requirements of the Federal Reserve applicable to bank holding companies. As a Delaware corporation, we are subject to the limitations of the Delaware General Corporation Law (the "DGCL"). The DGCL allows us to pay dividends only out of surplus (as defined and computed in accordance with the provisions of the DGCL) or if we have no such surplus, out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year.

As a general matter, the Federal Reserve has indicated that the board of directors of a bank holding company should eliminate, defer or significantly reduce dividends to shareholders if: (i) the company's net income available to shareholders for the past four quarters, net of dividends previously paid during that period, is not sufficient to fully fund the dividends; (ii) the prospective rate of earnings retention is inconsistent with the company's capital needs and overall current and prospective financial condition; or (iii) the company will not meet, or is in danger of not meeting, its minimum regulatory capital adequacy ratios. The Federal Reserve also possesses enforcement powers over bank holding companies and their nonbank subsidiaries to prevent or remedy actions that represent unsafe or unsound practices or violations of applicable statutes and regulations. Among these powers is the ability to proscribe the payment of dividends by banks and bank holding companies. Finally, the Basel III Rule imposes consolidated capital requirements on banking organizations. As a result, banking organizations must hold a capital conservation buffer of 2.5% in CET1 above the minimum risk-based capital requirements to not be subject to regulatory limits on dividends and other capital distributions. See "The Role of Capital" above.

Monetary Policy. The monetary policy of the Federal Reserve has a significant effect on the operating results of bank holding companies and their subsidiaries. Among the tools available to the Federal Reserve to affect the money supply are open market transactions in U.S. government securities and changes in the discount rate on bank borrowings. These means are used in varying combinations to influence overall growth and distribution of bank loans, investments and deposits, and their use may affect interest rates charged on loans or paid on deposits, which may impact the Company's business and operations.

Federal Securities Regulation. Our common stock is registered with the SEC under the Securities Act of 1933 (the "Securities Act") and the Securities Exchange Act of 1934 (the "Exchange Act"), each as amended. Consequently, we are subject to the information, proxy solicitation, insider trading and other restrictions and requirements of the SEC under the Exchange Act.

Corporate Governance/Incentive Compensation. The Dodd-Frank Act addressed many investor protection, corporate governance and executive compensation matters that will affect most U.S. publicly traded companies. It increased stockholder influence over boards of directors by requiring companies to give stockholders a nonbinding vote on executive compensation and so-called “golden parachute” payments, and authorizing the SEC to promulgate rules that would allow stockholders to nominate and solicit voters for their own candidates using a company’s proxy materials.

The Dodd-Frank Act also directed the Federal Reserve, together with the other federal banking and financial services agencies, to promulgate rules prohibiting excessive incentive-based compensation paid to executives of bank holding companies, regardless of whether such companies are publicly traded. Although several agencies have made repeated efforts to implement rules under this provision of the Dodd-Frank Act—including a proposal issued most recently in May 2024, which was subsequently withdrawn—no final rule has been adopted at this time. Nevertheless, the federal banking agencies have issued interagency guidance on sound incentive compensation practices for banking organizations, reflecting the agencies’ recognition that incentive compensation practices in the financial industry were among the factors contributing to the global financial crisis. The interagency guidance recognizes three core principles for effective incentive compensation plans: (i) appropriately balancing risk and reward; (ii) compatibility with effective controls and risk management; and (iii) support by strong corporate governance, including active and effective oversight by the organization’s board of directors. Although much of the guidance is directed at large banking organizations that are expected to maintain systematic and formalized policies and procedures, smaller banking organizations, like the Company, are expected to implement less extensive and less formalized systems pursuant to the guidance.

Supervision and Regulation of the Bank

General. The Bank is a national bank, chartered by the OCC under the National Bank Act, and a member of the Federal Reserve System. The deposit accounts of the Bank are insured by the DIF to the maximum extent provided under federal law and FDIC regulations, currently \$250,000 per insured depositor, per ownership category. Ongoing policy discussions at the federal level have focused on potential changes to deposit insurance coverage, including possible adjustments to coverage limits, although no changes have been enacted.

As a national bank, the Bank is subject to the examination, supervision, reporting and enforcement requirements of the OCC. The FDIC, as administrator of the DIF, also has residual authority over the Bank.

Deposit Insurance Assessments. As an FDIC-insured institution, the Bank is required to pay deposit insurance premium assessments to the FDIC. The FDIC has adopted a risk-based assessment system whereby FDIC-insured institutions pay insurance premiums at rates based on their risk classification. For institutions like the Bank that are not considered large and highly complex banking organizations, assessments are now based on examination ratings and financial ratios. The total base assessment rates, effective as of January 1, 2023, generally range from 2.5 basis points (for the lowest risk institutions) to 32 basis points or beyond (for higher risk institutions).

At least semi-annually, the FDIC updates its loss and income projections for the DIF and, if needed, increases or decreases the assessment rates, following notice and comment on proposed rulemaking. For this purpose, the reserve ratio is the DIF balance divided by estimated insured deposits. In response to the global financial crisis, the Dodd-Frank Act increased the minimum reserve ratio from 1.15% to 1.35% of the estimated amount of total insured deposits. In its May 2025 report, the FDIC stated that the reserve ratio likely will reach the statutory minimum by the September 30, 2028 deadline, and no adjustments to the base assessment rates is currently projected.

In addition, because the cost of the failures of Silicon Valley Bank and Signature Bank to the DIF attributable to the systemic risk exception was approximately \$16.7 billion, the FDIC adopted a special assessment for banking organizations with \$5 billion or more in total assets. Because the Company is a banking organization with less than \$5 billion in total assets, this special assessment does not apply to us.

Supervisory Assessments. National banks are required to pay supervisory assessments to the OCC to fund the operations of the OCC. The amount of the OCC’s general assessment is calculated using a formula that considers the bank’s size and its supervisory condition. During the year ended December 31, 2025, the Bank paid supervisory assessments to the OCC totaling \$168,000.

Capital Requirements. Banks generally are required to maintain capital levels in excess of other businesses. For a discussion of capital requirements, see “The Role of Capital” above.

Liquidity Requirements. Liquidity is a measure of the ability and ease with which bank assets may be converted to meet financial obligations such as deposits or other funding sources. Banks are required to implement liquidity risk management frameworks that ensure they maintain sufficient liquidity, including a cushion of unencumbered, high quality liquid assets, to withstand a range of stress events. The level and speed of deposit outflows contributing to the failures of Silicon Valley Bank, Signature Bank and First Republic Bank in 2023 was unprecedented and contributed to acute liquidity and funding strain, underscoring the importance of liquidity risk management and contingency funding planning by insured depository institutions like the Bank, as highlighted in a 2023 addendum to existing interagency guidance on funding and liquidity risk management.

The primary roles of liquidity risk management are to: (i) prospectively assess the need for funds to meet financial obligations; and (ii) ensure the availability of cash or collateral to fulfill those needs at the appropriate time by coordinating the various sources of funds available to the institution under normal and stressed conditions. The Basel III Rule includes a liquidity framework that requires the largest insured institutions to measure their liquidity against specific liquidity tests. One test, referred to as the Liquidity Coverage Ratio, or LCR, is designed to ensure that the banking organization has an adequate stock of unencumbered high-quality liquid assets that can be converted easily and immediately in private markets into cash to meet liquidity needs for a 30-calendar day liquidity stress scenario. The other test, known as the Net Stable Funding Ratio, or NSFR, is designed to promote more medium- and long-term funding of the assets and activities of FDIC-insured institutions over a one-year horizon. These tests provide an incentive for banks and bank holding companies to increase their holdings in treasury securities and other sovereign debt as a component of assets, increase the use of long-term debt as a funding source and rely on stable funding like core deposits (in lieu of brokered deposits).

Although these tests do not apply to the Bank, we continue to review our liquidity risk management policies in light of regulatory requirements and industry developments.

Dividend Payments. The primary source of funds for the Company is dividends from the Bank. Under the National Bank Act, a national bank may pay dividends out of its undivided profits in such amounts and at such times as the bank's board of directors deems prudent. Without prior OCC approval, however, a national bank may not pay dividends in any calendar year that, in the aggregate, exceed the bank's year-to-date net income plus the bank's retained net income for the two preceding years. The payment of dividends by any FDIC-insured institution is affected by the requirement to maintain adequate capital pursuant to applicable capital adequacy guidelines and regulations, and an FDIC-insured institution generally is prohibited from paying any dividends if, following payment thereof, the institution would be undercapitalized. As described above, the Bank exceeded its capital requirements under applicable guidelines as of December 31, 2025. Notwithstanding the availability of funds for dividends, however, the OCC may prohibit the payment of dividends by the Bank if it determines such payment would constitute an unsafe or unsound practice. In addition, under the Basel III Rule, banking organizations that wish to pay dividends must maintain 2.5% in CET1 attributable to the capital conservation buffer. See "The Role of Capital" above.

Investments, Activities and Acquisitions. The Bank is permitted to make investments and engage in activities directly or through subsidiaries as authorized by, and subject to the limitations set forth in, the National Bank Act as well as OCC regulations and interpretations. The Bank may be required to obtain approval from the OCC and other applicable banking or financial services agencies before engaging in certain acquisitions or mergers under applicable law. With respect to interstate merger and acquisitions, federal law permits national banks to merge with banks in other states subject to: (i) regulatory approval; (ii) federal and state deposit concentration limits; and (iii) state law requirements that the merging bank has been in existence for a minimum period of time (not to exceed five years), prior to the merger. In 2025, the federal banking agencies, including the OCC and the FDIC, rescinded certain prior administrative actions regarding the review and approval of mergers and acquisitions, with the intent of streamlining and expediting the regulatory review of certain merger and acquisition applications.

Branching Authority. As a national bank headquartered in Kansas, the Bank has the same branching rights in Kansas as banks chartered under Kansas law, subject to OCC approval. Kansas law grants Kansas-chartered banks the authority to establish branches anywhere in the State of Kansas, subject to receipt of all required regulatory approvals. The Dodd-Frank Act permits well capitalized and well managed banks to establish new branches across state lines without legal impediments.

Affiliate and Insider Transactions. The Bank is subject to certain restrictions imposed by federal law on "covered transactions" between the Bank and its "affiliates." The Company is an affiliate of the Bank for purposes of these restrictions. Covered transactions subject to these restrictions include extensions of credit to the Company, investments in the stock or other securities of the Company and the acceptance of the stock or other securities of the Company as collateral for loans made by the Bank. The Dodd-Frank Act enhanced these requirements by expanding the definition of "covered transactions" and extending the period for which collateral requirements regarding covered transactions must be maintained.

Certain limitations and reporting requirements also apply to extensions of credit by the Bank to its directors and officers, to directors and officers of the Company and its subsidiaries, to principal shareholders of the Company and to “related interests” of such directors, officers and principal shareholders. In addition, federal law and regulations may govern the terms on which any person who is a director or officer of the Company or the Bank, or a principal shareholder of the Company, may obtain credit from banks with which the Bank maintains a correspondent relationship.

Safety and Soundness Standards/Risk Management. FDIC-insured institutions are expected to operate in a safe and sound manner. The federal banking agencies have adopted operational and managerial standards to promote the safety and soundness of such institutions that address internal controls, information systems, internal audit systems, loan documentation, credit underwriting, interest rate exposure, asset growth, compensation, fees and benefits, asset quality and earnings.

These standards generally prescribe the goals to be achieved in each area, and each institution is responsible for establishing its own procedures to achieve those goals. If an institution fails to operate in a safe and sound manner, its primary federal regulator may require the submission of a plan to achieve and maintain compliance. Failure to submit an acceptable compliance plan, or to implement an approved plan in any material respect, may result in a formal agency order directing the institution to cure the deficiency. Until such deficiency is resolved, the banking agency may restrict the institution’s rate of growth, require additional capital, limit deposit rates or take other corrective action as deemed appropriate. Operating in an unsafe or unsound manner also may constitute grounds for other enforcement action by the federal banking agencies, including cease and desist orders and civil money penalty assessments.

The federal banking agencies have emphasized the importance of sound risk management processes and strong internal controls when evaluating the activities of FDIC-insured institutions. In 2025, however, the agencies, including the OCC, signaled a shift toward focusing on the identification and management of material financial risks, rather than primarily on adherence to prescriptive operational processes. Although effective risk management, internal controls and board and management oversight remain important, supervisory attention may increasingly center on whether specific practices pose material harm to the institution’s financial condition or create a risk of loss to the DIF. Despite this potential shift in focus, the agencies continue to evaluate a broad spectrum of risks—including credit, market, liquidity, operational and legal risks—emphasizing their potential impact on safety and soundness. Notably, the federal banking agencies have taken a number of actions to remove reputation risk from consideration, citing concerns about its use in restricting banking services to certain industries or groups. Key risk themes identified are discussed in more detail under “Item 1A. Risk Factors” of this Annual Report on Form 10-K.

The Bank is expected to have active board and senior management oversight; adequate policies, procedures and limits; adequate risk measurement, monitoring and management information systems; and comprehensive internal controls. The federal banking agencies also have released specific risk management guidance on certain topics, including third-party relationships, in response to the proliferation of relationships between banking organizations and fintech companies (although the guidance applies more broadly).

Privacy and Cybersecurity. The Bank is subject to numerous U.S. laws and regulations aimed at protecting non-public, personal and confidential information of its customers. These laws require the Bank to periodically disclose its privacy policies and practices regarding the sharing of such nonpublic, customer information, and in certain circumstances, permit consumers to opt out of the sharing of information with unaffiliated third parties. They also limit the Bank’s ability to share certain information with affiliates and non-affiliates for marketing and/or non-marketing purposes, or to contact customers with marketing offers. In addition, as a part of its operational risk mitigation, the Bank is required to implement a comprehensive information security program that includes administrative, technical and physical safeguards to ensure the security and confidentiality of customer records and information, and to require the same of its service providers. These security and privacy policies and procedures are in effect across all business lines and geographic locations.

Risks and exposures related to cybersecurity require financial institutions to design multiple layers of security controls to establish lines of defense and to ensure that their risk management processes also address the risk posed by compromised customer credentials, including security measures to reliably authenticate customers accessing internet-based services of the financial institution. Bank management is expected to maintain sufficient business continuity planning processes to ensure the rapid recovery, resumption and maintenance of the institution’s operations after a cyber-attack involving destructive malware. The Bank and the Company also are subject to a number of laws and regulations requiring notifications and disclosures regarding certain cybersecurity incidents.

Financial Subsidiaries. Under federal law and OCC regulations, national banks are authorized to engage, through “financial subsidiaries,” in any activity that is permissible for a financial holding company and any activity that the Secretary of the Treasury, in consultation with the Federal Reserve, determines is financial in nature or incidental to any such financial activity, except: (i) insurance underwriting; (ii) real estate development or real estate investment activities (unless otherwise permitted by law); (iii) insurance company portfolio investments; and (iv) merchant banking. The authority of a national bank to invest in a financial subsidiary is subject to conditions, including, among other things, requirements that the bank must be well managed and well capitalized (after deducting from capital the bank’s outstanding investments in financial subsidiaries).

Federal Home Loan Bank System. The Bank is a member of the FHLB of Topeka, which serves as a central credit facility for its members. The FHLB is funded primarily from proceeds from the sale of obligations of the FHLB system, and makes loans to member banks in the form of FHLB advances. All advances from the FHLB are required to be fully collateralized as determined by the FHLB.

Community Reinvestment Act Requirements. The CRA imposes on the Bank a continuing and affirmative obligation, consistent with safe and sound operations, to help meet the credit needs of its entire community, including low- and moderate-income neighborhoods. The OCC regularly assesses the Bank’s record of meeting these credit needs through periodic CRA examinations. The Bank’s CRA ratings derived from these examinations can have significant impacts on the activities in which the Bank and the Company may engage. For example, a low CRA rating may impact the review of applications for acquisitions by the Bank or the Company’s financial holding company status.

In 2023, the federal banking agencies issued a final rule intended to strengthen and modernize the CRA regulations (the “CRA Rule”). The CRA Rule was subsequently challenged in court, which prevented it from taking effect. In 2025, the federal banking agencies issued a proposed rule to rescind the CRA Rule and reinstate the prior CRA regulatory framework adopted in 1995. Additionally, the OCC has indicated that, although the frequency of OCC examinations based on statutory requirements is unlikely to change, bank examiners will have greater discretion in determining the scope of compliance and consumer compliance activities that often inform the CRA evaluation process, which could result in more streamlined CRA examinations for community banks.

Anti-Money Laundering/Countering the Financing of Terrorism/Sanctions. The Bank Secrecy Act (“BSA”) is a U.S. federal statutory framework, as amended and supplemented by subsequent laws and implemented through regulations, which is designed to combat money laundering, the financing of terrorism and other illicit financial activity. The BSA and related anti-money laundering/countering the financing of terrorism (“AML/CFT”) laws and regulations are intended to prevent terrorists and criminals from accessing the U.S. financial system and have significant implications for FDIC-insured institutions and other businesses involved in the transmission of funds. Together, this regulatory framework provides a foundation to promote financial transparency and deter and detect efforts to misuse the U.S. financial system to launder criminal proceeds, finance terrorist acts or facilitate other illicit conduct.

The BSA and related laws and regulations require financial institutions and financial services companies to establish and maintain policies and procedures for addressing: (i) customer identification and due diligence; (ii) the prevention and detection of money laundering and terrorist financing; (iii) the identification and reporting of suspicious activities and currency transactions; (iv) compliance with laws relating to currency crimes; and (v) cooperation with law enforcement authorities. The Bank also must comply with stringent economic and trade sanctions regimes administered and enforced by the Office of Foreign Assets Control.

Although core AML/CFT statutory requirements and expectations remain unchanged, certain of the federal banking agencies, including the OCC, and the Financial Crimes Enforcement Network (FinCEN) have recently pursued or considered efforts to modernize and streamline AML/CFT compliance through a more risk-based approach, including targeted regulatory relief, revised examination expectations and efforts to reduce certain compliance burden, particularly for lower-risk and community banking organizations.

Concentrations in CRE. Concentration risk exists when FDIC-insured institutions allocate a disproportionate amount of assets to any one industry or economic segment. Concentration in CRE lending is one area of regulatory focus. The Interagency Concentrations in Commercial Real Estate Lending, Sound Risk Management Practices guidance (“CRE Guidance”) provides supervisory criteria, including the following numerical indicators, to assist bank examiners in identifying banks with potentially significant CRE loan concentrations that may warrant greater supervisory scrutiny. These indicators include: (i) total CRE loans exceeding 300% of capital and increasing 50% or more in the preceding three years; or (ii) construction and land development loans exceeding 100% of capital.

The CRE Guidance does not establish binding limits on CRE lending activities, but instead is intended to inform supervisory assessments of whether an institution's risk profile, earnings capacity and capital levels are commensurate with its CRE exposure. In recent years, the federal banking agencies have issued statements to reinforce prudent risk-management practices related to CRE lending, in response to observed growth in many CRE markets, increased competitive pressures, rising CRE concentrations and an easing of CRE underwriting standards. In other statements, the federal banking agencies reminded FDIC-insured institutions to maintain underwriting discipline and to identify, measure, monitor and manage the risks arising from CRE lending, including by holding capital commensurate with those risks.

Based on the Bank's loan portfolio as of December 31, 2025, we do not exceed the 300% guideline for CRE loans or the 100% guideline for construction and land development loans.

Consumer Financial Services. The historical structure of federal consumer protection regulation applicable to all providers of consumer financial products and services changed significantly on July 21, 2011, when the Consumer Financial Protection Bureau ("CFPB") commenced operations to supervise and enforce consumer protection laws. The CFPB has broad rulemaking authority for a wide range of consumer protection laws that apply to all providers of consumer products and services, including the Bank, as well as the authority to prohibit "unfair, deceptive or abusive" acts and practices. The CFPB has examination and enforcement authority over providers with more than \$10 billion in assets. FDIC-insured institutions with \$10 billion or less in assets, like the Bank, continue to be examined by their applicable federal banking agencies.

In response to mortgage-related abuses that contributed to the global financial crisis, the Dodd-Frank Act and CFPB rulemaking significantly expanded underwriting, disclosure and anti-predatory lending requirements for residential mortgage loans, including by imposing ability-to-repay standards and establishing a presumption of compliance for certain "qualified mortgages." The CFPB has continued to refine these requirements through additional rulemaking addressing qualified mortgages ability-to-repay standards.

Over the last several years, the CFPB has taken an aggressive approach to the regulation (and supervision, where applicable) of providers of consumer financial products and services. However, more recently, changes in leadership and policy direction have led to: (i) shifts in regulatory priorities, including the rescission or reconsideration of certain CFPB guidance and rules; (ii) a reduction in CFPB enforcement activity; and (iii) constraints on the CFPB's budget and resources, although the CFPB continues to retain statutory authority to administer, supervise and enforce federal consumer financial protection laws. The CFPB's rules have not had a significant impact on the Bank's operations, except for higher compliance costs.

Although national banks, including the Bank, historically have benefited from federal preemption of certain state consumer protection laws, recent court decisions have called into question the scope of preemption under the National Bank Act, potentially narrowing the circumstances in which such laws are preempted, as applied to national banks operating in particular states. As a result, national banks, including the Bank, may be required to monitor, and potentially comply with, a broader range of state consumer protection requirements that could increase the Bank's compliance costs and regulatory complexity, notwithstanding continued OCC support for a robust interpretation of preemption under the National Bank Act.

Corporate Information

The Company maintains a corporate website at www.landmarkbancorpinc.com. In addition, the Company has an investor relations link at the Bank's corporate website at www.banklandmark.com. Many of the Company's policies, including its code of business conduct and ethics, committee charters and other investor information, are available on its website. The Company makes available free of charge on or through its website its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, proxy statements, and annual reports as soon as reasonably practicable after the Company electronically files such material with, or furnishes it to, the SEC. Copies of the Company's filings with the SEC are also available from the SEC's website (<http://www.sec.gov>) free of charge. The Company will also provide copies of its filings free of charge upon written request to our Corporate Secretary at Landmark Bancorp, Inc., 701 Poyntz Avenue, Manhattan, Kansas 66502.

STATISTICAL DATA

The Company has a fiscal year ending on December 31. Unless otherwise noted, the information presented in this Annual Report on Form 10-K presents information on behalf of the Company as of and for the year ended December 31, 2025.

Certain of the statistical data required to be disclosed by banks pursuant to the Securities Act is set forth in the following pages. This data should be read in conjunction with the consolidated financial statements, related notes and “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” of this Annual Report on Form 10-K.

I. Distribution of Assets, Liabilities, and Stockholders’ Equity; Interest Rates and Interest Differential

The following table describes the extent to which changes in tax equivalent interest income and interest expense for major components of interest-earning assets and interest-bearing liabilities affected the Company’s interest income and expense during the periods indicated. The table distinguishes between (i) changes attributable to rate (changes in rate multiplied by prior volume), (ii) changes attributable to volume (changes in volume multiplied by prior rate), and (iii) net change (the sum of the previous columns). The net changes attributable to the combined effect of volume and rate which cannot be segregated have been allocated proportionately to the change due to volume and the change due to rate.

	Years ended December 31,					
	2025 vs 2024			2024 vs 2023		
	Increase/(decrease) attributable to			Increase/(decrease) attributable to		
	Volume	Rate	Net	Volume	Rate	Net
(Dollars in thousands)						
Interest income:						
Interest-bearing deposits at banks	\$ 8	\$ 24	\$ 32	\$ (183)	\$ 134	\$ (49)
Investment securities						
Taxable	(2,489)	1,959	(530)	(2,007)	1,710	(297)
Tax-exempt (1)	(546)	310	(236)	(271)	143	(128)
Loans (2)	7,132	688	7,820	5,055	4,590	9,645
Total	4,105	2,981	7,086	2,594	6,577	9,171
Interest expense:						
Deposits	1,063	(2,445)	(1,382)	818	6,238	7,056
FHLB advances and other borrowings	(460)	(593)	(1,053)	(223)	61	(162)
Subordinated debentures	-	(215)	(215)	-	45	45
Repurchase agreements	(243)	49	(194)	(174)	19	(155)
Total	360	(3,204)	(2,844)	421	6,363	6,784
Net interest income	\$ 3,745	\$ 6,185	\$ 9,930	\$ 2,173	\$ 214	\$ 2,387

(1) The change in tax-exempt income on investment securities is presented on a fully taxable equivalent basis, using a 21% federal tax rate.

(2) The change in tax-exempt loan income is presented on a fully taxable equivalent basis, using a 21% federal tax rate.

The following table sets forth information relating to average balances of interest-earning assets and interest-bearing liabilities for the years ended December 31, 2025, 2024 and 2023. Average balances are derived from daily average balances. Non-accrual loans were included in the computation of average balances but have been reflected in the table as loans carrying a zero yield. The yields set forth in the table below include the effect of deferred fees, discounts and premiums that are amortized or accreted to interest income or interest expense. This table reflects the average yields on assets and average costs of liabilities for the periods indicated (derived by dividing income or expense by the monthly average balance of assets or liabilities, respectively) as well as the “net interest margin” (which reflects the effect of the net earnings balance) for the periods shown.

	Year ended December 31, 2025			Year ended December 31, 2024			Year ended December 31, 2023		
	Average balance	Income/ expense	Yield/ cost	Average balance	Income/ expense	Yield/ cost	Average balance	Income/ expense	Yield/ cost
(Dollars in thousands)									
Assets									
Interest-earning assets:									
Interest bearing deposits at banks	\$ 6,546	\$ 225	3.44%	\$ 6,303	\$ 193	3.06%	\$ 10,095	\$ 242	2.40%
Investment securities									
Taxable	265,821	8,768	3.30%	318,483	9,297	2.92%	363,735	9,594	2.64%
Tax-exempt (1)	100,016	3,461	3.46%	114,445	3,698	3.23%	122,533	3,826	3.12%
Loans receivable, net (2)	1,086,576	69,235	6.37%	974,294	61,415	6.30%	891,487	51,770	5.81%
Total interest-earning assets	1,458,959	81,689	5.60%	1,413,525	74,603	5.28%	1,387,850	65,432	4.71%
Non-interest-earning assets	140,456			144,710			147,844		
Total	<u>\$ 1,599,415</u>			<u>\$ 1,558,235</u>			<u>\$ 1,535,694</u>		
Liabilities and Stockholders' Equity									
Interest-bearing liabilities:									
Money market and checking	\$ 614,270	\$ 12,586	2.05%	\$ 589,360	\$ 13,629	2.31%	\$ 591,000	\$ 10,818	1.83%
Savings accounts	147,197	173	0.12%	149,475	188	0.13%	161,417	126	0.08%
Certificates of deposit	217,894	8,169	3.75%	199,388	8,493	4.26%	139,956	4,310	3.08%
Total deposits	979,361	20,928	2.14%	938,223	22,310	2.38%	892,373	15,254	1.71%
FHLB advances and other borrowings	61,273	2,833	4.62%	70,226	3,886	5.53%	74,210	4,048	5.45%
Subordinated debentures	21,651	1,420	6.56%	21,651	1,635	7.55%	21,651	1,590	7.34%
Repurchase agreements	4,730	150	3.17%	12,216	344	2.82%	18,361	499	2.72%
Total Borrowings	87,654	4,403	5.02%	104,093	5,865	5.63%	114,222	6,137	5.37%
Total interest-bearing liabilities	1,067,015	25,331	2.37%	1,042,316	28,175	2.70%	1,006,595	21,391	2.13%
Non-interest-bearing liabilities	384,368			385,976			414,760		
Stockholders' equity	148,032			129,943			114,339		
Total	<u>\$ 1,599,415</u>			<u>\$ 1,558,235</u>			<u>\$ 1,535,694</u>		
Interest rate spread (3)			3.23%			2.58%			2.58%
Net interest margin (4)	<u>\$ 56,358</u>		3.86%	<u>\$ 46,428</u>		3.28%	<u>\$ 44,041</u>		3.17%
Tax equivalent interest - imputed (1)									
(2)	<u>673</u>			<u>704</u>			<u>749</u>		
Net interest income	<u>\$ 55,685</u>			<u>\$ 45,724</u>			<u>\$ 43,292</u>		
Ratio of average interest-earning assets		136.7%			135.6%			137.9%	

- (1) Income on tax-exempt investment securities is presented on a fully taxable equivalent basis, using a 21% federal tax rate.
- (2) Income on tax-exempt loans is presented on a fully taxable equivalent basis, using a 21% federal tax rate.
- (3) Interest rate spread represents the difference between the average yield on interest-earning assets and the average cost of interest-bearing liabilities.
- (4) Net interest margin represents net interest income divided by average interest-earning assets.

II. Investment Portfolio

Available-for-sale Investment Securities. The following table sets forth the carrying value of the Company's available-for-sale investment securities at the dates indicated. The Company's federal agency obligations consist of obligations of U.S. government-sponsored enterprises, primarily the FHLB. The Company's agency mortgage-backed securities portfolio consists of securities predominantly underwritten to the standards of and guaranteed by the government-sponsored agencies of Federal Home Loan Mortgage Corporation ("FHLMC"), Federal National Mortgage Association ("FNMA") and Government National Mortgage Association ("GNMA").

	As of December 31,	
	2025	2024
	(Dollars in thousands)	
Available-for-sale investment securities:		
U.S. treasury securities	\$ 53,183	\$ 64,458
Municipal obligations, tax-exempt	87,809	107,128
Municipal obligations, taxable	90,603	71,715
Agency mortgage-backed securities	116,562	129,211
Total available-for-sale investment securities, at fair value	<u>\$ 348,157</u>	<u>\$ 372,512</u>

The following table sets forth certain information regarding the carrying values, weighted average yields, and maturities of the Company's available-for-sale investment securities portfolio, as of December 31, 2025. Yields on tax-exempt obligations have been computed on a tax equivalent basis, using a 21% federal tax rate for 2025. Mortgage-backed investment securities include scheduled principal payments and estimated prepayments based on observable market inputs. Actual prepayments will differ from contractual maturities because borrowers have the right to prepay obligations with or without prepayment penalties.

	As of December 31, 2025									
	One year or less		One to five years		Five to ten years		More than ten years		Total	
	Carrying value	Average yield	Carrying value	Average yield	Carrying value	Average yield	Carrying value	Average yield	Carrying value	Average yield
	(Dollars in thousands)									
Available-for-sale investment securities:										
U.S. treasury securities	\$ 18,705	1.55%	\$ 28,412	3.50%	\$ 6,066	4.52%	\$ -	0.00%	\$ 53,183	2.93%
Municipal obligations, tax-exempt	15,571	3.01%	24,018	3.12%	35,296	3.82%	12,924	4.64%	87,809	3.61%
Municipal obligations, taxable	4,683	1.74%	24,053	3.09%	30,391	4.00%	31,476	4.76%	90,603	3.91%
Agency mortgage-backed securities	187	2.17%	96,418	2.36%	17,496	4.51%	2,461	4.27%	116,562	2.72%
Total available-for-sale investment securities	<u>\$ 39,146</u>	2.16%	<u>\$172,901</u>	2.75%	<u>\$ 89,249</u>	4.06%	<u>\$ 46,861</u>	4.70%	<u>\$348,157</u>	3.28%

III. Loan Portfolio

Loan Portfolio Composition. The following table sets forth the composition of the loan portfolio balances by type of loan as of the dates indicated.

	As of December 31,	
	2025	2024
	(Dollars in thousands)	
One-to-four family residential real estate loans	\$ 375,299	\$ 352,209
Construction and land loans	20,531	25,328
Commercial real estate loans	394,323	345,159
Commercial loans	178,201	192,325
Agriculture loans	102,829	100,562
Municipal loans	6,874	7,091
Consumer loans	33,666	29,679
Total gross loans	1,111,723	1,052,353
Net deferred loan costs and loans in process	(872)	(307)
Allowance for credit losses	(12,458)	(12,825)
Loans, net	<u>\$ 1,098,393</u>	<u>\$ 1,039,221</u>

The following table sets forth the contractual maturities of loans as of December 31, 2025. The table does not include unscheduled prepayments.

	As of December 31, 2025				
	1 year or less	1-5 years	6-15 years	After 15 years	Total
	(Dollars in thousands)				
One-to-four family residential real estate loans	\$ 68,689	\$ 164,902	\$ 131,989	\$ 9,719	\$ 375,299
Construction and land loans	9,208	4,407	4,546	2,370	20,531
Commercial real estate loans	74,846	184,949	117,218	17,310	394,323
Commercial loans	147,189	30,847	165	-	178,201
Agriculture loans	77,315	19,617	5,758	139	102,829
Municipal loans	228	727	354	5,565	6,874
Consumer loans	14,191	16,711	2,764	-	33,666
Total gross loans	<u>\$ 391,666</u>	<u>\$ 422,160</u>	<u>\$ 262,794</u>	<u>\$ 35,103</u>	<u>\$ 1,111,723</u>

The following table sets forth, as of December 31, 2025, the dollar amount of all loans that mature after one year and whether such loans had fixed interest rates or adjustable interest rates:

	As of December 31, 2025		
	Fixed	Adjustable	Total
	(Dollars in thousands)		
One-to-four family residential real estate loans	\$ 37,460	\$ 269,150	\$ 306,610
Construction and land loans	1,478	9,845	11,323
Commercial real estate loans	59,264	260,213	319,477
Commercial loans	26,170	4,842	31,012
Agriculture loans	2,780	22,734	25,514
Municipal loans	1,081	5,565	6,646
Consumer loans	1,405	18,070	19,475
Total gross loans	<u>\$ 129,638</u>	<u>\$ 590,419</u>	<u>\$ 720,057</u>

Non-performing Assets. The following table sets forth information with respect to non-performing assets, including non-accrual loans and real estate acquired through foreclosure or by deed in lieu of foreclosure (“real estate owned”) as of the dates indicated. The accrual of interest on non-performing loans is discontinued at the time the loan is ninety days delinquent, unless the credit is well secured and in process of collection. Loans are placed on non-accrual or are charged off at an earlier date if collection of principal or interest is considered doubtful. Under the original terms of the Company’s non-accrual loans as of December 31, 2025, interest earned on such loans for the years ended December 31, 2025, 2024 and 2023 would have increased interest income by \$450,000, \$423,000 and \$96,000, respectively, if included in the Company’s interest income for those years. No interest income related to non-accrual loans was included in interest income for the years ended December 31, 2025, 2024 and 2023.

	As of December 31,		
	2025	2024	2023
	(Dollars in thousands)		
Non-accrual loans	\$ 9,994	\$ 13,115	\$ 2,391
Accruing loans over 90 days past due	-	-	-
Non-performing investments	-	-	-
Real estate owned, net	-	167	928
Non-performing assets	<u>\$ 9,994</u>	<u>\$ 13,282</u>	<u>\$ 3,319</u>
Allowance for credit losses to total gross loans	1.12%	1.22%	1.12%
Non-performing loans to total gross loans	0.90%	1.25%	0.25%
Non-performing assets to total assets	0.62%	0.84%	0.21%
Allowance for credit losses to non-performing loans	124.65%	97.79%	443.66%

The decrease in non-accrual loans as of December 31, 2025, compared to December 31, 2024, was primarily driven by the charge-off of a single commercial credit during the third quarter of 2025. The increase in non-accrual loans as of December 31, 2024, compared to December 31, 2023, was primarily related to the same commercial loan relationship being transferred to non-accrual status during 2024.

The decrease in real estate owned as of December 31, 2025, compared to December 31, 2024, was due to the sale of one parcel of agricultural land. The decrease in real estate owned as of December 31, 2024, compared to December 31, 2023, was due to the sale of one commercial property and three residential real estate properties during 2024.

As part of the Company's credit risk management, the Company continues to aggressively manage the loan portfolio to identify problem loans and has placed additional emphasis on its commercial and CRE relationships. As discussed in more detail in the "Asset Quality and Distribution" section of "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Annual Report on Form 10-K, as of December 31, 2025, the Company concluded its allowance for credit losses ("ACL") was adequate based on the evaluation of the loan portfolio's expected credit losses.

IV. Summary of Credit Loss Experience

The following table sets forth information with respect to the Company's allowance for credit losses as of the dates and for the periods indicated:

	As of and for the years ended December 31,		
	2025	2024	2023
	(Dollars in thousands)		
Balances at beginning of year	\$ 12,825	\$ 10,608	\$ 8,791
Adoption of ASC 326	-	-	1,523
Provision for credit losses	2,350	2,400	250
Charge-offs:			
One-to-four family residential real estate loans	-	-	-
Construction and land loans	-	-	-
Commercial real estate loans	-	-	-
Commercial loans	(2,675)	(186)	(479)
Agriculture loans	-	(64)	-
Municipal loans	-	-	-
Consumer loans	(375)	(409)	(371)
Total charge-offs	(3,050)	(659)	(850)
Recoveries:			
One-to-four family residential real estate loans	-	-	-
Construction and land loans	5	245	675
Commercial real estate loans	4	-	-
Commercial loans	113	35	35
Agriculture loans	-	54	74
Municipal loans	6	12	-
Consumer loans	205	130	110
Total recoveries	333	476	894
Net (charge-offs) recoveries	(2,717)	(183)	44
Balances at end of year	\$ 12,458	\$ 12,825	\$ 10,608
Allowance for credit losses to total gross loans	1.12%	1.22%	1.12%
Net loans charged-off to average net loans	0.25%	0.02%	0.00%

The Company recorded net loan charge-offs of \$2.7 million during 2025, compared to net loan charge-offs of \$183,000 during 2024. The increase in net charge-offs was primarily related to the charge-off of a single commercial credit during the third quarter of 2025. The Company recorded net loan charge-offs of \$183,000 during 2024, compared to net loan recoveries of \$44,000 during 2023. The net loan charge-offs were associated with various loans during 2024.

The distribution of the Company's allowance for credit losses on loans at the dates indicated and the percent of loans in each category to total loans is summarized in the following table. This allocation reflects management's judgment as to risks inherent in the types of loans indicated, but in general the Company's total allowance for credit losses included in the table is not restricted and is available to absorb all loan losses. The amount allocated in the following table to any category should not be interpreted as an indication of expected actual charge-offs in that category.

As of December 31,									
2025			2024			2023			
	%	Net		%	Net		%	Net	
	Loan	charge-		Loan	charge-		Loan	charge-	
	type to	offs to		type to	offs to		type to	offs to	
	total	average		total	average		total	average	
Amount	loans	loans	Amount	loans	loans	Amount	loans	loans	
(Dollars in thousands)									
One-to-four family residential real estate loans	\$ 2,001	33.8%	0.00%	\$ 1,765	33.5%	0.00%	\$ 2,035	31.9%	0.00%
Construction and land loans	111	1.8%	(0.02%)	143	2.4%	(0.97%)	150	2.2%	3.19%
Commercial real estate loans	5,680	35.5%	0.00%	4,506	32.8%	0.00%	4,518	33.8%	0.00%
Commercial loans	3,125	16.0%	1.33%	4,964	18.3%	0.08%	2,486	19.1%	(0.25%)
Agriculture loans	1,305	9.3%	0.00%	1,227	9.5%	0.01%	1,190	9.5%	0.09%
Municipal loans	44	0.6%	(0.09%)	51	0.7%	(0.19%)	15	0.5%	0.00%
Consumer loans	192	3.0%	0.52%	169	2.8%	0.95%	214	3.0%	(0.91%)
Total	<u>\$ 12,458</u>	<u>100.0%</u>	<u>0.25%</u>	<u>\$ 12,825</u>	<u>100.0%</u>	<u>0.02%</u>	<u>\$ 10,608</u>	<u>100.0%</u>	<u>0.00%</u>

The increase in the allowance for credit losses on the one-to-four family residential real estate loans as of December 31, 2025, compared to December 31, 2024, was primarily due to higher projected losses over the life of the loans in the portfolio. The decrease in the allowance for credit losses on the one-to-four family residential real estate loans as of December 31, 2024, compared to December 31, 2023, was primarily due to lower projected losses over the life of the loans in that portfolio.

The decreases in the allowance for credit losses on construction and land loans as of December 31, 2025, compared to December 31, 2024, and as of December 31, 2024, compared to December 31, 2023, was primarily related to lower projected losses over the life of the loans in the portfolio.

The increase in the allowance for credit losses on CRE loans as of December 31, 2025, compared to December 31, 2024, was primarily related to growth in the CRE portfolio and higher projected losses over the life of the loans in the portfolio. The decrease in the allowance for credit losses on CRE loans as of December 31, 2024, compared to December 31, 2023, was primarily related to lower projected losses over the life of the loans in the portfolio.

The decrease in the allowance for credit losses on commercial loans as of December 31, 2025, compared to December 31, 2024, was primarily related to a decrease in the allowance for credit on individually evaluated loans. The increase in the allowance for credit losses on commercial loans as of December 31, 2024, compared to December 31, 2023, was primarily related to an increase in the allowance for credit on individually evaluated loans.

The increase in the allowance for credit losses on agriculture loans as of December 31, 2025, compared to December 31, 2024, and as of December 31, 2024, as compared to December 31, 2023, was primarily related to an increase in loan balances and higher forecast losses.

The decrease in the allowance for credit losses on municipal loans as of December 31, 2025, compared to December 31, 2024, was primarily related to a decrease in municipal loans. The increase in the allowance for credit losses on municipal loans as of December 31, 2024, compared to December 31, 2023, was primarily related to an increase in municipal loans.

The allowance for credit losses is discussed in more detail in the “Asset Quality and Distribution” section of “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” of this Annual Report on Form 10-K. As of December 31, 2025, we believed the Company’s allowance for credit losses continued to be adequate based on the Company’s evaluation of the loan portfolio’s expected losses.

V. Deposits

The following table presents the average deposit balances and the average rate paid on those balances for the years indicated.

	Years ended December 31,			
	2025		2024	
	Average Balance	Average Rate	Average Balance	Average Rate
Non-interest bearing demand	\$ 360,568	-	\$ 362,871	-
Money market and checking	614,270	2.05%	589,360	2.31%
Savings accounts	147,197	0.12%	149,475	0.13%
Certificates of deposit	217,894	3.75%	199,388	4.26%
Total	<u>\$ 1,339,929</u>		<u>\$ 1,301,094</u>	

Total deposits include uninsured deposits, excluding collateralized public fund deposits, of \$246.4 million and \$181.5 million as of December 31, 2025 and 2024, respectively. This represents 17.7% of our total deposits at December 31, 2025, and compares favorably with other similar community banking organizations. Approximately 92.2% of the Company's total deposits were considered core deposits at December 31, 2025. These deposit balances are from retail, commercial and public fund customers located in the markets where the Company has bank branch locations.

The following table presents the maturities of certificates of deposit \$250,000 or greater.

	As of December 31,	
	2025	2024
Three months or less	\$ 22,492	\$ 21,441
Over three months through six months	29,676	18,989
Over six months through 12 months	8,127	6,773
Over 12 months	1,503	5,023
Total	<u>\$ 61,798</u>	<u>\$ 52,226</u>

VI. Return on Equity and Assets

The following table presents information on return on average equity, return on average assets, equity to total assets and our dividend payout ratio.

	As of or for the years ended December 31,		
	2025	2024	2023
Return on average assets	1.17%	0.83%	0.80%
Return on average equity	12.68%	10.01%	10.70%
Equity to total assets	10.00%	8.65%	8.13%
Dividend payout ratio	26.06%	35.40%	35.87%

ITEM 1A. RISK FACTORS

An investment in our securities is subject to certain risks inherent in our business. Before making an investment decision, you should carefully consider the risks and uncertainties described below together with all of the other information included in this report. In addition to the risks and uncertainties described below, other risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition and results of operations. The value or market price of our securities could decline due to any of these identified or other risks, and you could lose all or part of your investment.

Credit Risks

We must effectively manage our credit risk.

There are risks inherent in making any loan, including risks inherent in dealing with individual borrowers, risks of nonpayment, risks resulting from uncertainties as to the future value of collateral and risks resulting from changes in economic and industry conditions. In general, these risks have increased as a result of recent changes in prevailing interest rates and

uncertainties associated with inflation, which have potentially increased the risk of a near-term decline in growth or an economic downturn. We attempt to minimize our credit risk through prudent loan application approval procedures, careful monitoring of the concentration of our loans within specific industries and periodic independent reviews of outstanding loans by our credit review department. However, we cannot assure you that such approval and monitoring procedures will reduce these credit risks.

Most of our loans are commercial, real estate, or agriculture loans, each of which is subject to distinct types of risk. To reduce the lending risks we face, we generally take a security interest in borrowers' property for all three types of loans. In addition, we sell certain residential real estate loans to third parties. Nevertheless, the risk of non-payment is inherent in all types of loans, and if we are unable to collect amounts owed, it may materially affect our operations and financial performance. For a more complete discussion of our lending activities see "Item 1. Business" of this Annual Report on Form 10-K.

Our business is subject to domestic and, to a lesser extent, international economic conditions and other factors, many of which are beyond our control and could materially and adversely affect us.

Our financial performance generally, and in particular the ability of customers to pay interest on and repay principal of outstanding loans and the value of collateral securing those loans, as well as demand for loans and other products and services we offer, is highly dependent upon the business environment not only in the markets where we operate, but also in the state of Kansas generally and in the U.S. as a whole. A favorable business environment is generally characterized by, among other factors: economic growth; efficient capital markets; low inflation; low unemployment; high business and investor confidence; and strong business earnings. Unfavorable or uncertain economic and market conditions can be caused by: declines in economic growth, business activity or investor or business confidence; limitations on the availability or increases in the cost of credit and capital; increases in inflation or interest rates; high unemployment; uncertainty in U.S. trade policies, legislation, treaties and tariffs; natural disasters; acts of war or terrorism, including ongoing conflicts in the Middle East, the Russian invasion of Ukraine and recent military actions in Venezuela, or threats thereof, and the response of the United States to any such threats and attacks; widespread disease or pandemics; or a combination of these or other factors.

The agricultural economy in the Midwest, including Kansas, has been stable over the previous several years. A prolonged period of weakness in the agricultural economy could result in a decrease in demand for loans or other products and services offered by us, an increase in agricultural loan delinquencies and defaults, an increase in impaired assets and foreclosures, a decline in the value of our loans secured by real estate, and an inability to sell foreclosed assets. The effects of a prolonged period of a weakened agricultural economy could have a material adverse effect on our business, financial condition and results of operations.

Elevated levels of inflation could adversely impact our business and results of operations.

The United States has experienced elevated levels of inflation in recent years, with the consumer price index climbing approximately 2.7% in 2025 before seasonal adjustment. Continued elevated levels of inflation could have complex effects on the Company's business, results of operations and financial condition, some of which could be materially adverse. For example, While the Company generally expects any inflation-related increases in the Company's interest expense to be offset by increases in interest income, inflation-driven increases in the Company's levels of noninterest expense could negatively impact results of operations. Continued elevated levels of inflation could also cause increased volatility and uncertainty in the business environment, which could adversely affect loan demand and the Company's clients' ability to repay indebtedness. It is possible that governmental responses to the current inflation environment such as changes to monetary and fiscal policy that are too strict, or the imposition or threatened imposition of price controls, could adversely affect the Company's business. The duration and severity of the current inflationary period cannot be estimated with precision.

Our allowance for credit losses may prove to be insufficient to absorb losses in our loan portfolio.

We maintain our allowance for credit losses at a level considered appropriate by management to absorb all expected future losses expected in the loan portfolio at the balance sheet date. Additionally, our Board of Directors regularly monitors the appropriateness of our allowance for credit losses. The allowance is also subject to regulatory examinations and a determination by the regulatory agencies as to the appropriate level of the allowance. The amount of future credit losses is susceptible to changes in economic, operating and other conditions, including changes in interest rates and the value of the underlying collateral, which may be beyond our control, and such losses may exceed current estimates. At December 31, 2025 and 2024, our allowance for credit losses as a percentage of total loans, was 1.12% and 1.22%, respectively, and as a percentage of total non-performing loans was 124.65% and 97.79%, respectively. Although management believes that the allowance for credit losses is appropriate to absorb future losses on any existing loans that may become uncollectible, we cannot predict credit losses with certainty, nor can we assure you that our allowance for credit losses will prove sufficient to cover actual credit losses in the future. Credit losses in excess of our reserves will adversely affect our business, financial condition and results of operations.

Our concentration of one-to-four family residential mortgage loans may result in lower yields and profitability.

One-to-four family residential mortgage loans comprised \$375.3 million and \$352.2 million, or 33.8% and 33.5%, of our loan portfolio at December 31, 2025 and 2024, respectively. These loans are secured primarily by properties located in the state of Kansas. Our concentration of these loans results in lower yields relative to other loan categories within our loan portfolio. While these loans generally possess higher yields than investment securities, their repayment characteristics are not as well defined, and they generally possess a higher degree of interest rate risk versus other loans and investment securities within our portfolio. This increased interest rate risk is due to the repayment and prepayment options inherent in residential mortgage loans which are exercised by borrowers based upon the overall level of interest rates. Residential mortgage loans are generally made on the basis of the borrower's ability to make repayments from his or her employment and the value of the property securing the loan. As a result, repayment is also subject to general economic and employment conditions within the communities and surrounding areas where the property is located.

A decline in residential real estate market prices or home sales has the potential to adversely affect our one-to-four family residential mortgage portfolio in several ways, such as a decrease in collateral values and an increase in non-performing loans, each of which could adversely affect our operating results and/or financial condition.

Our loan portfolio has a large concentration of real estate loans, which involve risks specific to real estate value.

Real estate lending (including CRE, construction and land and residential real estate) comprises the largest portion of our loan portfolio. These categories were \$790.2 million, or approximately 71.1% of our total loan portfolio, as of December 31, 2025, as compared to \$722.7 million, or approximately 68.7% of our total loan portfolio, as of December 31, 2024. The market value of real estate can fluctuate significantly in a short period of time as a result of market conditions in the geographic area in which the real estate is located. Although a significant portion of CRE and construction and land loans are secured by a secondary form of collateral, adverse developments affecting real estate values in one or more of our markets could increase the credit risk associated with our loan portfolio. Additionally, real estate lending typically involves higher loan principal amounts, and the repayment of the loans generally is dependent, in large part, on sufficient income from the properties securing the loans to cover operating expenses and debt service. Economic events or governmental regulations outside of the control of the borrower or lender could negatively impact the future cash flow and market values of the affected properties, including (i) declines in the rents or decreases in occupancy and, therefore, in the cash flows generated by those real properties on which the borrowers depend to fund their loan payments to us, (ii) decreases in the values of those real properties, which make it more difficult for the borrowers to sell those real properties for amounts sufficient to repay their loans in full, and (iii) job losses of residential home buyers, which makes it more difficult for these borrowers to fund their loan payments. Adverse changes affecting real estate values, including decreases in office occupancy due to the shift to remote working environments and the liquidity of real estate in one or more of the Company's markets could increase the credit risk associated with the Company's loan portfolio, significantly impair the value of property pledged as collateral on loans and affect the Company's ability to sell the collateral upon foreclosure without a loss or additional losses or the Company's ability to sell those loans on the secondary market.

If the loans that are collateralized by real estate become troubled during a time when market conditions are declining or have declined, then we may not be able to realize the amount of security that we anticipated at the time of originating the loan, which could cause us to increase our provision for credit losses and adversely affect our operating results and financial condition. In light of the uncertainty that exists in the economy and credit markets nationally, there can be no guarantee that we will not experience additional deterioration in credit performance by our real estate loan customers.

The Company's loan portfolio has a large concentration of CRE loans, which involve risks specific to real estate values and the health of the real estate market generally.

As of December 31, 2025, the Company had \$414.9 million of CRE loans, consisting of \$138.6 million of non-owner occupied loans, \$218.3 million of owner occupied loans, \$37.4 million of loans secured by multifamily residential properties and \$20.5 million of construction and land development loans. CRE loans represented 37.3% of the Company's total loan portfolio and 258% of the Bank's total capital at December 31, 2025. The market value of real estate can fluctuate significantly in a short period of time as a result of interest rates and market conditions in the area in which the real estate is located and some of these values have been negatively affected by the recent rise in prevailing interest rates. Adverse developments affecting real estate values in the Company's market areas could increase the credit risk associated with the Company's loan portfolio. Additionally, the repayment of CRE loans generally is dependent, in large part, on sufficient income from the properties securing the loans to cover operating expenses and debt service. Economic events, including decreases in office occupancy due to the shift to remote working environments or governmental regulations outside of the control of the borrower

or lender could negatively impact the future cash flow and market values of the affected properties. If the loans that are collateralized by real estate become troubled during a time when market conditions are declining or have declined, then the Company may not be able to realize the full value of the collateral that the Company anticipated at the time of originating the loan, which could force the Company to take charge-offs or require the Company to increase the Company's provision for credit losses, which could have a material adverse effect on the Company's business, financial condition, results of operations and growth prospects.

Commercial loans make up a significant portion of our loan portfolio.

Commercial loans comprised \$178.2 million and \$192.3 million, or 16.0% and 18.3%, of our loan portfolio at December 31, 2025 and 2024, respectively. Our commercial loans are made based primarily on the identified cash flow of the borrower and secondarily on the underlying collateral provided by the borrower. Most often, this collateral is accounts receivable, inventory, or machinery. Credit support provided by the borrower for most of these loans, and the probability of repayment is based on the liquidation of the pledged collateral and enforcement of a personal guarantee, if any exists. As a result, in the case of loans secured by accounts receivable, the availability of funds for the repayment of these loans may be substantially dependent on the ability of the borrower to collect amounts due from its customers. The collateral securing other loans may depreciate over time, may be difficult to appraise and may fluctuate in value based on the success of the business. Due to the larger average size of each commercial loan as compared with other loans such as residential loans, as well as collateral that is generally less readily marketable, losses incurred on a small number of commercial loans could have a material adverse impact on our financial condition and results of operations.

The success of our SBA lending program is dependent upon the continued availability of SBA loan programs, our status as a Preferred Lender under the SBA loan programs and our ability to comply with applicable SBA lending requirements.

As an SBA Preferred Lender, we enable our clients to obtain SBA loans without being subject to the potentially lengthy SBA approval process necessary for lenders that are not SBA Preferred Lenders. The SBA periodically reviews the lending operations of participating lenders to assess, among other things, whether the lender exhibits prudent risk management. When weaknesses are identified, the SBA may request corrective actions or impose other restrictions, including revocation of the lender's Preferred Lender status. If we lose our status as a Preferred Lender, we may lose our ability to compete effectively with other SBA Preferred Lenders, and as a result we could experience a material adverse effect to our financial results. Any changes to the SBA program, including changes to the level of guaranty provided by the federal government on SBA loans or changes to the level of funds appropriated by the federal government to the various SBA programs, may also have an adverse effect on our business, results of operations and financial condition.

In order for a borrower to be eligible to receive an SBA loan, the lender must establish that the borrower would not be able to secure a bank loan without the credit enhancements provided by a guaranty under the SBA program. Accordingly, the SBA loans in our portfolio generally have weaker credit characteristics than the rest of our portfolio and may be at greater risk of default in the event of deterioration in economic conditions or the borrower's financial condition. In the event of a loss resulting from default and a determination by the SBA that there is a deficiency in the manner in which the loan was originated, funded or serviced by us, the SBA may deny its liability under the guaranty, reduce the amount of the guaranty, or, if it has already paid under the guaranty, seek recovery of the principal loss related to the deficiency from us. Management has estimated losses inherent in the outstanding guaranteed portion of SBA loans and recorded a recourse reserve at a level determined to be appropriate. Significant increases to the recourse reserve may materially decrease our net income, which may adversely affect our business, results of operations and financial condition.

Our agriculture loans involve a greater degree of risk than other loans, and the ability of the borrower to repay may be affected by many factors outside of the borrower's control.

Agriculture operating loans comprised \$64.1 million and \$51.9 million, or 5.8% and 4.9%, of our loan portfolio at December 31, 2025 and 2024, respectively. The repayment of agriculture operating loans is dependent on the successful operation or management of the farm property. Likewise, agricultural operating loans involve a greater degree of risk than lending on residential properties, particularly in the case of loans that are unsecured or secured by rapidly depreciating assets such as farm equipment, livestock or crops. We generally secure agricultural operating loans with a blanket lien on livestock, equipment, food, hay, grain and crops. Nevertheless, any repossessed collateral for a defaulted loan may not provide an adequate source of repayment of the outstanding loan balance as a result of the greater likelihood of damage, loss or depreciation.

We also originate agriculture real estate loans. At December 31, 2025 and 2024, agricultural real estate loans totaled \$38.7 million and \$48.7 million, or 3.5% and 4.6% of our total loan portfolio, respectively. Agricultural real estate lending involves a greater degree of risk and typically involves larger loans to single borrowers than lending on single-family residences. As with agriculture operating loans, payments on agricultural real estate loans are dependent on the profitable operation or management of the farm property securing the loan. The success of the farm may be affected by many factors outside the control of the farm borrower, including adverse weather conditions that prevent the planting of a crop or limit crop yields (such as hail, drought and floods), loss of livestock due to disease or other factors, declines in market prices for agricultural products (both domestically and internationally) and the impact of government regulations (including changes in price supports, tariffs, trade agreements, subsidies and environmental regulations). In addition, many farms are dependent on a limited number of key individuals whose injury or death may significantly affect the successful operation of the farm. If the cash flow from a farming operation is diminished, the borrower's ability to repay the loan may be impaired. The primary crops in our market areas are wheat, corn and soybean. Accordingly, adverse circumstances affecting wheat, corn and soybean crops could have an adverse effect on our agricultural real estate loan portfolio.

Our business is concentrated in and dependent upon the continued growth and welfare of the markets in which we operate, including eastern, central, southeast and southwest Kansas.

We operate primarily in eastern, central, southeast and southwest Kansas, and as a result, our financial condition, results of operations and cash flows are subject to changes in the economic conditions in those areas. Although each market we operate in is geographically and economically diverse, our success depends upon the business activity, population, income levels, deposits and real estate activity in each of these markets. Although our customers' business and financial interests may extend well beyond our market area, adverse economic conditions that affect our specific market area could reduce our growth rate, affect the ability of our customers to repay their loans to us and generally affect our financial condition and results of operations. Because of our geographic concentration, we are less able than other regional or national financial institutions to diversify our credit risks across multiple markets.

Non-performing assets take significant time to resolve and adversely affect our results of operations and financial condition and could result in further losses in the future.

As of December 31, 2025, our non-performing loans (which consist of non-accrual loans and loans past due 90 days or more and still accruing interest) totaled \$10.0 million, or 0.90% of our loan portfolio, and our non-performing assets (which include non-performing loans plus real estate owned) totaled \$10.0 million, or 0.62% of total assets. In addition, we had \$4.3 million in accruing loans that were 30-89 days delinquent as of December 31, 2025.

Our non-performing assets adversely affect our net income in various ways. We do not record interest income on non-accrual loans or other real estate owned, thereby adversely affecting our net income and returns on assets and equity, increasing our loan administration costs and adversely affecting our efficiency ratio. When we take collateral in foreclosure and similar proceedings, we are required to mark the collateral to its then-fair market value, which may result in a loss. These non-performing loans and other real estate owned also increase our risk profile and the capital our regulators believe is appropriate in light of such risks. The resolution of non-performing assets requires significant time commitments from management and can be detrimental to the performance of their other responsibilities. If we experience increases in non-performing loans and non-performing assets, our net interest income may be negatively impacted and our loan administration costs could increase, each of which could have an adverse effect on our net income and related ratios, such as return on assets and equity.

Interest Rate Risks

Monetary policies and regulations of the Federal Reserve could adversely affect our business, financial condition and results of operations.

In addition to being affected by general economic conditions, our earnings and growth are affected by the policies of the Federal Reserve. An important function of the Federal Reserve is to regulate the money supply and credit conditions. Among the instruments used by the Federal Reserve to implement these objectives are open market operations in U.S. government securities, adjustments of the discount rate and changes in reserve requirements against bank deposits. These instruments are used in varying combinations to influence overall economic growth and the distribution of credit, bank loans, investments and deposits. Their use also affects interest rates charged on loans or paid on deposits.

The monetary policies and regulations of the Federal Reserve have had a significant effect on the operating results of commercial banks in the past and are expected to continue to do so in the future. The effects of such policies upon our business, financial condition and results of operations cannot be predicted.

The Federal Reserve has indicated that it is working to avoid abrupt or unpredictable changes in economic or financial conditions so as not to disrupt the financial systems, also known as “shocks;” despite this, the impact of these changes cannot be certain. Vulnerabilities in the financial system can amplify the impact of an initial shock following rate increases, potentially leading to unintended volatility, as well as to disruptions in the provision of financial services, such as clearing payments, the provision of liquidity, and the availability of credit. Furthermore, asset liquidation pressures can be amplified by liquidity mismatches and the leverage of certain nonbank financial intermediaries such as hedge funds. Given the interconnectedness of the global financial system, these vulnerabilities could impact the Company’s business operations and financial condition.

Interest rates and other conditions impact our results of operations.

Our profitability is in part a function of the spread between the interest rates earned on investments and loans and the interest rates paid on deposits and other interest-bearing liabilities. Like most banking institutions, our net interest spread and margin will be affected by general economic conditions and other factors, including fiscal and monetary policies of the federal government that influence market interest rates and our ability to respond to changes in such rates. At any given time, our assets and liabilities will be such that they are affected differently by a given change in interest rates. It is currently expected that, during 2026, the Federal Open Market Committee of the Federal Reserve (“FOMC”) will continue to closely monitor interest rates, in part to manage the rate of inflation to its preferred level. In the fourth quarter of 2025, the FOMC decreased the target range for the federal funds rate to a range of 3.50% to 3.75%, following a series of significant increases beginning in 2023. If the FOMC further alters the targeted federal funds rates, overall interest rates likely will continue to change, which may impact the entire national economy. Changes in interest rates directly impact the Company’s net interest income and also may affect the demand for loans and the value of fixed-rate investment securities. These effects from interest rate changes or from other sustained economic stress or a recession, among other matters, could have a material adverse effect on the Company’s business, financial condition, liquidity and results of operations.

Continued elevated interest rates may result in a further decline in value of our fixed-rate debt securities. The unrealized losses resulting from holding these securities would be recognized in other comprehensive income and reduce total stockholders’ equity. Unrealized losses do not negatively impact our regulatory capital ratios; however, tangible common equity and the associated ratios would be reduced. If debt securities in an unrealized loss position are sold, such losses become realized and will reduce our regulatory capital ratios.

Declines in value may adversely impact the carrying amount of our investment portfolio and result in other-than-temporary impairment charges.

We may be required to record impairment charges on our investment securities if they suffer declines in value that are considered other-than-temporary. If the credit quality of the securities in our investment portfolio deteriorates, we may also experience a loss in interest income from the suspension of either interest or dividend payments. Numerous factors, including lack of liquidity for resales of certain investment securities, absence of reliable pricing information for investment securities, adverse changes in business climate or adverse actions by regulators could have a negative effect on our investment portfolio in future periods.

The value of the financial instruments we own may decline in the future.

An increase in market interest rates may affect the market value of our securities portfolio, potentially reducing accumulated other comprehensive income and/or earnings. Additionally, an increase in market interest rates may reduce the value of our loan portfolio, although, in accordance with U.S. generally accepted accounting principles (“GAAP”), such a decline in value may not be reflected in the carrying balance of our loans in the same manner as our debt securities available-for-sale. The market value of these investments may be affected by factors other than the underlying performance of the servicer of the securities or the mortgages underlying the securities, such as changes in the interest rate environment, negative trends in the residential and CRE markets, ratings downgrades, adverse changes in the business climate and a lack of liquidity in the secondary market for certain investment securities. In addition, we may determine to sell securities in our available-for-sale investment securities portfolio, and any such sale could cause us to realize currently unrealized losses that resulted from the recent increases in the prevailing interest rates.

Downgrades in the credit rating of one or more insurers that provide credit enhancement for our state and municipal securities portfolio may have an adverse impact on the market for and valuation of these types of securities.

We invest in tax-exempt and taxable state and local municipal investment securities, some of which are insured by monoline insurers. As of December 31, 2025, we had \$178.4 million of municipal securities, which represented 51.2% of our total securities portfolio. Even though management generally purchases municipal securities on the overall credit strength of the issuer, the reduction in the credit rating of an insurer may negatively impact the market for and valuation of our investment securities. Such downgrade could adversely affect our liquidity, financial condition and results of operations.

Legal, Accounting and Compliance Risks

Legislative and regulatory reforms applicable to the financial services industry may have a significant impact on our business, financial condition and results of operations.

The laws, regulations, rules, policies and regulatory interpretations governing us are constantly evolving and may change significantly over time as Congress and various regulatory agencies react to adverse economic conditions or other matters. The implementation of any current, proposed or future regulatory or legislative changes to laws applicable to the financial industry may impact the profitability of our business activities and may change certain of our business practices, including the ability to offer new products, obtain financing, attract deposits, make loans, and achieve satisfactory interest spreads, and could expose us to additional costs, including increased compliance costs. These regulations and legislation may be impacted by the political ideologies of the executive and legislative branches of the U.S. government as well as the heads of regulatory and administrative agencies.

The Company and the Bank are subject to stringent capital and liquidity requirements.

Bank holding companies and banks are subject to stringent capital requirements. In addition to the minimum capital requirements, banks and bank holding companies are also required to maintain a capital conservation buffer of 2.5% of Common Equity Tier 1 Capital on top of minimum risk-weighted asset ratios to make capital distributions (including for dividends and repurchases of stock) and pay discretionary bonuses to executive officers without restriction. Banking institutions that do not maintain capital in excess of such requirements, including the capital conservation buffer, face constraints on the payment of dividends, equity repurchases and compensation based on the amount of the shortfall. Accordingly, if the Bank fails to maintain the applicable minimum capital ratios and the capital conservation buffer, distributions to the Company may be prohibited or limited. Future increases in minimum capital requirements could adversely affect our net income.

Furthermore, our failure to comply with the minimum capital requirements could result in our regulators taking formal or informal actions against us, which could restrict our future growth or operations.

We may be required to pay higher FDIC insurance premiums in the future.

Future bank failures may prompt the FDIC to increase its premiums above the current levels or to issue special assessments. The Bank generally is unable to control the amount of premiums or special assessments that it or its subsidiary is required to pay for FDIC insurance. Any future changes in the calculation or assessment of FDIC insurance premiums may have a material adverse effect on the Bank's results of operations, financial condition, and the ability to continue to pay dividends on common stock at the current rate or at all.

We are subject to changes in accounting principles, policies or guidelines.

Our financial performance is impacted by accounting principles, policies and guidelines. Some of these policies require the use of estimates and assumptions that may affect the value of our assets or liabilities and financial results. Some of our accounting policies are critical because they require management to make difficult, subjective and complex judgments about matters that are inherently uncertain and because it is likely that materially different amounts would be reported under different conditions or using different assumptions. If such estimates or assumptions underlying our financial statements are incorrect, we may experience material losses.

From time to time, the FASB and the SEC change the financial accounting and reporting standards or the interpretation of those standards that govern the preparation of our financial statements. In addition, trends in financial and business reporting, could require us to incur additional reporting expense. These changes are beyond our control, can be difficult to predict and could materially impact how we report our financial condition and results of operations. Changes in these standards are continuously occurring, and more drastic changes may occur in the future. The implementation of such changes could have a material adverse effect on our financial condition and results of operations.

Our business is affected from time to time by federal and state laws and regulations relating to hazardous substances.

Under the federal Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), owners and operators of properties containing hazardous substances may be liable for the costs of cleaning up the substances. CERCLA and similar state laws can affect us both as an owner of branches and other properties used in our business and as a lender holding a security interest in property which is found to contain hazardous substances. In particular, our branch office located in Iola is located on property that has been designated as a “Superfund” site under CERCLA, and we may hold mortgages on properties located in Iola that are also designated as “Superfund” sites. While CERCLA contains an exemption for holders of security interests, the exemption is not available if the holder participates in the management of a property, and some courts have broadly defined what constitutes participation in management of property. Moreover, CERCLA and similar state statutes can affect our decision whether or not to foreclose on a property. Before foreclosing on CRE, our general policy is to obtain an environmental report, thereby increasing the costs of foreclosure. In addition, the existence of hazardous substances on a property securing a troubled loan may cause us to elect not to foreclose on the property, thereby reducing our flexibility in handling the loan.

Operational, Strategic and Reputational Risks

We may experience difficulties in managing our growth, and our growth strategy involves risks that may negatively impact our net income.

As part of our general strategy, we may acquire banks, branches and related businesses that we believe provide a strategic fit with our business. In the past, we have acquired a number of local banks and branches, and, to the extent that we grow through future acquisitions, we cannot assure you that we will be able to adequately and profitably manage this growth. Acquiring other banks and businesses will involve risks commonly associated with acquisitions, including:

- potential exposure to unknown or contingent liabilities of banks and businesses we acquire;
- exposure to potential asset quality issues of the acquired bank or related business;
- difficulty and expense of integrating the operations and personnel of banks and businesses we acquire;
- potential disruption to our business;
- potential diversion of our management’s time and attention; and
- the possible loss of key employees and customers of the banks and businesses we acquire.

In addition to acquisitions, we may expand into additional communities or attempt to strengthen our position in our current markets by undertaking additional branch openings. We believe that it generally takes several years for new banking facilities to first achieve operational profitability, due to the impact of organization and overhead expenses and the start-up phase of generating loans and deposits. To the extent that we undertake additional branch openings, we are likely to experience the effects of higher operating expenses relative to operating income from the new operations, which may have an adverse effect on our levels of reported net income, return on average equity and return on average assets.

We face intense competition in all phases of our business from other banks and financial institutions.

The banking and financial services business in our market is highly competitive. Our competitors include large national and regional banks, local community banks, savings and loan associations, securities and brokerage companies, mortgage companies, insurance companies, finance companies, money market mutual funds, credit unions, fintech companies, digital asset service providers, and other non-bank financial service providers, many of which have greater financial, marketing and technological resources than us. Many of these competitors are not subject to the same regulatory restrictions that we are and may be able to compete more effectively as a result. Increased competition in our market may result in a decrease in the amounts of our loans and deposits, reduced spreads between loan rates and deposit rates or loan terms that are more favorable to the borrower. Any of these results could have a material adverse effect on our ability to grow and remain profitable. If increased competition causes us to significantly discount the interest rates we offer on loans or increase the amount we pay on deposits, our net interest income could be adversely impacted. If increased competition causes us to relax our underwriting standards, we could be exposed to higher losses from lending activities. Additionally, many of our competitors are much larger in total assets and capitalization, have greater access to capital markets and offer a broader range of financial services than we can offer.

Technology and other changes are allowing consumers and businesses to complete financial transactions that historically have involved banks through alternative methods. For example, the wide acceptance of internet-based commerce has resulted in a number of alternative payment processing systems and lending platforms in which banks play only minor roles. Customers can also maintain funds in prepaid debit cards or digital currencies, and pay bills and transfer funds directly without the direct assistance of banks. The diminishing role of banks as financial intermediaries has resulted and could continue to result in the loss of fee income, as well as the loss of customer deposits and the related income generated from those deposits. The loss of these revenue streams and the potential loss of lower cost deposits as a source of funds could have a material adverse effect on our business, financial condition and results of operations.

While we do not offer products relating to digital assets, including cryptocurrencies, stablecoins and other similar assets, there has been a significant increase in digital asset adoption globally over the past several years. Certain characteristics of digital asset transactions, such as the speed with which such transactions can be conducted, the ability to transact without the involvement of regulated intermediaries, the ability to engage in transactions across multiple jurisdictions, and the anonymous nature of the transactions, are appealing to certain consumers notwithstanding the various risks posed by such transactions. Accordingly, digital asset service providers—which, at present are not subject to the same degree of scrutiny and oversight as banking organizations and other financial institutions—are becoming active competitors to more traditional financial institutions. The process of eliminating banks as intermediaries, known as “disintermediation,” could result in the loss of fee income, as well as the loss of customer deposits and the related income generated from those deposits. The loss of these revenue streams and the lower cost of deposits as a source of funds could have a material adverse effect on our financial condition and results of operations. Potential partnerships with digital asset companies, moreover, could also entail significant investment.

The financial services industry continues to undergo rapid technological changes with frequent introductions of new technology-driven products and services, including internet services, cryptocurrencies and payment systems. In addition to better serving customers, the effective use of technology increases efficiency as well as enables financial institutions to reduce costs. Our future success will depend in part upon our ability to address the needs of our customers by using technology to provide products and services that will satisfy customer demands for convenience as well as to create additional efficiencies in our operations as we continue to grow and expand our market area. Many of our larger competitors have substantially greater resources to invest in technological improvements. As a result, they may be able to offer additional or superior products to those that we will be able to offer, which would put us at a competitive disadvantage. Accordingly, we cannot provide you with assurance that we will be able to effectively implement new technology-driven products and services or be successful in marketing such products and services to our customers.

Issues with the use of artificial intelligence in our marketplace may result in reputational harm or liability or could otherwise adversely affect the Company’s business.

Artificial intelligence, including generative artificial intelligence, is or may be enabled by or integrated into the Company’s products or those developed by its third-party partners. As with many developing technologies, artificial intelligence presents risks and challenges that could affect its further development, adoption, and use, and therefore our business. Artificial intelligence algorithms may be flawed, for example datasets may contain biased information or otherwise be insufficient, and inappropriate or controversial data practices could impair the acceptance of artificial intelligence solutions and result in burdensome new regulations. If the analyses that products incorporating artificial intelligence assist in producing for the Company or its third-party partners are deficient, biased or inaccurate, the Company could be subject to competitive harm, potential legal liability and brand or reputational harm. The use of artificial intelligence may also present ethical issues. If the Company or its third-party partners offer artificial intelligence enabled products that are controversial because of their purported or real impact on human rights, privacy, or other issues, the Company may experience competitive harm, potential legal liability and brand or reputational harm. In addition, the Company expects that governments will continue to assess and implement new laws and regulations concerning the use of artificial intelligence, which may affect or impair the usability or efficiency of products and services and those developed by the Company’s third-party partners.

Attractive acquisition opportunities may not be available to us in the future.

We expect that other banking and financial service companies, many of which have significantly greater resources than us, will compete with us in acquiring other financial institutions if we pursue such acquisitions. This competition could increase prices for potential acquisitions that we believe are attractive. Also, acquisitions are subject to various regulatory approvals. If we fail to receive the appropriate regulatory approvals, we will not be able to consummate an acquisition that we believe is in our best interests. Among other things, our regulators consider our capital, liquidity, profitability, regulatory compliance and levels of goodwill and intangibles when considering acquisition and expansion proposals. Any acquisition could be dilutive to our earnings and stockholders’ equity per share of our common stock.

Our community banking strategy relies heavily on our management team, and the unexpected loss of key managers may adversely affect our operations.

Much of our success to date has been influenced strongly by our ability to attract and to retain senior management experienced in banking and financial services and familiar with the communities in our market area. Our ability to retain executive officers, the current management teams, branch managers and loan officers will continue to be important to the successful implementation of our strategy. It is also critical, as we grow, to be able to attract and retain qualified additional management and loan officers with the appropriate level of experience and knowledge about our market area to implement our community-based operating strategy. The unexpected loss of services of any key management personnel, or the inability to recruit and retain qualified personnel in the future, could have an adverse effect on our business, financial condition and results of operations.

Labor shortages and failure to attract and retain qualified employees could negatively impact our business, results of operations and financial condition.

A number of factors may adversely affect the labor force available to us or increase labor costs, including high employment levels, and decreased labor force size and participation. Although we have not experienced any material labor shortage to date, we have recently observed an overall tightening and increasingly competitive local labor market. As of December 31, 2025, the unemployment rate in Kansas was 3.8%. A sustained labor shortage or increased turnover rates within our employee base could lead to increased costs, such as increased compensation expense to attract and retain employees.

In addition, if we are unable to hire and retain employees capable of performing at a high-level, or if mitigation measures we may take to respond to a decrease in labor availability have unintended negative effects, our business could be adversely affected. An overall labor shortage, lack of skilled labor, increased turnover or labor inflation, could have a material adverse impact on our operations, results of operations, liquidity or cash flows.

The occurrence of fraudulent activity, breaches or failures of our information security controls or cybersecurity-related incidents could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

As a bank, we are susceptible to fraudulent activity, information security breaches and cybersecurity-related incidents that may be committed against us or our clients, which may result in financial losses or increased costs to us or our clients, disclosure or misuse of our information or our client information, misappropriation of assets, privacy breaches against our clients, litigation or damage to our reputation. Such fraudulent activity may take many forms, including check fraud, electronic fraud, wire fraud, phishing, social engineering and other dishonest acts by our employees, clients, third-party vendors or by other outside actors. As described in Note 24 (Subsequent Event) to the Company's consolidated financial statements in "Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K, the Company experienced an instance of employee fraud which resulted in immaterial financial losses. Information security breaches and cybersecurity-related incidents may include fraudulent or unauthorized access to systems used by us or our clients, denial or degradation of service attacks and malware or other cyber-attacks.

In recent periods, there continues to be a rise in electronic fraudulent activity, security breaches and cyber-attacks within the financial services industry, especially in the commercial banking sector due to cyber criminals targeting commercial bank accounts. Moreover, several large corporations, including financial institutions and retail companies, have suffered major data breaches, in some cases exposing not only confidential and proprietary corporate information, but also sensitive financial and other personal information of their customers and employees and subjecting them to potential fraudulent activity. Some of our clients may have been affected by these breaches, which could increase their risks of identity theft and other fraudulent activity that could involve their accounts with us.

Information pertaining to us and our clients is maintained, and transactions are executed, on networks and systems maintained by us and certain third-party partners, such as our online banking, mobile banking or accounting systems. The secure maintenance and transmission of confidential information, as well as execution of transactions over these systems, are essential to protect us and our clients against fraud and security breaches and to maintain the confidence of our clients. Breaches of information security also may occur through intentional or unintentional acts by those having access to our systems or the confidential information of our clients, including employees. In addition, increases in criminal activity levels and sophistication, advances in computer capabilities, new discoveries, vulnerabilities in third party technologies (including browsers and operating systems) or other developments could result in a compromise or breach of the technology, processes and controls that we use to prevent fraudulent transactions and to protect data about us, our clients and underlying transactions, as well as

the technology used by our clients to access our systems. Our third party partners' inability to anticipate, or failure to adequately mitigate, breaches of security could result in a number of negative events, including losses to us or our clients, loss of business or clients, damage to our reputation, the incurrence of additional expenses, disruption to our business, additional regulatory scrutiny or penalties or our exposure to civil litigation and possible financial liability, any of which could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

We depend on information technology and telecommunications systems of third parties, and any systems failures, interruptions or data breaches involving these systems could adversely affect our operations and financial condition.

Our business is highly dependent on the successful and uninterrupted functioning of our information technology and telecommunications systems, third party servicers, accounting systems, mobile and online banking platforms and financial intermediaries. We outsource to third parties many of our major systems, such as data processing and mobile and online banking. The failure of these systems, or the termination of a third-party software license or service agreement on which any of these systems is based, could interrupt our operations. Because our information technology and telecommunications systems interface with and depend on third party systems, we could experience service denials if demand for such services exceeds capacity or such third-party systems fail or experience interruptions. A system failure or service denial could result in a deterioration of our ability to process loans or gather deposits and provide customer service, compromise our ability to operate effectively, result in potential noncompliance with applicable laws or regulations, damage our reputation, result in a loss of customer business or subject us to additional regulatory scrutiny and possible financial liability, any of which could have a material adverse effect on business, financial condition, results of operations and growth prospects. In addition, failures of third parties to comply with applicable laws and regulations, or fraud or misconduct on the part of employees of any of these third parties, could disrupt our operations or adversely affect our reputation.

It may be difficult for us to replace some of our third party vendors, particularly vendors providing our core banking and information services, in a timely manner if they are unwilling or unable to provide us with these services in the future for any reason and even if we are able to replace them, it may be at higher cost or result in the loss of customers. Any such events could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

Our operations rely heavily on the secure processing, storage and transmission of information and the monitoring of a large number of transactions on a minute-by-minute basis, and even a short interruption in service could have significant consequences. We also interact with and rely on retailers, for whom we process transactions, as well as financial counterparties and regulators. Each of these third parties may be targets of the same types of fraudulent activity, computer break-ins and other cyber security breaches described above, and the cyber security measures that they maintain to mitigate the risk of such activity may be different than our own and may be inadequate.

As a result of financial entities and technology systems becoming more interdependent and complex, a cyber-incident, information breach or loss, or technology failure that compromises the systems or data of one or more financial entities could have a material impact on counterparties or other market participants, including ourselves. As a result of the foregoing, our ability to conduct business may be adversely affected by any significant disruptions to us or to third parties with whom we interact.

We are subject to certain operational risks, including, but not limited to, customer or employee fraud, losses related to our depositors and data processing system failures and errors.

Employee errors and misconduct could subject us to financial losses or regulatory sanctions and seriously harm our reputation. Misconduct by our employees could include hiding unauthorized activities from us, improper or unauthorized activities on behalf of our customers or improper use of confidential information. It is not always possible to prevent employee errors and misconduct, and the precautions we take to prevent and detect this activity may not be effective in all cases. Employee errors could also subject us to financial claims for negligence. We are also subject to losses related to our customers, whether due to simple errors or mistakes, circumvention of controls, incomplete or fraudulent information provided by customers, or unauthorized override of controls by our employees, other financial institutions or other third parties.

We maintain a system of internal controls, including internal controls over financial reporting, and insurance coverage to mitigate against operational risks, including data processing system failures and errors and customer or employee fraud. A recently discovered instance of employee fraud, as described in Note 24 (Subsequent Event) to the Company's consolidated financial statements in "Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K, resulted in immaterial financial losses. Should our internal controls fail to prevent or detect any subsequent occurrence, or if any resulting loss is not insured or exceeds applicable insurance limits, it could have a material adverse effect on our business, financial condition and results of operations.

Our framework for managing risks may not be effective in mitigating risk and loss to us.

Our risk management framework seeks to mitigate risk and loss to us. We have established processes and procedures intended to identify, measure, monitor, report and analyze the types of risk to which we are subject, including liquidity risk, credit risk, market risk, interest rate risk, operational risk, compensation risk, legal and compliance risk, cyber risk, and reputational risk, among others. However, as with any risk management framework, there are inherent limitations to our risk management strategies as there may exist, or develop in the future, risks that we have not appropriately anticipated or identified. Our ability to successfully identify and manage risks facing us is an important factor that can significantly impact our results. If our risk management framework proves ineffective, we could suffer unexpected losses and could be materially adversely affected.

Financial services companies depend on the accuracy and completeness of information about customers and counterparties.

In deciding whether to extend credit or enter into other transactions, we may rely on information furnished by or on behalf of customers and counterparties, including financial statements, credit reports and other financial information. We may also rely on representations of those customers, counterparties or other third parties, such as independent auditors, as to the accuracy and completeness of that information. Reliance on inaccurate or misleading financial statements, credit reports or other financial information could have a material adverse impact on our business, financial condition and results of operations.

Liquidity and Capital Risks

Our growth or future losses may require us to raise additional capital in the future, but that capital may not be available when it is needed.

We are required by federal and state regulatory authorities to maintain adequate levels of capital to support our operations. We anticipate that our existing capital resources will satisfy our capital requirements for the foreseeable future. However, we may at some point need to raise additional capital to support continuing growth. Our ability to raise additional capital is particularly important to our strategy of growth through acquisitions. Our ability to raise additional capital depends on conditions in the capital markets, economic conditions and a number of other factors, including investor perceptions regarding the banking industry, market conditions and governmental activities, and on our financial condition and performance. In particular, if we were required to raise additional capital in the current interest rate environment, we believe the pricing and other terms investors may require in such an offering may not be attractive to us. Accordingly, we cannot assure you of our ability to raise additional capital if needed on terms acceptable to us. If we cannot raise additional capital when needed, our ability to further expand our operations through internal growth and acquisitions could be materially impaired.

Risks Related to our Common Stock

There can be no assurances concerning continuing dividend payments.

Our common stockholders are only entitled to receive the dividends declared by our Board of Directors. Although we have historically paid quarterly dividends on our common stock and an annual 5% stock dividend, there can be no assurances that we will be able to continue to pay regular quarterly dividends or an annual stock dividend or that any dividends we do declare will be in any particular amount. The primary source of money to pay our cash dividends comes from dividends paid to the Company by the Bank. The Bank's ability to pay dividends to the Company is subject to, among other things, its earnings, financial condition and applicable regulations, which in some instances limit the amount that may be paid as dividends. In addition, the Company and the Bank are required to maintain a capital conservation buffer of 2.5% of Common Equity Tier 1 Capital on top of minimum risk-weighted asset ratios to pay dividends without additional restrictions.

Debt covenants and other lender requirements may adversely impact our ability to borrow funds.

Our ability to borrow funds may be impacted by our ability to comply with covenants concerning minimum capital and other financial ratios required by potential lending partners. If we are not able to borrow funds on terms that are acceptable to us, our liquidity may be impacted which could, in turn, affect the Company's ability to pay dividends, its results of operations, and its ability to take advantage of strategic opportunities.

Failure to pay interest on our debt may adversely impact our ability to pay dividends.

Our \$21.7 million of subordinated debentures are held by three business trusts that we control. Interest payments on the debentures must be paid before we pay dividends on our capital stock, including our common stock. We have the right to defer interest payments on the debentures for up to 20 consecutive quarters. However, if we elect to defer interest payments, all deferred interest must be paid before we may pay dividends on our capital stock. Deferral of interest payments could also cause a decline in the market price of our common stock.

There is a limited trading market for our common shares, and you may not be able to resell your shares at or above the price you paid for them.

Although our common shares are listed for trading on the Nasdaq Global Market under the symbol “LARK,” the trading in our common shares has substantially less liquidity than many other publicly traded companies. A public trading market having the desired characteristics of depth, liquidity and orderliness depends on the presence in the market of willing buyers and sellers of our common shares at any given time. This presence depends on the individual decisions of investors and general economic and market conditions over which we have no control. We cannot assure you that volume of trading in our common shares will increase in the future.

The stock market can be volatile, and fluctuations in our operating results and other factors could cause our stock price to decline.

The stock market has experienced, and may continue to experience, fluctuations that significantly impact the market prices of securities issued by many companies. Market fluctuations could adversely affect our stock price. These fluctuations have often been unrelated or disproportionate to the operating performance of particular companies. These broad market fluctuations, as well as general economic, systemic, political and market conditions, such as recessions, loss of investor confidence, interest rate changes, tariffs, government shutdowns, or international currency fluctuations, may negatively affect the market price of our common stock. Moreover, our operating results may fluctuate and vary from period to period due to the risk factors set forth herein. As a result, period-to-period comparisons should not be relied upon as an indication of future performance. Our stock price could fluctuate significantly in response to our quarterly or annual results, annual projections and the impact of these risk factors on our operating results or financial position.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy. The Company relies extensively on various information systems and other electronic resources to operate its business. In addition, nearly all of the Company’s customers, service providers and other business partners on whom the Company depends, including the providers of the Company’s online banking, mobile banking and accounting systems, use these systems and their own electronic information systems. Any of these systems can be compromised, including by employees, customers and other individuals who are authorized to use them, and bad actors using sophisticated and constantly evolving set of software, tools and strategies to do so.

Accordingly, the Company has devoted significant resources to assessing, identifying and managing risks associated with cybersecurity threats, as noted below:

- **Identifying and assessing cybersecurity threats:** The Company regularly evaluates its systems and data for potential vulnerabilities and analyzes the evolving cyber threat landscape, to ensure it proactively addresses risks before they materialize. The Company employs monitoring tools that can detect and help respond to cybersecurity threats in real-time.
- **Integration with Overall Risk Management:** Cybersecurity risks are seamlessly integrated into the Company’s broader risk management framework, ensuring a holistic view and prioritized mitigation strategies.
- **Management of Third-Party Risk:** The Company’s comprehensive third-party management process includes rigorous due diligence, oversight and identification of cybersecurity risks associated with vendors and service providers.

- **Team:** The Company has an internal committee that is responsible for conducting regular assessments of its information systems, existing controls, vulnerabilities and potential improvements.
- **Engagement of Expert Assistance:** The Company leverages the expertise of independent consultants, legal advisors, and audit firms to evaluate the effectiveness of our risk management systems and address potential cybersecurity incidents efficiently.
- **Training:** The Company conducts periodic cybersecurity training for its workforce.

This information security program is a key part of the Company's overall risk management system. The program includes administrative, technical and physical safeguards to help protect the security and confidentiality of customer records and information. These security and privacy policies and procedures are in effect across all of the Company's businesses and geographic locations.

From time-to-time, the Company has identified cybersecurity threats and cybersecurity incidents that require the Company to make changes to its processes and to implement additional safeguards. While none of these identified threats or incidents have materially affected the Company, it is possible that threats and incidents the Company identifies in the future could have a material adverse effect on its business strategy, results of operations and financial condition.

Governance. The Company's management team is responsible for the day-to-day management of cybersecurity risks it faces, including the Company's Chief Executive Officer and Chief Financial Officer.

In addition, the Company's and the Bank's Boards of Directors, both as a whole and through the Bank's Enterprise Risk Management Committee ("ERM") is responsible for the oversight of risk management, including cybersecurity risks. In that role, the boards of directors and the ERM, with support from the Bank's cybersecurity advisors, are responsible for ensuring that the risk management processes designed and implemented by management are adequate and functioning as designed.

ITEM 2. PROPERTIES

The Company has 29 offices in 23 communities across Kansas: Manhattan (2), Auburn, Dodge City (2), Fort Scott (2), Garden City, Great Bend (2), Hoisington, Iola, Junction City, LaCrosse, Lawrence (2), Lenexa, Louisburg, Mound City, Osage City, Osawatomie, Overland Park, Paola, Pittsburg, Prairie Village, Topeka (2), Wamego and Wellsville, Kansas. The Company has opened a loan production office in Missouri. The Company owns its main office in Manhattan, Kansas and 25 branch offices, and leases three branch offices. The Company leases the branch offices in Topeka, Wamego and Prairie Village, Kansas and one loan production office in Kansas City, Missouri. The Company also leases a parking lot for one of the Dodge City branch offices it owns.

ITEM 3. LEGAL PROCEEDINGS

There are no material pending legal proceedings to which the Company or the Bank is a party or of which any of their property is subject, other than ordinary routine litigation incidental to the Bank's business. While the ultimate outcome of current legal proceedings cannot be predicted with certainty, it is the opinion of management that the resolution of these legal actions should not have a material effect on the Company's consolidated financial position or results of operations.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II.

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock has traded on the Nasdaq Global Market under the symbol "LARK" since 2001. At April 10, 2026, the Company had approximately 256 common shareholders of record and approximately 2,835 beneficial owners of our common stock.

In January 2026, we declared our 98th consecutive cash quarterly dividend of \$0.21 per share. We also distributed a 5% stock dividend for the 25th consecutive year in December 2025. As adjusted for the stock dividend, the quarterly cash dividends were \$0.20 per share in 2025. We currently have no plans to change our dividend strategy given our current capital and liquidity positions.

In March 2020, our Board of Directors approved a stock repurchase plan, permitting us to repurchase up to 225,890 shares ("March 2020 Repurchase Program"). As of December 31, 2025, there were 157,456 shares remaining to repurchase under the March 2020 Repurchase Program. Unless terminated earlier by resolution of the Board of Directors, the March 2020 Repurchase Program will expire when we have repurchased all shares authorized for repurchase thereunder.

The following table sets forth information about the Company's purchases of its common stock during the fourth quarter of 2025:

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans	Maximum number of shares that may yet be purchased under the plans
October 1-31, 2025	-	\$ -	-	157,456
November 1-30, 2025	-	-	-	157,456
December 1-31, 2025	-	-	-	157,456
Total	-	\$ -	-	157,456

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

Forward-Looking Statements

This document (including information incorporated by reference) contains, and future oral and written statements by us and our management may contain, forward-looking statements, within the meaning of such term in the Private Securities Litigation Reform Act of 1995, with respect to our financial condition, results of operations, plans, objectives, future performance and business. Forward-looking statements, which may be based upon beliefs, expectations and assumptions of our management and on information currently available to management, are generally identifiable by the use of words such as "believe," "expect," "anticipate," "plan," "intend," "estimate," "may," "will," "would," "could," "should" or other similar expressions, including the negatives of such expressions. Additionally, all statements in this document, including forward-looking statements, speak only as of the date they are made, and we undertake no obligation to update any statement in light of new information or future events.

Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse effect on operations and future prospects by us and our subsidiaries include, but are not limited to, the following:

- The strength of the local, state, national and international economies and financial markets, including the effects of inflationary pressures and future monetary policies of the Federal Reserve in response thereto;
- Effects on the U.S. economy resulting from actions taken by the federal government, including the threat or implementation of tariffs, immigration enforcement and changes in foreign policy;
- Changes in interest rates and prepayment rates of our assets;
- Increased competition in the financial services sector and the inability to attract new customers, including from non-bank competitors such as credit unions and “fintech” companies;
- Timely development and acceptance of new products and services;
- Rapid and expensive technological changes implemented by us and other parties in the financial services industry, including third-party vendors, which may be more difficult to implement or more expensive than anticipated or which may have unforeseen consequence to us and our customers, including the development and implementation of tools incorporating artificial intelligence;
- Our risk management framework;
- Interruptions in information technology and telecommunications systems and third-party services;
- The economic effects of severe weather, natural disasters, widespread disease or pandemics, or other external events;
- The loss of key executives or employees;
- Changes in consumer spending;
- Integration of acquired businesses;
- The commencement, cost and outcome of litigation and other legal proceedings and regulatory actions against us or to which the Company may become subject;
- Changes in accounting policies and practices, such as the implementation of the current expected credit losses accounting standard;
- The economic impact of past and any future terrorist attacks, military conflicts, acts of war, including ongoing conflicts in the Middle East, the Russian invasion of Ukraine and other international conflicts, or threats thereof, and the response of the United States to any such threats and attacks;
- The ability to manage credit risk, forecast loan losses and maintain an adequate allowance for loan losses;
- Fluctuations in the value of securities held in our securities portfolio;
- Concentrations within our loan portfolio and large loans to certain borrowers (including commercial real estate loans);
- The concentration of large deposits from certain clients who have balances above current FDIC insurance limits and may withdraw deposits to diversify their exposure;
- The level of non-performing assets on our balance sheets;
- The ability to raise additional capital;
- The occurrence of fraudulent activity, breaches or failures of our or our third-party vendors’ information security controls or cybersecurity-related incidents, including as a result of sophisticated attacks using artificial intelligence and similar tools or as a result of insider fraud;
- Declines in real estate values;
- The effects of fraud on the part of our employees, customers, vendors or counterparties; and
- Our success at managing and responding to the risks involved in the foregoing items.

These risks and uncertainties should be considered in evaluating forward-looking statements, and undue reliance should not be placed on such statements. Additional information concerning us and our business, including other factors that could materially affect our financial results, is included in “Item 1A. Risk Factors” of this Annual Report on Form 10-K.

CORPORATE PROFILE AND OVERVIEW

Landmark Bancorp, Inc. is a financial holding company incorporated under the laws of the State of Delaware and is engaged in the banking business through its wholly-owned subsidiary, Landmark National Bank, and in the insurance business through its wholly-owned subsidiary, Landmark Risk Management, Inc. The Company is listed on the Nasdaq Global Market under the symbol “LARK.” The Bank is dedicated to providing quality financial and banking services to its local communities. Our strategy includes growing our commercial, CRE and agriculture loan portfolios, while continuing to emphasize and maintain high quality assets. We are committed to developing relationships with our borrowers and providing a total banking service.

The Bank is principally engaged in the business of attracting deposits from the general public and using such deposits, together with borrowings and other funds, to originate one-to-four family residential real estate, construction and land, CRE, commercial, agriculture, municipal and consumer loans. Although not our primary business function, we do invest in certain investment and mortgage-related securities using deposits and other borrowings as funding sources.

Our results of operations depend generally on net interest income, which is the difference between interest income from interest-earning assets and interest expense on interest-bearing liabilities. Net interest income is affected by regulatory, economic and competitive factors that influence interest rates, loan demand and deposit flows. In addition, we are subject to interest rate risk to the degree that our interest-earning assets mature or reprice at different times, or at different speeds, than our interest-bearing liabilities. Our results of operations are also affected by non-interest income, such as service charges, loan fees, gains from the sale of newly originated loans and gains or losses on investments, and certain other non-interest related items. Our principal operating expenses, aside from interest expense, consist of, among others, compensation and employee benefits, occupancy costs, data processing expenses, professional fees, amortization of intangibles expense, federal deposit insurance costs, and provision for credit losses.

We are significantly impacted by prevailing economic conditions including federal monetary and fiscal policies and federal regulations of financial institutions. Deposit balances are influenced by numerous factors such as competing investments, the level of income and the personal rate of savings within our market areas. Factors influencing lending activities include the demand for housing, the interest rate pricing competition from other lending institutions, and rates of inflation.

Currently, our business consists of its ownership of the Bank, with its main office in Manhattan, Kansas and 28 additional offices in central, eastern, southeast and southwest Kansas and Missouri, and our ownership of the Captive, a Nevada-based captive insurance company.

CRITICAL ACCOUNTING POLICIES

Critical accounting policies are those that are both most important to the portrayal of our financial condition and results of operations, and require our management’s most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Our critical accounting policies relate to the allowance for credit losses and goodwill, both of which involve significant judgment by our management.

On January 1, 2023, we adopted ASU 2016-13, Financial Instruments-Credit Losses (Topic 326), commonly referred to as “CECL”, which changed our allowance for credit losses from an incurred loss methodology to an expected loss methodology. The CECL model is subject to changes in our economic forecast, which can impact the calculation of our allowance for credit losses substantially. Our most significant critical accounting estimates relate to the allowance for credit losses on loans, which involve significant judgment by our management. The analysis is updated on a quarterly basis based on historical loss information adjusted for current conditions and reasonable and supportable forecasts. Additionally, the Company considers changes in economic and business conditions, changes in policies, procedures and underwriting, changes in management or staff and their related experience, changes in nature and volume of the portfolio, changes in loan review, changes in collateral values, changes in past due and non-accrual loans, changes in competition, legal and regulatory issues, changes in concentrations and other qualitative factors, which impacts the estimate of future credit losses. These qualitative factors comprise a significant portion of the Company’s allowance for credit losses. Based on a sensitivity analysis of all collectively evaluated loan pools, a five basis point change in the qualitative risk factors across all loan categories would result in an increase or decrease of \$551,000 in the allowance for credit losses as of December 31, 2025. See Note 1 (Summary of Significant Accounting Policies) to the Company’s consolidated financial statements in “Item 8. Financial Statements and Supplementary Data” of this Annual Report on Form 10-K for a more detailed description methodology.

We have completed several business and asset acquisitions since 2002, which have generated significant amounts of goodwill. The initial value assigned to goodwill is the residual of the purchase price over the fair value of all identifiable tangible and intangible assets acquired and liabilities assumed. Goodwill is not amortized; however, it is tested for impairment at each calendar year end or more frequently when events or circumstances dictate. The Company performed a qualitative assessment of factors to determine if it is more likely than not that the fair value of a reporting unit is less than its carrying amount as of December 31, 2025. This assessment included a review of macroeconomic conditions, industry and market specific considerations and other relevant factors including the Company's market capitalization, with control premiums and valuation multiples, compared to recent financial industry acquisition multiples for similar institutions to estimate the fair value of the Company's single reporting unit. The Company's qualitative impairment test indicated that its goodwill was not impaired. The Company can make no assurances that future impairment tests will not result in goodwill impairments.

COMPARISON OF OPERATING RESULTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND DECEMBER 31, 2024

SUMMARY OF PERFORMANCE. Net earnings for 2025 increased \$5.8 million, or 44.4%, to \$18.8 million as compared to \$13.0 million for 2024. The increase in net earnings during 2025 was primarily related to an increase in net interest income due primarily to an increase in loan balances and higher yields on interest-earning assets.

We distributed a 5% stock dividend for the 25th consecutive year in December 2025. All per share and average share data in this section reflect the 2025 and 2024 stock dividends.

INTEREST INCOME. Interest income for 2025 increased \$7.1 million, or 9.6%, to \$81.0 million, as compared to 2024. Interest income on loans increased \$7.8 million, or 12.7%, to \$69.2 million for 2025, as compared to 2024 due to higher yields and average balances. Our yields increased from 6.30% in 2024 to 6.37% in 2025. The increase in interest income on loans was also driven by an increase in average loan balances, which increased from \$974.3 million in 2024 to \$1.1 billion in 2025. Interest income on investment securities decreased \$737,000, or 6.0%, to \$11.6 million during 2025, as compared to 2024. The decrease in interest income on investment securities was primarily the result of a decrease in the average balances of investment securities in 2025, which decreased from \$432.9 million in 2024 to \$365.8 million in 2025.

INTEREST EXPENSE. Interest expense during 2025 decreased \$2.8 million, or 10.1%, to \$25.3 million as compared to 2024. Interest expense on interest-bearing deposits decreased \$1.4 million to \$20.9 million for 2025 as compared to \$22.3 million in 2024. Our total cost of interest-bearing deposits decreased from 2.38% during 2024 to 2.14% during 2025 as a result of lower interest rates. Offsetting the decrease in interest expense due to lower cost of interest-bearing deposits was an increase in average interest-bearing deposit balances, which increased from \$938.2 million in 2024 to \$979.4 million in 2025. Interest expense on borrowings decreased \$1.5 million to \$4.4 million during 2025, as compared to 2024, due to a decrease in our average borrowings, which decreased from \$104.1 million in 2024 to \$87.7 million in 2025.

NET INTEREST INCOME. Net interest income represents the difference between income derived from interest-earning assets and the expense incurred on interest-bearing liabilities. Net interest income is affected by both the difference between the rates of interest earned on interest-earnings assets and the rates paid on interest-bearing liabilities ("interest rate spread") as well as the relative amounts of interest-earning assets and interest-bearing liabilities.

During 2025, net interest income increased \$10.0 million, or 21.8%, to \$55.7 million compared to \$45.7 million in 2024. The increase in net interest income was primarily a result of an increase in interest income on loans, coupled with lower interest expense, partially offset by lower interest income on investment securities. The accretion of purchase accounting adjustments increased net interest income by \$794,000 in 2025 compared to \$1.0 million in 2024. Compared to the same period last year, net interest income was benefitted by higher average balances and yields on loans, coupled with lower costs of interest-bearing liabilities. Our net interest margin, on a tax-equivalent basis, increased to 3.86% during 2025 from 3.28% during 2024. Lower interest rates may not result in a higher net interest margin as a result of increased competition for loans and deposits. The slope of the yield curve also impacts our net interest margin. Additionally, deposit balances may decline resulting in the need for higher cost funding.

PROVISION FOR CREDIT LOSSES. On January 1, 2023, we adopted CECL and established an ACL based on this framework. The ACL is based on the historical loss rates and the weighted average remaining maturity for financial assets measured at amortized costs including loans, investment securities and unfunded loan commitments. The historical loss rates are adjusted to reflect reasonable and supportable forecasts to estimate expected credit losses over the life of the financial asset.

During 2025, we recorded a \$2.4 million provision for credit losses compared to a \$2.3 million provision for credit losses in 2024. We recorded net loan charge-offs of \$2.7 million during 2025 compared to net charge-offs of \$183,000 during 2024. The increase in net charge-offs during 2025 was primarily due to the charge-off of a single commercial credit during the third quarter.

NON-INTEREST INCOME. Total non-interest income was \$15.0 million in 2025, an increase of \$207,000, or 1.4%, compared to 2024. The increase in non-interest income was primarily the result of a decrease in losses on sales of investment securities of \$928,000 and an increase of \$789,000 in gains on sales of loans. A loss of \$103,000 was recorded on the sale of investment securities during 2025, a decrease from the \$1.0 million loss recorded on the sale of investment securities in 2024. These increases were partially offset by a decrease of \$604,000 in bank owned life insurance due to death benefits recognized in 2024 and a decrease of \$547,000 in fees and service charges primarily due to lower fees to deposit accounts.

NON-INTEREST EXPENSE. Non-interest expense increased \$1.2 million, or 2.6%, to \$45.2 million in 2025 compared to \$44.1 million in 2024. The increase in non-interest expense in 2025 was primarily driven by an increase of \$2.4 million in compensation and benefits expense due to an increase in the number of employees coupled with higher incentive compensation costs tied to improved Company performance. This increase was partially offset by a decrease of \$752,000 in valuation allowances for assets held for sale and a decrease of \$510,000 in occupancy and equipment expense.

INCOME TAXES. We recorded income tax expense of \$4.3 million in 2025 compared to \$1.1 million in 2024. The effective tax rate increased from 7.7% in 2024 to 18.6% in 2025, primarily due to decreased recognition of previously unrecognized tax benefits. During 2025, we recognized \$161,000 of previously unrecognized tax benefits compared to \$1.0 million during 2024, which reduced the effective tax rates in both years.

FINANCIAL CONDITION. Economic conditions in the U.S. remained resilient during 2025 despite elevated inflation levels and economic uncertainty over tariffs continuing to impact the economy. Rate cuts by the Federal Reserve Bank during 2025 have positively benefitted financial institutions' earnings and net interest margin. The Federal Reserve lowered interest rates by 75 basis points during 2025 due to improvements in the inflation outlook, however, additional rate cuts are dependent upon further reductions in the inflation rate and other economic factors. We maintain strong capital and liquidity, and a stable, conservative deposit portfolio with a significant majority of our deposits being retail-based and insured by the FDIC. We spend significant time each month monitoring our interest rate and concentration risks through our asset/liability management and lending strategies that involve a relationship-based banking model offering stability and consistency. The State of Kansas and the geographic markets in which the Company operates have also been impacted by economic headwinds. Supply chain constraints, labor shortages and geopolitical events have contributed to the rising inflation levels which are impacting all areas of the economy both nationally and locally. The Company's allowance for credit losses continues to factor in estimates of the economic impact of these conditions and other qualitative factors on our loan portfolio. However, our loan portfolio is diversified across various types of loans and collateral throughout the markets in which we operate. Aside from a few problem loans that management is working to resolve, our asset quality has remained strong over the past few years. While further increases in problem assets may arise, management believes its efforts to run a high quality financial institution with a sound asset base will continue to create a strong foundation for continued growth and profitability in the future.

ASSET QUALITY AND DISTRIBUTION. Our primary investing activities are the origination of one-to-four family residential real estate, construction and land, CRE, commercial, agriculture, municipal and consumer loans and the purchase of investment securities. Total assets were \$1.6 billion at both December 31, 2025 and 2024. Net loans, excluding loans held for sale, increased \$59.2 million, or 5.7%, to \$1.1 billion at December 31, 2025, compared to \$1.0 billion at December 31, 2024. Investment securities available-for-sale decreased \$24.4 million, or 6.5%, from \$372.5 million at December 31, 2024 to \$348.2 million at December 31, 2025.

The allowance for credit losses is established through a provision for credit losses based on our economic projections. At December 31, 2025, our allowance for credit losses on loans totaled \$12.5 million, or 1.12% of gross loans outstanding, compared to \$12.8 million, or 1.22% of gross loans outstanding, at December 31, 2024. The decrease in our allowance for credit losses on loans as a percentage of gross loans outstanding was primarily due to a decrease in the reserves on individually evaluated loans.

As of December 31, 2025 and 2024, approximately \$22.9 million and \$26.1 million, respectively, of loans were considered classified and assigned a risk rating of special mention, substandard or doubtful. The decrease in classified loans was primarily due to a commercial loan relationship that was charged off during 2025. These ratings indicate that the loans identified as potential problem loans have more than normal risk which raised doubts as to the ability of the borrower to comply with present loan repayment terms. Management believed the general allowance was sufficient to cover all expected future losses expected in the loan portfolio at the balance sheet date.

Loans past due 30-89 days and still accruing interest totaled \$4.3 million, or 0.38% of gross loans, at December 31, 2025, compared to \$6.2 million, or 0.59% of gross loans, at December 31, 2024. At December 31, 2025, \$10.0 million of loans were on non-accrual status, or 0.90% of gross loans, compared to \$13.1 million, or 1.25% of gross loans, at December 31, 2024. Past due loans are determined in accordance with the contractual repayment terms. Non-accrual loans consist of loans 90 or more days past due and certain individually evaluated loans. There were no loans 90 days delinquent and accruing interest at either December 31, 2025 or 2024.

As part of our credit risk management, we continue to manage the loan portfolio to identify problem loans and have placed additional emphasis on commercial CRE and construction and land relationships. We are working to resolve or remove non-performing credits out of the loan portfolio. At December 31, 2025, we had no real estate owned compared to \$167,000 of real estate owned at December 31, 2024. The decrease in real estate owned as of December 31, 2025 compared to December 31, 2024 was due to the sale of properties held as other real estate owned.

LIABILITY DISTRIBUTION. Our primary ongoing sources of funds are deposits, FHLB borrowings, proceeds from principal and interest payments on loans and investment securities and proceeds from the sale of mortgage loans and investment securities. While maturities and scheduled amortization of loans are a predictable source of funds, deposit flows and mortgage prepayments are greatly influenced by general interest rates and economic conditions. We had a balance of \$1.4 billion in deposits at December 31, 2025 as compared to \$1.3 billion at December 31, 2024.

Total borrowings decreased \$54.8 million, or 61.9%, to \$33.7 million at December 31, 2025, from \$88.5 million at December 31, 2024. The decrease in borrowings was primarily due to deposit growth and the sale of investment securities.

Non-interest-bearing deposits at December 31, 2025 were \$364.7 million, or 26.3% of deposits, compared to \$351.6 million, or 26.5% of deposits, at December 31, 2024. Money market and checking accounts were 46.9% of our deposit portfolio and totaled \$651.0 million at December 31, 2025, compared to 47.9% of our deposit portfolio totaling \$637.0 million, at December 31, 2024. Savings accounts increased to \$151.4 million, or 10.8% of deposits, at December 31, 2025, from \$145.5 million, or 10.9% of deposits, at December 31, 2024. Certificates of deposit totaled \$221.8 million, or 16.0% of deposits, at December 31, 2025, compared to \$194.7 million, or 14.7% of deposits, at December 31, 2024. Competition for deposits may affect our ability to continue to increase deposit balances and could result in a decrease in our deposit balances in future periods. Such decreases in deposit balances may cause us to secure funding through other borrowings which would likely result in higher interest costs.

Certificates of deposit at December 31, 2025, scheduled to mature in one year or less totaled \$213.4 million. Historically, maturing deposits have generally remained with the Bank, and we believe that a significant portion of the deposits maturing in one year or less will remain with us upon maturity in some type of deposit account.

CASH FLOWS. During 2025, our cash and cash equivalents increased by \$707,000 as compared to 2024. Our operating activities provided net cash of \$21.6 million in 2025, compared to \$14.2 million in 2024, which is primarily the result of increased net earnings and sales of one-to-four family residential mortgage loans. Our investing activities used net cash of \$21.4 million during 2025, compared to \$18.1 million in 2024, primarily to fund loan growth. Our financing activities provided net cash of \$441,000 during 2025, compared to using \$3.0 million in 2024, primarily as a result of an increase in deposits.

LIQUIDITY. Our most liquid assets are cash and cash equivalents and investment securities available-for-sale. The levels of these assets are dependent on the operating, financing, lending and investing activities during any given year. These liquid assets totaled \$372.4 million at December 31, 2025 and \$396.9 million at December 31, 2024. During periods in which we are not able to originate a sufficient amount of loans and/or periods of high principal prepayments, we generally increase our liquid assets by investing in short-term, high-grade investments.

Liquidity management is both a daily and long-term function of our strategy. Excess funds are generally invested in short-term investments. Excess funds are typically generated as a result of increased deposit balances, while uses of excess funds are generally deposit withdrawals and loan advances. In the event we require funds beyond our ability to generate them internally, additional funds are generally available through the use of brokered deposits, FHLB advances, a line of credit with the FHLB, other borrowings or through sales of investment securities. At December 31, 2025, we had an outstanding balance of \$8.9 million against our line of credit with the FHLB. At December 31, 2025, we had collateral pledged to the FHLB that would allow us to borrow \$239.1 million, subject to FHLB credit requirements and policies. At December 31, 2025, we had no borrowings through the Federal Reserve discount window, while our borrowing capacity with the Federal Reserve was \$42.0 million. We also have various other federal funds agreements, both secured and unsecured, with correspondent banks totaling approximately \$35.0 million in available credit under which we had no outstanding borrowings at December 31, 2025.

At December 31, 2025, we had subordinated debentures totaling \$21.7 million and \$1.5 million of repurchase agreements. At December 31, 2025, the Company had no borrowings against a \$5.0 million line of credit from an unrelated financial institution maturing on November 1, 2026, with an interest rate that adjusts daily based on the prime rate less 0.50%. This line of credit has covenants specific to capital and other financial ratios, which the Company was in compliance with at December 31, 2025. The Company also borrowed \$1.7 million from the same unrelated financial institution at a fixed rate of 6.15%. This borrowing matures on September 1, 2027 and requires quarterly principal and interest payments. The original balance of this borrowing was \$10.0 million and was used to fund part of the acquisition of Freedom.

OFF-BALANCE SHEET ARRANGEMENTS. As a provider of financial services, we routinely issue financial guarantees in the form of financial and performance standby letters of credit. Standby letters of credit are contingent commitments issued by us generally to guarantee the payment or performance obligation of a customer to a third party. While these standby letters of credit represent a potential outlay by us, a significant amount of the commitments may expire without being drawn upon. We have recourse against the customer for any amount the customer is required to pay to a third party under a standby letter of credit. The letters of credit are subject to the same credit policies, underwriting standards and approval process as loans made by us. Most of the standby letters of credit are secured, and in the event of nonperformance by the customers, we have the right to the underlying collateral, which could include CRE, physical plant and property, inventory, receivables, cash and marketable securities. The contract amount of these standby letters of credit, which represents the maximum potential future payments guaranteed by us, was \$2.2 million at December 31, 2025 as compared to \$1.9 million at December 31, 2024.

At December 31, 2025, we had outstanding loan commitments, excluding standby letters of credit, of \$203.5 million, as compared to \$201.2 million at December 31, 2024. We anticipate that sufficient funds will be available to meet current loan commitments. These commitments consist of unfunded lines of credit and commitments to finance real estate loans.

CAPITAL. As discussed in more detail in the “Supervision and Regulation” section of “Item 1. Business” of this Annual Report on Form 10-K, current regulatory capital regulations require financial institutions (including banks and bank holding companies) to meet certain regulatory capital requirements. The Company and the Bank are subject to the Basel III Rule that implemented the Basel III regulatory capital reforms from the Basel Committee on Banking Supervision and certain changes required by the Dodd-Frank Act. The Basel III Rule is applicable to all U.S. banks that are subject to minimum capital requirements, as well as to bank and savings and loan holding companies other than “small bank holding companies” (generally, non-public bank holding companies with consolidated assets of less than \$3.0 billion).

At December 31, 2025, the Bank maintained a leverage ratio of 9.67% and a total risk-based capital ratio of 13.96%. As shown by the following table, the Bank’s capital exceeded the minimum capital requirements in effect at December 31, 2025, including the capital conservation buffers.

(dollars in thousands)	Actual amount	Actual percent	Minimum amount	Minimum percent(1)
Leverage	\$ 152,915	9.67%	\$ 63,223	4.00%
Common Equity Tier 1 Capital	152,915	12.92%	82,871	7.00%
Tier 1 Capital	152,915	12.92%	100,629	8.50%
Total Risk-Based Capital	165,313	13.96%	124,306	10.50%

(1) The minimum required percent includes a capital conservation buffer of 2.5%.

Banks and bank holding companies are generally expected to operate at or above the minimum capital requirements. The Company’s and the Bank’s ratios above are well in excess of regulatory minimums. As of December 31, 2025 and 2024, the Company and the Bank also exceeded the “well capitalized” thresholds, which is the highest rating available. There are no conditions or events that management believes have changed the Company’s and the Bank’s category as of the date of this report. We have \$21.7 million in trust preferred securities which, in accordance with current capital guidelines, have been included in total risk-based capital as of December 31, 2025. Cash distributions on the securities are payable quarterly, are deductible for income tax purposes and are included in interest expense in the consolidated financial statements.

DIVIDENDS

During the year ended December 31, 2025, we paid quarterly cash dividends of \$0.20 per share to our stockholders, as adjusted to give effect to 5% stock dividends, which we distributed for the 25th consecutive year in December 2025. The 2024 quarterly cash dividends were \$0.19 per share as adjusted to give effect to 5% stock dividends.

The payment of dividends by any financial institution or its holding company is affected by the requirement to maintain adequate capital pursuant to applicable capital adequacy guidelines and regulations. As described above, the Bank exceeded its minimum capital requirements under applicable guidelines as of December 31, 2025. The National Bank Act imposes limitations on the amount of dividends that a national bank may pay without prior regulatory approval. Generally, the amount is limited to the bank's current year's net earnings plus the adjusted retained earnings for the three preceding years. As of December 31, 2025, \$3.0 million was available to be paid as dividends to the Company by the Bank without prior regulatory approval.

Additionally, our ability to pay dividends is limited by the subordinated debentures associated with the trust preferred securities that are held by three business trusts that we control. Interest payments on the debentures must be paid before we pay dividends on our capital stock, including our common stock. We have the right to defer interest payments on the debentures for up to 20 consecutive quarters. However, if we elect to defer interest payments, all deferred interest must be paid before we may pay dividends on our capital stock.

EFFECTS OF INFLATION

Our consolidated financial statements and accompanying footnotes have been prepared in accordance with GAAP, which generally require the measurement of financial position and operating results in terms of historical dollars without consideration for changes in the relative purchasing power of money over time due to inflation. The impact of inflation can be found in the increased cost of our operations because our assets and liabilities are primarily monetary, and interest rates have a greater impact on our performance than do the effects of inflation.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest rate risk is defined as the exposure of net interest income and fair value of financial instruments (interest-earning assets, deposits and borrowings) to movements in interest rates. Our results of operations depend to a large degree on our net interest income and ability to manage interest rate risk. Major sources of interest rate risk include timing differences in the maturity and re-pricing characteristics of assets and liabilities, changes in the shape of the yield curve, changes in customer behavior and changes in relationships between rate indices (basis risk). Our management measures these risks and their impacts in several ways, including through the use of income simulations and valuation analyses. Multiple interest rate scenarios are used in this analysis which include changes in interest rates, spread narrowing and widening, yield curve twists and changes in assumptions about customer behavior in various interest rate scenarios. A mismatch between maturities, interest rate sensitivities and prepayment characteristics of assets and liabilities results in interest-rate risk. Like most financial institutions, we have material interest-rate risk exposure to changes in both short-term and long-term interest rates, as well as variable interest rate indices. Interest rates in the financial markets affect our decisions on pricing our assets and liabilities which impacts our net interest income, a significant cash flow source for us. As a result, a substantial portion of our risk management activities relates to managing interest rate risk.

Our Asset/Liability Management Committee monitors the interest rate sensitivity of our balance sheet using earnings simulation models and interest sensitivity "gap" analysis. We have set policy limits of interest rate risk to be assumed in the normal course of business and monitor such limits through our simulation process.

In the past, we have been successful in meeting the interest rate sensitivity objectives set forth in our policy. Simulation models are prepared to determine the impact on net interest income for the coming twelve months, including using rates at December 31, 2025 and forecasting volumes for the twelve-month projection. This position is then subjected to a shift in interest rates of 100, 200 and 300 basis points rising and 100 basis points falling with an impact to our net interest income on a one-year horizon as follows:

Scenario	As of December 31, 2025		As of December 31, 2024	
	Dollar change in net interest income (\$000's)	Percent change in net interest income	Dollar change in net interest income (\$000's)	Percent change in net interest income
300 basis point rising	\$ (5,612)	(7.1)%	\$ (6,831)	(13.8)%
200 basis point rising	(3,498)	(4.5)%	(4,629)	(9.4)%
100 basis point rising	(1,375)	(1.8)%	(2,434)	(4.9)%
100 basis point falling	(183)	(0.2)%	282	0.6 %
200 basis point falling	(1,639)	(2.1)%	(588)	(1.2)%
300 basis point falling	(4,352)	(5.5)%	(1,774)	(3.6)%

ASSET/LIABILITY MANAGEMENT

Interest rate “gap” analysis is a common, though imperfect, measure of interest rate risk which measures the relative dollar amounts of interest-earning assets and interest-bearing liabilities which reprice within a specific time period, either through maturity or rate adjustment. The “gap” is the difference between the amounts of such assets and liabilities that are subject to such repricing. A “positive” gap for a given period means that the amount of interest-earning assets maturing or otherwise repricing within that period exceeds the amount of interest-bearing liabilities maturing or otherwise repricing during that same period. In a rising interest rate environment, an institution with a positive gap would generally be expected, absent the effects of other factors, to experience a greater increase in the yield of its assets relative to the cost of its liabilities. Conversely, the cost of funds for an institution with a positive gap would generally be expected to decline less quickly than the yield on its assets in a falling interest rate environment. Changes in interest rates generally have the opposite effect on an institution with a “negative” gap.

The following is our “static gap” schedule. Loans include prepayment assumptions based on historical prepayment speeds. Mortgage-backed securities include published prepayment assumptions, while all other investments assume no prepayments.

Certificates of deposit reflect contractual maturities only. Money market, checking and savings accounts reprice immediately in the first period. Borrowing reflects contractual repricing and maturities.

We have been successful in meeting the interest sensitivity objectives set forth in our policy. This has been accomplished primarily by managing the assets and liabilities while maintaining our traditional high credit standards.

INTEREST-EARNING ASSETS AND INTEREST-BEARING LIABILITIES REPRICING SCHEDULE (“GAP” TABLE)

As of December 31, 2025

	3 months or less	3 to 12 months	1 to 5 years	Over 5 years	Total
	(Dollars in thousands)				
Interest-earning assets:					
Investment securities	\$ 28,664	\$ 38,061	\$ 156,516	\$ 128,705	\$ 351,946
Loans	320,788	177,663	511,747	106,666	1,116,864
Total interest-earning assets	<u>\$ 349,452</u>	<u>\$ 215,724</u>	<u>\$ 668,263</u>	<u>\$ 235,371</u>	<u>\$ 1,468,810</u>
Interest-bearing liabilities:					
Certificates of deposit	\$ 130,127	\$ 83,275	\$ 8,364	\$ -	\$ 221,766
Money market and checking accounts	650,987	-	-	-	650,987
Savings accounts	151,406	-	-	-	151,406
Borrowed money	19,115	13,737	867	-	33,719
Total interest-bearing liabilities	<u>\$ 951,635</u>	<u>\$ 97,012</u>	<u>\$ 9,231</u>	<u>\$ -</u>	<u>\$ 1,057,878</u>
Interest sensitivity gap per period	\$ (602,183)	\$ 118,712	\$ 659,032	\$ 235,371	\$ 410,932
Cumulative interest sensitivity gap	(602,183)	(483,471)	175,561	410,932	
Cumulative gap as a percent of total interest-earning assets	(41.00%)	(32.92%)	11.95%	27.98%	
Cumulative interest sensitive assets as a percent of cumulative interest sensitive liabilities	36.72%	53.90%	116.60%	138.84%	

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Stockholders and the Board of Directors
Landmark Bancorp, Inc.
Manhattan, Kansas

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Landmark Bancorp, Inc. (the “Company”) as of December 31, 2025 and 2024, the related consolidated statements of earnings, comprehensive income, stockholders’ equity, and cash flows for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (U.S.) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Allowance for Credit Losses on Loans – Qualitative Factors

The allowance for credit losses on loans is a valuation account that is deducted from the amortized costs basis of loans to present the net amount expected to be collected on loans. The Company utilized a weighted average remaining maturity model to estimate the quantitative component of the allowance for credit losses for loans. The quantitative model was adjusted with qualitative factors, including but not limited to: changes in economic and business conditions, changes in policies, procedures and underwriting, changes in management or staff and their related experience, changes in nature and volume of the portfolio, changes in loan review, changes in collateral values, changes in past due and nonaccrual loans, changes in competition, legal and regulatory issues, changes in concentrations and other qualitative factors that could affect credit losses.

We identified auditing the qualitative factors as a critical audit matter as it involved significant management judgment, which in turn led to a high degree of auditor judgment and subjectivity to evaluate management’s determination and application of the qualitative factors.

The primary substantive audit procedures we performed to address this critical audit matter included:

- Testing the completeness and accuracy of internal data and the reliability and relevance of external data used as the basis for the qualitative factors;
- Evaluating the reasonableness of management's judgments related to the determination of the qualitative factors and the accuracy of the resulting allocation of the allowance;
- Analytically evaluating the qualitative factors including the magnitude of the adjustments; and
- Tracing the allowance allocation from the qualitative factor analysis to the overall allowance calculation.

/s/ Crowe LLP

Crowe LLP

We have served as the Company's auditor since 2014.

Dallas, Texas
April 14, 2026

LANDMARK BANCORP, INC.
Consolidated Balance Sheets

<i>(Dollars in thousands, except per share amounts)</i>	December 31, 2025	December 31, 2024
Assets		
Cash and cash equivalents	\$ 20,982	\$ 20,275
Interest-bearing deposits at other banks	3,218	4,110
Investment securities available-for-sale, at fair value	348,157	372,512
Investment securities, held-to-maturity, net of allowance for credit losses of \$91 and \$91, fair value of \$3,477 and \$3,290	3,789	3,672
Bank stocks, at cost	5,756	6,618
Loans, net of allowance for credit losses of \$12,458 and \$12,825	1,098,393	1,039,221
Loans held for sale, at fair value	5,141	3,420
Bank owned life insurance	40,176	39,056
Premises and equipment, net	19,325	20,220
Goodwill	32,377	32,377
Other intangible assets, net	1,990	2,578
Mortgage servicing rights	3,189	3,061
Real estate owned, net	-	167
Accrued interest and other assets	24,149	26,855
Total assets	<u>\$ 1,606,642</u>	<u>\$ 1,574,142</u>
Liabilities and Stockholders' Equity		
Liabilities:		
Deposits:		
Non-interest-bearing demand	\$ 364,695	\$ 351,595
Money market and checking	650,987	636,963
Savings	151,406	145,514
Certificates of deposit	221,766	194,694
Total deposits	<u>1,388,854</u>	<u>1,328,766</u>
Federal Home Loan Bank and other borrowings	10,567	53,046
Subordinated debentures	21,651	21,651
Repurchase agreements	1,501	13,808
Accrued interest and other liabilities	23,438	20,656
Total liabilities	<u>1,446,011</u>	<u>1,437,927</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value per share, 200,000 shares authorized; none issued	-	-
Common stock, \$0.01 par value per share, 7,500,000 shares authorized; 6,074,381 and 6,063,958 shares issued at December 31, 2025 and 2024, respectively	61	58
Additional paid-in capital	102,597	95,051
Retained earnings	63,658	56,934
Treasury stock, at cost; zero shares at December 31, 2025 and 2024, respectively	-	-
Accumulated other comprehensive loss	(5,685)	(15,828)
Total stockholders' equity	<u>160,631</u>	<u>136,215</u>
Total liabilities and stockholders' equity	<u>\$ 1,606,642</u>	<u>\$ 1,574,142</u>

See accompanying notes to consolidated financial statements.

LANDMARK BANCORP, INC.
Consolidated Statements of Earnings

<i>(Dollars in thousands, except per share amounts)</i>	Years ended December 31,		
	2025	2024	2023
Interest income:			
Loans	\$ 69,222	\$ 61,400	\$ 51,753
Investment securities:			
Taxable	8,768	9,298	9,594
Tax-exempt	2,801	3,008	3,094
Interest-bearing deposits at banks	225	193	242
Total interest income	<u>81,016</u>	<u>73,899</u>	<u>64,683</u>
Interest expense:			
Deposits	20,928	22,310	15,254
FHLB and other borrowings	2,833	3,886	4,048
Subordinated debentures	1,420	1,635	1,590
Repurchase agreements	150	344	499
Total interest expense	<u>25,331</u>	<u>28,175</u>	<u>21,391</u>
Net interest income	<u>55,685</u>	<u>45,724</u>	<u>43,292</u>
Provision for credit losses	<u>2,350</u>	<u>2,300</u>	<u>349</u>
Net interest income after provision for credit losses	<u>53,335</u>	<u>43,424</u>	<u>42,943</u>
Non-interest income:			
Fees and service charges	10,195	10,742	10,220
Gains on sales of loans, net	3,175	2,386	2,269
Increase in cash surrender value of bank owned life insurance	1,119	1,723	913
Losses on sales of investment securities, net	(103)	(1,031)	(1,246)
Other	565	924	1,074
Total non-interest income	<u>14,951</u>	<u>14,744</u>	<u>13,230</u>
Non-interest expense:			
Compensation and benefits	25,507	23,103	22,681
Occupancy and equipment	5,153	5,663	5,565
Data processing	2,047	1,889	1,940
Amortization of mortgage servicing rights and other intangibles	948	1,164	1,844
Professional fees	2,950	2,912	2,452
Valuation allowance on assets held for sale	356	1,108	-
Other	8,272	8,240	7,501
Total non-interest expense	<u>45,233</u>	<u>44,079</u>	<u>41,983</u>
Earnings before income taxes	<u>23,053</u>	<u>14,089</u>	<u>14,190</u>
Income tax expense	<u>4,278</u>	<u>1,086</u>	<u>1,954</u>
Net earnings	<u>\$ 18,775</u>	<u>\$ 13,003</u>	<u>\$ 12,236</u>
Earnings per share (1):			
Basic	<u>\$ 3.09</u>	<u>\$ 2.15</u>	<u>\$ 2.03</u>
Diluted	<u>\$ 3.07</u>	<u>\$ 2.15</u>	<u>\$ 2.03</u>

(1) All per share amounts have been adjusted to give effect to the 5% stock dividends paid during December 2025, 2024, and 2023.

See Notes to Consolidated Financial Statements.

LANDMARK BANCORP, INC.
Consolidated Statements of Comprehensive Income

<i>(Dollars in thousands)</i>	Years ended December 31,		
	2025	2024	2023
Net earnings	\$ 18,775	\$ 13,003	\$ 12,236
Net unrealized holding gains on available-for-sale securities	13,279	13	10,025
Reclassification adjustment on losses included in earnings	103	1,031	1,246
Net unrealized gains	13,382	1,044	11,271
Income tax effect on net losses included in earnings	(25)	(253)	(305)
Income tax effect on net unrealized holding gains	(3,214)	(63)	(2,456)
Other comprehensive income	10,143	728	8,510
Total comprehensive income	<u>\$ 28,918</u>	<u>\$ 13,731</u>	<u>\$ 20,746</u>

See accompanying notes to consolidated financial statements.

LANDMARK BANCORP, INC.
Consolidated Statements of Stockholders' Equity

	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Accumulated other comprehensive (loss) income	Total
<i>(Dollars in thousands, except per share amounts)</i>						
Balance at January 1, 2023	<u>\$ 52</u>	<u>\$ 84,273</u>	<u>\$ 50,970</u>	<u>\$ -</u>	<u>\$ (25,066)</u>	<u>\$110,229</u>
Net earnings	-	-	12,236	-	-	12,236
Other comprehensive income	-	-	-	-	8,510	8,510
Dividends paid (\$0.73 per share) (1)	-	-	(4,390)	-	-	(4,390)
Issuance of restricted common stock, 5,192 shares	-	-	-	-	-	-
Stock-based compensation	-	352	-	-	-	352
Purchase of 3,812 treasury shares	-	-	-	(75)	-	(75)
Exercise of stock options, 2,693 shares (2)	-	52	-	-	-	52
5% stock dividend, 260,640 shares	3	4,531	(4,534)	-	-	-
Balance at December 31, 2023	<u>\$ 55</u>	<u>\$ 89,208</u>	<u>\$ 54,282</u>	<u>\$ (75)</u>	<u>\$ (16,556)</u>	<u>\$126,914</u>
Net earnings	-	-	13,003	-	-	13,003
Other comprehensive income	-	-	-	-	728	728
Dividends paid (\$0.76 per share) (1)	-	-	(4,612)	-	-	(4,612)
Issuance of restricted common stock, 41,175 shares	-	-	-	-	-	-
Stock-based compensation	-	520	-	-	-	520
Purchase of 17,288 treasury shares	-	-	-	(338)	-	(338)
5% stock dividend, 274,838 shares	3	5,323	(5,739)	413	-	-
Balance at December 31, 2024	<u>\$ 58</u>	<u>\$ 95,051</u>	<u>\$ 56,934</u>	<u>\$ -</u>	<u>\$ (15,828)</u>	<u>\$136,215</u>
Net earnings	-	-	18,775	-	-	18,775
Other comprehensive income	-	-	-	-	10,143	10,143
Dividends paid (\$0.80 per share) (1)	-	-	(4,861)	-	-	(4,861)
Issuance of restricted common stock, 985 shares	-	-	-	-	-	-
Stock-based compensation	-	359	-	-	-	359
Exercise of stock options, 15,801 shares (2)	-	-	-	-	-	-
5% stock dividend, 289,120 shares	3	7,187	(7,190)	-	-	-
Balance at December 31, 2025	<u>\$ 61</u>	<u>\$ 102,597</u>	<u>\$ 63,658</u>	<u>\$ -</u>	<u>\$ (5,685)</u>	<u>\$160,631</u>

(1) Dividends per share have been adjusted to give effect to the 5% stock dividends paid during December 2025, 2024, and 2023.

(2) Shares from the exercise of stock options are shown net of forfeitures related to cashless exercises.

See accompanying notes to consolidated financial statements.

LANDMARK BANCORP, INC.
Consolidated Statements of Cash Flows

<i>(Dollars in thousands)</i>	Years ended December 31,		
	2025	2024	2023
Cash flows from operating activities:			
Net earnings	\$ 18,775	\$ 13,003	\$ 12,236
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Provision for credit losses	2,350	2,300	349
Valuation allowance on assets held for sale	356	1,108	6
Amortization of investment security (discounts) premiums, net	(195)	(111)	240
Accretion of purchase accounting adjustments	(794)	(1,035)	(993)
Amortization of mortgage servicing rights and intangibles	948	1,164	1,844
Depreciation	1,280	1,335	1,270
Increase in cash surrender value of bank owned life insurance	(1,119)	(1,723)	(913)
Stock-based compensation	359	520	352
Deferred income taxes	(136)	(212)	404
Net losses on investment securities	103	1,031	1,246
Net gains on sales of premises and equipment and foreclosed assets	(81)	(326)	(1)
Net gains on sales of loans	(3,175)	(2,386)	(2,269)
Proceeds from sale of loans	104,438	85,799	80,475
Origination of loans held for sale	(103,472)	(86,384)	(76,995)
Changes in assets and liabilities:			
Accrued interest and other assets	(785)	(1,123)	(1,276)
Accrued interest, expenses and other liabilities	2,782	1,276	(3,371)
Net cash provided by operating activities	21,634	14,236	12,604
Cash flows from investing activities:			
Net increase in loans	(61,845)	(103,084)	(97,361)
Net change in interest-bearing deposits at banks	892	808	4,150
Maturities and prepayments of investment securities	62,373	71,080	54,537
Purchases of investment securities	(52,774)	(23,322)	(29,112)
Proceeds from sale of available-for-sale securities	28,230	32,623	20,913
Redemption of bank stocks	16,194	16,487	11,192
Purchase of bank stocks	(15,332)	(14,982)	(13,845)
Proceeds from sales of premises and equipment and foreclosed assets	406	4,700	7
Premiums paid on bank owned life insurance	-	(95)	(97)
Proceeds from bank owned life insurance	1,093	-	-
Purchases of premises and equipment, net	(605)	(2,320)	(995)
Net cash used in investing activities	(21,368)	(18,105)	(50,611)
Cash flows from financing activities:			
Net increase in deposits	60,088	12,515	15,591
Federal Home Loan Bank advance borrowings	839,823	778,725	727,629
Federal Home Loan Bank advance repayments	(879,769)	(787,893)	(677,815)
Proceeds from other borrowings	-	360	-
Repayments on other borrowings	(2,533)	(2,808)	(2,352)
Change in repurchase agreements	(12,307)	1,094	(16,688)
Proceeds from exercise of stock options	-	-	52
Payment of dividends	(4,861)	(4,612)	(4,390)
Purchase of treasury stock	-	(338)	(75)
Net cash provided by (used in) financing activities	441	(2,957)	41,952
Net increase (decrease) in cash and cash equivalents	707	(6,826)	3,945
Cash and cash equivalents at beginning of year	20,275	27,101	23,156
Cash and cash equivalents at end of year	\$ 20,982	\$ 20,275	\$ 27,101

LANDMARK BANCORP, INC.
Consolidated Statements of Cash Flows, Continued

<i>(Dollars in thousands)</i>	Years ended December 31,		
	2025	2024	2023
Supplemental disclosure of cash flow information:			
Cash payments paid during the year for income taxes	\$ 3,424	\$ 834	\$ 55
Cash paid during the year for interest	25,294	28,321	19,851
Cash paid during the year for operating leases	209	177	156
Supplemental schedule of noncash investing and financing activities:			
Transfer of premises and equipment to real estate held for sale	-	-	4,343
Transfer of loans to repossessed assets	1,000	-	-
Operating lease asset and related liability recorded	-	-	61

See accompanying notes to consolidated financial statements.

LANDMARK BANCORP, INC.
Notes to Consolidated Financial Statements

(1) Summary of Significant Accounting Policies

Principles of Consolidation. The accompanying consolidated financial statements include the accounts of Landmark Bancorp, Inc. and its wholly owned subsidiaries, the Bank and the Captive. All intercompany balances and transactions have been eliminated in consolidation. The Bank, considered a single operating segment, is principally engaged in the business of attracting deposits from the general public and using such deposits, together with borrowings and other funds, to originate one-to-four family residential real estate, construction and land, CRE, commercial, agriculture, municipal and consumer loans. The Captive provides property and casualty insurance coverage to the Company and the Bank for which insurance may not be currently available or economically feasible in today's insurance marketplace.

Use of Estimates. The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires the Company to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Business Combinations. At the date of acquisition, the Company records the net assets acquired and liabilities assumed on the consolidated balance sheets at their estimated fair values, and goodwill is recognized for the excess purchase price over the estimated fair value of acquired net assets. The results of operations for acquired companies are included in the Company's consolidated statements of earnings beginning at the acquisition date. Expenses arising from the acquisition activities are recorded in the consolidated statements of earnings during the period incurred.

Reserve Requirements. Regulations of the Federal Reserve require reserves to be maintained by all banking institutions according to the types and amounts of certain deposit liabilities. These requirements restrict a portion of the amounts shown as consolidated cash and due from banks from everyday usage in the operation of banks. As of December 31, 2025 and 2024, the Bank did not have a minimum reserve requirement.

Cash Flows. Cash and cash equivalents include cash on hand and amounts due from banks with original maturities of fewer than 90 days and are carried at cost. Net cash flows are reported for customer loan and deposit transactions.

Interest-Bearing Deposits in Banks. Interest-bearing deposits in other banks include investments in certificates of deposits with original maturities greater than 90 days and are carried at cost.

Investment Securities. Investment securities are classified as held-to-maturity when management has the positive intent and ability to hold them to maturity. Securities are classified as available-for-sale when they might be sold before maturity. Held-to-maturity securities are carried at amortized cost while available-for-sale securities are carried at fair value, with unrealized holding gains and losses reported in other comprehensive income, net of tax.

Interest income includes amortization of purchase premium or discount. Premiums and discounts on securities are amortized on the level-yield method without anticipating prepayments, except for mortgage backed securities where prepayments are anticipated. Realized gains and losses on sales of available-for-sale securities are recorded on a trade date basis and are calculated using the specific identification method.

Allowance for Credit Losses – Held-to-Maturity Investment Securities. Management measures expected credit losses on held-to-maturity investment securities on a collective basis by major security type. Accrued interest is excluded from the estimate of credit losses. The estimate of expected credit losses considers historical loss information adjusted for current conditions and reasonable and supportable forecasts.

Allowance for Credit Losses – Available-for-Sale Investment Securities. For available-for-sale investment securities in an unrealized loss position, the Company first assesses whether it intends to sell or is more likely than not will be required to sell, the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through income. For securities that do not meet the aforementioned criteria, the Company evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, the Company considers the extent to which fair value is less than amortized cost, the current interest rate environment, changes to rating of the security or security issuer, and adverse conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected

from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected was less than the amortized cost basis, a credit loss exists and an allowance for credit losses would be recorded for the credit loss, which is limited by the amount that the fair value is less than the amortized cost basis. Any impairment that has not been recorded through an allowance for credit losses is recognized in other comprehensive income. Changes in the allowance for credit losses are recorded as provision for or reversal of credit loss expense. Losses are charged against the allowance for credit losses when the Company determines the available-for-sale security is uncollectible or when either of the criteria regarding intent or requirement to sell is met. The Company does not estimate credit losses on available-for-sale security accrued interest receivable.

Bank Stocks. Bank stocks are investments acquired for regulatory purposes and borrowing availability and are accounted for at cost. The cost of such investments represents their redemption value as such investments do not have a readily determinable fair value. The Company evaluates bank stocks for other-than-temporary impairment by analyzing the ultimate recoverability based on a credit analysis of the issuer.

Loans. Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at amortized cost. The amortized cost is the principal balance outstanding net of previous charge-offs, and for purchased loans, net of unamortized purchase premiums and discounts. Interest income is accrued on the unpaid principal balance. Origination fees received on loans held in portfolio and the estimated direct costs of origination are deferred and amortized to interest income using the level yield method without anticipating prepayments.

The accrual of interest on non-performing loans is discontinued at the time the loan is ninety days delinquent, unless the credit is well secured and in process of collection. Loans are placed on non-accrual or are charged off at an earlier date if collection of the principal or interest is considered doubtful. All interest accrued but not collected for loans that are placed on non-accrual or charged off is reversed against interest income. The interest on these loans is accounted for on the cash basis or cost recovery method, until qualifying for return to accrual. Loans are evaluated individually and are returned to accrual status when all principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Allowance for Credit Losses - Loans. The allowance for credit losses is a valuation account that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on loans. The analysis is updated on a quarterly basis based on historical loss information adjusted for current conditions and reasonable and supportable forecasts. Additionally, the Company considers asset quality trends, composition and trends in the loan portfolio, underlying collateral values, industry trends and other pertinent factors, including regulatory recommendations. The level of the allowance for credit losses maintained by management is believed adequate to absorb all expected future losses expected in the loan portfolio at the balance sheet date. The allowance is adjusted through provision for credit losses and charge-offs, net of recoveries of amounts previously charged off.

The allowance for credit losses is measured on a collective basis for pools of loans with similar risk characteristics. The Company has identified the following pools of financial assets with similar risk characteristics for measuring expected credit losses.

One-to-Four Family Residential Real Estate. One-to-four family residential real estate loans consist primarily of loans secured by one-to-four family residential properties. Repayment is primarily dependent on the personal cash flow of the borrower.

Construction and Land. Construction and land loans consist primarily of loans to facilitate the development of both residential and CRE. Repayment is primarily dependent on the completion of the development and refinancing to longer term financing.

Commercial Real Estate. CRE loans consist primarily of loans secured by office buildings, industrial buildings, warehouses, retail buildings and multi-family housing and are primarily owner-occupied. For such loans, repayment is largely dependent upon the operation of the borrower's business.

Commercial. Commercial loans include loans to business enterprises issued for commercial, industrial and/or other professional purposes. These loans are generally secured by equipment, inventory and accounts receivable of the borrower and repayment is primarily dependent on business cash flows.

Agriculture. Agriculture loans include operating and real estate loans to agriculture enterprises. Generally, the borrower's ability to repay is based on the cash flows from farming operations.

Municipal. Municipal loans are generally related to equipment leasing or general fund loans. Repayment is primarily dependent on the tax revenue of the municipal entity.

Consumer. Consumer loans include automobile, boat, home improvement and home equity loans. Repayment is primarily dependent on the personal cash flow of the borrower.

The Company utilizes a weighted average remaining maturity allowance methodology to calculate the quantitative component of the allowance for credit losses. Historical loss rates are adjusted for current conditions and reasonable and supportable forecasts. Following the economic forecast period loss rates revert back to historical loss rates over a reasonable period of time. Additional adjustments for qualitative factors are included to quantify the risks within each of the loan categories that are not included in the historical loss rates or economic projections. These adjustments include but are not limited to: changes in economic and business conditions, changes in policies, procedures and underwriting, changes in management or staff and their related experience, changes in nature and volume of the portfolio, changes in loan review, changes in collateral values, changes in past due and non-accrual loans, changes in competition, legal and regulatory issues, changes in concentrations and other qualitative factors that could affect credit losses. The data for the allowance calculation may be obtained from internal or external sources. The Company has made the accounting policy election to exclude accrued interest receivable on loans from the estimate of credit losses.

Loans that do not share similar risk characteristics with the collectively evaluated pools are evaluated on an individual basis and are excluded from the collectively evaluated loan pools. Such loans are evaluated for credit losses based on either discounted cash flows or the fair value of collateral.

The Company estimates expected credit losses over the contractual term of obligations to extend credit, unless the obligation is unconditionally cancelable. The allowance for off-balance-sheet exposures is adjusted through the provision for credit losses. The estimates are determined based on the likelihood of funding during the contractual term and an estimate of credit losses subsequent to funding. Estimated credit losses on subsequently funded balances are based on the same assumptions used to estimate credit losses on loans.

Loan Modifications. Loan modifications, including modifications to borrowers experiencing financial difficulty, are treated as a new loan if two conditions are met. The terms of the new loan are at least as favorable to the Company as the terms for comparable loans to other customers with similar collection risks and modifications to the terms of the original loan are more than minor.

Loans Held for Sale. Mortgage loans originated and intended for sale in the secondary market are carried at fair value. The fair value includes the servicing value of the loans as well as any accrued interest.

Mortgage loans held for sale are generally sold with servicing rights retained. The carrying value of mortgage loans sold is reduced by the amount allocated to the servicing right. Gains and losses on sales of mortgage loans are based on the difference between the selling price and the carrying value of the related loan sold.

Mortgage Servicing Rights. When mortgage loans are sold with servicing retained, servicing rights are initially recorded at fair value with the income statement effect recorded in gains on sales of loans. Fair value is based on market prices for comparable mortgage servicing contracts, when available or alternatively, is based on a valuation model that calculates the present value of estimated future net servicing income. All classes of servicing assets are subsequently measured using the amortization method which requires servicing rights to be recorded in amortization of intangibles in proportion to, and over the period of, the estimated future net servicing income of the underlying loans.

Servicing rights are evaluated for impairment based upon the fair value of the rights as compared to carrying amount. Impairment is determined by stratifying rights into groupings based on predominant risk characteristics, such as interest rate, loan type and investor type. Impairment is recognized through a valuation allowance for an individual grouping, to the extent that fair value is less than the carrying amount. If the Company later determines that all or a portion of the impairment no longer exists for a particular grouping, a reduction of the allowance may be recorded as an increase to income. Changes in valuation allowances are included in amortization expense on the income statement. The fair values of servicing rights are subject to significant fluctuations as a result of changes in estimated and actual prepayment speeds, default rates and losses.

Transfers of Financial Assets. Transfers of financial assets are accounted for as sales when control over the assets has been relinquished. Control over transferred assets is deemed to be surrendered when the assets have been isolated from the Company, the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Mortgage Loan Repurchase Reserve. The Company routinely sells one-to-four family residential mortgage loans to secondary mortgage market investors. Under standard representations and warranties clauses in the Company's mortgage sale agreements, the Company may be required to repurchase mortgage loans sold or reimburse the investors for credit losses incurred on those loans if a breach of the contractual representations and warranties occurred. The Company establishes a mortgage repurchase liability in an amount equal to management's estimate of losses on loans for which the Company could have a repurchase obligation or loss reimbursement. The estimated liability incorporates the volume of loans sold in previous periods, default expectations, historical investor repurchase demand and actual loss severity. Provisions to the mortgage repurchase reserve reduce gains on sales of loans.

Premises and Equipment. Land is carried at cost. Premises and equipment are stated at cost less accumulated depreciation. Major replacements and betterments are capitalized while maintenance and repairs are charged to expense when incurred. Gains or losses on dispositions are reflected in earnings as incurred.

Bank Owned Life Insurance. The Company has purchased life insurance policies on certain key officers. 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.

Goodwill and Intangible Assets. Goodwill is not amortized; however, it is tested for impairment at each calendar year end or more frequently when events or circumstances dictate. The Company performed a qualitative assessment of factors to determine if it is more likely than not that the fair value of a reporting unit is less than its carrying amount as of December 31, 2025. This assessment included a review of macroeconomic conditions, industry and market specific considerations and other relevant factors including the Company's market capitalization, with control premiums and valuation multiples, compared to recent financial industry acquisition multiples for similar institutions to estimate the fair value of the Company's single reporting unit. A goodwill impairment would be recorded for the amount that the carrying value exceeds the implied fair value.

Intangible assets include core deposit intangibles. Core deposit intangible assets are amortized over their estimated useful life of ten years on an accelerated basis. When facts and circumstances indicate potential impairment, the Company will evaluate the recoverability of the intangible asset's carrying value, using estimates of undiscounted future cash flows over the remaining asset life. Any impairment loss is measured by the excess of carrying value over fair value.

Income Taxes. The objective of accounting for income taxes is to recognize the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in an entity's financial statements or tax returns. Judgment is required in assessing the future tax consequences of events that have been recognized in financial statements or tax returns. Uncertain income tax positions will be recognized only if it is more likely than not that they will be sustained upon examination by taxing authorities, based upon their technical merits. Once that standard is met, the amount recorded will be the largest amount of benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. The Company recognizes interest and penalties related to unrecognized tax benefits as a component of income tax expense in the consolidated statements of earnings. The Company assesses deferred tax assets to determine if the items are more likely than not to be realized, and a valuation allowance is established for any amounts that are not more likely than not to be realized.

Loan Commitments and Related Financial Instruments. 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 face amount for these items represents the exposure to loss, before considering customer collateral or ability to repay. Such financial instruments are recorded when they are funded.

Loss Contingencies. Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. Management does not believe there now are such matters that will have a material effect on the financial statements.

Comprehensive Income. Comprehensive income consists of net income and other comprehensive income. Other comprehensive income includes unrealized gains and losses on securities available for sale, net of tax which are also recognized as separate components of equity.

Real Estate Owned. Assets acquired through, or in lieu of, foreclosure are initially recorded at fair value less costs to sell when acquired, establishing a new cost basis. Physical possession of residential real estate property collateralizing a consumer mortgage loan occurs when legal title is obtained upon completion of foreclosure or when the borrower conveys all interest in the property to satisfy the loan through completion of a deed in lieu of foreclosure or through a similar legal agreement. These assets are subsequently accounted for at lower of cost or fair value less estimated costs to sell. If fair value declines subsequent to foreclosure, a valuation allowance is recorded through expense. Operating costs after acquisition are expensed.

Stock-Based Compensation. The Company uses the Black-Scholes option pricing model to estimate the grant date fair value of its stock options, which is recognized as compensation expense over the option vesting period, on a straight-line basis, which is typically four years. The fair value of restricted common stock is equal to the Company's stock price on the grant date, which is recognized as compensation expense on a straight-line basis over the vesting period. The Company accounts for forfeitures as they occur.

Earnings per Share. Basic earnings per share represent net earnings divided by the weighted average number of common shares outstanding during the year. Diluted earnings per share reflect additional common shares that would have been outstanding if dilutive potential common shares had been issued. The diluted earnings per share computation for 2024 and 2023 excluded 218,132 and 183,633, respectively, of unexercised stock options because their inclusion would have been anti-dilutive. There were no anti-diluted stock options as of December 31, 2025.

The shares used in the calculation of basic and diluted earnings per share, which have been adjusted to give effect to the 5% common stock dividends paid by the Company in December 2025, 2024 and 2023, are shown below:

(Dollars in thousands, except per share amounts)

	Years ended December 31,		
	2025	2024	2023
Net earnings available to common shareholders	\$ 18,775	\$ 13,003	\$ 12,236
Weighted average common shares outstanding - basic	6,070,662	6,045,959	6,039,164
Assumed exercise of stock options	48,199	6,537	3,418
Weighted average common shares outstanding - diluted	<u>6,118,861</u>	<u>6,052,496</u>	<u>6,042,582</u>
Earnings per share:			
Basic	\$ 3.09	\$ 2.15	\$ 2.03
Diluted	\$ 3.07	\$ 2.15	\$ 2.03

Derivative Financial Instruments. Commitments to fund mortgage loans (interest rate locks) to be sold into the secondary market and forward commitments for the future delivery of these mortgage loans are accounted for as free standing derivatives. The fair value of the interest rate lock is recorded at the time the commitment to fund the mortgage loan is executed and is adjusted for the expected exercise of the commitment before the loan is funded. In order to hedge the change in interest rates resulting from its commitments to fund the loans, the Company enters into forward commitments for the future delivery of mortgage loans when interest rate locks are entered into. Fair values of these mortgage derivatives are estimated based on changes in mortgage interest rates from the date the interest on the loan is locked. Changes in the fair values of these derivatives are included in net gains on sales of loans.

Dividend Restriction. Banking regulations require maintaining certain capital levels and may limit the dividends paid by the bank to the holding company or by the holding company to shareholders.

Fair Value of Financial Instruments. Fair values of financial instruments are estimated using relevant market information and other assumptions, as more fully disclosed in a separate note. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular items. Changes in assumptions or in market conditions could significantly affect these estimates.

Reclassifications. Some items in the prior-year financial statements were reclassified to the current presentation. Reclassifications had no effect on prior-year net income or stockholders' equity.

(2) Impact of Recent Accounting Pronouncements

The FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, in December 2023. The amendments require additional disclosures regarding the rate reconciliation and income taxes paid. ASU 2023-09 also removed certain existing disclosure requirements and is effective for annual periods beginning January 1, 2025. The Company adopted ASU 2023-09 effective January 1, 2025 and elected to adopt the amendments retrospectively. Other than the inclusion of additional disclosures, the adoption did not have a significant effect on the Company's consolidated financial statements.

The FASB issued ASU 2025-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses in November 2024. The amendments require new disclosures providing further detail of a company's income statement expense items. ASU 2025-03 is effective for annual periods beginning January 1, 2027, and interim periods beginning January 1, 2028. Early adoption is permitted. The amendments should be applied on a prospective basis. Other than the inclusion of additional disclosures, the adoption is not expected to have a significant effect on the Company's consolidated financial statements.

The FASB issued ASU 2025-08, Financial Instruments – Credit Losses (Topic 326): Purchased Loans in November 2025. The amendment expands the scope of the “gross-up” method, formerly applicable only to purchased credit-deteriorated (“PCD”) assets, to include acquired non-PCD loans that meet certain criteria, now referred to as “purchased seasoned loans” (“PSLs”). Under this model, an allowance for expected credit losses is recognized at acquisition, offsetting the loan's amortized cost basis, thereby eliminating the day-one credit-loss expense previously required for non-PCD assets. PSLs are defined as non-PCD loans acquired either (i) through a business combination, or (ii) purchased more than 90 days after origination when the acquirer was not involved in origination. ASU 2025-08 will be effective on a prospective basis for loans acquired on or after the adoption date, for interim and annual reporting periods beginning in 2027, though early adoption is permitted. ASU 2025-08 is not expected to have a significant impact on the Company's consolidated financial statements.

(3) Investment Securities

A summary of investment securities available-for-sale and securities held-to-maturity is as follows:

(Dollars in thousands)

	As of December 31, 2025			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Available-for-sale:				
U. S. treasury securities	\$ 52,795	\$ 580	\$ (192)	\$ 53,183
Municipal obligations, tax exempt	88,979	149	(1,319)	87,809
Municipal obligations, taxable	92,105	555	(2,057)	90,603
Agency mortgage-backed securities	121,780	193	(5,411)	116,562
Total available-for-sale	<u>\$ 355,659</u>	<u>\$ 1,477</u>	<u>\$ (8,979)</u>	<u>\$ 348,157</u>
Held-to-maturity:				
Other	\$ 3,789	\$ -	\$ (312)	\$ 3,477
Total held-to-maturity	<u>\$ 3,789</u>	<u>\$ -</u>	<u>\$ (312)</u>	<u>\$ 3,477</u>

(Dollars in thousands)

	As of December 31, 2024			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Available-for-sale:				
U. S. treasury securities	\$ 65,349	\$ 53	\$ (944)	\$ 64,458
Municipal obligations, tax exempt	111,196	47	(4,115)	107,128
Municipal obligations, taxable	76,200	70	(4,555)	71,715
Agency mortgage-backed securities	140,651	40	(11,480)	129,211
Total available-for-sale	<u>\$ 393,396</u>	<u>\$ 210</u>	<u>\$ (21,094)</u>	<u>\$ 372,512</u>
Held-to-maturity:				
Other	\$ 3,672	\$ -	\$ (382)	\$ 3,290
Total held-to-maturity	<u>\$ 3,672</u>	<u>\$ -</u>	<u>\$ (382)</u>	<u>\$ 3,290</u>

The tables above show that some of the securities in the available-for-sale and held-to-maturity investment portfolio had unrealized losses, or were temporarily impaired, as of December 31, 2025 and 2024. This temporary impairment represents the estimated amount of loss that would be realized if the securities were sold on the valuation date.

The following tables summarize securities available-for-sale in an unrealized loss positions for which an allowance for credit losses has not been recorded at December 31, 2025 and 2024 along with length of time in a continuous unrealized loss position.

(Dollars in thousands)

		As of December 31, 2025					
No. of securities		Less than 12 months		12 months or longer		Total	
		Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Available-for-sale							
U. S. treasury securities	12	\$ -	\$ -	\$ 32,314	\$ (192)	\$ 32,314	\$ (192)
Municipal obligations, tax exempt	129	5,746	(10)	43,697	(1,309)	49,443	(1,319)
Municipal obligations, taxable	88	19,052	(262)	40,711	(1,795)	59,763	(2,057)
Agency mortgage-backed securities	67	16,624	(95)	85,169	(5,316)	101,793	(5,411)
Total available-for-sale	296	<u>\$41,422</u>	<u>\$ (367)</u>	<u>\$201,891</u>	<u>\$ (8,612)</u>	<u>\$243,313</u>	<u>\$ (8,979)</u>

(Dollars in thousands)

		As of December 31, 2024					
No. of securities		Less than 12 months		12 months or longer		Total	
		Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Available-for-sale							
U. S. treasury securities	22	\$ 1,558	\$ -	\$ 43,327	\$ (944)	\$ 44,885	\$ (944)
Municipal obligations, tax exempt	254	16,754	(311)	86,409	(3,804)	103,163	(4,115)
Municipal obligations, taxable	107	22,201	(726)	45,285	(3,829)	67,486	(4,555)
Agency mortgage-backed securities	102	18,875	(223)	105,615	(11,257)	124,490	(11,480)
Total available-for-sale	485	<u>\$59,388</u>	<u>\$ (1,260)</u>	<u>\$280,636</u>	<u>\$ (19,834)</u>	<u>\$340,024</u>	<u>\$ (21,094)</u>

The Company's U.S. treasury portfolio consists of securities issued by the U.S. Department of the Treasury. The receipt of principal and interest on U.S. treasury securities is guaranteed by the full faith and credit of the U.S. government. Based on these factors, along with the Company's intent to not sell the security and its belief that it was more likely than not that the Company will not be required to sell the security before recovery of its cost basis, the Company believed that the U.S. treasury securities identified in the tables above were temporarily impaired.

The Company's portfolio of municipal obligations consists of both tax-exempt and taxable general obligations securities issued by various municipalities. As of December 31, 2025, the Company did not intend to sell and it is more likely than not that the Company will not be required to sell its municipal obligations in an unrealized loss position until the recovery of its cost basis. Due to the issuers' continued satisfaction of the securities' obligations in accordance with their contractual terms and the expectation that they will continue to do so, the evaluation of the fundamentals of the issuers' financial condition and other objective evidence, the Company believed that the municipal obligations identified in the tables above were temporarily impaired.

The Company's agency mortgage-backed securities portfolio consists of securities underwritten to the standards of and guaranteed by the government-sponsored agencies of FHLMC, FNMA and the GNMA. The receipt of principal, at par, and interest on agency mortgage-backed securities is guaranteed by the respective government-sponsored agency guarantor, such that the Company believed that its agency mortgage-backed securities did not expose the Company to credit-related losses. Based on these factors, along with the Company's intent to not sell the securities and the Company's belief that it was more likely than not that the Company will not be required to sell the securities before recovery of their cost basis, the Company believed that the agency mortgage-backed securities identified in the tables above were temporarily impaired.

The Company's held-to-maturity investment securities portfolio consists of seven subordinated debentures issued by financial institutions. These investment securities were acquired in the Freedom Bank acquisition and classified as held-to-maturity. The securities were issued in 2021 and 2022 with a 10-year maturity and a fixed rate for five years. The securities are callable after the end of the fixed rate term.

The following table provides information on the Company's allowance for credit losses related to held-to-maturity investment securities.

	Years ended December 31,	
	2025	2024
<i>(Dollars in thousands)</i>		
Beginning balance	\$ 91	\$ 91
Provision for credit losses	-	-
Ending balance	<u>\$ 91</u>	<u>\$ 91</u>

The table below includes scheduled principal payments and estimated prepayments, based on observable market inputs, for agency mortgage-backed securities. Actual maturities will differ from contractual maturities because borrowers have the right to prepay obligations with or without prepayment penalties. The amortized cost and fair value of investment securities at December 31, 2025 are as follows:

<i>(Dollars in thousands)</i>	Amortized	Estimated
	cost	fair value
Available-for-sale:		
Due in less than one year	\$ 39,341	\$ 39,146
Due after one year but within five years	178,546	172,901
Due after five years but within ten years	90,279	89,249
Due after ten years	47,493	46,861
Total available-for-sale	<u>\$ 355,659</u>	<u>\$ 348,157</u>
Held-to-maturity:		
Due after five years but within ten years	\$ 3,789	\$ 3,477
Total held-to-maturity	<u>\$ 3,789</u>	<u>\$ 3,477</u>

The Company has not sold any investment securities subsequent to December 31, 2025 and the date of this filing. Sales proceeds and gross realized gains and losses on sales of available-for-sale securities are as follows:

<i>(Dollars in thousands)</i>	Years ended December 31,		
	2025	2024	2023
Sales proceeds	<u>\$ 28,230</u>	<u>\$ 32,623</u>	<u>\$ 20,913</u>
Realized gains	\$ 167	\$ -	\$ -
Realized losses	(270)	(1,031)	(1,246)
Net realized losses	<u>\$ (103)</u>	<u>\$ (1,031)</u>	<u>\$ (1,246)</u>

Securities with carrying values of \$266.7 million and \$305.3 million were pledged to secure public funds on deposit, repurchase agreements and as collateral for borrowings at December 31, 2025 and 2024, respectively. As of December 31, 2025, all of the Company's investment securities were performing and there were no securities on non-accrual status. Except for U.S. treasuries and federal agency obligations, no investment in a single issuer exceeded 10% of consolidated stockholders' equity.

(4) Bank Stocks

Bank stocks primarily consist of restricted investments in FHLB and Federal Reserve Bank ("FRB") stock. The carrying value of the FHLB stock at December 31, 2025 was \$2.7 million compared to \$3.5 million at December 31, 2024. The carrying value of the FRB stock at both December 31, 2025 and 2024 was \$3.0 million. These securities are not readily marketable and are required for regulatory purposes and borrowing availability. Since there are no available market values, these securities are carried at cost. Redemption of these investments at par value is at the option of the FHLB or FRB, as applicable. Also included in Bank stocks are other miscellaneous investments in the common stock of various correspondent banks which are held for borrowing purposes and totaled \$111,000 at December 31, 2025 and 2024.

(5) Loans and Allowance for Credit Losses

Loans consisted of the following:

(Dollars in thousands)	As of December 31,	
	2025	2024
One-to-four family residential real estate loans	\$ 375,299	\$ 352,209
Construction and land loans	20,531	25,328
Commercial real estate loans	394,323	345,159
Commercial loans	178,201	192,325
Agriculture loans	102,829	100,562
Municipal loans	6,874	7,091
Consumer loans	33,666	29,679
Total gross loans	1,111,723	1,052,353
Net deferred loan (fees) costs and loans in process	(872)	(307)
Allowance for credit losses	(12,458)	(12,825)
Loans, net	<u>\$ 1,098,393</u>	<u>\$ 1,039,221</u>

The following tables provide information on the Company's allowance for credit losses by loan class and allowance methodology:

(Dollars in thousands)

Year ended December 31, 2025								
	One-to-four family residential real estate loans	Construction and land loans	Commercial real estate loans	Commercial loans	Agriculture loans	Municipal loans	Consumer loans	Total
Allowance for credit losses:								
Balance at January 1, 2025	\$ 1,765	\$ 143	\$ 4,506	\$ 4,964	\$ 1,227	\$ 51	\$ 169	\$12,825
Charge-offs	-	-	-	(2,675)	-	-	(375)	(3,050)
Recoveries	-	5	4	113	-	6	205	333
Provision for credit losses	236	(37)	1,170	723	78	(13)	193	2,350
Balance at December 31, 2025	<u>\$ 2,001</u>	<u>\$ 111</u>	<u>\$ 5,680</u>	<u>\$ 3,125</u>	<u>\$ 1,305</u>	<u>\$ 44</u>	<u>\$ 192</u>	<u>\$12,458</u>

(Dollars in thousands)

Year ended December 31, 2024								
	One-to-four family residential real estate loans	Construction and land loans	Commercial real estate loans	Commercial loans	Agriculture loans	Municipal loans	Consumer loans	Total
Allowance for credit losses:								
Balance at January 1, 2024	\$ 2,035	\$ 150	\$ 4,518	\$ 2,486	\$ 1,190	\$ 15	\$ 214	\$10,608
Charge-offs	-	-	-	(186)	(64)	-	(409)	(659)
Recoveries	-	245	-	35	54	12	130	476
Provision for credit losses	(270)	(252)	(12)	2,629	47	24	234	2,400
Balance at December 31, 2024	<u>\$ 1,765</u>	<u>\$ 143</u>	<u>\$ 4,506</u>	<u>\$ 4,964</u>	<u>\$ 1,227</u>	<u>\$ 51</u>	<u>\$ 169</u>	<u>\$12,825</u>

(Dollars in thousands)

Year ended December 31, 2023								
	One-to-four family residential real estate loans	Construction and land loans	Commercial real estate loans	Commercial loans	Agriculture loans	Municipal loans	Consumer loans	Total
Allowance for credit losses:								
Balance at January 1, 2023	\$ 655	\$ 117	\$ 3,158	\$ 2,753	\$ 1,966	\$ 5	\$ 137	\$ 8,791
Impact of adopting ASC 326	1,022	49	1,063	145	(824)	11	57	1,523
Charge-offs	-	-	-	(479)	-	-	(371)	(850)
Recoveries	-	675	-	35	74	-	110	894
Provision for credit losses	358	(691)	297	32	(26)	(1)	281	250
Balance at December 31, 2023	<u>\$ 2,035</u>	<u>\$ 150</u>	<u>\$ 4,518</u>	<u>\$ 2,486</u>	<u>\$ 1,190</u>	<u>\$ 15</u>	<u>\$ 214</u>	<u>\$10,608</u>

The Company recorded net loan charge offs of \$2.7 million during 2025 compared to net loan charge offs of \$183,000 during 2024. The increase in net charge-offs during 2025 was primarily driven by the charge-off of a single commercial credit during the third quarter of 2025.

The following tables present information on non-accrual status and loans past due over 89 days and still accruing:

(Dollars in thousands)

	As of December 31, 2025		
	Non-accrual with no allowance for credit losses	Non-accrual with allowance for credit losses	Loans past due over 89 days still accruing
One-to-four family residential real estate loans	\$ 1,557	\$ 403	\$ -
Commercial real estate loans	3,051	231	-
Commercial loans	2,993	1,704	-
Agriculture loans	50	5	-
Total loans	<u>\$ 7,651</u>	<u>\$ 2,343</u>	<u>\$ -</u>

(Dollars in thousands)

	As of December 31, 2024		
	Non-accrual with no allowance for credit losses	Non-accrual with allowance for credit losses	Loans past due over 89 days still accruing
One-to-four family residential real estate loans	\$ 34	\$ -	\$ -
Commercial real estate loans	782	-	-
Commercial loans	314	10,939	-
Agriculture loans	1,046	-	-
Total loans	<u>\$ 2,176</u>	<u>\$ 10,939</u>	<u>\$ -</u>

The increase in non-accrual loans without an allowance for credit losses during 2025 was primarily driven by the migration of two commercial and commercial real estate credits to non-accrual during the year. The decrease in non-accrual loans with an allowance for credit losses was primarily due to the charge-off of a single commercial credit during the third quarter of 2025.

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 tables present information on the amortized cost basis and collateral type of collateral-dependent loans:

(Dollars in thousands)

As of December 31, 2025		
	Loan balance	Collateral Type
One-to-four family residential real estate loans	\$ 1,959	First mortgage on residential real estate
Construction and land loans	186	First mortgage on residential or commercial real estate
Commercial real estate loans	4,445	First mortgage on commercial real estate
Commercial loans	4,834	Accounts receivable, equipment and real estate
Agriculture loans	55	Crops, livestock, machinery and real estate
Total loans	<u>\$ 11,479</u>	

(Dollars in thousands)

As of December 31, 2024		
	Loan balance	Collateral Type
One-to-four family residential real estate loans	\$ 34	First mortgage on residential real estate
Commercial real estate loans	782	First mortgage on commercial real estate
Commercial loans	3,150	Accounts receivable, equipment and real estate
Agriculture loans	1,456	Crops, livestock, machinery and real estate
Total loans	<u>\$ 5,422</u>	

The Company's key credit quality indicator is a loan's performance status, defined as accruing or non-accruing. Performing loans are considered to have a lower risk of loss. Past due loans are determined in accordance with the contractual repayment terms. Non-accrual loans are those which the Company believes have a higher risk of loss. The accrual of interest on non-performing loans is discontinued at the time the loan is ninety days delinquent, unless the credit is well secured and in process of collection. Loans are placed on non-accrual or are charged off at an earlier date if collection of principal or interest is considered doubtful. There were no loans ninety days delinquent and accruing interest at either December 31, 2025 or 2024.

The following tables present information on the Company's past due and non-accrual loans by loan class:

(Dollars in thousands)

As of December 31, 2025							
	30-59 days delinquent and accruing	60-89 days delinquent and accruing	90 days or more delinquent and accruing	Total past due loans accruing	Non-accrual loans	Total past due and non-accrual loans	Total loans not past due
One-to-four family residential real estate loans	\$ 152	\$ 968	\$ -	\$ 1,120	\$ 1,960	\$ 3,080	\$ 372,219
Construction and land loans	299	-	-	299	-	299	20,232
Commercial real estate loans	435	199	-	634	3,282	3,916	390,407
Commercial loans	1,977	20	-	1,997	4,697	6,694	171,507
Agriculture loans	119	53	-	172	55	227	102,602
Municipal loans	-	-	-	-	-	-	6,874
Consumer loans	20	32	-	52	-	52	33,614
Total	<u>\$ 3,002</u>	<u>\$ 1,272</u>	<u>\$ -</u>	<u>\$ 4,274</u>	<u>\$ 9,994</u>	<u>\$ 14,268</u>	<u>\$ 1,097,455</u>
Percent of gross loans	0.27%	0.11%	0.00%	0.38%	0.90%	1.28%	98.72%

As of December 31, 2024

	30-59 days delinquent and accruing	60-89 days delinquent and accruing	90 days or more delinquent and accruing	Total past due loans accruing	Non- accrual loans	Total past due and non- accrual loans	Total loans not past due
One-to-four family residential real estate loans	\$ 115	\$ 323	\$ -	\$ 438	\$ 34	\$ 472	\$ 351,737
Construction and land loans	-	118	-	118	-	118	25,210
Commercial real estate loans	1,083	3,081	-	4,164	782	4,946	340,213
Commercial loans	500	59	-	559	11,253	11,812	180,513
Agriculture loans	864	-	-	864	1,046	1,910	98,652
Municipal loans	-	-	-	-	-	-	7,091
Consumer loans	33	25	-	58	-	58	29,621
Total	<u>\$ 2,595</u>	<u>\$ 3,606</u>	<u>\$ -</u>	<u>\$ 6,201</u>	<u>\$ 13,115</u>	<u>\$ 19,316</u>	<u>\$ 1,033,037</u>
Percent of gross loans	0.25%	0.34%	0.00%	0.59%	1.25%	1.84%	98.16%

Under the original terms of the Company's non-accrual loans, interest earned on such loans for the years 2025, 2024 and 2023, would have increased interest income by \$450,000, \$423,000, and \$96,000, respectively. No interest income related to non-accrual loans was included in interest income for the years ended December 31, 2025, 2024, and 2023.

The Company also categorizes loans into risk categories based on relevant information about the ability of the 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 Company analyzes loans individually by classifying the loans as to credit risk. This analysis is performed on a quarterly basis. Non-classified loans generally include those loans that are expected to be repaid in accordance with contractual loan terms. Classified loans are those that are assigned a special mention, substandard or doubtful risk rating using the following definitions:

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 are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged. Loans have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. Loans are characterized by the distinct possibility that the Company 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 weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions and values, highly questionable and improbable.

The following table provides information on the Company's risk category of loans by type and year of origination:

(Dollars in thousands)

<i>(Dollars in thousands)</i>	As of December 31, 2025								
	2025	2024	2023	2022	2021	Prior	Revolving loans amortized cost	Revolving loans converted to term	Total
One-to-four family residential									
real estate loans									
Nonclassified	\$ 71,799	\$ 75,648	\$ 75,468	\$ 64,268	\$31,989	\$ 47,113	\$ 6,969	\$ 85	\$ 373,339
Classified	-	154	593	1,027	-	186	-	-	1,960
Total	<u>\$ 71,799</u>	<u>\$ 75,802</u>	<u>\$ 76,061</u>	<u>\$ 65,295</u>	<u>\$31,989</u>	<u>\$ 47,299</u>	<u>\$ 6,969</u>	<u>\$ 85</u>	<u>\$ 375,299</u>
Charge-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction and land loans									
Nonclassified	\$ 7,540	\$ 3,059	\$ 2,778	\$ 1,759	\$ 1,593	\$ 3,516	\$ 100	\$ -	\$ 20,345
Classified	-	-	-	-	-	186	-	-	186
Total	<u>\$ 7,540</u>	<u>\$ 3,059</u>	<u>\$ 2,778</u>	<u>\$ 1,759</u>	<u>\$ 1,593</u>	<u>\$ 3,702</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 20,531</u>
Charge-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial real estate loans									
Nonclassified	\$ 81,382	\$ 55,892	\$ 58,027	\$ 50,673	\$49,139	\$ 89,596	\$ 3,382	\$ 26	\$ 388,117
Classified	231	1,116	-	274	438	4,147	-	-	6,206
Total	<u>\$ 81,613</u>	<u>\$ 57,008</u>	<u>\$ 58,027</u>	<u>\$ 50,947</u>	<u>\$49,577</u>	<u>\$ 93,743</u>	<u>\$ 3,382</u>	<u>\$ 26</u>	<u>\$ 394,323</u>
Charge-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial loans									
Nonclassified	\$ 31,282	\$ 30,783	\$ 17,183	\$ 16,618	\$ 7,335	\$ 5,522	\$ 54,070	\$ 386	\$ 163,179
Classified	756	185	1,674	834	-	3,371	8,026	176	15,022
Total	<u>\$ 32,038</u>	<u>\$ 30,968</u>	<u>\$ 18,857</u>	<u>\$ 17,452</u>	<u>\$ 7,335</u>	<u>\$ 8,893</u>	<u>\$ 62,096</u>	<u>\$ 562</u>	<u>\$ 178,201</u>
Charge-offs	\$ 83	\$ 2,276	\$ -	\$ 266	\$ 50	-	\$ -	\$ -	\$ 2,675
Agriculture loans									
Nonclassified	\$ 14,014	\$ 12,178	\$ 2,370	\$ 3,859	\$ 2,697	\$ 11,547	\$ 51,971	\$ 408	\$ 99,044
Classified	\$ 46	\$ 1,424	\$ -	\$ 1,276	\$ 9	\$ 2	\$ 1,028	\$ -	\$ 3,785
Total	<u>\$ 14,060</u>	<u>\$ 13,602</u>	<u>\$ 2,370</u>	<u>\$ 5,135</u>	<u>\$ 2,706</u>	<u>\$ 11,549</u>	<u>\$ 52,999</u>	<u>\$ 408</u>	<u>\$ 102,829</u>
Charge-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal loans									
Nonclassified	\$ -	\$ -	\$ 5,552	\$ 48	\$ -	\$ 1,274	\$ -	\$ -	\$ 6,874
Classified	-	-	-	-	-	-	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,552</u>	<u>\$ 48</u>	<u>\$ -</u>	<u>\$ 1,274</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,874</u>
Charge-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Consumer loans									
Nonclassified	\$ 5,313	\$ 1,632	\$ 2,653	\$ 231	\$ 737	\$ 2,529	\$ 20,412	\$ 159	\$ 33,666
Classified	-	-	-	-	-	-	-	-	-
Total	<u>\$ 5,313</u>	<u>\$ 1,632</u>	<u>\$ 2,653</u>	<u>\$ 231</u>	<u>\$ 737</u>	<u>\$ 2,529</u>	<u>\$ 20,412</u>	<u>\$ 159</u>	<u>\$ 33,666</u>
Charge-offs	\$ 375	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 375
Total loans									
Nonclassified	\$211,330	\$179,192	\$164,031	\$137,456	\$93,490	\$161,097	\$ 136,904	\$ 1,064	\$1,084,564
Classified	\$ 1,033	\$ 2,879	\$ 2,267	\$ 3,411	\$ 447	\$ 7,892	\$ 9,054	\$ 176	27,159
Total	<u>\$212,363</u>	<u>\$182,071</u>	<u>\$166,298</u>	<u>\$140,867</u>	<u>\$93,937</u>	<u>\$168,989</u>	<u>\$ 145,958</u>	<u>\$ 1,240</u>	<u>\$1,111,723</u>
Charge-offs	\$ 458	\$ 2,276	\$ -	\$ 266	\$ 50	\$ -	\$ -	\$ -	\$ 3,050

(Dollars in
thousands)

		As of December 31, 2024						Revolving loans amortized cost	Revolving loans converted to term	Total								
		2024	2023	2022	2021	2020	Prior											
One-to-four family residential real estate loans																		
Nonclassified	\$	86,701	\$	84,467	\$	75,517	\$	37,411	\$	27,293	\$	35,112	\$	5,552	\$	122	\$	352,175
Classified		-		-		-		-		-		34		-		-		34
Total	\$	86,701	\$	84,467	\$	75,517	\$	37,411	\$	27,293	\$	35,146	\$	5,552	\$	122	\$	352,209
Charge-offs	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Construction and land loans																		
Nonclassified	\$	6,481	\$	11,202	\$	1,937	\$	1,697	\$	2,569	\$	1,340	\$	102	\$	-	\$	25,328
Classified		-		-		-		-		-		-		-		-		-
Total	\$	6,481	\$	11,202	\$	1,937	\$	1,697	\$	2,569	\$	1,340	\$	102	\$	-	\$	25,328
Charge-offs	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Commercial real estate loans																		
Nonclassified	\$	59,717	\$	47,624	\$	68,854	\$	53,868	\$	41,862	\$	67,351	\$	3,217	\$	85	\$	342,578
Classified		360		-		-		476		151		1,594		-		-		2,581
Total	\$	60,077	\$	47,624	\$	68,854	\$	54,344	\$	42,013	\$	68,945	\$	3,217	\$	85	\$	345,159
Charge-offs	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Commercial loans																		
Nonclassified	\$	31,083	\$	27,158	\$	23,574	\$	9,813	\$	7,930	\$	2,203	\$	68,282	\$	135	\$	170,178
Classified		11,364		1,851		1,897		39		3,637		13		1,969		1,377		22,147
Total	\$	42,447	\$	29,009	\$	25,471	\$	9,852	\$	11,567	\$	2,216	\$	70,251	\$	1,512	\$	192,325
Charge-offs	\$	-	\$	-	\$	16	\$	114	\$	56			\$	-	\$	-	\$	186
Agriculture loans																		
Nonclassified	\$	21,379	\$	3,659	\$	8,404	\$	3,616	\$	3,297	\$	14,215	\$	44,458	\$	217	\$	99,245
Classified	\$	29	\$	178	\$	257	\$	419	\$	9	\$	73	\$	352	\$	-		1,317
Total	\$	21,408	\$	3,837	\$	8,661	\$	4,035	\$	3,306	\$	14,288	\$	44,810	\$	217	\$	100,562
Charge-offs	\$	-	\$	-	\$	-	\$	-	\$	-	\$	64	\$	-	\$	-	\$	64
Municipal loans																		
Nonclassified	\$	5,565	\$	-	\$	90	\$	-	\$	-	\$	1,436	\$	-	\$	-	\$	7,091
Classified		-		-		-		-		-		-		-		-		-
Total	\$	5,565	\$	-	\$	90	\$	-	\$	-	\$	1,436	\$	-	\$	-	\$	7,091
Charge-offs	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Consumer loans																		
Nonclassified	\$	2,850	\$	3,229	\$	645	\$	1,072	\$	682	\$	3,167	\$	17,896	\$	138	\$	29,679
Classified		-		-		-		-		-		-		-		-		-
Total	\$	2,850	\$	3,229	\$	645	\$	1,072	\$	682	\$	3,167	\$	17,896	\$	138	\$	29,679
Charge-offs	\$	376	\$	7	\$	1			\$	-	\$	24	\$	-	\$	1	\$	409
Total loans																		
Nonclassified	\$	213,776	\$	177,339	\$	179,021	\$	107,477	\$	83,633	\$	124,824	\$	139,507	\$	697	\$	1,026,274
Classified	\$	11,753	\$	2,029	\$	2,154	\$	934	\$	3,797	\$	1,714	\$	2,321	\$	1,377		26,079
Total	\$	225,529	\$	179,368	\$	181,175	\$	108,411	\$	87,430	\$	126,538	\$	141,828	\$	2,074	\$	1,052,353
Charge-offs	\$	376	\$	7	\$	17	\$	114	\$	56	\$	88	\$	-	\$	1	\$	659

The following table provides information on the Company's allowance for credit losses related to unfunded loan commitments.

(dollars in thousands)	Years ended December 31,	
	2025	2024
Balance at beginning of period	\$ 150	\$ 250
Provision (benefit) for credit losses	-	(100)
Balance at end of period	<u>\$ 150</u>	<u>\$ 150</u>

The following tables present the amortized cost basis of loans at December 31, 2025 and 2024 that were both experiencing financial difficulty and modified by class, type of modification and includes the financial effect of the modification.

<i>(Dollars in thousands)</i>	As of December 31, 2025		
	Amortized cost basis	% of loan class total	Financial effect
Term extension:			
Commercial	\$ 186	0.1%	Renewal of existing loan

<i>(Dollars in thousands)</i>	As of December 31, 2024		
	Amortized cost basis	% of loan class total	Financial effect
Interest Only:			
Commercial	\$ 8,230	4.5%	6 month interest only payments
Term extension:			
Commercial	\$ 954	0.5%	5 month principal payment deferral

As of December 31, 2025, all loans experiencing both financial difficulty and modified during the twelve months ended December 31, 2025 were current under the terms of the agreements. There were no commitments to lend additional funds to the borrowers and there were no charge-offs recorded against the loans. The Company had a \$186,000 allowance for credit losses recorded against these loans as of December 31, 2025. The Company did not have any loan modifications that had a payment default during the twelve months ended December 31, 2025.

The Company had loans and unfunded commitments to directors and officers, and to affiliated parties, at December 31, 2025 and 2024. A summary of such loans is as follows:

<i>(Dollars in thousands)</i>	
Balance at December 31, 2024	\$ 14,192
New loans	1,645
Repayments	(2,966)
Balance at December 31, 2025	<u>\$ 12,871</u>

(6) Loan Commitments

The Company is a party to financial instruments with off-balance sheet risk in the normal course of business to meet customers' financing needs. These financial instruments consist principally of commitments to extend credit. The Company uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments. The Company's exposure to credit loss in the event of nonperformance by the other party is represented by the contractual amount of those instruments. In the normal course of business, there are various commitments and contingent liabilities, such as commitments to extend credit, letters of credit, and lines of credit, the balance of which are not recorded in the accompanying consolidated financial statements. The Company generally requires collateral or other security on unfunded loan commitments and irrevocable letters of credit. Unfunded commitments to extend credit, excluding standby letters of credit, aggregated to \$203.5 million and \$201.2 million at December 31, 2025 and 2024, respectively, and are generally at variable interest rates. Standby letters of credit totaled \$2.2 million at December 31, 2025 and \$1.9 million at December 31, 2024.

(7) Goodwill and Intangible Assets

The changes in goodwill is as follows:

<i>(Dollars in thousands)</i>	Years ended December 31,		
	2025	2024	2023
Balance at January 1	\$ 32,377	\$ 32,377	\$ 32,199
Acquired goodwill	-	-	-
Acquisition period adjustments	-	-	178
Balance at December 31	<u>\$ 32,377</u>	<u>\$ 32,377</u>	<u>\$ 32,377</u>

The Company performed its annual impairment test as of December 31, 2025. Based on the results of the qualitative analysis, the Company concluded it was more likely than not that its goodwill was not impaired.

A summary of the other intangible assets that continue to be subject to amortization is as follows:

<i>(Dollars in thousands)</i>	As of December 31,	
	2025	2024
Gross carrying amount	\$ 4,170	\$ 4,170
Accumulated amortization	(2,180)	(1,592)
Net carrying amount	<u>\$ 1,990</u>	<u>\$ 2,578</u>

Amortization expense for the years ended December 31, 2025 and 2024 was \$588,000 and \$663,000. The following sets forth estimated amortization expense for core deposit intangible assets for the years ending December 31:

<i>(Dollars in thousands)</i>	Amortization expense
2026	\$ 512
2027	436
2028	360
2029	284
2030	208
Thereafter	190
Total	<u>\$ 1,990</u>

(8) Mortgage Loan Servicing

Mortgage loans serviced for others are not reported as assets. The following table provides information on the principal balances of mortgage loans serviced for others:

<i>(Dollars in thousands)</i>	As of December 31,	
	2025	2024
FHLMC	\$ 593,434	\$ 626,379
FHLB	30,661	27,418
Total	<u>\$ 624,095</u>	<u>\$ 635,797</u>

Custodial escrow balances maintained in connection with serviced loans were \$6.0 million at December 31, 2025 and \$5.6 million at December 31, 2024. Gross service fee income related to such loans was \$1.6 million for the year ended December 31, 2025, \$1.7 million for the year ended December 31, 2024 and \$1.8 million for the year ended 2023, and is included in fees and service charges in the consolidated statements of earnings.

Activity for mortgage servicing rights and the related valuation allowance follows:

<i>(Dollars in thousands)</i>	As of December 31,	
	2025	2024
Mortgage servicing rights:		
Balance at beginning of year	\$ 3,061	\$ 3,158
Additions	489	404
Amortization	(361)	(501)
Balance at end of year	<u>\$ 3,189</u>	<u>\$ 3,061</u>

At December 31, 2025 and 2024, there was no valuation allowance related to mortgage servicing rights.

The fair value of mortgage servicing rights was \$8.6 million and \$9.6 million at December 31, 2025 and 2024, respectively. Fair value at December 31, 2025 was determined using a discount rate at 9.0%, prepayment speeds ranging from 0.00% to 26.29%, depending on the stratification of the specific mortgage servicing right, and a weighted average default rate of 1.67%. Fair value at December 31, 2024 was determined using a discount rate at 10.0%, prepayment speeds ranging from 6.00% to 25.44%, depending on the stratification of the specific mortgage servicing right, and a weighted average default rate of 1.87%.

The Company had a mortgage repurchase reserve of \$118,000 at December 31, 2025 and \$131,000 at December 31, 2024, which represented the Company's best estimate as of such dates of probable losses that the Company will incur related to the repurchase of one-to-four family residential real estate loans previously sold or to reimburse investors for credit losses

incurred on loans previously sold where a breach of the contractual representations and warranties occurred. The Company made a \$65,000 provision to the reserve during 2025 compared to no provision to the reserve during 2024 and a \$50,000 provision to the reserve during 2023. The Company charged losses of \$82,000, \$28,000, and \$116,000 against the reserve during 2025, 2024, and 2023, respectively. The Company charged a gain of \$4,000 against the reserve as of December 31, 2025. At December 31, 2025, the Company had no outstanding mortgage repurchase requests.

(9) Premises and Equipment

Premises and equipment consisted of the following:

<i>(Dollars in thousands)</i>	Estimated useful lives	As of December 31,	
		2025	2024
Land	Indefinite	\$ 5,063	\$ 5,202
Office buildings and improvements	10 - 50 years	21,696	21,648
Furniture and equipment	3 - 15 years	8,532	8,558
Automobiles	2 - 5 years	662	646
Total premises and equipment		35,953	36,054
Accumulated depreciation		(16,628)	(15,834)
Total premises and equipment, net		\$ 19,325	\$ 20,220

Depreciation expense totaled \$1.3 million for the years ended December 31, 2025, 2024, and 2023 and was included in occupancy and equipment expense on the consolidated statements of earnings.

(10) Deposits

The following table presents the maturities of certificates of deposit at December 31, 2025:

<i>(Dollars in thousands)</i>	Amount
Year	
2026	\$ 213,402
2027	4,592
2028	2,869
2029	435
2030	466
Thereafter	2
Total	\$ 221,766

The aggregate amount of certificate of deposit in denominations of \$250,000 or more at December 31, 2025 and 2024 was \$61.8 million and \$52.2 million, respectively. As of December 31, 2025, the Company had \$108.9 million in brokered deposits compared to \$91.4 million at December 31, 2024.

The components of interest expense associated with deposits are as follows:

<i>(Dollars in thousands)</i>	Years ended December 31,		
	2025	2024	2023
Certificates of deposit	\$ 8,169	\$ 8,494	\$ 4,310
Money market and checking	12,586	13,628	10,818
Savings	173	188	126
Total	\$ 20,928	\$ 22,310	\$ 15,254

(11) Federal Home Loan Bank Borrowings

The Bank has a line of credit with the FHLB under which there were \$8.9 million of borrowings at December 31, 2025, compared to \$48.8 million of borrowings at December 31, 2024. Interest on any outstanding balance on the line of credit accrues at the federal funds rate plus 0.15% (3.89% at December 31, 2025). The Company had \$75.0 million letters of credit issued through the FHLB at December 31, 2025 compared to \$60.0 million at December 31, 2024 to secure municipal deposits. The Company did not have any term advances from FHLB at December 31, 2025 and 2024.

Although no loans are specifically pledged, the FHLB requires the Bank to maintain eligible collateral (qualifying loans and investment securities) that has a lending value at least equal to its required collateral. At December 31, 2025 and 2024, there was a blanket pledge of loans totaling \$470.2 million and \$403.9 million, respectively. At December 31, 2025 and 2024, the Bank's total borrowing capacity with the FHLB was approximately \$324.7 million and \$281.2 million, respectively. At December 31, 2025 and 2024, the Bank's available borrowing capacity was \$239.1 million and \$171.0 million, respectively. The difference between the Bank's total borrowing capacity and available borrowing capacity is related to the amount of borrowings outstanding and letters of credit issued to collateralized public fund deposits. The available borrowing capacity with the FHLB is collateral based, and the Bank's ability to borrow is subject to maintaining collateral that meets the eligibility requirements. The borrowing capacity is not committed and is subject to FHLB credit requirements and policies. In addition, the Bank must maintain a restricted investment in FHLB stock to maintain access to borrowings.

(12) Subordinated Debentures

In 2003, the Company issued \$8.2 million of subordinated debentures. These debentures, which are due in 2034 and are currently redeemable, were issued to a wholly owned grantor trust (the "Trust") formed to issue preferred securities representing undivided beneficial interests in the assets of the Trust. The Trust then invested the gross proceeds of such preferred securities in the debentures. The Trust's preferred securities and the subordinated debentures require quarterly interest payments and have variable rates, adjustable quarterly. Interest accrues at three month CME term SOFR plus a spread adjustment of 0.26% and a margin of 2.85%. The interest rate at December 31, 2025 and 2024 was 6.95% and 7.70%, respectively.

In 2005, the Company issued an additional \$8.2 million of subordinated debentures. These debentures, which are due in 2036 and are currently redeemable, were issued to a wholly owned grantor trust ("Trust II") formed to issue preferred securities representing undivided beneficial interests in the assets of Trust II. Trust II then invested the gross proceeds of such preferred securities in the debentures. Trust II's preferred securities and the subordinated debentures require quarterly interest payments and have variable rates, adjustable quarterly. Interest accrues at three month CME term SOFR plus a spread adjustment of 0.26% and a margin of 1.34%. The interest rate at December 31, 2025 and 2024 was 5.32% and 5.96%, respectively.

In 2013, the Company assumed an additional \$5.2 million of subordinated debentures as part of the Bank's acquisition of Citizens Bank. These debentures, which are due in 2036 and are currently redeemable, were issued by Citizens Bank's former holding company to a wholly owned grantor trust, First Capital (KS) Statutory Trust ("Trust III") formed to issue preferred securities representing undivided beneficial interests in the assets of Trust III. Trust III's preferred securities and the subordinated debentures require quarterly interest payments and have variable rates, adjustable quarterly. Interest accrues at three month CME term SOFR plus a spread adjustment of 0.26% and a margin of 1.62%. The interest rate at December 31, 2025 and 2024 was 5.57% and 6.22% respectively.

While these trusts are accounted for as unconsolidated equity investments, a portion of the trust preferred securities issued by the trusts qualifies as Tier 1 Capital for regulatory purposes.

(13) Other Borrowings

The Company has a \$5.0 million line of credit from an unrelated financial institution maturing on November 1, 2026, with an interest rate that adjusts daily based on the prime rate less 0.50%. This line of credit has covenants specific to capital and other financial ratios, which the Company was in compliance with at December 31, 2025. As of December 31, 2025 and 2024, the Company did not have an outstanding balance on the line of credit.

The Company borrowed \$10.0 million from an unrelated financial institution at a fixed rate of 6.15% maturing on September 1, 2027, which requires quarterly principal and interest payments. The principal balance was \$1.7 million and \$4.2 million at December 31, 2025 and 2024, respectively.

At December 31, 2025 and 2024, the Bank had no borrowings through the Federal Reserve discount window, while the borrowing capacity was \$42.0 million and \$50.5 million, respectively. The Bank also has various other federal funds agreements, both secured and unsecured, with correspondent banks totaling approximately \$35.0 million at both December 31, 2025 and 2024. As of December 31, 2025 and 2024, there were no borrowings through these correspondent bank federal funds agreements.

(14) Repurchase Agreements

The Company has overnight repurchase agreements with certain deposit customers whereby the Company uses investment securities as collateral for non-insured funds. These balances are accounted for as collateralized financing and included in other borrowings on the balance sheet.

Repurchase agreements are comprised of non-insured customer funds, totaling \$1.5 million at December 31, 2025, and \$13.8 million at December 31, 2024, which were secured by \$2.6 million and \$15.2 million of the Bank's investment portfolio at the same dates, respectively.

The following is a summary of the balances and collateral of the Company's repurchase agreements:

<i>(Dollars in thousands)</i>		Years ended December 31,	
		2025	2024
Average daily balance during the year		\$ 4,730	\$ 12,216
Average interest rate during the year		3.17%	2.82%
Maximum month-end balance during the year		\$ 8,688	\$ 16,660
Weighted average interest rate at year-end		3.16%	2.68%

		As of December 31, 2025			
		Overnight and	Up to 30	Greater than 90	Total
		Continuous	days	30-90 days	
Repurchase agreements:					
U.S. federal treasury obligations	\$ 1,279	\$ -	\$ -	\$ -	\$ 1,279
Agency mortgage-backed securities	222	-	-	-	222
Total	<u>\$ 1,501</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,501</u>

		As of December 31, 2024			
		Overnight and	Up to 30	Greater than 90	Total
		Continuous	days	30-90 days	
Repurchase agreements:					
U.S. federal treasury obligations	\$ 11,729	\$ -	\$ -	\$ -	\$ 11,729
Agency mortgage-backed securities	2,079	-	-	-	2,079
Total	<u>\$ 13,808</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,808</u>

The investment securities are held by a third party financial institution in the customer's custodial account. The Company is required to maintain adequate collateral for each repurchase agreement. Changes in the fair value of the investment securities impact the amount of collateral required. If the Company were to default, the investment securities would be used to settle the repurchase agreement with the deposit customer.

(15) Revenue from Contracts with Customers

All of the Company's revenue from contracts with customers in the scope of ASC 606 is recognized within non-interest income. Items outside the scope of ASC 606 are noted as such.

(Dollars in thousands)	Years ended December 31,		
	2025	2024	2023
Non-interest income:			
Service charges on deposits			
Overdraft fees	\$ 3,693	\$ 3,968	\$ 3,845
Other	1,894	1,707	1,080
Interchange income	2,723	2,921	3,206
Loan servicing fees (1)	1,623	1,714	1,788
Office lease income (1)	70	126	509
Gains on sales of loans (1)	3,175	2,386	2,269
Bank owned life insurance income (1)	1,119	1,723	913
Losses on sales of investment securities (1)	(103)	(1,031)	(1,246)
Gains on sales of premises and equipment and foreclosed assets	81	326	1
Other	676	904	865
Total non-interest income	<u>\$ 14,951</u>	<u>\$ 14,744</u>	<u>\$ 13,230</u>

(1) Not within the scope of ASC 606.

A description of the Company's revenue streams within the scope of ASC 606 follows:

Service Charges on Deposit Accounts

The Company earns fees from its deposit customers for transaction-based, account maintenance, and overdraft services. Transaction-based fees, which include services such as ATM usage fees, stop payment charges, statement rendering, and ACH fees, are recognized at the time the transaction is executed as that is the point in time the Company fulfills the customer's request. Account maintenance fees, which relate primarily to monthly maintenance, are earned over the course of a month, representing the period during which the Company satisfies the performance obligation. Overdraft fees are recognized at the point in time that the overdraft occurs. Service charges on deposits are withdrawn from the customer's account balance.

Interchange Income

The Company earns interchange fees from debit cardholder transactions conducted through the interchange payment network. Interchange fees from cardholder transactions represent a percentage of the underlying transaction value and are recognized daily, concurrently with the transaction processing services provided to the cardholder.

Gains (Losses) on Sales of Real Estate Owned

The Company records a gain or loss from the sale of real estate owned when control of the property transfers to the buyer, which generally occurs at the time of an executed deed. When the Company finances the sale of real estate owned to the buyer, the Company assesses whether the buyer is committed to perform their obligations under the contract and whether collectability of the transaction price is probable. Once these criteria are met, the real estate owned asset is derecognized and the gain or loss on sale is recorded upon the transfer of control of the property to the buyer. In determining the gain or loss on the sale, the Company adjusts the transaction price and related gain (loss) on sale if a significant financing component is present. There were no sales of real estate owned that were financed by the Company during the years 2025, 2024, or 2023.

(16) Income Taxes

Income tax expense attributable to income from operations consisted of the following:

<i>(Dollars in thousands)</i>	Years ended December 31,		
	2025	2024	2023
Current:			
Federal	\$ 3,851	\$ 2,012	\$ 1,711
State	563	(714)	(161)
Total current	4,414	1,298	1,550
Deferred:			
Federal	(215)	(120)	295
State	245	(71)	56
Total deferred	30	(191)	351
Deferred tax valuation allowance	(166)	(21)	53
Income tax expense	<u>\$ 4,278</u>	<u>\$ 1,086</u>	<u>\$ 1,954</u>

The Company did not have any income tax expense in foreign jurisdictions for the years ended December 31, 2025, 2024 or 2023.

A reconciliation between reported income tax expense and the amounts computed by applying the U.S. federal statutory income tax rate of 21% to earnings before income taxes is as follows:

<i>(Dollars in thousands)</i>	Years ended December 31,					
	2025		2024		2023	
	Amount	Percent	Amount	Percent	Amount	Percent
U.S. Federal income tax expense computed at the statutory rate	\$ 4,841	21.0%	\$ 2,958	21.0%	\$ 2,980	21.0%
Domestic federal						
Tax credits, net ⁽¹⁾	(155)	(0.7)	(116)	(0.8)	(47)	(0.3)
Nontaxable and nondeductible items						
Tax-exempt interest, net	(530)	(2.3)	(556)	(3.9)	(592)	(4.2)
Other, net	(385)	(1.7)	(564)	(4.0)	(346)	(2.4)
Domestic state and local income taxes, net of federal effect						
State income taxes, net of federal benefit ⁽²⁾	668	3.0	401	2.8	476	3.3
Reversal of unrecognized tax benefits, net	(161)	(0.7)	(1,037)	(7.4)	(517)	(3.6)
	<u>\$ 4,278</u>	<u>18.6%</u>	<u>\$ 1,086</u>	<u>7.7%</u>	<u>\$ 1,954</u>	<u>13.8%</u>

(1) Includes tax credits, other tax benefits, and certain costs associated with tax-advantaged investments.

(2) State and local taxes in Kansas and Missouri made up the majority (greater than 50%) of the tax effect in this category.

The tax effects of temporary differences that give rise to the significant portions of the deferred tax assets and liabilities at the following dates were as follows:

	As of December 31,	
	2025	2024
<i>(Dollars in thousands)</i>		
Deferred tax assets:		
Loans, including allowance for credit losses	\$ 3,077	\$ 3,280
Unrealized loss on investment securities available-for-sale	1,817	5,056
State taxes	486	494
Other, net	209	297
Deferred compensation arrangements	202	63
Net deferred loan fees	175	140
Acquisition costs	58	79
Net operating loss carry forwards	47	213
Total deferred tax assets	6,071	9,622
Less valuation allowance	(47)	(213)
Total deferred tax assets, net of valuation allowance	6,024	9,409
Deferred tax liabilities:		
Intangible assets	1,238	1,252
Mortgage servicing rights	670	643
Premises and equipment, net of depreciation	488	601
Prepaid expenses	461	669
Investments	138	99
FHLB stock dividends	31	49
Total deferred tax liabilities	3,026	3,313
Net deferred tax asset	\$ 2,998	\$ 6,096

The Company had Kansas corporate and privilege tax net operating loss carry forwards totaling \$994,000 and \$4.5 million as of December 31, 2025 and 2024, respectively, which expire between 2026 and 2027, for which the Company has recorded a valuation allowance of \$47,000. A valuation allowance related to the remaining deferred tax assets other than net operating loss carry forwards has not been provided because management believes it is more likely than not that the results of future operations will generate sufficient taxable income to realize the deferred tax assets at December 31, 2025.

Retained earnings at December 31, 2025 and 2024 include approximately \$6.3 million for which no provision for federal income tax had been made. This amount represents allocations of income to bad debt deductions in years prior to 1988 for tax purposes only. Reduction of amounts allocated for purposes other than tax bad debt losses will create income for tax purposes only, which will be subject to the then current corporate income tax rate.

The Company has unrecognized tax benefits representing tax positions for which a liability has been established. A reconciliation of the beginning and ending amount of the liability relating to unrecognized tax benefits is as follows:

	Years ended December 31,	
	2025	2024
<i>(Dollars in thousands)</i>		
Unrecognized tax benefits at beginning of year	\$ 1,487	\$ 2,040
Gross increases to current year tax positions	561	495
Gross decreases to prior year's tax positions	(17)	(73)
Lapse of statute of limitations	(264)	(975)
Unrecognized tax benefits at end of year	\$ 1,767	\$ 1,487

Tax years that remain open and subject to audit include the years 2021 through 2025 for both federal and state tax purposes. The Company recognized \$264,000 and \$975,000 of previously unrecognized tax benefits during 2025 and 2024, respectively. The gross unrecognized tax benefits of \$1.8 million and \$1.5 million at December 31, 2025 and 2024, respectively, would favorably impact the effective tax rate by \$1.4 million and \$1.2 million, respectively, if recognized. During 2025, the Company recorded income tax expense of \$76,000 associated with interest and penalties. For 2024 and 2023, the Company recorded an income tax benefit of \$209,000 and \$51,000, respectively, associated with interest and penalties. As of December 31, 2025 and 2024, the Company had accrued interest and penalties related to the unrecognized tax benefits of \$387,000 and \$311,000, respectively, which are not included in the table above.

Income taxes paid, net of refunds are as follows:

(Dollars in thousands)

	Years ended December 31,		
	2025	2024	2023
U.S. Federal	\$ 3,065	\$ 874	\$ 55
U.S. State and local			
Kansas	336	(44)	-
Other	23	4	-
Total taxes paid, net of refunds	<u>\$ 3,424</u>	<u>\$ 834</u>	<u>\$ 55</u>

(17) Employee Benefit Plans

Employee Retirement Plan. Substantially all employees are covered under a 401(k) defined contribution savings plan. Eligible employees receive dollar-for-dollar matching contributions from the Company of up to 6% of their compensation. Matching contributions by the Company were \$965,000, \$787,000, and \$857,000 for the years ended December 31, 2025, 2024, and 2023, respectively.

Split-Dollar Life Insurance Agreement. The Company has recognized a liability for future benefits payable under an agreement that splits the benefits of a bank owned life insurance policy between the Company and a former employee. The liability totaled \$42,000 at December 31, 2025, and \$44,000 at December 31, 2024.

Deferred Compensation Agreements. The Company has entered into a deferred compensation agreement with a key employee that provides for cash payments to be made after retirement. The obligations under this arrangement have been recorded at the present value of the accrued benefits. The Company has also entered into agreements with a current and former director to defer portions of their compensation. The balance of accrued benefits under all deferred compensation agreements was \$880,000 and \$924,000 at December 31, 2025 and 2024, respectively, and was included as a component of other liabilities in the accompanying consolidated balance sheets. The Company recorded income associated with the deferred compensation agreements of \$2,000 and \$1,000 for the years ended December 31, 2025 and 2024, respectively, and expense associated with the deferred compensation agreements of \$2,000 for the year ended December 31, 2023. The liability balance is also impacted by changes in the value of the underlying assets supporting the agreements for directors who have not retired.

(18) Stock-Based Compensation

Overview. The Company has a stock-based employee compensation plan, which allows for the issuance of stock options, stock appreciation rights, and stock awards (including, among others, restricted common stock, and restricted stock unit awards.), the purpose of which is to provide additional incentive to certain employees, directors, and service providers by facilitating their purchase of a stock interest in the Company. Compensation expense related to prior awards under the Company's current and former stock-based employee compensation plans is recognized on a straight line basis over the vesting period, which is typically four years. The stock-based compensation cost related to these awards was \$359,000, \$520,000, and \$352,000 for the years ended December 31, 2025, 2024, and 2023, respectively. The Company recognized tax benefits of \$177,000, \$126,000, and \$84,000 for the years ended December 31, 2025, 2024, and 2023, respectively.

For stock options, the exercise price may not be less than 100% of the fair market value of the shares on the date of the grant, and no option shall be exercisable after ten years from the grant date. In determining compensation cost, the Black-Scholes option-pricing model is used to estimate the fair value of options on date of grant. The Black-Scholes model is a closed-end model that considers expected volatility, the expected term of the options the risk-free rate for the expected option term, and dividend yield using the assumptions outlined below. Expected volatility is based on historical volatility of the Company's stock. The Company uses historical exercise behavior and other qualitative factors to estimate the expected term of the options, which represents the period of time that the options granted are expected to be outstanding. The risk-free rate for the expected term is based on U.S. Treasury rates in effect at the time of grant.

2015 Stock Incentive Plan. On May 20, 2015, our stockholders approved the Landmark Bancorp, Inc., 2015 Stock Incentive Plan (the "2015 Stock Incentive Plan"), which authorized the issuance of equity awards covering 427,585 shares of common stock, as adjusted for subsequent stock dividends. On August 1, 2022, the Compensation Committee awarded 21,334 shares of restricted common stock pursuant to the 2015 Stock Incentive Plan, as adjusted for subsequent stock dividends. The restricted stock awards vest ratably over one or four years and the value was based on a stock price of \$20.97 per share on the date such shares were granted, as adjusted for subsequent stock dividends. On August 1, 2023, the Compensation Committee awarded 6,011 shares of restricted common stock pursuant to the 2015 Stock Incentive Plan, as adjusted for subsequent stock dividends and options to acquire 93,896 shares of common stock, as adjusted for subsequent stock dividends. The restricted stock awards vest ratably over one year and the value was based on a stock price of \$18.29 per share on the date such shares were granted, as adjusted for subsequent stock dividends. The options vest ratably over four years.

On February 29, 2024, the Compensation Committee awarded, effective March 29, 2024, 5,513 shares of restricted common stock pursuant to the 2015 Stock Incentive Plan, as adjusted for subsequent stock dividends and options to acquire 44,100 shares of common stock, as adjusted for subsequent stock dividends. The restricted stock awards vest ratably over four years and the value was based on a stock price of \$17.49 per share on the date such shares were granted, as adjusted for subsequent stock dividends. The options vest ratably over four years.

2024 Stock Incentive Plan. On May 22, 2024, our stockholders approved the Landmark Bancorp, Inc., 2024 Stock Incentive Plan which authorized the issuance of equity awards covering 551,250 shares of common stock as adjusted for subsequent stock dividends. Upon shareholder approval of the 2024 Stock Incentive Plan, the 2015 Stock Incentive Plan was frozen with respect to future grants.

On August 1, 2024, the Compensation Committee awarded 39,883 shares of restricted common stock, as adjusted for subsequent stock dividends. The restricted stock awards vest ratably over one or four years and the value was based on a stock price of \$18.19 per share on the date such shares were granted, as adjusted for subsequent stock dividends. During 2025, the Company awarded 1,004 shares of restricted common stock, as adjusted for subsequent stock dividends. A portion of these shares vested immediately with the remainder carrying a four-year cliff vesting. The value of the shares with a four-year cliff vesting was based on a stock price of \$24.72 per share on the date such shares were granted, as adjusted for subsequent stock dividends. As of December 31, 2025, there were 510,363 shares of common stock remaining available for issuance under the 2024 Stock Incentive Plan.

The fair value of the options granted were determined using the following weighted-average assumptions as of the grant date:

	Year Ended December 31, 2024
Risk-free interest rate	4.20%
Expected term	7 years
Expected stock price volatility	27.18%
Dividend yield	4.36%

A summary of option activity during 2025 is presented below:

(Dollars in thousands, except per share amounts)

	Shares	Weighted average exercise price per share	Weighted average remaining contractual term	Aggregate intrinsic value
Outstanding at January 1, 2025	268,726	\$ 19.44	6.7 years	\$ 1,235
Granted	-	\$ -		
Effect of 5% stock dividend	10,053			
Forfeited/expired	(51,909)	\$ 19.56		
Exercised	(15,801)	\$ 18.77		
Outstanding at December 31, 2025	211,069	\$ 18.51	6.1 years	\$ 1,622
Exercisable at December 31, 2025	143,111	\$ 18.76	5.2 years	\$ 1,063
Fully vested options at December 31, 2025	143,111	\$ 18.76	5.2 years	\$ 1,063

Additional information about stock options exercised is presented below:

(Dollars in thousands)

	Years ended December 31,		
	2025	2024	2023
Intrinsic value of options exercised (on exercise date)	\$ 435	\$ -	\$ 4
Cash received from options exercised	-	-	52
Excess tax benefit realized from options exercised	\$ 107	\$ -	\$ 1

As of December 31, 2025, there was \$179,000 of total unrecognized compensation cost related to the 67,958 outstanding unvested options that will be recognized over the following periods:

<i>(Dollars in thousands)</i>	
Year	Amount
2026	\$ 96
2027	73
2028	10
Total	<u>\$ 179</u>

The fair value of restricted stock on the vesting date was \$420,000, \$293,000, and \$187,000 during the years ended December 31, 2025, 2024, and 2023 respectively. A summary of nonvested restricted common stock activity during 2025 is presented below:

	Shares	Weighted average grant date price per share
Nonvested restricted common stock at January 1, 2025	<u>50,509</u>	<u>\$ 19.77</u>
Granted	985	\$ 25.59
Vested	(15,743)	\$ 19.61
Forfeited	(6,723)	\$ 19.05
Effect of 5% stock dividend	1,444	
Nonvested restricted common stock at December 31, 2025	<u>30,472</u>	<u>\$ 18.58</u>

As of December 31, 2025, there was \$431,000 of total unrecognized compensation cost related to the outstanding nonvested restricted shares that will be recognized over the following periods:

<i>(Dollars in thousands)</i>	
Year	Amount
2026	\$ 191
2027	155
2028	83
2029	2
Total	<u>\$ 431</u>

(19) Fair Value of Financial Instruments and Fair Value Measurements

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than Level 1 prices such as 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.

Level 3 – Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Fair value estimates of the Company's financial instruments as of December 31, 2025 and 2024, including methods and assumptions utilized, are set forth below:

(Dollars in thousands)

As of December 31, 2025					
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and cash equivalents	\$ 20,982	\$ 20,982	\$ -	\$ -	\$ 20,982
Interest-bearing deposits at other banks	3,218	-	3,218	-	3,218
Investment securities available-for-sale	348,157	53,183	294,974	-	348,157
Investment securities held-to-maturity	3,789	-	3,477	-	3,477
Bank stocks, at cost	5,756	n/a	n/a	n/a	n/a
Loans, net	1,098,393	-	-	1,103,265	1,103,265
Loans held for sale	5,141	-	5,141	-	5,141
Mortgage servicing rights	3,189	-	8,586	-	8,586
Accrued interest receivable	7,076	184	1,981	4,911	7,076
Derivative financial instruments	239	-	239	-	239
Financial liabilities:					
Non-maturity deposits	\$ (1,167,088)	\$ (1,167,088)	\$ -	\$ -	\$ (1,167,088)
Certificates of deposit	(221,766)	-	(221,202)	-	(221,202)
FHLB and other borrowings	(10,567)	-	(10,553)	-	(10,553)
Subordinated debentures	(21,651)	-	(19,311)	-	(19,311)
Repurchase agreements	(1,501)	-	(1,501)	-	(1,501)
Accrued interest payable	(1,870)	-	(1,870)	-	(1,870)
Derivative financial instruments	(19)	-	(19)	-	(19)

(Dollars in thousands)

As of December 31, 2024					
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and cash equivalents	\$ 20,275	\$ 20,275	\$ -	\$ -	\$ 20,275
Interest-bearing deposits at other banks	4,110	-	4,110	-	4,110
Investment securities available-for-sale	372,512	64,458	308,054	-	372,512
Investment securities held-to-maturity	3,672	-	3,290	-	3,290
Bank stocks, at cost	6,618	n/a	n/a	n/a	n/a
Loans, net	1,039,221	-	-	1,027,865	1,027,865
Loans held for sale	3,420	-	3,420	-	3,420
Mortgage servicing rights	3,061	-	9,615	-	9,615
Accrued interest receivable	7,132	219	2,001	4,912	7,132
Derivative financial instruments	200	-	200	-	200
Financial liabilities:					
Non-maturity deposits	\$ (1,134,072)	\$ (1,134,072)	\$ -	\$ -	\$ (1,134,072)
Certificates of deposit	(194,694)	-	(193,901)	-	(193,901)
FHLB and other borrowings	(53,046)	-	(48,846)	-	(48,846)
Subordinated debentures	(21,651)	-	(18,556)	-	(18,556)
Repurchase agreements	(13,808)	-	(13,808)	-	(13,808)
Accrued interest payable	(1,833)	-	(1,833)	-	(1,833)

Transfers

The Company did not transfer any assets or liabilities among levels during the years ended December 31, 2025 and 2024.

Valuation Methods for Instruments Measured at Fair Value on a Recurring Basis

The following table represents the Company's financial instruments that are measured at fair value on a recurring basis at December 31, 2025 and 2024, allocated to the appropriate fair value hierarchy:

(Dollars in thousands)		As of December 31, 2025			
		Fair value hierarchy			
		Total	Level 1	Level 2	Level 3
Assets:					
Available-for-sale securities					
U. S. treasury securities	\$ 53,183	\$ 53,183	\$ -	\$ -	
Municipal obligations, tax exempt	87,809	-	87,809	-	
Municipal obligations, taxable	90,603	-	90,603	-	
Agency mortgage-backed securities	116,562	-	116,562	-	
Loans held for sale	5,141	-	5,141	-	
Derivative financial instruments	239	-	239	-	
Liabilities:					
Derivative financial instruments	(19)	-	(19)	-	

(Dollars in thousands)		As of December 31, 2024			
		Fair value hierarchy			
		Total	Level 1	Level 2	Level 3
Assets:					
U. S. treasury securities	\$ 64,458	\$ 64,458	\$ -	\$ -	
Municipal obligations, tax exempt	107,128	-	107,128	-	
Municipal obligations, taxable	71,715	-	71,715	-	
Agency mortgage-backed securities	129,211	-	129,211	-	
Loans held for sale	3,420	-	3,420	-	
Derivative financial instruments	200	-	200	-	

The Company's investment securities classified as available-for-sale include U.S. treasury securities, U.S. federal agency securities, municipal obligations and agency mortgage-backed securities. Quoted exchange prices are available for the Company's U.S treasury securities which are classified as Level 1. U.S. federal agency securities and agency mortgage-backed obligations are priced utilizing industry-standard models that consider various assumptions, including time value, yield curves, volatility factors, prepayment speeds, default rates, loss severity, current market and contractual prices for the underlying financial instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace, can be derived from observable data, or are supported by observable levels at which transactions are executed in the marketplace. These measurements are classified as Level 2. Municipal securities are valued using a type of matrix, or grid, pricing in which securities are benchmarked against U.S. treasury rates based on credit rating. These model and matrix measurements are classified as Level 2 in the fair value hierarchy.

Changes in the fair value of available-for-sale securities are included in other comprehensive income to the extent the changes are not considered credit-related.

Mortgage loans originated and intended for sale in the secondary market are carried at estimated fair value. The mortgage loan valuations are based on quoted secondary market prices for similar loans and are classified as Level 2. Changes in the fair value of mortgage loans originated and intended for sale in the secondary market and derivative financial instruments are included in gains on sales of loans.

The aggregate fair value, contractual balance (including accrued interest), and gain or loss on loans held for sale were as follows:

(Dollars in thousands)		As of December 31,	
		2025	2024
Aggregate fair value	\$	5,141	\$ 3,420
Contractual balance		5,033	3,376
Gain	\$	108	\$ 44

The Company's derivative financial instruments consist of interest rate lock commitments and forward commitments for the future delivery of these mortgage loans. The fair values of these derivatives are based on quoted prices for similar loans in the secondary market. The market prices are adjusted by a factor, based on the Company's historical data and its judgment about future economic trends, which considers the likelihood that a commitment will ultimately result in a closed loan. These instruments are classified as Level 2. The amounts are included in other assets or other liabilities on the consolidated balance sheets and gains on sale of loans, net in the consolidated statements of earnings. The total amount of gains and losses from changes in fair value of derivative financial instruments included in earnings were as follows:

(Dollars in thousands)	As of December 31,		
	2025	2024	2023
Total change in fair value	\$ 21	\$ 100	\$ (26)

Valuation Methods for Instruments Measured at Fair Value on a Non-recurring Basis

The Company does not record its loan portfolio at fair value. Collateral-dependent loans are generally carried at the lower of cost or fair value of the collateral, less estimated selling costs. Collateral values are determined based on appraisals performed by qualified licensed appraisers hired by the Company and then further adjusted if warranted based on relevant facts and circumstances. The appraisals may utilize a single valuation approach or a combination of approaches including the comparable sales and income approach. Adjustments are routinely made in the appraisal process by the appraisers to adjust for differences between the comparable sales and income data available. Such adjustments can be significant and result in a Level 3 classification of the inputs for determining fair value. Individually evaluated loans are reviewed at least quarterly for additional impairment and adjusted accordingly, based on the same factors identified above. The carrying value of the Company's individually evaluated loans was \$11.5 million at December 31, 2025 and \$15.0 million at December 31, 2024, respectively. The Company's collateral dependent loans with an allowance for credit losses was \$2.5 million and \$2.5 million, with an allocated allowance of \$781,000 and \$777,000, at December 31, 2025 and 2024, respectively.

Real estate owned includes assets acquired through, or in lieu of, foreclosure and land previously acquired for expansion. Real estate owned is initially recorded at the fair value of the collateral less estimated selling costs. Subsequent valuations are updated periodically and are based upon independent appraisals, third party price opinions or internal pricing models. The appraisals may utilize a single valuation approach or a combination of approaches including the comparable sales and income approach. Adjustments are routinely made in the appraisal process by the appraisers to adjust for differences between the comparable sales and income data available. Such adjustments are typically significant and result in a Level 3 classification of the inputs for determining fair value. Real estate owned is reviewed and evaluated at least annually for additional impairment and adjusted accordingly, based on the same factors identified above.

The following table presents quantitative information about Level 3 fair value measurements for individually evaluated loans measure at fair value on a non-recurring basis as of December 31, 2025 and 2024.

(Dollars in thousands)				
	Fair value	Valuation technique	Unobservable inputs	Range
As of December 31, 2025				
Individual evaluated loans:				
One-to-four family residential real estate	\$ 356	Sales comparison	Adjustment to appraised value	0%-7%
Commercial real estate	\$ 134	Sales comparison	Adjustment to comparable sales	0%-25%
Commercial loans	\$ 1,213	Sales comparison	Adjustment to comparable sales	0%-50%
As of December 31, 2024				
Individual evaluated loans:				
Commercial loans	\$ 1,768	Sales comparison	Adjustment to comparable sales	0%-50%

(20) Regulatory Capital Requirements

Banks and bank holding companies are subject to regulatory capital requirements administered by federal banking agencies. Capital adequacy guidelines and, additionally for banks, prompt corrective action regulations involve quantitative measures of assets, liabilities, and certain off-balance-sheet items calculated under regulatory accounting practices. Capital amounts and classifications are also subject to qualitative judgments by regulators. Failure to meet capital requirements can initiate regulatory action. Management believed that as of December 31, 2025, the Company and the Bank met all capital adequacy requirements to which they were subject at that time.

Prompt corrective action regulations provide five classifications: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized, although these terms are not used to represent overall financial condition. If adequately capitalized, regulatory approval is required to accept brokered deposits. If undercapitalized, capital distributions are limited, as is asset growth and expansion, and capital restoration plans are required. The Company and the Bank are subject to the Basel III Rule, which is applicable to all U.S. banks that are subject to minimum capital requirements, as well as to bank and savings and loan holding companies other than “small bank holding companies” (generally, non-public bank holding companies with consolidated assets of less than \$3.0 billion).

The Basel III Rule includes a common equity Tier 1 capital to risk-weighted assets minimum ratio of 4.5%, a minimum ratio of Tier 1 capital to risk-weighted assets of 6.0%, a minimum ratio of Total Capital to risk-weighted assets of 8.0%, and a minimum Tier 1 leverage ratio of 4.0%. A capital conservation buffer, equal to 2.5% of common equity Tier 1 capital, is also established above the regulatory minimum capital requirements. The capital conservation buffer increases the common equity Tier 1 capital ratio, and Tier 1 capital and total risk-based capital ratios.

As of both December 31, 2025 and 2024, the most recent regulatory notifications categorized the Bank as well capitalized under the regulatory framework for prompt corrective action then in effect. There are no conditions or events since that notification that management believes have changed the institution’s category.

The following is a comparison of the Company’s regulatory capital to minimum capital requirements in effect at December 31, 2025 and 2024:

(Dollars in thousands)

	Actual		For capital adequacy purposes	
	Amount	Ratio	Amount	Ratio (1)
<u>As of December 31, 2025</u>				
Leverage	\$ 154,316	9.77%	\$ 63,151	4.0%
Common Equity Tier 1 Capital	133,316	11.26%	82,901	7.0%
Tier 1 Capital	154,316	13.03%	100,666	8.5%
Total Risk-Based Capital	166,714	14.08%	124,352	10.5%
<u>As of December 31, 2024</u>				
Leverage	\$ 139,657	9.02%	\$ 61,964	4.0%
Common Equity Tier 1 Capital	118,657	10.49%	79,164	7.0%
Tier 1 Capital	139,657	12.35%	96,128	8.5%
Total Risk-Based Capital	152,121	13.45%	118,746	10.5%

(1) The required percent for capital adequacy purposes includes a capital conservation buffer of 2.5%.

The following is a comparison of the Bank's regulatory capital to minimum capital requirements in effect at December 31, 2025 and 2024:

	Actual		For capital adequacy purposes		To be well-capitalized under regulatory guidelines	
	Amount	Ratio	Amount	Ratio (1)	Amount	Ratio
<i>(Dollars in thousands)</i>						
<u>As of December 31, 2025</u>						
Leverage	\$152,915	9.67%	\$ 63,223	4.0%	\$ 79,029	5.0%
Common Equity Tier 1 Capital	152,915	12.92%	82,871	7.0%	76,951	6.5%
Tier 1 Capital	152,915	12.92%	100,629	8.5%	94,709	8.0%
Total Risk-Based Capital	165,313	13.96%	124,306	10.5%	118,387	10.0%
<u>As of December 31, 2024</u>						
Leverage	\$140,523	9.10%	\$ 61,770	4.0%	\$ 77,213	5.0%
Common Equity Tier 1 Capital	140,523	12.43%	79,146	7.0%	73,493	6.5%
Tier 1 Capital	140,523	12.43%	96,106	8.5%	90,453	8.0%
Total Risk-Based Capital	152,987	13.53%	118,719	10.5%	113,066	10.0%

(1) The required percent for capital adequacy purposes includes a capital conservation buffer of 2.5%.

(21) Parent Company Condensed Financial Statements

The following is condensed financial information of the parent company as of December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023:

Condensed Balance Sheets

	As of December 31,	
	2025	2024
<i>(Dollars in thousands)</i>		
Assets:		
Cash and cash equivalents	\$ 272	\$ 395
Interest-bearing deposits at other banks	-	151
Investment in subsidiaries	182,911	160,634
Other	827	960
Total assets	<u>\$ 184,010</u>	<u>\$ 162,140</u>
Liabilities and stockholders' equity:		
Subordinated debentures	\$ 21,651	\$ 21,651
Other borrowings	1,667	4,200
Other	61	74
Stockholders' equity	160,631	136,215
Total liabilities and stockholders' equity	<u>\$ 184,010</u>	<u>\$ 162,140</u>

Condensed Statements of Earnings

	Years ended December 31,		
	2025	2024	2023
<i>(Dollars in thousands)</i>			
Dividends from Bank	\$ 7,450	\$ 8,500	\$ 8,000
Dividends from nonbank subsidiary	1,300	975	1,000
Interest income	47	55	51
Other non-interest income	5	8	8
Interest expense	(1,642)	(2,013)	(2,113)
Other expense, net	(626)	(637)	(620)
Earnings before equity in undistributed earnings	6,534	6,888	6,326
Increase in undistributed equity of Bank	11,649	5,122	5,252
Increase in undistributed equity of nonbank subsidiary	127	450	102
Earnings before income taxes	18,310	12,460	11,680
Income tax benefit	(465)	(543)	(556)
Net earnings	18,775	13,003	12,236
Other comprehensive income	10,143	728	8,510
Total comprehensive income	<u>\$ 28,918</u>	<u>\$ 13,731</u>	<u>\$ 20,746</u>

Condensed Statements of Cash Flows

(Dollars in thousands)

	Years ended December 31,		
	2025	2024	2023
Cash flows from operating activities:			
Net earnings	\$ 18,775	\$ 13,003	\$ 12,236
Increase in undistributed equity of subsidiaries	(11,776)	(5,572)	(5,354)
Other	120	12	1
Net cash provided by operating activities	7,119	7,443	6,883
Cash flows from investing activities:			
Net change in interest-bearing deposits at banks	151	64	1
Net cash provided by investing activities	151	64	1
Cash flows from financing activities:			
Proceeds from exercise of stock options	-	-	52
Payment of dividends	(4,861)	(4,612)	(4,390)
Purchase of treasury stock	-	(338)	(75)
Issuances of outstanding debt	-	360	-
Payment on outstanding debt	(2,532)	(2,808)	(2,351)
Net cash used in financing activities	(7,393)	(7,398)	(6,764)
Net (decrease) increase in cash	(123)	109	120
Cash at beginning of year	395	286	166
Cash at end of year	\$ 272	\$ 395	\$ 286

Dividends paid by the Company are provided through dividends from the Bank and dividends from nonbank subsidiaries. At December 31, 2025, the Bank could distribute dividends of up to \$3.0 million without regulatory approvals. The primary source of funds for the Company is dividends from the Bank. Under the National Bank Act, a national bank may pay dividends out of its undivided profits in such amounts and at such times as the bank's board of directors deems prudent. Without prior OCC approval, however, a national bank may not pay dividends in any calendar year that, in the aggregate, exceed the bank's year-to-date net income plus the bank's retained net income for the two preceding years. The payment of dividends by any financial institution is affected by the requirement to maintain adequate capital pursuant to applicable capital adequacy guidelines and regulations, and a financial institution generally is prohibited from paying any dividends if, following payment thereof, the institution would be undercapitalized.

(22) Segment Information

The Company operates as a single segment entity for financial reporting purposes. The Company's reportable segment is determined by the Chief Executive Officer, who is the designated CODM, based upon information provided about the company's products and services offered, primarily banking operations. The CODM allocates resources and assesses performance of the Company based on the consolidated performance of the Company and its wholly owned subsidiaries and does not significantly utilize disaggregated segment financial information for decision making and resource allocation. Based on this assessment the Company's financial statement disclosures fully comply with ASC 2023-07, and no additional qualitative segment disclosures are necessary. The CODM uses revenue streams to evaluate product pricing and significant expenses to assess performance and evaluate return on assets. The CODM uses consolidated net income to benchmark the Company against its competitors. The benchmarking analysis coupled with monitoring of budget to actual results are used in assessments of Company performance and in establishing compensation. Loans, investments, and deposits provide the revenues for the Company. Interest expenses, provisions for credit losses, and compensation and benefits expense comprise the significant expenses. All operations are domestic.

(23) Commitments, Contingencies and Guarantees

Commitments to extend credit are legally binding agreements to lend to a borrower provided there are no violations of any conditions established in the contract. The Company, as a provider of financial services, routinely issues financial guarantees in the form of financial and performance commercial and standby letters of credit. As many of the commitments are expected to expire without being drawn upon, the total commitment does not necessarily represent future cash requirements. See Note 7 (Loan Commitments) for additional detail.

There are no pending legal proceedings to which the Company or the Bank is a party other than ordinary routine litigation incidental to the Bank's business. While the ultimate outcome of current legal proceedings cannot be predicted with certainty, it is the opinion of management that the resolution of these legal actions should not have a material effect on the Company's consolidated financial position or results of operations.

(24) Subsequent Event

In the Company's Form 12b-25 filed with the SEC on April 1, 2026, the Company announced that information had been brought to the attention of management, which promptly informed the Audit and Risk Committee (the "Committee") of the Board of Directors of the Company, that caused management and the Committee to commence an internal investigation, with the assistance of outside counsel and advisors, regarding allegations of fraudulent activity by a non-executive officer of the Bank. The investigation has been completed, and management determined that the scope of such fraudulent activity was limited and the expected loss is not material to the Company. To date, the Company has not found any evidence of additional fraudulent activity. The business and operations of the Company and the Bank were not affected beyond the immaterial amounts identified during the investigation.

The Company is committed to making all affecting customers whole for any losses attributed to the fraudulent activity. The pre-tax loss associated with the fraudulent activity is under \$500,000, not including professional fees related to the investigation, and has been recognized by the Company in its financial results for first quarter of 2026. The Company is cooperating with law enforcement agencies regarding the matter. The Company also is working with its insurance carrier to confirm coverage. Any insurance proceeds received will offset recognized losses.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

An evaluation was performed under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) promulgated under the Exchange Act) as of December 31, 2025. Based on that evaluation, the Company's management, including the Chief Executive Officer and Chief Financial Officer, concluded that the Company's disclosure controls and procedures were effective as of the end of the fiscal year covered by this Annual Report on Form 10-K.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined by Rule 13a-15(f) promulgated under the Exchange Act). The Company's internal control over financial reporting is a process designed under the supervision of the Company's Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with GAAP.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all 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 or procedures may deteriorate.

Management has made a comprehensive review, evaluation, and assessment of the Company's internal control over financial reporting as of December 31, 2025. In making its assessment of the effectiveness of the Company's internal control over financial reporting, management used the framework established in Internal-Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission - 2013. Based on that assessment, management concluded that, as of December 31, 2025, the Company's internal control over financial reporting was effective as of the end of the fiscal year covered by this Annual Report on Form 10-K.

Our auditors are not required to formally opine on the effectiveness of our internal control over financial reporting, in accordance with the Sarbanes-Oxley Act of 2002 because the Company is not an accelerated filer or a large accelerated filer. As a result, this Annual Report on Form 10-K does not include an attestation report of the Company's independent registered public accounting firm.

There were no changes in the Company's internal control over financial reporting during the quarter ended December 31, 2025 that materially affected or were reasonably likely to materially affect the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Rule 10b5-1 Trading Plans

During the fiscal quarter ended December 31, 2025, none of the Company's directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors

The information required by this Item 10 will be included in the Company's Definitive Proxy Statement for the 2026 annual meeting of shareholders to be held May 20, 2026 (the "2026 Proxy Statement"), under the headings "Proposal 1 – Election of Directors," "Delinquent Section 16(a) Reports," and "Corporate Governance and the Board of Directors" and is incorporated herein by reference. The 2026 Proxy Statement will be filed with the SEC pursuant to Regulation 14A within 120 days of the end of the Company's 2025 fiscal year.

Insider Trading Policy. The Company has adopted an insider trading policy governing the purchase, sale and other dispositions of its securities by directors, officers and employees of the Company that is designed to promote compliance with insider trading laws, rules and regulations and any applicable Nasdaq listing standards. A copy of our insider trading policy is filed as Exhibit 19.1 to this Form 10-K. In addition, with regard to the Company's trading in its own securities, it is the Company's policy to comply with the federal securities laws and the applicable exchange listing requirements.

The executive officers of the Company, each of whom is also currently an executive officer of the Bank and serves at the discretion of the Board of Directors of the Company and the Bank, as appropriate, as of the date of this Annual Report on Form 10-K are identified below:

Name since	Age	Positions with the Company and the Bank	Held position
Abigail M. Wendel	52	President and Chief Executive Officer	March 2024
Mark A. Herpich	58	Executive Vice President, Secretary, Chief Financial Officer and Treasurer	October 2001

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item 11 will be included in the 2026 Proxy Statement, under the headings "Corporate Governance and the Board of Directors" and "Executive Compensation," and is incorporated herein by reference. The 2026 Proxy Statement will be filed with the SEC pursuant to Regulation 14A within 120 days of the end of the Company's 2025 fiscal year.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Equity Compensation Plan Information

The following table sets forth information relating to the number of shares authorized for issuance under our equity compensation plans as of December 31, 2025.

EQUITY COMPENSATION PLAN INFORMATION			
Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	211,069 ⁽¹⁾	\$ 18.51 ⁽²⁾	510,363 ⁽³⁾
Equity compensation plans not approved by security holders	-	-	-
Total	211,069	\$ 18.51	510,363

- (1) Reflects the number of underlying shares of our common stock associated with outstanding stock options granted under the 2015 Stock Incentive Plan, as adjusted for stock dividends.
- (2) Reflects the weighted-average exercise price with respect to the exercise of outstanding stock options included in column (a).
- (3) Reflects the number of shares of our common stock available for future issuance under the 2024 Stock Incentive Plan, as adjusted for stock dividends.

The other information required by this Item 12 will be included in the 2026 Proxy Statement, under the heading “Security Ownership of Certain Beneficial Owners” and is incorporated herein by reference. The 2026 Proxy Statement will be filed with the SEC pursuant to Regulation 14A within 120 days of the end of the Company’s 2025 fiscal year.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item 13 will be included in the 2026 Proxy Statement, under the headings “Proposal 1 – Election of Directors,” “Corporate Governance and the Board of Directors” and “Certain Relationships and Related Transactions,” and is incorporated herein by reference. The 2026 Proxy Statement will be filed with the SEC pursuant to Regulation 14A within 120 days of the end of the Company’s 2025 fiscal year.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item 14 will be included in the 2026 Proxy Statement, under the heading “Proposal 4 – Ratification of Forvis Mazars, LLP as our Independent Registered Public Accounting Firm” and is incorporated herein by reference. The 2026 Proxy Statement will be filed with the SEC pursuant to Regulation 14A within 120 days of the end of the Company’s 2025 fiscal year.

PART IV.

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

ITEM 15 (a)1 and 2. Financial Statements and Schedules

LANDMARK BANCORP, INC. AND SUBSIDIARY LIST OF FINANCIAL STATEMENTS

The following audited Consolidated Financial Statements of the Company and its subsidiaries and related notes and auditors' report are included in Part II, Item 8 of this Annual Report on Form 10-K:

Report of Independent Registered Public Accounting Firm (PCAOB ID 173)

Consolidated Balance Sheets – December 31, 2025 and 2024

Consolidated Statements of Earnings – Years ended December 31, 2025, 2024 and 2023

Consolidated Statements of Comprehensive Income – Years ended December 31, 2025, 2024 and 2023

Consolidated Statements of Stockholders' Equity – Years ended December 31, 2025, 2024 and 2023

Consolidated Statements of Cash Flows – Years ended December 31, 2025, 2024 and 2023

Notes to Consolidated Financial Statements

All schedules are omitted because they are not required or are not applicable or the required information is shown in the financial statements incorporated by reference or notes thereto.

Item 15(a)3 and (b). Exhibits

<u>Exhibit Number</u>	<u>Description</u>	<u>Incorporated by reference to</u>	<u>Attached hereto</u>
2.1	Agreement and Plan of Merger, dated June 28, 2022, by and among Landmark Bancorp, Inc., LARK Investment Corporation and Freedom Bancshares, Inc.	Exhibit 2.1 to the registrant's report on Form 8-K filed with the SEC on June 28, 2022 (SEC file no. 000-33203)	
3.1	Amended and Restated Certificate of Incorporation	Exhibit 3.1 to the registrant's transition report on Form 10-K filed with the SEC on March 29, 2002 (SEC file no. 000-33203)	
3.2	Certificate of Amendment of the Amended and Restated Certificate of Incorporation	Exhibit 3.2 to the registrant's report on Form 10-K filed with the SEC on March 29, 2013 (SEC file no. 000-33203)	
3.3	Bylaws	Exhibit 3.3 to the registrant's Form S-4 filed with the SEC on June 7, 2001 (SEC file no. 333-62466)	
4.1	Certain instruments defining the rights of holders of long-term debt of the Company, none of which authorize a total amount of indebtedness in excess of 10% of the total assets of the Company and its subsidiaries on a consolidated basis, have not been filed as exhibits. The Company hereby agrees to furnish a copy of any of these agreements to the Commission upon request.		

Exhibit Number	Description	Incorporated by reference to	Attached hereto
4.2	Description of the Company's securities registered pursuant to Section 12 of the Securities Exchange Act of 1934	Exhibit 4.1 to the registrant's report on Form 10-K filed with the SEC on March 12, 2020 (SEC file no. 000-33203)	
10.1*	Employment Agreement effective January 1, 2014 between Michael E. Scheopner, the Company and the Bank	Exhibit 10.2 to the registrant's report on Form 8-K filed with the SEC on December 20, 2013 (SEC file no. 000-33203)	
10.2*	Employment Agreement effective November 1, 2013 between Mark A. Herpich, the Company and the Bank	Exhibit 10.3 to the registrant's report on Form 8-K filed with the SEC on December 20, 2013 (SEC file no. 000-33203)	
10.3*	Form of Landmark Bancorp, Inc. Deferred Compensation Agreement	Exhibit 10.11 to the registrant's report on Form 10-K filed with the SEC on March 30, 2005 (SEC file no. 000-33203)	
10.4*	Landmark Bancorp, Inc. 2024 Stock Incentive Plan	Exhibit 4.4 to the registrant's Form S-8 filed with the SEC on July 25, 2024 (SEC file no. 333-281020)	
10.5*	Form of Landmark Bancorp, Inc. 2024 Stock Incentive Plan Nonqualified Stock Option Award Agreement	Exhibit 4.5 to the registrant's Form S-8 filed with the SEC on July 25, 2024 (SEC file no. 333-281020)	
10.6*	Form of Landmark Bancorp, Inc. 2024 Stock Incentive Plan Incentive Stock Option Award Agreement	Exhibit 4.6 to the registrant's Form S-8 filed with the SEC on July 25, 2024 (SEC file no. 333-281020)	
10.7*	Form of Landmark Bancorp, Inc. 2024 Stock Incentive Plan Restricted Stock Award Agreement	Exhibit 4.7 to the registrant's Form S-8 filed with the SEC on July 25, 2024 (SEC file no. 333-281020)	
10.8*	Form of Landmark Bancorp, Inc. 2024 Stock Incentive Plan Restricted Stock Unit Award Agreement	Exhibit 4.8 to the registrant's Form S-8 filed with the SEC on July 25, 2024 (SEC file no. 333-281020)	
10.9	Business Loan Agreement, Promissory Note and Commercial Pledge Agreement, dated November 1, 2021, between Landmark Bancorp, Inc. and First National Bank of Omaha	Exhibit 10.1 to the registrant's report on Form 10-Q filed with the SEC on November 12, 2021 (SEC file no. 000-33203)	
10.10	Change in Terms Agreement and Promissory Note, dated November 01, 2024, between Landmark Bancorp, Inc. and First National Bank of Omaha	Exhibit 10.1 to the registrant's report on Form 10-Q filed with the SEC on November 13, 2024 (SEC file no. 000-33203)	
10.11*	Employment Agreement between the Company, the Bank and Abigail M. Wendel, dated as of March 1, 2024	Exhibit 10.1 to the registrant's report on Form 8-K filed with the SEC on March 4, 2024 (SEC file no. 000-33203)	
10.12*	Addendum to Employment Agreement by and between the Company, the Bank and Michael E. Scheopner, dated as of March 1, 2024	Exhibit 10.2 to the registrant's report on Form 8-K filed with the SEC on March 4, 2024 (SEC file no. 000-33203)	
10.13	Change in Terms Agreement, dated November 1, 2024, between Landmark Bancorp, Inc. and First National Bank of Omaha	Exhibit 10.6 to the registrant's report on Form 10-Q filed with the SEC on November 13, 2024 (SEC file no. 000-33203)	
10.14	Change in Terms Agreement, dated March 14, 2024 between Landmark Bancorp, Inc. and First National Bank of Omaha	Exhibit 10.1 to the registrant's report on Form 10-Q filed with the SEC on May 14, 2025 (SEC file no. 000-33203)	

Exhibit Number	Description	Incorporated by reference to	Attached hereto
10.15	Change in Terms Agreement, dated November 1, 2025 between Landmark Bancorp, Inc and First National Bank of Omaha	Exhibit 10.1 to the registrant's Form 10-Q filed with the SEC on November 13, 2025 (SEC file no. 000-33203)	
10.16	Landmark Bancorp, Inc. 2015 Stock Incentive Plan	Exhibit 10.20 to the registrant's report on Form 10-K filed with the SEC on March 16, 2016 (SEC file no. 000-33203)	
10.17	Form of Landmark Bancorp, Inc. 2015 Stock Incentive Plan Restricted Stock Award Agreement	Exhibit 4.5 to the registrant's Form S-8 filed with the SEC on May 16, 2016 (SEC file no. 333-211399)	
10.18	Landmark Bancorp, Inc. 2015 Stock Incentive Plan Nonqualified Stock Option Award Agreement	Exhibit 4.6 to the registrant's Form S-8 filed with the SEC on May 16, 2016 (SEC file no. 333-211299)	
13.1	Letter to Stockholders and Corporate Information included in 2025 Annual Report to Stockholders		X
16.1	Letter of Crowe LLP, dated February 27, 2026	Exhibit 16.1 to the registrant's Form 8-K filed with the SEC on February 27, 2026 (SEC file no. 000-33203)	
19.1	Landmark Bancorp, Inc. Insider Trading Policy	Exhibit 19.1 to the registrant's Form 10-K filed with the SEC on March 25, 2025 (SEC file no 000-33203)	
21.1	Subsidiaries of the Company		X
23.1	Consent of Crowe LLP		X
31.1	Certification of Principal Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a)		X
31.2	Certification of Principal Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a)		X
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002		X
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002		X
97.1	Landmark Bancorp, Inc. Claw Back Policy	Exhibit 99 to the registrant's report on Form 10-Q filed with the SEC on May 14, 2024 (SEC file no. 000-33203)	
101	Interactive data files pursuant to Rule 405 of Regulation S-T, formatted in inline XBRL: (i) Consolidated Balance Sheets as of December 31, 2025 and 2024; (ii) Consolidated Statements of Earnings for the twelve months ended December 31, 2025, 2024 and 2023; (iii) Consolidated Statements of Comprehensive Income for the twelve months ended December 31, 2025, 2024 and 2023; (iv) Consolidated Statements of Stockholders' Equity for the twelve months ended December 31, 2025, 2024 and 2023; (v) Consolidated		X

<u>Exhibit Number</u>	<u>Description</u>	<u>Incorporated by reference to</u>	<u>Attached hereto</u>
	Statements of Cash Flows for the twelve months ended December 31, 2025, 2024 and 2023; and (vi) Notes to Consolidated Financial Statements		
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)		X

*Indicates management contract or compensatory plan or arrangement.

Upon written request to the President of the Company, P.O. Box 308, Manhattan, Kansas 66505-0308, copies of the exhibits listed above are available to stockholders of the Company by specifically identifying each exhibit desired in the request. The Company's filings with the SEC are also available free of charge via the Internet at www.sec.gov, the Company's website at www.landmarkbancorpinc.com or through the investor relations link at the Bank's website at www.banklandmark.com.

ITEM 16. FORM 10-K SUMMARY

None

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LANDMARK BANCORP, INC.

(Registrant)

By: <u>/s/ Abigail M. Wendel</u> Abigail M. Wendel President and Chief Executive Officer (Principal Executive Officer)	By: <u>/s/ Mark A. Herpich</u> Mark A. Herpich Vice President, Secretary, Treasurer and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	<u>April 14, 2026</u> date
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Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>SIGNATURE</u>	<u>DATE</u>	<u>TITLE</u>
<u>/s/ Abigail M. Wendel</u> Abigail M. Wendel	<u>April 14, 2026</u> Date	President, Chief Executive Officer and Director (Principal Executive Officer)
<u>/s/ Patrick L. Alexander</u> Patrick L. Alexander	<u>April 14, 2026</u> Date	Chairman of the Board, Director
<u>/s/ Sarah Hill-Nelson</u> Sarah Hill-Nelson	<u>April 14, 2026</u> Date	Director
<u>/s/ Angela S. Hurt</u> Angela S. Hurt	<u>April 14, 2026</u> Date	Director
<u>/s/ Mark J. Kohlrus</u> Mark J. Kohlrus	<u>April 14, 2026</u> Date	Director
<u>/s/ Jim W. Lewis</u> Jim W. Lewis	<u>April 14, 2026</u> Date	Director
<u>/s/ Sandra J. Moll</u> Sandra J. Moll	<u>April 14, 2026</u> Date	Director
<u>/s/ Wayne R. Sloan</u> Wayne R. Sloan	<u>April 14, 2026</u> Date	Director
<u>/s/ David H. Snapp</u> David H. Snapp	<u>April 14, 2026</u> Date	Director
<u>/s/ Angelia K. Stanland</u> Angelia K. Stanland	<u>April 14, 2026</u> Date	Director

EXHIBIT 13.1

See pages 1-2 of this document for the letter to shareholders and pages 3 and 6 for the corporate information contained in exhibit 13.1 filed on form 10-K with the SEC.

EXHIBIT 21.1

Subsidiaries of Landmark Bancorp, Inc.

The most significant subsidiary of Landmark Bancorp, Inc. (the “Company”) is Landmark National Bank, a national banking association with its main office located in Manhattan, Kansas, and with branch offices located in Auburn, Dodge City (2), Fort Scott (2), Garden City, Great Bend (2), Hoisington, Iola, Junction City, LaCrosse, Lawrence (2), Lenexa, Louisburg, Manhattan, Mound City, Osage City, Osawatomie, Overland Park, Paola, Pittsburg, Prairie Village, Topeka (2), Wamego and Wellsville, Kansas and Kansas City, Missouri. The Company also owns Landmark Risk Management, Inc., which is a Nevada incorporated captive insurance company that provides property and casualty insurance coverage to the Company and Landmark National Bank for which insurance may not be currently available or economically feasible in today’s insurance marketplace. Landmark Risk Management, Inc. pools resources with other captive insurance companies to spread a limited amount of risk among themselves. The Company also owns all of the common securities of Landmark Capital Trust I, Landmark Capital Trust II and First Capital (KS) Statutory Trust, each a Delaware statutory trust, formed to issue trust preferred securities in a private placement.

EXHIBIT 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in Registration Statements No. 333-211399 and 333-281020 on Form S-8 and Registration Statement No. 333-292367 on Form S-3 of Landmark Bancorp, Inc. of our report dated April 14, 2026 relating to the consolidated financial statements, appearing in this Annual Report on Form 10-K.

/s/ Crowe LLP

Dallas, Texas
April 14, 2026

EXHIBIT 31.1

**CERTIFICATION PURSUANT TO
EXCHANGE ACT RULE 13a-14(a)/15d-14(a)
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Abigail M. Wendel, certify that:

1. I have reviewed this annual report on Form 10-K of Landmark Bancorp, Inc.;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 14, 2026

/s/ Abigail M. Wendel

Abigail M. Wendel
Chief Executive Officer

EXHIBIT 31.2

**CERTIFICATION PURSUANT TO
EXCHANGE ACT RULE 13a-14(a)/15d-14(a)
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Mark A. Herpich, certify that:

1. I have reviewed this annual report on Form 10-K of Landmark Bancorp, Inc.;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 14, 2026

/s/ Mark A. Herpich

Mark A. Herpich
Chief Financial Officer

EXHIBIT 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the annual report of Landmark Bancorp, Inc. (the “Company”) on Form 10-K for the period ending December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Abigail M. Wendel, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Abigail M. Wendel

Abigail M. Wendel
Chief Executive Officer
April 14, 2026

EXHIBIT 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the annual report of Landmark Bancorp, Inc. (the “Company”) on Form 10-K for the period ending December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Mark A. Herpich, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Mark A. Herpich

Mark A. Herpich
Chief Financial Officer
April 14, 2026

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Nasdaq: LARK