



# 2025 ANNUAL REPORT

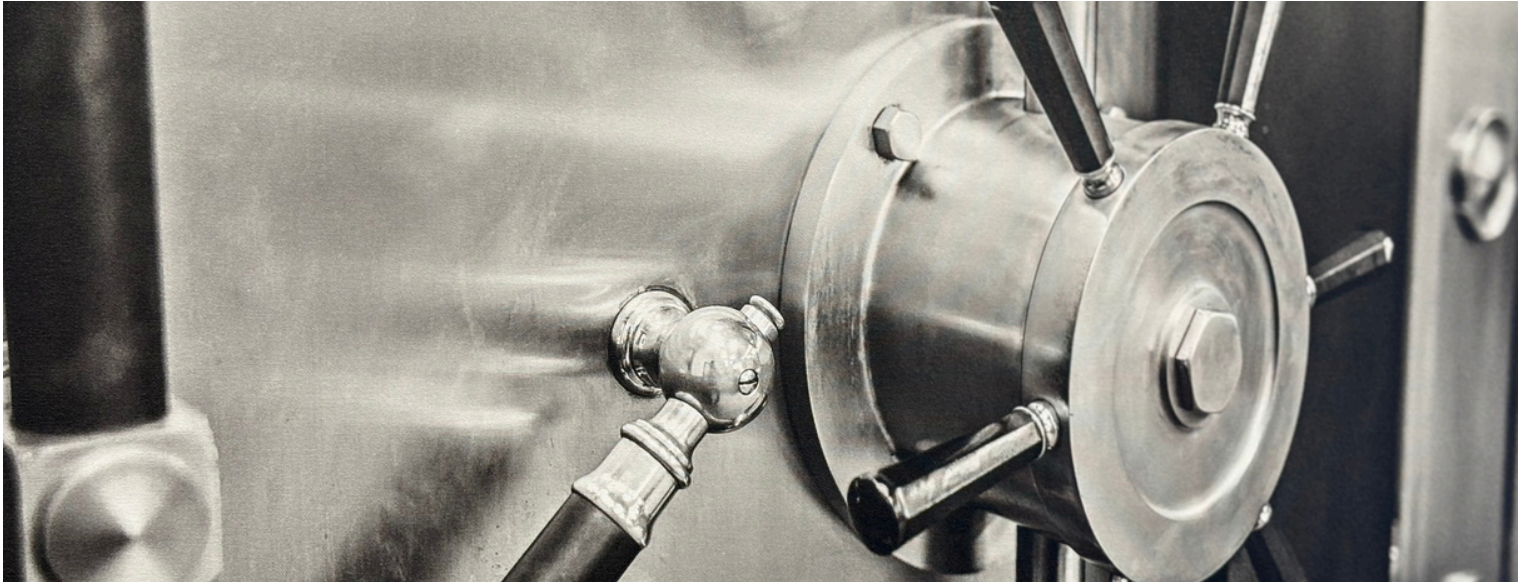


**ALLENDALE  
BANCORP, INC.**

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# COMPANY PROFILE



## Mission Statement

The Mission of the First National Bank is to provide professional, high-quality, personalized financial services to the communities in its market, while remaining sound and profitable, and to remain corporately positioned as a locally owned bank.

## Value Statement

The Bank is committed to providing its customers with superior service, its shareholders with enhanced value, its communities with economic opportunity, and its staff with rewarding and enjoyable employment.

## Corporate Profile

Allendale Bancorp, Inc. is a one-bank holding company whose wholly-owned subsidiary is The First National Bank of Allendale. The stock of Allendale Bancorp, Inc. is held by approximately 300 shareholders, a high percentage of whom live in Wabash County, Illinois and the surrounding area. The holding company and the bank have no other corporate affiliations.

# BOARD OF DIRECTORS



**Dean H. Ackerman**  
Director



**Michael A. Dunkel**  
Director



**Shane E. Gray**  
Chairman



**Philip G. Hipsher**  
Director



**Bryan K. Loeffler**  
Secretary, Treasurer



**Douglas D. McPherson**  
Director



**Donald W. Price**  
President, Chief Executive Officer



**Michael E. White**  
Director



**Robert J. Coleman**  
Director Emeritus

# EXECUTIVE MANAGEMENT GROUP



## STANDING FROM LEFT TO RIGHT

<p><b>David Guinnip</b> Senior Vice President Senior Loan Officer</p>	<p><b>Rodney Loeffler</b> Vice President Loan Officer</p>	<p><b>Donald Price</b> President CEO</p>	<p><b>Michael Carter</b> Senior Vice President Chief Credit Officer</p>	<p><b>Sean Oglesby</b> Chief Technology Officer IT Manager &amp; System Admin</p>
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## SEATED FROM LEFT TO RIGHT

<p><b>Elizabeth Fiero</b> Executive Assistant Assistant Cashier</p>	<p><b>Tamara McFarland</b> Senior Vice President Chief Operating Officer &amp; Cashier</p>	<p><b>Kristin Schrader</b> Senior Vice President Chief Financial Officer</p>	<p><b>Bethany Cross</b> Vice President Chief Risk Officer &amp; Audit Manager</p>
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# LOCATIONS



## ALLENDALE

301 East Main Street  
Allendale, IL 62410

**(618)-299-4411**



## CARMI

1500 West Main Street  
Carmi, IL 62821

**(618)-380-9500**



## MT. CARMEL

1515 West Ninth Street  
Mt. Carmel, IL 62863

**(618)-263-6511**



## WEST SALEM

200 West Church Street  
West Salem, IL 62476

**(618)-456-8884**

# PRESIDENT'S LETTER TO SHAREHOLDERS

## Dear Shareholders & Friends,


It is my privilege to present our Annual Report and reflect on another successful year for our bank. On behalf of our board of directors, management team, and employees, thank you for your continued confidence and support. Your investment allows us to remain an independent, locally owned financial institution dedicated to serving our customers and strengthening the communities we call home.

2025 was a year marked by steady progress across all areas of our balance sheet and income statement, and I am pleased to report that your bank finished the year in a stronger position than it began.

Our focus remained exactly where it has always been: serving the financial needs of our communities, maintaining disciplined credit standards, and managing the bank with a long-term perspective. That approach once again produced solid financial results in 2025.

## Financial Performance

Total assets ended the year at \$483.9 million, up from \$384.0 million in 2024, a 26% increase. This growth was driven primarily by strong seasonal deposit inflows towards year-end. Net loans increased to \$275.0 million, a 2.8% rise compared with the prior year. While loan growth was measured, it reflected our continued commitment to sound underwriting and relationship-based lending, which remains central to our identity as a community bank.



Donald W. Price  
President & CEO

# PRESIDENT'S LETTER TO SHAREHOLDERS

As part of that commitment to credit discipline, it is important to address the increase in net loan losses during the year. Net loan losses totaled 0.59% of total loans in 2025, up from 0.04% in 2024. Although the percentage increase is significant, the underlying causes were isolated to a small number of individual credits. Each of these loans was thoroughly reviewed and resolved, and none indicate a broader change in the strength or direction of our portfolio. Our overall credit quality remains solid, and most borrowers continue to meet their obligations as agreed. We remain confident that the portfolio is performing well and that the issues encountered in 2025 were contained and not reflective of systemic risk.

Earnings performance for the year was equally encouraging. Net interest income grew to \$13.3 million, an increase of 14% over 2024. This improvement was supported by both asset growth and careful management of our interest-rate sensitive positions in a period of falling rates. As a result, bank-level net income rose to \$3.86 million, up 12.5% from last year. On a per-share basis, earnings per share improved to \$6.61, a gain of 12.8%, demonstrating the continued strength of our core operations.

## **Technology and Risk Management**

We continued to invest in technology enhancements that improve efficiency, customer convenience, and cybersecurity. Digital banking usage continues to grow, and customers increasingly expect seamless access to accounts and services.

At the same time, cybersecurity threats continue to escalate across the financial industry. Protecting customer information and safeguarding our systems remain top priorities. We regularly conduct independent testing, employee training, and system upgrades to strengthen our defenses.

Our board of directors and executive management team remain actively engaged in risk oversight, including credit risk, interest rate risk, liquidity risk, compliance, and operational risk. Strong governance and disciplined oversight remain central to our long-term strategy.

## **Our Employees: The Foundation of Our Success**

While financial performance is important, numbers alone do not define our success. The true strength of this institution lies in our employees.

# PRESIDENT'S LETTER TO SHAREHOLDERS

Our team continues to demonstrate professionalism, integrity, and a strong work ethic in an increasingly complex regulatory and technological environment. From frontline customer service representatives to lenders, operations staff, compliance personnel, and senior management, everyone plays a vital role in serving our customers.

Banking today requires rigorous compliance with BSA/AML requirements, cybersecurity safeguards, consumer protection regulations, and evolving risk management expectations. Our employees embrace these responsibilities while maintaining the personalized service that distinguishes community banking. I could not be more proud of the culture we have built, one grounded in accountability, teamwork, and genuine care for our customers.

## **Commitment to Our Communities**

As a locally owned community bank, we believe our success is inseparable from the success of our community. During the year, we continued to support local schools, youth programs, agricultural organizations, civic groups, and charitable initiatives.

Our employees contributed significant volunteer hours and served on numerous nonprofit boards and committees. We sponsored community events, supported financial literacy initiatives, and provided financing that helped local businesses expand and create jobs.

In rural communities, access to local decision-making matters. When farmers need operating lines, small businesses seek expansion capital, or families pursue homeownership, they benefit from working with lenders who understand their history and local conditions. That relationship banking model remains our competitive advantage.

## **Retirement & Appreciation**

This year also marks an important milestone as we recognize the retirement of our Chairman of the Board, Shane Gray. During his tenure, he has participated in the decisions that have resulted in success and growth for your bank. On behalf of our shareholders, our employees, and the entire Board, I want to express our deepest appreciation for his service and leadership. We are grateful for the legacy he leaves and wish him the best in his well-earned retirement.



**Shane Gray**

# PRESIDENT'S LETTER TO SHAREHOLDERS

## Looking Ahead

Our strategic priorities remain consistent:

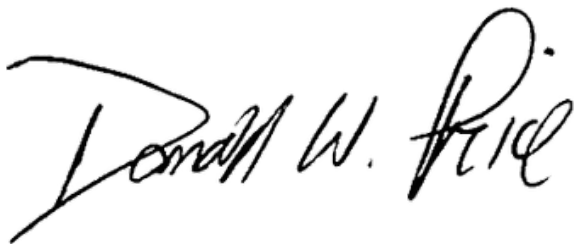
- Maintain strong asset quality through disciplined underwriting.
- Preserve capital strength and liquidity.
- Invest thoughtfully in technology and personnel.
- Focus on succession in key management positions.
- Grow loans and deposits in a measured, relationship-focused manner.
- Continue delivering consistent shareholder value.

## Appreciation to Our Shareholders

Many of you are not only shareholders but also customers, neighbors, and friends. Your continued support allows us to remain independent and locally controlled — a distinction that grows more meaningful each year as industry consolidation continues nationwide. We recognize that your investment represents trust in our leadership and in the future of community banking. We take that responsibility seriously and remain committed to transparency, prudent management, and disciplined growth. On behalf of our board and employees, thank you for your loyalty and confidence. We are proud of what we accomplished this year and optimistic about the future.

We remain committed to serving you — just as we have for generations.

Sincerely,

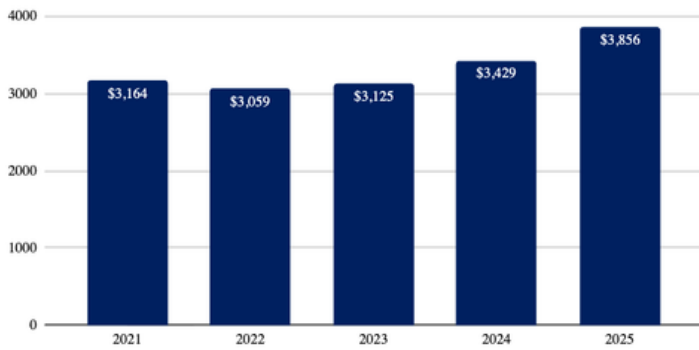


**Donald W. Price**

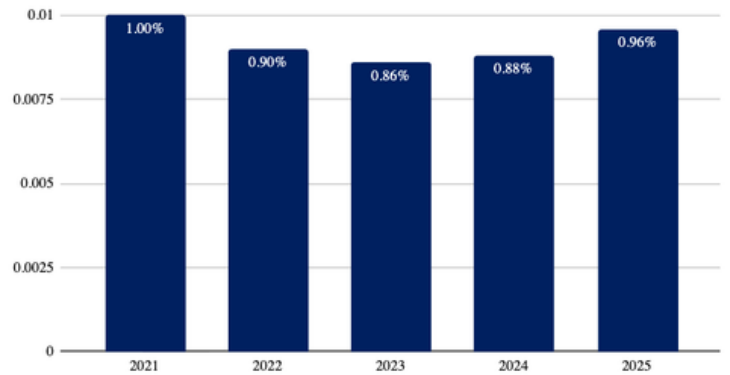
President and Chief Executive Officer

# FINANCIAL HIGHLIGHTS

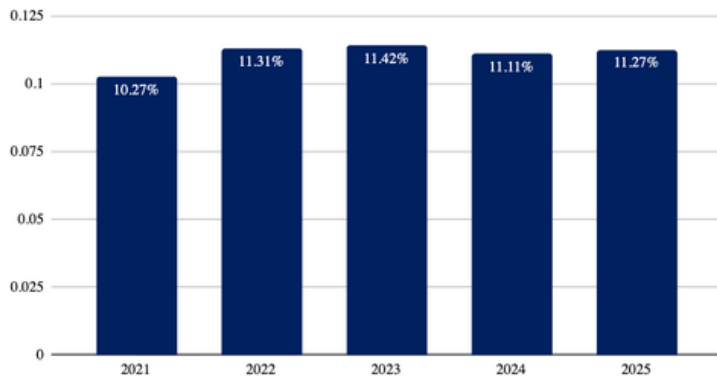
**BANK LEVEL NET INCOME  
(THOUSANDS)**



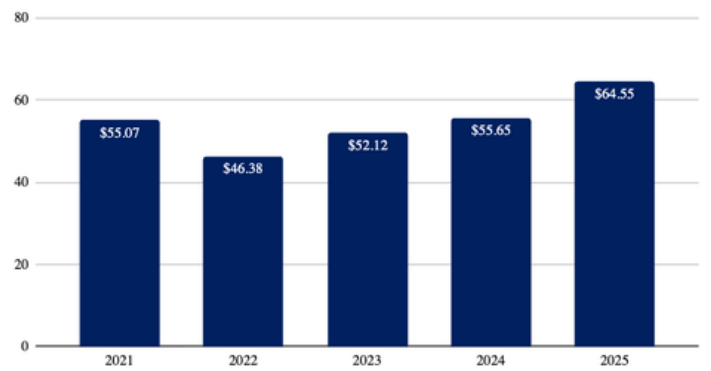
**BANK LEVEL RETURN ON AVERAGE ASSETS**



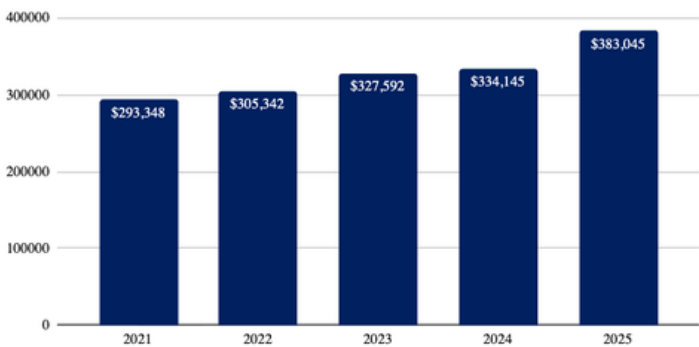
**BANK LEVEL RETURN ON AVERAGE EQUITY**



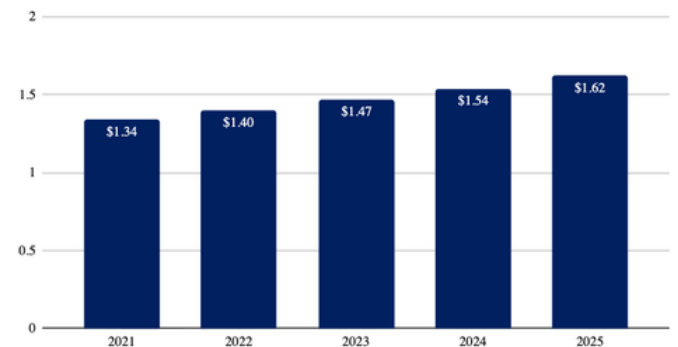
**BOOK VALUE PER SHARE**



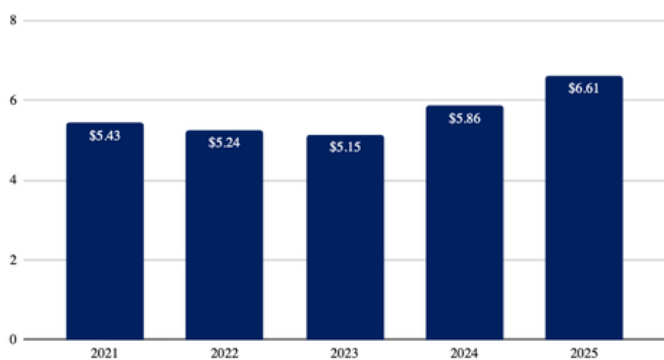
**DEPOSITS  
(THOUSANDS)**



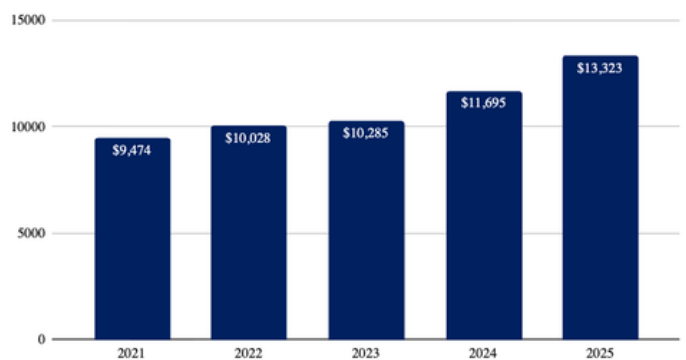
**DIVIDENDS PER SHARE**



**EARNINGS PER SHARE**

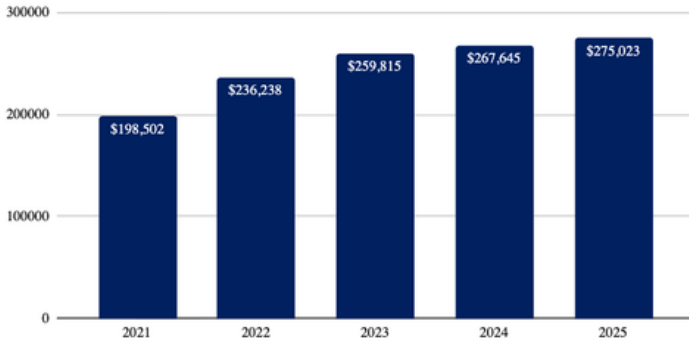


**NET INTEREST INCOME**

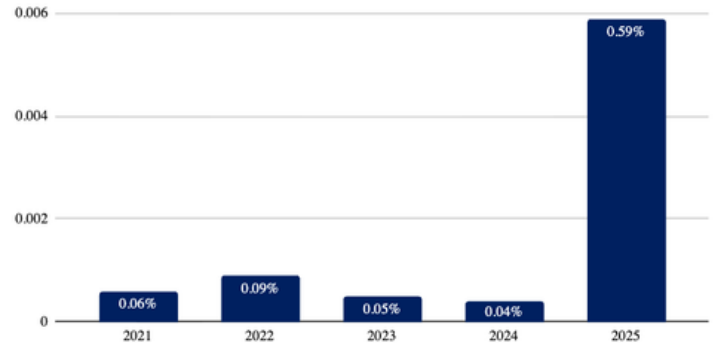


# FINANCIAL HIGHLIGHTS

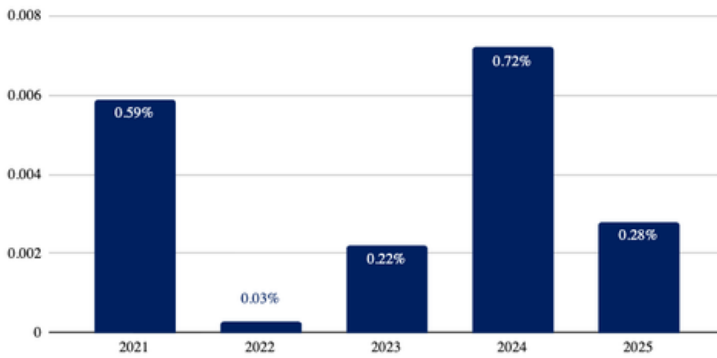
**NET LOANS  
(THOUSANDS)**



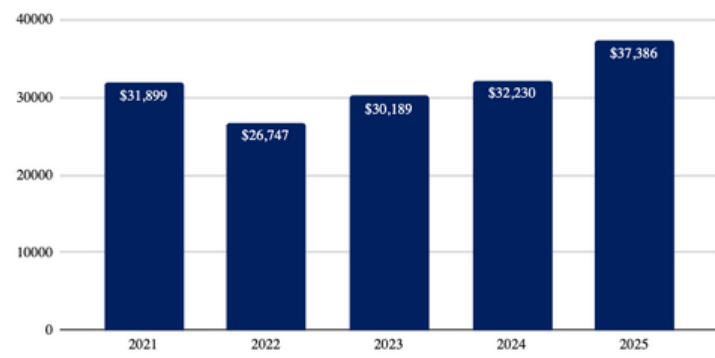
**NET LOAN LOSSES  
% OF TOTAL LOANS**



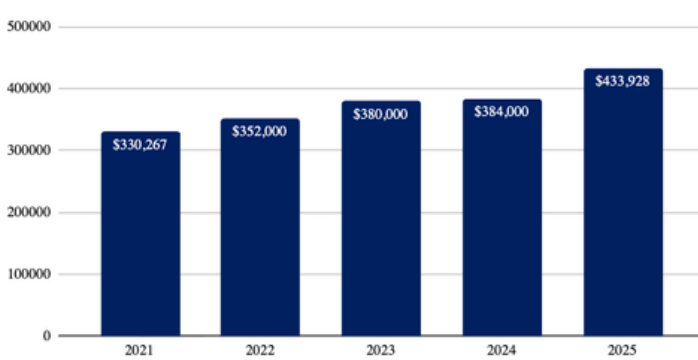
**NON-PERFORMING LOANS  
(% OF TOTAL LOANS)**



**SHAREHOLDER'S EQUITY  
(THOUSANDS)**



**TOTAL ASSETS  
(THOUSANDS)**





## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders  
Allendale Bancorp, Inc.  
Allendale, Illinois

### **Opinion**

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

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

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Allendale Bancorp, Inc. and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Allendale Bancorp, Inc. and Subsidiary's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

To the Board of Directors and Stockholders  
Allendale Bancorp, Inc.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Allendale Bancorp, Inc. and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Allendale Bancorp, Inc. and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



February 26, 2026

Certified Public Accountants and Consultants  
Evansville, Indiana

**ALLENDALE BANCORP, INC.  
AND SUBSIDIARY**

**CONSOLIDATED BALANCE SHEETS**

<b>ASSETS</b>	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
Cash and Cash Equivalents		
Cash and due from banks	\$ 4,759,496	\$ 5,132,250
Interest-bearing deposits in other banks	49,177,367	8,721,246
Total Cash and Cash Equivalents	<u>53,936,863</u>	<u>13,853,496</u>
Debt Securities available-for-sale	81,693,706	79,042,709
Loans, net of allowance for credit losses of \$2,468,685 in 2025 and \$3,008,970 in 2024	275,022,734	267,644,631
Accrued interest receivable	4,517,602	4,146,165
Bank premises and equipment, net	3,978,543	4,105,943
Restricted stock	1,657,930	1,663,730
Bank owned life insurance	9,189,048	8,899,043
Other assets	3,931,923	4,723,521
Total Assets	<u>\$ 433,928,349</u>	<u>\$ 384,079,238</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Deposits		
Demand deposits	105,615,085	\$ 103,831,689
Savings and NOW deposits	154,012,587	122,399,303
Time deposits	123,416,832	107,914,166
Total Deposits	<u>383,044,504</u>	<u>334,145,158</u>
Accrued expenses and other liabilities	3,452,631	3,292,149
Federal Home Loan Bank advances	10,044,749	14,411,828
Total Liabilities	<u>396,541,884</u>	<u>351,849,135</u>
Stockholders' Equity		
Common stock, \$1 par value; 1,000,000 shares authorized and 579,198 issued and outstanding	579,198	579,198
Additional paid-in capital	1,668,119	1,668,119
Retained earnings	38,865,978	35,980,435
Accumulated other comprehensive income, net of income tax	(3,726,830)	(5,997,649)
Total Stockholders' Equity	<u>37,386,465</u>	<u>32,230,103</u>
Total Liabilities and Stockholders' Equity	<u>\$ 433,928,349</u>	<u>\$ 384,079,238</u>

**ALLENDALE BANCORP, INC. AND  
SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF INCOME**

	<b>Years Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Interest Income</b>		
Loans, including fees	\$ 17,613,995	\$ 16,345,748
Investment securities	2,199,390	2,121,127
Federal funds sold	984,399	1,100,535
<b>Total Interest Income</b>	<b>20,797,784</b>	<b>19,567,410</b>
<b>Interest Expense</b>		
Deposits	6,965,641	7,069,422
Other borrowed funds	509,513	803,248
<b>Total Interest Expense</b>	<b>7,475,154</b>	<b>7,872,670</b>
<b>Net Interest Income</b>	<b>13,322,630</b>	<b>11,694,740</b>
<b>Provision for Credit Losses</b>	<b>(1,045,000)</b>	<b>(220,000)</b>
<b>Net Interest Income after Provision for Credit Losses</b>	<b>12,277,630</b>	<b>11,474,740</b>
<b>Noninterest Income</b>		
Service charges on deposit accounts	365,785	364,634
ATM interchange fees	504,561	484,447
Other income	8,380	0
Bank owned life insurance income	345,820	220,682
Gain on sale of loans	205,591	103,304
Net realized gain (loss) on sales of available-for-sale securities	2,570	(11,795)
<b>Total Noninterest Income</b>	<b>1,432,707</b>	<b>1,161,272</b>
<b>Noninterest Expenses</b>		
Salaries and employee benefits	4,789,140	4,485,882
Occupancy	1,032,920	883,857
FDIC deposit insurance fees	176,080	171,242
Director fees	210,647	181,841
Professional and consulting fees	468,025	435,947
Repairs and maintenance	138,589	168,782
Depreciation and amortization	340,977	376,367
Data processing fees	623,351	542,927
Other expense	930,520	862,603
<b>Total Noninterest Expenses</b>	<b>8,710,249</b>	<b>8,109,448</b>
<b>Income before Provision for Income Taxes</b>	<b>5,000,088</b>	<b>4,526,564</b>
<b>Provision for Federal and State Income Taxes</b>	<b>1,176,245</b>	<b>1,136,744</b>
<b>NET INCOME</b>	<b>\$ 3,823,843</b>	<b>\$ 3,389,820</b>
Earnings per share	6.61	5.86
Weighted average shares outstanding	\$ 579,198	\$ 579,198

**ALLENDALE BANCORP, INC.  
AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	<b>Years Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
Net income	\$ 3,823,843	\$ 3,389,820
Other comprehensive income (loss), net of tax:		
Changes in unrealized gains (losses) on debt securities available for sale: net of deferred tax benefit (expense) of \$1,136,683 in 2025 and \$2,632,062 in 2024	2,268,789	(447,763)
Less: reclassification adjustment for gains realized in net income, net of deferred tax benefit (expense) of \$2,570 in 2025 and \$11,795 in 2024	2,030	(9,318)
Other comprehensive income (loss), net of income tax	2,270,819	(457,081)
Total comprehensive income	\$ 6,094,662	\$ 2,932,739

See accompanying notes.

**ALLENDALE BANCORP, INC.  
AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**

**For Years Ended December 31, 2025 and 2024**

	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Total</u>
Balance at January 1, 2024	\$ 579,198	\$ 1,668,119	\$ 33,482,579	\$ (5,540,568)	\$ 30,189,328
Comprehensive income:					
Net income			3,389,820		3,389,820
Other comprehensive income (loss)				(457,081)	(457,081)
Total comprehensive income					<u>2,932,739</u>
Cash dividends declared			(891,964)		(891,964)
Balance at December 31, 2024	<u>\$ 579,198</u>	<u>\$ 1,668,119</u>	<u>\$ 35,980,435</u>	<u>\$ (5,997,649)</u>	<u>\$ 32,230,103</u>
Comprehensive income:					
Net income			3,823,843		3,823,843
Other comprehensive income (loss)				2,270,819	2,270,819
Total comprehensive income					<u>6,094,662</u>
Cash dividends declared			(938,300)		(938,300)
Balance at December 31, 2025	<u>\$ 579,198</u>	<u>\$ 1,668,119</u>	<u>\$ 38,865,978</u>	<u>\$ (3,726,830)</u>	<u>\$ 37,386,465</u>

See accompanying notes.

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**December 31, 2025 and 2024**

	<u>Years Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Net income	\$ 3,823,843	\$ 3,389,820
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	1,045,000	220,000
Depreciation and amortization	319,365	368,871
Net amortization on securities available-for-sale	323,261	424,547
Loss on sale of available for sale securities	0	11,795
Gain on sale of premises and equipment	(11,000)	0
Change in deferred taxes	(402,805)	796,962
(Increase) decrease in:		
Accrued expense and other liabilities	(371,437)	(264,700)
Other assets	188,409	(661,646)
Increase (decrease) in:		
Other liabilities	160,482	421,481
Total adjustments	<u>1,251,275</u>	<u>1,317,310</u>
Net cash provided by operating activities	<u>5,075,118</u>	<u>4,707,130</u>
Cash flows from investing activities:		
Net increase (decrease) in interest bearing deposits	(40,441,225)	3,635,377
Proceeds from sales and maturities of available-for-sale debt securities	9,819,464	11,760,187
Purchases of available-for-sale debt securities	(9,523,725)	(11,062,920)
Purchase of Federal Reserve Bank stock	5,800	0
Purchases of bank owned life insurance	(290,005)	(2,007,907)
Net increase in loans receivable	(8,423,103)	(8,049,445)
Proceeds from sales of premises and equipment	11,000	0
Purchases of premises and equipment	(200,045)	(83,137)
Net cash used in investing activities	<u>(49,041,839)</u>	<u>(5,807,845)</u>
Cash flows from financing activities:		
Net (decrease) in demand, savings and NOW deposit accounts	33,396,680	(6,666,842)
Net increase in other time deposits	15,502,666	13,219,967
Borrowing (Repayments) from Federal Home Loan Bank	(4,367,079)	(4,907,724)
Cash dividends	(938,300)	(891,964)
Net cash provided by financing activities	<u>43,593,967</u>	<u>753,437</u>
Net increase (decrease) in cash and cash equivalents	(372,754)	(347,278)
Cash and cash equivalents, beginning of year	5,132,250	5,479,528
Cash and cash equivalents, end of year	<u>\$ 4,759,496</u>	<u>\$ 5,132,250</u>
Interest paid	<u>\$ 7,423,891</u>	<u>\$ 7,725,449</u>

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 1 – Nature of Operations and Significant Accounting Policies**

Allendale Bancorp, Inc. (the “Bancorp”) and its wholly owned subsidiary, First National Bank of Allendale (the “Bank”) provide various banking and other financial services to their customers. The Bank’s customers include individuals and commercial enterprises within its principal market area consisting of Wabash, Lawrence, White and Edwards Counties in Illinois. The Bank operates under a national bank charter and provides full banking services. As a national bank, the Bank is subject to regulation by the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation (FDIC).

Additionally, the Bank maintains correspondent banking relationships. Note 4 discusses the types of securities the Bank invests in. Note 5 discusses the types of lending that the Bank engages in. The Bank does not have any significant concentrations to any one industry or customer.

The accounting and reporting policies and practices of the Bank conform with accounting principles generally accepted in the United States of America. The following is a summary of the Bank’s significant accounting policies.

**Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of the Bancorp and the Bank as well Allendale Holdings, LLC. Allendale Holdings, LLC is a Limited Liability Company that the Bank wholly owns. Allendale Holdings, LLC holds foreclosed properties on behalf of the Bank.

In consolidation, all significant intercompany balances and transactions have been eliminated.

**Use of Estimates**

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 1 – Nature of Operations and Significant Accounting Policies (Continued)**

Comprehensive Income

Accounting principles generally require that recognized revenue, expenses, gains, and losses be included in net income. Certain changes in assets and liabilities, such as unrealized gains and losses on available-for-sale debt securities, are reported as a separate component of the shareholders' equity section of the balance sheet. Such items along with net income are components of comprehensive income.

Presentation of Cash Flows

For purposes of reporting cash flows, cash and cash equivalents includes cash on hand, amounts due from banks (including cash items in process of clearing) and interest-bearing deposits in banks with an original maturity of 90 days or less, and federal funds sold. Generally, federal funds are sold for one-day periods. The Bank has deposit accounts with several financial institutions. The accounts are insured by the FDIC up to \$250,000 per bank at December 31, 2025 and 2024. At December 31, 2025 and 2024 the Bank had approximately \$932,000 and \$753,000 in excess of the FDIC insurance limit, respectively.

Investment Securities and Related Allowance for Credit Losses

Debt securities classified as available-for-sale (AFS) are those debt securities that the Bank intends to hold for an indefinite period of time but not necessarily to maturity. Any decision to sell a security classified as available-for-sale would be based on various factors, including significant movement in interest rates, changes in the maturity mix of the Bank's assets and liabilities, liquidity needs, regulatory capital considerations, and other similar factors. These securities are carried at estimated fair value based on information provided by a third-party pricing service with any unrealized gains or losses excluded from net income and reported in accumulated other comprehensive income (loss), which is reported as a separate component of stockholders' equity, net of the related deferred tax effect.

Management assesses the financial condition and near-term prospects of the issuer, industry and/or geographic conditions, credit ratings as well as other indicators at the individual security level. Impairments below cost in the estimated fair value of individual AFS debt securities when there is an intent to sell or for which the Bank will more likely than not be required to sell before the impairment is recovered, are realized in noninterest income in the consolidated statements of income.

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 1 – Nature of Operations and Significant Accounting Policies (Continued)**

**Investment Securities and Related Allowance for Credit Losses (Concluded)**

When there is not an intent to sell or it is more likely than not the Bank will not be required to sell the security before the impairment is recovered, management assesses whether the decline in fair value has resulted from credit losses or other factors. If the present value of discounted cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for AFS credit losses is recorded.

Such losses are limited to the amount that amortized cost exceeds fair value, even if the amount of the credit loss is greater. Any future changes in the allowance for credit losses are recorded as provision for (reversal of) credit losses. Losses attributable to other factors are charged to accumulated other comprehensive income. Gains and losses realized on sales of investment debt securities, determined using the adjusted cost basis of the specific securities sold, are included in noninterest income in the consolidated statements of income.

Dividend and interest income, including amortization of premium and accretion of discount arising at acquisition, from all categories of investment securities are included in interest income in the consolidated statements of income.

Restricted stock is stock from the Federal Home Loan Bank of Chicago (“FHLB”), which is restricted as to its marketability. Because no ready market exists for these investments and they have no quoted market value, the Bank’s investment in this stock is carried at cost. A determination as to whether there has been an impairment of restricted stock investments is performed on a quarterly basis and includes a review of the current financial condition of the issuer.

**Loans and Allowances for Credit Losses - Loans**

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or pay-off are carried at amortized cost, which consists of the amount of unpaid principal, adjusted for deferred loan fees and origination costs. Interest on loans is accrued based on the principal amounts outstanding. Loan origination and commitment fees as well as certain direct origination costs are not considered to be material to the financial statements and are therefore recognized in net income for the period in which they arise instead of being deferred and amortized over the lives of the related loans. When principal or interest is delinquent for ninety days or more, the Bank evaluates the loan for nonaccrual status.

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 1 – Nature of Operations and Significant Accounting Policies (Continued)**

**Loans and Allowances for Credit Losses – Loans (Concluded)**

After a loan is placed on nonaccrual status, all interest previously accrued but not collected is reversed against current period interest income. Subsequent collections of interest payments on nonaccrual loans are recognized as interest income unless ultimate collectability of the loan is in doubt. Cash collections on loans, where ultimate collectability remains in doubt, are applied as reductions of the loan principal balance and no interest income is recognized until the principal balance has been collected.

An allowance for credit losses is established upon origination for all loans through a provision for credit losses charged to earnings. The expected credit loss model is based on management's best estimate of lifetime expected credit losses inherent in the Bank's relevant financial assets. There are two components of the allowance for credit losses: reserves on pooled loans sharing risk characteristics (portfolio segments) and individually evaluated loans that do not fit within a portfolio segment. For loans, expected credit losses are typically estimated using quantitative methods that consider a variety of factors such as historical loss experience, the current credit quality of the portfolio as well as supportable forecasts of the economic outlook over the life of the loan. When management determines that foreclosure is probable, expected credit losses are accrued based on the differences between the loan balance and 1) the value of collateral, if such loans are considered to be collateral dependent and in the process of collection, 2) the present value of future cash flows, or 3) the loan's value as observable in the secondary market. Adjustments are made for selling costs, as appropriate. When management believes the loan is not collectible, the loan is charged off against the allowance. Subsequent recoveries, if any, are credited to the allowance.

Allowance factors and overall size of the allowance may change from period to period based on management's assessment and the relative weights given to each factor. In addition, various regulatory agencies periodically review the allowance for credit losses. These agencies may require the Bank to make additions to the allowance for credit losses based on their judgments of collectability supported by information available to them at the time of their examination.

**Loan Charge-offs**

The Bank's charge-off policy states that after all collection efforts have been exhausted and the loan is deemed to be a loss, it will be charged to the Bank's established allowance for credit losses.

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 1 – Nature of Operations and Significant Accounting Policies (Continued)**

**Loan Charge-offs (Concluded)**

Consumer loans subject to the Uniform Retail Credit Classification are charged-off as follows: (a) closed end loans are charged-off no later than 120 days after becoming delinquent, (b) consumer loans to borrowers who subsequently declare bankruptcy, where the Company is an unsecured creditor, are charged-off within 60 days of receipt of the notification from the bankruptcy court, (c) fraudulent loans are charged-off within 90 days of discovery and (d) death of a borrower will cause a charge-off to be incurred at such time an actual loss is determined. All other types of loans are generally evaluated for loss potential at the 90th day past due threshold, and any loss is recognized no later than the 120th day past due threshold; each loss is evaluated on its specific facts regarding the appropriate timing to recognize the loss.

**Loan Modifications**

In situations where, for economic or legal reasons related to a borrower's financial difficulties, the Bank grants a concession for other than an insignificant period of time to the borrower that the Bank would not otherwise consider, the related loan is classified as a loan modification. The Bank strives to identify borrowers in financial difficulty early and work with them to modify to more affordable terms before their loan reaches nonaccrual status. These modified terms may include rate reductions, principal forgiveness, payment forbearance and other actions intended to minimize economic loss and to avoid foreclosure or repossession of the collateral.

**Bank Premises and Equipment**

Bank premises and equipment are stated at cost less accumulated depreciation. The provision for depreciation is computed using straight-line and accelerated methods based on the estimated useful lives of the assets, which range from 5 to 10 years for bank equipment and 39 years for bank buildings. Expenditures for improvements, which extend the life of an asset, are capitalized, and depreciated over the asset's remaining useful life. Gains or losses realized on the disposition of properties and equipment are reflected in the statements of income. Expenditures for repairs and maintenance are charged to operating expenses as incurred.

**Bank Owned Life Insurance**

The Bank purchased single-premium life insurance on certain employees of the Bank. Appreciation in value of the insurance policy is classified in noninterest income. These insurance policies can be surrendered subject to certain surrender penalties applied by the insurance carriers, as well as potential income taxes to be paid.

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 1 – Nature of Operations and Significant Accounting Policies (Continued)**

Foreclosed Properties

Foreclosed properties include properties that have been acquired in complete or partial satisfaction of a debt. These properties are initially recorded at fair value on the date of acquisition. Any write-downs at the time of acquisition are charged to the allowance for credit losses - loans. Subsequent to acquisition, a valuation allowance is established, if necessary, to report these assets at the lower of (a) fair value minus estimated costs to sell or (b) cost. Gains and losses realized on the sale, and any adjustments resulting from periodic re-evaluation of this property are included in noninterest income or expense, as appropriate. Net costs of maintaining and operating the properties are expensed as incurred. There were no foreclosed properties at December 31, 2025 and 2024.

Revenue Recognition

In the ordinary course of business, the Bank recognizes income from various revenue generating activities. Certain revenues are generated from contracts with customers where such revenues are recognized when, or as, services or products are transferred to customers for amounts to which the Bank expects to be entitled. Certain specific policies related to revenue recognition from contracts with customers include:

Service Fees

Service fees include charges related to depository accounts under standard service agreements. Fees are generally recognized as services are delivered to or consumed by the customer or as penalties are assessed.

ATM Interchange Fees

ATM interchange fees revenue includes interchange fees from ATM cards processed through card association networks, and other transaction fees. The Bank records interchange fees as services are provided.

Income Taxes

Provisions for income taxes are based on taxes payable or refundable for the current year and deferred taxes on temporary differences between the amount of taxable income and pretax financial income and between the tax bases of assets and liabilities and their reported amounts in the financial statements. Deferred tax assets and liabilities are included in the consolidated financial statements at currently enacted income tax rates applicable to the period in which the deferred tax assets and liabilities are expected to be realized or settled.

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 1 – Nature of Operations and Significant Accounting Policies (Continued)**

As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes. In addition, deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Bank does not have uncertain tax positions that are deemed material and did not recognize any adjustments for unrecognized tax benefits. The Bank's policy is to recognize interest and penalties on income taxes in other noninterest expenses.

The Bank files consolidated tax returns in the U.S. federal jurisdiction and the State of Illinois jurisdiction. The Bancorp and its wholly owned subsidiary are no longer subject to U.S. federal and state tax examinations by tax authorities for the years before 2022.

**Fair Value Measurements**

The Bank follows the guidance of FASB ASC 825, *Financial Instruments*, and FASB ASC 820, *Fair Value Measurement*. This guidance permits entities to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. This guidance clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Under this guidance, fair value measurements are not adjusted for transaction costs. This guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

**Valuation of Long-Lived Assets**

The Bank accounts for the valuation of long-lived assets under FASB ASC 360, *Property, Plant and Equipment*. This guidance requires that long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 1 – Nature of Operations and Significant Accounting Policies (Concluded)**

**Segment Reporting**

FASB ASC 280, *Segment Reporting*, encourages nonpublic entities to report selected information about operating segments in its financial reports issued to its shareholders. Based on the analysis performed by the Bancorp, management has determined that the Bancorp only has one operating segment, which is commercial banking. The chief operating decision-makers use consolidated results to make operating and strategic decisions, and therefore, are not required to disclose any additional segment information.

**Date of Management's Review**

The Bank has evaluated the accompanying consolidated financial statements for subsequent events and transactions through February 26, 2026, the date these financial statements were available for issue, based on FASB ASC 855, *Subsequent Events*, and have determined that no material subsequent events have occurred that would affect the information presented in the accompanying consolidated financial statements or require additional disclosure.

**Note 2 – Certificates of Deposit**

The Bank had certificates of deposits totaling \$3,245,604 and \$3,721,237 at December 31, 2025 and 2024, respectively, are included in interest bearing deposits in other banks, in the accompanying consolidated financial statements. The certificates bear interest at rates ranging from 0.75% to 5.10% and have maturities ranging from March 2026 to July 2028, with penalties for early withdrawal. Any penalties for early withdrawal would not have material effect on the consolidated financial statements.

**Note 3 – Investments**

**Debt Securities Available-for-Sale**

The amortized cost and fair value of debt securities classified as available-for-sale at December 31, 2025 and 2024 are as follows:

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 3 – Investments (Continued)**

<b>December 31, 2025</b>	<b>Amortized Cost</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Fair Value</b>
Available-for-sale debt securities				
State and municipal securities	\$ 48,545,833	\$ 175,359	\$ 3,534,755	\$ 45,186,437
U.S. government and agency securities	8,768,434	12,249	223,839	8,556,844
Mortgage backed securities	29,741,753	206,050	1,997,378	27,950,425
Total available-for-sale securities	<u>\$ 87,056,020</u>	<u>\$ 393,658</u>	<u>\$ 5,755,972</u>	<u>\$ 81,693,706</u>
<b>December 31, 2024</b>	<b>Amortized Cost</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Fair Value</b>
Available-for-sale debt securities				
State and municipal securities	\$ 42,789,202	\$ 27,379	\$ 4,662,020	\$ 38,154,561
U.S. government and agency securities	10,942,485	3,477	549,780	10,396,182
Mortgage backed securities	33,940,732	22,734	3,471,500	30,491,966
Total available-for-sale securities	<u>\$ 87,672,419</u>	<u>\$ 53,590</u>	<u>\$ 8,683,300</u>	<u>\$ 79,042,709</u>
	<b>December 31, 2025</b>	<b>December 31, 2024</b>		
	<b>Amortized Cost</b>	<b>Fair Value</b>	<b>Amortized Cost</b>	<b>Fair Value</b>
<b>Available-for-Sale</b>				
Due in one year or less	\$ 4,240,759	\$ 4,215,280	\$ 3,312,529	\$ 3,289,861
Due from one to five years	12,313,297	12,035,320	13,666,389	13,155,940
Due in more than five to ten years	24,067,862	22,059,215	21,240,735	18,779,900
Due after ten years	16,692,349	15,433,479	15,512,052	13,325,060
Subtotal	<u>57,314,267</u>	<u>53,743,294</u>	<u>53,731,705</u>	<u>48,550,761</u>
Mortgage backed securities	29,741,753	27,950,412	33,940,714	30,491,948
Total	<u>\$ 87,056,020</u>	<u>\$ 81,693,706</u>	<u>\$ 87,672,419</u>	<u>\$ 79,042,709</u>

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 3 – Investments (Continued)**

Information pertaining to securities with gross unrealized losses for which an allowance for credit losses has not been recorded, aggregated by investment category and length of time that individual securities have been in a continuous loss position, are as follows:

	<u>Less Than 12 Months</u>		<u>12 Months or Greater</u>		<u>Total</u>	
	<u>Fair Value</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>	<u>Gross Unrealized Losses</u>
<b><u>December 31, 2025</u></b>						
Available-for-sale securities	\$ 4,303,638	\$ (47,554)	\$ 57,372,150	\$ (5,708,418)	\$ 61,675,788	\$ (5,755,972)
<b><u>December 31, 2024</u></b>						
Available-for-sale securities	\$ 3,778,809	\$ (33,751)	\$ 78,888,719	\$ (8,649,549)	\$ 82,667,528	\$ (8,683,300)

The bonds in an unrealized loss position at December 31, 2025 and 2024 were temporarily impaired due to the current interest rate environment and not increased credit risk. Timely principal and interest payments continue to be received from the issuer. The Bank does not intend to sell these securities and it is more likely than not that the Bank will not be required to sell before a period of time sufficient to allow for any anticipated recovery in fair value. All securities owned by the Bank are payable at par at maturity. The securities with unrealized losses consisted of 2 US Treasury all rated AAA by Moody's, 13 US Agency rated AAA by Moody's, 10 municipals rated AAA by Moody's, 8 municipals rated Aa1 by Moody's, 8 municipals rated Aa2 by Moody's, 5 municipals rated As3 by Moody's, 4 municipals rated A1 by Moody's, 1 municipal rated A2 by Moody's, 72 municipals not rated by Moody's and 102 mortgage backed securities with no rating. The aggregated book value of the securities was \$61,675,788 and \$82,667,528 at December 31, 2025 and 2024, respectively.

Included in the investment portfolio at December 31, 2025 and 2024 are securities valued at approximately \$67,655,000 and \$65,679,000, respectively, which are pledged to secure public deposits, and for other purposes required or permitted by law.

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 3 – Investments (Concluded)**

**Restricted Stock**

The following table shows the amounts of restricted stock as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Federal Home Loan Bank of Chicago	\$ 1,500,080	\$ 1,505,880
Federal Reserve Bank	155,850	155,850
Farmer Mac	<u>2,000</u>	<u>2,000</u>
	<u>\$ 1,657,930</u>	<u>\$ 1,663,730</u>

**Note 4 – Loans and Allowance for Credit Losses - Loans**

Loans consist of the following at December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Construction Real Estate	\$ 4,818,812	\$ 3,622,660
Commercial Real Estate	97,341,343	91,994,572
Other Real Estate		
Residential Real Estate	75,515,515	76,162,066
Commercial and Industrial	80,791,519	77,892,350
Consumer and Installment	18,995,192	20,770,001
Leases	<u>29,038</u>	<u>211,952</u>
Total Loans	277,491,419	270,653,601
Less: Allowance for Credit Losses - Loans	<u>(2,468,685)</u>	<u>(3,008,970)</u>
Net Loans	<u>\$ 275,022,734</u>	<u>\$ 267,644,631</u>

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 4 – Loans and Allowance for Credit Losses – Loans (Continued)**

The Bank's goal is to mitigate risks from an unforeseen threat to the loan portfolio as a result of an economic downturn or other negative influences. Plans that aid in mitigating these potential risks in managing the loan portfolio include enforcing loan policies and procedures, evaluating the borrower's business plan through the loan term, identifying, and monitoring primary and alternative sources of repayment, and obtaining adequate collateral to mitigate loss in the event of liquidation. Specific reserves are established based upon credit and/or collateral risks on an individual loan basis. A risk rating system is used to estimate potential loss exposure and to provide a measuring system for setting general and specific reserve allocations.

As of December 31, 2025 and 2024, the real estate loan portfolio constituted 64% and 63%, respectively, of the total loan portfolio. This can be broken down further into the following categories: 2% and 1% construction, 35% and 34% commercial real estate and 27% and 28% residential real estate loans, as a percentage of total loans for December 31, 2025 and 2024, respectively. The Bank's construction loans are secured by real property where the loan funds will be used to acquire land and to construct or to improve existing residential or commercial properties. Borrowers are generally required to put equity into the project at levels determined by the loan committee and usually are underwritten with a maximum term of 12 months.

Commercial real estate loans are secured by improved real property which generates income in the normal course of business. Debt service coverage, assuming stabilized occupancy, must be satisfied to support a permanent loan. The debt service coverage ratio is ordinarily at 1.25 to 1.00. These loans are generally underwritten with a term not greater than 10 years or the remaining useful life of the property, whichever is lower. The preferred term is between 3 to 5 years, with amortization to a maximum of 25 years.

Residential real estate loans are secured by the improved real property of the borrower and are usually underwritten with a term of 1 to 5 years but may be underwritten with terms up to 30 years.

The Bank also makes commercial and industrial loans for a variety of purposes, which include working capital, equipment, and accounts receivable financing. This category represents about 29% of the loan portfolio at December 31, 2025 and 2024. Loans in this category generally carry a variable interest rate. Commercial loans meet reasonable underwriting standards, including appropriate collateral and cash flow necessary to support debt service. Personal guarantees are generally required but may be limited.

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 4 – Loans and Allowance for Credit Losses – Loans (Continued)**

The following tables show the allowance for credit losses – loans for the years ended December 31, 2025 and 2024 by portfolio segment:

<u>December 31, 2025</u>	<u>Construction Real Estate</u>	<u>Other Real Estate</u>	<u>Commercial and Industrial</u>	<u>Consumer and Installment</u>	<u>Leases</u>	<u>Total</u>
Allowance for Loan Losses:						
Beginning Balance	\$ 3,957	\$ 1,032,729	\$ 1,356,667	\$ 613,413	\$ 2,204	\$ 3,008,970
Charge-offs	0	(810,178)	(882,141)	(181,986)	0	(1,874,305)
Recoveries	0	227,631	5,322	56,065	0	289,018
Provision	14,675	298,211	985,311	(251,276)	(1,919)	1,045,002
Ending Balance	<u>\$ 18,632</u>	<u>\$ 748,393</u>	<u>\$ 1,465,159</u>	<u>\$ 236,216</u>	<u>\$ 285</u>	<u>\$ 2,468,685</u>
<u>December 31, 2024</u>	<u>Construction Real Estate</u>	<u>Other Real Estate</u>	<u>Commercial and Industrial</u>	<u>Consumer and Installment</u>	<u>Leases</u>	<u>Total</u>
Allowance for Loan Losses:						
Beginning Balance	\$ 112,130	\$ 1,532,874	\$ 881,024	\$ 335,518	\$ 3,163	\$ 2,864,709
Charge-offs	0	(86,327)	0	(96,759)	0	(183,086)
Recoveries	0	9,365	2,400	75,582	0	87,347
Provision	(108,173)	(423,183)	473,243	299,072	(959)	240,000
Ending Balance	<u>\$ 3,957</u>	<u>\$ 1,032,729</u>	<u>\$ 1,356,667</u>	<u>\$ 613,413</u>	<u>\$ 2,204</u>	<u>\$ 3,008,970</u>

Credit quality indicators as of December 31, 2025 and 2024 are as follows:

The Bank's internally assigned grade:

Pass – Loans in this category have strong asset quality and liquidity along with a multi-year track record of profitability.

Watch – Loans in this category have specific weaknesses which can be corrected and are not seriously harmful to the Bank's overall position in credit. Also, the borrower may be performing as agreed but may be adversely affected by developing problems. Additional monitoring may be required.

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 4 – Loans and Allowance for Credit Losses – Loans (Continued)**

**Special Mention** – Loans in this category are currently protected but are potentially weak. The credit risk may be relatively minor yet constitute an increased risk in light of the circumstances surrounding a specific loan.

**Substandard** – Loans in this category show signs of continuing negative financial trends and unprofitability at various times, and therefore, are inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any.

**Doubtful** – Loans in this category are illiquid and highly leveraged, have negative net worth, cash flow, and continuing trend serious losses. The possibility of loss is extremely high, but because of certain important and reasonably specific pending factors which may work to the advantage and strengthening of the asset, its classification as loss is deferred until its more exact status may be determined.

**Loss** – Loans in this category are considered uncollectible and of such little value that their continuance as bankable loans is not warranted. This classification does not mean that the loan has no recovery value, but that it is not practical to defer writing it off, even though partial recovery may be achieved in the future. Such credits should be recommended for charge-off.

Credit Exposure  
Credit Risk Profile by Internally Assigned Grade  
As of December 31, 2025

Grade:	Construction Real Estate		Other Real Estate		
	Residential	Other	Farmland	Residential	Other
Pass	\$ 2,141,821	\$ 2,676,991	\$ 59,575,010	\$ 73,094,378	\$ 22,046,451
Watch	0	0	12,937,948	1,346,495	266,914
Special Mention	0	0	1,246,795	146,162	0
Substandard	0	0	342,550	928,480	925,675
Total	<u>\$ 2,141,821</u>	<u>\$ 2,676,991</u>	<u>\$ 74,102,303</u>	<u>\$ 75,515,515</u>	<u>\$ 23,239,040</u>

Credit Exposure  
Credit Risk Profile by Internally Assigned Grade  
As of December 31, 2025 (Concluded)

Grade:	Commercial and Industrial	Consumer and Installment		Financing Leases
		Automobile	Other	
Pass	\$ 66,395,996	\$ 8,837,862	\$ 9,938,718	\$ 29,038
Watch	11,654,100	9,200	14,813	0
Special Mention	917,245	0	0	0
Substandard	1,824,178	154,190	40,409	0
Total	<u>\$ 80,791,519</u>	<u>\$ 9,001,252</u>	<u>\$ 9,993,940</u>	<u>\$ 29,038</u>

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 4 – Loans and Allowance for Credit Losses – Loans (Continued)**

Credit Exposure					
Credit Risk Profile by Internally Assigned Grade					
As of December 31, 2024					
	Construction Real Estate			Other Real Estate	
Grade:	Residential	Other	Farmland	Residential	Other
Pass	\$ 2,112,353	\$ 1,510,307	\$ 59,374,921	\$ 74,342,645	\$ 21,804,328
Watch	0	0	5,010,419	819,066	159,664
Special Mention	0	0	3,484,468	148,316	0
Substandard	0	0	1,430,306	852,039	730,466
Total	\$ 2,112,353	\$ 1,510,307	\$ 69,300,114	\$ 76,162,066	\$ 22,694,458

Credit Exposure				
Credit Risk Profile by Internally Assigned Grade				
As of December 31, 2024 (Concluded)				
	Consumer and Installment			Financing
Grade:	Commercial and Industrial	Automobile	Other	Leases
Pass	\$ 70,967,703	\$ 9,186,485	\$ 11,165,723	\$ 211,952
Watch	1,844,724	41,624	0	0
Special Mention	2,155,260	0	0	0
Substandard	2,924,663	138,594	237,575	0
Total	\$ 77,892,350	\$ 9,366,703	\$ 11,403,298	\$ 211,952

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 4 – Loans and Allowance for Credit Losses – Loans (Continued)**

Age analysis tables of past due loans as of December 31, 2025 and 2024 are as follows:

<b><u>December 31, 2025</u></b>	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans
Construction real estate:						
Residential	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,141,820	\$ 2,141,820
Other	168,925	0	0	168,925	2,508,067	2,676,992
Other real estate:						
Farmland	0	0	0	0	74,102,303	74,102,303
Residential	767,299	136,512	332,588	1,236,399	74,279,116	75,515,515
Other	80,949	0	0	80,949	23,158,091	23,239,040
Commercial	80,932	0	249,932	330,864	80,460,655	80,791,519
Consumer:						
Automobile	0	31,745	109,590	141,335	8,859,917	9,001,252
Other	200,434	19,205	16,829	236,468	9,757,472	9,993,940
Leases	0	0	0	0	29,038	29,038
Total	<u>\$ 1,298,539</u>	<u>\$ 187,462</u>	<u>\$ 708,939</u>	<u>\$ 2,194,940</u>	<u>\$ 275,296,479</u>	<u>\$ 277,491,419</u>

<b><u>December 31, 2024</u></b>	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans
Construction real estate:						
Residential	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,112,353	\$ 2,112,353
Other	0	0	0	0	1,510,307	1,510,307
Other real estate:						
Farmland	72,757	0	0	72,757	69,227,357	69,300,114
Residential	619,649	247,634	378,773	1,246,056	74,916,010	76,162,066
Other	0	0	0	0	22,694,458	22,694,458
Commercial	243,044	155,675	1,131,153	1,529,872	76,362,478	77,892,350
Consumer:						
Automobile	98,266	68,898	75,231	242,395	9,124,308	9,366,703
Other	312,476	63,068	137,855	513,399	10,889,899	11,403,298
Leases	0	0	0	0	211,952	211,952
Total	<u>\$ 1,346,192</u>	<u>\$ 535,275</u>	<u>\$ 1,723,012</u>	<u>\$ 3,604,479</u>	<u>\$ 267,049,122</u>	<u>\$ 270,653,601</u>

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 4 – Loans and Allowance for Credit Losses – Loans (Concluded)**

Information on nonaccrual loans as of December 31, 2025 and 2024 is as follows:.

	<u>2025</u>	<u>2024</u>
Other real estate:		
Residential	\$ 412,294	\$ 460,626
Other	0	0
Commercial	249,932	1,131,153
Consumer:		
Automobile	109,590	75,231
Other	16,829	210,982
	<u>\$ 788,645</u>	<u>\$ 1,877,992</u>

At December 31, 2025 and 2024, there were no commitments to lend additional funds to borrowers whose loans have been modified.

**Note 5 – Bank Premises and Equipment**

Bank premises and equipment consisted of the following at December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cost:		
Land	\$ 66,000	\$ 66,000
Bank premises	5,917,186	6,683,951
Equipment	4,328,522	4,804,093
Total cost	<u>10,311,708</u>	<u>11,554,044</u>
Less accumulated depreciation	(6,333,165)	(7,448,101)
Net book value	<u>\$ 3,978,543</u>	<u>\$ 4,105,943</u>

Depreciation and amortization charged to operations amounts to \$327,445 in 2025 and \$376,367 in 2024.

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 6 – Deposits**

Certificates of deposit and other time deposits issued in denominations that meet or exceed the FDIC insurance limit of \$250,000 or more are totaled approximately \$69,295,601 and \$56,616,211, at December 31, 2025 and 2024, respectively, and are included in time deposits in the consolidated balance sheet.

At December 31, 2025, the maturity distribution of time deposits are as follows:

2026	\$	89,410,644
2027		16,745,165
2028		11,068,676
2029		1,091,194
2030		5,101,153
Total		\$ 123,416,832

**Note 7 – Borrowings**

**FHLB Advances**

Federal Home Loan Bank (FHLB) advances consisted of the following on December 31,

	<b>2025</b>	<b>2024</b>
Three and five advances payable at maturity, interest ranging from 4.25% to 4.66% and 2.46% to 4.66% are due monthly for the years ended December 31, 2025 and 2024, respectively.	\$ 10,044,749	\$ 14,411,828

The advances are collateralized by certain loans receivable. The carrying amount of the loans pledged to the FHLB as of December 31, 2025 and 2024 was \$90,221,000 and \$171,796,000, respectively.

As of December 31, 2025, the Bank had FHLB Letters of Credit securing the Wabash County Treasurer, Wabash General Hospital, City of Mount Carmel, Mt. Carmel Public Library, Allendale School District 17, Illinois State Treasurer, Carmi White County CUSD #5, City of Carmi IL, and City of Mount Carmel Police Pension Fund with deposits in the amount of \$55,875,000.

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 7 – Borrowings (Concluded)**

As of December 31, 2025 maturities of FHLB advances are as follows for the years ending:

2026	\$	0
2027		0
2028		7,232,590
2029		2,812,159
2030		0
Thereafter		0
		<hr/> <u>\$ 10,044,749</u>

**Note 8 – Line of Credit**

The Bank has a secure line of credit with the Federal Reserve Bank. The amount available for borrowing fluctuates monthly. The amount available on December 31, 2025 was \$11,040,772. Under the agreement the Bank is required to pledge collateral to the Federal Reserve Bank. On December 31, 2025, the Bank has pledged consumer loans in the amount of \$13,737,000 to secure this loan. There were no borrowings under this credit facility on December 31, 2025 and 2024. This line of credit can be used for overnight purchases and carries an interest rate of 3.75%.

**Note 9 – Employee Benefits**

The Bank sponsors a defined contribution 401(k) profit-sharing plan for all full-time employees who have completed one year of service. Employees may participate by contributing a percentage of income as a savings supplement to the plan through payroll deductions. Bank contributions to the plan for December 31, 2025 and 2024 were \$183,338 and \$179,900, respectively.

The Bank provides a supplemental executive retirement plan (SERP) for certain bank executives. The bank is using a cash value life insurance policy to finance the SERP agreement. Expenses under this plan were \$151,128 and \$155,447, respectively. Benefits paid from this plan as of December 31, 2025 and 2024 were \$91,000 and \$86,000, respectively.

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 10 – Income Taxes**

Significant components of the Bank's deferred tax assets and liabilities at December 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Deferred tax assets:		
Allowance for loan losses	\$ 1,017,520	\$ 703,925
Director benefits payable	607,909	578,965
Net unrealized loss on securities available-for-sale	1,136,683	2,632,062
Other	<u>734,125</u>	<u>341,630</u>
	<u>3,496,237</u>	<u>4,256,582</u>
Deferred tax liabilities:		
Depreciation	(253,379)	(260,090)
Prepaid expenses	<u>(144,372)</u>	<u>(137,360)</u>
	<u>(397,751)</u>	<u>(397,450)</u>
Net deferred tax asset	<u>\$ 3,098,486</u>	<u>\$ 3,859,132</u>

The deferred tax asset is included in the consolidated balance sheets in the other assets line. There is no valuation allowance for deferred taxes.

Significant components of the provision for income taxes for the years ended December 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Taxes currently payable		
Federal	\$ 561,434	\$ 794,454
State	<u>361,581</u>	<u>323,599</u>
	923,015	1,118,053
Deferred expense (benefit)	<u>253,230</u>	<u>18,691</u>
Total tax expense	<u>\$ 1,176,245</u>	<u>\$ 1,136,744</u>

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 10 – Income Taxes (Concluded)**

The provision for income taxes differs from that computed by applying statutory rates to income before income tax expense, as indicated in the following analysis:

	<b>2025</b>	<b>2024</b>
Federal statutory income tax at statutory rates	\$ 787,418	\$ 819,028
State income tax expense at statutory rates	403,073	287,979
Adjustments related to:		
Tax exempt interest	(183,819)	(175,277)
Nondeductible expense	38,296	36,720
Other tax exempt income	(48,160)	(48,160)
Other differences	179,437	216,454
Total income tax expense	\$ 1,176,245	\$ 1,136,744

**Note 11 – Stockholders’ Equity**

**Restrictions on Dividends:**

The number of dividends the Bank can pay to the Bancorp without prior regulatory approval is limited to its net profits for the current year plus its retained net profits for the preceding two years. At December 31, 2025, the Bank was limited from paying dividends to the Bancorp in excess of \$11,053,761. The Bank paid approximately \$938,000 and \$891,000 in dividends in December 31, 2025 and 2024.

The Federal Reserve Board has established guidelines with respect to the maintenance of appropriate levels of capital by registered bank holding companies. Compliance with such standards, as presently in effect, or as they may be amended from time to time, could possibly limit the number of dividends that the Bank may pay in the future. In 1985, the Federal Reserve Board issued a policy statement on the payment of cash dividends by bank holding companies. In the statement, the Federal Reserve Board expressed its view that a holding company experiencing earnings weaknesses should not pay cash dividends exceeding its net income, or which could only be funded in ways that weaken the holding company’s financial health, such as by borrowing.

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 11 – Stockholders’ Equity (Continued)**

**Restrictions on Lending From Subsidiary to Parent**

Federal law imposes certain restrictions limiting the ability of the Bank to transfer funds to Bancorp in the form of loans or advances. Section 23A of the Federal Reserve Act prohibits the Bank from making loans or advances to Bancorp in excess of 10 percent of its capital stock and surplus, as defined therein. There were no loans or advances outstanding at December 31, 2025 and 2024.

**Capital:**

The Bank is subject to various regulatory capital requirements administered by federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Bank’s financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank’s assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The Bank’s capital amounts, and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors. Prompt correctible action provisions are not applicable to bank holding companies.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the table below) of total and Tier I capital (as defined in the regulations) to average assets (as defined). Management believes, as of December 31, 2025 and 2024, that the Bank meets all capital adequacy requirements to which it is subject. In addition to these requirements, banking organizations must maintain a 2.5% capital conservation buffer consisting of common Tier I equity to avoid limits on capital distributions and certain bonus payments to executive officers and similar employees.

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

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 11 – Stockholders’ Equity (Concluded)**

**Capital (Concluded):**

The Bank’s actual capital amounts and ratios at December 31, 2025 and 2024 are presented in the following table:

**REGULATORY CAPITAL RATIOS**

	<u>Actual</u>		<u>For Capital Adequacy Purposes:</u>				<u>To Be Well Capitalized Under Prompt Corrective Action Provisions:</u>	
	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>		
As of December 31, 2025:								
Tier I Capital								
(to Average Assets)	\$ 39,812,000	9.21%	≥ \$	17,285,560	≥ 4.50%	≥ \$	28,089,035	≥ 6.50%
As of December 31, 2024:								
Tier I Capital								
(to Average Assets)	\$ 36,927,000	9.53%	≥ \$	17,429,625	≥ 4.50%	≥ \$	25,176,125	≥ 6.50%

**Note 12 – Fair Value Financial Instruments**

FASB ASC 825, *Financial Instruments*, permits entities to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. The election to use the fair value option is available when an entity first recognizes a financial asset or financial liability or upon entering into a Bank commitment. Subsequent changes must be recorded in earnings.

FASB ASC 820, *Fair Value Measurement*, clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Under this guidance, fair value measurements are not adjusted for transaction costs. This guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 12 – Fair Value Financial Instruments (Continued)**

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under this guidance are described below.

Level 1: Valuations for assets and liabilities traded in active exchange markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2: Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or comparable assets or liabilities which use observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities in active markets; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The types of instruments valued based on quoted market prices in active markets include most U.S. government and agency securities, liquid mortgage products, active listed equities, and most money market securities. Such instruments are generally classified within Level 1 or Level 2 of the fair value hierarchy. As required by this guidance, the Bank does not adjust the quoted price for such instruments.

The types of instruments valued based on quoted prices in markets that are not active, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency include most investment-grade and high-yield corporate bonds, less liquid mortgage products, less liquid equities, state, municipal and provincial obligations, and certain physical commodities. Such instruments are generally classified within Level 2 of the fair value hierarchy.

For collateral dependent loans, market value is measured based on the value of the collateral securing these loans and is classified at a Level 3 in the fair value hierarchy. Collateral may be real estate and/or business assets including equipment, inventory and/or accounts receivable. The value of real estate collateral is determined based on appraisal by qualified licensed appraisers hired by the Bank.

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 12 – Fair Value Financial Instruments (Continued)**

The value of business equipment, inventory, and accounts receivable collateral is based on the net book value on the business' financial statements and, if necessary, discounted based on management's review and analysis.

Level 3 is for positions that are not traded in active markets or are subject to transfer restrictions, valuations are adjusted to reflect illiquidity and/or non-transferability, and such adjustments are generally based on available market evidence. In the absence of such evidence, management's best estimate is used.

**Cash and Due From Banks**

The carrying amounts reported on the Consolidated Balance Sheets for cash and due from banks approximate those assets' fair values.

**Available-for-Sale-Securities and Restricted Stock**

Fair values for available-for-sale securities are based on quoted market prices, except for certain restricted stocks where fair value equals par value because of certain redemption restrictions.

**Accrued Interest**

The carrying amounts of accrued interest approximate fair values.

**Federal Home Loan Bank Advances**

The fair value of Federal Home Loan Bank Advances is estimated using a discounted cash flow analysis.

The following tables set forth the Bank's assets and liabilities that were accounted for at fair value on a recurring basis as of December 31, 2025 and 2024.

	2025		Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Carrying Amount	Fair Value			
Financial Assets:					
Investment securities	\$ 81,693,706	\$ 81,693,706	\$ 0	\$ 81,693,706	\$ 0
Federal Home Loan Bank stock, restricted	1,657,930	1,657,930	0	1,657,930	0
Other stock, restricted	0	0	0	0	0

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 12 – Fair Value Financial Instruments (Continued)**

	2024		Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Carrying Amount	Fair Value			
Financial Assets:					
Investment securities	\$ 79,042,709	\$ 79,042,709	\$ 0	\$ 79,042,709	\$ 0
Federal Home Loan Bank stock, restricted	1,663,730	1,663,730	0	1,663,730	0
Other stock, restricted	0	0	0	0	0

**Impaired Loans**

Impaired loans are evaluated and valued at the time the loan is identified as impaired, using the present value of expected cash flows (if used, such amounts are not included in the following tables), the loan's observable market price or the fair value of the collateral (less cost to sell) if the loans are collateral dependent.

Market value is measured based on the value of the collateral securing these loans and is classified at a Level 2 in the fair value hierarchy. Collateral may be real estate and/or business assets including equipment, inventory and/or accounts receivable. The value of real estate collateral is determined based on appraisal by qualified licensed appraisers hired by the Bank. The value of business equipment, inventory and accounts receivable collateral is based on the netbook value on the business' financial statements and, if necessary, discounted based on management's review and analysis. Discounts applied to appraisals have been in the range of 0% to 50%. Impaired loans are reviewed and evaluated on at least a quarterly basis for additional impairment and adjusted accordingly, based on the same factors identified above.

The following tables set forth the Bank's financial assets that were accounted for at fair value on a nonrecurring basis as of December 31, 2025 and 2024:

<b>December 31, 2025</b>	Fair Value	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Impaired loans				
Other real estate	\$ 412,294	\$ 0	\$ 412,294	\$ 0
Commercial and industrial	249,932	0	249,932	0
Consumer and installment	126,419	0	126,419	0
Total impaired loans	<u>\$ 788,645</u>	<u>\$ 0</u>	<u>\$ 788,645</u>	<u>\$ 0</u>

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 12 – Fair Value Financial Instruments (Concluded)**

<b>December 31, 2024</b>	<b>Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Impaired loans				
Other real estate	\$ 460,626	\$ 0	\$ 460,626	\$ 0
Commercial and industrial	1,131,153	0	1,131,153	0
Consumer and installment	286,213	0	286,213	0
Total impaired loans	<u>\$ 1,877,992</u>	<u>\$ 0</u>	<u>\$ 1,877,992</u>	<u>\$ 0</u>

**Note 13 – Transactions with Related Parties**

Loans:

In the normal course of banking business, loans are made to officers and directors of the Bank, as well as to their affiliates.

Such loans are made in the ordinary course of business with substantially the same terms (including interest rates and collateral) as those prevailing at the time for comparable transactions with other persons. They do not involve more than the normal risk of collectability or present other unfavorable features. An analysis of the activity during December 31, 2025 and 2024 is as follows:

	<b>2025</b>	<b>2024</b>
Balance, January 1,	\$ 7,217,414	\$ 10,034,527
New loans	9,999,870	1,783,152
Less loan repayments	(6,293,558)	(4,600,265)
Balance, December 31,	<u>\$ 10,923,726</u>	<u>\$ 7,217,414</u>

**ALLENDALE BANCORP, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2025 and 2024**

**Note 13 – Transactions with Related Parties (Concluded)**

**Deposits:**

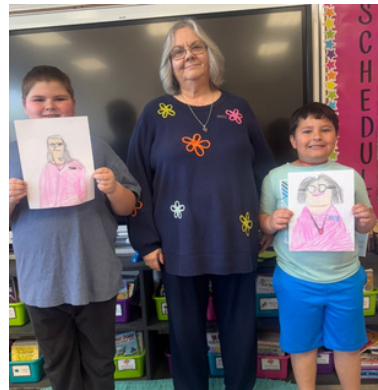
The deposits from related parties totaled \$20,139,150 and \$8,695,613 at December 31, 2025 and 2024, respectively.

**Note 14 – Commitments and Contingencies**

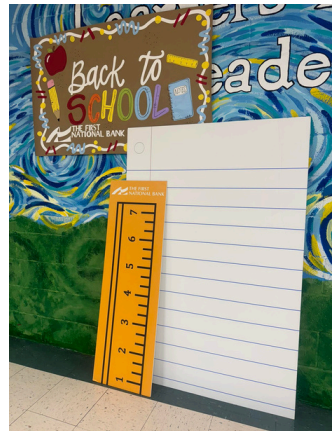
In the normal course of business, there are outstanding commitments, contingent liabilities and other financial instruments that are not reflected in the accompanying consolidated financial statements. These commitments to extend credit and standby letters of credit, which are some of the instruments used by the Bank to meet the financing needs of its customers. These instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amounts recognized in the consolidated balance sheets.

Outstanding standby letters of credit which are not reflected in the consolidated balance sheets were \$6,356,882 on December 31, 2025 and \$6,211,952 on December 31, 2024. The Bank evaluates each customer's creditworthiness on a case-by-case basis. As of December 31, 2025 and 2024, standby letters of credit of \$1,625,684 and \$1,620,184, respectively, were unsecured. The Bank has not had any standby letters of credit drawn upon as of December 31, 2025 and 2024. The Bank does not anticipate any material losses as a result of these transactions.

# OUR YEAR IN PHOTOS



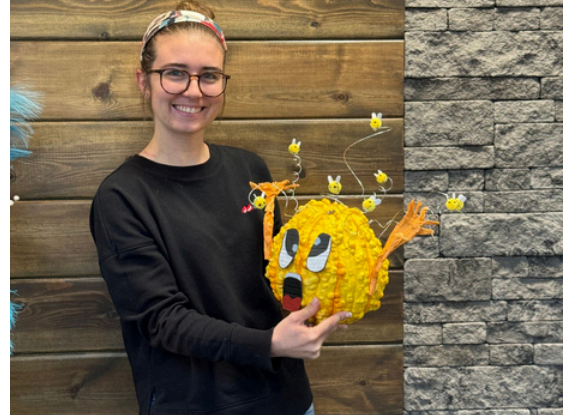
# OUR YEAR IN PHOTOS



# OUR YEAR IN PHOTOS



# OUR YEAR IN PHOTOS



# DIRECTORS, OFFICERS, AND EMPLOYEES

## Directors

### Allendale Bancorp, Inc. and The First National Bank of Allendale

Shane E. Gray  
President, Gray's Cabinet Co.  
Farmer  
Chairman of the Board,  
The First National Bank of Allendale

Dean H. Ackerman  
Retired Bank Executive

Michael A. Dunkel  
Retired Businessman

Philip G. Hipsher  
Certified Public Accountant  
Self-employed Businessman

Bryan K. Loeffler  
Self-employed Businessman

Douglas D. McPherson  
Self-employed Businessman

Donald W. Price  
Bank Executive  
President & Chief Executive Officer  
The First National Bank of Allendale

Michael E. White  
Oil Producer, Geologist  
President, W-Technologies, Inc.

### Director Emeritus.

Robert J. Coleman  
Retired Bank Executive

## Officers

### Allendale Bancorp, Inc.

Shane E. Gray  
Chairman of the Board

Donald W. Price  
President

Bryan K. Loeffler  
Secretary/Treasurer

## Officers

### The First National Bank of Allendale

Donald W. Price  
President & CEO

Michael K. Carter  
Senior Vice President &  
Chief Credit Officer

David R. Guinnip  
Senior Vice President &  
Senior Loan Officer

Tamara J. McFarland  
Senior Vice President  
Chief Operating Officer & Cashier

Kristin S. Schrader  
Senior Vice President &  
Chief Financial Officer

Bethany G. Cross  
Vice President  
Chief Risk Officer &  
Audit Manager

Sean J. Oglesby  
IT Manager & Chief  
Technology Officer

Gregg W. Wilcox  
Vice President &  
Credit Administration

Mark S. Epperson  
Vice President Commercial Lending

Rodney D. Loeffler  
Vice President & Loan Officer

Alexis N. McFarland  
Assistant Vice President & Loan Officer

Elizabeth E. Fiero  
Assistant Cashier &  
Executive Assistant

Elizabeth A. Dunn  
Assistant Vice President

Julia A. Tennes  
Assistant Vice President &  
Mortgage Loan Originator

Morganna P. Thread  
Assistant Vice President  
Credit Operations

Raegan Sweppy  
BSA Officer

## Officers

### The First National Bank of Allendale (Concluded)

Sarah E. Ile  
Assistant Vice President &  
Mortgage Loan Officer

Rae Lynn Barbre  
Assistant Vice President &  
Loan Officer

Michelle Wyatt  
West Salem Branch Manager

Kimberly K. Reilly  
Assistant Cashier

Laura J. Polston  
Assistant Cashier

Heather N. McFarland  
Assistant Cashier &  
Universal Banker

Marcerie Lewis  
Consumer Loan Officer

### Employees of The First National Bank of Allendale

Mark Bader	Kirby Hunt
Jennifer Barbee	Missy Judge
Amy Bell	Halley Kocher
Lauren Berberich	Cortney Madden
Shannon Blake	Becky McDowell
Shelby Bozarth	Jammie Meredith
Dee Breen	Kaylen Miller
Nevaeh Brock	Zach Parkhurst
Caytlin Clark	Brinkley Polston
Phil Coleman	Trisha Roser
Tabitha Cross	Brooke Sanders
Taylor Deisher	Christina Smith
Kyler Fisher	Charles Stoltz
Cami Golden	Hannah Taylor
Jenna Gowen	Jillian Wall
Mary Harness	Brandy Wayland
Susan Hawkins	Jennifer York
Tara Hayes	



**THE FIRST  
NATIONAL BANK**



**ALLENDALE  
BANCORP, INC.**

# 2025 ANNUAL REPORT

**FNBA.BANK**

**P.O. Box 9, 301 East Main St.  
Allendale, IL 62410**

**Member  
FDIC**



