

# HELM BANK USA

---

FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

## HELM BANK USA

---

### TABLE OF CONTENTS:

---

INDEPENDENT AUDITORS' REPORT	1 – 3
FINANCIAL STATEMENTS:	
Balance Sheets	4
Statements of Income	5
Statements of Comprehensive Income	6
Statements of Changes in Stockholders' Equity	7
Statements of Cash Flows	8
Notes to Financial Statements	9 – 39
MANAGEMENT'S REPORT	40-41

## **Independent Auditors' Report**

To the Board of Directors and Stockholders of  
**Helm Bank USA**

### **Report on the Audits of the Financial Statements and Internal Control Over Financial Reporting**

#### ***Opinion***

We have audited the financial statements of Helm Bank USA (the "Company"), which comprise the balance sheet as of December 31, 2025 and 2024, and the related statements of income, comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements (collectively referred to as 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.

We also have audited the Company's internal control over financial reporting, including controls over the preparation of schedules equivalent to basic financial statements in accordance with the Federal Financial Institutions Examination Council Instructions for Consolidated Reports of Condition and Income ("Call Report Instructions"), as of December 31, 2025, based on criteria established in the *Internal Control—Integrated Framework (2013)*, issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in the *Internal Control—Integrated Framework (2013)*, issued by COSO.

#### ***Basis for Opinions***

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 Audits of the Financial Statements and Internal Control Over Financial Reporting 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 opinions.

## ***Responsibilities of Management for the Financial Statements and Internal Control Over Financial Reporting***

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 effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management is also responsible for its assessment about the effectiveness of internal control over financial reporting, included in the accompanying Management Report.

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 available to be issued.

## ***Auditor's Responsibilities for the Audits of the Financial Statements and Internal Control Over Financial Reporting***

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 about whether effective internal control over financial reporting was maintained in all material respects, and to issue an auditors' report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of financial statements or an audit of internal control over financial reporting conducted in accordance with GAAS will always detect a material misstatement or a material weakness 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 to be 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 of financial statements and an audit of internal control over financial reporting in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 financial statement audit in order to design audit procedures that are appropriate in the circumstances.
- obtain an understanding of internal control over financial reporting relevant to the audit of internal control over financial reporting, assess the risks that a material weakness exists, and test and evaluate the design and operating effectiveness of internal control over financial reporting based on the assessed risk.

- 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 financial statement audit.

### ***Definition and Inherent Limitations of Internal Control Over Financial Reporting***

An entity’s internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America. Because management’s assessment and our audits were conducted to meet the reporting requirements of Section 112 of the Federal Deposit Insurance Corporation Improvement Act (“FDICIA”), our audit of the Company’s internal control over financial reporting included controls over the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and controls over the preparation of schedules equivalent to basic financial statements in accordance with Call Report Instructions. An entity’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the entity’s assets that could have a material effect on the financial statements.

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

*CBIZ CPAs P.C.*

Hartford, Connecticut  
April 24, 2026

## HELM BANK USA

### BALANCE SHEETS DECEMBER 31, (IN THOUSANDS, EXCEPT SHARE DATA)

<b>ASSETS</b>	<b>2025</b>	<b>2024</b>
<b>CASH AND CASH EQUIVALENTS:</b>		
Cash and due from banks	\$ 34,550	\$ 32,703
Interest-bearing cash deposits	<u>33,738</u>	<u>28,668</u>
TOTAL CASH AND CASH EQUIVALENTS	68,288	61,371
Securities available for sale, at fair value	415,177	330,795
Marketable equity securities, at fair value	913	884
Federal Home Loan Bank stock, at cost (restricted)	714	740
Loans	641,604	601,265
Allowance for credit losses	<u>(10,899)</u>	<u>(10,806)</u>
LOANS, NET OF ALLOWANCE FOR CREDIT LOSSES	630,705	590,459
Deferred tax asset, net	12,155	15,861
Property and equipment, net	672	110
Right-of-use asset	3,582	4,383
Accrued interest receivable and other assets	<u>5,594</u>	<u>5,599</u>
TOTAL ASSETS	<b><u>\$ 1,137,800</u></b>	<b><u>\$ 1,010,202</u></b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>DEPOSITS:</b>		
Demand deposits	\$ 397,442	\$ 388,144
Savings, NOW and money-market deposits	261,794	223,932
Time deposits	<u>354,973</u>	<u>290,036</u>
TOTAL DEPOSITS	1,014,209	902,112
Advance payments by borrowers for taxes and insurance	7,698	6,428
Lease liabilities	4,914	5,315
Accrued interest payable and other liabilities	<u>4,687</u>	<u>7,097</u>
TOTAL LIABILITIES	<u>1,031,508</u>	<u>920,952</u>
<b>COMMITMENTS AND CONTINGENCIES (NOTE 16)</b>		
<b>STOCKHOLDERS' EQUITY:</b>		
Common stock, \$10 par value, 1,000,000 shares authorized; 900,000 shares issued and outstanding	9,000	9,000
Additional paid-in capital	8,800	8,800
Retained earnings	115,065	109,453
Accumulated other comprehensive loss, net of tax effect	<u>(26,573)</u>	<u>(38,003)</u>
TOTAL STOCKHOLDERS' EQUITY	<u>106,292</u>	<u>89,250</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<b><u>\$ 1,137,800</u></b>	<b><u>\$ 1,010,202</u></b>

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

## HELM BANK USA

### STATEMENTS OF INCOME FOR THE YEARS ENDED DECEMBER 31, (IN THOUSANDS)

	<b>2025</b>	<b>2024</b>
<b>INTEREST INCOME:</b>		
Loans, including fees	\$ 37,531	\$ 34,266
Securities available for sale	14,571	14,127
Other	2,487	1,774
<b>TOTAL INTEREST INCOME</b>	<b>54,589</b>	<b>50,167</b>
<b>INTEREST EXPENSE:</b>		
Deposits	11,570	9,605
Other	-	509
<b>TOTAL INTEREST EXPENSE</b>	<b>11,570</b>	<b>10,114</b>
<b>NET INTEREST INCOME</b>	<b>43,019</b>	<b>40,053</b>
<b>PROVISION FOR CREDIT LOSSES</b>	<b>213</b>	<b>1,673</b>
<b>NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES</b>	<b>42,806</b>	<b>38,380</b>
<b>NONINTEREST INCOME:</b>		
Fee income on wire transfers	2,114	2,060
Service fees and charges on customer deposit accounts	932	954
Net realized loss on sales of debt securities available for sale (includes \$1,749 accumulated other comprehensive loss reclassifications for unrealized net losses on debt securities available for sale)	-	(2,337)
Foreign currency transaction income	1,484	1,771
Credit card income	795	686
Net unrealized gain (loss) on marketable equity securities	29	(9)
Other	207	173
<b>TOTAL NONINTEREST INCOME</b>	<b>5,561</b>	<b>3,298</b>
<b>NONINTEREST EXPENSES:</b>		
Salaries and employee benefits	20,140	18,369
Representative offices	3,328	3,241
Data processing	1,598	1,575
Occupancy	2,214	2,166
Consulting fees	701	721
Professional fees	868	820
Information technology support	683	773
Software licenses	1,137	1,026
Depreciation and amortization	162	151
Other	3,278	2,903
<b>TOTAL NONINTEREST EXPENSES</b>	<b>34,109</b>	<b>31,745</b>
<b>INCOME BEFORE PROVISION FOR INCOME TAXES</b>	<b>14,258</b>	<b>9,933</b>
<b>PROVISION FOR INCOME TAXES (includes \$3,480 and (\$902) income tax expense (benefit) from reclassification items, respectively)</b>	<b>3,646</b>	<b>2,469</b>
<b>NET INCOME</b>	<b>\$ 10,612</b>	<b>\$ 7,464</b>

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

**HELM BANK USA**

---

STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024  
(IN THOUSANDS)

**2025**

NET INCOME	\$	10,612
OTHER COMPREHENSIVE INCOME, NET OF TAX EFFECT		
Unrealized loss on securities		
Unrealized holding gains arising during period (net of tax effect of \$3,840)		11,430
		<hr/>
COMPREHENSIVE INCOME	<b>\$</b>	<b>33,472</b>

**2024**

NET INCOME	\$	7,464
OTHER COMPREHENSIVE LOSS, NET OF TAX EFFECT		
Unrealized gain on securities		
Unrealized holding losses arising during period (net of tax effect of \$1,490)	\$	(4,433)
Plus: reclassification adjustment for losses included in net income (net of tax effect of \$588)		1,749
		<hr/>
COMPREHENSIVE INCOME	<b>\$</b>	<b>4,780</b>

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

## HELM BANK USA

### STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (IN THOUSANDS)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss), net of tax effect	Total Stockholders' Equity
BALANCES AT JANUARY 1, 2024	\$ 9,000	\$ 8,800	\$ 101,989	\$ (35,319)	\$ 84,470
Net income	-	-	7,464	-	7,464
Other comprehensive loss	-	-	-	(2,684)	(2,684)
BALANCES AT DECEMBER 31, 2024	9,000	8,800	109,453	(38,003)	89,250
Net income	-	-	10,612	-	10,612
Dividends	-	-	(5,000)	-	(5,000)
Other comprehensive income	-	-	-	11,430	11,430
BALANCES AT DECEMBER 31, 2025	<b>\$ 9,000</b>	<b>\$ 8,800</b>	<b>\$ 115,065</b>	<b>\$ (26,573)</b>	<b>\$ 106,292</b>

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

## HELM BANK USA

### STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, (IN THOUSANDS)

	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 10,612	\$ 7,464
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	213	1,673
Net accretion of securities available for sale	(624)	(212)
Net amortization of deferred loan fees	82	69
Net (accretion) amortization of loan premiums	(464)	546
Depreciation and amortization of property and equipment	162	151
Amortization of right-of-use asset	1,174	1,076
Net realized loss on sales of securities available for sale	-	2,337
Net unrealized (gain) loss on marketable equity securities	(29)	9
Deferred income tax benefit	(135)	(655)
Net change in operating assets and liabilities:		
Accrued interest receivable and other assets	698	1,729
Lease liabilities	(774)	(404)
Accrued interest payable and other liabilities	(2,410)	2,064
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>8,505</b>	<b>15,847</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Activity in securities available for sale:		
Sales	-	120,698
Maturities, prepayments and calls	18,678	18,839
Purchases	(87,857)	(24,239)
Net change in Federal Home Loan Bank stock, at cost (restricted)	26	24
Net change in loans	(40,078)	(66,924)
Additions to property and equipment	(724)	(38)
<b>NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES</b>	<b>(109,955)</b>	<b>48,360</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net change in deposits	112,097	(56,027)
Net change in advance payments by borrowers for taxes and insurance	1,270	2,201
Payments of dividends	(5,000)	-
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>108,367</b>	<b>(53,826)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>6,917</b>	<b>10,381</b>
CASH AND CASH EQUIVALENTS, beginning of year	61,371	50,990
CASH AND CASH EQUIVALENTS, end of year	<b>\$ 68,288</b>	<b>\$ 61,371</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest paid on deposits and borrowed funds	<b>\$ 12,109</b>	<b>\$ 10,653</b>
Cash paid for income taxes	<b>\$ 4,367</b>	<b>\$ 1,372</b>
Capitalization of right-of-use asset under operating leases	<b>\$ 373</b>	<b>\$ 23</b>

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

# HELM BANK USA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024 (IN THOUSANDS)

### 1. GENERAL

#### Nature of Operations

Helm Bank USA (the "Bank") is a State of Florida chartered commercial banking financial institution. The Bank provides a variety of financial products and services in Miami and Orlando, Florida and through its representative office in Colombia. The Bank is authorized by federal regulators and the State of Florida to conduct general banking business. The Bank is a member of the Federal Deposit Insurance Corporation ("FDIC") and is supervised and regulated by the Office of Financial Regulation of the State of Florida ("OFR") and by the FDIC.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Financial Statement Presentation

The accounting policies and reporting practices of the Bank conform with accounting principles generally accepted in the United States of America ("U.S. GAAP") and to predominant practices in the banking industry.

#### Use of Estimates

In preparing the financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet and reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for credit losses, valuation of foreclosed assets, valuation of deferred tax assets, and the fair value of financial instruments.

#### Concentrations of Credit Risk

Credit risk represents the maximum accounting loss that would be recognized at the reporting date if counterparties failed completely to perform as contracted and any collateral or security proved to be of no value. Concentrations of credit risk (whether on or off-balance sheet) arising from financial instruments exist in relation to certain groups of customers. A group concentration arises when a number of counterparties have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Bank does not have a significant exposure to any individual customer or counterparty.

The Bank's loan portfolio is significantly concentrated in residential real estate loans. The Bank controls credit risk through credit approvals, credit limits, and monitoring procedures. The Bank performs ongoing credit evaluations of its customers' financial condition. During 2025 and 2024, approximately 94% and 96% of the Bank's loan portfolio, respectively, was collateralized by residential real estate; of which approximately 81% for 2025 and 2024, is collateralized by condominiums and planned unit developments. Loans collateralized by real estate are located primarily in South Florida. Circumstances that negatively impact the South Florida real estate industry or the South Florida economy, in general, could adversely impact the Bank's loan portfolio.

Loans outstanding to customers whose principal residence is outside the U.S. at December 31, 2025 and 2024 were \$490,186 and \$448,811 respectively. The following is a summary of the loan portfolio by country of customer residence at December 31:

	<u>2025</u>	<u>2024</u>
United States	23%	25%
Brazil	30	28
Colombia	15	14
Other	32	33
	<u>100%</u>	<u>100%</u>

# HELM BANK USA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024 (IN THOUSANDS)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Concentrations of Credit Risk (Continued)

Deposits outstanding from customers whose principal residence is outside the U.S. at December 31, 2025 and 2024 were \$823,194 and \$743,173, respectively. The following is a summary of total deposits by country of customer residence at December 31:

	<u>2025</u>	<u>2024</u>
Colombia	38%	39%
United States	19	17
British Virgin Islands	12	12
Ecuador	11	10
Other	20	22
	<u>100%</u>	<u>100%</u>

Deposits outstanding included one customer whose total relationship exceeded 10% of the Bank's total deposits. This customer's total relationship balance at December 31, 2025 and 2024 was \$134,618 and \$107,939, respectively, which represented 13% and 12%, respectively, of total deposits.

In the ordinary course of business, the Bank maintains deposits with other qualified financial institutions. The exposure to the Bank from these transactions is dependent upon the balances it keeps and the financial strength of the respective depository institution in situations where the balance with the financial institution exceeds the FDIC limit of insurance of \$250.

#### Foreign Operations

The Bank's operations in various geographic regions expose the Bank to risks inherent in doing business in each of the countries in which the Bank transacts business. Operations in countries other than the United States are subject to various risks particular to each country. With respect to any particular country, these risks may include:

- Expropriation and nationalization of the Bank's assets or the Bank's customers in that country;
- Political and economic instability;
- Civil unrest, acts of terrorism, force majeure, war or other armed conflict;
- Natural disasters including those related to earthquakes, hurricanes, tsunamis and flooding;
- Inflation;
- Currency fluctuations, devaluations, conversion and expropriation restrictions;
- Confiscatory taxation or other adverse tax policies;
- Governmental activities that limit or disrupt markets, payments, or limit the movement of funds;
- Governmental activities that may result in the deprivation of contract rights; and
- Trade restrictions and economic embargoes imposed by the United States and other countries.

#### Cash and Cash Equivalents

For the purposes of the statements of cash flows, cash and cash equivalents includes cash and due from banks, and interest-bearing cash deposits in banks with original maturity dates of ninety days or less.

The Bank was not required to maintain average balances on hand or with the Federal Reserve Bank at December 31, 2025 and 2024.

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

---

**Debt Securities**

The Bank determines the appropriate classification of its investments in debt securities at the time of purchase and reevaluates such determinations at each balance sheet date. Debt securities are classified as held to maturity when the Bank has the positive intent and ability to hold the securities to maturity. Debt securities for which the Bank does not have the intent or ability to hold to maturity are classified as available for sale. Debt securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities and are reported at fair value, with unrealized gains and losses recognized in earnings. Debt securities not classified as held to maturity or as trading, are classified as available for sale, and are carried at fair market value, with the unrealized gains and losses, net of tax effect, included in the determination of comprehensive income (loss) and reported in stockholders' equity. At December 31, 2025 and 2024, all of the Bank's debt securities were classified as available for sale.

Interest income includes amortization of purchase premium or discount. Premiums and discounts on securities are amortized on the level yield method. Gains and losses on sales of securities are determined using the specific identification method.

The Bank follows Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 326 – Financial Instruments – Credit Losses ("Topic 326") that requires evaluation of available-for-sale securities for any expected losses with recognition of an allowance for credit losses, when applicable. For available-for-sale debt securities in an unrealized loss position, the Bank first assesses whether it intends to sell, or it is 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 at the individual security level whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, management considers the extent to which fair value is less than amortized cost and adverse conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost basis. Any impairment that has not been recorded through an allowance of credit losses on available-for-sale securities is recognized in other comprehensive income (loss).

**Marketable Equity Securities**

Marketable equity securities are carried at fair value with unrealized gains and losses included in earnings.

**Federal Home Loan Bank Stock, at cost (restricted)**

The Bank, as a member of the Federal Home Loan Bank ("FHLB") (Atlanta) system, is required to maintain an investment in capital stock of the FHLB. Based on redemption provisions of the FHLB, the stock has no quoted market value and is carried at cost. At its discretion, the FHLB may declare dividends on the stock. Management reviews for impairment based on the ultimate recoverability of the cost basis in the FHLB stock. At December 31, 2025 and 2024, the Bank owned 7,144 and 7,400 shares, respectively, with a carrying value of \$714 and \$740, respectively.

---

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024  
(IN THOUSANDS)

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

---

**Loans, net**

Loans are reported at their recorded investment, which is the outstanding principal balance plus accrued interest and net of any unearned income, such as deferred fees or costs, charge-offs, unamortized premiums or discounts on originated loans, and the allowance for credit losses. Interest on loans is recognized over the term of the loan and is calculated on principal amounts outstanding. Certain loan origination fees and costs are deferred and the net amount is recognized as an adjustment to interest income using the interest method over the contractual life of the loans.

The allowance for credit losses ("ACL") is an estimate that is deducted from the amortized cost basis of the financial asset to present the net carrying value at the amount expected to be collected on the financial assets. The allowance for credit losses reflects management's judgment of expected losses in the loan portfolio at the balance sheet date. Management uses a disciplined process and methodology to establish the allowance for credit losses each quarter. To determine the allowance for credit losses, the Bank estimates the reserves needed for each segment of the portfolio, including loans analyzed individually and loans analyzed on a pooled basis. Additions to the allowance for credit losses are made by charges to the provision for credit losses. Credit exposures deemed to be uncollectible are charged against the allowance for credit losses. Recoveries of previously charged-off amounts are credited to the allowance for credit losses.

For purposes of determining the allowance for credit losses, the Bank has segmented certain loans in the portfolio by product type. Loans are segmented into the following pools: residential real estate, commercial real estate, commercial and industrial, and consumer loans. The Bank also sub-segments these segments into classes based on the associated risks within those segments. Residential real estate loans are divided into the following four classes: revolving 1-4 family, single family residences, condominiums and planned unit developments. Commercial real estate loans are divided into the following four classes: other construction and development, multifamily residential, non-residential owner occupied, and non-residential investor owned. Commercial and industrial loans are divided into the following two classes: trucks and trailers and certificate of deposit ("CD") secured. Consumer loans are divided into the following two classes: credit cards and other consumer.

Expected credit losses are estimated over the contractual terms of the loans, adjusted for expected prepayments. Expected prepayments are generally estimated based on industry benchmark data. The contractual term excludes expected extensions, renewals, and modifications. The Bank has elected to exclude accrued interest receivable from amortized cost for the purpose of estimating the ACL. At December 31, 2025 and 2024, accrued interest receivable totaled approximately \$1,741 and \$1,716, respectively.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Loans, net (continued)**

For most portfolio segments, expected losses are estimated using econometric models. The models employ a factor-based methodology, leveraging data sets containing extensive historical loss and recovery information by industry, geography, product type, collateral type and obligor characteristics, to estimate probability of default ("PD") and loss given default ("LGD"). PDs and LGDs are then conditioned on the reasonable and supportable economic forecast. Projected PDs and LGDs, determined based on pool level characteristics, are applied to estimated exposure at default, considering the contractual term and payment structure of loans, adjusted for expected prepayments, to generate estimates of expected loss. Additional recovery rate benchmark assumptions are employed to reduce expected losses accordingly. Expected loss rates are then conditioned on one reasonable and supportable economic forecast, sourced from the Federal Open Market Committee. Forecasted loss rates, determined based on pool level characteristics, are applied to each month for the life of the loan, considering the contractual term and payment structure of loans, adjusted for expected prepayments, to generate estimates of expected loss. The ACL estimate incorporates a reasonable and supportable economic forecast using externally developed macroeconomic scenarios applied in the models. The forecasts of future economic conditions are over a period of four quarters that has been deemed reasonable and supportable, and in periods where it can no longer develop reasonable and supportable forecasts, the Bank reverts to expected losses given long-term historical averages of the economic factors over the remaining life of the loans, calculated on a straight-line basis over a period of one year.

Management monitors differences between expected and actual incurred credit losses. This monitoring process includes periodic assessments by senior management of loan portfolios and the models used to estimate incurred losses in those portfolios.

The total allowance reflects management's estimate of credit losses inherent in the loan portfolio at the balance sheet date. The Bank considers the allowance for credit losses of \$10,899 and \$10,806 adequate to cover credit losses inherent in the loan portfolio at December 31, 2025 and 2024, respectively.

Regulatory agencies, as an integral part of their examination process, periodically review the allowance for credit losses. Such agencies may require the recognition of additions and/or decreases to the allowance for credit losses based on their judgment of information available at the time of their examination.

Consumer loans are generally fully or partially charged down to the fair value of the collateral securing the asset when:

- The loan is in excess of 120 days past due, unless collateral covering the loan has been repossessed;
- 90 days have lapsed since repossession of collateral;
- Management judges the asset to be uncollectible;
- Repayment is deemed to be protracted beyond reasonable time; or
- If after liquidation of the collateral, payment of any resulting deficiency by borrower or guarantor is highly improbable.

For real estate, and commercial and industrial loans the Bank's charge-off policies are as follows. A loan is charged-off when:

- The loan is classified as a loss by the Bank, and is considered uncollectible or of such little value that the continuance of the loan as an active asset is no longer warranted;
- The loan is classified as a loss by the regulatory authorities; or
- The loan is impaired and there is a known anticipated loss, the amount of the loss is charged-off.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

---

**Loans, net (continued)**

In situations where, for economic or legal reasons related to a borrower's financial difficulties, management may grant a concession for other than an insignificant period of time to the borrower that would not otherwise be considered. The effect of most modifications made to borrowers experiencing financial difficulty are already included in the ACL because of the measurement methodologies used to estimate the allowance. These modified terms may include rate reductions, extensions of contractual term, principal forgiveness, payment forbearance, among others.

In order to monitor the credit quality of the loan portfolio, a credit-grading system has been developed. The Bank's grading analysis estimates the capability of the borrower to repay the contractual obligation 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. Credit risk grades are refreshed each quarter as they become available, at which time management analyzes the resulting scores, as well as other external statistics and factors, to track loan performances.

The Bank's internally assigned grades are as follows:

*Pass* - No change in credit rating of borrower and loan-to-value ratio of asset.

*Especially Mentioned* - Loans to borrowers displaying a preponderance of declining trends. While the situation has not deteriorated to work-out status, its present condition is unsatisfactory. Existing loans will be included in this group if, based on actual experience and other events, it is unlikely that they would be granted on similar terms.

*Substandard* - Work-out and/or non-performing loans with no principal loss anticipated.

*Doubtful* - Work-out and/or non-performing loans with weaknesses that make collection or liquidation in full highly questionable and improbable.

*Loss* - Loans considered uncollectible and of such little value that their continuance as bankable assets is not warranted.

Loans that do not typically share similar risk characteristics with other loans are evaluated on an individual basis. Loans evaluated individually are not included in the collective evaluation. Collateral dependent loans are defined as those for which the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral. The Bank selected certain practical expedients such that estimates of expected credit losses for collateral dependent loans, whether or not foreclosure is probable, are based on the fair value of the collateral, adjusted for selling costs when repayment depends on sale of the collateral.

When the ultimate collectability of the total principal of a loan is in doubt and the loan is on nonaccrual status, all payments are applied to principal, under the cost recovery method. When the ultimate collectability of the total principal of an impaired loan is not in doubt and the loan is on nonaccrual status, contractual interest is credited to interest income when received, under the cash basis method.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Loans, net (continued)**

The Bank generally places loans on nonaccrual status when the full and timely collection of interest or principal becomes uncertain, part of the principal balance has been charged-off and no restructuring has occurred or the loans reach more than ninety days past due.

When management places a loan on nonaccrual status, the accrued unpaid interest receivable is reversed against interest income and the loan is accounted on the cash or cost recovery method, until it qualifies for return to accrual status. Generally, management returns a loan to accrual status when (a) all delinquent interest and principal become current under the terms of the loan agreement or (b) the loan is both well-secured and in the process of collection and collectability is no longer doubtful.

The Bank has determined that the entire balance of a loan is contractually delinquent for all classes if the minimum payment is not received by the specified due date on the borrower's statement. Interest and fees continue to accrue on past due loans until the date the loan goes into nonaccrual status, if applicable.

The Bank also estimates an allowance for unfunded lending commitments such as letters of credit, financial guarantees and unfunded loan commitments. Expected credit losses related to unfunded lending commitments are estimated using essentially the same methodologies employed to estimate expected credit losses of loans, adjusted by the expected funding rate. A funding rate is a measure of the rate at which available credit tends to be drawn for lines of credit. Management has analyzed its historical funding behavior at the segment level to determine an expected funding rate.

Provision for credit losses related to the loan portfolio and unfunded lending commitments are reported in the statements of income. At December 31, 2025 and 2024, the provision for unfunded lending commitments amounted to \$65, respectively, and is included in accrued interest payable and other liabilities on the accompanying balance sheets.

**Foreclosed Assets**

Assets acquired through, or in lieu of, loan foreclosure are held for sale and are initially recorded at fair value less cost to sell at the date of foreclosure, establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less cost to sell. Revenue and expenses from operations and changes in the valuation allowance are included in foreclosed assets, net in the accompanying statements of income.

**Property and Equipment, net**

Property and equipment are carried at cost, less accumulated depreciation and amortization computed on the straight-line method over the estimated useful lives of the assets or the expected terms of the leases if shorter. The estimated useful lives of these assets are as follow:

Leasehold improvements	Shorter of life or term of lease
Furniture, fixtures and equipment	3 - 7 years

Maintenance and repairs are charged to expense as incurred; improvements and betterments are capitalized. When assets are retired or otherwise disposed of, the related costs and accumulated depreciation are removed from the accounts and any resulting gains or losses are included in the results of operations for the respective period.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

---

**Impairment of Long-Lived Assets**

The Bank's long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of would be separately presented in the balance sheet and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer depreciated. The assets and liabilities of a disposal group classified as held for sale would be presented separately in the appropriate asset and liability sections of the balance sheet. The Bank did not recognize an impairment charge during the years ended December 31, 2025 and 2024.

**Leases**

The Bank determines if an arrangement contains a lease at inception based on whether or not the Bank has the right to control the asset during the control period and other facts and circumstances.

*Lessee*

The Bank evaluates the classification of leases as operating or finance at inception. Leases that meet one or more of the following criteria will be classified as finance leases:

- The lease agreement contains provision where the lessee has the option to purchase the asset, and the portion is reasonably certain to be exercised.
- The ownership of the leased asset is transferred to the Bank at the end of the lease period.
- The duration of the lease encompasses at least 75% of the useful life of the leased assets.
- The present value of the minimum lease payments under the lease represent at least 90% of the fair value of the leased asset.
- The asset is so specialized in nature that it provides no alternative use to the lessor after the lease term.

All other leases are classified as operating leases.

The Bank is the lessee in a lease contract when the Bank obtains the right to control the asset. Operating and finance lease right-of-use ("ROU") assets represent the Bank's right to use an underlying asset for the lease term, and lease liabilities represent the Bank's obligation to make lease payments arising from the lease, both of which are recognized based on the present value of the future minimum lease payments over the lease term at the implementation date or the lease commencement date for leases that the Bank entered into subsequent to the standard's implementation. The Bank determines the lease term by assuming the exercise of renewal options that are reasonably certain. As most of the Bank's leases do not provide an implicit interest rate, the Bank utilizes the risk-free rate for the period comparable to the lease term as of the implementation date or the commencement date for lease agreements that the Bank entered into subsequent to the implementation date, in determining the present value of future payments.

Leases with a lease term of 12 months or less at inception are not recorded on the Bank's balance sheet and are expensed on a straight-line basis over the lease term in the Bank's statement of income. Additionally, the Bank does not record ROU assets and the related lease liabilities for leases where the greater of the ROU asset or related lease liability is less than \$1.

**Interest Income**

Interest income is recognized as earned, based upon the principal amount outstanding, on an accrual basis.

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

---

**Advertising Costs**

Advertising costs are expensed as incurred. For the years ended December 31, 2025 and 2024, advertising costs amounted to \$354 and \$348, respectively, and are included in other noninterest expenses on the accompanying statements of income.

**Income Taxes**

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Bank recognizes positions taken or expected to be taken in a tax return in accordance with existing accounting guidance on income taxes which prescribes a recognition threshold and measurement process. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other noninterest expense, respectively.

**Foreign Currency Adjustments**

The Bank's functional currency for all operations worldwide is the U.S. dollar. Transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in the results of operations as incurred.

**Interest Rate Risk**

The Bank's performance is dependent to a large extent on its net interest income, which is the difference between income on interest-earning assets and its interest expense on interest-bearing liabilities. The Bank, like most financial institutions, is affected by changes in general interest rate levels and by other economic factors beyond its control. Interest rate risk arises from mismatches between the dollar amount of repricing or maturing assets and liabilities (the interest rate sensitivity gap). More liabilities repricing or maturing than assets over a given time frame is considered liability-sensitive, or a negative gap. An asset-sensitive position will generally enhance earnings in a rising interest rate environment and will negatively impact earnings in a falling interest rate environment, while a liability-sensitive position will generally enhance earnings in a falling interest rate environment and negatively impact earnings in a rising interest rate environment. Fluctuations in interest rates are not predictable or controllable. The Bank has attempted to structure its asset and liability management strategies to mitigate the impact on net interest income resulting from changes in market interest rates.

**Comprehensive Income (Loss)**

Comprehensive income (loss) consists of net income and other comprehensive income (loss). Other comprehensive income (loss) includes unrealized gains on securities available for sale, and unrealized losses related to factors other than credit on securities.

**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 17. Fair value estimates involve uncertainties and matters of significant judgment. Changes in assumptions or in market conditions could significantly affect the estimates.

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

---

**Revenue Recognition**

FASB ASC Topic 606, Revenue from Contracts with Customers ("ASC 606"), establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts to provide goods or services to customers. The core principle requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration that it expects to be entitled to receive in exchange for those goods or series recognized as performance obligations are satisfied.

The majority of the Bank's revenue-generating transactions are not subject to ASC 606, including revenue generated from financial instruments, such as loans, investment securities, and sales of investment securities, which are accounted for under the applicable U.S. GAAP for such financial instruments. Revenue generating activities that are within the scope of ASC 606 are components of noninterest income which include certain fees such as card income, wire transfer fees, foreign currency transaction income, and service fees and charges on customer deposit accounts.

**Subsequent Events**

The Bank has evaluated the accompanying financial statements for subsequent events and transactions through April 24, 2026, the date these financial statements were available for issuance.

*Stock Purchase Agreement*

On December 29, 2025, the shareholders of Helm Bank USA entered into a definitive Stock Purchase Agreement (the "Agreement") with Credicorp (the "Buyer"). The Bank is also a party to the Agreement. Pursuant to the terms and subject to the conditions set forth in the Agreement, the Buyer has agreed to purchase all the outstanding stock for an aggregate purchase price of approximately \$180 million. The Agreement also provides for the payment of \$20 million in dividends to the shareholders prior to the closing of the transaction.

The consummation of the transaction contemplated by the Agreement is subject to the satisfaction or waiver of various customary closing conditions. Specifically, the transaction is subject to various regulatory approvals. There can be no assurance that the regulatory approvals will be obtained or that the other closing conditions will be satisfied.

As of December 31, 2025, the transaction has not closed, and no adjustments have been made to the accompanying financial statements related to this Agreement.

Based on the FASB ASC 855, Subsequent Events, no other matters were identified requiring accounting or disclosure, including changes in liquidity, compliance with regulatory capital, material deposit concentration withdrawals, material delinquencies in loans or a need to sell investment securities in an unrealized loss position.

**Future Accounting Pronouncements**

In December 2023, the FASB issued Accounting Standard Updated ("ASU") 2023-09, Income Taxes ("Topic 740"): Improvements to Income Tax Disclosures to enhance the transparency and decision usefulness of income tax disclosures. Under the new guidance, non-public entities will be required to include qualitative disclosure about specific categories of reconciling items and individual jurisdictions that result in a significant difference between the statutory tax rate and the effective tax rate and disclose disaggregated information about income tax paid by federal, state, and foreign jurisdictions. The new guidance is effective for the Bank for annual periods beginning after December 15, 2025, on a prospective basis. The Bank is evaluating the effects of the guidance on the Bank's financial statements.

# HELM BANK USA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024 (IN THOUSANDS)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Future Accounting Pronouncements (continued)

In July 2025, the FASB issued ASU 2025-05, Measurement of Credit Losses for Accounts Receivable and Contract Assets in response to challenges in applying guidance in ASC 326, Financial Instruments—Credit Losses, to current accounts receivable and current contract assets arising from transactions under ASC 606, Revenue from Contracts with Customers. The new guidance is effective for the Bank for annual periods beginning after December 15, 2025, on a prospective basis. The Bank is evaluating the effects of the guidance on the Bank's financial statements.

### 3. RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Bank may grant loans to employees, directors and other related parties. There were no loans to employees, directors or other related parties outstanding at December 31, 2024. Loans to employees, directors and other related parties at December 31, 2025 were immaterial.

Deposits from related parties held by the Bank at December 31, 2025 and 2024 were \$84,545 and \$75,249 respectively.

Interest paid on deposits during the years ended December 31 were as follows:

	<u>2025</u>	<u>2024</u>
Interest paid on related party deposits	\$ 514	\$ 99

The interest rates on related party transactions were as follows during the years ended December 31:

	<u>2025</u>	<u>2024</u>
Deposits	0.00 - 4.35%	0.00 - 4.75%

The Bank has a service agreement with an entity related by virtue of common ownership to purchase various support services, which renews annually. During the years ended December 31, 2025 and 2024, the Bank incurred fees under this service agreement of \$192 and \$222, respectively, which are included in consulting fees on the accompanying statements of income.

The Bank leases office space to a related party (NOTE 7). The Bank also leases office space for its representative office in Colombia from a related party (NOTE 7).

Directors' fees amounted to \$260 and \$254 for the years ended December 31, 2025 and 2024, respectively.

## HELM BANK USA

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024 (IN THOUSANDS)

#### 4. SECURITIES

The amortized cost and fair value of debt securities, with gross unrealized gains and losses, follows at:

	<b>December 31, 2025</b>				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
<u>Securities Available for Sale</u>					
Debt securities:					
U.S. Government-sponsored enterprises (GSEs)	\$ 73,873	\$ 30	\$ (12,704)	\$ -	\$ 61,199
U.S. Treasury notes	40,972	-	(322)	-	40,650
Municipal bonds	62,219	485	(7,203)	-	55,501
GSE residential mortgage-backed	273,614	907	(16,694)	-	257,827
Total securities available for sale	<b>\$ 450,678</b>	<b>\$ 1,422</b>	<b>\$ (36,923)</b>	<b>\$ -</b>	<b>\$ 415,177</b>
	<b>December 31, 2024</b>				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
<u>Securities Available for Sale</u>					
Debt securities:					
U.S. Government-sponsored enterprises (GSEs)	\$ 72,252	\$ -	\$ (16,347)	\$ -	\$ 55,905
U.S. Treasury notes	40,719	-	(1,563)	-	39,156
Municipal bonds	55,125	-	(9,207)	-	45,918
GSE residential mortgage-backed	213,469	10	(23,663)	-	189,816
Total securities available for sale	<b>\$ 381,565</b>	<b>\$ 10</b>	<b>\$ (50,780)</b>	<b>\$ -</b>	<b>\$ 330,795</b>

The amortized cost and fair value of available for sale debt securities by contractual maturity follows at:

	<b>December 31, 2025</b>	
	Amortized Cost	Fair Value
<u>Securities Available for Sale</u>		
Within 1 year	\$ 3,000	\$ 2,969
After 1 year through 5 years	69,665	67,906
After 5 years through 10 years	81,997	71,784
Over 10 years	296,016	272,518
Total securities available for sale	<b>\$ 450,678</b>	<b>\$ 415,177</b>

For the year ended December 31, 2024, proceeds from sales of securities available for sale amounted to \$120,698. Gross realized gains and losses were \$88 and (\$2,425) for the year ended December 31, 2024. There were no sales of securities available for sale for the year ended December 31, 2025.

**HELM BANK USA**

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024  
(IN THOUSANDS)

**4. SECURITIES (CONTINUED)**

The following table shows the gross unrealized losses and fair value of the Bank's securities available for sale with unrealized losses that are not deemed to be other-than-temporarily impaired aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at December 31, 2025 and 2024.

	Less than Twelve Months		Over Twelve Months		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
December 31, 2025						
U.S. Government-sponsored enterprises (GSEs)	\$ -	\$ -	\$ 59,562	\$ (12,704)	\$ 59,562	\$ (12,704)
U.S. Treasury notes	-	-	40,650	(322)	40,650	(322)
Municipal bonds	1,212	(301)	47,232	(6,902)	48,444	(7,203)
GSE residential mortgage-backed	48,787	(620)	137,094	(16,074)	185,881	(16,694)
Total securities available for sale	<b>\$ 49,999</b>	<b>\$ (921)</b>	<b>\$ 284,538</b>	<b>\$ (36,002)</b>	<b>\$ 334,537</b>	<b>\$ (36,923)</b>
December 31, 2024						
U.S. Government-sponsored enterprises (GSEs)	\$ -	\$ -	\$ 55,759	\$ (16,347)	\$ 55,759	\$ (16,347)
U.S. Treasury notes	-	-	39,302	(1,563)	39,302	(1,563)
Municipal bonds	-	-	45,093	(9,207)	45,093	(9,207)
GSE residential mortgage-backed	32,201	(646)	153,624	(23,017)	185,825	(23,663)
Total securities available for sale	<b>\$ 32,201</b>	<b>\$ (646)</b>	<b>\$ 293,778</b>	<b>\$ (50,134)</b>	<b>\$ 325,979</b>	<b>\$ (50,780)</b>

There were 244 and 271 securities that were in a continuous loss position at December 31, 2025 and 2024, respectively, for a period of more than 12 months. There were 37 securities that were in a loss position at December 31, 2025 and 2024 for a period of less than 12 months.

At December 31, 2025 and 2024, the Bank reviewed available for sale debt securities that had an unrealized loss position and evaluated whether the decline in fair value of a debt security resulted from credit losses or other factors under Topic 326. The Bank does not have the intent to sell these securities and it is more likely than not the Bank will not be required to sell the securities before recovery of the securities' amortized cost basis. This conclusion is based upon considering the Bank's cash and working capital requirements and contractual and regulatory obligations, none of which the Bank believes would cause the sale of the securities. Management considers these declines in values to be temporary in nature. In reaching this decision, management considered factors, including the severity of the declines below cost, recent trends in fair values, and the existence of guarantees behind the underlying collateral of the instruments. It is not anticipated that these securities would be settled at a price that is less than the amortized cost of the Bank's investment. Based on this review, management believes that the unrealized losses have resulted from other factors not deemed credit-related and no allowance for credit loss was recorded.

In determining the risk of loss for available for sale securities, the Bank considered that GSE debt securities, GSE mortgage-backed securities, municipal bonds and U.S. treasury notes are either fully guaranteed or issued by a government sponsored enterprise, which has a credit rating and perceived credit risk comparable to the U.S. government. Each of these securities is performing according to its terms and, in the opinion of management, will continue to perform according to its terms. Based on this review, management believes that the unrealized losses have resulted from other factors not deemed credit-related and no allowance for credit loss was recorded.

The Bank's marketable equity securities, with carrying values of \$913 and \$884 for the years ended December 31, 2025 and 2024, respectively, consisted exclusively of two Community Reinvestment Act ("CRA") related mutual funds. There were unrealized losses of \$87 and \$116 on the mutual funds at December 31, 2025 and 2024, respectively. The decrease (increase) in the unrealized loss of \$29 and (\$9) in 2025 and 2024, respectively, is included in other noninterest income in the accompanying statements of income.

**HELM BANK USA****NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024  
(IN THOUSANDS)****5. LOANS, NET**

Loans classified by segment and class are summarized as follows at December 31:

	<b>2025</b>	<b>2024</b>
Residential Real Estate	\$ 600,131	\$ 571,314
Commercial Real Estate	12,294	8,155
Commercial and Industrial	6,898	4,570
Consumer	18,470	13,776
	<b>637,793</b>	<b>597,815</b>
Unamortized loan premiums	4,676	4,397
Net deferred loan fees	(865)	(947)
Allowance for credit losses	(10,899)	(10,806)
	<b>\$ 630,705</b>	<b>\$ 590,459</b>

A reconciliation of the recorded investment in loans is as follows at December 31:

***A reconciliation of the recorded investment in loans is as follows:***

	<b>2025</b>	<b>2024</b>
Gross loans	\$ 637,793	\$ 597,815
Accrued interest receivable	1,741	1,716
Unamortized loan premiums	4,676	4,398
Net deferred loan fees	(865)	(947)
Recorded investment in loans	<b>\$ 643,345</b>	<b>\$ 602,982</b>

During 2025 and 2024, the Bank purchased \$5,927 and \$2,905, respectively, in residential real estate loans for which there was, at acquisition, no evidence of deterioration of credit quality since origination. The purchase premium amounted to \$242 and \$37 for 2025 and 2024, respectively.

**HELM BANK USA**

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024  
(IN THOUSANDS)

**5. LOANS, NET (CONTINUED)**

The following tables present by portfolio segment, the changes in the allowance for credit losses and recorded investment in loans for the years ended December 31, 2025 and 2024:

**For the Year Ended December 31, 2025**

	Residential Real Estate	Commercial Real Estate	Commercial and Industrial	Consumer	Total
<b>Allowance for credit losses:</b>					
Beginning balance	\$ 10,586	\$ 50	\$ 32	\$ 138	\$ 10,806
Charge-offs	(91)	-	(8)	(139)	(238)
Recoveries	96	-	9	13	118
Provision (reversal)	(23)	47	35	154	213
Ending balance	<b>\$ 10,568</b>	<b>\$ 97</b>	<b>\$ 68</b>	<b>\$ 166</b>	<b>\$ 10,899</b>
Ending balance: individually evaluated for impairment	\$ -	\$ -	\$ -	\$ -	\$ -
Ending balance: collectively evaluated for impairment	\$ 10,568	\$ 97	\$ 68	\$ 166	\$ 10,899
<b>Recorded investment in loans:</b>					
Ending balance	<b>\$ 605,446</b>	<b>\$ 12,401</b>	<b>\$ 6,943</b>	<b>\$ 18,555</b>	<b>\$ 643,345</b>
Ending balance: individually evaluated for impairment	\$ 10,232	\$ 198	\$ -	\$ 33	\$ 10,463
Ending balance: collectively evaluated for impairment	\$ 595,214	\$ 12,203	\$ 6,943	\$ 18,522	\$ 632,882

**HELM BANK USA**

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024  
(IN THOUSANDS)

**5. LOANS, NET (CONTINUED)**

**For the Year Ended December 31, 2024**

	Residential Real Estate	Commercial Real Estate	Commercial and Industrial	Consumer	Total
<b>Allowance for credit losses:</b>					
Beginning balance	\$ 9,046	\$ 50	\$ 8	\$ 143	\$ 9,247
Charge-offs	(17)	-	(1)	(272)	(290)
Recoveries	23	-	25	128	176
Provision (reversal)	1,534	-	-	139	1,673
Ending balance	<b>\$ 10,586</b>	<b>\$ 50</b>	<b>\$ 32</b>	<b>\$ 138</b>	<b>\$ 10,806</b>
Ending balance: individually evaluated for impairment	\$ -	\$ -	\$ -	\$ -	\$ -
Ending balance: collectively evaluated for impairment	\$ 10,586	\$ 50	\$ 32	\$ 138	\$ 10,806
<b>Recorded investment in loans:</b>					
Ending balance	<b>\$ 576,337</b>	<b>\$ 8,211</b>	<b>\$ 4,603</b>	<b>\$ 13,831</b>	<b>\$ 602,982</b>
Ending balance: individually evaluated for impairment	\$ 7,217	\$ 185	\$ 3	\$ 1	\$ 7,406
Ending balance: collectively evaluated for impairment	\$ 569,120	\$ 8,026	\$ 4,600	\$ 13,830	\$ 595,576

**HELM BANK USA**

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024  
(IN THOUSANDS)

**5. LOANS, NET (CONTINUED)**

The following tables represent credit exposures at recorded investment by internally assigned grades for the years ended December 31, 2025 and 2024:

**For the Year Ended December 31, 2025**

	Pass	Especially Mentioned	Substandard	Total
Single family residences	\$ 113,266	\$ -	\$ 727	\$ 113,993
Condominiums	228,319	67	4,878	233,264
Planned unit developments	253,579	-	4,610	258,189
Other construction and development	418	-	-	418
Multifamily residential	4,124	152	22	4,298
Non-residential owner occupied	951	-	182	1,133
Non-residential investor owned	6,552	-	-	6,552
Trucks and trailers	-	-	-	-
CD secured	6,943	-	-	6,943
Credit cards	2,484	-	-	2,484
Other consumer	16,038	-	33	16,071
<b>Total</b>	<b>\$ 632,674</b>	<b>\$ 219</b>	<b>\$ 10,452</b>	<b>\$ 643,345</b>

**For the Year Ended December 31, 2024**

	Pass	Especially Mentioned	Substandard	Total
Single family residences	\$ 109,232	\$ -	\$ 779	\$ 110,011
Condominiums	218,863	-	2,263	221,126
Planned unit developments	240,916	160	4,124	245,200
Other construction and development	3,010	-	-	3,010
Multifamily residential	2,032	190	23	2,245
Non-residential owner occupied	589	-	192	781
Non-residential investor owned	2,175	-	-	2,175
Trucks and trailers	17	-	3	20
CD secured	4,583	-	-	4,583
Credit cards	2,339	-	-	2,339
Other consumer	11,492	-	-	11,492
<b>Total</b>	<b>\$ 595,248</b>	<b>\$ 350</b>	<b>\$ 7,384</b>	<b>\$ 602,982</b>

**HELM BANK USA**

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024  
(IN THOUSANDS)

**5. LOANS, NET (CONTINUED)**

The following tables present performing and nonperforming loans at recorded investment based on payment activity for the years ended December 31, 2025 and 2024. Payment activity is reviewed by management on a monthly basis to determine how loans are performing.

Nonperforming loans also include certain loans that have been modified with economic difficulties where economic concessions have been granted to borrowers. These concessions typically result from the Bank's loss mitigation activities and could include reductions in the interest rate, payment extensions, forbearance or other actions.

**For the Year Ended December 31, 2025**

	Performing	Nonperforming	Total
Single family residences	\$ 113,266	\$ 727	\$ 113,993
Condominiums	228,274	4,990	233,264
Planned unit developments	253,438	4,751	258,189
Construction and development	418	-	418
Multifamily residential	4,298	-	4,298
Non-residential owner occupied	1,133	-	1,133
Non-residential investor owned	6,552	-	6,552
Trucks and trailers	-	-	-
CD secured	6,943	-	6,943
Credit cards	2,484	-	2,484
Other consumer	16,038	33	16,071
<b>Total</b>	<b>\$ 632,844</b>	<b>\$ 10,501</b>	<b>\$ 643,345</b>

**For the Year Ended December 31, 2024**

	Performing	Nonperforming	Total
Single family residences	\$ 109,232	\$ 779	\$ 110,011
Condominiums	217,298	3,828	221,126
Planned unit developments	240,245	4,955	245,200
Construction and development	3,010	-	3,010
Multifamily residential	2,245	-	2,245
Non-residential owner occupied	781	-	781
Non-residential investor owned	2,175	-	2,175
Trucks and trailers	20	-	20
CD secured	4,583	-	4,583
Credit cards	2,339	-	2,339
Other consumer	11,488	4	11,492
<b>Total</b>	<b>\$ 593,416</b>	<b>\$ 9,566</b>	<b>\$ 602,982</b>

**HELM BANK USA**

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024  
(IN THOUSANDS)

**5. LOANS, NET (CONTINUED)**

Following are tables which include an aging analysis of the recorded investment in past due loans as of December 31, 2025 and 2024:

<b>For the Year Ended December 31, 2025</b>	30-89 Days Past Due	>90 days and Accruing	Nonaccrual	Total Past Due	Current	Total Loans
Single family residences	\$ 124	\$ -	\$ 727	\$ 851	\$ 113,142	\$ 113,993
Condominiums	1,797	-	4,990	6,787	226,477	233,264
Planned unit developments	1,967	-	4,751	6,718	251,471	258,189
Construction and development	-	-	-	-	418	418
Multifamily residential	-	-	-	-	4,298	4,298
Non-residential owner occupied	7	-	-	7	1,126	1,133
Non-residential investor owned	-	-	-	-	6,552	6,552
Trucks and trailers	-	-	-	-	-	-
CD secured	-	-	-	-	6,943	6,943
Credit cards	59	18	-	77	2,407	2,484
Other consumer	182	-	33	215	15,856	16,071
<b>Total</b>	<b>\$ 4,136</b>	<b>\$ 18</b>	<b>\$ 10,501</b>	<b>\$ 14,655</b>	<b>\$ 628,690</b>	<b>\$ 643,345</b>

<b>For the Year Ended December 31, 2024</b>	30-89 Days Past Due	>90 days and Accruing	Nonaccrual	Total Past Due	Current	Total Loans
Single family residences	\$ 411	\$ -	\$ 779	\$ 1,190	\$ 108,821	\$ 110,011
Condominiums	3,491	-	3,828	7,319	213,807	221,126
Planned unit developments	1,689	-	4,955	6,644	238,556	245,200
Construction and development	-	-	-	-	3,010	3,010
Multifamily residential	-	-	-	-	2,245	2,245
Non-residential owner occupied	224	-	-	224	557	781
Non-residential investor owned	-	-	-	-	2,175	2,175
Trucks and trailers	5	-	-	5	15	20
CD secured	-	-	-	-	4,583	4,583
Credit cards	21	-	-	21	2,318	2,339
Other consumer	99	-	4	103	11,389	11,492
<b>Total</b>	<b>\$ 5,940</b>	<b>\$ -</b>	<b>\$ 9,566</b>	<b>\$ 15,506</b>	<b>\$ 587,476</b>	<b>\$ 602,982</b>

**HELM BANK USA**

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024  
(IN THOUSANDS)

**5. LOANS, NET (CONTINUED)**

Non accrual loans segregated by class at December 31, 2025 and 2024, are as follows:

**For the Year Ended December 31, 2025**

	<u>Non accrual</u>	<u>Non accrual loans with no related allowance</u>	<u>Intest income recognized</u>
Single family residences	\$ 727	\$ 727	\$ -
Condominiums	4,990	4,990	-
Planned unit developments	4,751	4,751	-
Construction and development	-	-	-
Multifamily residential	-	-	-
Non-residential owner occupied	-	-	-
Non-residential investor owned	-	-	-
Trucks and trailers	-	-	-
CD secured	-	-	-
Credit cards	-	-	-
Other consumer	33	33	-
	<u>33</u>	<u>33</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 10,501</u></b>	<b><u>\$ 10,501</u></b>	<b><u>\$ -</u></b>

**For the Year Ended December 31, 2024**

	<u>Non accrual</u>	<u>Non accrual loans with no related allowance</u>	<u>Intest income recognized</u>
Single family residences	\$ 779	\$ 779	\$ -
Condominiums	3,828	3,828	-
Planned unit developments	4,955	4,955	-
Construction and development	-	-	-
Multifamily residential	-	-	-
Non-residential owner occupied	-	-	-
Non-residential investor owned	-	-	-
Trucks and trailers	-	-	-
CD secured	-	-	-
Credit cards	-	-	-
Other consumer	4	4	-
	<u>4</u>	<u>4</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 9,566</u></b>	<b><u>\$ 9,566</u></b>	<b><u>\$ -</u></b>

As of December 31, 2025 and 2024, the recorded investment of consumer mortgage loans secured by residential real estate properties for which formal foreclosure proceedings are in process amounted to \$2,479 and \$120, respectively.

As of and during the years ended December 31, 2025 and 2024, there were no financing receivables with financial difficulties modified within the previous twelve months.

## HELM BANK USA

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024  
(IN THOUSANDS)

### 6. PROPERTY AND EQUIPMENT, NET

A summary of the cost and accumulated depreciation and amortization of property and equipment follows at December 31:

	<u>2025</u>	<u>2024</u>
Leasehold improvements	\$ 2,668	\$ 2,581
Furniture, fixtures and equipment	<u>1,810</u>	<u>1,174</u>
	4,479	3,755
Less: Accumulated depreciation and amortization	<u>(3,806)</u>	<u>(3,645)</u>
	<u>\$ 672</u>	<u>\$ 110</u>

Depreciation and amortization expense amounted to \$162 and \$151 for the years ended December 31, 2025 and 2024, respectively. There were no disposals of property and equipment during the years ended December 31, 2025 and 2024.

### 7. OPERATING LEASES

The Bank leases some of its operating equipment and office facilities for various terms under long-term, non-cancelable operating lease agreements. The leases expire at various dates through 2028 and provide for renewal options ranging from one to three years. In the normal course of business, it is expected that these leases will be renewed or replaced.

Some of the leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases. Also, the agreements generally require the Bank to pay executory costs (taxes, insurance, and repairs).

Total operating lease costs were approximately \$2,390 and \$2,331 for the years ended December 31, 2025 and 2024, respectively. Cash amounts included in the measurement of the operating lease liability was approximately \$1,006 and \$663 for the years ended December 31, 2025 and 2024, respectively. Operating lease ROU assets obtained in exchange for operating lease obligations were approximately \$373 and \$23 for the years ended December 31, 2025 and 2024, respectively.

Information associated with the measurement of the remaining operating lease obligations as of December 31, 2025 is as follows:

Weighted average remaining lease term in years	2.73
Weighted average discount rate for operating leases	4.37%

The Bank subleases office space and parking lot facilities to a related party through an operating agreement expiring in 2028. Sublease income totaled \$257 and \$222 for the years ended December 31, 2025 and 2024, respectively.

The Bank also leases office space for its representative office in Colombia from a related party (NOTE 7). For the years ended December 31, 2025 and 2024, the Bank paid the related party \$156 and \$147, respectively, related to this agreement.

**HELM BANK USA**

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024  
(IN THOUSANDS)

**7. OPERATING LEASES (CONTINUED)**

Estimated future minimum lease payments, exclusive of taxes and other charges, are as follows:

<u>Year Ended December 31,</u>	<u>Annual Amount</u>	<u>Sublease Amounts</u>	<u>Net Minimum Payment</u>
2026	\$ 1,868	\$ 431	\$ 1,437
2027	1,922	444	1,478
2028	1,417	341	1,076
Total operating lease payments	5,207	1,216	3,991
Less: Imputed interest	(293)	-	(293)
	<u>\$ 4,914</u>	<u>\$ 1,216</u>	<u>\$ 3,698</u>

**8. ACCRUED INTEREST RECEIVABLE AND OTHER ASSETS**

Accrued interest receivable and other assets consist of the following at December 31:

	<u>2025</u>	<u>2024</u>
Accrued interest receivable - loans	\$ 1,741	\$ 1,716
Accrued interest receivable - securities	1,837	1,542
Prepays	1,508	1,339
Income tax receivable	125	-
Other	383	1,002
	<u>\$ 5,594</u>	<u>\$ 5,599</u>

**9. DEPOSITS**

The aggregate amount of time deposits in denominations of \$250, or more, was approximately \$296,000 and \$217,000 at December 31, 2025 and 2024, respectively.

Scheduled maturities of time deposits are as follows:

<u>Year Ending December 31,</u>	
2026	\$ 347,186
2027	6,737
2028	-
2029	-
2030	1,050
	<u>\$ 354,973</u>

The aggregate amount of deposits reclassified as loan balances at December 31, 2025 and 2024 was immaterial.

# HELM BANK USA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024 (IN THOUSANDS)

### 10. BORROWINGS

#### FHLB Advances

The Bank has an available line of credit with the FHLB of Atlanta at an interest rate that adjusts daily. Borrowings under the line are limited to 30% and 25% of the Bank's total assets at December 31, 2025 and 2024, respectively. All borrowings from the FHLB of Atlanta are secured by a blanket lien on the carrying value of first mortgage loans on residential property, which amounted to \$396,319 and \$374,713 at December 31, 2025 and 2024, respectively. There were no outstanding balances as of December 31, 2025 and 2024.

Interest expense was approximately \$501 for the year ended December 31, 2024. There was no interest expense incurred for the year ended December 31, 2025.

#### Federal Funds Purchased and Other Lines

The Bank has federal funds purchased and other unsecured lines with other depository institutions, which allow the Bank to borrow short term funds as needed to manage liquidity. The Bank's available lines totaled \$72 at December 31, 2025 and 2024. There were no outstanding balances as of December 31, 2025 and 2024.

### 11. ACCRUED INTEREST PAYABLE AND OTHER LIABILITIES

Accrued interest payable and other liabilities consist of the following at December 31:

	<u>2025</u>	<u>2024</u>
Accruals	\$ 1,771	\$ 1,828
Income tax payable	-	596
Accrued interest	2,299	3,374
Other	617	1,299
	<u>\$ 4,687</u>	<u>\$ 7,097</u>

### 12. REVENUE RECOGNITION

The Bank generally fully satisfies its performance obligations on its contracts with customers as services are rendered and the transaction prices are typically fixed; charged either on a periodic basis or based on activity. Because performance obligations are satisfied as services are rendered and the transaction prices are fixed, there is little judgement involved in applying Topic 606 that significantly affects the determination of the amount and timing of revenue from contracts with customers.

All of the Bank's revenue from contracts with customers within the scope of Topic 606 is included in noninterest income on the accompanying statements of income. The following is a description of the Bank's revenue streams accounted for under Topic 606:

Credit card income – Card income includes annual, late and over-limit fees as well as fees earned from interchange, cash advances and other miscellaneous transactions and is presented net of direct costs. Interchange fees are recognized upon settlement of the credit and debit card payment transactions and are generally determined on a percentage basis for credit cards and fixed rates for debit cards based on the corresponding payment network's rates. Substantially all card fees are recognized at the transaction date, except for certain time-based fees such as annual fees, which are recognized over 12 months. Card income amounted to \$795 and \$686 for the years ended December 31, 2025 and 2024, respectively.

Fee income on wire transfers – Wire transfer and other remittance fees consist of fees earned for funds transfer services. The Bank's obligation is satisfied at the time of the funds transfer services. Fee income on wire transfers amounted to \$2,114 and \$2,060 for the years ended December 31, 2025 and 2024, respectively.

**HELM BANK USA**

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024  
(IN THOUSANDS)

**12. REVENUE RECOGNITION (CONTINUED)**

*Service fees and charges on customer deposit accounts* – The Bank earns fees from its deposit customers for transaction-based, account maintenance, and overdraft services. Transaction-based fees, which include but are not limited to services such as ATM use fees, stop payment charges, statement rendering, ACH fees, are recognized at the time the transaction is executed as that is the point in time the Bank fulfills the customer's request. Maintenance fees, which relate primarily to monthly maintenance, are earned over the course of a month, representing the period over which the Bank satisfies the performance obligation. Overdraft fees are recognized at the point in time that the overdraft occurs. Service charges on deposits are withdrawn from the customer's account balance. Service fees and charges on customer deposit accounts amounted to \$932 and \$954 for the years ended December 31, 2025 and 2024, respectively.

*Foreign currency transaction income* – The Bank earns and recognizes income from foreign exchange transactions at the time the transaction is executed as that is the point in time the Bank fulfills the customer's request. Foreign currency transaction income amounted to \$1,484 and \$1,771 for the years ended December 31, 2025 and 2024, respectively.

*Gain/loss on sale of foreclosed assets* – The Bank records a gain or loss from the sale of foreclosed assets when control of the property transfers to the buyer, which generally occurs at the time of an executed deed. There are no ASC 606 implications unless the Bank finances the sale of the foreclosed asset. There are no instances of the Bank financing the sale of its foreclosed properties as of December 31, 2025 and 2024.

**13. INCOME TAXES**

Allocation of federal and state income taxes between current and deferred portions is as follows for the years ended December 31:

	<b>2025</b>	<b>2024</b>
Current tax provision:		
Federal	\$ 2,959	\$ 2,355
State	822	769
	3,781	3,124
Deferred tax provision:		
Federal	(105)	(463)
State	(30)	(192)
	(135)	(655)
Total	<b>\$ 3,646</b>	<b>\$ 2,469</b>

The actual income tax expense for 2025 and 2024 differs from the statutory tax expense for the year (computed by applying the U.S. federal corporate tax rate of 21% to income before provision from income taxes) as follows for the years ended December 31:

	<b>2025</b>	<b>2024</b>
Federal income taxes, at statutory rate	\$ 2,994	\$ 2,086
State income taxes, net of federal tax benefit	635	430
Tax-exempt interest	(91)	(278)
Other permanent differences	117	285
Change in Florida tax rate	(9)	(54)
Total	<b>\$ 3,646</b>	<b>\$ 2,469</b>

## HELM BANK USA

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024  
(IN THOUSANDS)

### 13. INCOME TAXES (CONTINUED)

The Bank's deferred tax assets are as follows at December 31:

	<u>2025</u>	<u>2024</u>
Deferred tax assets:		
Net unrealized loss on securities available for sale	\$ 8,927	\$ 12,767
Allowance for credit losses	2,938	2,811
Depreciation and amortization	11	169
Deferred compensation	92	-
Other	187	114
Deferred tax asset, net	<u>\$ 12,155</u>	<u>\$ 15,861</u>

In assessing the realizability of deferred tax assets, management considered whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment.

The U.S. Federal jurisdiction and Florida are the major tax jurisdictions where the Bank files income tax returns. The Bank is no longer subject to U.S. Federal or State examinations by tax authorities for years before 2022.

For the years ended December 31, 2025 and 2024, the Bank did not have any unrecognized tax benefits as a result of tax positions taken during a prior period or during the current period. No interest or penalties have been recorded as a result of tax uncertainties.

### 14. REGULATORY MATTERS

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

Quantitative measures established by regulatory capital standards to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the following table) of total, Tier 1 and common equity Tier 1 capital (as defined) to risk-weighted assets (as defined) and of Tier 1 capital (as defined) to average assets (as defined). Unrealized gains and losses on available for sale securities are excluded from the Bank's capital ratio calculation. Management believes, as of December 31, 2025 and 2024, that the Bank meets all capital adequacy requirements to which it is subject.

As of December 31, 2025 and 2024, the most recent notification from the FDIC categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized the Bank must maintain minimum total risk-based, Tier 1 risk-based, common equity Tier 1 risk-based capital, and Tier 1 leverage ratios as set forth in the table. There are no conditions or events since that notification that management believes have changed the institution's category.

**HELM BANK USA**

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024  
(IN THOUSANDS)

**14. REGULATORY MATTERS (CONTINUED)**

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

	Actual		Minimum Capital Requirement		Minimum to be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
<b>2025</b>						
Total risk-based capital (to risk weighted assets)	\$ 138,629	30.41%	\$ 36,472	8.00%	\$ 45,590	10.00%
Tier 1 capital (to risk weighted assets)	132,866	29.14%	27,354	6.00%	36,472	8.00%
Common equity tier 1 capital (to risk weighted assets)	132,866	29.14%	20,516	4.50%	29,634	6.50%
Tier 1 capital (to average total assets)	132,866	11.12%	47,790	4.00%	59,738	5.00%
<b>2024</b>						
Total risk-based capital (to risk weighted assets)	\$ 132,564	31.62%	\$ 33,541	8.00%	\$ 41,927	10.00%
Tier 1 capital (to risk weighted assets)	127,254	30.35%	25,156	6.00%	33,541	8.00%
Common equity tier 1 capital (to risk weighted assets)	127,254	30.35%	18,867	4.50%	27,252	6.50%
Tier 1 capital (to average total assets)	127,254	11.88%	42,841	4.00%	53,551	5.00%

The Bank's payment of dividends is subject to the limitations set by state banking regulations.

# HELM BANK USA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024 (IN THOUSANDS)

### 15. COMMITMENTS AND CONTINGENCIES

#### Financial Instruments with Off-Balance Sheet Risk

The Bank is a party to credit-related financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include standby letters of credit and commitments to extend credit. Such commitments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the balance sheets.

The Bank's exposure to credit loss is represented by the contractual amount of these commitments. The Bank follows the same credit policies in making commitments as it does for on balance-sheet instruments. At December 31, 2025 and 2024, the following financial instruments were outstanding whose contract amounts represent credit risk:

	<u>2025</u>		<u>2024</u>
Unfunded commitments under lines of credit	2,496	\$	2,806
Standby letters of credit	245		1,246
Commitments to grant loans	<u>9,864</u>		<u>7,974</u>
	<u>\$ 12,605</u>	<u>\$</u>	<u>12,026</u>

Unfunded commitments under lines of credit are commitments for possible future extensions of credit to existing customers. Since some of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The amount of collateral obtained, if deemed necessary by the Bank, is based on management's credit evaluation of the customer.

Standby letters of credit are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party. Those letters of credit are primarily issued to support public and private borrowing arrangements. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. The Bank generally holds collateral supporting those commitments, and at December 31, 2025 and 2024 such collateral amounted to \$245 and \$1,246, respectively.

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. The commitments for equity lines of credit may expire without being drawn upon. Therefore, the total commitment amounts may not necessarily represent future cash requirements.

The amount of collateral obtained, if deemed necessary by the Bank, is based on management's credit evaluation of the customer.

#### Litigation

Various legal claims also arise from time to time in the normal course of business which, in the opinion of management, will have no material effect on the Bank's financial statements.

### 16. DEFINED CONTRIBUTION RETIREMENT PLAN

The Bank has a defined contribution retirement plan (the "Plan") (a 401k plan) covering substantially all eligible employees. The Plan includes a provision that the employer may contribute to the accounts of eligible employees for whom a salary deferral is made. For the years ended December 31, 2025 and 2024, the Bank contributed \$592 and \$479, respectively, into the Plan.

---

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024  
(IN THOUSANDS)

**17. DEFERRED COMPENSATION**

---

In January 2025, the Bank entered into a deferred compensation arrangement for an executive of the Bank. The arrangement provides for employer-funded deferred compensation based on specified performance measures and service requirements, as defined in the deferred compensation agreement. The arrangement is unfunded and represents an unsecured obligation of the Bank.

Amounts under the agreement are recorded in a notional account and vest over an stated service period through January 2029, subject to forfeiture provisions. Vested amounts may become payable upon the occurrence of certain events, including separation from service or other qualifying events as defined in the agreement. Participants have no rights to specific assets of the Bank and are treated as general unsecured creditors with respect to amounts credited.

The Bank accounts for deferred compensation in accordance with ASC 710, Compensation, and recognizes compensation expense over the periods in which the related services are rendered, based on amounts that are probable of vesting.

For the year ended December 31, 2025, deferred compensation expense added to \$367 and is included in salaries and employee benefits in the statement of income. As of December 31, 2025, deferred compensation liability related to the agreement was \$367 and is included in accrued interest payable and other liabilities in the balance sheet.

**18. FAIR VALUES OF ASSETS AND LIABILITIES**

---

**Determination of Fair Value**

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

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

**Fair Value Hierarchy**

The Bank groups its financial assets and financial liabilities generally measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

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

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

**HELM BANK USA**

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024  
(IN THOUSANDS)

**18. FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)**

**Fair Value Hierarchy (continued)**

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

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The Bank's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There have been no changes in the methodologies used at December 31, 2025 and 2024.

The following methods and assumptions were used by the Bank in estimating fair value of disclosures for financial instruments:

Securities

Where quoted prices are available in an active market, the Bank classifies the securities within level 1 of the valuation hierarchy. Securities are defined as both long and short positions. Level 1 securities included highly liquid government bonds and marketable equity securities.

If quoted market prices are not available, the Bank estimates fair values using pricing models and discounted cash flows that consider standard input factors such as observable market data, benchmark yields, interest rate volatilities, broker/dealer quotes, and credit spreads. Governments-sponsored enterprise obligations, corporate and municipal bonds, and mortgage-backed securities are included in level 2 since observable inputs are available.

**Assets and Liabilities Measured at Fair Value on a Recurring Basis**

Assets and liabilities measured at fair value on a recurring basis are summarized below:

	<b>Fair Value Measurements at December 31, 2025</b>			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Securities Available for Sale</u>				
Debt securities:				
GSE's	\$ 61,199	\$ -	\$ 61,199	\$ -
U.S. Treasury notes	40,650	40,650	-	-
Municipal bonds	55,501	-	55,501	-
GSE residential mortgage-backed	257,827	-	257,827	-
Total securities available for sale	415,177	40,650	374,527	-
Marketable equity securities	913	913	-	-
Total securities	<b>\$ 416,090</b>	<b>\$ 41,563</b>	<b>\$ 374,527</b>	<b>\$ -</b>

**HELM BANK USA**

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024  
(IN THOUSANDS)

**18. FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)**

**Assets and Liabilities Measured at Fair Value on a Recurring Basis (continued)**

	<b>Fair Value Measurements at December 31, 2024</b>			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Securities Available for Sale</b>				
<b>Debt securities:</b>				
GSE's	\$ 55,905	\$ -	\$ 55,905	\$ -
U.S. Treasury notes	39,156	39,156	-	-
Municipal bonds	45,918	-	45,918	-
GSE residential mortgage-backed	189,816	-	189,816	-
Total securities available for sale	330,795	39,156	291,639	-
Marketable equity securities	884	884	-	-
Total securities	<b>\$ 331,679</b>	<b>\$ 40,040</b>	<b>\$ 291,639</b>	<b>\$ -</b>

There were no liabilities measured at fair value at December 31, 2025 and 2024.

**Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis**

Under certain circumstances, the Bank makes adjustments to fair value for its assets and liabilities although they are not measured at fair value on an ongoing basis. There were no assets measured at fair value on a nonrecurring basis at December 31, 2025. The following table presents the financial instruments carried on the balance sheets by caption and by level in the fair value hierarchy at December 31, 2024, for which a nonrecurring change in fair value has been recorded:

	<b>Fair Value Measurements at December 31, 2024</b>			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Loans	\$ 1	\$ -	\$ -	\$ 1
Total assets at fair value	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1</b>

**Impaired Loans**

Loans applicable to write downs of impaired loans are estimated using the appraised value of the underlying collateral discounted as necessary due to management's estimates of changes in economic conditions. The Bank's impaired loans are classified in Level 3 of the fair value hierarchy since the valuation technique requires inputs that are both significant and unobservable.

There were no liabilities measured at fair value on a nonrecurring basis at December 31, 2025 and 2024.

**HELM BANK USA**

---

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024  
(IN THOUSANDS)

**19. ACCUMULATED OTHER COMPREHENSIVE LOSS**

---

The components of accumulated other comprehensive loss at December 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Unrealized loss on available-for-sale securities	\$ (35,501)	\$ (50,770)
Income tax effect	<u>8,928</u>	<u>12,767</u>
Accumulated other comprehensive loss, net of tax	<u>\$ (26,573)</u>	<u>\$ (38,003)</u>

# Management Report

## Statement of Management's Responsibilities

The management of Helm Bank USA (the "Institution") is responsible for preparing the Institution's annual financial statements in accordance with accounting principles generally accepted in the United States of America; for establishing and maintaining an adequate internal control structure and procedures for financial reporting, including controls over the preparation of financial statements, which comprise the balance sheet as of December 31, 2025, and the related statements of income, comprehensive income, changes in stockholders' equity, and cash flows with the related notes to the financial statements for the year then ended (collectively, the "financial statements"); and for complying with the Federal laws and regulations pertaining to insider loans and the Federal and, if applicable, State laws and regulations pertaining to dividend restrictions.

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

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

## Management's Assessment of Internal Control Over Financial Reporting

The Institution's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America and financial statements, i.e., which comprise the balance sheet as of December 31, 2025, and the related statement of income, comprehensive income, changes in stockholders' equity, and cash flows with the related notes to the financial statements for the year then ended. The Institution's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Institution; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the Institution are being made only in accordance with authorizations of management and directors of the Institution; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the Institution's assets that could have a material effect on the financial statements.

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

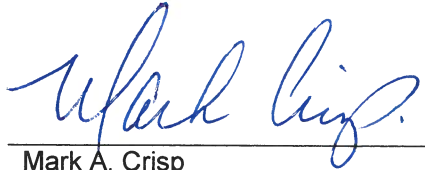
Management assessed the effectiveness of the Institution's internal control over financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the financial statements, which comprise the balance sheet as of December 31, 2025, and the related statement of income, comprehensive income, changes in stockholders' equity, and cash flows with related notes to the financial statements for the year then ended.

Based upon its assessment, management has concluded that, as of December 31, 2025, the Institution's internal control over financial reporting, including controls over the preparation of the financial statements, which comprise the balance sheet as of December 31, 2025, and the related statements of income, comprehensive income, changes in stockholders' equity, and cash flows with related notes to the financial

statements for the year then ended, is effective.

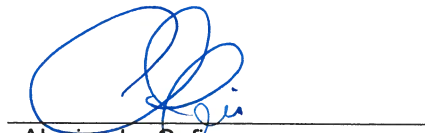
Management's assessment of the effectiveness of internal control over financial reporting, including controls over the preparation of financial statements, which comprise the balance sheet as of December 31, 2025, and the related statement of income, comprehensive income, changes in stockholders' equity, and cash flows with related notes to the financial statements for the year then ended has been audited by CBIZ CPAs P.C., an independent public accounting firm, as stated in their report dated April 24, 2026.

Helm Bank USA



Mark A. Crisp  
Chief Executive Officer

24/APRIL 2026  
Date



Alejandro Saie  
Chief Financial Officer

April 24, 2026  
Date