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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2026

or

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

For the transition period from ___to ___

Commission file number: 001-38447

BUSINESS FIRST BANCSHARES, INC.

(Exact name of registrant as specified in its charter)

Louisiana	**20-5340628**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
500 Laurel Street, Suite 101 Baton Rouge, Louisiana	**70801**
(Address of principal executive offices)	**(Zip Code)**

(225) 248-7600
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $1.00 per share	BFST	NASDAQ Global Select Market

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

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

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

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

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

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

As of July 24, 2026, the issuer has outstanding 32,549,883 shares of common stock, par value $1.00 per share.

BUSINESS FIRST BANCSHARES, INC.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

BUSINESS FIRST BANCSHARES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except per share data)

	June 30, 2026 (Unaudited)	December 31, 2025
ASSETS		
Cash and Due from Banks	$ 575,604	$ 411,175
Federal Funds Sold	95,535	172,393
Securities Purchased Under Agreements to Resell	30,702	25,587
Securities Available for Sale, at Fair Values (Amortized Cost of $1,086,550 at June 30, 2026 and $1,031,432 at December 31, 2025)	1,041,133	989,229
Mortgage Loans Held for Sale	2,838	1,094
Loans and Lease Receivable, Net of Allowance for Loan Losses of $62,458 at June 30, 2026 and $53,959 at December 31, 2025	6,596,989	6,135,531
Premises and Equipment, Net	88,925	73,982
Accrued Interest Receivable	38,969	38,494
Other Equity Securities	51,302	49,342
Other Real Estate Owned	25,109	13,013
Cash Value of Life Insurance	139,169	120,292
Deferred Taxes	21,561	20,477
Goodwill	135,222	121,146
Core Deposit and Customer Intangible	33,267	14,497
Other Assets	27,181	28,488
Total Assets	$ 8,903,506	$ 8,214,740
LIABILITIES		
Deposits:		
Noninterest Bearing	$ 1,583,562	$ 1,322,074
Interest Bearing	5,651,994	5,376,516
Total Deposits	7,235,556	6,698,590
Securities Sold Under Agreements to Repurchase	24,442	22,622
Federal Home Loan Bank Borrowings	442,494	431,200
Subordinated Debt	114,250	92,530
Subordinated Debt - Trust Preferred Securities	9,678	5,000
Accrued Interest Payable	3,774	4,166
Other Liabilities	64,735	63,749
Total Liabilities	$ 7,894,929	$ 7,317,857
Commitments and Contingencies (See Note 9)		
SHAREHOLDERS' EQUITY		
Preferred Stock, No Par Value; 5,000,000 Shares Authorized; 72,010 Shares ($1,000 Liquidation Preference) Issued at both June 30, 2026 and December 31, 2025, respectively	$ 71,930	$ 71,930
Common Stock, $1 Par Value; 50,000,000 Shares Authorized; 32,535,659 and 29,510,668 Shares Issued and Outstanding at June 30, 2026 and December 31, 2025, respectively	32,536	29,511
Additional Paid-in Capital	578,087	502,155
Retained Earnings	361,846	326,574
Accumulated Other Comprehensive Loss	(35,822)	(33,287)
Total Shareholders' Equity	1,008,577	896,883
Total Liabilities and Shareholders' Equity	$ 8,903,506	$ 8,214,740

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

BUSINESS FIRST BANCSHARES, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
(Dollars in thousands, except per share data)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Interest Income:				
Interest and Fees on Loans	$ 111,780	$ 104,028	$ 220,926	$ 207,020
Interest and Dividends on Non-taxable Securities	1,806	1,047	3,598	2,122
Interest and Dividends on Taxable Securities	7,298	5,859	13,968	11,398
Interest on Federal Funds Sold and Due From Banks	4,766	3,916	9,652	8,003
Total Interest Income	125,650	114,850	248,144	228,543
Interest Expense:				
Interest on Deposits	41,251	41,546	84,009	83,985
Interest on Borrowings	6,555	6,262	11,096	11,533
Total Interest Expense	47,806	47,808	95,105	95,518
Net Interest Income	77,844	67,042	153,039	133,025
Provision for Credit Losses	1,991	2,225	4,269	5,037
Net Interest Income after Provision for Credit Losses	75,853	64,817	148,770	127,988
Other Income:				
Service Charges on Deposit Accounts	3,197	2,633	6,339	5,493
Gain (Loss) on Sales of Securities	(6)	(47)	74	(48)
Gain on Sales of Loans	1,583	781	2,924	2,037
Other Income	9,193	11,048	18,680	20,159
Total Other Income	13,967	14,415	28,017	27,641
Other Expenses:				
Salaries and Employee Benefits	33,120	28,317	66,159	57,814
Occupancy and Equipment Expense	8,279	7,162	16,401	14,518
Merger and Conversion-Related Expense	303	210	1,680	460
Other Expenses	17,823	15,517	32,756	28,992
Total Other Expenses	59,525	51,206	116,996	101,784
Income Before Income Taxes	30,295	28,026	59,791	53,845
Provision for Income Taxes	6,120	5,923	12,052	11,199
Net Income	24,175	22,103	47,739	42,646
Preferred Stock Dividends	1,350	1,350	2,700	2,700
Net Income Available to Common Shareholders	$ 22,825	$ 20,753	$ 45,039	$ 39,946
Earnings Per Common Share:				
Basic	$ 0.70	$ 0.70	$ 1.38	$ 1.36
Diluted	$ 0.70	$ 0.70	$ 1.37	$ 1.35

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

BUSINESS FIRST BANCSHARES, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Dollars in thousands)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Consolidated Net Income	$ 24,175	$ 22,103	$ 47,739	$ 42,646
Other Comprehensive Income (Loss):				
Unrealized Gain (Loss) on Investment Securities	2,641	6,390	(3,139)	19,262
Reclassification Adjustment for (Gains) Losses on Sale of AFS Investment Securities Included in Net Income	6	47	(74)	48
Income Tax Effect	(560)	(1,361)	678	(4,080)
Other Comprehensive Income (Loss)	2,087	5,076	(2,535)	15,230
Consolidated Comprehensive Income	$ 26,262	$ 27,179	$ 45,204	$ 57,876

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

BUSINESS FIRST BANCSHARES, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED June 30, 2026 AND 2025
(Dollars in thousands, except per share data)

	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balances at March 31, 2025	$ 71,930	$ 29,572	$ 501,609	$ 276,045	$ (52,844)	$ 826,312
Comprehensive Income:						
Net Income	—	—	—	22,103	—	22,103
Other Comprehensive Income	—	—	—	—	5,076	5,076
Cash Dividends Declared on Preferred Stock, $18.75 Per Share	—	—	—	(1,350)	—	(1,350)
Cash Dividends Declared on Common Stock, $0.14 Per Share	—	—	—	(4,169)	—	(4,169)
Stock Based Compensation Cost	—	31	437	—	—	468
Balances at June 30, 2025	$ 71,930	$ 29,603	$ 502,046	$ 292,629	$ (47,768)	$ 848,440
Balances at March 31, 2026	$ 71,930	$ 32,625	$ 580,640	$ 343,890	$ (37,909)	$ 991,176
Comprehensive Income:						
Net Income	—	—	—	24,175	—	24,175
Other Comprehensive Income	—	—	—	—	2,087	2,087
Cash Dividends Declared on Preferred Stock, $18.75 Per Share	—	—	—	(1,350)	—	(1,350)
Cash Dividends Declared on Common Stock, $0.15 Per Share	—	—	—	(4,869)	—	(4,869)
Stock Based Compensation Cost	—	88	2,083	—	—	2,171
Stock Repurchases	—	(177)	(4,636)	—	—	(4,813)
Balances at June 30, 2026	$ 71,930	$ 32,536	$ 578,087	$ 361,846	$ (35,822)	$ 1,008,577

The accompanying notes are an integral part of these financial statements

BUSINESS FIRST BANCSHARES, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED June 30, 2026 AND 2025
(Dollars in thousands, except per share data)

	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balances at December 31, 2024	$ 71,930	$ 29,552	$ 500,024	$ 260,958	$ (62,998)	$ 799,466
Comprehensive Income:						
Net Income	—	—	—	42,646	—	42,646
Other Comprehensive Income	—	—	—	—	15,230	15,230
Cash Dividends Declared on Preferred Stock, $37.50 Per Share	—	—	—	(2,700)	—	(2,700)
Cash Dividends Declared on Common Stock, $0.28 Per Share	—	—	—	(8,275)	—	(8,275)
Stock Based Compensation Cost	—	51	2,022	—	—	2,073
Balances at June 30, 2025	$ 71,930	$ 29,603	$ 502,046	$ 292,629	$ (47,768)	$ 848,440
Balances at December 31, 2025	$ 71,930	$ 29,511	$ 502,155	$ 326,574	$ (33,287)	$ 896,883
Comprehensive Income:						
Net Income	—	—	—	47,739	—	47,739
Other Comprehensive Loss	—	—	—	—	(2,535)	(2,535)
Cash Dividends Declared on Preferred Stock, $37.50 Per Share	—	—	—	(2,700)	—	(2,700)
Cash Dividends Declared on Common Stock, $0.30 Per Share	—	—	—	(9,767)	—	(9,767)
Stock Issuance	—	3,192	80,256	—	—	83,448
Stock Based Compensation Cost	—	109	2,963	—	—	3,072
Stock Repurchase	—	(276)	(7,287)	—	—	(7,563)
Balances at June 30, 2026	$ 71,930	$ 32,536	$ 578,087	$ 361,846	$ (35,822)	$ 1,008,577

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

BUSINESS FIRST BANCSHARES, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	For the Six Months Ended June 30,	
	2026	2025
Cash Flows From Operating Activities:		
Consolidated Net Income	$ 47,739	$ 42,646
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Provision for Credit Losses	4,269	5,037
Depreciation and Amortization of Premises and Equipment	3,283	2,873
Net Amortization (Accretion) of Purchase Accounting Adjustments	128	(890)
Stock Based Compensation Cost	3,072	2,073
Net Amortization (Accretion) of Securities	(462)	561
(Gain) Loss on Sales of Securities	(74)	48
Gain on Sale of Loans	(1,044)	(529)
Income on Other Equity Securities	(700)	(1,077)
(Gain) Loss on Sale of Other Real Estate Owned, Net of Writedowns	(178)	230
Other Real Estate Owned Valuation Allowance	(69)	—
Gain on Disposal of Premises and Equipment	(28)	(155)
Increase in Cash Value of Life Insurance	(1,733)	(1,565)
Deferred Income Tax (Benefit) Expense	(1,310)	333
Gain on Extinguishment/Redemption of Debt	(545)	(630)
Gain on Sale of Branch	—	(3,360)
Changes in Assets and Liabilities:		
(Increase) Decrease in Accrued Interest Receivable	2,455	(880)
(Increase) Decrease in Other Assets	7,195	(6,669)
Decrease in Accrued Interest Payable	(885)	(1,092)
Increase (Decrease) in Other Liabilities	(7,309)	5,638
Net Cash Provided by Operating Activities	53,804	42,592
Cash Flows From Investing Activities:		
Purchases of Securities Available for Sale	(102,941)	(80,291)
Proceeds from Maturities / Sales of Securities Available for Sale	41,502	26,245
Proceeds from Paydowns of Securities Available for Sale	51,905	39,846
Net Cash Received in Acquisition	90,702	—
Net Cash Paid in Sale of Branch	—	(43,084)
Proceeds from Sale of Loans	88,251	—
Purchases of Other Equity Securities	(12,213)	(9,340)
Redemption of Other Equity Securities	12,599	2,781
Purchase of Life Insurance	(5,585)	—
Proceeds from Death Benefit of Cash Value of Life Insurance	—	503
Net (Increase) Decrease in Loans	14,250	(68,246)
Net Purchases of Premises and Equipment	(1,274)	(1,289)
Proceeds from Sales of Other Real Estate	1,419	3,961
Net (Increase) Decrease in Securities Purchased Under Agreements to Resell	(5,115)	25,402
Net Decrease in Federal Funds Sold	76,858	158,373
Net Cash Provided by Investing Activities	250,358	54,861

(CONTINUED)

	For the Six Months Ended June 30,	
	2026	2025
Cash Flows From Financing Activities:		
Net Decrease in Deposits	(148,007)	(40,399)
Net Increase (Decrease) in Securities Sold Under Agreements to Repurchase	1,820	(64)
Net Advances on Federal Home Loan Bank Borrowings	8,411	137,071
Proceeds from Issuance of Subordinated Debt	85,000	—
Repayment of Subordinated Debt	(66,927)	(6,427)
Repurchase of Common Stock	(7,563)	—
Payment of Dividends on Preferred Stock	(2,700)	(2,700)
Payment of Dividends on Common Stock	(9,767)	(8,275)
Net Cash Provided by (Used in) Financing Activities	(139,733)	79,206
Net Increase in Cash and Due From Banks	164,429	176,659
Cash and Due From Banks at Beginning of Period	411,175	319,098
Cash and Due From Banks at End of Period	$ 575,604	$ 495,757
Supplemental Disclosures for Cash Flow Information:		
Cash Payments for:		
Interest on Deposits	$ 84,526	$ 85,401
Interest on Borrowings	$ 10,971	$ 11,257
Income Tax Payments	$ 12,031	$ 12,851
Supplemental Schedule for Noncash Investing and Financing Activities:		
Change in the Unrealized Gain (Loss) on Securities Available for Sale	$ (3,213)	$ 19,310
Change in Deferred Tax Effect on the Unrealized (Gain) Loss on Securities Available for Sale	$ 678	$ (4,080)
Transfer of Loans to Other Real Estate	$ 13,268	$ 135
Acquisitions:		
Fair Value of Tangible Assets Acquired	$ 755,212	$ —
Other Intangible Assets Acquired	20,846	—
Liabilities Assumed	699,883	—
Net Identifiable Assets Acquired Over Liabilities Assumed	$ 76,175	$ —

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

BUSINESS FIRST BANCSHARES, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note 1– Basis of Presentation –

The unaudited consolidated financial statements include the accounts of Business First Bancshares, Inc. (the "Company") and its five direct, wholly-owned subsidiaries, b1BANK (the "Bank"), Coastal Commerce Statutory Trust I, Progressive Statutory Trust I, and Progressive Statutory Trust II, and b1Capital, Inc.; and the Bank's wholly-owned subsidiaries, Business First Insurance, LLC, Smith Shellnut Wilson, LLC ("SSW"), Waterstone LSP, LLC ("Waterstone"), and b1 Securities, LLC ("b1Securities"). The Bank operates out of full-service banking centers and loan production offices in markets across Louisiana, the Dallas/Fort Worth metroplex and Houston, Texas. As a state bank, it is subject to regulation by the Office of Financial Institutions ("OFI"), State of Louisiana, and the Federal Deposit Insurance Corporation ("FDIC") and undergoes periodic examinations by these agencies. The Company is also regulated by the Federal Reserve and is subject to periodic examinations.

In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments necessary to present fairly the financial results for the periods presented, and all such adjustments are of a normal recurring nature. All material intercompany transactions are eliminated. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the entire year.

These interim consolidated financial statements have been prepared according to the rules and regulations of the Securities and Exchange Commission and, therefore, certain information and footnote disclosures normally presented in accordance with United States ("U.S.") generally accepted accounting principles ("GAAP") have been omitted or abbreviated. These interim financial statements should be read in conjunction with the audited consolidated financial statements and footnote disclosures for the Company's previously filed Form 10-K for the year ended December 31, 2025.

Preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying disclosures. These estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Critical accounting estimates that are particularly susceptible to significant change for the Company include the determination of the acquired loans, allowance for credit losses and purchase accounting adjustments (other than loans). Other estimates include goodwill, fair value of financial instruments, investment securities and the assessment of income taxes. Management does not anticipate any material changes to estimates in the near term. Factors that may cause sensitivity to the aforementioned estimates include but are not limited to: external market factors such as market interest rates and employment rates, changes to operating policies and procedures, economic conditions in the Company's markets, and changes in applicable banking regulations. Actual results may ultimately differ from estimates.

Accounting Standards Adopted in Current Period

ASU 2025-08," Financial Instruments – Credit Losses (Topic 326), Purchased Loans." The updates in ASU 2025-08 amend the guidance in ASC 326 on the accounting for certain purchased loans. Under the ASU, entities must account for acquired loans (excluding credit cards) that meet certain criteria at acquisition ("purchased seasoned loans") by recognizing them at their purchase price plus an allowance for expected credit losses (i.e., the gross-up approach). All non-purchased credit deteriorated ("non-PCD") loans (excluding credit cards) that are acquired in a business combination are deemed seasoned. Other non-PCD loans (excluding credit cards) are seasoned if they were purchased at least 90 days after origination and the acquirer was not involved in the origination of the loans. The ASU's amendments align the accounting for purchased seasoned loans with the treatment of financial assets purchased with more-than-insignificant credit deterioration since origination ("PCD assets").

The Company early adopted the amendments effective January 1, 2026, on a prospective basis. The Progressive acquisition disclosures contained in Note 2, as well as the allowance measurements reflected in Note 5 incorporate the updated guidance.

Accounting Standards Not Yet Adopted

None

BUSINESS FIRST BANCSHARES, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note 2– Mergers and Acquisitions –

Progressive Bancorp, Inc.

On January 1, 2026, the Company consummated the merger of Progressive Bancorp, Inc. ("Progressive"), headquartered in Monroe, Louisiana, with and into the Company, pursuant to the terms of that certain Agreement and Plan of Reorganization (the "Reorganization Agreement"), dated as of July 7, 2025, by and between the Company and Progressive (the "Merger"). Also on January 1, 2026, Progressive's wholly owned banking subsidiary, Progressive Bank, was merged with and into b1BANK. Pursuant to the terms of the Reorganization Agreement, upon consummation of the Merger, the Company issued 3,192,367 shares of its common stock to the former shareholders of Progressive. At December 31, 2025, Progressive reported $773.8 million in total assets, $597.2 million in loans and $684.9 million in deposits.

The following table reflects the consideration paid for Progressive's net assets and the identifiable assets purchased and liabilities assumed at their fair values as of January 1, 2026. The fair values are provisional estimates and may be adjusted for a period of up to one year from the date of acquisition if new information is obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date.

Cost and Allocation of Purchase Price for Progressive Bancorp, Inc. (Progressive):		
(Dollars in thousands, except per share data)		
Purchase Price:		
Shares Issued to Progressive's Shareholders on January 1, 2026		3,192,367
Closing Stock Price on December 31, 2025	$	26.14
Total Stock Issued	$	83,448
Partial Shares Paid in Cash		3
Total Purchase Price	$	83,451
Net Assets Acquired:		
Cash and Cash Equivalents	$	93,255
Securities Available for Sale		45,047
Loans and Leases Receivable, Net of Allowance		578,867
Premises and Equipment, Net		16,924
Cash Value of Life Insurance		11,559
Core Deposit Intangible		15,950
Other Assets		9,560
Total Assets		771,162
Deposits		684,753
Borrowings		7,538
Other Liabilities		7,592
Total Liabilities		699,883
Net Assets Acquired		71,279
Goodwill Resulting from Merger	$	12,172

The Company has recorded approximately $3.4 million and $3.8 million of acquisition-related costs within merger and conversion-related expenses and salaries and benefits for the six months ended June 30, 2026, and year ended December 31, 2025, respectively.

The following is a description of the methods used to determine the fair values of significant assets acquired and liabilities assumed presented above.

Cash and Cash Equivalents: The carrying amount of these assets was a reasonable estimate of fair value based on the short-term nature of these assets.

Securities Available for Sale: Fair values for securities were based on quoted market prices, where available. If quoted market prices were not available, fair value estimates were based on observable inputs including quoted market prices for similar instruments, quoted market prices that were not in an active market or other inputs that were observable in the market. In the absence of observable inputs, fair value was estimated based on pricing models/estimations.

Loans and Leases Receivable: Fair values for loans were based on a discounted cash flow methodology that considered factors including, but not limited to, loan type, classification status, remaining term, prepayment speed, and current discount rates. The discount rates used for loans were based on current market rates for new originations of comparable loans and included adjustments for any liquidity concerns. The discount rate did not include an explicit factor for credit losses, as that was included within the estimated cash flows. As discussed in Note 1, the Company adopted ASU 2025-08, which requires a calculation and application of Day 1 allowance for non-PCD loans, as well as PCD loans. The Day 1 allowance amounts are applied on a gross basis.

Acquired loans are evaluated as either purchased with a more-than insignificant amount of credit deterioration ("PCD") or an insignificant amount of credit deterioration ("non-PCD") at acquisition, based upon management's assessment of whether or not a loan has experienced more than insignificant credit deterioration since origination. This evaluation is completed by management using a variety of factors, including individual loan characteristics as well as industry type and collateral evaluation, among other factors. At acquisition, management designated loans with a fair value of $8.0 million as PCD. The fair value was inclusive of a $6.9 million PCD allowance and $750,000 non-credit fair value discount from the acquired contractual value.

The remainder of the Progressive loan portfolio, with a fair value of $570.9 million at acquisition included a non-PCD allowance of $2.4 million and a non-credit fair value discount of $8.7 million from the acquired contractual value.

Core Deposit Intangible ("CDI"): The fair value for core deposit intangible assets was estimated based on a discounted cash flow methodology that gave appropriate consideration to expected customer attrition rates, net maintenance cost of the deposit base, including interest cost, and alternative cost of funds. The CDI is being amortized over 10 years based upon the period over which estimated economic benefits are estimated to be received.

Deposits: The fair values used for the demand and savings deposits, by definition, equal the amount payable on demand at the acquisition date. Fair values for time deposits were estimated using a discounted cash flow analysis, that applied interest rates currently being offered to the contractual interest rates on such time deposits.

Borrowings: Fair values for borrowings were based on estimated market rates over the remaining terms of the subordinated debt issuances.

Pro forma tables for Progressive were impractical to include due to the insignificance to the overall Company as a whole.

American Planning Corporation

On June 29, 2026, the Company consummated the acquisition of American Planning Corporation ("APC") for $6.8 million, of which $2.6 million was paid in cash and $4.3 million of subordinated debt was issued. As part of the transaction, the Company recorded a customer intangible of $4.9 million to be amortized over a 10 year period and $1.9 million in goodwill.

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Note 3– Earnings per Common Share –

Basic earnings per share ("EPS") represents income available to common shareholders divided by the weighted average number of common shares outstanding; no dilution for any potentially convertible shares is included in the calculation. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the Company. The potential common shares that may be issued by the Company relate to outstanding stock options, unvested restricted stock awards ("RSAs"), unvested restricted stock units ("RSUs") and performance shares, excluding any that were antidilutive. In addition, nonvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents are considered participating securities and are included in the computation of EPS pursuant to the two-class method.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
(Dollars in thousands, except per share data)	2026	2025	2026	2025
Numerator:				
Net Income	$ 24,175	$ 22,103	$ 47,739	$ 42,646
Less: Preferred Stock Dividends	1,350	1,350	2,700	2,700
Net Income Available to Common Shares	$ 22,825	$ 20,753	$ 45,039	$ 39,946
Denominator:				
Weighted Average Common Shares Outstanding	32,589,951	29,517,495	32,584,970	29,354,228
Dilutive Effect of Stock Options and RSAs	173,657	69,480	193,229	145,833
Weighted Average Dilutive Common Shares	32,763,608	29,586,975	32,778,199	29,500,061
Basic Earnings Per Common Share From Net Income Available to Common Shares	$ 0.70	$ 0.70	$ 1.38	$ 1.36
Diluted Earnings Per Common Share From Net Income Available to Common Shares	$ 0.70	$ 0.70	$ 1.37	$ 1.35

Note 4– Securities –

The amortized cost and fair values of securities available for sale as of June 30, 2026, and December 31, 2025 are summarized as follows:

	June 30, 2026			
(Dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury Securities	$ 22,627	$ —	$ 240	$ 22,387
U.S. Government Agencies	10,022	—	70	9,952
Corporate Securities	87,029	262	1,724	85,567
Mortgage-Backed Securities	698,832	1,564	29,039	671,357
Municipal Securities	268,040	190	16,360	251,870
Total Securities Available for Sale	$ 1,086,550	$ 2,016	$ 47,433	$ 1,041,133

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	December 31, 2025			
(Dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury Securities	$ 17,571	$ —	$ 293	$ 17,278
U.S. Government Agencies	10,070	—	196	9,874
Corporate Securities	38,324	377	1,639	37,062
Mortgage-Backed Securities	674,211	3,153	27,273	650,091
Municipal Securities	291,256	536	16,868	274,924
Total Securities Available for Sale	$ 1,031,432	$ 4,066	$ 46,269	$ 989,229

The following tables present a summary of securities with gross unrealized losses and fair values at June 30, 2026, and December 31, 2025, aggregated by investment category and length of time in a continued unrealized loss position. Due to the nature of these investments and current prevailing market prices, these unrealized losses are considered non-credit related.

	June 30, 2026					
	Less Than 12 Months		12 Months or Greater		Total	
(Dollars in thousands)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
U.S. Treasury Securities	$ 12,485	$ 108	$ 9,902	$ 132	$ 22,387	$ 240
U.S. Government Agencies	—	—	9,952	70	9,952	70
Corporate Securities	35,162	128	20,162	1,596	55,324	1,724
Mortgage-Backed Securities	215,493	2,760	282,490	26,279	497,983	29,039
Municipal Securities	23,002	104	180,787	16,256	203,789	16,360
Total Securities Available for Sale	$ 286,142	$ 3,100	$ 503,293	$ 44,333	$ 789,435	$ 47,433

	December 31, 2025					
	Less Than 12 Months		12 Months or Greater		Total	
(Dollars in thousands)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
U.S. Treasury Securities	$ —	$ —	$ 17,278	$ 293	$ 17,278	$ 293
U.S. Government Agencies	—	—	9,874	196	9,874	196
Corporate Securities	2,580	2	21,086	1,637	23,666	1,639
Mortgage-Backed Securities	83,844	506	336,946	26,767	420,790	27,273
Municipal Securities	12,939	57	210,329	16,811	223,268	16,868
Total Securities Available for Sale	$ 99,363	$ 565	$ 595,513	$ 45,704	$ 694,876	$ 46,269

As of June 30, 2026, and December 31, 2025, respectively, no allowance for credit losses was recognized on available for sale securities in an unrealized loss position as management does not believe any of the securities are impaired due to credit quality. This determination is based on the Company's analysis of the underlying risk characteristics including credit ratings, historical loss experience, and other qualitative factors. Further, the securities continue to make principal and interest payments under their contractual terms and management does not have the intent to sell any of the securities and believes that it is more likely than not that the Company will not have to sell any such

securities before a recovery of amortized cost basis. Therefore, the Company has determined the unrealized losses are due to changes in market interest rates compared to rates when the securities were acquired.

The amortized cost and fair values of securities available for sale as of June 30, 2026, by contractual maturity are shown below. Actual maturities may differ from contractual maturities in mortgage-backed securities because the mortgages underlying the securities may be called or repaid without any penalties.

(Dollars in thousands)	Amortized Cost	Fair Value
Less Than One Year	$ 50,452	$ 50,056
One to Five Years	205,238	194,525
Over Five to Ten Years	376,231	356,632
Over Ten Years	454,629	439,920
Total Securities Available for Sale	$ 1,086,550	$ 1,041,133

Securities available for sale with a fair value of $449.7 million and $398.3 million, were pledged as collateral on public deposits and for other purposes as required or permitted by law as of June 30, 2026, and December 31, 2025, respectively.

There were $88,000 gross realized gains from sales or redemptions of securities for the six months ended June 30, 2026, none for the three months ended June 30, 2026, and $3,000 for both the three and six months ended June 30, 2025, respectively. There were $6,000 and $14,000 gross realized losses from sales or redemptions of securities for the three and six months ended June 30, 2026, respectively, and $50,000 and $51,000 for the three and six months ended June 30, 2025, respectively.

At June 30, 2026, and December 31, 2025, accrued interest receivable on securities was $5.8 million and $5.3 million, respectively, and is included within accrued interest receivable on the consolidated balance sheets.

Note 5– Loans and the Allowance for Loan Losses –

Loans receivable at June 30, 2026, and December 31, 2025, are summarized as follows:

(Dollars in thousands)	June 30, 2026	December 31, 2025
Real Estate Loans:		
Commercial	$ 2,824,015	$ 2,611,279
Construction	693,477	639,069
Residential	1,079,018	944,065
Total Real Estate Loans	4,596,510	4,194,413
Commercial	1,988,696	1,921,833
Consumer and Other	74,241	73,244
Total Loans Held for Investment	6,659,447	6,189,490
Less:		
Allowance for Loan Losses	(62,458)	(53,959)
Net Loans	$ 6,596,989	$ 6,135,531

The performing 1-4 family residential, multi-family residential, commercial real estate, and commercial loans, are pledged, under a blanket lien, as collateral securing advances from the FHLB at June 30, 2026, and December 31, 2025. Commercial and agricultural loans are pledged against the Federal Reserve Banks' ("FRB") discount window as of June 30, 2026, and December 31, 2025.

Net deferred loan origination fees were $9.5 million and $11.4 million at June 30, 2026, and December 31, 2025, respectively, and are netted in their respective loan categories above. In addition to loans issued in the normal course of business, the Company considers overdrafts on customer deposit accounts to be loans and reclassifies overdrafts as loans in its consolidated balance sheets. At June 30, 2026, and December 31, 2025, overdrafts of $1.6 million and $7.9 million, respectively, have been reclassified to loans.

The Bank is the lead lender on participations sold, without recourse, to other financial institutions which amounts are not included in the consolidated balance sheets. The unpaid principal balances of mortgages and other loans serviced for others were approximately $762.0 million and $643.8 million at June 30, 2026 and December 31, 2025, respectively. The Company had servicing rights of $1.7 million and $956,000 recorded at June 30, 2026, and December 31, 2025, respectively, and is recorded within other assets.

The Bank grants loans and extensions of credit to individuals and a variety of businesses and corporations located in its general market areas throughout Louisiana and Texas. Management segregates the loan portfolio into portfolio segments which is defined as the level at which the Bank develops and documents a systematic method for determining its allowance for credit losses. The portfolio segments are segregated based on loan types and the underlying risk factors present in each loan type. Such risk factors are periodically reviewed by management and revised as deemed appropriate.

Portfolio Segments and Risk Factors

The loan portfolio is disaggregated into portfolio segments and then further disaggregated into classes for certain disclosures. GAAP defines a portfolio segment as the level at which an entity develops and documents a systematic method for determining its allowance for credit losses. A class is generally a disaggregation of a portfolio segment. The Company's loan portfolio segments are Real Estate, Commercial, and Consumer and Other. The classes and risk characteristics of each segment are discussed in more detail below. The segmentation and disaggregation of the portfolio is part of the ongoing credit monitoring process.

Real Estate Portfolio Segment

Real Estate: Commercial loans are extensions of credit secured by owner-occupied and non-owner-occupied collateral. Repayment is generally dependent on the successful operations of the property. General economic conditions may impact the performance of these types of loans, including fluctuations in the value of real estate, vacancy rates, and unemployment trends. Real estate commercial loans also include farmland loans that can be, or are, used for agricultural purposes. These loans are usually repaid through refinancing, cash flow from the borrower’s ongoing operations, development of the property, or sale of the property.

Real Estate: Construction loans include loans to small-to-midsized businesses to construct owner-occupied properties, loans to developers of commercial real estate investment properties and residential developments and, to a lesser extent, loans to individual clients for construction of single-family homes in the Company’s market areas. Risks associated with these loans include fluctuations in the value of real estate, project completion risk and changes in market trends. The Company is also exposed to risk based on the ability of the construction loan borrower to finance the loan or sell the property upon completion of the project, which may be affected by changes in secondary market terms and criteria for permanent financing since the time that the Company funded the loan.

Real Estate: Residential loans include first and second lien 1-4 family mortgage loans, as well as home equity lines of credit, in each case primarily on owner-occupied primary residences. The Company is exposed to risk based on fluctuations in the value of the real estate collateral securing the loan, as well as changes in the borrower’s financial condition, which could be affected by numerous factors, including divorce, job loss, illness, or other personal hardship. Real estate residential loans also include multi-family residential loans originated to provide permanent financing for multi-family residential income producing properties. Repayment of these loans primarily relies on successful rental and management of the property.

Commercial Portfolio Segment

Commercial loans include general commercial and industrial, or C&I, loans, including commercial lines of credit, working capital loans, term loans, equipment financing, asset acquisition, expansion, and development loans,

borrowing base loans, letters of credit and other loan products, primarily in the Company's target markets that are underwritten based on the borrower's ability to service the debt from income. Commercial loan risk is derived from the expectation that such loans generally are serviced principally from the operations of the business, and those operations may not be successful. Any interruption or discontinuance of operating cash flows from the business, which may be influenced by events not under the control of the borrower such as economic events and changes in governmental regulations, could materially affect the ability of the borrower to repay the loan.

Consumer and Other Portfolio Segment

Consumer and other loans include a variety of loans to individuals for personal, family and household purposes, including secured and unsecured installment and term loans. The risk is based on changes in the borrower's financial condition, which could be affected by numerous factors, including divorce, job loss, illness or other personal hardship, and fluctuations in the value of the real estate or personal property securing the consumer loan, if any.

The following tables set forth, for the three and six months ended June 30, 2026, and 2025, the balance of the allowance for credit losses by loan portfolio segment. The allowance for credit losses allocated to each portfolio segment is not necessarily indicative of future losses in any particular portfolio segment and does not restrict the use of the allowance to absorb losses in other portfolio segments.

Allowance for Credit Losses and Recorded Investment in Loans Receivable

	For the Six Months Ended June 30, 2026					
(Dollars in thousands)	Real Estate: Commercial	Real Estate: Construction	Real Estate: Residential	Commercial	Consumer and Other	Total
Allowance for Loan Losses:						
Beginning Balance	$ 23,486	$ 3,237	$ 7,423	$ 19,282	$ 531	$ 53,959
Adjustment for Progressive Loans	2,431	281	3,344	3,148	60	9,264
Charge-offs	(1,057)	—	(27)	(2,459)	(769)	(4,312)
Recoveries	6	4	60	299	105	474
Provision (Recovery)	(3,277)	327	(1,657)	6,816	864	3,073
Ending Balance	$ 21,589	$ 3,849	$ 9,143	$ 27,086	$ 791	$ 62,458
Reserve for Unfunded Loan Commitments:						
Beginning Balance	$ 320	$ 1,179	$ 309	$ 2,336	$ 33	$ 4,177
Provision (Recovery)	(2)	14	(99)	1,258	25	1,196
Ending Balance	$ 318	$ 1,193	$ 210	$ 3,594	$ 58	$ 5,373
Total Allowance for Credit Losses	$ 21,907	$ 5,042	$ 9,353	$ 30,680	$ 849	$ 67,831

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	For the Three Months Ended June 30, 2026					
(Dollars in thousands)	Real Estate: Commercial	Real Estate: Construction	Real Estate: Residential	Commercial	Consumer and Other	Total
Allowance for Loan Losses:						
Beginning Balance	$ 24,101	$ 4,545	$ 9,599	$ 24,676	$ 734	$ 63,655
Charge-offs	(1,057)	—	(27)	(1,866)	(258)	(3,208)
Recoveries	—	—	46	186	61	293
Provision (Recovery)	(1,455)	(696)	(475)	4,090	254	1,718
Ending Balance	$ 21,589	$ 3,849	$ 9,143	$ 27,086	$ 791	$ 62,458
Reserve for Unfunded Loan Commitments:						
Beginning Balance	$ 333	$ 1,671	$ 246	$ 2,812	$ 38	$ 5,100
Provision (Recovery)	(15)	(478)	(36)	782	20	273
Ending Balance	$ 318	$ 1,193	$ 210	$ 3,594	$ 58	$ 5,373
Total Allowance for Credit Losses	$ 21,907	$ 5,042	$ 9,353	$ 30,680	$ 849	$ 67,831

	For the Six Months Ended June 30, 2025					
(Dollars in thousands)	Real Estate: Commercial	Real Estate: Construction	Real Estate: Residential	Commercial	Consumer and Other	Total
Allowance for Loan Losses:						
Beginning Balance	$ 23,460	$ 7,162	$ 8,036	$ 15,667	$ 515	$ 54,840
Charge-offs	(266)	(20)	(237)	(1,047)	(999)	(2,569)
Recoveries	10	98	10	566	86	770
Provision (Recovery)	113	(1,042)	367	5,103	914	5,455
Ending Balance	$ 23,317	$ 6,198	$ 8,176	$ 20,289	$ 516	$ 58,496
Reserve for Unfunded Loan Commitments:						
Beginning Balance	$ 228	$ 1,311	$ 358	$ 1,765	$ 26	$ 3,688
Provision (Recovery)	38	(423)	(72)	43	(4)	(418)
Ending Balance	$ 266	$ 888	$ 286	$ 1,808	$ 22	$ 3,270
Total Allowance for Credit Losses	$ 23,583	$ 7,086	$ 8,462	$ 22,097	$ 538	$ 61,766

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	For the Three Months Ended June 30, 2025					
(Dollars in thousands)	Real Estate: Commercial	Real Estate: Construction	Real Estate: Residential	Commercial	Consumer and Other	Total
Allowance for Loan Losses:						
Beginning Balance	$ 23,325	$ 6,211	$ 9,033	$ 17,764	$ 530	$ 56,863
Charge-offs	(264)	(17)	(12)	(182)	(446)	(921)
Recoveries	5	—	4	58	32	99
Provision (Recovery)	251	4	(849)	2,649	400	2,455
Ending Balance	$ 23,317	$ 6,198	$ 8,176	$ 20,289	$ 516	$ 58,496
Reserve for Unfunded Loan Commitments:						
Beginning Balance	$ 217	$ 1,181	$ 306	$ 1,768	$ 28	$ 3,500
Provision (Recovery)	49	(293)	(20)	40	(6)	(230)
Ending Balance	$ 266	$ 888	$ 286	$ 1,808	$ 22	$ 3,270
Total Allowance for Credit Losses	$ 23,583	$ 7,086	$ 8,462	$ 22,097	$ 538	$ 61,766

Included within the above allowance, in the tables above, are loans which management has individually evaluated to determine an allowance for credit losses. The following table summarizes, by segment, the loan balance and specific allowance allocation for those loans which have been individually evaluated.

	June 30, 2026		December 31, 2025	
(Dollars in thousands)	Loan Balance	Specific Allocations	Loan Balance	Specific Allocations
Real Estate Loans:				
Commercial	$ 8,273	$ 4,065	$ 29,248	$ 1,873
Construction	1,595	207	2,141	149
Residential	8,470	2,549	2,380	—
Total Real Estate Loans	18,338	6,821	33,769	2,022
Commercial	23,728	7,352	10,771	4,989
Consumer and Other	1,279	26	—	—
Total	$ 43,345	$ 14,199	$ 44,540	$ 7,011

Credit Quality Indicators

We utilize a risk grading matrix to assign a risk grade to each of our commercial loans. Loans are graded on a scale of 10 to 80. Individual loan officers review updated financial information, which may include credit scores, financial statements, collateral valuations and other borrower information, for all pass grade (10-45) loans to reassess the risk grade, generally on at least an annual basis.

When a loan has a risk grade of 50, it is considered to be on management's “watch list,” and subject to additional and more frequent monitoring by both the loan officer and senior credit and risk personnel. Loans graded 60 or higher have exhibited potential or actual credit weakness that makes their full collection uncertain and are considered classified loans, consisting of substandard (60), doubtful (70) and loss (80) categories. Generally, loans that are classified are assigned special assets personnel for ongoing monitoring and resolution.

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The following tables set forth the credit quality indicators, disaggregated by loan segment, as of June 30, 2026, and December 31, 2025:

	June 30, 2026						
		Criticized					
(Dollars in thousands)	Pass (Risk Grade 10-45)	Special Mention (Risk Grade 50)	Substandard (Risk Grade 60)	Doubtful (Risk Grade 70)	Loss (Risk Grade 80)	Total	Current Period Charge-offs
Real Estate: Commercial							
Originated in 2026	$ 156,273	$ 2,452	$ 116	$ —	$ —	$ 158,841	$ —
Originated in 2025	441,222	1,486	5,632	—	—	448,340	—
Originated in 2024	299,666	652	16,080	—	—	316,398	—
Originated in 2023	207,636	—	23,541	—	—	231,177	—
Originated in 2022	663,968	23,649	9,304	—	—	696,921	—
Originated Prior to 2022	892,753	11,192	15,483	101	—	919,529	1,057
Revolving	49,975	—	—	—	—	49,975	—
Revolving Loans Converted to Term	2,834	—	—	—	—	2,834	—
Total Real Estate: Commercial	$ 2,714,327	$ 39,431	$ 70,156	$ 101	$ —	$ 2,824,015	$ 1,057
Real Estate: Construction							
Originated in 2026	$ 68,925	$ —	$ —	$ —	$ —	$ 68,925	$ —
Originated in 2025	233,860	—	37	—	—	233,897	—
Originated in 2024	141,218	159	6,638	—	—	148,015	—
Originated in 2023	39,685	—	4,204	—	—	43,889	—
Originated in 2022	85,435	2,275	68	—	—	87,778	—
Originated Prior to 2022	52,325	99	5,106	—	—	57,530	—
Revolving	49,320	—	—	—	—	49,320	—
Revolving Loans Converted to Term	4,123	—	—	—	—	4,123	—
Total Real Estate: Construction	$ 674,891	$ 2,533	$ 16,053	$ —	$ —	$ 693,477	$ —
Real Estate: Residential							
Originated in 2026	$ 69,510	$ 781	$ 168	$ —	$ —	$ 70,459	$ —
Originated in 2025	107,909	1,073	1,342	—	—	110,324	—
Originated in 2024	115,496	100	647	—	—	116,243	—
Originated in 2023	87,583	—	4,767	—	—	92,350	—
Originated in 2022	260,489	—	1,533	—	—	262,022	—
Originated Prior to 2022	262,741	33,858	3,981	23	—	300,603	27
Revolving	115,440	1,347	2,508	—	—	119,295	—
Revolving Loans Converted to Term	7,307	345	70	—	—	7,722	—
Total Real Estate: Residential	$ 1,026,475	$ 37,504	$ 15,016	$ 23	$ —	$ 1,079,018	$ 27
Commercial							
Originated in 2026	$ 222,703	$ 188	$ 89	$ —	$ —	$ 222,980	$ —
Originated in 2025	280,132	2,513	2,560	—	—	285,205	32
Originated in 2024	232,806	711	6,825	—	—	240,342	178
Originated in 2023	150,025	5,745	5,460	55	—	161,285	1,033
Originated in 2022	114,900	1,160	27,724	—	—	143,784	1,102
Originated Prior to 2022	157,931	2,487	9,035	11	—	169,464	114
Revolving	708,520	7,688	20,313	193	—	736,714	—
Revolving Loans Converted to Term	25,081	3,198	643	—	—	28,922	—
Total Commercial	$ 1,892,098	$ 23,690	$ 72,649	$ 259	$ —	$ 1,988,696	$ 2,459
Consumer and Other							
Originated in 2026	$ 10,934	$ —	$ —	$ —	$ —	$ 10,934	$ 269
Originated in 2025	10,084	—	20	—	—	10,104	11
Originated in 2024	5,737	—	6	—	—	5,743	7
Originated in 2023	2,836	—	13	—	—	2,849	18
Originated in 2022	2,895	—	29	—	—	2,924	4
Originated Prior to 2022	25,020	—	105	12	—	25,137	249
Revolving	16,079	—	1	—	—	16,080	211
Revolving Loans Converted to Term	305	—	165	—	—	470	—
Total Consumer and Other	$ 73,890	$ —	$ 339	$ 12	$ —	$ 74,241	$ 769
Total Loans	$ 6,381,681	$ 103,158	$ 174,213	$ 395	$ —	$ 6,659,447	$ 4,312

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		Criticized					
(Dollars in thousands)	Pass (Risk Grade 10-45)	Special Mention (Risk Grade 50)	Substandard (Risk Grade 60)	Doubtful (Risk Grade 70)	Loss (Risk Grade 80)	Total	Current Period Charge-offs
Real Estate: Commercial							
Originated in 2025	$ 387,209	$ 1,506	$ 8,789	$ —	$ —	$ 397,504	$ —
Originated in 2024	279,558	12,505	14,421	—	—	306,484	—
Originated in 2023	206,195	22,360	3,622	—	—	232,177	—
Originated in 2022	642,357	21,182	29,621	—	—	693,160	3,850
Originated in 2021	366,356	7,871	1,048	—	—	375,275	2
Originated Prior to 2021	536,644	8,692	6,641	472	—	552,449	—
Revolving	51,905	—	—	—	—	51,905	264
Revolving Loans Converted to Term	2,325	—	—	—	—	2,325	—
Total Real Estate: Commercial	$ 2,472,549	$ 74,116	$ 64,142	$ 472	$ —	$ 2,611,279	$ 4,116
Real Estate: Construction							
Originated in 2025	$ 206,047	$ 848	$ —	$ —	$ —	$ 206,895	$ —
Originated in 2024	155,588	—	474	—	—	156,062	—
Originated in 2023	42,018	3,561	1,205	—	—	46,784	—
Originated in 2022	104,768	2,074	2,088	—	—	108,930	1
Originated in 2021	26,011	3,056	472	—	—	29,539	19
Originated Prior to 2021	31,263	1,690	1,928	—	—	34,881	—
Revolving	54,618	—	—	—	—	54,618	—
Revolving Loans Converted to Term	1,360	—	—	—	—	1,360	—
Total Real Estate: Construction	$ 621,673	$ 11,229	$ 6,167	$ —	$ —	$ 639,069	$ 20
Real Estate: Residential							
Originated in 2025	$ 95,656	$ 1,377	$ —	$ —	$ —	$ 97,033	$ (79)
Originated in 2024	84,881	—	507	—	—	85,388	—
Originated in 2023	84,761	—	1,346	—	—	86,107	—
Originated in 2022	242,424	614	1,830	—	—	244,868	8
Originated in 2021	136,520	14,266	454	32	—	151,272	—
Originated Prior to 2021	148,862	6,755	6,611	—	—	162,228	197
Revolving	110,519	1,758	2,120	—	—	114,397	116
Revolving Loans Converted to Term	2,685	—	87	—	—	2,772	—
Total Real Estate: Residential	$ 906,308	$ 24,770	$ 12,955	$ 32	$ —	$ 944,065	$ 242
Commercial							
Originated in 2025	$ 350,624	$ 606	$ 326	$ —	$ —	$ 351,556	$ 3
Originated in 2024	246,163	7,686	1,782	—	—	255,631	239
Originated in 2023	166,677	2,265	3,363	48	—	172,353	1,051
Originated in 2022	137,273	16,048	9,030	—	—	162,351	4,279
Originated in 2021	69,146	1,467	5,367	13	—	75,993	464
Originated Prior to 2021	98,366	884	3,290	38	—	102,578	732
Revolving	748,302	10,058	1,576	24	—	759,960	—
Revolving Loans Converted to Term	18,360	135	22,916	—	—	41,411	—
Total Commercial	$ 1,834,911	$ 39,149	$ 47,650	$ 123	$ —	$ 1,921,833	$ 6,768
Consumer and Other							
Originated in 2025	$ 12,063	$ —	$ 8	$ —	$ —	$ 12,071	$ 1,119
Originated in 2024	6,896	—	6	—	—	6,902	49
Originated in 2023	3,812	—	19	—	—	3,831	169
Originated in 2022	2,771	—	33	—	—	2,804	97
Originated in 2021	1,045	—	68	2	—	1,115	48
Originated Prior to 2021	29,095	—	125	—	—	29,220	12
Revolving	16,120	—	19	—	—	16,139	497
Revolving Loans Converted to Term	904	—	258	—	—	1,162	—
Total Consumer and Other	$ 72,706	$ —	$ 536	$ 2	$ —	$ 73,244	$ 1,991
Total Loans	$ 5,908,147	$ 149,264	$ 131,450	$ 629	$ —	$ 6,189,490	$ 13,137

The above classifications follow regulatory guidelines and can generally be described as follows:

- Pass loans are of satisfactory quality.
- Special mention loans have an existing weakness that could cause future impairment, including the deterioration of financial ratios, past due status, questionable management capabilities and possible reduction in the collateral values.
- Substandard loans have an existing specific and well-defined weakness that may include poor liquidity and deterioration of financial ratios. The loan may be past due and related deposit accounts experiencing overdrafts. Immediate corrective action is necessary.
- Doubtful loans have specific weaknesses that are severe enough to make collection or liquidation in full highly questionable and improbable.

As of June 30, 2026, and December 31, 2025, loan balances outstanding more than 90 days past due and still accruing interest amounted to $4.0 million and $2.2 million, respectively. As of June 30, 2026, and December 31, 2025, loan balances outstanding on nonaccrual status amounted to $80.1 million and $74.5 million, respectively. The Bank considers all loans more than 90 days past due as nonperforming loans.

The following tables provide an analysis of the aging of loans and leases as of June 30, 2026, and December 31, 2025. All loans greater than 90 days past due are generally placed on nonaccrual status.

Aged Analysis of Past Due Loans Receivable

	June 30, 2026						
(Dollars in thousands)	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days Past Due	Total Past Due	Current	Total Loans Receivable	Recorded Investment Over 90 Days Past Due and Still Accruing
Real Estate Loans:							
Commercial	$ 6,666	$ 2,365	$ 20,431	$ 29,462	$ 2,794,553	$ 2,824,015	$ 362
Construction	4,887	18	9,148	14,053	679,424	693,477	307
Residential	2,922	1,402	11,327	15,651	1,063,367	1,079,018	281
Total Real Estate Loans	14,475	3,785	40,906	59,166	4,537,344	4,596,510	950
Commercial	7,044	1,851	38,739	47,634	1,941,062	1,988,696	3,033
Consumer and Other	134	160	127	421	73,820	74,241	28
Total	$ 21,653	$ 5,796	$ 79,772	$ 107,221	$ 6,552,226	$ 6,659,447	$ 4,011

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	December 31, 2025						
(Dollars in thousands)	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days Past Due	Total Past Due	Current	Total Loans Receivable	Recorded Investment Over 90 Days Past Due and Still Accruing
Real Estate Loans:							
Commercial	$ 1,838	$ 38,693	$ 10,097	$ 50,628	$ 2,560,651	$ 2,611,279	$ 363
Construction	1,988	72	4,363	6,423	632,646	639,069	—
Residential	3,775	1,562	8,151	13,488	930,577	944,065	79
Total Real Estate Loans	7,601	40,327	22,611	70,539	4,123,874	4,194,413	442
Commercial	15,585	552	24,692	40,829	1,881,004	1,921,833	1,760
Consumer and Other	185	356	163	704	72,540	73,244	13
Total	$ 23,371	$ 41,235	$ 47,466	$ 112,072	$ 6,077,418	$ 6,189,490	$ 2,215

The following table presents non-accrual loans by segment as of June 30, 2026, and December 31, 2025.

(Dollars in thousands)	June 30, 2026	December 31, 2025
Real Estate Loans:		
Commercial	$ 20,583	$ 36,252
Construction	8,876	4,539
Residential	11,389	10,144
Total Real Estate Loans	40,848	50,935
Commercial	39,168	23,370
Consumer and Other	108	166
Total	$ 80,124	$ 74,471

The Bank had $7.2 million and $9.8 million as of June 30, 2026 and December 31, 2025, respectively, in non-accrual loans with no specific allowance allocation.

The Bank seeks to assist customers that are experiencing financial difficulty by renegotiating loans within lending regulations and guidelines. The Bank makes loan modifications, primarily utilizing internal renegotiation programs via direct customer contact, that manage customers' debt exposures held only by the Bank. Additionally, the Bank makes loan modifications with customers who have elected to work with external renegotiation agencies and these modifications provide solutions to customers' entire unsecured debt structures. During the periods ended June 30, 2026, and December 31, 2025, the concessions granted to certain borrowers included extending the payment due dates and offering below market contractual interest rates, and were not significant to the consolidated financial statements.

Accrued interest receivable of $1.2 million and $1.7 million was outstanding at June 30, 2026, and December 31, 2025, respectively, for all loan deferrals, primarily attributable to the COVID-19 pandemic and, to a much lesser extent, hurricanes which occurred in 2020 and 2021. These loans are no longer within their deferral periods. The accrued interest on the loans is due at their maturity.

At June 30, 2026 and December 31, 2025, accrued interest receivable on loans was $33.1 million and $33.2 million, respectively, and included within accrued interest receivable on the consolidated balance sheets.

In June 2026, the Company sold $100.3 million in loans that were acquired from Progressive, including $55.3 million of residential mortgages and $45.0 million commercial real estate loans. As part of the sale, the Company will retain the servicing of these loans.

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Note 6– Borrowings –

The Company had outstanding advances from the Federal Home Loan Bank ("FHLB") of $442.5 million and $431.2 million as of June 30, 2026, and December 31, 2025, respectively, consisting of:

(Dollars in thousands)	June 30, 2026	December 31, 2025
4.65% advance due January 2026	$ —	$ 25,000
3.62% advance due January 2026 [a]	—	120,000
4.00% advance due March 2026	—	25,000
4.56% advance due July 2026	25,000	25,000
3.91% advance due July 2026	25,000	25,000
3.81% advance due July 2026	75,000	—
3.82% advance due August 2026	55,000	—
3.89% advance due August 2026	55,000	—
0.89% advance due November 2026 [b]	5,102	11,200
4.84% advance due December 2026	25,000	25,000
0.71% advance due August 2027 [b] [c]	340	—
0.70% advance due August 2027 [b] [c]	170	—
0.68% advance due August 2027 [b] [c]	170	—
4.78% advance due September 2027	25,000	25,000
4.73% advance due March 2028	25,000	25,000
4.69% advance due September 2028	25,000	25,000
4.13% advance due October 2028 [d]	25,000	25,000
0.94% advance due August 2030 [b] [c]	856	—
0.92% advance due August 2030 [b] [c]	428	—
0.90% advance due August 2030 [b] [c]	428	—
3.92% advance due October 2030 [d]	25,000	25,000
3.72% advance due October 2033 [d]	25,000	25,000
3.57% advance due October 2033 [d]	25,000	25,000
Total FHLB advances	$ 442,494	$ 431,200

(a) Short term overnight advance.
(b) Principal paid monthly.
(c) Acquired during the Progressive acquisition.
(d) Loan has put options beginning in October 2024.

The Company had an additional $1.5 billion remaining on the FHLB line availability at June 30, 2026.

On January 1, 2026, in connection with the Progressive acquisition, the Company assumed Progressive Bancorp, Inc.'s junior subordinated debentures issued to Progressive Statutory Trust I and Progressive Statutory Trust II, each of which is a non-consolidated statutory trust. The assumed obligations totaled approximately $5.2 million in aggregate junior subordinated debentures, consisting of $1.2 million related to Progressive Statutory Trust I and $4.0 million related to Progressive Statutory Trust II, and were associated with an aggregated $5.0 million of trust preferred securities outstanding. The junior subordinated debentures related to Progressive Statutory Trust I mature on July 31, 2031, and bear interest at a floating rate equal to a benchmark rate plus 3.58%, payable quarterly (including the tenor spread adjustment). The junior subordinated debentures related to Progressive Statutory Trust II mature on December 15, 2037, and bear interest at a floating rate equal to a benchmark rate plus 1.45%, payable quarterly (including the tenor spread adjustment). The applicable indentures permit the Company to defer interest payments for up to 20 consecutive quarterly periods without an event of default. The Company has guaranteed, on a subordinated basis, distributions and other payments due on the related trust preferred securities, subject to the applicable guarantee

agreements and indentures. Principal and interest payments on the junior subordinated debentures are in a superior position to the liquidation rights of holders of common stock.

As part of the acquisition of these debentures, the Company had a fair value adjustment of $555,000, with $532,000 remaining at June 30, 2026.

On April 2, 2026, the Company completed an $85.0 million private placement of subordinated notes with a 6.50% fixed-to-floating rate due in 2036. The subordinated notes were issued to certain qualified institutional and accredited investors. The notes bear interest at an annual rate of 6.50% until March 30, 2031, and then will reset quarterly to a benchmark rate plus 300 basis points. The proceeds from the sale of these subordinated notes were utilized to redeem $66.9 million in outstanding subordinated notes, to provide additional capital support to b1BANK, to support growth, to better position the Company to take advantage of strategic opportunities that may arise from time to time, to repay other existing borrowings, and for other general corporate purposes. As part of the redemption, the Company recognized a $545,000 gain.

On June 29, 2026, the Company consummated the acquisition of American Planning Corporation. Under the terms of the acquisition, the Company issued $4.3 million of subordinated notes with a 6.50% fixed-to-floating rate due in 2036. The notes bear interest at an annual rate of 6.50% until June 30, 2031, and then will reset quarterly to a benchmark plus 300 basis points.

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Note 7– Other Income and Other Expense –

The Company has a single reportable operating segment which is presented as the Consolidated Statements of Income. An analysis of other income for the Company's single reportable operating segment is as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
(Dollars in thousands)	2026	2025	2026	2025
Debit Card and ATM Fee Income	$ 2,415	$ 1,958	$ 4,721	$ 3,816
Cash Value of Life Insurance Income	902	758	1,733	1,566
Fees and Brokerage Commissions	2,387	1,980	4,648	4,128
Pass-Through Income (Loss) from SBIC and Fintech Partnerships	14	(246)	149	505
Gain on Extinguishment/Redemption of Debt	545	—	545	630
Gain on Sale of Branch	—	3,360	—	3,360
Swap Fee Income	385	808	1,922	1,547
Other	2,545	2,430	4,962	4,607
Total Other Income	$ 9,193	$ 11,048	$ 18,680	$ 20,159

An analysis of other expenses for the Company's single reportable operating segment is as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
(Dollars in thousands)	2026	2025	2026	2025
Advertising and Promotions	$ 2,606	$ 1,088	$ 4,114	$ 2,379
Communications	638	590	1,290	1,181
Ad Valorem Shares Tax	977	1,125	1,955	2,250
Data Processing Fees	3,317	5,321	7,029	8,557
Directors' Fees	247	193	507	472
Insurance	432	435	843	839
Legal and Professional Fees	1,661	1,093	2,746	2,106
Office Supplies and Printing	278	300	591	611
Regulatory Assessments	1,534	933	2,518	2,190
Other	6,133	4,439	11,163	8,407
Total Other Expenses	$ 17,823	$ 15,517	$ 32,756	$ 28,992

Note 8– Leases –

The Bank leases certain branch offices through non-cancelable operating leases with terms that range from one to ten years and contain various renewal options for certain of the leases. Certain leases provide for increases in minimum monthly rental payments as defined by the lease agreement. Rental expense under these agreements was $3.9 million and $4.2 million for the six months ended June 30, 2026, and 2025, respectively. At June 30, 2026, the Company had a weighted average lease term of 5.6 years and a weighted average discount rate of 3.98%.

Future minimum lease payments under these leases are as follows:

(Dollars in thousands)		
July 1, 2026 through December 31, 2026	$	3,073
January 1, 2027 through December 31, 2027		5,797
January 1, 2028 through December 31, 2028		5,332
January 1, 2029 through December 31, 2029		4,511
January 1, 2030 through December 31, 2030		3,119
January 1, 2031 and Thereafter		6,383
Total Future Minimum Lease Payments		28,215
Less Imputed Interest		(3,002)
Present Value of Lease Liabilities	$	25,213

Note 9– Commitments and Contingencies –

In the normal course of business, the Bank is a party to financial instruments with off-balance sheet risk to meet the financing needs of its customers. These financial instruments include commitments to extend credit and standby and commercial letters of credit which are not included in the accompanying financial statements. These instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the balance sheet.

The Bank's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit and standby and commercial letters of credit is represented by the contractual amount of those instruments. The Bank's policy for obtaining collateral, and the nature of such collateral, is essentially the same as that involved in making commitments to extend credit. The Bank uses the same credit policies in making such commitments and conditional obligations as it does for instruments that are included in the balance sheet. In the normal course of business, the Bank has made commitments to extend credit of approximately $2.0 billion and $1.7 billion at June 30, 2026, and December 31, 2025, respectively, and standby and commercial letters of credit of approximately $29.8 million and $51.2 million at June 30, 2026 and December 31, 2025, respectively. As discussed in Note 5, we have a reserve for unfunded loan commitments of $5.4 million and $4.2 million at June 30, 2026 and December 31, 2025, respectively.

In the normal course of business, the Bank is involved in various legal proceedings. In the opinion of management and counsel, the disposition or ultimate resolution of such proceedings would not have a material adverse effect on the Bank's financial statements.

Note 10– Customer-Initiated Derivatives

The Company enters into derivative instruments to meet the needs of its customers through the execution of customer-initiated derivatives (swaps and caps and floors). These financial instruments involve elements of market and credit risk. Market and credit risk are included in the determination of fair value. Market risk is the potential loss that may result from movements in interest rates that cause an unfavorable change in the value of a financial instrument. Market risk in interest rate contracts executed on behalf of customers is mitigated by taking offsetting positions. Credit risk is the possible loss that may occur in the event of default by the counterparty to a financial instrument. The Company manages credit risk arising from customer-initiated derivatives by evaluating the creditworthiness of each customer, utilizing a similar approval process used for its lending activities. Derivatives with dealer counterparties are either cleared through a clearinghouse or settled directly with a single counterparty. The Company has quantified the credit risk as not significant as of June 30, 2026.

Income primarily results from the spread between the customer derivative and the offsetting dealer position. For the six months ended June 30, 2026, the Company recognized $1.9 million swap fee income.

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(Dollars in thousands)	June 30, 2026 Notional / Contract Amount	Gross Derivative Assets	Gross Derivative Liabilities
Customer-initiated and other activities:			
Interest rate contracts:			
Caps and floors written	$ 49,839	$ 2,736	$ —
Caps and floors purchased	49,839	—	2,736
Swaps	980,167	—	—
Total interest rate contracts	$ 1,079,845	$ 2,736	$ 2,736

Note 11– Fair Value of Financial Instruments –

Fair Value Disclosures

The Company groups its financial assets and liabilities measured at fair value in three levels. Fair value should be based on the assumptions market participants would use when pricing the asset or liability and establishes a fair value hierarchy that prioritizes the inputs used to develop those assumptions and measure fair value. The hierarchy requires companies to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 – Includes the most reliable sources and includes quoted prices in active markets for identical assets or liabilities.
- Level 2 – Includes observable inputs. Observable inputs include inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates) as well as inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).
- Level 3 – Includes unobservable inputs and should be used only when observable inputs are unavailable.

Recurring Basis

Fair values of investment securities available for sale were primarily measured using information from a third-party pricing service. This pricing service provides information by utilizing evaluated pricing models supported with market data information. Standard inputs include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, benchmark securities, bids, offers, and reference data from market research publications.

The fair values of mortgage loans held for sale are based on commitments on hand from investors within the secondary market for loans with similar characteristics.

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The following tables present the balance of assets and liabilities measured on a recurring basis as of June 30, 2026, and December 31, 2025.

(Dollars in thousands)	Fair Value	Level 1	Level 2	Level 3
June 30, 2026				
Available for Sale:				
U.S. Treasury Securities	$ 22,387	$ —	$ 22,387	$ —
U.S. Government Agency Securities	9,952	—	9,952	—
Corporate Securities	85,567	—	77,002	8,565
Mortgage-Backed Securities	671,357	—	671,357	—
Municipal Securities	251,870	—	231,547	20,323
Loans Held for Sale	2,838	—	2,838	—
Interest Rate Swaps	2,736	—	2,736	—
Total assets at fair value	$ 1,046,707	$ —	$ 1,017,819	$ 28,888
Interest Rate Swaps	$ 2,736	$ —	$ 2,736	$ —
Total liabilities at fair value	$ 2,736	$ —	$ 2,736	$ —
December 31, 2025				
Available for Sale:				
U.S. Treasury Securities	$ 17,278	$ —	$ 17,278	$ —
U.S. Government Agency Securities	9,874	—	9,874	—
Corporate Securities	37,062	—	28,541	8,521
Mortgage-Backed Securities	650,091	—	650,091	—
Municipal Securities	274,924	—	251,477	23,447
Loans Held for Sale	1,094	—	1,094	—
Interest Rate Swaps	8,023	—	8,023	—
Total assets at fair value	$ 998,346	$ —	$ 966,378	$ 31,968
Interest Rate Swaps	$ 8,023	$ —	$ 8,023	$ —
Total liabilities at fair value	$ 8,023	$ —	$ 8,023	$ —

The Company reviews fair value hierarchy classifications on a quarterly basis. Changes in the Company's ability to observe inputs to the valuation may cause reclassification of certain assets or liabilities within the fair value hierarchy.

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The table below provides a reconciliation for assets measured at fair value on a recurring basis using significant unobservable inputs, or Level 3 inputs, as of June 30, 2026, and December 31, 2025.

(Dollars in thousands)	Municipal Securities	Corporate Securities
Balance at December 31, 2024	$ 24,717	$ 12,500
Unrealized Gains Included in Other Comprehensive Loss	2,458	21
Maturities, Prepayments, and Calls	(3,728)	—
Transfers Out of Level 3	—	(4,000)
Balance at December 31, 2025	23,447	8,521
Unrealized Gains Included in Other Comprehensive Loss	193	44
Maturities, Prepayments, and Calls	(3,317)	—
Balance at June 30, 2026	$ 20,323	$ 8,565

The following table provides quantitative information about significant unobservable inputs used in fair value measurements of Level 3 assets measured at fair value on a recurring basis at June 30, 2026.

(Dollars in thousands)	Estimated Fair Value	Valuation Technique	Unobservable Inputs	Discounts
June 30, 2026				
Municipal Securities	$ 20,323	Present Value of Expected Future Cash Flow Model	Liquidity Premium	1 %
Corporate Securities	8,565	Present Value of Expected Future Cash Flow Model	Liquidity Premium	2 %

Nonrecurring Basis

The Company has segregated all financial assets and liabilities that are measured at fair value on a nonrecurring basis into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date in the table below. The Company did not record any liabilities at fair value for which measurement of the fair value was made on a nonrecurring basis.

The fair value of the individually evaluated loans is measured at the fair value of the collateral for collateral-dependent loans. Individually evaluated loans are Level 3 assets measured using appraisals from external parties of the collateral less any prior liens and adjusted for estimated selling costs. Adjustments may be made by management based on a customized internally developed discounting matrix. Repossessed assets are initially recorded at fair value less

estimated cost to sell, which is generally 10%. The fair value of repossessed assets is based on property appraisals and an analysis of similar properties available. As such, the Bank records repossessed assets as Level 3.

(Dollars in thousands)	Fair Value	Level 1	Level 2	Level 3
June 30, 2026				
Assets:				
Individually Evaluated Loans	$ 16,763	$ —	$ —	$ 16,763
Other Nonperforming Assets	25,109	—	—	25,109
Total	$ 41,872	$ —	$ —	$ 41,872
December 31, 2025				
Assets:				
Individually Evaluated Loans	$ 14,083	$ —	$ —	$ 14,083
Other Nonperforming Assets	13,013	—	—	13,013
Total	$ 27,096	$ —	$ —	$ 27,096

Fair Value Financial Instruments

The fair value of a financial instrument is the current amount that would be exchanged between willing parties, other than in a forced liquidation. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the Company'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. In accordance with GAAP, certain financial instruments and all non-financial instruments are excluded from these disclosure requirements. Accordingly, the aggregate fair value amounts presented may not necessarily represent the underlying fair value of the Company.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Short-Term Investments – For those short-term instruments, the carrying amount is a reasonable estimate of fair value.

Securities Purchased Under Agreements to Resell - The carrying amount approximates its fair value.

Securities – Fair value of securities is based on quoted market prices. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities.

Loans – The fair value for loans is estimated using discounted cash flow analyses, with interest rates currently being offered for similar loans to borrowers with similar credit rates. Loans with similar classifications are aggregated for purposes of the calculations. The allowance for loan losses, which was used to measure the credit risk, is subtracted from loans.

Cash Value of Bank-Owned Life Insurance ("BOLI") – The carrying amount approximates its fair value.

Other Equity Securities – The carrying amount approximates its fair value.

Interest Rate Swaps - Market values are obtained from market pricing data sources available for comparable transactions in the over-the-counter derivative market.

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Deposits – The fair value of demand deposits and certain money market deposits is the amount payable at the reporting date. The fair value of fixed-maturity certificates of deposit is estimated using discounted cash flow analyses, with interest rates currently offered for deposits of similar remaining maturities.

Borrowings – The fair value of FHLB advances and other long-term borrowings is estimated using the rates currently offered for advances of similar maturities. The carrying amount of short-term borrowings maturing within ninety days approximates the fair value.

Commitments to Extend Credit and Standby and Commercial Letters of Credit – The fair values of commitments to extend credit and standby and commercial letters of credit do not differ significantly from the commitment amount and are therefore omitted from this disclosure.

The estimated approximate fair values of the Bank's financial instruments as of June 30, 2026, and December 31, 2025 are as follows:

(Dollars in thousands)	Carrying Amount	Total Fair Value	Level 1	Level 2	Level 3
June 30, 2026					
Financial Assets:					
Cash and Short-Term Investments	$ 671,139	$ 671,139	$ 671,139	$ —	$ —
Securities Purchased Under Agreements to Resell	30,702	30,702	—	30,702	—
Securities	1,041,133	1,041,133	—	1,012,245	28,888
Loans Held for Sale	2,838	2,838	—	2,838	—
Loans - Net	6,596,989	6,574,508	—	—	6,574,508
Cash Value of BOLI	139,169	139,169	—	139,169	—
Other Equity Securities	51,302	51,302	—	—	51,302
Interest Rate Swaps	2,736	2,736	—	2,736	—
Total	$ 8,536,008	$ 8,513,527	$ 671,139	$ 1,187,690	$ 6,654,698
Financial Liabilities:					
Deposits	$ 7,235,556	$ 7,228,839	$ —	$ —	$ 7,228,839
Borrowings	590,864	586,281	—	586,281	—
Interest Rate Swaps	2,736	2,736	—	2,736	—
Total	$ 7,829,156	$ 7,817,856	$ —	$ 589,017	$ 7,228,839

BUSINESS FIRST BANCSHARES, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)	Carrying Amount	Total Fair Value	Level 1	Level 2	Level 3
December 31, 2025					
Financial Assets:					
Cash and Short-Term Investments	$ 583,568	$ 583,568	$ 583,568	$ —	$ —
Securities Purchased Under Agreements to Resell	25,587	25,587	—	25,587	—
Securities	989,229	989,229	—	957,261	31,968
Loans Held for Sale	1,094	1,094	—	1,094	—
Loans - Net	6,135,531	6,116,333	—	—	6,116,333
Cash Value of BOLI	120,292	120,292	—	120,292	—
Other Equity Securities	49,342	49,342	—	—	49,342
Interest Rate Swaps	8,023	8,023	—	8,023	—
Total	$ 7,912,666	$ 7,893,468	$ 583,568	$ 1,112,257	$ 6,197,643
Financial Liabilities:					
Deposits	$ 6,698,590	$ 6,698,181	$ —	$ —	$ 6,698,181
Borrowings	551,352	554,309	—	554,309	—
Interest Rate Swaps	8,023	8,023	—	8,023	—
Total	$ 7,257,965	$ 7,260,513	$ —	$ 562,332	$ 6,698,181

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

FORWARD-LOOKING STATEMENTS

When we refer in this Form 10-Q to "we," "our," "us," the "Company" and "Business First," we are referring to Business First Bancshares, Inc. and its consolidated subsidiaries, including b1BANK, which we sometimes refer to as "the Bank," unless the context indicates otherwise.

The information contained in this Form 10-Q is accurate only as of the date of this form and the dates specified herein.

All statements other than statements of historical fact contained in this Quarterly Report on Form 10-Q (this "Report") and other periodic reports filed by the Company, and other written or oral statements made by us or on our behalf, are "forward-looking statements," as defined by (and subject to the "safe harbor" protections under) the federal securities laws. These forward-looking statements include statements that reflect the current views of our senior management with respect to our financial performance and future events with respect to our business and the banking industry in general. These statements are often, but not always, made through the use of words or phrases such as "may," "should," "could," "predict," "potential," "believe," "will likely result," "expect," "will continue," "anticipate," "seek," "estimate," "intend," "plan," "projection," "would" and "outlook," and similar expressions of a future or forward-looking nature. These statements involve estimates, assumptions, and risks and uncertainties. Accordingly, there are or will be important factors that could cause our actual results to differ materially from those indicated in these statements.

We believe these factors include, but are not limited to, the following:

- risks related to the integration of any other acquired businesses, including exposure to potential asset quality and credit quality risks and unknown or contingent liabilities, risks related to entering a new geographic market, the time and costs associated with integrating systems, technology platforms, procedures and personnel, the ability to retain key employees and maintain relationships with significant customers, the need for additional capital to finance such transactions, and possible failures in realizing the anticipated benefits from acquisitions;

- changes in the strength of the United States ("U.S.") economy in general and the local economy in our local market areas adversely affecting our customers and their ability to transact profitable business with us, including the ability of our borrowers to repay their loans according to their terms or a change in the value of the related collateral;

- economic risks posed by our geographic concentration in Louisiana, the Dallas/Fort Worth metroplex and Houston;

- the ability to sustain and continue our organic loan and deposit growth, and manage that growth effectively;

- market declines in industries to which we have exposure, such as the volatility in oil prices and downturns in the energy industry that impact certain of our borrowers and investments that operate within, or are backed by collateral associated with, the energy industry;

- volatility and direction of interest rates and market prices, which could reduce our net interest margins, asset valuations and expense expectations;

- interest rate risk associated with our business;

- changes in the levels of loan prepayments and the resulting effects on the value of our loan portfolio;

- increased competition in the financial services industry, particularly from regional and national institutions and emerging non-bank competitors;

- increased credit risk in our assets and increased operating risk caused by a material change in commercial, consumer and/or real estate loans as a percentage of our total loan portfolio;

- changes in the value of collateral securing our loans;
- deteriorating asset quality and higher loan charge-offs, and the time and effort required to resolve problem assets;
- the failure of assumptions underlying the establishment of and provisions made to our allowance for credit losses;
- changes in the availability of funds resulting in increased costs or reduced liquidity;
- our ability to maintain important deposit customer relationships and our reputation;
- a determination or downgrade in the credit quality and credit agency ratings of the securities in our securities portfolio;
- increased asset levels and changes in the composition of assets and the resulting impact on our capital levels and regulatory capital ratios;
- our ability to prudently manage our growth and execute our strategy;
- risks associated with our acquisition and de novo branching strategy;
- the loss of senior management or operating personnel and the potential inability to hire qualified personnel at reasonable compensation levels;
- legislative or regulatory developments, including changes in the laws, regulations, interpretations or policies relating to financial institutions, accounting, tax, trade, monetary and fiscal matters;
- government intervention in the U.S. financial system;
- changes in statutes and government regulations or their interpretations applicable to us, including changes in tax requirements and tax rates;
- natural disasters and adverse weather, acts of terrorism, an outbreak of hostilities or other international or domestic calamities, epidemics and pandemics such as coronavirus, and other matters beyond our control; and
- other risks and uncertainties listed from time to time in our reports and documents filed with the U.S. Securities and Exchange Commission ("SEC").

The foregoing factors should not be construed as exhaustive and should be read together with the other cautionary statements included in this Report. Additional information on these and other risk factors can be found in Item 1A. "Risk Factors" of this Report and in Item 1A. "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC.

In the event that one or more events related to these, or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from what we anticipate. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made and we do not undertake any obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict which will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF BUSINESS FIRST

The following discussion and analysis focuses on significant changes in the financial condition of Business First and its subsidiaries from December 31, 2025 to June 30, 2026, and its results of operations for the three and six months ended June 30, 2026. This discussion and analysis is intended to highlight and supplement information presented elsewhere in this report and should be read in conjunction with (i) the accompanying unaudited consolidated financial statements and the notes thereto (the "Notes") and (ii) our Annual Report on Form 10-K for the year ended December 31, 2025, including the audited consolidated financial statements and notes thereto, management's discussion and analysis, and the risk factor disclosures contained therein. This discussion and analysis contains forward-looking statements that are subject to certain risks and uncertainties and are based on certain assumptions that Business First believes are reasonable but may prove to be inaccurate. Certain risks, uncertainties and other factors, including those set forth under "Forward-Looking Statements," "Risk Factors" and elsewhere in this report, may cause actual results to differ materially from those projected results discussed in the forward-looking statements appearing in this discussion and analysis. Business First assumes no obligation to update any of these forward-looking statements.

Overview

We are a registered financial holding company headquartered in Baton Rouge, Louisiana. Through our wholly-owned subsidiary, b1BANK, a Louisiana state chartered bank, we provide a broad range of financial services tailored to meet the needs of small-to-midsized businesses and professionals. Since our inception in 2006, our priority has been and continues to be creating shareholder value through the establishment of an attractive commercial banking franchise in Louisiana and across our region. We consider our primary market to include the State of Louisiana, the Dallas/Fort Worth metroplex, and Houston. We currently operate out of banking centers and loan production offices across Louisiana and Texas. As of June 30, 2026, we had total assets of $8.9 billion, total loans of $6.7 billion, total deposits of $7.2 billion, and total shareholders' equity of $1.0 billion.

As a financial holding company operating through one reportable operating segment, community banking, we generate most of our revenues from interest income on loans, customer service and loan fees, and interest income from securities. We incur interest expense on deposits and other borrowed funds and noninterest expense, such as salaries and employee benefits and occupancy expenses. We analyze our ability to maximize income generated from interest-earning assets and expense of our liabilities through our net interest margin. Net interest margin is a ratio calculated as net interest income divided by average interest-earning assets. Net interest income is the difference between interest income on interest-earning assets, such as loans and securities, and interest expense on interest-bearing liabilities, such as deposits and borrowings, which are used to fund those assets.

Changes in the market interest rates and the interest rates we earn on interest-earning assets or pay on interest-bearing liabilities, as well as the volume and types of interest-earning assets, interest-bearing and noninterest-bearing liabilities and shareholders' equity, are usually the largest drivers of periodic changes in net interest spread, net interest margin and net interest income. Fluctuations in market interest rates are driven by many factors, including governmental monetary policies, inflation, deflation, macroeconomic developments, changes in unemployment, the money supply, political and international conditions, and conditions in domestic and foreign financial markets. Periodic changes in the volume and types of loans in our loan portfolio are affected by, among other factors, economic and competitive conditions in our markets and across our region, as well as developments affecting the real estate, technology, financial services, insurance, transportation, manufacturing and energy sectors within our markets.

Other Developments

Acquisition of Progressive Bancorp, Inc. ("Progressive")

On January 1, 2026, we consummated the merger of Progressive, the parent bank holding company for Progressive Bank, with and into Business First, with Business First continuing as the surviving corporation pursuant to the terms of the Reorganization Agreement. Immediately following consummation of the Progressive acquisition, Progressive Bank merged with and into b1BANK, with b1BANK surviving the merger. Pursuant to the terms of the Reorganization Agreement, upon consummation of the Progressive acquisition, we issued 3,192,367 shares of our common stock to the former shareholders

of Progressive. As of December 31, 2025, Progressive had $773.8 million in total assets, $597.2 million in loans and $684.9 million in total deposits.

Technology Partnership with Covecta

On February 17, 2026, we announced a strategic partnership with Covecta, to deploy agentic AI across the bank's day to day workflows. The collaboration focuses on streamlining and automating repeatable, policy-driven activities across core deposit and loan operational processes, reducing manual effort and operational friction so that teams can devote more time towards higher value-adding work including analysis, exception handling and customer engagement.

Private Placement of Subordinated Notes

On April 2, 2026, we completed an $85.0 million private placement of subordinated notes with a 6.50% fixed-to-floating rate due in 2036. The subordinated notes were issued to certain qualified institutional and accredited investors. The notes bear interest at an annual rate of 6.50% until March 30, 2031, and then will reset quarterly to the then current three-month Secured Overnight Financing Rate plus 300 basis points. The proceeds from the sale of these subordinated notes were utilized to redeem $66.9 million in outstanding subordinated notes, to provide additional capital support to b1BANK, to support growth, to better position the Company to take advantage of strategic opportunities that may arise from time to time, to repay other existing borrowings, and for other general corporate purposes.

Acquisition of American Planning Corporation ("APC")

On June 29, 2026, we consummated the acquisition of APC, a financial consulting firm, for $6.8 million, of which $2.6 million was paid in cash and $4.3 million was paid in the form of subordinated debt. As part of the transaction, we recorded a customer intangible of $4.9 million, to be amortized over a 10-year period and $1.9 million in goodwill. The APC acquisition will expand the advisory platform of b1BANK's subsidiary, Smith Shellnut Wilson, LLC ("SSW").

Financial Highlights

The financial highlights as of and for the six months ended June 30, 2026, include:

- **Total assets** of $8.9 billion, a $688.8 million, or 8.4%, increase from December 31, 2025.
- **Total loans held for investment** of $6.7 billion, a $470.0 million, or 7.6%, increase from December 31, 2025.
- **Total deposits** of $7.2 billion, a $537.0 million, or 8.0%, increase from December 31, 2025.
- **Net income available to common shareholders** of $45.0 million for the six months ended June 30, 2026, a $5.1 million, or 12.7%, increase from the six months ended June 30, 2025. The increase was largely attributable to the acquisition of Progressive during the quarter ended March 31, 2026.
- **Net interest income** of $153.0 million for the six months ended June 30, 2026, an increase of $20.0 million, or 15.0%, from the six months ended June 30, 2025. The increase was largely attributable to the acquisition of Progressive during the quarter ended March 31, 2026.
- **Allowance for credit losses** of 1.02% of total loans held for investment, compared to 0.94% as of December 31, 2025, and a ratio of nonperforming loans to total loans held for investment of 1.26%, compared to 1.24% as of December 31, 2025.
- **Earnings per common share** for the first six months of 2026 of $1.38 per basic common share and $1.37 diluted common share, compared to $1.36 per basic common share and $1.35 diluted common share for the first six months of 2025.
- **Return on average assets** of 1.02% over the first six months of 2026, compared to 1.04% for the first six months of 2025.
- **Return on average common equity** of 9.80% over the first six months of 2026, compared to 10.68% for the first six months of 2025.

- **Capital ratios** for Tier 1 Leverage, Common Equity Tier 1, Tier 1 Risk-based and Total Risk-based Capital of 10.11%, 10.38%, 11.43% and 13.77%, respectively, compared to 10.08%, 9.94%, 11.00% and 12.93% at December 31, 2025.

- **Book value per common share** of $28.79, an increase of 3.0% from $27.95 at December 31, 2025.

Results of Operations for the Three and Six Months Ended June 30, 2026, and 2025

Performance Summary

For the three months ended June 30, 2026, net income available to common shareholders was $22.8 million, or $0.70 per basic and diluted common share, compared to net income available to common shareholders of $20.8 million, or $0.70 per basic and diluted common share, for the three months ended June 30, 2025. Return on average assets, on an annualized basis, decreased to 1.03% for the three months ended June 30, 2026, from 1.07% for the three months ended June 30, 2025. Return on average common equity, on an annualized basis, decreased to 9.83% for the three months ended June 30, 2026, as compared to 10.87% for the three months ended June 30, 2025.

For the six months ended June 30, 2026, net income available to common shareholders was $45.0 million, or $1.38 per basic common share and $1.37 per diluted common share, compared to net income available to common shareholders of $39.9 million, or $1.36 per basic common share and $1.35 per diluted common share, for the six months ended June 30, 2025. Return on average assets, on an annualized basis, decreased to 1.02% for the six months ended June 30, 2026, from 1.04% for the six months ended June 30, 2025. Return on average common equity, on an annualized basis, decreased to 9.80% for the six months ended June 30, 2026, as compared to 10.68% for the six months ended June 30, 2025.

Net Interest Income

Our operating results depend primarily on our net interest income, calculated as the difference between interest income on interest-earning assets, such as loans and securities, and interest expense on interest-bearing liabilities, such as deposits and borrowings. Fluctuations in market interest rates impact the yield and rates paid on interest sensitive assets and liabilities. Changes in the amount and type of interest-earning assets and interest-bearing liabilities also impact net interest income. The variance driven by the changes in the amount and mix of interest-earning assets and interest-bearing liabilities is referred to as a “volume change.” Changes in yields earned on interest-earning assets and rates paid on interest-bearing deposits and other borrowed funds are referred to as a “rate change.”

To evaluate net interest income, we measure and monitor (1) yields on our loans and other interest-earning assets, (2) the costs of our deposits and other funding sources, (3) our net interest spread and (4) our net interest margin. Net interest spread is the difference between rates earned on interest-earning assets and rates paid on interest-bearing liabilities. Net interest margin is calculated as net interest income divided by average interest-earning assets. Because noninterest-bearing sources of funds, such as noninterest-bearing deposits and shareholders’ equity also fund interest-earning assets, net interest margin includes the benefit of these noninterest-bearing sources. We calculate average assets, liabilities, and equity using a daily average, and average yield/rate utilizing an actual day count convention.

For the three months ended June 30, 2026, net interest income totaled $77.8 million, and net interest margin and net interest spread were 3.73% and 2.99%, respectively, compared to $67.0 million, 3.68%, and 2.88%, respectively, for the three months ended June 30, 2025. The average yield on the loan portfolio was 6.63% for the three months ended June 30, 2026, compared to 6.96% for the three months ended June 30, 2025, and the average yield on total interest-earning assets was 6.02% for the three months ended June 30, 2026, compared to 6.31% for the three months ended June 30, 2025. For the three months ended June 30, 2026, overall cost of funds (which includes noninterest-bearing deposits) decreased 34 basis points compared to the three months ended June 30, 2025.

For the six months ended June 30, 2026, net interest income totaled $153.0 million, and net interest margin and net interest spread were 3.69% and 2.95%, respectively, compared to $133.0 million, 3.68%, and 2.90%, respectively, for the six months ended June 30, 2025. The average yield on the loan portfolio was 6.62% for the six months ended June 30, 2026, compared to 6.98% for the six months ended June 30, 2025, and the average yield on total interest-earning assets was 5.99% for the six months ended June 30, 2026, compared to 6.33% for the six months ended June 30, 2025. For the six months ended June 30, 2026, overall cost of funds (which includes noninterest-bearing deposits) decreased 35 basis points compared to the six months ended June 30, 2025.

The following tables present, for the periods indicated, an analysis of net interest income by each major category of interest-earning assets and interest-bearing liabilities, the average amounts outstanding and the interest earned or paid on such amounts. The table also sets forth the average rate earned on interest-earning assets, the average rate paid on interest-bearing liabilities, and the net interest margin on average total interest-earning assets for the same periods. Interest earned on loans that are classified as nonaccrual is not recognized in income; however, the balances are reflected in average outstanding balances for the period. For the three and six months ended June 30, 2026, and 2025, interest income not recognized on nonaccrual loans was not material. Any nonaccrual loans have been included in the table as loans carrying a zero yield. The average total loans reflected below are net of deferred loan fees and discounts. Acquired loans were recorded at fair value at acquisition and accrete/amortize discounts and premiums as an adjustment to yield. Averages presented in the tables below, and throughout this report, are daily averages.

	For the Three Months Ended June 30,					
	2026			2025		
(Dollars in thousands) (Unaudited)	Average Outstanding Balance	Interest Earned/ Interest Paid	Average Yield/Rate	Average Outstanding Balance	Interest Earned/ Interest Paid	Average Yield/Rate
Assets						
Interest-earning assets:						
Total loans	$ 6,757,776	$ 111,780	6.63%	$ 5,995,490	$ 104,028	6.96%
Securities	1,068,191	9,104	3.42	937,099	6,906	2.96
Securities purchased under agreements to resell	30,683	335	4.38	31,172	401	5.16
Interest-bearing deposits in other banks	509,177	4,431	3.49	336,138	3,515	4.19
Total interest-earning assets	8,365,827	125,650	6.02	7,299,899	114,850	6.31
Allowance for loan losses	(63,280)			(56,934)		
Noninterest-earning assets	614,407			548,406		
Total assets	$ 8,916,954	$ 125,650		$ 7,791,371	$ 114,850	
Liabilities and Shareholders' Equity						
Interest-bearing liabilities:						
Interest-bearing deposits	$ 5,739,241	$ 41,251	2.88%	$ 5,029,981	$ 41,546	3.31%
Subordinated debt	112,252	1,778	6.35	92,682	1,235	5.34
Subordinated debt - trust preferred securities	9,670	178	7.40	5,000	100	8.02
Advances from FHLB	441,012	4,457	4.05	447,271	4,793	4.30
Other borrowings	22,206	142	2.58	20,514	134	2.62
Total interest-bearing liabilities	6,324,381	47,806	3.03	5,595,448	47,808	3.43
Noninterest-bearing liabilities:						
Noninterest-bearing deposits	1,518,400			1,292,262		
Other liabilities	71,223			65,847		
Total noninterest-bearing liabilities	1,589,623			1,358,109		
Shareholders' equity:						
Common shareholders' equity	931,020			765,884		
Preferred equity	71,930			71,930		
Total shareholders' equity	1,002,950			837,814		
Total liabilities and shareholders' equity	$ 8,916,954			$ 7,791,371		
Net interest rate spread (1)			2.99%			2.88%
Net interest income		$ 77,844			$ 67,042	
Net interest margin (2)			3.73%			3.68%
Overall cost of funds			2.44%			2.78%

(1) Net interest spread is the average yield on interest-earning assets minus the average rate on interest-bearing liabilities.
(2) Net interest margin is equal to net interest income divided by average interest-earning assets.

(Dollars in thousands) (Unaudited)	For the Six Months Ended June 30, 2026 Average Outstanding Balance	2026 Interest Earned/ Interest Paid	2026 Average Yield/Rate	2025 Average Outstanding Balance	2025 Interest Earned/ Interest Paid	2025 Average Yield/Rate
Assets						
Interest-earning assets:						
Total loans	$ 6,728,183	$ 220,926	6.62%	$ 5,983,870	$ 207,020	6.98%
Securities	1,066,827	17,566	3.32	930,930	13,520	2.93
Securities purchased under agreements to resell	28,681	637	4.48	40,950	1,052	5.18
Interest-bearing deposits in other banks	533,687	9,015	3.41	326,000	6,951	4.30
Total interest-earning assets	8,357,378	248,144	5.99	7,281,750	228,543	6.33
Allowance for loan losses	(61,924)			(55,829)		
Noninterest-earning assets	609,797			545,367		
Total assets	$ 8,905,251	$ 248,144		$ 7,771,288	$ 228,543	
Liabilities and Shareholders' Equity						
Interest-bearing liabilities:						
Interest-bearing deposits	$ 5,811,348	$ 84,009	2.92%	$ 5,085,431	$ 83,985	3.33%
Subordinated debt	102,263	2,998	5.91	94,954	2,497	5.30
Subordinated debt - trust preferred securities	10,665	332	6.27	5,000	199	8.03
Advances from FHLB	369,696	7,495	4.09	404,917	8,589	4.28
Other borrowings	21,124	271	2.59	19,424	248	2.57
Total interest-bearing liabilities	6,315,096	95,105	3.04	5,609,726	95,518	3.43
Noninterest-bearing liabilities:						
Noninterest-bearing deposits	1,519,818			1,268,659		
Other liabilities	71,854			66,503		
Total noninterest-bearing liabilities	1,591,672			1,335,162		
Shareholders' equity:						
Common shareholders' equity	926,553			754,470		
Preferred equity	71,930			71,930		
Total shareholders' equity	998,483			826,400		
Total liabilities and shareholders' equity	$ 8,905,251			$ 7,771,288		
Net interest rate spread (1)			2.95%			2.90%
Net interest income		$ 153,039			$ 133,025	
Net interest margin (2)			3.69%			3.68%
Overall cost of funds			2.45%			2.80%

(1) Net interest spread is the average yield on interest-earning assets minus the average rate on interest-bearing liabilities.
(2) Net interest margin is equal to net interest income divided by average interest-earning assets.

The following tables present information regarding the dollar amount of changes in interest income and interest expense for the periods indicated for each major component of interest-earning assets and interest-bearing liabilities and distinguishes between the changes attributable to changes in volume and changes attributable to changes in interest rates. For the purposes of these tables, changes attributable to both rate and volume that cannot be segregated have been allocated to rate.

	For the Three Months Ended June 30, 2026 compared to the Three Months Ended June 30, 2025		
	Increase (Decrease) due to change in		
(Dollars in thousands) (Unaudited)	Volume	Rate	Total
Interest-earning assets:			
Total loans	$ 12,609	$ (4,857)	$ 7,752
Securities	1,117	1,081	2,198
Securities purchased under agreements to resell	(5)	(61)	(66)
Interest-bearing deposits in other banks	1,506	(590)	916
Total increase (decrease) in interest income	$ 15,227	$ (4,427)	$ 10,800
Interest-bearing liabilities:			
Interest-bearing deposits	$ 5,098	$ (5,393)	$ (295)
Subordinated debt	310	233	543
Subordinated debt - trust preferred securities	86	(8)	78
Advances from FHLB	(63)	(273)	(336)
Other borrowings	11	(3)	8
Total increase (decrease) in interest expense	$ 5,442	$ (5,444)	$ (2)
Increase in net interest income	$ 9,785	$ 1,017	$ 10,802

	For the Six Months Ended June 30, 2026 compared to the Six Months Ended June 30, 2025		
	Increase (Decrease) due to change in		
(Dollars in thousands) (Unaudited)	Volume	Rate	Total
Interest-earning assets:			
Total loans	$ 24,440	$ (10,534)	$ 13,906
Securities	2,238	1,808	4,046
Securities purchased under agreements to resell	(272)	(143)	(415)
Interest-bearing deposits in other banks	3,508	(1,444)	2,064
Total increase (decrease) in interest income	$ 29,914	$ (10,313)	$ 19,601
Interest-bearing liabilities:			
Interest-bearing deposits	$ 10,494	$ (10,470)	$ 24
Subordinated debt	214	287	501
Subordinated debt - trust preferred securities	176	(43)	133
Advances from FHLB	(714)	(380)	(1,094)
Other borrowings	22	1	23
Total increase (decrease) in interest expense	$ 10,192	$ (10,605)	$ (413)
Increase in net interest income	$ 19,722	$ 292	$ 20,014

Provision for Credit Losses

Our provision for credit losses is a charge to income in order to bring our allowance for credit losses to a level deemed appropriate by management. For a description of the factors taken into account by management in determining the

allowance for credit losses see "*—Financial Condition—Allowance for Credit Losses*." The provision for credit losses was $2.0 million for the three months ended June 30, 2026, and $2.2 million for the same period in 2025. For the six months ended June 30, 2026, and 2025, the provision for credit losses was $4.3 million and $5.0 million, respectively. The lower provision for the three and six months ended June 30, 2026, compared to the same period in 2025 is primarily the result of higher specific reserve estimates during the three and six months ended June 30, 2025, as compared to the three and six months ended June 30, 2026.

Noninterest Income ("Other Income")

Our primary sources of noninterest income are service charges on deposit accounts, debit card and automated teller machine ("ATM") fee income, income from bank-owned life insurance, fees and brokerage commissions, loan sales, swap fee income, and pass-through income from other investments (small business investment company ("SBIC") partnerships and financial technology ("Fintech") funds). The following tables present, for the periods indicated, the major categories of noninterest income:

	For the Three Months Ended June 30,		
(Dollars in thousands) (Unaudited)	**2026**	**2025**	**Increase (Decrease)**
Noninterest income:			
Service charges on deposit accounts	$ 3,197	$ 2,633	$ 564
Debit card and ATM fee income	2,415	1,958	457
Cash value of life insurance income	902	758	144
Gain on sales of loans	1,583	781	802
Loss on sales of investment securities	(6)	(47)	41
Fees and brokerage commissions	2,387	1,980	407
Gain on sale of banking center	—	3,360	(3,360)
Gain on extinguishment/redemption of debt	545	—	545
Swap fee income	385	808	(423)
Pass-through income (loss) from other investments	14	(246)	260
Other	2,545	2,430	115
Total noninterest income	$ 13,967	$ 14,415	$ (448)

	For the Six Months Ended June 30,		
(Dollars in thousands) (Unaudited)	**2026**	**2025**	**Increase (Decrease)**
Noninterest income:			
Service charges on deposit accounts	$ 6,339	$ 5,493	$ 846
Debit card and ATM fee income	4,721	3,816	905
Cash value of life insurance income	1,733	1,566	167
Gain on sales of loans	2,924	2,037	887
Gain (loss) on sales of investment securities	74	(48)	122
Fees and brokerage commissions	4,648	4,128	520
Gain on sale of banking center	—	3,360	(3,360)
Gain on extinguishment/redemption of debt	545	630	(85)
Swap fee income	1,922	1,547	375
Pass-through income from other investments	149	505	(356)
Other	4,962	4,607	355
Total noninterest income	$ 28,017	$ 27,641	$ 376

Total noninterest income decreased $448,000, or 3.1%, from the three months ended June 30, 2025, mainly attributable to the gain of $3.4 million from the sale of our Kaplan banking center in 2025 and a $423,000 decrease in swap fee income, compared to the three months ended June 30, 2025.

Total noninterest income increased $376,000, or 1.4%, from the six months ended June 30, 2025, mainly attributable to an increase in service charges on deposit accounts of $846,000, or 15.4%, an increase in the gain on sales of loans of $887,000, or 43.5%, an increase in debit card and ATM fee income of $905,000, or 23.7%, and the acquisition of Progressive. This is offset by the gain on the sale of our Kaplan banking center in 2025 in the quarter ended June 30, 2025.

Noninterest Expense ("Other Expense")

Generally, noninterest expense is composed of all employee expenses and costs associated with operating our facilities, obtaining and retaining customer relationships, and providing bank services. The largest component of noninterest expense is salaries and employee benefits. Noninterest expense also includes operational expenses, such as occupancy and equipment expenses, advertising and promotion expenses, data processing expenses, and professional and regulatory fees, including Federal Deposit Insurance Corporation ("FDIC") assessments, among others.

The following tables present, for the periods indicated, the major categories of noninterest expense:

	For the Three Months Ended June 30,		
(Dollars in thousands) (Unaudited)	**2026**	**2025**	**Increase (Decrease)**
Salaries and employee benefits	$ 33,120	$ 28,317	$ 4,803
Non-staff expenses:			
Occupancy and equipment expense	8,279	7,162	1,117
Advertising and promotions	2,606	1,088	1,518
Communications	638	590	48
Ad valorem shares tax	977	1,125	(148)
Data processing	3,317	5,321	(2,004)
Directors' fees	247	193	54
Insurance	432	435	(3)
Legal and professional fees	1,661	1,093	568
Office supplies and printing	278	300	(22)
Regulatory assessments	1,534	933	601
Merger and conversion related expenses	303	210	93
Other	6,133	4,439	1,694
Total noninterest expense	$ 59,525	$ 51,206	$ 8,319

(Dollars in thousands) (Unaudited)	For the Six Months Ended June 30, 2026	2025	Increase (Decrease)
Salaries and employee benefits	$ 66,159	$ 57,814	$ 8,345
Non-staff expenses:			
Occupancy and equipment expense	16,401	14,518	1,883
Advertising and promotions	4,114	2,379	1,735
Communications	1,290	1,181	109
Ad valorem shares tax	1,955	2,250	(295)
Data processing	7,029	8,557	(1,528)
Directors' fees	507	472	35
Insurance	843	839	4
Legal and professional fees	2,746	2,106	640
Office supplies and printing	591	611	(20)
Regulatory assessments	2,518	2,190	328
Merger and conversion related expenses	1,680	460	1,220
Other	11,163	8,407	2,756
Total noninterest expense	$ 116,996	$ 101,784	$ 15,212

Total noninterest expense increased $8.3 million, or 16.2%, from the three months ended June 30, 2025, primarily attributed to an increase in salaries and employee benefits of $4.8 million, or 17.0%, an increase in occupancy and equipment of $1.1 million, or 15.6%, and an increase in advertising and promotions of $1.5 million, or 139.5% , which were partially offset by a reduction in data processing fees of $2.0 million, or 37.7%. The increases were largely attributable to the acquisition of Progressive.

Total noninterest expense increased $15.2 million, or 14.9%, from the six months ended June 30, 2025, primarily attributed to the increase in salaries and employee benefits of $8.3 million, or 14.4%, an increase in occupancy and equipment of $1.9 million, or 13.0%, an increase in advertising and promotions of $1.7 million, or 72.9%,and an increase in merger and conversion related expenses of $1.2 million, or 265.2%, which were partially offset by a reduction in data processing fees of $1.5 million, or 17.9%. The increases were largely attributable to the acquisition of Progressive.

Income Tax Expense

The amount of income tax expense is influenced by the amounts of our pre-tax income, tax-exempt income and other nondeductible expenses. Deferred tax assets and liabilities are reflected at currently enacted income tax rates in effect for the period in which the deferred tax assets and liabilities are expected to be realized or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

For the three months ended June 30, 2026, income tax expense totaled $6.1 million, an increase of $197,000, or 3.3%, compared to $5.9 million for the same period in 2025. Our effective tax rates for the three months ended June 30, 2026, and 2025 were 20.2% and 21.1%, respectively.

For the six months ended June 30, 2026, income tax expense totaled $12.1 million, an increase of $853,000, or 7.6%, compared to $11.2 million for the same period in 2025. Our effective tax rates for the six months ended June 30, 2026, and 2025 were 20.2% and 20.8%, respectively.

Financial Condition

Our total assets increased $688.8 million, or 8.4%, from December 31, 2025, to June 30, 2026, primarily due to the acquisition of Progressive.

Loan Portfolio

Our primary source of income is interest on loans to individuals, professionals and small-to-midsized businesses located in our markets. Our loan portfolio consists primarily of commercial loans and real estate loans secured by commercial real estate properties located in our primary market areas. Our loan portfolio represents the highest yielding component of our earning asset base.

As of June 30, 2026, total loans, excluding mortgage loans held for sale, were $6.7 billion, a $470.0 million increase, or 7.6%, compared to $6.2 billion as of December 31, 2025. Additionally, $2.8 million, and $1.1 million in loans were classified as loans held for sale as of June 30, 2026, and December 31, 2025, respectively.

In June 2026, we sold $100.3 million in loans that were acquired from Progressive, including $55.3 million of residential mortgages and $45.0 million commercial real estate loans. As part of the sale, we will retain the servicing of these loans.

Total loans held for investment as a percentage of total deposits were 92.0% and 92.4% as of June 30, 2026, and December 31, 2025, respectively. Total loans held for investment as a percentage of total assets were 74.8% and 75.3% as of June 30, 2026, and December 31, 2025, respectively.

The following table summarizes our loan portfolio by type of loan as of the dates indicated.

	As of June 30, 2026 (Unaudited)		As of December 31, 2025	
(Dollars in thousands)	**Amount**	**Percent**	**Amount**	**Percent**
Real Estate Loans:				
Commercial				
Real estate rental and leasing	$ 1,593,963	23.9%	$ 1,456,484	23.5%
Accommodation and food services	267,833	4.0	247,951	4.0
Other services (except public administration)	148,969	2.2	160,548	2.6
Health care and social assistance	133,889	2.0	121,850	2.0
Finance and insurance	89,073	1.3	84,592	1.4
Construction	76,534	1.2	63,931	1.0
Manufacturing	65,987	1.0	73,369	1.2
Agriculture, forestry, fishing and hunting	65,474	1.0	42,730	0.7
Transportation and warehousing	19,081	0.3	22,070	0.4
Other	363,212	5.5	337,754	5.4
Total Commercial	2,824,015	42.4	2,611,279	42.2
Construction	693,477	10.4	639,069	10.3
Residential	1,079,018	16.2	944,065	15.3
Total Real Estate Loans	4,596,510	69.0	4,194,413	67.8
Commercial	1,988,696	29.9	1,921,833	31.0
Consumer and Other	74,241	1.1	73,244	1.2
Total loans held for investment	$ 6,659,447	100.0%	$ 6,189,490	100.0%

(Dollars in thousands)	As of June 30, 2026 (Unaudited) Amount	Percent	As of December 31, 2025 Amount	Percent
Commercial real estate loans:				
Dallas Region	$ 719,186	25.4%	$ 720,436	27.6%
New Orleans Region	519,532	18.4	505,447	19.3
North Louisiana Region	707,843	25.1	454,909	17.4
Capitol Region	303,423	10.7	323,420	12.4
Houston Region	182,755	6.5	240,422	9.2
Southwest Louisiana Region	307,427	10.9	280,889	10.8
Bayou Region	83,849	3.0	85,756	3.3
Total commercial real estate loans	$ 2,824,015	100.0 %	$ 2,611,279	100.0 %

Real Estate: Commercial loans are extensions of credit secured by owner-occupied and non-owner-occupied collateral. Repayment is generally dependent on the successful operations of the property. General economic conditions may impact the performance of these types of loans, including fluctuations in the value of real estate, vacancy rates, and unemployment trends. Real estate commercial loans also include farmland loans that can be, or are, used for agricultural purposes. These loans are usually repaid through refinancing, cash flow from the borrower's ongoing operations, development of the property, or sale of the property.

Real Estate: Commercial loans increased $212.7 million, or 8.1%, to $2.8 billion as of June 30, 2026, from $2.6 billion as of December 31, 2025.

Real Estate: Construction loans include loans to small-to-midsized businesses to construct owner-occupied properties, loans to developers of commercial real estate investment properties and residential developments and, to a lesser extent, loans to individual clients for construction of single-family homes in our market areas. Risks associated with these loans include fluctuations in the value of real estate, project completion risk and changes in market trends. We are also exposed to risk based on the ability of the construction loan borrower to finance the loan or sell the property upon completion of the project, which may be affected by changes in secondary market terms and criteria for permanent financing since the time we funded the loan.

Real Estate: Construction loans increased $54.4 million, or 8.5%, to $693.5 million as of June 30, 2026, from $639.1 million as of December 31, 2025.

Real Estate: Residential loans include first and second lien 1-4 family mortgage loans, as well as home equity lines of credit, in each case primarily on owner-occupied primary residences. The Company is exposed to risk based on fluctuations in the value of the real estate collateral securing the loan, as well as changes in the borrower's financial condition, which could be affected by numerous factors, including divorce, job loss, illness, or other personal hardship. Real estate residential loans also include multi-family residential loans originated to provide permanent financing for multi-family residential income producing properties. Repayment of these loans primarily relies on successful rental and management of the property.

Real Estate: Residential loans increased $135.0 million, or 14.3%, to $1.1 billion as of June 30, 2026, from $944.1 million as of December 31, 2025.

Commercial loans include general commercial and industrial, or C&I, loans, including commercial lines of credit, working capital loans, term loans, equipment financing, asset acquisition, expansion, and development loans, borrowing base loans, letters of credit and other loan products, primarily in the Company's target markets that are underwritten based on the borrower's ability to service the debt from income. Commercial loan risk is derived from the expectation that such loans generally are serviced principally from the operations of the business, and those operations may not be successful. Any interruption or discontinuance of operating cash flows from the business, which may be influenced by events not under the control of the borrower such as economic events and changes in governmental regulations, could materially affect the ability of the borrower to repay the loan.

Commercial loans increased $66.9 million, or 3.5%, to $2.0 billion as of June 30, 2026, from $1.9 billion as of December 31, 2025.

Consumer and other loans include a variety of loans to individuals for personal, family and household purposes, including secured and unsecured installment and term loans. The risk is based on changes in the borrower's financial condition, which could be affected by numerous factors, including divorce, job loss, illness or other personal hardship, and fluctuations in the value of the real estate or personal property securing the consumer loan, if any.

Consumer and other loans increased $1.0 million, or 1.4%, to $74.2 million as of June 30, 2026, from $73.2 million as of December 31, 2025.

The contractual maturity ranges of loans in our loan portfolio and the amount of such loans with fixed and floating interest rates in each maturity range as of the date indicated are summarized in the following table:

	As of June 30, 2026				
(Dollars in thousands) (Unaudited)	**One Year or Less**	**One Through Five Years**	**Five Through Fifteen Years**	**After Fifteen Years**	**Total**
Real Estate Loans:					
Commercial	$ 703,658	$ 1,621,291	$ 447,857	$ 51,209	$ 2,824,015
Construction	300,811	279,482	83,170	30,014	693,477
Residential	224,775	482,902	207,062	164,279	1,079,018
Total Real Estate Loans	1,229,244	2,383,675	738,089	245,502	4,596,510
Commercial	898,993	848,899	228,305	12,499	1,988,696
Consumer and Other	42,468	24,782	6,847	144	74,241
Total loans held for investment	$ 2,170,705	$ 3,257,356	$ 973,241	$ 258,145	$ 6,659,447
Total fixed rate loans	$ 908,763	$ 1,736,688	$ 501,242	$ 52,975	$ 3,199,668
Total floating rate loans	1,261,942	1,520,668	471,999	205,170	3,459,779

Nonperforming Assets

Loans are considered past due if the required principal and interest payments have not been received as of the date such payments were due. Loans are placed on nonaccrual status when, in management's opinion, the borrower may be unable to meet payment obligations as they become due, as well as when required by regulatory provisions. Loans may be placed on nonaccrual status regardless of whether or not such loans are considered past due. When interest accrual is discontinued, all unpaid accrued interest is generally reversed. Interest income is subsequently recognized only to the extent cash payments are received in excess of principal due, or interest may be recognized on a cash basis as long as the remaining book balance of the loan is deemed collectible. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

We have several procedures in place to assist in maintaining the overall quality of our loan portfolio. We have established underwriting guidelines to be followed by our bankers, and we also monitor our delinquency levels for any negative or adverse trends. There can be no assurance, however, that our loan portfolio will not become subject to increasing pressures from deteriorating borrower credit due to general economic conditions.

We believe our conservative lending approach and focused management of nonperforming assets has resulted in sound asset quality and the timely resolution of problem assets. We had $109.2 million and $89.7 million in nonperforming assets as of June 30, 2026, and December 31, 2025, respectively. We had $84.1 million in nonperforming loans as of June 30, 2026, compared to $76.7 million as of December 31, 2025. The increase in nonperforming assets from December 31, 2025, to June 30, 2026, is primarily due to two commercial lending relationships. There was also a property in Texas we foreclosed on during the quarter ended March 31, 2026.

The following tables present information regarding nonperforming assets at the dates indicated:

(Dollars in thousands)	As of June 30, 2026 (Unaudited)	As of December 31, 2025
Nonaccrual loans	$ 80,124	$ 74,471
Accruing loans 90 or more days past due	4,011	2,215
Total nonperforming loans	84,135	76,686
Other nonperforming assets	—	—
Other real estate owned:		
Commercial real estate, construction, land and land development	24,070	12,192
Residential real estate	1,039	821
Total other real estate owned	25,109	13,013
Total nonperforming assets	$ 109,244	$ 89,699
Ratio of nonperforming loans to total loans held for investment	1.26%	1.24%
Ratio of nonperforming assets to total assets	1.23	1.09
Ratio of nonaccrual loans to total loans held for investment	1.20	1.20

(Dollars in thousands)	As of June 30, 2026 (Unaudited)	As of December 31, 2025
Nonaccrual loans by category:		
Real Estate Loans:		
Commercial	$ 20,583	$ 36,252
Construction	8,876	4,539
Residential	11,389	10,144
Total Real Estate Loans	40,848	50,935
Commercial	39,168	23,370
Consumer and Other	108	166
Total	$ 80,124	$ 74,471

Potential Problem Loans

From a credit risk standpoint, we classify loans in one of four categories: pass, special mention, substandard or doubtful. Loans classified as loss are charged-off. The classifications of loans reflect a judgment about the risks of default and loss associated with the loan. Ratings are adjusted to reflect the degree of risk and loss that is believed to be inherent in each credit. Our methodology is structured so that specific allocations are increased in accordance with deterioration in credit quality (and a corresponding increase in risk of loss) or decreased in accordance with improvement in credit quality (and a corresponding decrease in risk of loss).

For additional information, see Note 5 of the consolidated financial statements for a summary of loans by credit quality indicators.

Allowance for Credit Losses

We maintain an allowance for credit losses, which includes both our allowance for loan losses and reserves for unfunded commitments, that represents management's best estimate of the credit losses and risks inherent in the loan portfolio. In determining the allowance for credit losses, we estimate losses on specific loans, or groups of loans, where the probable loss can be identified and reasonably determined. The balance of the allowance for credit losses is based on internally assigned risk classifications of loans, changes in the nature of the loan portfolio, overall portfolio quality, industry concentrations, delinquency trends, current economic factors and the estimated impact of current economic

conditions on certain historical credit loss rates. For additional information, see Note 5 to the consolidated financial statements.

In connection with our review of the loan portfolio, we consider risk elements attributable to particular loan types or categories in assessing the quality of individual loans. Some of the risk elements we consider include:

- for Real Estate: Commercial loans, the debt service coverage ratio (income from the property in excess of operating expenses compared to loan payment requirements), operating results of the owner in the case of owner-occupied properties, the loan to value ratio, the age and condition of the collateral, and the volatility of income, property value and future operating results typical for properties of that type;

- for Real Estate: Construction loans, the perceived feasibility of the project including the ability to sell developed lots or improvements constructed for resale or the ability to lease property constructed for lease, the quality and nature of contracts for presale or prelease, if any, the experience and ability of the developer, and the loan to value ratio;

- for Real Estate: Residential real estate loans, the borrower's ability to repay the loan, including a consideration of the debt to income ratio and employment and income stability, the loan to value ratio, and the age, condition and marketability of the collateral; and

- for Commercial loans, the operating results of the commercial, industrial or professional enterprise, the borrower's business, professional and financial ability and expertise, the specific risks and volatility of income and operating results typical for businesses in that category, and the value, nature and marketability of collateral;

As of June 30, 2026, the allowance for credit losses totaled $67.8 million, or 1.02%, of total loans held for investment. As of December 31, 2025, the allowance for credit losses totaled $58.1 million, or 0.94%, of total loans held for investment.

The following tables present, as of and for the periods indicated, an analysis of the allowance for credit losses and other related data:

(Dollars in thousands)	As of and For the Six Months Ended June 30, 2026 (Unaudited)	As of and For the Year Ended December 31, 2025
Average loans outstanding	$ 6,728,183	$ 6,023,214
Gross loans held for investment outstanding end of period	$ 6,659,447	$ 6,189,490
Allowance for credit losses at beginning of period	$ 58,136	$ 58,528
Adjustment for Progressive purchased credit deterioration loans	9,264	—
Provision for credit losses	4,269	11,318
Charge-offs:		
Real Estate:		
Commercial	1,057	4,116
Construction	—	20
Residential	27	242
Total Real Estate	1,084	4,378
Commercial	2,459	6,768
Consumer and other	769	1,991
Total charge-offs	4,312	13,137
Recoveries:		
Real Estate:		
Commercial	6	30
Construction	4	211
Residential	60	33
Total Real Estate	70	274
Commercial	299	839
Consumer and other	105	314
Total recoveries	474	1,427
Net charge-offs	3,838	11,710
Allowance for credit losses at end of period	$ 67,831	$ 58,136
Ratio of allowance for credit losses to end of period loans held for investment	1.02%	0.94%
Ratio of net charge-offs to average loans	0.06	0.19
Ratio of allowance for credit losses to nonaccrual loans	84.66	78.07

	As of and For the Six Months Ended June 30, 2026 (Unaudited)		As of and For the Year Ended December 31, 2025		As of and For the Six Months Ended June 30, 2025 (Unaudited)	
(Dollars in thousands)	Net Charge-offs (Recoveries)	Percent of Average Loans	Net Charge-offs (Recoveries)	Percent of Average Loans	Net Charge-offs (Recoveries)	Percent of Average Loans
Real estate:						
Commercial	$ 1,051	0.02%	$ 4,086	0.07%	$ 256	0.00%
Construction	(4)	0.00	(191)	0.00	(78)	0.00
Residential	(33)	0.00	209	0.00	227	0.00
Total Real Estate Loans	1,014	0.02	4,104	0.07	405	0.00
Commercial	2,160	0.03	5,929	0.10	481	0.01
Consumer and Other	664	0.01	1,677	0.02	913	0.02
Total net charge-offs	$ 3,838	0.06%	$ 11,710	0.19%	$ 1,799	0.03%

Although we believe that we have established our allowance for credit losses in accordance with U.S. GAAP and that the allowance for credit losses was adequate to provide for known and estimated losses in the portfolio at all times shown above, future provisions will be subject to ongoing evaluations of the risks in our loan portfolio. If we experience economic declines or if asset quality deteriorates, material additional provisions could be required.

The following table shows the allocation of the allowance for credit losses among loan categories and certain other information as of the dates indicated. The allocation of the allowance for credit losses as shown in the table should neither be interpreted as an indication of future charge-offs, nor as an indication that charge-offs in future periods will necessarily occur in these amounts or in the indicated proportions. The total allowance is available to absorb losses from any loan category.

	As of June 30, 2026 (Unaudited)		As of December 31, 2025		As of June 30, 2025 (Unaudited)	
(Dollars in thousands)	Amount	Percent to Total	Amount	Percent to Total	Amount	Percent to Total
Real estate:						
Commercial	$ 21,907	32.3%	$ 23,806	40.9%	$ 23,583	38.2%
Construction	5,042	7.4	4,416	7.6	7,086	11.4
Residential	9,353	13.8	7,732	13.3	8,462	13.7
Total real estate	36,302	53.5	35,954	61.8	39,131	63.3
Commercial	30,680	45.2	21,618	37.2	22,097	35.8
Consumer and Other	849	1.3	564	1.0	538	0.9
Total allowance for credit losses	$ 67,831	100.0%	$ 58,136	100.0%	$ 61,766	100.0%

Securities

We use our securities portfolio to provide a source of liquidity, an appropriate return on funds invested, manage interest rate risk, meet collateral requirements, and meet regulatory capital requirements. As of June 30, 2026, the carrying amount of investment securities totaled $1.0 billion, an increase of $51.9 million, or 5.2%, compared to $989.2 million as of December 31, 2025. The increase was primarily due to the acquisition of Progressive. Securities represented 11.7% and 12.0% of total assets as of June 30, 2026, and December 31, 2025, respectively.

Our investment portfolio consists entirely of securities classified as available for sale. As a result, the carrying values of our investment securities are adjusted for unrealized gain or loss, and any gain or loss is reported on an after-tax basis as a component of other comprehensive income in shareholders' equity. The following tables summarize the amortized cost and estimated fair value of investment securities as of the dates shown:

	As of June 30, 2026			
(Dollars in thousands) (Unaudited)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. treasury securities	$ 22,627	$ —	$ 240	$ 22,387
U.S. government agencies	10,022	—	70	9,952
Corporate bonds	87,029	262	1,724	85,567
Mortgage-backed securities	698,832	1,564	29,039	671,357
Municipal securities	268,040	190	16,360	251,870
Total	$ 1,086,550	$ 2,016	$ 47,433	$ 1,041,133

(Dollars in thousands)	As of December 31, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. treasury securities	$ 17,571	$ —	$ 293	$ 17,278
U.S. government agencies	10,070	—	196	9,874
Corporate bonds	38,324	377	1,639	37,062
Mortgage-backed securities	674,211	3,153	27,273	650,091
Municipal securities	291,256	536	16,868	274,924
Total	$ 1,031,432	$ 4,066	$ 46,269	$ 989,229

All of our mortgage-backed securities are agency securities. We do not hold any Fannie Mae or Freddie Mac preferred stock, corporate equity, collateralized debt obligations, collateralized loan obligations, private label collateralized mortgage obligations, subprime, Alt-A, or second lien elements in our investment portfolio as of June 30, 2026.

The allowance for credit losses encompasses potential expected credit losses related to the securities portfolio. In order to develop an estimate of credit losses expected for the current securities portfolio, we perform an assessment that includes reviewing historical loss data for both our portfolio and similar types of investment securities. Additionally, our review of the securities portfolio for expected credit losses includes an evaluation of factors including the security issuer bond ratings, delinquency status, insurance or other available credit support, as well as our expectations of the forecasted economic outlook relevant to these securities. The results of the analysis are evaluated quarterly to confirm that credit loss estimates are appropriate for the securities portfolio. Based on our assessments, expected credit losses on the investment securities portfolio as of both June 30, 2026 and December 31, 2025, was negligible and therefore, no allowance for credit loss was recorded related to our investment securities.

As of June 30, 2026, and December 31, 2025, the Company held other equity securities of $51.3 million and $49.3 million, respectively, comprised mainly of FHLB stock, SBICs and Fintech fund investments.

Deposits

We offer a variety of deposit accounts having a wide range of interest rates and terms including demand, savings, money market and time accounts. We rely primarily on competitive pricing policies, convenient locations and personalized service to attract and retain these deposits.

Total deposits as of June 30, 2026, were $7.2 billion, an increase of $537.0 million, or 8.0%, compared to $6.7 billion as of December 31, 2025. Total uninsured deposits were $3.4 billion, or 46.9%, of total deposits as of June 30, 2026 compared to $2.9 billion, or 43.2%, of total deposits as of December 31, 2025. Since it is not reasonably practical to provide a precise measure of uninsured deposits, the amounts are estimated and are based on the same methodologies and assumptions that are used for regulatory reporting requirements for the call report.

Noninterest-bearing deposits as of June 30, 2026, were $1.6 billion, compared to $1.3 billion as of December 31, 2025, an increase of $261.5 million, or 19.8%.

Average deposits for the six months ended June 30, 2026, were $7.3 billion, an increase of $900.5 million, or 14.0%, over the full year average for the year ended December 31, 2025, of $6.4 billion. The increase was largely attributable to the impact of the acquisition of Progressive on January 1, 2026. The average rate paid on total interest-bearing deposits decreased over this period from 3.29% for the year ended December 31, 2025, to 2.92% for the six months ended June 30, 2026. In addition, noninterest-bearing demand accounts served to reduce the cost of deposits to 2.31% for the six months ended June 30, 2026, compared to 2.63% for the year ended December 31, 2025.

The following table presents the daily average balances and weighted average rates paid on deposits for the periods indicated:

	For the Six Months Ended June 30, 2026 (Unaudited)		For the Year Ended December 31, 2025	
(Dollars in thousands)	Average Balance	Average Rate	Average Balance	Average Rate
Interest-bearing demand accounts	$ 878,569	2.26%	$ 807,107	2.54%
Negotiable order of withdrawal ("NOW") accounts	400,881	2.06	303,167	2.51
Limited access money market accounts and savings	3,143,222	2.86	2,601,497	3.24
Certificates and other time deposits > $250k	763,952	3.92	783,326	4.19
Certificates and other time deposits ≤ $250k	624,724	3.43	639,425	3.70
Total interest-bearing deposits	5,811,348	2.92	5,134,522	3.29
Noninterest-bearing demand accounts	1,519,818	—	1,296,162	—
Total deposits	$ 7,331,166	2.31%	$ 6,430,684	2.63%

The ratio of average noninterest-bearing deposits to average total deposits for the six months ended June 30, 2026, and the year ended December 31, 2025, was 20.7% and 20.2%, respectively.

Federal Funds Purchased Lines of Credit Relationships

We maintain Federal Funds Purchased Lines of Credit Relationships with the following correspondent banks and limits as of June 30, 2026:

(Dollars in thousands)	Fed Funds Purchase Limits
TIB National Association	$ 45,000
PNC Bank	38,000
FNBB	35,000
First Horizon Bank	17,000
ServisFirst Bank	10,000
Total	$ 145,000

We had no outstanding balances on these lines at both June 30, 2026 and December 31, 2025.

Liquidity and Capital Resources

Liquidity

Liquidity involves our ability to utilize funds to support asset growth and acquisitions or reduce assets to meet deposit withdrawals and other payment obligations, to maintain reserve requirements and otherwise to operate on an ongoing basis and manage unexpected events. For the six months ended June 30, 2026, and the year ended December 31, 2025, liquidity needs were primarily met by core deposits, security and loan maturities, and amortizing investment and loan portfolios. In addition, we also utilize, or have available, brokered deposits, purchased funds from correspondent banks, the Federal Reserve discount window, and overnight advances from the FHLB. As of June 30, 2026, and December 31, 2025, we maintained five federal funds purchased lines of credit with correspondent banks which provided for extensions of credit with an availability to borrow up to an aggregate of $145.0 million. There were no funds drawn under these lines of credit at June 30, 2026, and December 31, 2025. We had an additional $1.5 billion and $1.2 billion of availability through the FHLB as of June 30, 2026, and December 31, 2025, respectively. As of June 30, 2026 and December 31, 2025, we had $1.0 billion and $967.3 million, respectively, of availability through the Federal Reserve Discount Window.

As of June 30, 2026, we had outstanding $2.0 billion in commitments to extend credit and $29.8 million in commitments associated with outstanding standby and commercial letters of credit. As of December 31, 2025, we had

outstanding $1.7 billion in commitments to extend credit and $51.2 million in commitments associated with outstanding standby and commercial letters of credit. Because commitments associated with letters of credit and commitments to extend credit may expire unused, the total outstanding may not necessarily reflect the actual future cash funding requirements. See "*Off Balance Sheet Items*" below for additional information.

As of June 30, 2026, and December 31, 2025 we had cash and cash equivalents, including federal funds sold and securities purchased under agreements to resell, of $701.8 million and $609.2 million, respectively. We had no exposure to future cash requirements associated with known uncertainties or capital expenditures of a material nature for either period.

Capital Resources

Total shareholders' equity increased to $1.0 billion as of June 30, 2026, compared to $896.9 million as of December 31, 2025, an increase of $111.7 million, or 12.5%. This increase was primarily due to the acquisition of Progressive of $83.4 million and net income of $47.7 million, offset with other comprehensive losses of $2.5 million resulting from the after-tax effect of unrealized losses in our investment securities portfolio, repurchased shares of $7.6 million and dividends paid on preferred stock and common stock of $12.5 million.

On July 23, 2026, our Board declared a quarterly dividend in the amount of $18.75 per preferred share to the preferred shareholders of record as of August 15, 2026. The dividend is to be paid on August 31, 2026, or as soon as practicable thereafter.

On July 23, 2026, our Board declared a quarterly dividend based upon our financial performance for the three months ended June 30, 2026, in the amount of $0.15 per common share to the common shareholders of record as of August 15, 2026. The dividend is to be paid on August 31, 2026, or as soon as practicable thereafter.

The declaration and payment of dividends to our shareholders, as well as the amounts thereof, are subject to the discretion of the Board and depend upon our results of operations, financial condition, capital levels, cash requirements, future prospects and other factors deemed relevant by the Board. As a holding company, our ability to pay dividends is largely dependent upon the receipt of dividends from our subsidiary, b1BANK. There can be no assurance that we will declare and pay any dividends to our shareholders.

Capital management consists of providing equity to support current and future operations. Banking regulators view capital levels as important indicators of an institution's financial soundness. As a general matter, FDIC-insured depository institutions and their holding companies are required to maintain minimum capital relative to the amount and types of assets they hold. We are subject to regulatory capital requirements at the holding company and bank levels. As of June 30, 2026, and December 31, 2025, we and b1BANK were in compliance with all applicable regulatory capital requirements, and b1BANK was classified as "well-capitalized," for purposes of prompt corrective action regulations. As we employ our capital and continue to grow our operations, our regulatory capital levels may decrease depending on our level of earnings. However, we expect to monitor and control our growth in order to remain in compliance with all applicable regulatory capital standards applicable to us.

The following table presents the actual capital amounts and regulatory capital ratios for us and b1BANK as of the dates indicated.

	As of June 30, 2026 (Unaudited)		As of December 31, 2025	
(Dollars in thousands)	**Amount**	**Ratio**	**Amount**	**Ratio**
Business First				
Total capital (to risk weighted assets)	$ 1,070,669	13.77%	$ 939,331	12.93%
Tier 1 capital (to risk weighted assets)	888,588	11.43	799,527	11.00
Common Equity Tier 1 capital (to risk weighted assets)	806,980	10.38	722,597	9.94
Tier 1 Leverage capital (to average assets)	888,588	10.11	799,527	10.08
b1BANK				
Total capital (to risk weighted assets)	$ 1,025,514	13.20%	$ 930,600	12.82%
Tier 1 capital (to risk weighted assets)	957,683	12.33	872,464	12.02
Common Equity Tier 1 capital (to risk weighted assets)	957,683	12.33	872,464	12.02
Tier 1 Leverage capital (to average assets)	957,683	10.91	872,464	11.01

FHLB Advances

Advances from the FHLB totaled approximately $442.5 million and $431.2 million at June 30, 2026 and December 31, 2025, respectively. As of June 30, 2026, and December 31, 2025, the FHLB advances were collateralized by a blanket floating lien on certain securities and loans, had a weighted average stated rate of 4.04% and 4.02%, respectively, and mature within ten years.

Contractual Obligations

The following tables summarize contractual obligations and other commitments to make future payments as of June 30, 2026, and December 31, 2025 (other than non-maturity deposit obligations), which consist of future cash payments associated with our contractual obligations pursuant to our FHLB advances, subordinated debt, revolving line of credit, and non-cancelable future operating leases. Payments related to leases are based on actual payments specified in underlying contracts. Advances from the FHLB totaled approximately $442.5 million and $431.2 million at June 30, 2026 and December 31, 2025, respectively. As of June 30, 2026, and December 31, 2025, the FHLB advances were collateralized by a blanket floating lien on certain securities and loans, had a weighted average stated rate of 4.04% and 4.02%, respectively, and mature within ten years. Subordinated debt totaled $114.3 million and $92.5 million at June 30, 2026 and December 31, 2025, respectively, including premium. During the second quarter of 2026, we completed an $85.0 million private placement of subordinated debt with a fixed rate of 6.50% through March 30, 2031, and a floating rate, based on a benchmark rate plus 300 basis points, thereafter through maturity in 2036. Of this subordinated debt, $25.0 million bears interest at a fixed rate of 6.75% through December 31, 2028 and a floating rate, based on a benchmark rate plus 369 basis points, thereafter through maturity in 2033. During the six months ended June 30, 2026, we redeemed $66.9 million in outstanding subordinated notes including the recognition of a $545,000 gain. As part of the APC acquisition, we issued $4.3 million of subordinated notes with a fixed rate of 6.50% through June 30, 2031, and a floating rate, based on a benchmark rate plus 300 basis points, thereafter through maturity in 2036. We acquired two additional trust preferred securities as part of the Progressive acquisition totaling $5.2 million. Of the trust preferred securities, $4.0 million bears an adjustable interest rate plus 1.45%, based on a benchmark rate, adjusting quarterly, until maturity on December 15, 2037, and $1.2 million bears an adjustable rate plus 3.58%, based on a benchmark rate, adjusting quarterly, until maturity on July 31, 2031. As part of valuing these two trust preferred securities from Progressive, we incurred a fair value adjustment of $555,000 and will amortize this over 12 years, with $532,000 remaining at June 30, 2026.

	As of June 30, 2026				
(Dollars in thousands) (Unaudited)	1 year or less	More than 1 year but less than 3 years	3 years or more but less than 5 years	5 years or more	Total
Non-cancelable future operating leases	$ 5,961	$ 10,704	$ 6,534	$ 5,016	$ 28,215
Time deposits	1,052,954	237,331	7,533	—	1,297,818
Subordinated debt	—	—	—	114,250	114,250
Advances from FHLB	265,102	100,680	26,712	50,000	442,494
Subordinated debt - trust preferred securities	—	—	—	10,210	10,210
Securities sold under agreements to repurchase	24,442	—	—	—	24,442
Standby and commercial letters of credit	27,477	2,324	46	—	29,847
Commitments to extend credit	1,319,243	523,065	95,826	84,767	2,022,901
Total	$ 2,695,179	$ 874,104	$ 136,651	$ 264,243	$ 3,970,177

	As of December 31, 2025				
(Dollars in thousands)	1 year or less	More than 1 year but less than 3 years	3 years or more but less than 5 years	5 years or more	Total
Non-cancelable future operating leases	$ 5,896	$ 10,510	$ 7,382	$ 6,383	$ 30,171
Time deposits	1,170,413	227,926	9,106	—	1,407,445
Subordinated debt	—	17,500	—	74,427	91,927
Advances from FHLB	256,200	100,000	25,000	50,000	431,200
Subordinated debt - trust preferred securities	—	—	—	5,000	5,000
Securities sold under agreements to repurchase	22,622	—	—	—	22,622
Standby and commercial letters of credit	47,671	3,486	86	—	51,243
Commitments to extend credit	1,121,371	405,515	97,958	71,259	1,696,103
Total	$ 2,624,173	$ 764,937	$ 139,532	$ 207,069	$ 3,735,711

Off-Balance Sheet Items

In the normal course of business, we enter into various transactions which, in accordance with U.S. GAAP, are not included in our consolidated balance sheets. We enter into these transactions to meet the financing needs of our customers. These transactions include commitments to extend credit and standby and commercial letters of credit which involve, to varying degrees, elements of credit risk and interest rate risk in excess of the amounts recognized in the consolidated balance sheets.

Our commitments associated with outstanding standby and commercial letters of credit and commitments to extend credit expiring by period as of the date indicated are summarized in the tables above. Because commitments associated with letters of credit and commitments to extend credit may expire unused, the amounts shown do not necessarily reflect the actual future cash funding requirements.

Standby and commercial letters of credit are conditional commitments issued by us to guarantee the performance of a customer to a third party. In the event of nonperformance by the customer, we have rights to the underlying collateral, which can include commercial real estate, physical plant and property, inventory, receivables, cash and/or marketable securities. The credit risk to us in issuing letters of credit is essentially the same as that involved in extending loan facilities to our customers.

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. Because many of the commitments are expected to expire without being fully drawn upon, the

total commitment amounts disclosed above do not necessarily represent future cash requirements. We evaluate each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if considered necessary by us, upon extension of credit, is based on management's credit evaluation of the customer.

Interest Rate Sensitivity and Market Risk

As a financial institution, our primary component of market risk is sensitivity to movement in interest rates. Our asset and liability management policy provides management with the guidelines for effective interest rate risk management, and we have established a measurement system for monitoring our net interest rate sensitivity position. We manage our sensitivity position within our established guidelines.

Fluctuations in interest rates will ultimately impact both the level of income and expense recorded on most of our assets and liabilities, and the market value of all interest-earning assets and interest-bearing liabilities. Interest rate risk is the potential of economic losses due to future interest rate changes. These economic losses can be reflected as a loss of future net interest income and/or a loss of current fair market value of equity. The objective interest rate risk management is to measure the effect on net interest income and fair value of equity and to position the balance sheet to minimize the risk of losses and maximize the amount of income without taking on unnecessary earning volatility.

We seek to manage our exposure to interest rates by structuring our balance sheet in the ordinary course of business; however, we may enter into derivative contracts to hedge interest rate risk if it is appropriate given our risk profile and policy guidelines. Based upon the nature of our operations, we are not subject to foreign exchange or commodity price risk. We do not own any trading assets.

Our exposure to interest rate risk is managed by the asset-liability committee ("ALCO") of b1BANK, in accordance with policies approved by our board of directors. In determining the appropriate level of interest rate risk, the committee considers the impact on earnings and capital of the current outlook on interest rates, potential changes in interest rates, regional economies, liquidity, business strategies and other factors. The committee meets regularly to review, among other things, the sensitivity of assets and liabilities to interest rate changes, the book and market values of assets and liabilities, unrealized gains and losses, purchase and sale activities, commitments to originate loans and the maturities of investments and borrowings. Additionally, the committee reviews liquidity, cash flow flexibility, maturities of deposits and consumer and commercial deposit activity. Management employs methodologies to manage interest rate risk which include an analysis of relationships between interest-earning assets and interest-bearing liabilities, and an interest rate shock simulation model.

We use interest rate risk simulation models and shock analysis to test the interest rate sensitivity of net interest income and fair value of equity, and the impact of changes in interest rates on other financial metrics. Contractual maturities and re-pricing opportunities of loans are incorporated in the model as prepayment assumptions, maturity data and optionality. Deposit assumptions such as repricing betas and non-maturity balance decay rates are also incorporated into the model. Model assumptions are revised and updated on a regular basis as directed by policy, and more frequently if conditions merit. The assumptions used are inherently uncertain and, as a result, the model cannot precisely measure future net interest income or precisely predict the impact of fluctuations in market interest rates on net interest income. Actual results will differ from the model's simulated results due to timing, magnitude, and frequency of interest rate changes, as well as changes in market conditions, customer behavior, and the application and timing of various management strategies.

On at least a quarterly basis, we run simulation models to calculate potential impacts to net interest income and the fair value of equity. Specific details of the simulations are reflected in policy as directed by ALCO.

The following table summarizes the simulated change in net interest income and fair value of equity over a 12-month horizon as of the dates indicated:

	As of June 30, 2026		As of December 31, 2025	
Change in Interest Rates (Basis Points)	Percent Change in Net Interest Income	Percent Change in Fair Value of Equity	Percent Change in Net Interest Income	Percent Change in Fair Value of Equity
+300	10.98%	2.55%	7.81%	(3.73%)
+200	7.46	2.04	5.31	(2.36)
+100	3.76	1.33	2.69	(1.03)
Base	—	—	—	—
-100	(3.71)	(1.04)	(2.62)	0.89
-200	(7.30)	(2.79)	(5.09)	1.23

The results of the simulations are primarily driven by the contractual characteristics of all balance sheet instruments and customer behavior.

Impact of Inflation

Our consolidated financial statements and related notes included elsewhere in this statement have been prepared in accordance with GAAP. These require the measurement of financial position and operating results in terms of historical dollars, without considering changes in the relative value of money over time due to inflation or recession.

Unlike many industrial companies, substantially all of our assets and liabilities are monetary in nature. As a result, interest rates have a more significant impact on our performance than the effects of general levels of inflation. Interest rates may not necessarily move in the same direction or in the same magnitude as the prices of goods and services. However, other operating expenses do reflect general levels of inflation.

Non-GAAP Financial Measures

Our accounting and reporting policies conform to GAAP, and the prevailing practices in the banking industry. However, we also evaluate our performance based on certain additional non-GAAP financial measures. We classify a financial measure as being a non-GAAP financial measure if that financial measure excludes or includes amounts, or is subject to adjustments that have the effect of excluding or including amounts, that are included or excluded, as the case may be, in the most directly comparable measure calculated and presented in accordance with GAAP as in effect from time to time in the United States in our statements of income, balance sheets or statements of cash flows. Non-GAAP financial measures do not include operating and other statistical measures or ratios, or statistical measures calculated using exclusively either financial measures calculated in accordance with GAAP, operating measures or other measures that are not non-GAAP financial measures or both.

This discussion and analysis section includes certain non-GAAP financial measures (e.g., referenced as “core” or “tangible”) intended to supplement, not substitute for, comparable GAAP measures. These measures typically adjust income available to common shareholders for certain significant activities or transactions that in management’s opinion can distort period-to-period comparisons of Business First’s performance. Transactions that are typically excluded from non-GAAP measures include realized and unrealized gains/losses on former bank premises and equipment, gains/losses on sales of securities, and acquisition-related expenses (including, but not limited to, legal costs, system conversion costs, severance and retention payments, etc.). The measures also typically adjust goodwill and certain intangible assets from book value and shareholders’ equity.

Management believes presentations of these non-GAAP financial measures provide useful supplemental information that is essential to a proper understanding of the operating results of the Company’s core business. These non-GAAP disclosures are not necessarily comparable to non-GAAP measures that may be presented by other companies. You should understand how such other banking organizations calculate their financial metrics or with names similar to the non-GAAP financial measures we have discussed in this statement when comparing such non-GAAP financial measures.

Core Net Income. Core net income available to common shareholders, which excludes certain income and expenses, for the three months ended June 30, 2026, was $23.3 million, or $0.71 per diluted common share, compared to core net income available to common shareholders of $19.5 million, or $0.66 per diluted common share, for the three months ended June 30, 2025. Notable noncore events impacting earnings for the three months ended June 30, 2026, included a gain on the redemption of debt of $545,000, offset by acquisition-related expenses of $1.2 million, compared to a $3.4 million gain on the sale of a branch, offset by $570,000 in acquisition-related expenses and core conversion expenses of $1.0 million for the same period in 2025.

Core net income available to common shareholders, which excludes certain income and expenses, for the six months ended June 30, 2026, was $47.4 million, or $1.45 per diluted common share, compared to core net income available to common shareholders of $38.8 million, or $1.31 per diluted common share, for the six months ended June 30, 2025. Notable noncore events impacting earnings for the six months ended June 30, 2026, included a gain on the redemption of debt of $545,000, offset by acquisition-related expenses of $3.4 million, compared to a $155,000 gain on sale of former bank premises, $3.4 million gain on the sale of a branch, $630,000 gain on the extinguishment of debt, offset by $1.2 million in acquisition-related expenses and core conversion expenses of $1.2 million for the same period in 2025.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
(Dollars in thousands, except per share data) (Unaudited)	**2026**	**2025**	**2026**	**2025**
Interest Income:				
Interest income	$ 125,650	$ 114,850	$ 248,144	$ 228,543
Core interest income	125,650	114,850	248,144	228,543
Interest Expense:				
Interest expense	47,806	47,808	95,105	95,518
Core interest expense	47,806	47,808	95,105	95,518
Provision for Credit Losses:				
Provision for credit losses	1,991	2,225	4,269	5,037
Core provision expense	1,991	2,225	4,269	5,037
Other Income:				
Other income	13,967	14,415	28,017	27,641
Gains on former bank premises and equipment	—	—	(28)	(155)
(Gains) losses on sale of securities	6	47	(74)	48
Gain on extinguishment/redemption of debt	(545)	—	(545)	(630)
Gain on branch sale	—	(3,360)	—	(3,360)
Core other income	13,428	11,102	27,370	23,544
Other Expense:				
Other expense	59,525	51,206	116,996	101,784
Acquisition-related expenses (2)	(1,169)	(570)	(3,396)	(1,249)
Core conversion expenses	—	(1,008)	—	(1,224)
Core other expense	58,356	49,628	113,600	99,311
Pre-Tax Income:				
Pre-tax income	30,295	28,026	59,791	53,845
Gains on former bank premises and equipment	—	—	(28)	(155)
(Gains) losses on sale of securities	6	47	(74)	48
Gain on extinguishment/redemption of debt	(545)	—	(545)	(630)
Gain on branch sale	—	(3,360)	—	(3,360)
Acquisition-related expenses (2)	1,169	570	3,396	1,249
Core conversion expenses	—	1,008	—	1,224
Core pre-tax income	30,925	26,291	62,540	52,221

(CONTINUED)

(Dollars in thousands, except per share data) (Unaudited)	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Provision for Income Taxes: (1)				
Provision for income taxes	6,120	5,923	12,052	11,199
Tax on gains on former bank premises and equipment	—	—	(6)	(33)
Tax on (gains) losses on sale of securities	1	10	(16)	10
Tax on gain on extinguishment/redemption of debt	(115)	—	(115)	(133)
Tax on gain on branch sale	—	(833)	—	(833)
Tax on acquisition-related expenses (2)	239	103	558	246
Tax on core conversion expenses	—	213	—	259
Core provision for income taxes	6,245	5,416	12,473	10,715
Preferred Dividends				
Preferred dividends	1,350	1,350	2,700	2,700
Core preferred dividends	1,350	1,350	2,700	2,700
Net Income Available to Common Shareholders:				
Net income available to common shareholders	22,825	20,753	45,039	39,946
Gains on former bank premises and equipment, net of tax	—	—	(22)	(122)
(Gains) losses on sale of securities, net of tax	5	37	(58)	38
Gain on extinguishment/redemption of debt, net of tax	(430)	—	(430)	(497)
Gain on branch sale, net of tax	—	(2,527)	—	(2,527)
Acquisition-related expenses (2), net of tax	930	467	2,838	1,003
Core conversion expenses, net of tax	—	795	—	965
Core net income available to common shareholders	$ 23,330	$ 19,525	$ 47,367	$ 38,806
Diluted Earnings Per Common Share:				
Diluted earnings per common share	$ 0.70	$ 0.70	$ 1.37	$ 1.35
Gains on former bank premises and equipment , net of tax	—	—	—	—
(Gains) losses on sale of securities, net of tax	—	—	—	—
Gain on extinguishment/redemption of debt, net of tax	(0.01)	—	(0.01)	(0.02)
Gain on branch sale, net of tax	—	(0.09)	—	(0.09)
Acquisition-related expenses (2), net of tax	0.02	0.02	0.09	0.04
Core conversion expenses, net of tax	—	0.03	—	0.03
Core diluted earnings per common share	$ 0.71	$ 0.66	$ 1.45	$ 1.31

(1) Tax rates, exclusive of certain nondeductible acquisition-related expenses and goodwill, utilized were 21.129% for both 2026 and 2025. These rates approximate the marginal tax rates for the applicable periods.

(2) Includes merger and conversion-related expenses and salary and employee benefits.

Tangible Book Value Per Common Share. Tangible book value per common share is a non-GAAP measure generally used by financial analysts and investment bankers to evaluate financial institutions. We calculate (1) tangible common equity as shareholders' equity less preferred stock, goodwill, and core deposit and customer intangible assets, net of accumulated amortization, and (2) tangible book value per common share as tangible common equity divided by shares of common stock outstanding. The most directly comparable GAAP financial measure for tangible book value per common share is book value per common share.

The following table reconciles, as of the dates set forth below, total shareholders' equity to tangible common equity and presents tangible book value per common share compared to book value per common share:

(Dollars in thousands, except per share data) (Unaudited)	As of June 30, 2026	As of December 31, 2025
Tangible Common Equity		
Total shareholders' equity	$ 1,008,577	$ 896,883
Preferred stock	(71,930)	(71,930)
Total common shareholders' equity	936,647	824,953
Adjustments:		
Goodwill	(135,222)	(121,146)
Core deposit and customer intangibles	(33,267)	(14,497)
Total tangible common equity	$ 768,158	$ 689,310
Common shares outstanding (1)	32,535,659	29,510,668
Book value per common share (1)	$ 28.79	$ 27.95
Tangible book value per common share (1)	23.61	23.36

(1) Excludes the dilutive effect, if any, of 193,229 and 149,240 shares of common stock issuable upon exercise of outstanding stock options and restricted stock awards as of June 30, 2026 and December 31, 2025, respectively.

Tangible Common Equity to Tangible Assets. Tangible common equity to tangible assets is a non-GAAP measure generally used by financial analysts and investment bankers to evaluate financial institutions. We calculate tangible common equity, as described above, and tangible assets as total assets less goodwill, core deposit and customer intangible assets, net of accumulated amortization. The most directly comparable GAAP financial measure for tangible common equity to tangible assets is total common shareholders' equity to total assets.

The following table reconciles, as of the dates set forth below, total shareholders' equity to tangible common equity and total assets to tangible assets:

(Dollars in thousands, except per share data) (Unaudited)	As of June 30, 2026	As of December 31, 2025
Tangible Common Equity		
Total shareholders' equity	$ 1,008,577	$ 896,883
Preferred stock	(71,930)	(71,930)
Total common shareholders' equity	936,647	824,953
Adjustments:		
Goodwill	(135,222)	(121,146)
Core deposit and customer intangibles	(33,267)	(14,497)
Total tangible common equity	$ 768,158	$ 689,310
Tangible Assets		
Total Assets	$ 8,903,506	$ 8,214,740
Adjustments:		
Goodwill	(135,222)	(121,146)
Core deposit and customer intangibles	(33,267)	(14,497)
Total tangible assets	$ 8,735,017	$ 8,079,097
Common Equity to Total Assets	10.5%	10.0%
Tangible Common Equity to Tangible Assets	8.8	8.5

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Risk identification and management are essential elements for the successful management of our business. In the normal course of business, we are subject to various types of risk, including interest rate, credit, and liquidity risk. We control and monitor these risks with policies, procedures, and various levels of managerial and board oversight. Our objective is to optimize profitability while managing and controlling risk within board approved policy limits. Interest rate risk is the sensitivity of net interest income and the market value of financial instruments to the magnitude, direction, and frequency of changes in interest rates. Interest rate risk results from various repricing frequencies and the maturity structure of assets and liabilities. We use our asset liability management policy to control and manage interest rate risk. See Item 2. "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Interest Rate Sensitivity and Market Risk*" for additional discussion of interest rate risk.

Liquidity risk represents the inability to generate cash or otherwise obtain funds at reasonable rates to satisfy commitments to borrowers, as well as, the obligations to depositors. We use our asset liability management policy and contingency funding plan to control and manage liquidity risk.

Credit risk represents the possibility that a customer may not perform in accordance with contractual terms. Credit risk results from extending credit to customers, purchasing securities, and entering into certain off-balance sheet loan funding commitments. Our primary credit risk is directly related to our loan portfolio. We use our credit policy and disciplined approach to evaluate the adequacy of our allowance for credit losses to control and manage credit risk. Our investment policy limits the degree of the amount of credit risk that we may assume in our investment portfolio. Our principal financial market risks are liquidity risks and exposures to interest rate movements.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our principal executive officer and principal financial officer, we have evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a – 15(e) and 15d – 15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this Report. Based on such evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Report to provide reasonable assurance that the information we are required to disclose in reports that are filed or furnished under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, including to ensure that such information is accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. The effectiveness of our, or any, system of disclosure controls and procedures is subject to certain limitations, including the exercise of judgment in designing, implementing and evaluating the controls and procedures, the assumptions used in identifying the likelihood of future events, and the inability to eliminate misconduct completely. As a result, we cannot assure you that our disclosure controls and procedures will detect all errors or fraud.

Changes in Internal Controls over Financial Reporting

There were no changes in our internal control over financial reporting during the period covered by this Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are a party to claims and legal proceedings arising in the ordinary course of business. Management evaluates our exposure to these claims and proceedings individually, and in the aggregate, and provides for potential losses on such litigation if the amount of the loss is estimable and the loss is probable. We are not currently involved in any pending legal proceedings other than routine, nonmaterial proceedings occurring in the ordinary course of business.

Item 1A. Risk Factors

In addition to the other information set forth in this Report, we refer you to Item 1A. “Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC. There have been no material changes in the risk factors disclosed in our Annual Report on Form 10-K for December 31, 2025.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) Not applicable.

(b) Not applicable.

(c) On October 28, 2025, our board of directors approved a stock repurchase program which authorized Business First to repurchase shares of its common stock with an aggregate purchase price of up to $30.0 million from time to time, subject to certain limitations and conditions. The stock repurchase program became effective immediately and will continue until October 28, 2027. The stock repurchase program does not obligate Business First to repurchase any shares of its common stock.

Business First repurchased 176,849 shares for $4.8 million under the 2025 stock repurchase program between April 1, 2026 and June 30, 2026.

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plan (in thousands)
April 1 through April 30, 2026	10,000	$ 27.43	10,000	$ 23,245
May 1 through May 31, 2026	137,238	27.06	137,238	19,531
June 1 through June 30, 2026	29,611	27.86	29,611	18,706
Total	176,849	$ 27.22	176,849	$ 18,706

Item 3. Defaults upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

(a) Not applicable.

(b) Not applicable.

(c) During the three months ended June 30, 2026, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

Number	Description
2.1	Agreement and Plan of Reorganization, dated July 7, 2025, by and between Business First Bancshares, Inc., and Progressive Bancorp, Inc. (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed by Business First Bancshares, Inc. on July 7, 2025).
3.1	Restated Articles of Incorporation of Business First Bancshares, Inc., adopted October 27, 2022 (incorporated by reference to Exhibit 3.1 of the Quarterly Report on Form 10-Q for the quarter ended September 30, 2022, filed by Business First Bancshares, Inc. on November 3, 2022).
3.2	Amended and Restated Bylaws of Business First Bancshares, Inc., adopted April 23, 2020 (incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K filed by Business First Bancshares, Inc. on April 28, 2020).
4.1	Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-4 filed by Business First Bancshares, Inc. on November 12, 2014).
4.2	Form of Series A Preferred Stock (incorporated by reference to Exhibit A to Exhibit 10.1 to the Current Report on Form 8-K filed by Business First Bancshares, Inc. on September 1, 2022).
10.1	Form of Subordinated Note Purchase Agreement dated April 2, 2026 by and among Business First Bancshares, Inc. and the Purchasers named therein (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Business First Bancshares, Inc. on April 2, 2026).
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Certifications of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
101.INS	Inline XBRL Instance Document*
101.SCH	Inline XBRL Taxonomy Extension Schema Document*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** This exhibit is furnished herewith and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant hereby duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

BUSINESS FIRST BANCSHARES, INC.

July 31, 2026 /s/ David R. Melville, III

David R. Melville, III
Chairman, President and Chief Executive Officer

July 31, 2026 /s/ Gregory Robertson

Gregory Robertson
Chief Financial Officer

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, David R. Melville, III, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q (this "Report") of Business First Bancshares, Inc.;

2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;

    b) designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and

    d) disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or person performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2026

/s/ David R. Melville, III

David R. Melville, III

Chairman, President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Gregory Robertson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q (this "Report") of Business First Bancshares, Inc.;

2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;

    b) designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and

    d) disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or person performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2026

/s/ Gregory Robertson

Gregory Robertson

Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO RULE 13A-14(B) 18 U.S.C. SECTION 1350,

As adopted pursuant to

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Business First Bancshares, Inc. ("Business First") for the three month period ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, David R. Melville, III, as Chairman, President and Chief Executive Officer of Business First, and Gregory Robertson, as Chief Financial Officer of Business First, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of our knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Business First, as of, and for the period covered by the Report.

Date: July 31, 2026

/s/ David R. Melville, III

David R. Melville, III
Chairman, President and Chief Executive Officer

/s/ Gregory Robertson

Gregory Robertson
Chief Financial Officer