



2025



ANNUAL  
REPORT

**ANNUAL  
REPORT**  
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**O**n behalf of the Board of Directors, myself and management, I'm proud to present the 2025 report on Relyance Bank and Jefferson Bancshares Inc. Relyance Bank and Jefferson Bancshares Inc. have again produced record earnings. While our growth was lower than in previous years, our Net Interest Margin grew substantially, our Capital grew, our Asset Quality remained strong, and our management team was enhanced by realignment of responsibilities to match their most appropriate place in the organizational chart.

Relyance Bank recorded a pre-tax, pre-provision income of \$26.0 million versus \$18.1 million in the previous year. The bank's after-tax income of \$18.3 million was an increase of \$3.8 million over that of 2024. The bank produced a Return on Average Assets of 1.24%. Jefferson Bancshares Inc.'s earnings, which flow from the bank were \$16.7 million versus \$13.5 million in 2024. This resulted in the shareholder's Return on Average Equity of 11.43%.

Relyance Bank grew modestly in 2025, with Total Assets of \$1.49 billion at year's end. Our year-end balance of loans (net of allowance for credit losses) was

\$1.14 billion, and deposits were \$1.28 billion. We experienced modest loan growth but grew our net interest margin to 3.75% from 3.28% the previous year. We devoted significant effort to managing our core deposit cost of funds with the Fed's rate cuts of 0.75% over twelve months. Existing loans repricing at higher yields, and new loan originations with higher yields, allowed us to achieve this good margin. Liquidity was still tight within our markets, leading some of our competitors to maintain Certificate of Deposit rates above levels we were comfortable matching.

Year-end deposits of \$1.28 billion was an increase of \$13.87 million over 2024. This modest growth was a result of managing our net interest margin and choosing not to be aggressive in pricing our certificates of deposit. Our bank was adequately and profitably funded without utilizing brokered deposits nor wholesale funding. Our team is very active in the management of liquidity, with the goal of safely funding anticipated loan growth at the most reasonable cost.

Relyance Bank continues to operate from a strong Capital position. The bank ended the year with a Tier I Capital ratio of 14.01% and a Risk Based Capital ratio of

15.07%. Your bank's safety and soundness are our priority and that starts with maintaining strong capital levels. We regularly run stress tests that forecast our capital levels with different growth and profitability scenarios. These tests indicate our capital adequacy for various levels of growth, as well as measuring our concentrations of loan categories.

Relyance Bank continues to benefit from strong asset quality. Our year-end delinquency ratio was just 0.15% and non-performing assets were 0.36%. We believe that our strong underwriting principles and credit risk procedures are reflected by these ratios. We believe in actively managing our credits throughout the life of the loan, as well as conservative loan approval authorities. Every credit relationship above \$5 million is thoroughly reviewed annually. Our Credit Risk Committee meets monthly. Concentrations are actively managed. Our loan categories are stratified and stress tested.

The Bank's Allowance for Credit Loss (formerly known as Allowance for Loan Loss) was \$13.81 million or 1.19% of loans. This Allowance covers our non-performing loans by 366.79%. We believe this level of reserve is adequate with our strong asset quality.

As I mentioned, our Liquidity management is very active. Our Loan to Deposit Ratio was 90.72% at year-end with over \$82 million cash on hand. The bank's contingent fund is substantial. FHLB availability is in excess of \$400 million, our Fed Funds availability is \$67 million and brokered deposit availability is over \$256 million. The bank's sources and uses of liquidity are measured actively, and daily.

Our Non-interest Income was \$9.5 million, led by Fiduciary activities and Customer Service fees. This was significantly higher than 2024, because of the Investment restructuring that occurred in early 2024. Non-interest Expense was \$34.5 million, up by 7.1% over that of 2024. The largest increase was in Salary and Employee benefits, as we added to our staff.

From the holding company perspective, there was little change. As you know, Relyance Bank is the main asset held by Jefferson Bancshares Inc. An additional asset is related to our previous headquarters in Pine Bluff. This asset has a book value of \$1.81 million and is enhanced by a long-term lease to a state agency. Jefferson Bancshares Inc. also has two assets called Jefferson

Bancshares Capital Trust I and II. These are related to \$11 million in Trust Preferred Debentures. These Debentures are a liability of Jefferson Bancshares Inc. as well as \$20 million in Subordinated Debt to Simmons Bank. These liabilities are long term with a very low cost. The sub debt carries an interest rate of 3.50% and the Trust Preferred Debentures are protected by interest rate swaps in which we currently net receive 2.47% and 2.7% for the Trust Preferred Debentures I and II, respectively.

In addition to producing another year of record earnings, our management team remained very active in building our bank for the future. We named Sarah Lane EVP and Chief Administrative Officer to lead our Retail, Sales and Treasury Management areas. Our Operations structure will now be under the management of Andy Jenkins who will continue his Chief Strategy and Information Technology roles.

Treasury Management growth will be an important 2026 goal. In 2025 we made a successful debit card conversion from VISA to Mastercard. We performed a successful consumer mobile banking upgrade with debit card control capabilities. We continued improvement in information security through advancements in email, web filtering and firewall conversion. There were also significant advancements in business data analytics and reporting. Also worth noting, we successfully converted to a new Wealth Management platform. In summation, it was a very busy and productive year.

I never get tired of saying that we have the best management team anywhere. We have shared goals and a common vision to be a premier independent community bank that delivers outstanding customer service with modern technology. We also strive to ensure that our shareholders have a safe and sound investment and a good return on that investment.



Chuck Morgan  
President and CEO  
Jefferson Bancshares, Inc.



## Sharing 60 Years in a New Way

1965 was only the beginning. Over the course of 60 years, Relyance Bank has grown from one small location on Cherry Street in Pine Bluff to a network of 21 branches throughout Central Arkansas. During this milestone year, there was no better way to celebrate 60 years of service than to share a few memories with the customers Relyance Bank has been proud to serve all these years. As such, the Relyance Bank Quarterly News & Updates newsletter was formed. The newsletter has become not only a way to celebrate but also a pivotal form of communication with customers about new

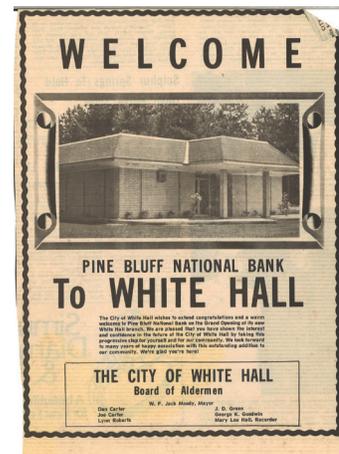
products and services, financial education, and where Relyance is showing up in communities. Let's look back at a few of our favorite 60-year moments from the newsletters in 2025...



*Did you know? Relyance Bank was originally Pine Bluff National Bank, which opened in 1965. It was located on Cherry Street in Pine Bluff, Arkansas and started with eight employees. Today, Relyance Bank has about 200 associates. - Quarterly News & Updates, March 2025*

*Bank President John Garrison was interviewed by the Pine Bluff Commercial, May of 1990, about the first 25 years: "Pine Bluff National's philosophy has been to offer a community bank that caters to those that might feel lost in the larger banks. The bank strives to offer a more personalized atmosphere from the bank President on down...People here look up and acknowledge you and say hello," he said. - Quarterly News & Updates, June 2025*

*"In my career, I have seen many positive changes in our bank. Throughout this time, we have stayed true to our roots as a Community Bank and our values have never changed. We have a great bank filled with great people." - Chuck Morgan, President & CEO, JBI - Quarterly News & Updates, September 2025*



Scan here for 60th-Year Commercial

*"This is a wonderful time to pause, reflect on how far we have come, and appreciate the people who make our mission stronger. As we wrap up this milestone year and reflect on 60 years of service, here's to the next 60 - filled with continued growth, partnership, and opportunities to make a difference in the communities we proudly serve." - Scott Pittillo, President, Relyance Bank - Quarterly News & Updates, December 2025*



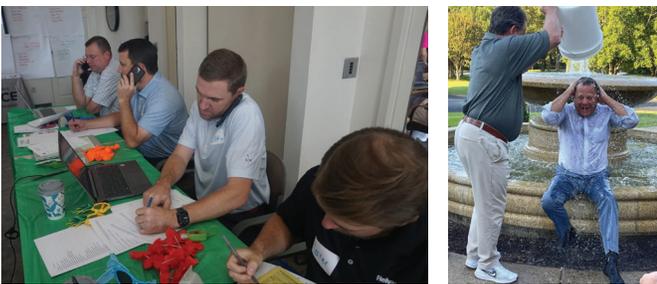
## A Partner in Every Community

2025 was another year to add to Relyance Bank’s record of community partnerships. Mid-2025, Watson Chapel School District, located in Jefferson County, announced a distinguished \$500,000 sponsorship from Relyance Bank. In recognition of this commitment, Relyance Bank received naming rights to the new high school arena. The Relyance Bank Arena will serve as a centerpiece of the district’s high school campus.

“Relyance Bank is grateful for the opportunity to partner with the Watson Chapel School District, a cornerstone of their community,” stated Scott Pittillo, President. “This commitment is one that adds to a longstanding relationship Relyance has with the district. This is an investment in the future of our youth and in strengthening the communities we serve. It is an example of what we mean when we say you can ‘Rely On Us’. We cannot wait to see the result of the project and all the benefits that it will provide to the community, district, and students for years to come.”



**Above, Top:** Relyance executives join Watson Chapel Superintendent of Schools, Dr. Keith McGee, as they announce the Relyance Bank Arena, and sponsorship. **Above, Bottom-left:** Russ Martin receives The Nelson Summit Award on behalf of Relyance Bank at the Junior Achievement Hall of Fame Business Luncheon. **Above, Bottom-right:** Jodie Jolly presents completion certifications for JA Our City to Coleman Elementary 3rd grade students.



**Top, Left:** Relyance associates make calls to area businesses during the membership drive for the Pine Bluff Regional Chamber of Commerce. Relyance Bank’s Green Team led the way with the most new memberships during the event. **Top, Right:** David Straessle, Regional Chairman, supports ALS awareness through the CEO Soak. **Middle, Left:** Scott Pittillo, President, celebrates the retirement of Carol Ann Rogers and 46 years of service to Relyance. **Middle, Right:** DeAnna Korte, AVP Marketing, and Chris Kane join the community in tailgating for the UofA vs. ASU game at War Memorial Stadium. **Bottom:** Women throughout the bank’s footprint and departments support the Arkansas Bankers Association through the Women in Banking event in Little Rock, Ark.

You can also find Relyance Bank associates serving in Watson Chapel School District’s Coleman Elementary School. Beginning in May 2025, Relyance associates joined 3rd grade classes to share financial literacy programs through Junior Achievement’s JA Our City curriculum, continuing the relationship Relyance has had with JA for several years. This particular effort has allowed Relyance to teach financial literacy to roughly 200 students from Coleman Elementary over the course of two semesters.

The mission of Junior Achievement of Arkansas is to inspire and prepare young people to succeed in a global economy. June of 2025, Russ Martin, Chief Credit Officer, accepted JA’s The Nelson Summit Award, on behalf of Relyance Bank. The award is bestowed on a company that has shown a deep commitment to educating Arkansas youth. Martin has served on the JA Board of Directors for five years, currently serving as treasurer.

Relyance Bank’s dedication to their communities spreads beyond their legacy market that began 60 years ago in Jefferson County. Throughout central and southeastern Arkansas, and westward to Hot Springs and Hot Springs Village, the Relyance Bank logo is seen in support of worthy local initiatives, charitable organizations, schools, and nonprofits.



*“In my career, I have seen many positive changes in our bank. Throughout this time, we have stayed true to our roots as a Community Bank, and our values have never changed. We have a great bank filled with great people.”*

*Chuck Morgan,  
President & CEO  
Jefferson Bancshares*

JEFFERSON BANCSHARES  
*2025 Financials*

JEFFERSON BANCSHARES, INC.

# Consolidated Balance Sheets

as of December 31, 2025 and 2024

ASSETS	2025	2024
Cash and cash equivalents	\$ 82,241,618	\$ 53,073,155
Available-for-sale securities	112,951,179	114,157,251
Held-to-maturity securities	28,863,984	32,828,480
Loans, net of allowance for credit losses of \$13,806,124 and \$12,851,613 at December 31, 2025 and 2024, respectively	1,145,239,477	1,136,742,919
Premises and equipment, net	42,702,218	43,785,436
Federal Reserve, First National Bankers Bank, and Federal Home Loan Bank stock	6,669,650	8,260,950
Foreclosed assets held for sale, net	1,574,837	33,441
Interest receivable	7,772,553	6,380,534
Goodwill	7,153,066	7,153,066
Cash value of life insurance	35,100,147	33,098,764
Fair value of derivative instruments	337,526	736,348
Deferred tax asset	6,449,319	7,497,647
Other assets	14,578,142	13,984,166
<b>TOTAL ASSETS</b>	<b>\$ 1,491,633,716</b>	<b>\$ 1,457,732,157</b>

# Consolidated Balance Sheets

as of December 31, 2025 and 2024

LIABILITIES AND STOCKHOLDERS' EQUITY	2025	2024
<b>LIABILITIES:</b>		
Deposits:		
Demand	\$ 209,761,060	\$ 233,929,358
Savings, NOW, and Money Market	658,820,347	608,926,837
Time	407,106,126	418,809,840
Total deposits	1,275,687,533	1,261,666,035
Subordinated debentures	31,341,000	31,341,000
Fair value of derivative instrument	218,630	223,234
Deferred Revenue	1,065,449	1,195,263
Interest payable and other liabilities	20,314,030	20,071,180
Total liabilities	1,328,626,642	1,314,496,712
<b>STOCKHOLDERS' EQUITY:</b>		
Common stock, \$.01 par value; 15,000,000 shares authorized; 7,574,292 and 6,930,440 shares issued and outstanding at December 31, 2025 and 2024, respectively	82,760	75,743
Additional paid-in capital	153,387,380	141,112,746
Retained earnings	16,652,835	13,452,209
Accumulated other comprehensive loss	(7,115,901)	(11,405,253)
Total stockholders' equity	163,007,074	143,235,445
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 1,491,633,716</b>	<b>\$ 1,457,732,157</b>

# Consolidated Statements of Income

as of December 31, 2025 and 2024

	2025	2024
<b>INTEREST AND DIVIDEND INCOME:</b>		
Loans	\$ 72,648,107	\$ 65,317,267
Debt securities		
Taxable	4,155,350	4,095,927
Tax-exempt	710,800	742,717
Deposits with financial institutions and other	533,685	837,410
Dividends on Federal Reserve and Federal Home Loan Bank stock	2,550,269	2,699,559
Total interest and dividend income	<u>80,598,211</u>	<u>73,692,880</u>
<b>INTEREST EXPENSE:</b>		
Deposits	29,190,011	30,379,514
Note Payable and Other	732,077	725,861
Federal Home Loan Bank advances	135	192,214
Bank Term Funding	-	239,841
Lease Liability	268,480	289,015
Subordinated debentures	427,551	432,474
Total interest expense	<u>30,618,254</u>	<u>32,258,919</u>
NET INTEREST INCOME	49,979,957	41,433,961
PROVISION FOR CREDIT LOSSES	2,350,000	215,000
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	<u>47,629,957</u>	<u>41,218,961</u>
<b>NONINTEREST INCOME:</b>		
Fiduciary activities	1,698,769	1,765,364
Customer services fees	5,978,902	6,070,058
Other service charges and fees	363,312	374,262
Increase in cash value of life insurance, including gain	946,893	1,467,204
Rental Income	364,017	357,651
Loss on sale of available-for-sale securities	-	(2,244,107)
Other noninterest income	331,473	255,569
Total noninterest income	<u>\$ 9,683,366</u>	<u>\$ 8,046,001</u>

# Consolidated Statements of Income

as of December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
NONINTEREST EXPENSE:		
Salaries and employee benefits	\$ 18,799,012	\$ 17,520,107
Occupancy	3,131,297	3,020,885
Equipment	3,440,317	3,155,908
Professional fees	861,235	807,953
Marketing	839,240	648,363
Printing and office supplies	404,440	437,059
Data processing	1,975,940	2,080,496
Other	5,550,829	5,036,953
Total noninterest expense	<u>35,002,310</u>	<u>32,707,724</u>
INCOME BEFORE INCOME TAXES	22,311,013	16,557,238
PROVISION FOR INCOME TAXES	<u>5,658,178</u>	<u>3,105,029</u>
NET INCOME	<u>\$ 16,652,835</u>	<u>\$ 13,452,209</u>



*"I never get tired of saying this, we have the best management team anywhere. We have shared goals and a common vision to be a premier independent community bank that delivers outstanding customer service with modern technology. "*

*Chuck Morgan,  
President & CEO  
Jefferson Bancshares*

RELYANCE BANK  
*2025 Financials*

RELYANCE BANK

# Balance Sheets

as of December 31, 2025 and 2024

ASSETS	2025	2024
Cash and cash equivalents	\$ 82,241,618	\$ 53,073,155
Available-for-sale securities	112,951,179	114,157,251
Held-to-maturity securities	28,863,984	32,828,480
Loans, net of allowance for credit losses of \$13,806,124 and \$12,851,613 at December 31, 2025 and 2024, respectively	1,144,250,020	1,135,578,695
Premises and equipment, net	39,920,285	40,758,542
Federal Reserve, First National Bankers Bank, and Federal Home Loan Bank stock	6,669,650	8,260,950
Interest receivable	7,774,098	6,377,133
Goodwill	7,153,066	7,153,066
Cash value of life insurance	35,100,147	33,098,764
Deferred tax asset, net	6,250,252	7,392,748
Other assets	13,961,234	11,928,141
<b>TOTAL ASSETS</b>	<b>\$ 1,485,135,533</b>	<b>\$ 1,450,606,925</b>

RELYANCE BANK

# Balance Sheets

as of December 31, 2025 and 2024

LIABILITIES AND STOCKHOLDERS' EQUITY	2025	2024
<b>LIABILITIES:</b>		
Deposits:		
Demand	\$ 210,520,166	\$ 234,839,147
Savings, NOW, and Money Market	658,820,347	608,926,837
Time	407,106,126	418,809,840
Total deposits	1,276,446,639	1,262,575,824
Lease Liability	3,186,359	3,429,099
Interest payable and other liabilities	16,732,947	16,719,861
Total liabilities	1,296,365,945	1,282,724,784
<b>STOCKHOLDERS' EQUITY:</b>		
Common stock, \$.01 par value; authorized - 5,000,000; issued - 20,000 shares	200	200
Additional paid-in capital	52,256,941	52,256,941
Retained earnings	143,883,517	127,586,932
Accumulated other comprehensive loss	(7,371,070)	(11,961,932)
Total stockholders' equity	188,769,588	167,882,141
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 1,485,135,533</b>	<b>\$ 1,450,606,925</b>

RELYANCE BANK

# Statements of Income

as of December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>INTEREST AND DIVIDEND INCOME:</b>		
Loans	\$ 72,491,696	\$ 65,151,690
Debt securities		
Taxable	4,155,350	4,095,927
Tax-Exempt	710,800	742,717
Deposits with financial institutions and other	533,685	837,410
Dividends on Federal Reserve and Federal Home Loan Bank stock	<u>2,527,549</u>	<u>2,672,537</u>
<b>Total interest and dividend income</b>	<u>80,419,080</u>	<u>73,500,281</u>
<b>INTEREST EXPENSE:</b>		
Deposits	29,190,011	30,379,514
Federal Home Loan Bank advances	135	192,214
Bank term funding	-	239,841
Lease liability	265,675	283,913
Other	<u>6,216</u>	<u>1,827</u>
<b>Total interest expense</b>	<u>29,462,037</u>	<u>31,097,309</u>
<b>NET INTEREST INCOME</b>	50,957,043	42,402,972
<b>PROVISION FOR CREDIT LOSSES</b>	<u>2,350,000</u>	<u>215,000</u>
<b>NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES</b>	<u>48,607,043</u>	<u>42,187,972</u>
<b>NONINTEREST INCOME:</b>		
Fiduciary activities	1,698,769	1,765,364
Customer services fees	6,342,214	6,444,320
Increase in cash value of life insurance, including gain	946,893	1,467,204
Loss on sale of available-for-sale securities	-	(2,244,107)
Other noninterest income	<u>536,420</u>	<u>456,709</u>
<b>Total noninterest income</b>	<u>\$ 9,524,296</u>	<u>\$ 7,889,490</u>

RELYANCE BANK

# Statements of Income

as of December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
NONINTEREST EXPENSE:		
Salaries and employee benefits	\$ 18,799,012	\$ 17,520,107
Occupancy	2,847,508	2,632,947
Equipment	3,357,659	3,155,908
Professional fees	818,335	791,953
Marketing	839,240	648,363
Printing and office supplies	404,440	437,059
Data processing	1,975,940	2,080,496
Other	<u>5,451,326</u>	<u>4,944,438</u>
Total noninterest expense	<u>34,493,460</u>	<u>32,211,271</u>
INCOME BEFORE INCOME TAXES	23,637,879	17,866,191
PROVISION FOR INCOME TAXES	<u>5,341,294</u>	<u>3,393,221</u>
NET INCOME	<u>\$ 18,296,585</u>	<u>\$ 14,472,970</u>



*“In addition to producing another year of record earnings, our management team remained very active in building our bank for the future.”*

*Chuck Morgan,  
President & CEO  
Jefferson Bancshares*

ANNUAL REPORT  
*Charts & Graphs*

## RELYANCE BANK

# 2025 Highlights

Increase in net income was due to expanded net interest margin during the current year. Year over year increase in yield on loans was 33bps while the cost of funds also decreased 23bps, which resulted in an increase in net interest margin of 47bps. The increase in net interest margin resulted in approximately \$6.4 million additional net interest income.

Net loan growth was flat during the year which was the result of loan demand as well as timing of certain loan payoffs in Q4 2025.

NPL ratio decreased in the current year primarily due to the continued management of certain loan relationships. During Q4 2025, a loan charge-off of approximately \$1.5 million was recorded, which reduced the non-performing loan balance over 2024.

Deposits were up at the end of 2025 due to a large short-term commercial customer deposit received during Q4 2025. When adjusting for this deposit, as well as adjusting for the change in brokered CD's, deposits decreased approximately \$3.1 million. Cost of funds decreased due to reductions in the federal reserve fed funds rate which allowed for downward movement in deposit accounts.

2025 net income

**\$18.30M**

2025 vs 2024 increase of

**26.4%**

Net loan growth of

**\$8.67M**

Unfunded commitments

**\$313M**

NPL Ratio Change

**(8)bps**

2025  
NPL coverage ratio

**366.79%**

Deposit Change

**(0.25)%**  
vs 2024

Cost of deposits

**2.29%**

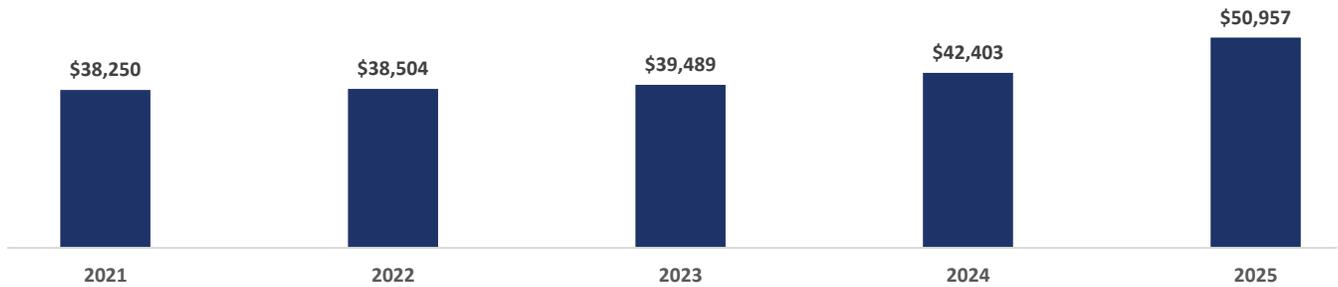
## Financial Highlights *(in thousands)*

Summary Income Statement	2025	2024	2023	2024	% Change vs 2023
Interest Income	80,419.1	73,500.3	59,411.5	9.4 %	35.4 %
Interest Expense	29,462.0	31,097.3	19,922.6	(5.3)	47.9
<b>Net Interest Income</b>	<b>50,957.1</b>	<b>42,403.0</b>	<b>39,488.9</b>	<b>20.2</b>	<b>29.0</b>
Noninterest income	9,524.3	7,889.5	9,402.8	20.7	1.3
Noninterest expense	34,493.5	32,211.3	31,463.6	7.1	9.6
<b>Pre-tax, pre-provision income</b>	<b>25,987.9</b>	<b>18,081.2</b>	<b>17,428.1</b>	<b>43.7</b>	<b>49.1</b>
Provision for loan loss	2,350.0	215.0	100.0	993.0	2,250.0
Provision for income taxes	5,341.3	3,393.2	4,069.1	57.4	31.3
<b>Net income</b>	<b>18,296.6</b>	<b>14,473.0</b>	<b>13,259.0</b>	<b>26.4</b>	<b>38.0</b>

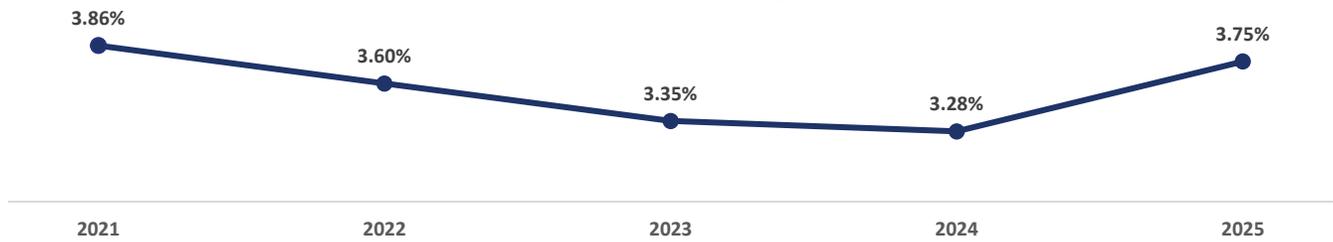
- Interest income increase is due to the increase in the yield on earning assets. Yield on loans increased 33bps while cost of funds decreased 23bps year over year. This allowed for expansion of net interest margin, therefore providing additional net interest income during 2025.
- Interest expense was lower due to the reduction of the fed funds rate by the federal reserve in 2025. Lower fed funds rate allowed for management of deposits, wholesale funding and liquidity allowing for lower interest costs.
- Noninterest income increased significantly due to the 2024 restructure of a portion of the bank's investment portfolio. A realized loss was recognized of approximately \$2.24 million. Adjusting for this investment restructure, all other non-interest income balances were down approximately \$500,000 which was the result of 2024 being elevated due to the recognition of a gain on life insurance proceeds related to certain bank owned life insurance policies.
- Provision for income taxes increased in 2025 due to the bank recognizing a tax credit related to solar energy in 2024 of approximately \$560,000

# Charts and Graphs

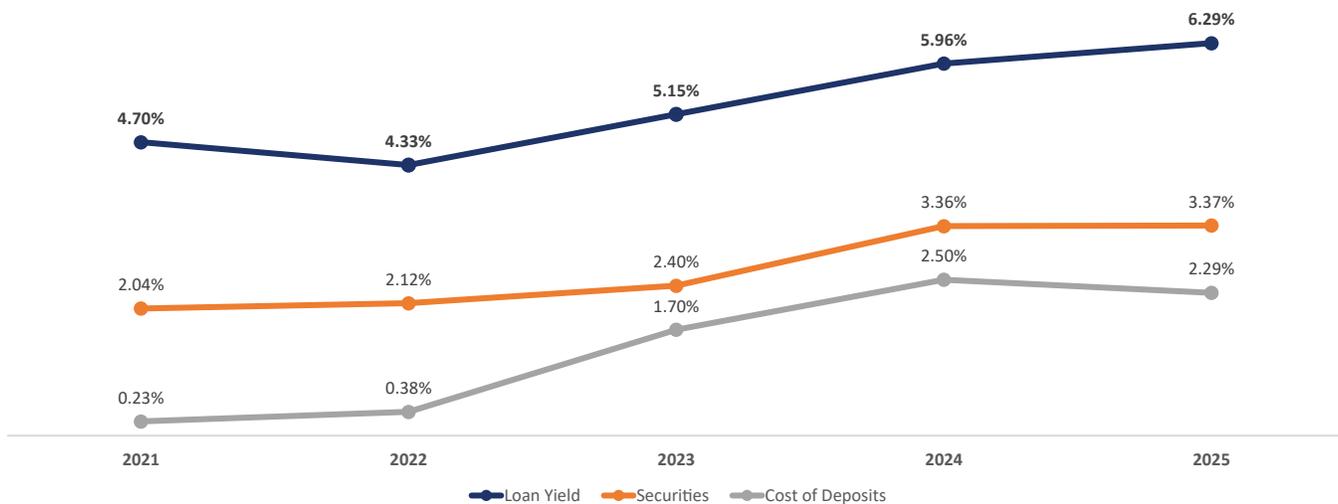
Net Interest Income



Net Interest Margin



Loans, Securities and Deposits Yield/Cost



# RELYANCE BANK

## Charts and Graphs

### Noninterest Income *(in thousands)*

Noninterest Income	2025	2024	2023	% Change vs	
				2024	2023
NSF fees	2,408.8	2,421.4	2,400.4	(0.5) %	0.3 %
Wealth management fees	1,698.8	1,765.4	1,630.0	(3.8)	4.2
Debit and credit card fees	2,777.8	2,842.3	2,968.5	(2.3)	(6.4)
Bank owned life insurance	946.9	1,467.2	783.9	(35.5)	20.8
Loss on sale of available-for-sale securities	-	(2,244.1)	-	(100)	-
Other	1,692.0	1,637.3	1,620.0	3.3	4.4
<b>Total noninterest income</b>	<b>9,524.3</b>	<b>7,889.5</b>	<b>9,402.8</b>	<b>20.7</b>	<b>1.3</b>

#### Key Highlights

The change in bank owned life insurance was related to a death benefit received for one owned contract in 2024.

Loss on sale of available-for-sale securities was related to the investment restructures performed in January and May of 2024.

All other non-interest income items were consistent with prior year activity.

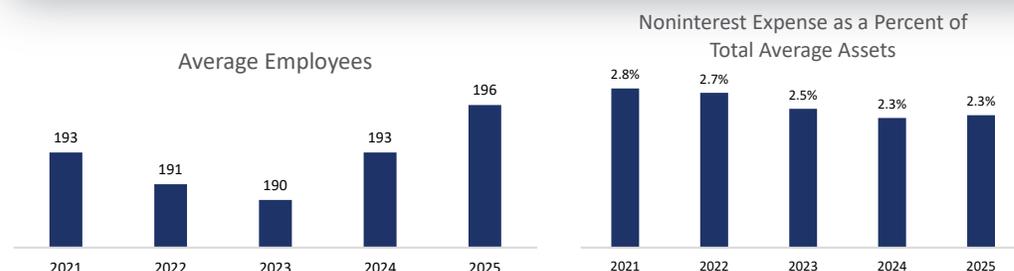


### Noninterest Expense *(in thousands)*

#### Key Highlights

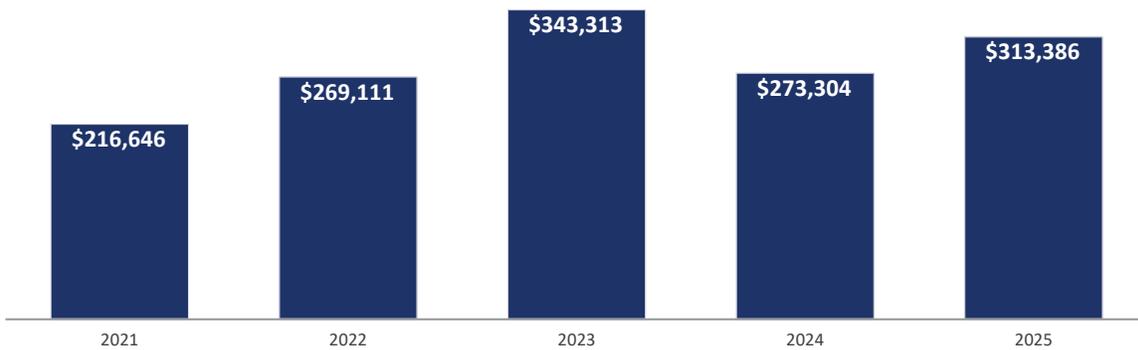
The primary change within noninterest expense was related to salaries and employee benefits. This increase was related to levels of personnel during the year as well as increased compensation and benefit levels within the financial institution market and economic environment.

Noninterest Expense	2025	2024	2023	% Change vs	
				2024	2023
Salaries and employee benefits	18,799.0	17,520.1	16,112.1	7.3 %	16.7 %
Occupancy expense	2,847.5	2,632.9	2,312.3	8.2	23.1
Furniture, fixture, equipment expense	3,357.7	3,155.9	2,950.6	6.4	13.8
Professional expense	818.3	792.0	770.7	3.3	6.2
Data Processing	1,976.0	2,080.5	2,767.2	(5.0)	(28.6)
Other	6,695.0	6,029.9	6,550.7	11.0	2.2
<b>Total noninterest expense</b>	<b>34,493.5</b>	<b>32,211.3</b>	<b>31,463.6</b>	<b>7.1</b>	<b>9.6</b>

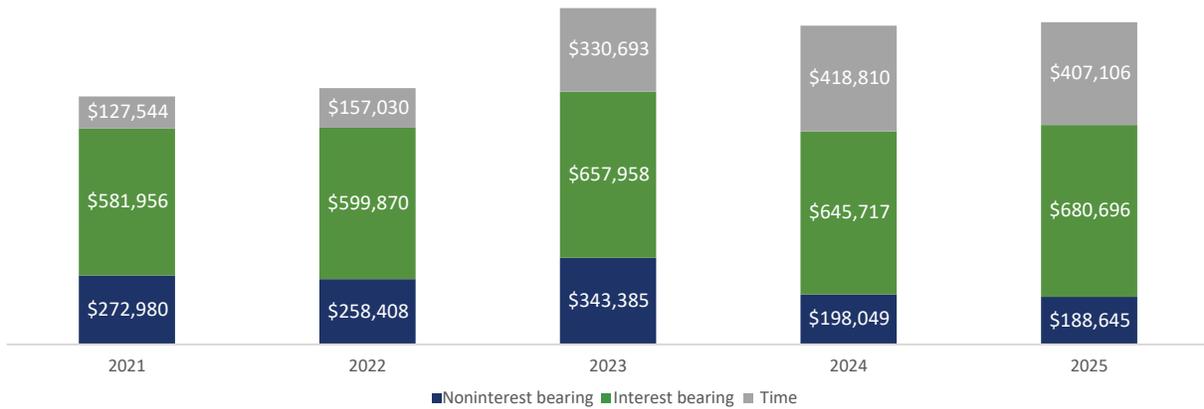


# Charts and Graphs

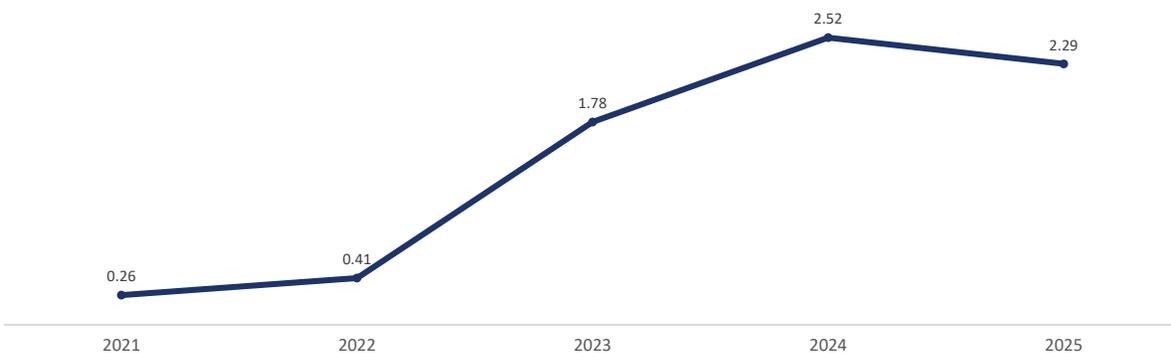
Loan Portfolio  
Unfunded Commitments  
(in thousands)



Deposits  
(in thousands)



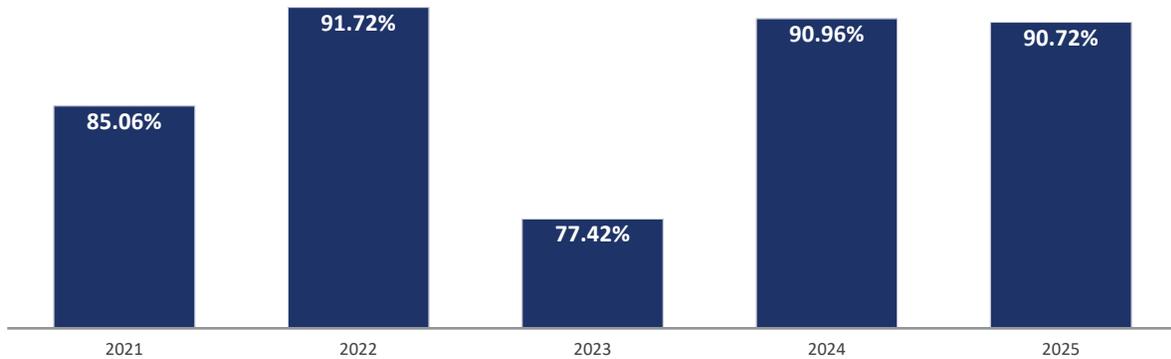
Cost of Deposits (YTD)



# Charts and Graphs

## Liquidity

Loan to Deposit Ratio



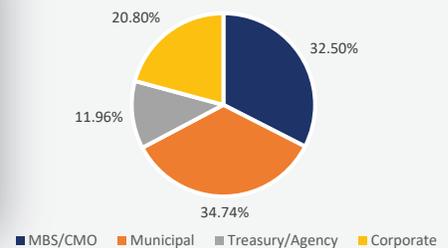
External Liquidity (in thousands)



## Investments

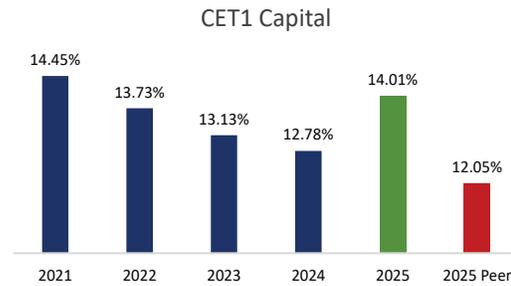
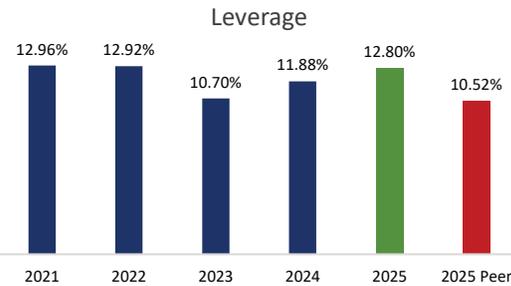
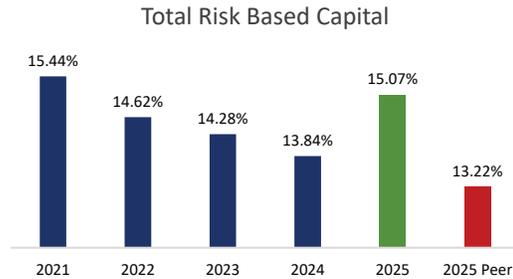
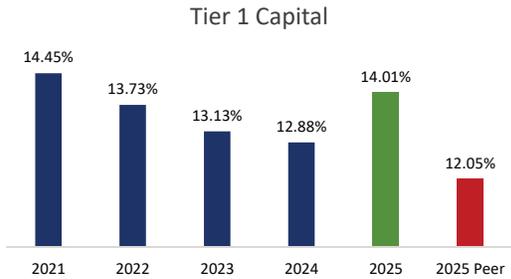
Securities Portfolio Summary (in thousands) At December 31, 2025				
	Par	FMV	Yield	Effective Duration
MBS/CMO	49,780	45,674	2.98%	4.9
Municipal	56,090	48,817	2.32%	8.1
Treasury/Agency	17,450	16,802	4.35%	5.3
Corporate	30,292	29,221	4.47%	5.7
<b>Total</b>	<b>153,612</b>	<b>140,514</b>	<b>3.18%</b>	<b>6.3</b>

Investment Composition



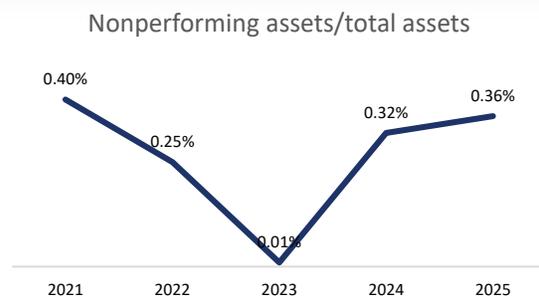
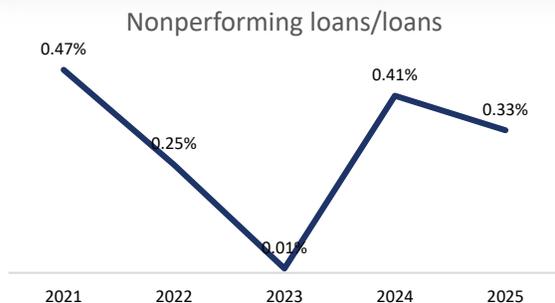
# Charts and Graphs

## Capital Position



## Credit Quality

Annual Trend	2025	2024	2023	2022	2021	2025 vs 2024 Change
NPL / Loans	0.33%	0.41%	0.01%	0.25%	0.42%	(8) bps
Nonperforming Loans (in thousands)	3,764	4,666	147	2,342	3,403	(\$902)
NPA / Assets	0.36%	0.32%	0.01%	0.25%	0.40%	4 bps
Nonperforming Assets (in thousands)	5,313	4,666	147	2,979	4,520	\$647
Past Due 30+ Days / Loans	0.15%	0.34%	0.03%	0.18%	0.24%	(19) bps
ACL / Nonperforming Assets	259.87%	275.43%	8,541.87%	333.84%	217.64%	-5.65%
ACL / Nonperforming Loans	366.79%	275.43%	8,541.87%	424.58%	289.10%	33.00%
ACL / Loans	1.19%	1.12%	1.22%	1.07%	1.20%	7 bps



## Jefferson Bancshares, Inc. Board of Directors



**John Garrison**  
Chairman of the Board  
Jefferson Bancshares, Inc.



**Kenny Bonds**  
Board Member  
Bonds Brothers Farms, Retired



**Thomas Dial**  
Board Member  
Dial Farms, Retired



**David Ferrell**  
Secretary  
Hunter's Refuge, Partner



**Jennifer Griffin**  
Lead Independent Director  
Teacher, Retired



**Marshall Kelley**  
Board Member  
Brown Funeral Home, Owner



**Annette Kline**  
Board Member  
Strong Manufacturing, Partner



**Chuck Morgan**  
President and CEO  
Relyance Bank, Chairman & CEO



**Thomas Murchison, III**  
Board Member  
MidSouth Farming, Partner



**Scott Pittillo**  
Sr. Executive Vice President  
Relyance Bank, President



**Archie Sanders**  
Board Member  
State Farm Insurance Agency,  
Owner

## Jefferson Bancshares, Inc. Officers

John Garrison, Chairman of the Board, JBI

David Ferrell, Secretary of the Board

Jennifer Griffin, Lead Independent Director

Chuck Morgan, President and CEO

Scott Pittillo, Sr. Executive Vice President

Michael Neathery, EVP and Chief Financial Officer

Tracey Hisaw, EVP and Chief Risk Officer

Kathryn Maus, SVP and Director of Internal Audit

## Officers

### **Relyance Bank Officers**

Chuck Morgan	Chairman and Chief Executive Officer
Scott Pittillo	President
Janice Acosta	EVP and Wealth Management
Steven Brown	EVP and Chief Lending & Investment Officer
Tracey Hisaw	EVP and Chief Risk Officer
Andy Jenkins	EVP and Chief Operating & Strategy Officer
Sarah Lane	EVP and Chief Administrative Officer
Russ Martin	EVP and Chief Credit Officer
Michael Neathery	EVP and Chief Financial Officer
David Straessle	Regional Chairman of Central AR Market
Todd Green	Hot Springs Market President
Michael Sims	Saline County Community Bank President
Russell Altom	SVP and Agricultural Lending
Carlotta Aytch	SVP and Branch Administration & Deposit Services
Chris Cummings	SVP and Trust Officer
Greg Garner	SVP and Chief People Officer
Carrie Hall	SVP and Loan Production Manager
Kathryn Maus	SVP and Director of Internal Audit
Katherine Mitchell	SVP and Bank Services
Joey Moll	SVP and Commercial Lending
Katherine Polczynski	SVP and Consumer Real Estate Manager
Melissa Rigsby	SVP and Retail Operations
Michael Rossi	SVP and Loan Review
Jennifer Ruhlman	SVP and Senior Corporate Retail Officer
Scott Socia	SVP and Senior Regional Lending Manager
Paula Styers	SVP and Commercial Lending
John Wall	SVP and Payments & Loan Services



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