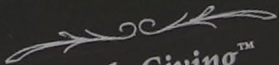
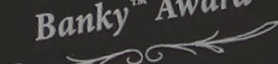




Annual Report 2025


**EXTRAORDINARY
BANKING
AWARDS**
Buckeye Community Bank

Category Excellence Winner
Banks Below \$300 Million in Assets


**BanksGiving™
Banky™ Award**


2025 Extraordinary Banking™ Awards


2025 Ohio BankPac
Shining Star
Buckeye Community Bank



OBL
Ohio Bankers
League
OBL Five Pillars Award
Buckeye
Community Bank
2025



Buckeye
COMMUNITY BANK

BUCKEYE BANCSHARES, INC.
ELYRIA, OHIO

ANNUAL REPORT
December 31, 2025 and 2024

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Dear Shareholders,

Taking stock of Buckeye Community Bank's progress and position during 2025, we are proud and optimistic about our future momentum. Our strategic investments are now generating measurable returns for you, our shareholders, and enhanced value for our clients and communities.

With a clear vision for Buckeye's future, its leaders made the deliberate choice to grow the institution. Through thoughtful growth in our physical presence, addition of staff in key areas, and investments in training and technology, we are able to compete for clients, deposits, and loans while remaining true to our mission of serving our region with exceptional banking solutions and strong relationships.

Delivering Results through Sound Strategy

Buckeye's strategic position is strong, and the investments made together drive long-term growth and profitability. In 2025, Buckeye grew its assets by \$13.7 million (5.86%), while its loan portfolio grew by \$18.4 million (10.41%), and deposits by \$11.8 million (5.76%). Buckeye's growth in these key financial metrics was driven by maintaining excellent asset quality, with non-performing loans totaling \$25.8 thousand, or 0.01% of total assets.

During the past year, growth has come from deepening relationships and attracting new customers who appreciate the "Buckeye Way of Banking". For our shareholders, the book value of Buckeye Bancshares, Inc. increased to \$26.56 (4.36%), with an increased dividend paid of \$0.27 (3.85%), reflecting the combination of profitable operations and a disciplined approach to capital management. The results reaffirm the strength of our strategies and give us confidence as we prepare for our next phase of growth.

Last year, Buckeye Bancshares, Inc. appointed Timothy S. Harris to its Board of Directors. With decades of distinguished experience in the insurance and risk management field, Harris, who has deep roots in Lorain County, is a prominent insurance and risk management executive with nearly four decades of leadership in the field. Currently, he serves as President and Chief Executive Officer of Insurance Board, a company that provides insurance coverage and risk management solutions to more than 4,000 churches and ministries.

Growth has not occurred by accident, but rather by design. Across the organization, Buckeye's strategic direction has been embraced with remarkable unity. It is our team's dedication and expertise that continue to fuel our success and separate us from our competitors.

Building Stronger Community Connections

In 2025, Buckeye was honored as one of America's best community banks by the Institute for Extraordinary Banking for the third consecutive year for its exemplary commitment to customer service, community engagement, and innovation. Buckeye was further recognized by the Institute with the BanksGiving Bank Award, celebrating outstanding philanthropy and commitment to positively shaping its community. Additionally, the Ohio Bankers League awarded Buckeye its prestigious Five Pillar Award, recognizing contributions to community development, products and services, financial education, and local economic growth.

As community bankers, we take pride in connecting our daily work to meaningful, tangible impact. Our team actively supports organizations such as Second Harvest Food Bank, Good Knights of Lorain County, and Friendship APL. Through our Buckeye Cares initiative, we have raised funds and collected supplies for Neighborhood Alliance, the North Coast Rotary Blanket Drive, and the Rapha Academy School Supply Drive. This year, our annual report cover was designed by a student in the Digital Media Arts program at the Lorain County Joint Vocational School – a testament to the remarkable talent and creativity of these students.

Individually, you can find our teammates giving their time and talents to Lorain County Community College Foundation, Riveon Mental Health and Recovery, Lorain Community Music Theater, Save Our Children, Lorain Historical Society, American Cancer Society, Blessing House, Main Street Amherst, Main Street Lorain, Lorain County Community College Board of Trustees, Lorain County Workforce Development Board, Lorain County Revolving Loan Fund, Growth Capital Loan Committee, Ohio Bankers League Board of Directors, Alzheimer Foundation, LaGrange Lions Club, Lorain Rotary and Elyria Rotary, as well as volunteering with local schools.

We are not just representing the bank in these connections; we are building the personal relationships that are the foundation of community banking. These efforts show our deep ties to the communities we serve, positioning Buckeye as fundamentally different from other institutions that may not live or invest here in the same way.

Prepared for What's Next

The foundation we have built together positions Buckeye exceptionally well for the future. Among our top priorities in the coming year are expanding business development efforts, exploring non-interest income opportunities, building deeper relationships, and improving efficiency. Our focus will remain on growing where we can add genuine value and maintaining our credit quality and risk management.

We have the scale and product offerings to compete more effectively, the talent to pursue more sophisticated opportunities, and the systems to support our growth, all while maintaining Buckeye's relationship banking model.

Your continued support and trust in Buckeye's vision and leadership is greatly appreciated. The investment you make in Buckeye supports this vital financial institution and a critical community partner that assists residents with their financial journey, helps businesses create jobs, and ensures that neighborhoods thrive.

Sincerely,



James A. Park
Chairman of the Board

Respectfully,



Ben P. Norton
President & Chief Executive Officer

Changes in Financial Condition: Total assets at December 31, 2025, were \$247.6 million, an increase of 5.97% compared to \$233.9 million at December 31, 2024. Total loans increased \$18.4 million or 10.41%, to \$195.2 million at December 31, 2025, compared to \$176.8 million at December 31, 2024.

Nonperforming assets consisting of nonaccrual loans, loans past due 90 days and still accruing was \$25.8 thousand, or 0.01% of total assets at December 31, 2025 compared to \$41.8 thousand, or 0.02% of total assets, at December 31, 2024. Net charge-offs (recoveries) decreased during 2025 to (\$75.8) thousand from (\$158.7) thousand, at December 31, 2024. The allowance for loan loss at December 31, 2025, now covers nonperforming loans at 8,691.72%, up from 5,126.34% at December 31, 2024. The allowance for credit losses increased to \$2.2 million for 2025 from \$2.1 in 2024.

Buckeye Bancshares, Inc. funds earning asset growth through its deposit relationships. Deposits increased \$11.8 million or 5.76% to \$216.3 million at December 31, 2025.

Total shareholders' equity increased \$2.1 million or 9.14% to \$25.7 million at December 31, 2025. At December 31, 2025, Buckeye Community Bank and Buckeye Bancshares, Inc. met all regulatory capital levels to be considered well-capitalized (see Note 14 to the Consolidated Financial Statements). In 2025, Buckeye Bancshares, Inc. paid a dividend of \$0.27 per share, representing a yield of 1% on book value. The book value increased \$1.11 or 4.36% to \$26.56 at December 31, 2025 from \$25.45 at December 31, 2024.

Earnings Summary: 2025 marked another year of strong, consistent financial performance for Buckeye Bancshares, Inc. net income for 2025 was \$1.2 million, or \$1.16 per diluted share, compared to \$625.9 thousand, or \$0.61 per diluted share, in 2024. Return on average assets and equity were 0.50% and 4.85% respectively for 2025, compared to 0.28% and 2.71% for 2024.

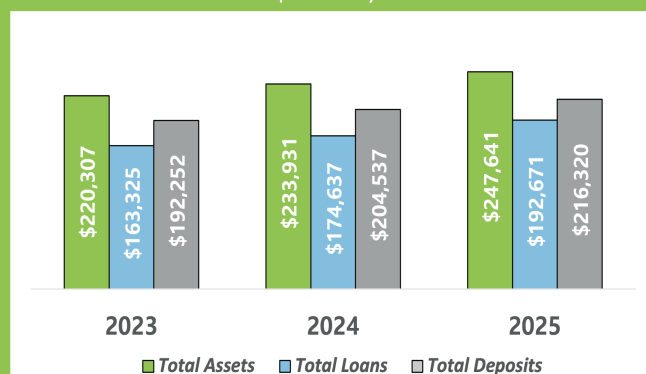
Results for 2025 included an increase in net interest income of \$881.0 thousand, or 11.03%, which came from the bank's overall growth and strong pricing practices.

Operating revenue (net interest income plus non-interest income) was up compared to the prior year by \$965.4 thousand, or 11.36%. The strategic execution of our loan and deposit growth and pricing during the year contributed to a 17-basis point increase in net interest margin to 4.04% for 2025. There was an increase in non-interest income of \$84.3 thousand which is attributed to the continued growth of the bank and an increase in residential lending activity.

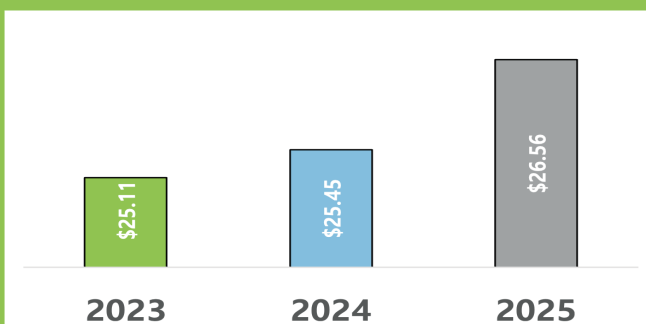
Total non-interest expense was \$8.0 million for 2025 compared to \$7.9 million in 2024, representing a \$48.9 thousand, or 0.62%, increase year-over-year. Total full-time equivalent employees ended 2025 at 46.

Assets, Loans & Deposits

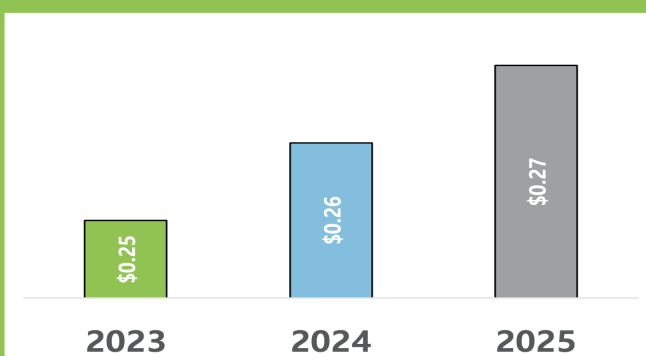
(in thousands)



Book Value Per Share



Dividend Paid Per Share



SELECTED FINANCIAL DATA

(in thousands, except share and per share amount)

FINANCIAL STATEMENT HIGHLIGHTS	2023	2024	2025
Total Assets	\$ 220,307	\$ 233,391	\$ 247,641
Total Loans (Net)	163,325	174,637	192,671
Total Deposits	192,252	204,537	216,320
Shareholder Equity	22,685	23,502	25,650
Loan Loss Reserve	2,155	2,142	2,246
Net Loan Losses (Recoveries)	97	(159)	(76)

SELECTED RATIOS

Return on Average Assets	0.79%	0.28%	0.50%
Return on Average Equity	8.15%	2.71%	4.85%
Loans to Deposits	86.07%	86.23%	90.02%
Primary Capital to Total Assets	10.30%	10.05%	10.36%
Loan Loss Reserve to Loans	1.30%	1.21%	1.15%
Net Loan Losses to Total Loans	0.06%	-0.09%	-0.04%
Efficiency Ratio	71.17%	88.89%	81.07%

PER SHARE DATA

Basic Earnings per Share	\$ 1.71	\$ 0.61	\$ 1.16
Fully Diluted Earnings	1.71	0.61	1.16
Dividends Paid	0.25	0.26	0.27
Book Value	25.11	25.45	26.56
Shares Outstanding	1,016,414	1,022,885	1,029,879



INDEPENDENT AUDITOR'S REPORT

Board of Directors and Shareholders
Buckeye Bancshares, Inc.
Elyria, Ohio

Opinion

We have audited the accompanying consolidated financial statements of Buckeye Bancshares, Inc. and subsidiary (the "Company"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024; the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the years then ended; and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying 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 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 (GAAS). 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 the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

PITTSBURGH, PA

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PHILADELPHIA, PA

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Conshohocken, PA 19428
(610) 278-9800

WHEELING, WV

980 National Road
Wheeling, WV 26003
(304) 233-5030

STEUBENVILLE, OH

511 N. Fourth Street
Steubenville, OH 43952
(304) 233-5030



Responsibilities of Management for the Financial Statements (Continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 GAAS 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 the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the 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 the Company'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company'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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Letter to Shareholders and Financial Highlights but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.



Other Information (Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

S.H. Snodgrass P.C.

Cranberry Township, Pennsylvania
March 16, 2026

BUCKEYE BANCSHARES, INC.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Cash and due from banks	\$ 4,803,342	\$ 3,978,027
Interest-bearing deposits	11,758,041	12,816,384
Federal funds sold	600	130,577
Cash and cash equivalents	16,561,983	16,924,988
Securities available for sale, at fair value	25,775,092	29,161,263
Loans held for sale	260,000	-
Loans receivable	194,916,595	176,779,154
Less allowance for credit losses	2,245,703	2,142,450
Loans, net	192,670,892	174,636,704
Federal Home Loan Bank (FHLB) stock	1,008,500	1,008,500
Federal Reserve Bank (FRB) stock	428,950	428,950
Premises and equipment, net	3,124,570	3,224,439
Bank-owned life insurance (BOLI)	4,639,861	4,490,781
Other assets	3,171,625	4,055,844
TOTAL ASSETS	\$ 247,641,473	\$ 233,931,469
LIABILITIES		
Deposits:		
Noninterest-bearing demand	\$ 61,999,725	\$ 69,879,123
Interest-bearing demand	25,552,091	21,029,380
Money market	73,812,495	69,411,515
Savings	5,954,442	5,855,545
Time	49,001,566	38,361,490
Total deposits	216,320,319	204,537,053
Subordinated debentures	4,000,000	4,000,000
Other liabilities	1,670,776	1,892,269
TOTAL LIABILITIES	221,991,095	210,429,322
SHAREHOLDERS' EQUITY		
Common stock, without par value, \$10 stated value; 5,000,000 shares authorized, 1,040,579 and 1,033,585 shares issued, and 1,029,879 and 1,022,885 shares outstanding at December 31, 2025 and 2024, respectively	10,643,293	10,475,095
Treasury stock, at cost, 10,700 shares at December 31, 2025 and 2024	(126,128)	(126,128)
Retained earnings	16,600,844	15,684,434
Accumulated other comprehensive loss	(1,467,631)	(2,531,254)
TOTAL SHAREHOLDERS' EQUITY	25,650,378	23,502,147
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 247,641,473	\$ 233,931,469

See accompanying notes to consolidated financial statements.

BUCKEYE BANCSHARES, INC.
CONSOLIDATED STATEMENTS OF INCOME
December 31, 2025 and 2024

	2025	2024
INTEREST AND DIVIDEND INCOME		
Loans, including fees	\$ 11,840,931	\$ 10,996,015
Taxable securities	403,202	433,367
Tax-exempt securities	89,252	39,679
Dividends on FHLB and FRB stock	112,647	110,219
FRB excess balance account	447,960	325,700
Federal funds sold and other	35,789	34,027
Total interest and dividend income	<u>12,929,781</u>	<u>11,939,007</u>
INTEREST EXPENSE		
Deposits	3,792,202	3,635,258
Subordinated debentures	267,093	307,360
Other borrowings	1,032	7,948
Total interest expense	<u>4,060,327</u>	<u>3,950,566</u>
NET INTEREST INCOME		
	<u>8,869,454</u>	<u>7,988,441</u>
Provision for (recovery of) credit losses		
Provision for (recovery of) credit losses—loans	27,464	(171,582)
Recovery of credit losses – off-balance sheet commitments	(16,102)	(41,336)
Total provision for (recovery of) credit losses	<u>11,362</u>	<u>(212,918)</u>
NET INTEREST INCOME AFTER PROVISION FOR (RECOVERY OF) CREDIT LOSSES		
	<u>8,858,092</u>	<u>8,201,359</u>
NONINTEREST INCOME		
Service fees and other charges	275,161	244,145
Gain on sales of loans, net	11,408	9,063
BOLI income	149,081	145,173
Other	160,618	113,541
Total noninterest income	<u>596,268</u>	<u>511,922</u>
NONINTEREST EXPENSE		
Salaries and employee benefits	4,501,871	4,313,763
Occupancy and equipment	748,181	717,745
Professional fees	562,423	611,874
Data processing	393,572	537,044
Advertising	154,963	176,999
Franchise tax	186,980	182,000
Courier expense	191,039	188,688
Federal deposit insurance	102,592	96,587
Other	1,155,979	1,123,980
Total noninterest expense	<u>7,997,600</u>	<u>7,948,680</u>
Income before income tax expense	1,456,760	764,601
Income tax expense	259,401	138,716
NET INCOME		
	<u>\$ 1,197,359</u>	<u>\$ 625,885</u>
EARNINGS PER SHARE		
Basic and diluted	\$ 1.16	\$ 0.61

BUCKEYE BANCSHARES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Net income	\$ 1,197,359	\$ 625,885
Other comprehensive income:		
Securities available for sale:		
Unrealized holding gains on available-for-sale securities	1,346,357	381,351
Tax effect	<u>(282,734)</u>	<u>(80,084)</u>
Total other comprehensive income	<u>1,063,623</u>	<u>301,267</u>
Total comprehensive income	<u>\$ 2,260,982</u>	<u>\$ 927,152</u>

See accompanying notes to consolidated financial statements.

BUCKEYE BANCSHARES, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
Years Ended December 31, 2025 and 2024

	Common Stock	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance, January 1, 2024	\$ 10,323,217	\$ (126,128)	\$ 15,320,687	\$ (2,832,521)	\$ 22,685,255
Net income			625,885		625,885
Stock options exercised, 1,000 shares	15,650				15,650
Dividend reinvestment and stock purchase plan, 5,471 shares	136,228				136,228
Dividends declared (\$0.26 per share)			(262,138)		(262,138)
Other comprehensive income				301,267	301,267
Balance, December 31, 2024	10,475,095	(126,128)	15,684,434	(2,531,254)	23,502,147
Net income			1,197,359		1,197,359
Stock options exercised, 1,000 shares	15,650				15,650
Dividend reinvestment and stock purchase plan, 5,994 shares	152,548				152,548
Dividends declared (\$0.27 per share)			(280,949)		(280,949)
Other comprehensive income				1,063,623	1,063,623
Balance, December 31, 2025	<u>\$ 10,643,293</u>	<u>\$ (126,128)</u>	<u>\$ 16,600,844</u>	<u>\$ (1,467,631)</u>	<u>\$ 25,650,378</u>

See accompanying notes to consolidated financial statements.

BUCKEYE BANCSHARES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Net income	\$ 1,197,359	\$ 625,885
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Amortization	69,812	125,921
Depreciation	213,015	172,329
Provision for (recovery of) credit losses	11,362	(212,918)
Deferred taxes	41,408	124,682
Origination of loans held for sale	(1,625,400)	(939,200)
Proceeds from sales of loans	1,376,808	948,263
Gain on sale of loans, net	(11,408)	(9,063)
Earnings on bank-owned life insurance	(149,081)	(145,173)
Net changes in:		
Other assets	629,824	(1,279,689)
Other liabilities	(221,492)	522,470
Net cash provided by (used for) operating activities	1,532,207	(66,493)
Cash flows from investing activities		
Purchase of available-for-sale securities	(933,211)	(691,778)
Proceeds from maturities, repayments, and calls	5,595,928	5,056,738
Net increase in loans receivable	(18,130,293)	(11,201,686)
Purchase of restricted stock	-	(142,301)
Purchases of premises and equipment, net	(113,146)	(1,533,101)
Net cash used for investing activities	(13,580,722)	(8,512,128)
Cash flows from financing activities		
Net increase in deposits	11,783,266	12,284,843
Stock options exercised	15,650	15,650
Dividend reinvestment and stock purchase plan	152,548	136,228
Cash dividend paid	(265,954)	(254,104)
Net cash provided by financing activities	11,685,510	12,182,617
(Decrease) increase in cash and cash equivalents	(363,005)	3,603,996
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	16,924,988	13,320,992
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 16,561,983	\$ 16,924,988

See accompanying notes to consolidated financial statements.

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Buckeye Bancshares, Inc. (“Buckeye”) and its wholly owned subsidiary, Buckeye Community Bank (the “Bank”). All significant intercompany balances and transactions have been eliminated in consolidation.

Nature of Operations

Buckeye is a one-bank holding company that operates a state-chartered commercial bank with four locations. The Bank serves the community primarily in Lorain County, Ohio, offering a full suite of banking services to both consumers and businesses. Its branch network includes two traditional locations in Elyria and Lagrange, Ohio, a loan production office in Avon, Ohio, and a deposit operations office in Sheffield Village, Ohio. It offers a full range of traditional banking services to consumers and businesses located primarily in Lorain County, Ohio. Services offered include commercial, real estate, home equity, and consumer loans, as well as deposit products such as checking accounts, savings and money market accounts, certificates of deposit, and individual retirement account arrangements.

Substantially all of the Bank’s loans are secured by specific items of collateral including business assets, consumer assets, and commercial and residential real estate. Commercial loans are expected to be repaid from cash flow from operations of businesses. Repayment of approximately 11 percent of the loan portfolio is primarily dependent on cash flows that support construction and land development, another 9 percent is primarily dependent on cash flows from manufacturing activities, 18 percent is primarily dependent on cash flows from service providers, and 16 percent is primarily dependent on cash flows from nonowner-occupied commercial real estate. There are no other significant concentrations of loans to any one industry or customer. However, the customers’ ability to repay their loans is dependent on the economic conditions in the area. Other financial instruments that potentially represent concentrations of credit risk include deposit accounts in other financial institutions and federal funds sold.

Use of Estimates

To prepare financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and reported amounts of revenues and expenses during the reporting period. Actual results could differ from current estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for credit losses and the fair value of financial instruments.

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents have original maturities of 90 days or less and include cash and due from banks, interest-bearing deposits, and federal funds sold.

Investment Securities

Management determines the appropriate classification of debt securities at the time of purchase and re-evaluates such designation as of each balance sheet date. Investment securities classified as available for sale are those securities that the Bank intends to hold for an indefinite period of time but not necessarily to maturity. Securities available for sale are carried at fair value. Any decision to sell a security classified as available for sale would be based on various factors, including significant movements in interest rates, changes in the maturity mix of the Bank's assets and liabilities, liquidity needs, regulatory capital considerations, and other similar factors. Unrealized gains or losses are reported as increases or decreases in other comprehensive income, net of the deferred tax effect. Realized gains or losses, determined on the basis of the cost of the specific securities sold, are included in earnings. Premiums and discounts are recognized in interest income using the interest method over the terms of the securities.

Allowance for Credit Losses – Available for Sale Securities

The Bank measures expected credit losses on available-for-sale debt securities when the Bank does not intend to sell, or when it is not more likely than not that it 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 available-for-sale debt securities that do not meet the aforementioned criteria, the Bank evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, the Bank considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. If this evaluation 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 is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, equal to 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.

The allowance for credit losses on available-for-sale debt securities is included within securities available for sale on the Consolidated Balance Sheet. Changes in the allowance for credit losses are recorded within provision for credit losses on the Consolidated Statement of Income. Losses are charged against the allowance when the Bank believes the collectability of an available-for-sale security is in jeopardy or when either of the criteria regarding intent or requirement to sell is met.

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued interest receivable on available-for-sale debt securities totaled \$62,438 and \$67,038 at December 31, 2025 and 2024, respectively, and is included within other assets on the Consolidated Balance Sheet. This amount is excluded from the estimate of expected credit losses. Available-for-sale debt securities are typically classified as nonaccrual when the contractual payment of principal or interest has become 90 days past due or management has serious doubts about the further collectability of principal or interest. When available-for-sale debt securities are placed on nonaccrual status, unpaid interest credited to income is reversed.

Loans

Loans that the Bank has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at the principal balance outstanding, net of deferred loan fees and costs, and the allowance for credit losses.

Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and recognized in interest income using the level-yield method without anticipating prepayments. Interest income on loans is discontinued at the time the loan is 90 days delinquent unless the credit is well-secured and in process of collection. Past-due status is based on the contractual terms of the loan. In all cases, loans are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful.

Loans Held for Sale

Certain newly originated fixed-rate mortgage loans are classified as held for sale because it is the Bank's intent to sell these residential mortgage loans. These residential mortgage loans held for sale are carried at the lower of aggregate cost or fair value. There was \$260,000 of loans held for sale at December 31, 2025, and no loans held for sale at December 31, 2024.

Nonaccrual Loans

Loans are typically considered nonaccrual upon reaching 90 days delinquency, although the Bank may be receiving partial payments of interest and partial repayments of principal on such loans. When a loan is placed in nonaccrual status, previously accrued but unpaid interest is deducted from interest income.

Allowance for Credit Losses – Loans

The allowance for credit losses (ACL) is a valuation reserve established and maintained by charges against income and is deducted from the amortized cost basis of loans to present the net amount expected to be collected on the loans. Loans, or portions thereof, are charged off against the ACL when they are deemed uncollectible.

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Credit Losses – Loans (Continued)

The ACL is an estimate of expected credit losses, measured over the contractual life of a loan, that considers the Bank’s historical loss experience, current conditions and forecasts of future economic conditions. Determination of an appropriate ACL is inherently subjective and may have significant changes from period to period.

The methodology for determining the ACL has two main components: evaluation of expected credit losses for certain groups of homogeneous loans that share similar risk characteristics and evaluation of loans that do not share risk characteristics with other loans.

The allowance for credit losses is measured on a collective (pool) basis when similar risk characteristics exist. The Bank has identified the following portfolio segments:

- Commercial
- Commercial Real Estate
- Consumer
- Residential Real Estate

The Bank uses the Federal Reserve’s SCALE method to measure the ACL. This method leverages publicly available call report data as an initial proxy of expected lifetime loss rates for calculating lifetime expected losses, which is then adjusted to reflect bank-specific facts and circumstances.

The lifetime loss rates are comprised of the historical loss rates, current economic condition adjustments and forecasted future economic factors of a selected peer group. We apply those loss rates to the Bank’s pools of loans with similar risk characteristics. After consideration of the peer loss rates calculation, management applies qualitative adjustments to reflect the local current conditions and reasonable and supportable forecasts not already reflected in the historical loss information at the balance sheet date. Our reasonable and supportable forecast adjustment is based on:

- Changes in lending policies and procedures
- Changes in lending management and staff
- Changes in net charge-off and recovery rates
- Local economic trends and business conditions
- Concentrations of credit and changes in levels
- Changes in quality of loan review system
- Volume/severity of problem credits

The Bank has elected to exclude accrued interest receivable on loans of \$564,530 and \$527,828 as of December 2025 and 2024, respectively from the measurement of its ACL.

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Credit Losses – Loans (Continued)

The ACL for individual loans begins with the use of normal credit review procedures to identify whether a loan no longer shares similar risk characteristics with other pooled loans and therefore, should be individually assessed. The Bank evaluates all loans that meet the following criteria: 1) when it is determined that foreclosure is probable, 2) substandard, doubtful, and nonperforming loans when repayment is expected to be provided substantially through the operation or sale of the collateral, and 3) when it is determined by management that a loan does not share similar risk characteristics with other loans. Specific reserves are established based on the following three acceptable methods for measuring the ACL: 1) the present value of expected future cash flows discounted at the loan's original effective interest rate; 2) the loan's observable market price; or 3) the fair value of the collateral when the loan is collateral dependent. The Bank's individual loan evaluations consist primarily of the fair value of collateral method because most loans are collateral dependent. Collateral values are discounted to consider disposition costs when appropriate. A specific reserve is established or a charge-off is taken if the fair value of the loan is less than the loan balance.

Allowance for Credit Losses on Off-Balance-Sheet Credit Exposures

The Bank estimates expected credit losses over the contractual period in which the Bank is exposed to credit risk via a contractual obligation to extend credit unless that obligation is unconditionally cancellable by the Bank. The allowance for credit losses on off-balance-sheet credit exposures is adjusted through credit loss expense. The estimate includes consideration of the likelihood that funding will occur and an estimate of expected credit losses on commitments expected to be funded over its estimated life.

Loan Charge-off Policies

Consumer loans are generally fully or partially charged down to the fair value of collateral securing the asset when the loan is 180 days past due for open-end loans or 120 days past due for closed-end loans, unless the loan is well secured and in the process of collection. All other loans are generally charged down to the net realizable value when the loan is 90 days past due.

Federal Home Loan Bank (FHLB) and Federal Reserve Bank (FRB) Stock

Common stock of the Federal Home Loan Bank of Cincinnati (FHLB) and Federal Reserve Bank of Cleveland (FRB) represents ownership interest in institutions that are wholly owned by other financial institutions.

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Federal Home Loan Bank (FHLB) and Federal Reserve Bank (FRB) Stock (Continued)

The Bank is a member of the FHLB and, as such, is required to maintain a minimum investment in stock of the FHLB that varies with the level of advances outstanding. The stock is purchased from and sold to the FHLB based upon its \$100 par value. The stock does not have a readily determinable fair value, and as such, is classified as restricted stock, carried at cost, and evaluated for impairment as necessary. The stock's value is determined by the ultimate recoverability of the par value rather than by recognizing temporary declines. The determination of whether the par value will ultimately be recovered is influenced by criteria such as the following: (a) the significance of the decline in net assets of the FHLB as compared to the capital stock amount and the length of time this situation has persisted; (b) commitments by the FHLB to make payments required by law or regulation and the level of such payments in relation to the operating performance; (c) the impact of legislative and regulatory changes on the customer base of the FHLB; and (d) the liquidity position of the FHLB.

Management evaluated the stock and concluded that it was not impaired for the periods presented herein. More consideration was given to the long-term prospects for the FHLB as opposed to the stress caused by the economic conditions the world is facing. Management also considered that the FHLB maintains regulatory capital ratios in excess of all regulatory capital requirements; liquidity appears adequate; new shares of FHLB stock continue to change hands at the \$100 par value; and dividends are paid.

Other Real Estate Owned

Assets acquired through, or instead of, loan foreclosure are initially recorded at fair value less costs to sell when acquired, establishing a new cost basis. If fair value declines subsequent to foreclosure, a valuation allowance is recorded through expense. Operating costs after acquisition are expensed. At December 31, 2025 and 2024, the Bank had none of these assets.

Foreclosed Assets Held for Sale

Foreclosed assets acquired in the settlement of loans are carried at fair value less estimated costs to sell and are included in other assets on the Consolidated Balance Sheet. As of December 31, 2025, and 2024, there were no foreclosed assets held for sale.

Premises and Equipment

Land is carried at cost. Premises and equipment are reported at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from five to ten years. Leasehold improvements are amortized over the shorter of the useful life of the asset or the term of the lease. Maintenance and repairs are charged to expense as incurred.

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term Assets

Leasehold improvements, buildings and furniture and equipment and other long-term assets are reviewed for impairment when events indicate their carrying amount may not be recoverable from future undiscounted cash flows. If impaired, the assets are recorded at fair value.

Loan Commitments and Related Financial Instruments

Financial instruments include off-balance-sheet credit instruments, such as commitments to make loans, 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.

Income Taxes

Income tax expense is the total of the current year income tax due or refundable and the change in deferred tax assets and liabilities. Deferred tax assets and liabilities are the expected future tax amounts for the temporary differences between carrying amounts and tax bases of assets and liabilities, computed using enacted tax rates. A valuation allowance, if needed, reduces deferred tax assets to the amount expected to be realized.

Earnings Per Common Share

Basic earnings per share is net income divided by the weighted-average common shares outstanding during the year. The computation of diluted earnings per share differs in that the dilutive effects of any options are adjusted for in the denominator.

Fair Value of Financial Instruments

Fair values of financial instruments are estimated using relevant market information and other assumptions, as more fully disclosed in Note 12. 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 the estimates.

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, which are also recognized as a separate component of shareholders' equity, net of tax.

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Advertising Costs

Advertising costs are expensed as incurred.

Segment Reporting

ASC Topic 280 – Segment Reporting identifies operating segments as components of an enterprise, which are evaluated regularly by the Company’s Chief Operating Decision Maker, our Chief Executive Officer, in deciding how to develop strategy, allocate resources, and assess performance. While the Company monitors the revenue streams of the various products and services, operations are managed, and financial performance is evaluated on an entity-wide basis. The Company provides a variety of financial services to individuals and small businesses in the Lorain and surrounding County communities through its branch network. Its primary deposit products are checking, savings, and term certificate accounts, and its primary lending products are commercial, residential and construction mortgages, small business, and consumer loans.

Operating segments are aggregated into one segment, as operating results for all segments are similar. Accordingly, all the financial service operations are considered by management to be aggregated in one reportable operating segment, Community Banking.

The chief operating decision maker assesses performance and decides how to allocate resources based on net income that also is reported on the income statement as consolidated net income. Net income is used to monitor budget versus actual results.

The chief operating decision maker uses revenue streams and significant expenses to assess performance and evaluate return on assets and return on equity. The chief operating decision maker uses consolidated net income to benchmark the Company against its competitors. The benchmarking analysis and budget to actual results are used in assessing performance and in establishing compensation.

The accounting policies for the Community Banking segment are the same as those of our consolidated entity, which are described in Note 1. Information utilized in the performance assessment by the chief operating decision maker is consistent with the level of aggregation disclosed in the Consolidated Statement of Income. The measure of segment assets is reported on the balance sheet as total consolidated assets.

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassification

Reclassification of certain amounts in the prior year’s consolidated financial statements have been made to conform to the 2025 presentation.

Revenue Recognition

The Bank determined that the primary sources of revenue emanating from interest and dividend income on loans and securities, along with noninterest revenue resulting from investment security gains, loan servicing, gains on the sale of loans, and commitment fees, are not within the scope of ASC 606. As a result, no changes were made during the period related to these sources of revenue, which cumulatively comprise 93 percent of the total revenue of the Bank. Services within the scope of ASC 606 include income from service charges on deposit accounts, other service income, ATM fees, and interchange fees. For these accounts, fees related to specific customer transactions are attributable to specific performance obligations of the Bank where the revenue is recognized at a defined point in time and at completion of the requested service/transaction.

NOTE 2 – EARNINGS PER SHARE

There are no convertible securities that would affect the numerator in calculating basic and diluted earnings per share; therefore, net income as presented on the Consolidated Statements of Income will be used as the numerator. The following table sets forth the composition of the weighted-average common shares (denominator) used in the basic and diluted earnings-per-share computation.

	<u>2025</u>	<u>2024</u>
Net income	\$ 1,197,359	\$ 625,885
Weighted-average common shares issued	1,039,505	1,032,796
Average treasury stock shares	<u>(10,700)</u>	<u>(10,700)</u>
Weighted-average common shares used to calculate basic and diluted earnings per share	<u>1,028,805</u>	<u>1,022,096</u>
Net income per common share:		
Basic	\$ 1.16	\$ 0.61
Diluted	\$ 1.16	\$ 0.61

There were 17,369 and 18,369 shares that were considered anti-dilutive for the years ended December 31, 2025 and 2024, respectively, and were not included in diluted earnings per share. The weighted-average exercise price was \$15.14 and \$15.17 as of December 31, 2025 and 2024, respectively.

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 3 – SECURITIES AVAILABLE FOR SALE

The fair value of available-for-sale securities and the related gross unrealized gains and losses were as follows at December 31:

	2025				
	Amortized Cost	Fair Value	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses
U.S. government agency securities	\$ 2,999,688	\$ 2,938,499	\$ -	\$ (61,189)	\$ -
U.S. agency collateralized mortgage obligations	12,806,080	11,388,173	4,902	(1,422,809)	-
Municipal securities	7,847,629	7,582,365	5,801	(271,065)	-
U.S. treasuries	3,979,456	3,866,055	-	(113,401)	-
Total	<u>\$ 27,632,853</u>	<u>\$ 25,775,092</u>	<u>\$ 10,703</u>	<u>\$ (1,868,464)</u>	<u>\$ -</u>

	2024				
	Amortized Cost	Fair Value	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses
U.S. government agency securities	\$ 4,504,122	\$ 4,298,780	\$ -	\$ (205,342)	\$ -
U.S. agency collateralized mortgage obligations	13,893,037	11,665,086	-	(2,227,951)	-
Municipal securities	8,004,283	7,542,085	700	(462,898)	-
U.S. treasuries	5,963,939	5,655,312	-	(308,627)	-
Total	<u>\$ 32,365,381</u>	<u>\$ 29,161,263</u>	<u>\$ 700</u>	<u>\$ (3,204,818)</u>	<u>\$ -</u>

The amortized cost and fair value of debt securities at December 31, 2025, by contractual maturity, were as follows:

	Available for Sale	
	Amortized Cost	Fair Value
Due in one year or less	\$ 4,569,537	\$ 4,499,962
Due after one year through five years	8,854,029	8,615,837
Due after five years through ten years	2,374,467	2,265,720
Due after ten years	11,834,820	10,393,573
Total	<u>\$ 27,632,853</u>	<u>\$ 25,775,092</u>

Securities, with a carrying value of \$14,849,976 and \$18,545,787 at December 31, 2025 and 2024, respectively, were pledged to secure public deposits and for other purposes, as required or permitted by law.

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 3 – SECURITIES AVAILABLE FOR SALE (Continued)

At year-end 2025 and 2024, respectively, significant holdings of securities issued by U.S. government-sponsored enterprises included \$1,966,156 and \$2,396,070 of unsecured debentures issued by the FHLB, \$6,545,611 and \$7,015,828 of unsecured debentures issued by the Federal National Mortgage Association (FNMA), \$972,342 and \$929,706 of unsecured debentures issued by Federal Farm Credit Bank (FFCB), \$1,664,164 and \$2,750,658 of unsecured debentures issued by FHLMC, and \$2,575,779 and \$2,871,602 of Government National Mortgage Association (GNMA) collateralized mortgage obligations (CMOs). No holdings of any other issuer exceeded 10 percent of shareholders' equity on either date.

There were no sales of securities during the years ended December 31, 2025 and 2024.

Securities with unrealized losses at year-end 2025 and 2024, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, are as follows, at December 31:

	2025					
	Less than Twelve Months		Twelve Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. government agency securities	\$ -	\$ -	\$ 2,938,498	61,189	\$ 2,938,499	\$ 61,189
U.S. agency collateralized mortgage obligations	298,337	1,633	10,785,554	1,421,176	11,083,891	1,422,809
Municipal securities	-	-	5,852,887	271,065	5,852,887	271,065
U.S. treasury notes	-	-	3,866,055	113,401	3,866,055	113,401
Total	\$ 298,337	\$ 1,633	\$ 23,442,994	\$ 1,866,831	\$ 23,741,332	\$ 1,868,464
	2024					
	Less than Twelve Months		Twelve Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. government agency securities	\$ -	\$ -	\$ 4,298,780	(205,342)	\$ 4,298,780	\$ (205,342)
U.S. agency collateralized mortgage obligations	-	-	11,665,086	(2,227,951)	11,665,086	(2,227,951)
Municipal securities	129,732	(268)	5,930,004	(462,630)	6,059,736	(462,898)
U.S. treasury notes	-	-	5,655,312	(308,627)	5,655,312	(308,627)
Total	\$ 129,732	\$ (268)	\$ 27,549,182	\$ (3,204,550)	\$ 27,678,914	\$ (3,204,818)

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 3 – SECURITIES AVAILABLE FOR SALE (Continued)

There are 52 positions in a loss position for which an allowance for credit losses has not been recorded at December 31, 2025. The Bank reviews its position quarterly and has asserted that at December 31, 2025, the declines represent temporary declines due to Market interest rates, and that the Bank has the intent and ability either to hold those securities to maturity or to allow a market recovery. The Bank does not have the intent to sell these securities, nor is it more likely than not that the Bank will be required to sell these securities.

NOTE 4 – LOANS, NET

Loans consist of the following at December 31:

	2025	2024
Commercial	\$ 46,678,240	\$ 38,867,895
Commercial real estate	120,738,448	115,209,062
Consumer	3,348,219	279,153
Residential real estate	24,151,688	22,423,044
	\$ 194,916,595	\$ 176,779,154

Net deferred fees included in loans at December 31, 2025 and 2024, were \$285,298 and \$212,074, respectively.

Total loans to directors, executive officers, and their related interests were \$5,347,572 and \$6,592,062 at December 31, 2025 and 2024, respectively. Loan originations and repayments to related parties were \$4,373,808 and \$5,618,298, respectively, for the year ended December 31, 2025.

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 5 – ALLOWANCE FOR CREDIT LOSSES

The following tables present the activity in the allowance for credit losses by portfolio segment for the years ended December 31, 2025 and 2024.

		For the Year Ended December 31, 2025				
		Commercial	Commercial Real Estate	Consumer	Residential Real Estate	Total
Allowance for credit losses:						
Beginning balance	\$	579,425	\$ 1,244,636	\$ 4,635	\$ 313,754	\$ 2,142,450
Charge-offs		-	-	-	-	-
Recoveries		2,960	59,840	2,910	10,080	75,790
Provision		112,736	(81,958)	50,844	(54,158)	27,464
Ending balance	\$	695,121	\$ 1,222,518	\$ 58,389	\$ 269,676	\$ 2,245,703
		For the Year Ended December 31, 2024				
		Commercial	Commercial Real Estate	Consumer	Residential Real Estate	Total
Allowance for credit losses:						
Beginning balance	\$	634,206	\$ 1,344,362	\$ 239	\$ 176,563	\$ 2,155,370
Charge-offs		(128,319)	(28,278)	(2,752)	-	(159,349)
Recoveries		110,233	-	2,911	204,867	318,011
Provision		(36,695)	(71,448)	4,237	(67,676)	(171,582)
Ending balance	\$	579,425	\$ 1,244,636	\$ 4,635	\$ 313,754	\$ 2,142,450

Loans by Segment

During 2025, the reserve levels for commercial and consumer loans both grew due to the loan growth that was experienced in these two segments. The reserve levels for commercial real estate and residential real estate both slightly declined due to improved recovery history and economic factors. During 2024, the reserve levels for residential real estate loans increased due to growth in the portfolio, a larger recovery for a prior year charge-off and provisions.

Credit Quality Information

The following tables represent credit exposures by internally assigned grades for years ended December 31, 2025 and 2024, respectively. The grading analysis estimates the capability of the borrower to repay the contractual obligations of the loan agreements as scheduled or at all. The Bank's internal credit risk grading system is based on experiences with similarly graded loans.

The Bank's internally assigned grades are as follows:

Pass – loans that are protected by the current net worth and paying capacity of the obligor or by the value of the underlying collateral.

Special Mention – loans where a potential weakness or risk exists, which could cause a more serious problem if not corrected.

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 5 – ALLOWANCE FOR CREDIT LOSSES (Continued)

Credit Quality Information (Continued)

Substandard – loans that have a well-defined weakness based on objective evidence and are characterized by the distinct possibility that the Bank will sustain some loss if the deficiencies are not corrected.

Doubtful – loans classified as Doubtful have all the weaknesses inherent in a Substandard asset. In addition, these weaknesses make collection or liquidation in full highly questionable and improbable, based on existing circumstances.

Loss – loans classified as a loss are considered uncollectible, or of such value that continuance as an asset is not warranted.

	Term Loans Amortized Costs Basis by Origination Year						Revolving	Total
	2025	2024	2023	2022	2021	Prior	Loans Amortized Cost Basis	
December 31, 2025								
Commercial Real Estate								
Risk Rating								
Pass	\$ 10,060,119	\$ 13,172,653	\$ 13,280,987	\$ 23,394,128	\$ 17,225,247	\$ 28,421,084	\$ 14,888,668	\$ 120,442,886
Special Mention	-	-	-	-	-	273,136	-	273,136
Substandard	-	-	-	-	-	22,426	-	22,426
Doubtful	-	-	-	-	-	-	-	-
Total	<u>\$ 10,060,119</u>	<u>\$ 13,172,653</u>	<u>\$ 13,280,987</u>	<u>\$ 23,394,128</u>	<u>\$ 17,225,247</u>	<u>\$ 28,716,646</u>	<u>\$ 14,888,668</u>	<u>\$ 120,738,448</u>
Commercial Real Estate								
Current period gross charge-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial								
Risk Rating								
Pass	\$ 7,928,144	\$ 7,980,437	\$ 5,970,546	\$ 1,912,056	\$ 3,870,107	\$ 896,076	\$ 17,814,413	\$ 46,371,779
Special Mention	-	-	-	-	-	-	-	-
Substandard	-	-	-	224,147	-	82,314	-	306,461
Doubtful	-	-	-	-	-	-	-	-
Total	<u>\$ 7,928,144</u>	<u>\$ 7,980,437</u>	<u>\$ 5,970,546</u>	<u>\$ 2,136,203</u>	<u>\$ 3,870,107</u>	<u>\$ 978,390</u>	<u>\$ 17,814,413</u>	<u>\$ 46,678,240</u>
Commercial								
Current period gross charge-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total								
Risk Rating								
Pass	\$ 17,988,263	\$ 21,153,090	\$ 19,251,533	\$ 25,306,184	\$ 21,095,354	\$ 29,317,159	\$ 32,703,081	\$ 166,814,665
Special Mention	-	-	-	-	-	273,136	-	273,136
Substandard	-	-	-	224,147	-	104,740	-	328,887
Doubtful	-	-	-	-	-	-	-	-
Total	<u>\$ 17,988,263</u>	<u>\$ 21,153,090</u>	<u>\$ 19,251,533</u>	<u>\$ 25,530,331</u>	<u>\$ 21,095,354</u>	<u>\$ 29,695,035</u>	<u>\$ 32,703,081</u>	<u>\$ 167,416,688</u>

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 5 – ALLOWANCE FOR CREDIT LOSSES (Continued)

Credit Quality Information (Continued)

	Term Loans Amortized Costs Basis by Origination Year						Revolving Loans Amortized Cost Basis	Total
	2024	2023	2022	2021	2020	Prior		
December 31, 2024								
Commercial Real Estate								
Risk Rating								
Pass	\$ 6,951,236	\$ 13,603,099	\$ 25,876,559	\$ 19,882,779	\$ 5,254,000	\$ 28,275,182	\$ 15,324,414	\$ 115,167,269
Special Mention	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	41,793	-	41,793
Doubtful	-	-	-	-	-	-	-	-
Total	<u>\$ 6,951,236</u>	<u>\$ 13,603,099</u>	<u>\$ 25,876,559</u>	<u>\$ 19,882,779</u>	<u>\$ 5,254,000</u>	<u>\$ 28,316,975</u>	<u>\$ 15,324,414</u>	<u>\$ 115,209,062</u>
Commercial Real Estate								
Current period gross charge-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,278	\$ -	\$ 28,278
Commercial								
Risk Rating								
Pass	\$ 7,967,988	\$ 7,104,150	\$ 4,047,338	\$ 5,287,606	\$ 1,430,865	\$ 957,026	\$ 11,580,439	\$ 38,375,412
Special Mention	-	-	-	-	-	-	-	-
Substandard	-	-	288,608	-	-	203,875	-	492,483
Doubtful	-	-	-	-	-	-	-	-
Total	<u>\$ 7,967,988</u>	<u>\$ 7,104,150</u>	<u>\$ 4,335,946</u>	<u>\$ 5,287,606</u>	<u>\$ 1,430,865</u>	<u>\$ 1,160,901</u>	<u>\$ 11,580,439</u>	<u>\$ 38,867,895</u>
Commercial								
Current period gross charge-offs	\$ -	\$ -	\$ -	\$ 128,319	\$ -	\$ -	\$ -	\$ 128,319
Total								
Risk Rating								
Pass	\$ 14,919,224	\$ 20,707,249	\$ 29,923,897	\$ 25,170,385	\$ 6,684,865	\$ 29,232,208	\$ 26,904,853	\$ 153,542,681
Special Mention	-	-	-	-	-	-	-	-
Substandard	-	-	288,608	-	-	245,668	-	534,276
Doubtful	-	-	-	-	-	-	-	-
Total	<u>\$ 14,919,224</u>	<u>\$ 20,707,249</u>	<u>\$ 30,212,505</u>	<u>\$ 25,170,385</u>	<u>\$ 6,684,865</u>	<u>\$ 29,477,876</u>	<u>\$ 26,904,853</u>	<u>\$ 154,076,957</u>

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 5 – ALLOWANCE FOR CREDIT LOSSES (Continued)

Credit Quality Information (Continued)

	Term Loans Amortized Costs Basis by Origination Year						Revolving	Revolving	Total
	2025	2024	2023	2022	2021	Prior	Loans Amortized Cost Basis	Loans Converted to Term	
December 31, 2025									
Residential Real Estate									
Payment Performance									
Performing	\$ 2,836,361	\$ 3,513,673	1,834,181	\$ 2,816,014	\$ 1,292,904	\$ 2,536,126	\$ 9,290,716	\$ -	\$ 24,119,975
Nonperforming	-	-	-	-	-	31,713	-	-	31,713
Total	<u>\$ 2,836,361</u>	<u>\$ 3,513,673</u>	<u>\$ 1,834,181</u>	<u>\$ 2,816,014</u>	<u>\$ 1,292,904</u>	<u>\$ 2,567,839</u>	<u>\$ 9,290,716</u>	<u>\$ -</u>	<u>\$ 24,151,688</u>
Residential Real Estate									
Current period gross charge-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Consumer									
Payment Performance									
Performing	\$ 3,317,178	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,041	\$ -	\$ 3,348,219
Nonperforming	-	-	-	-	-	-	-	-	-
Total	<u>\$ 3,317,178</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,041</u>	<u>\$ -</u>	<u>\$ 3,348,219</u>
Consumer									
Current period gross charge-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total									
Payment Performance									
Performing	\$ 6,153,539	\$ 3,513,673	\$ 1,834,181	\$ 2,816,014	\$ 1,292,904	\$ 2,536,126	\$ 9,321,757	\$ -	\$ 27,468,194
Nonperforming	-	-	-	-	-	31,713	-	-	31,713
Total	<u>\$ 6,153,539</u>	<u>\$ 3,513,673</u>	<u>\$ 1,834,181</u>	<u>\$ 2,816,014</u>	<u>\$ 1,292,904</u>	<u>\$ 2,567,839</u>	<u>\$ 9,321,757</u>	<u>\$ -</u>	<u>\$ 27,499,907</u>

	Term Loans Amortized Costs Basis by Origination Year						Revolving	Revolving	Total
	2024	2023	2022	2021	2020	Prior	Loans Amortized Cost Basis	Loans Converted to Term	
December 31, 2024									
Residential Real Estate									
Payment Performance									
Performing	\$ 4,758,724	\$ 1,926,757	\$ 2,909,026	\$ 1,689,949	\$ 188,426	\$ 2,933,099	\$ 8,017,063	\$ -	\$ 22,423,044
Nonperforming	-	-	-	-	-	-	-	-	-
Total	<u>\$ 4,758,724</u>	<u>\$ 1,926,757</u>	<u>\$ 2,909,026</u>	<u>\$ 1,689,949</u>	<u>\$ 188,426</u>	<u>\$ 2,933,099</u>	<u>\$ 8,017,063</u>	<u>\$ -</u>	<u>\$ 22,423,044</u>
Residential Real Estate									
Current period gross charge-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Consumer									
Payment Performance									
Performing	\$ 277,822	\$ 1,331	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 279,153
Nonperforming	-	-	-	-	-	-	-	-	-
Total	<u>\$ 277,822</u>	<u>\$ 1,331</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 279,153</u>
Consumer									
Current period gross charge-offs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,752	\$ -	\$ -	\$ 2,752
Total									
Payment Performance									
Performing	\$ 5,036,546	\$ 1,928,088	\$ 2,909,026	\$ 1,689,949	\$ 188,426	\$ 2,933,099	\$ 8,017,063	\$ -	\$ 22,702,197
Nonperforming	-	-	-	-	-	-	-	-	-
Total	<u>\$ 5,036,546</u>	<u>\$ 1,928,088</u>	<u>\$ 2,909,026</u>	<u>\$ 1,689,949</u>	<u>\$ 188,426</u>	<u>\$ 2,933,099</u>	<u>\$ 8,017,063</u>	<u>\$ -</u>	<u>\$ 22,702,197</u>

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 5 – ALLOWANCE FOR CREDIT LOSSES (Continued)

Credit Quality Information (Continued)

The following table presents outstanding loan balances of collateral-dependent loans by class.

	Year Ended December 31, 2025		
	<u>Real Estate</u>	<u>Business Assets</u>	<u>Total</u>
Commercial	\$ -	-	\$ -
Commercial real estate	22,426	-	22,426
Consumer	-	-	-
Residential real estate	31,713	-	31,713
	<u>\$ 54,139</u>	<u>\$ -</u>	<u>\$ 54,139</u>

	Year Ended December 31, 2024		
	<u>Real Estate</u>	<u>Business Assets</u>	<u>Total</u>
Commercial	\$ -	\$ 47,159	\$ 47,159
Commercial real estate	184,069	-	184,069
Consumer	-	-	-
Residential real estate	35,959	-	35,959
	<u>\$ 220,028</u>	<u>\$ 47,159</u>	<u>\$ 267,187</u>

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 5 – ALLOWANCE FOR CREDIT LOSSES (Continued)

Age Analysis of Past-Due Loans Receivable by Class

The following tables include an aging analysis of the recorded investment of past-due loans.

	December 31, 2025					
		31–60	61–90	Greater Than	Total	Total
	Current	Days Past Due	Days Past Due	90 Days Past Due	Past Due	Loans
Commercial and industrial	\$ 46,678,240	\$ -	\$ -	\$ -	\$ -	\$ 46,678,240
Commercial real estate	120,738,448	-	-	-	-	120,738,448
Consumer	3,348,219	-	-	-	-	3,348,219
Residential real estate	24,408,277	-	-	3,411	3,411	24,411,688
Total	\$ 195,173,184	\$ -	\$ -	\$ 3,411	\$ 3,411	\$ 195,176,595

	December 31, 2024					
		31-60	61-90	Greater Than	Total	Total
	Current	Days Past Due	Days Past Due	90 Days Past Due	Past Due	Loans
Commercial and industrial	\$ 38,867,895	\$ -	\$ -	\$ -	\$ -	\$ 38,867,895
Commercial real estate	115,209,062	-	-	-	-	115,209,062
Consumer	279,153	-	-	-	-	279,153
Residential real estate	22,128,071	259,986	34,987	-	294,973	22,423,044
Total	\$ 176,484,181	\$259,986	\$34,987	\$ -	\$294,973	\$ 176,779,154

Modifications

The Bank had \$31,713 and \$76,780 in modifications for borrowers experiencing financial difficulty outstanding at December 31, 2025 and 2024, respectively. The Bank approved one new modification in 2024 for \$34,987 but does not have any default within those years of modifications that had been made in the immediately preceding year.

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 5 – ALLOWANCE FOR CREDIT LOSSES (Continued)

The following tables present nonperforming loans by class.

	December 31, 2025				
	Nonaccrual with no ACL	Nonaccrual with ACL	Total Nonaccrual	Loans Past Due Over 90 Days Still Accruing	Total Nonperforming
	Commercial	\$ -	\$ -	\$ -	\$ -
Commercial real estate	22,426	-	22,426	-	22,426
Consumer	-	-	-	3,411	3,411
Residential real estate	-	-	-	-	-
Total	\$ 22,426	\$ -	\$ 22,426	\$ 3,411	\$ 25,837

	December 31, 2024				
	Nonaccrual with no ACL	Nonaccrual with ACL	Total Nonaccrual	Loans Past Due Over 90 Days Still Accruing	Total Nonperforming
	Commercial	\$ -	\$ -	\$ -	\$ -
Commercial real estate	41,793	-	41,793	-	41,793
Consumer	-	-	-	-	-
Residential real estate	-	-	-	-	-
Total	\$ 41,793	\$ -	\$ 41,793	\$ -	\$ 41,793

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 6 – PREMISES AND EQUIPMENT, NET

Premises and equipment were as follows at December 31:

	2025	2024
Leasehold improvements	\$ 36,663	\$ 32,534
Furniture and equipment	1,188,751	1,129,009
Building	2,484,965	2,442,330
Land	193,627	193,627
Total cost	3,904,006	3,797,500
Accumulated depreciation	(779,436)	(573,061)
Total	\$ 3,124,570	\$ 3,224,439

Depreciation charged to operations was \$213,015 in 2025 and \$172,329 in 2024.

Leases

A lease is defined as a contract, or part of a contract, that conveys the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. The Bank recorded right of use (ROU) assets of \$707,120 and \$876,060 and corresponding lease liabilities in the amount of \$720,331 and \$876,060 at December 31, 2025 and 2024, respectively. that are included in other assets and other liabilities on the Consolidated Balance Sheet. The lease agreements are accounted for as operating leases.

The Bank’s leases consist of real estate property for its offices with terms extending through 2031.

The following table represents the Consolidated Balance Sheets classification of the Bank’s ROU assets and lease liability. The Bank elected not to include short-term leases (i.e., leases with initial terms of 12 months or less) on the Consolidated Balance Sheets.

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 6 – PREMISES AND EQUIPMENT, NET (Continued)

Future minimum payments for the operating lease with an initial or remaining term of one year or more as of December 31, 2025 were as follows:

Year Ended December 31:	<u>Operating Leases</u>
2026	\$ 195,854
2027	198,579
2028	170,117
2029	110,460
2030	113,196
2031	<u>9,452</u>
Total Future Minimum Lease Payments	797,658
Present Value Discounted Interest	<u>(77,328)</u>
Present Value of Net Future Minimum Lease Payments	<u>\$ 720,330</u>

The calculated amount of the ROU asset and lease liability in the table above is impacted by the length of the lease term and the discount rate used to present value the minimum lease payments. The Bank utilized its incremental borrowing rate at lease inception, on a collateralized basis, over a similar term, as the rate implicit in the lease was not readily determinable. The weighted average life of the remaining leases is 63 months. The discount rates used on the leases in 2025 and 2024 is 4.68 percent.

The Bank leases office equipment and advertising space not included above. Total lease expense under these operating leases amounted to \$69,436 and \$24,321 in 2025 and 2024, respectively.

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 7 – DEPOSITS

Outstanding certificates of deposits of \$250,000 or more totaled \$12,088,414 and \$11,206,761 at December 31, 2025 and 2024, respectively. Total deposits from directors, executive officers, and their related interests at December 31, 2025 and 2024, were \$6,949,895 and \$2,897,664, respectively.

At December 31, 2025, the scheduled maturities of the Bank’s time deposits were as follows.

2026	48,660,505
2027	289,284
2028	50,528
2030	1,249
	<u>\$ 49,001,566</u>

There were \$20,746,000 and \$9,000,000 of certificates of deposit obtained through a broker at December 31, 2025 and 2024, respectively.

NOTE 8 – BORROWINGS

Short-term FHLB Advances

The Bank has entered into a borrowing arrangement with the FHLB of Cincinnati, whereby the Bank may borrow funds under a variety of facilities secured by a blanket pledge of one-to-four family real estate.

At December 31, 2025, the Bank has the capacity to borrow approximately an additional \$50,607,249 from the FHLB of Cincinnati.

At December 31, 2025 and 2024, the Bank had no borrowings from the FHLB.

Federal Reserve Discount Window Advances

The Bank has a credit facility with the Federal Reserve Bank of Cleveland that permits borrowing for various time periods secured by pledging of commercial loans from its loan portfolio. The Bank had no such borrowings outstanding as of December 31, 2025 and 2024. The Bank has a \$17,021,497 borrowing capacity at the Federal Reserve Bank of Cleveland, for which \$21,027,189 of commercial loans have been pledged as of December 31, 2025.

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 8 – BORROWINGS (Continued)

Subordinated Debentures

A trust formed by Buckeye issued \$4,000,000 of floating rate trust-preferred securities in 2004 as part of a pooled offering of such securities. Buckeye issued subordinated debentures to the trust in exchange for the proceeds of the offering. The debentures and related debt issuance costs represent the sole assets of the trust. The trust-preferred securities must be redeemed no later than December 15, 2034. Buckeye has the option to call the trust-preferred securities at par five years from date of issuance. The interest rate on the trust-preferred securities and the subordinated debentures is computed using the three-month Secured Overnight Funding Rate (SOFR) plus 210 basis points and an added spread adjustment. At December 31, 2025 and 2024, this equated to 6.08 percent and 6.72 percent, respectively.

Under U.S. generally accepted accounting principles, the trust is not consolidated with Buckeye. Accordingly, Buckeye does not report the securities issued by the trust as liabilities and, instead, reports as liabilities the subordinated debentures issued by Buckeye and held by the trust, as these are not eliminated in consolidation. Buckeye's investment in the common stock of this trust was \$3,400 at December 31, 2025 and 2024, and is included in other assets.

NOTE 9 – INCOME TAXES

Income tax expense is as follows for the years ended December 31:

	2025	2024
Current	\$ 217,993	\$ 14,034
Deferred	41,408	124,682
Total	<u>\$ 259,401</u>	<u>\$ 138,716</u>

Total income tax expense differed from the amounts computed by applying the federal income tax rate of 21 percent to income before income taxes is as follows for the years ended December 31:

	2025		2024	
	Amount	% of Pre-tax income	Amount	% of Pre-tax income
Income tax expense at statutory rate	\$ 305,920	21.0 %	\$ 160,566	21.0 %
Tax exempt income, net of disallowance	(18,743)	(1.1)	(5,911)	(0.8)
BOLI	(31,307)	(2.1)	(30,486)	(4.0)
Other, net	3,531	(0.1)	14,547	1.9
Total income tax expense	<u>\$ 259,401</u>	<u>17.7 %</u>	<u>\$ 138,716</u>	<u>18.1 %</u>

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 9 – INCOME TAXES (Continued)

Year-end deferred tax assets and liabilities at December 31	consist of the following.	
	<u>2025</u>	<u>2024</u>
Deferred tax assets:		
Deferred loan fees	\$ 57,931	\$ 44,536
Bad debt deduction	256,688	250,921
Net operating loss carryforward	-	39,375
Charitable carryforward	-	2,722
Nonaccrual interest	7,653	7,394
Commitments reserve	19,907	23,288
Nonqualified stock options	1,985	2,268
Lease liability	151,270	183,985
Unrealized loss on available-for-sale securities	390,130	672,865
Gross deferred tax assets	<u>885,564</u>	<u>1,227,354</u>
Security accretion	(4,447)	(5,116)
Depreciation	(176,519)	(159,588)
FHLB stock dividends	(11,739)	(11,739)
Right-of-use assets	(148,495)	(182,406)
Gross deferred tax liabilities	<u>(341,200)</u>	<u>(358,849)</u>
Net deferred tax assets	<u>\$ 544,364</u>	<u>\$ 868,505</u>

U.S. generally accepted accounting principles prescribe a recognition threshold and a measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Benefits from tax positions should be recognized in the financial statements only when it is more likely than not that the tax position will be sustained upon examination by the appropriate taxing authority that would have full knowledge of all relevant information.

A tax position that meets the more-likely-than-not recognition threshold is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. Tax positions that previously failed to meet the more-likely-than-not recognition threshold should be recognized in the first subsequent financial reporting period in which that threshold is met. Previously recognized tax positions that no longer meet the more-likely-than-not recognition threshold should be derecognized in the first subsequent financial reporting period in which that threshold is no longer met. There is currently no liability for uncertain tax positions and no known unrecognized tax benefits. Buckeye recognizes, when applicable, interest and penalties on income taxes as a component of income tax expense in the Consolidated Statements of Income.

Buckeye's federal and state income tax returns for taxable years through 2021 have been closed for purposes of examination by the Internal Revenue Service and the Ohio Department of Revenue.

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 10 – LOAN COMMITMENTS AND OTHER RELATED ACTIVITIES

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the commitment. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since some commitments are expected to expire without being used, total commitments do not necessarily represent future cash requirements. Exposure to credit loss if the other party does not perform is represented by the contractual amount for commitments to extend credit. The same credit policies are used for commitments and conditional obligations as are used for loans.

As of December 31, 2025, the Bank had commitments to make loans of \$20,100,677. Of these commitments, \$13,860,464 had variable rates. Commitments with balances of \$6,240,213 had fixed rates from 3.95 percent to 7.86 percent. Additionally, the Bank had unfunded lines of credit at December 31, 2025, of \$39,286,902.

As of December 31, 2024, the Bank had commitments to make loans of \$16,603,788. Of these commitments, \$6,028,643 had variable rates. Commitments with balances of \$10,575,145 had fixed rates from 4.00 percent to 7.86 percent. Additionally, the Bank had unfunded lines of credit at December 31, 2024, of \$50,554,633

The Bank also issued stand-by letters of credit, considered to be financial guarantees. As of December 31, 2025 and 2024, the contractual value of the letters of credit was \$571,324 and \$588,525, respectively. The fair value of the letters of credit was immaterial. In the event that any of these letters of credit are exercised, the Bank will advance funds on a line of credit to the customer.

NOTE 11 – BENEFIT PLANS

The Bank sponsors a 401(k) profit sharing plan that covers all employees who meet certain eligibility requirements and choose to participate in the plan. The plan allows employees to contribute up to 15 percent of their compensation. The Bank matches the first 5 percent of the compensation deferred at 100 percent on the first 3 percent and 50 percent on the fourth and fifth percent. The expense related to the plan for the years ended December 31, 2025 and 2024, was \$120,142 and \$113,863, respectively.

NOTE 12 – FAIR VALUE MEASUREMENT

U.S. generally accepted accounting principles establish a hierarchal disclosure framework associated with the level of observable pricing utilized in measuring assets and liabilities at fair value. The three broad levels defined by the hierarchy are as follows:

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

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 12 – FAIR VALUE MEASUREMENT (Continued)

- Level II: Significant other observable inputs other than Level I 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 III: Significant unobservable inputs that reflect a reporting entity’s own assumptions about the assumptions that market participants would use in pricing an asset or liability.

This hierarchy requires the use of observable market data, when available.

The fair values of securities available for sale are determined by obtaining matrix pricing. This is a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities relationship to other benchmark quoted securities (Level II inputs).

The fair value of loans individually evaluated with specific allocations of the allowance for credit losses is generally based on recent real estate appraisals. These appraisals may utilize a single valuation approach or a combination of approaches including comparable sales and the income approach, which result in Level II classification of the inputs for determining fair value. 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 III classification of the inputs for determining fair value. There were no loans recorded at fair value at December 31, 2025 or 2024.

Assets measured at fair value on a recurring basis are summarized below. No liabilities are measured at fair value on a recurring basis.

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 12 – FAIR VALUE MEASUREMENT (Continued)

		December 31, 2025		
		Level I	Level II	Level III
U.S. government agency securities	\$	-	\$ 2,938,499	\$ -
U.S. agency collateralized mortgage obligations		-	11,388,173	-
Municipal securities		-	7,582,365	-
U.S. treasuries		-	3,866,055	-
Total	\$	-	\$ 25,775,092	\$ -
		December 31, 2024		
		Level I	Level II	Level III
U.S. government agency securities	\$	-	\$ 4,298,779	\$ -
U.S. agency collateralized mortgage obligations		-	11,665,086	-
Municipal securities		-	7,542,085	-
U.S. treasuries		-	5,655,312	-
Total	\$	-	\$ 29,161,263	\$ -

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

NOTE 13 – STOCK OPTIONS

The Bank provides stock options under the 2015 Long-Term Incentive Plan (the Plan), providing options to purchase stock to directors, officers, and employees. The Plan allows for the issuance of up to 93,750 qualified and nonqualified common stock options, and 66,750 shares are available for issuance under the plan at December 31, 2025.

These options vested immediately upon the date of grant. For purposes of estimating stock compensation expense, the Bank utilized a Black-Scholes option pricing model. There were no options granted in 2025 or 2024. There were 1,000 options exercised at a price of \$15.65 per share in 2025 from the options granted in 2017.

	Number of Options	Weighted- Average Exercise Price
Outstanding, January 1, 2025	18,369	\$ 15.17
Granted	-	-
Exercised	(1,000)	15.65
Forfeited	(9,369)	13.30
Outstanding, December 31, 2025	8,000	\$ 16.13
Exercisable at year-end	8,000	\$ 16.13

NOTE 14 – REGULATORY CAPITAL MATTERS

Buckeye and the Bank are subject to various regulatory capital requirements administered by the federal and state 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 Buckeye’s and the Bank’s financial performance. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, Buckeye and the Bank must meet specific capital guidelines that involve quantitative measures of the assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Buckeye and the Bank to maintain minimum amounts and ratios (set forth in the following table) of total capital, Tier 1 capital, and common equity Tier 1 capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier 1 capital to average assets (as defined). Management believes as of December 31, 2025 and 2024, Buckeye and the Bank met or exceeded all capital adequacy requirements to which they are subject.

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 14 – REGULATORY CAPITAL MATTERS (Continued)

As of December 31, 2025, the most recent notification from federal and state banking agencies categorized the Bank as “well capitalized” under the regulatory framework for prompt corrective action. To be categorized as “well capitalized,” an institution must maintain minimum total risk-based, Tier 1 risk-based, common equity Tier 1, and Tier 1 leverage ratios as set forth in the following tables. There are no known conditions or events since that notification that management believes have changed the Bank’s category. The Bank’s capital position does not differ significantly from the Bank’s capital position.

At December 31, 2025 and 2024, the Bank’s capital levels were as follows:

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
(Dollars in Thousands)						
<u>2025</u>						
Total capital to risk-weighted assets	\$ 33,187,067	16.50 %	\$ 16,093,040	8.00 %	\$ 20,116,300	10.00 %
Tier 1 capital to risk-weighted assets	30,846,938	15.33	12,069,780	6.00	16,093,040	8.00
Common equity Tier I Capital to risk weighted assets	30,846,938	15.33	9,052,335	4.50	13,075,595	6.50
Tier 1 capital to average assets	30,846,982	12.53	9,849,680	4.00	12,312,100	5.00
<u>2024</u>						
Total capital to risk-weighted assets	\$ 31,999,916	17.34 %	\$ 14,760,960	8.00 %	\$ 18,451,200	10.00 %
Tier 1 capital to risk-weighted assets	29,747,025	16.12	11,070,720	6.00	14,760,960	8.00
Common equity Tier I Capital to risk weighted assets	29,747,025	16.12	8,303,040	4.50	11,993,280	6.50
Tier 1 capital to average assets	29,747,100	12.71	9,364,520	4.00	11,705,650	5.00

Buckeye’s principal source of funds for dividend payments is dividends received from the Bank. Banking regulations limit the amount of dividends that may be paid without prior approval of regulatory agencies. Under these regulations, the amount of dividends that may be paid in any calendar year is limited to the current year’s net profits, combined with the retained net profits of the preceding two years, subject to the capital requirements described above. Under this formula, the amount available for payment of dividends in 2025 is \$3,697,527, plus 2025 profits retained up to the date of the dividend declaration.

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 15 – SUPPLEMENTAL CASH AND NONCASH FLOW DISCLOSURES

Supplemental disclosures were as follows:

	2025	2024
Supplemental cash flow information:		
Cash paid for interest	\$ 4,060,326	\$ 3,905,761
Income taxes	200,000	277,412
Dividends payable	277,137	263,078

NOTE 16 – ACCUMULATED OTHER COMPREHENSIVE LOSS

The following table presents the changes in accumulated other comprehensive income (loss) by component net of tax for the years ended December 31, 2025 and 2024:

		Net Unrealized Gains (Losses) on Investment Securities
Accumulated other comprehensive loss, January 1, 2024	\$	(2,832,521)
Total other comprehensive income		301,267
Accumulated other comprehensive loss, December 31, 2024		(2,531,254)
Total other comprehensive income		1,063,623
Accumulated other comprehensive loss, December 31, 2025	\$	(1,467,631)

NOTE 17 – DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

The Bank maintains a Dividend Reinvestment and Stock Purchase Plan (the DRP Plan). Participation is available to all common stockholders. The DRP Plan provides each participant with a simple and convenient method of purchasing additional common shares without payment of any brokerage commission or other service fees.

A participant in the DRP Plan elects to fully reinvest dividends to acquire additional common stock. A participant may withdraw from the DRP Plan at any time. In 2025 and 2024, and 5,994 and 5,471 shares, respectively were issued under the plan, respectively.

NOTE 18 – SUBSEQUENT EVENTS

The Bank assessed events occurring subsequent to December 31, 2025, through March 16, 2026, for potential recognition and disclosure in the consolidated financial statements. No events have occurred that would require adjustments to or disclosure in the consolidated financial statements that were issued March 16, 2026.

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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BOARD OF DIRECTORS ⁽¹⁾

Charles Baumgartner	Retired
Peter J. Corogin	President & CEO Lake Erie Electric, Inc.
Timothy Harris	President & CEO Insurance Board
Jeffrey W. Kosman	President Comprehensive Oral and Maxillofacial Surgery
Joseph P. McAuliffe	President Hawthorne Wire Services LLC
Timothy J. McManamon	Retired Executive Managing Director McManamon & Co., LLC
Richard Mulder	CEO Star, Inc.
Ben Norton	President & CEO Buckeye Community Bank
Deborah O'Neill	Chief Financial Officer O'Neill Healthcare
James Park	President Park & Illenberger CPAs, Inc.
Bruce E. Stevens	Vice Chairman Buckeye Community Bank
Richard A. West	President West Development Group

(1) All are Directors of Buckeye Bancshares, Inc. and Buckeye Community Bank

BUCKEYE BANCSHARES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

The Best of the Best Community Bankers

<u>Name</u>	<u>Title</u>	<u>Years in Banking</u>
Samantha Abraham	Chief Financial Officer/Chief Operations Officer	25
Drew Alurovic	Retail Banking Officer/Business Development	43
Heather Boone	Executive Assistant/Human Resource Manager	17
Keith Brown	Senior Credit Analyst	27
Stephanie Butler	Commercial Services Team Lead	48
Louis Calabrese	Mortgage Lending Officer	46
Paul Campagna	Chief Lending Officer	46
Anne Cheh-Falb	Commercial Lending Officer	43
Lisa Cuevas	Customer Service Representative	12
Cassie Duta	Retail Banking Operations Manager	23
Sarah Freeman	Loan Operations Officer	29
Susan Grachanin	Senior Commercial Lending Officer	41
Jennifer Gutierrez	Lending Operations Specialist	15
Kelli Haffner	Controller	13
Susan Horan	Customer Service Representative	48
Rita Hoyt	Operations Officer	46
Chantel James	Assistant Operations Manager	9
David Janowicz	Commercial Lending Officer	35
Chris Karpinski	Client Experience Officer	21
Nancy Keith	Loan Operations Assistant	40
Becky Kelling	Client Experience Officer	22
John Kokai	Senior Credit Analyst	35
Ron Krisko	IT Administrator	5
Heather Lemr	Business Banking Analyst	21
Lauren Lovell	Client Experience Specialist	2
David Malanowski	Bank Security & BSA Officer	26
Jason McDonald	Portfolio Manager	10
Kevin Miller	Senior Loan Administrator	40
Leslie Miller	Operations Specialist II	17
Libby Naro	Customer Service Representative	1
Richard Nelsen	Credit Analyst	5
Ben Norton	President & Chief Executive Officer	38
Rita Piatt	Compliance/BSA Officer	39
Chris Pratt	Retail & Business Banking Officer	15
Laura Pritchard	Business Development Banker	4
Patricia Pubal	Commercial Lending Administrative Specialist	35
Marissa Roberts	Customer Service Representative	2
Nicole Rourke	Retail Operations Officer	7
Kaleb Santo Domingo	Commercial Services Specialist	7
Sarah Smith	Treasury Management Specialist	39
Taylor Smith	Bank Accountant	7
Taylor Solanics	Loan Operations Specialist	5
Barb Wacker	Operations Specialist I	19
Adam Wirkowski	Small Business Lender	5



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