

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2023 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023	
A	This return/report is for: ☐ a multiemployer plan ☒ a single-employer plan ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) ☐ a DFE (specify) _____
B	This return/report is: ☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶ ☐

Part II	Basic Plan Information—enter all requested information
1a	Name of plan STATE BANKSHARES 401(K) PROFIT SHARING PLAN
1b	Three-digit plan number (PN) ▶ 002
1c	Effective date of plan 12/20/1983
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) STATE BANKSHARES, INC. 3100 13TH AVENUE SOUTHWEST FARGO, ND 58103
2b	Employer Identification Number (EIN) 45-0412162
2c	Plan Sponsor's telephone number 701-298-1500
2d	Business code (see instructions) 522110

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2024	BLAKE NELSON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 2227
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6a(1) 1942 6a(2) 1890 6b 41 6c 305 6d 2236 6e 1 6f 2237 6g(1) 1949 6g(2) 1994 6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2E 2F 2G 2J 2T 3D 3F 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
- (4) ☐ **DCG** (Individual Plan Information) – Number Attached _____
- (5) ☐ **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information) – Number Attached 0
- (4) ☒ **C** (Service Provider Information)
- (5) ☒ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2023 Form M-1 annual report. If the plan was not required to file the 2023 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2023
		This Form is Open to Public Inspection.

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan STATE BANKSHARES 401(K) PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 STATE BANKSHARES, INC.	D Employer Identification Number (EIN) 45-0412162	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. ☒ Yes ☐ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
AMERICAN FUNDS	333 SOUTH HOPE STREET LOS ANGELES, CA 90071-1406

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
BARON CAPITAL GROUP	P.O. BOX 219946 KANSAS CITY, MO 64121-9946

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
COLUMBIA MANAGEMENT	P.O. BOX 8081 BOSTON, MA 02266-8081

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
DODGE & COX FUNDS	C/O BOSTON FINANCIAL DATA SERVICES P.O. BOX 8422 BOSTON, MA 02266-8422

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

FEDERATED

4000 ERICSSON DRIVE
P.O. BOX 8422
WARRENDALE, PA 15086-7561

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

DRIEHAUS FUNDS

25 E. ERIE ST
CHICAGO, IL 60611

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

JOHN HANCOCK SIGNATURE SERVICES,INC

P.O. BOX 55913
BOSTON, MA 02205-5913

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

NORTHERN FUNDS

P.O. BOX 75986
CHICAGO, IL 60675-5986

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

SEI

1 FREEDOM VALLEY DRIVE
OAKS, PA 19456

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

THE VANGUARD GROUP

INVESTOR INFORMATION DEPARTMENT
P.O. BOX 2600
VALLEY FORGE, PA 19482-2600

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

IVY INVESTMENTS

P.O. BOX 29217
SHAWNEE MISSION, KS 66201-9217

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

OPPENHEIMERFUNDS

PO BOX 5270
DENVER, CO 80217-5270

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

BELL BANK

45-0283315

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 28 37	NONE	29095	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

CHARLES SCHWAB & CO., INC.

94-1737782

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
33 71	NONE	0	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2023 This Form is Open to Public Inspection.
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For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

A Name of plan <u>STATE BANKSHARES 401(K) PROFIT SHARING PLAN</u>	B Three-digit plan number (PN) ▶	<u>002</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>STATE BANKSHARES, INC.</u>	D Employer Identification Number (EIN) <u>45-0412162</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)
(Complete as many entries as needed to report all interests in DFEs)	

a Name of MTIA, CCT, PSA, or 103-12 IE: BELL TARGET RETIREMENT 2050 FUND

b Name of sponsor of entity listed in (a): BELL BANK

c EIN-PN <u>61-6468478-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>11080449</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: BELL MODERATE INCOME

b Name of sponsor of entity listed in (a): BELL BANK

c EIN-PN <u>20-1146969-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>4211078</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: BELL EQUITY INCOME - R FUND

b Name of sponsor of entity listed in (a): BELL BANK

c EIN-PN <u>45-6348038-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>2898160</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: BELL TARGET RETIREMENT 2030 FUND

b Name of sponsor of entity listed in (a): BELL BANK

c EIN-PN <u>38-3903642-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>22656523</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: BELL TARGET TODAY FUND

b Name of sponsor of entity listed in (a): BELL BANK

c EIN-PN <u>37-6541283-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>9340724</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: BELL TARGET RETIREMENT 2055 FUND

b Name of sponsor of entity listed in (a): BELL BANK

c EIN-PN <u>37-6541235-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>7045032</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: BELL TARGET RETIREMENT 2060 FUND

b Name of sponsor of entity listed in (a): BELL BANK

c EIN-PN <u>36-7662154-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>2568950</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: BELL AGGRESSIVE GROWTH FUND		
b Name of sponsor of entity listed in (a): BELL BANK		
c EIN-PN 35-2315675-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 9923175
a Name of MTIA, CCT, PSA, or 103-12 IE: BELL INCOME FUND		
b Name of sponsor of entity listed in (a): BELL BANK		
c EIN-PN 35-2315676-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2140858
a Name of MTIA, CCT, PSA, or 103-12 IE: BELL TARGET RETIREMENT 2040 FUND		
b Name of sponsor of entity listed in (a): BELL BANK		
c EIN-PN 35-7019612-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 16962127
a Name of MTIA, CCT, PSA, or 103-12 IE: BELL TARGET RETIREMENT 2025 FUND		
b Name of sponsor of entity listed in (a): BELL BANK		
c EIN-PN 30-6351858-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 17518393
a Name of MTIA, CCT, PSA, or 103-12 IE: BELL TARGET RETIREMENT 2035 FUND		
b Name of sponsor of entity listed in (a): BELL BANK		
c EIN-PN 30-6351854-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 19956808
a Name of MTIA, CCT, PSA, or 103-12 IE: BELL TARGET RETIREMENT 2045 FUND		
b Name of sponsor of entity listed in (a): BELL BANK		
c EIN-PN 30-6351855-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 15527862
a Name of MTIA, CCT, PSA, or 103-12 IE: FEDERATED CAPITAL PRESERVATION FUND		
b Name of sponsor of entity listed in (a): FEDERATED INVESTORS TRUST COMPANY		
c EIN-PN 22-2712853-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 14742382
a Name of MTIA, CCT, PSA, or 103-12 IE: BELL MODERATE GROWTH		
b Name of sponsor of entity listed in (a): BELL BANK		
c EIN-PN 20-1146868-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 17023521
a Name of MTIA, CCT, PSA, or 103-12 IE: BELL BALANCED FUND		
b Name of sponsor of entity listed in (a): BELL BANK		
c EIN-PN 20-1146941-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 8398996
a Name of MTIA, CCT, PSA, or 103-12 IE: BELL TARGET RETIREMENT 2065 FUND		
b Name of sponsor of entity listed in (a): BELL BANK		
c EIN-PN 84-6989280-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 402911

Part II Information on Participating Plans (to be completed by DFEs, other than DCGs)

(Complete as many entries as needed to report all participating plans. DCGs must report each participating plan using Schedule DCG.)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2023
		This Form is Open to Public Inspection

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan STATE BANKSHARES 401(K) PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 STATE BANKSHARES, INC.		
D Employer Identification Number (EIN) 45-0412162		

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
	Assets	(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	1652685	1686666
(9) Value of interest in common/collective trusts	1c(9)	149470549	182397950
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	73059870	91276442
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	224183104	275361058
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	224183104	275361058

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	4984033	
(B) Participants	2a(1)(B)	14201290	
(C) Others (including rollovers)	2a(1)(C)	7066155	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		26251478
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	103876	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		103876
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	2448492	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		2448492
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		26835525
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		14422845
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		70062216

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	18847963	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		18847963
f Corrective distributions (see instructions)	2f		7850
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees.....	2i(2)	1550	
(3) Recordkeeping fees.....	2i(3)	27545	
(4) IQPA audit fees.....	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)		
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		29095
j Total expenses. Add all expense amounts in column (b) and enter total	2j		18884908

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		51177308
l Transfers of assets:			
(1) To this plan	2l(1)		646
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **WIDMER ROEL PC**

(2) EIN: **45-0334950**

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) ☐ This form is filed for a CCT, PSA, DCG or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		☒	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		☒	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		☒	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		☒	
e Was this plan covered by a fidelity bond?	☒		15000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		☒	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	☒		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		☒	
l Has the plan failed to provide any benefit when due under the plan?		☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		☒	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2023 This Form is Open to Public Inspection.
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan STATE BANKSHARES 401(K) PROFIT SHARING PLAN		B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 STATE BANKSHARES, INC.		D Employer Identification Number (EIN) 45-0412162
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 26-0010549		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year		3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2023 v. 230707		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for: a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment) b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14a 14b 14c	
15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to: a The corresponding number for the plan year immediately preceding the current plan year b The corresponding number for the second preceding plan year	15a 15b	
16 Information with respect to any employers who withdrew from the plan during the preceding plan year: a Enter the number of employers who withdrew during the preceding plan year b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16a 16b	
17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐		

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐	
19 If the total number of participants is 1,000 or more, complete lines (a) and (b): a Enter the percentage of plan assets held as: Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____% High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____% b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets: ☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☐ 15 years or more	
20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20. a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box: ☐ Yes. ☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date. ☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date. ☐ No. Other. Provide explanation: _____	

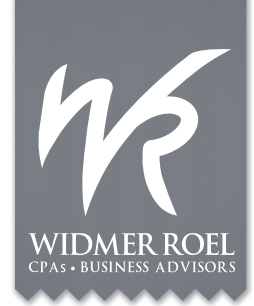
Part VII	IRS Compliance Questions
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21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☒ Yes ☐ No 21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2). ☒ Design-based safe harbor method ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A	
22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter <u>06 / 30 / 2020</u> (MM/DD/YYYY) and the Opinion Letter serial number <u>Q702826A</u> .	

STATE BANKSHARES 401(K) PROFIT SHARING PLAN

**FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

WITH INDEPENDENT AUDITOR'S REPORT



4220 31st Avenue S.
Fargo, ND 58104-8725

Phone: 701.237.6022
Toll Free: 888.237.6022
Fax: 701.280.1495

INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator and Board of Directors
State Bankshares 401(k) Profit Sharing Plan
Fargo, North Dakota

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of **State Bankshares 401(k) Profit Sharing Plan**, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C). The financial statements comprise the statements of net assets available for benefits as of December 31, 2023 and 2022, and the related statement of changes in net assets available for benefits for the year ended December 31, 2023, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of **State Bankshares 401(k) Profit Sharing Plan's** financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2023 and 2022, and for the year ended December 31, 2023, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

- the information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **State Bankshares 401(k) Profit Sharing Plan** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **State Bankshares 401(k) Profit Sharing Plan's** ability to continue as a going concern for one year after the date that the financial statements are issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **State Bankshares 401(k) Profit Sharing Plan's** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **State Bankshares 401(k) Profit Sharing Plan's** ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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

Other Matter – Supplemental Schedule Required by ERISA

The supplemental schedule of Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of and for the year ended December 31, 2023 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

A handwritten signature in black ink, appearing to read "William Rowe". The signature is fluid and cursive, with a large initial "W" and a stylized "R".

Fargo, North Dakota
October 2, 2024

STATE BANKSHARES 401(K) PROFIT SHARING PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Investments at fair value	\$ 273,674,393	\$ 222,530,420
Receivables		
Employer contribution	4,962,716	4,984,034
Notes receivable from participants	<u>1,686,666</u>	<u>1,652,684</u>
Total receivables	<u>6,649,382</u>	<u>6,636,718</u>
Total assets	<u>280,323,775</u>	<u>229,167,138</u>
LIABILITIES	<u>-</u>	<u>-</u>
Net assets available for benefits	\$ <u><u>280,323,775</u></u>	\$ <u><u>229,167,138</u></u>

STATE BANKSHARES 401(K) PROFIT SHARING PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2023

ADDITIONS

Investment income	
Net appreciation in fair value of investments	\$ 40,763,657
Dividends	<u>2,943,207</u>
Total investment income	<u>43,706,864</u>
Interest on notes receivable from participants	<u>103,876</u>
Contributions	
Employer	4,966,599
Participants	14,201,290
Rollovers	<u>7,066,155</u>
Total contributions	<u>26,234,044</u>
Total additions	<u>70,044,784</u>

DEDUCTIONS

Benefits paid to participants	18,855,813
Administration expenses	<u>32,334</u>
Total deductions	<u>18,888,147</u>
Net increase	51,156,637

NET ASSETS AVAILABLE FOR BENEFITS

Beginning of year	<u>229,167,138</u>
End of year	<u>\$ 280,323,775</u>

STATE BANKSHARES 401(K) PROFIT SHARING PLAN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

NOTE 1 – DESCRIPTION OF THE PLAN

The following description of the State Bankshares 401(k) Profit Sharing Plan (“the Plan”) provides only general information. Participants should refer to the Plan Document and the Adoption Agreement for a more complete description of the Plan’s provisions.

General

State Bankshares, Inc. (“the Company”) is the plan sponsor. The Plan is a defined contribution plan covering all employees (who are age twenty-one or older) of its subsidiary, Bell Bank, and Bell Bank’s subsidiary, Bell Insurance Services, LLC. Upon completing one year of service, employees become eligible for Safe Harbor and employer discretionary contributions. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Each year, participants may contribute up to 75% of pre-tax annual compensation, less mandatory withholdings and subject to the Internal Revenue Service annual deferred maximum under Section 402(g). Participant contributions may be made on a pre-tax or after tax (Roth) basis. Participants may also contribute amounts representing eligible distributions from other qualified defined benefit or contribution plans. Participants direct the investment of contributions into various investment options offered by the Plan.

Safe Harbor non-elective contributions are made for eligible employees at a rate of 3.00% of an employee's eligible compensation.

Additional amounts may be contributed to eligible Company divisions at the discretion of the Company’s Board of Directors as defined by the Plan. Contributions are subject to certain IRS limitations.

Participant Accounts

Each participant’s account is credited with the participant’s contribution and allocations of (a) the Company’s contribution, (b) Plan earnings and (c) forfeitures of terminated participants’ non-vested accounts. Allocations are based on participant earnings or account balances, as defined. The benefit, to which a participant is entitled, is the benefit that can be provided from the participant’s vested account.

Vesting

Participants are immediately vested in their contributions plus actual earnings. Vesting in the Company's discretionary contribution portion of their accounts (other than Safe Harbor contributions) plus actual earnings is based on years of continuous service. Participants vest 20.0% per year of service and are 100% vested after six years of credited service. Safe Harbor contributions are fully vested when made, but subject to restrictions on early withdrawal.

Investment Options

Upon enrollment in the Plan, a participant may direct contributions in any of the offered investment options. Participants may change their investment options daily.

STATE BANKSHARES 401(K) PROFIT SHARING PLAN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Plan Entry Dates

For elective deferrals employees may enter the Plan immediately or the date the minimum age requirement is met. Entry dates for employer contributions are the first day of the quarter, coincident or following the date a participant satisfies the Plan's eligibility requirements.

Notes Receivable from Participants

Participants may borrow from their funds up to a maximum not to exceed the lesser of (a) \$50,000 reduced by the excess, if any, of the highest outstanding balance of loans during the one-year period ending on the day before the loan is made, over the outstanding balance of loans from the Plan on the date the loan is made or (b) one-half of the fair market value of a participant's vested account balance built up from employer contributions, voluntary contributions, and rollover contributions. The term of such loan shall not exceed five years.

Any loan shall bear interest at the prime lending rate as of the first business day of the month requested plus one percentage point for all loan requests. Interest rates range from 4.25% to 9.5%. The loan agreement shall also provide that the payment of principal and interest be amortized in level payments not less than quarterly. The loans are secured by up to 50% of participant's interest in their funds.

Payment of Benefits

In the event a participant terminates employment due to separation of service, retirement, disability, or death, a participant may elect to receive either lump-sum amount equal to the value of the participant's vested interest in his or her account or periodic installments over the participant's life expectancy. For termination of service due to other reasons, a participant may receive a distribution of all or part of the value of the vested interest in his or her account. For participants whose age exceeds 73 years, the Internal Revenue Service required minimum distribution rules may apply.

If, upon termination of employment due to separation of service, retirement, or disability, if the account balance is less than \$5,000, the participant may elect to receive either a lump-sum distribution of the entire account balance or rollover the account into an IRA or to another qualified account or receive installment payments. If no election is made and the balance is less than \$5,000 but greater than \$1,000, the funds will be rolled over into an IRA in the participant's name with a provider selected by the Plan administrator. If no election is made upon termination of service and the participant's account balance is less than \$1,000, the account balance will be distributed to the participant.

Participants may take hardship withdrawals to satisfy an immediate and heavy financial need and subject to certain limitations as defined in the Plan.

Forfeited Accounts

A forfeiture occurs when a participant terminates employment and all or part of the participant's employer discretionary profit sharing contributions are not vested. The non-vested portion is forfeited immediately if the participant either has no vested interest upon termination of employment or receives a distribution of the entire vested interest. At December 31, 2023 and 2022, forfeited non-vested accounts of terminated employees totaled \$3,135 and \$1,483, respectively. Forfeitures may be used to reduce any employer contributions or to pay any administrative expenses. The employer contributions were reduced by \$6,491 in 2023, from forfeited non-vested accounts.

STATE BANKSHARES 401(K) PROFIT SHARING PLAN

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared using the accrual method of accounting.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis. Net appreciation includes the plan's gains and losses on investments bought and sold as well as those held during the year.

The classification of investment earnings reported in the statements of changes in net assets available for benefits may differ from the classification of earnings on Form 5500 due to different reporting requirements on Form 5500.

Measurement of Notes Receivable – from Participants

Participant loans are measured at the loan's unpaid principal balance plus any accrued interest. Interest income is recorded on the accrual basis. The Plan Administrator believes that all participant loans are fully collectible, therefore, no provision for loan losses has been made.

Payment of Benefits

Benefits are recorded when paid.

Administrative Fees

Administration expenses chargeable to Plan assets include individual transaction fees for loan origination, distributions, and other reasonable expenses related to plan administration. These costs are deducted from the individual participant's account. The costs of administering the Plan and audit fees were paid by the Plan Sponsor for 2023.

Subsequent Events

The Plan's management has evaluated subsequent events through the date of the auditor's report, which is the date which the financial statements were available to be issued. Management believes that there have been no significant subsequent events where disclosures are required.

STATE BANKSHARES 401(K) PROFIT SHARING PLAN

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

NOTE 3 – INFORMATION CERTIFIED BY THE PLAN TRUSTEE

The Plan Administrator has elected the method of compliance permitted by the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Accordingly, as permitted under such election, no independent auditing procedures were performed with respect to the information certified as complete and accurate by Bell Bank. The Plan trustee has certified its statement of accounts as of December 31, 2023 and 2022 and for the year ended December 31, 2023. The statement of accounts includes beginning and ending balances of investments held, notes receivable from participants, and detail of all transactions during the period, including investment earnings and interest income on notes receivable from participants.

NOTE 4 – FAIR VALUE MEASUREMENTS

The three levels of the fair value hierarchy in accordance with ASC 820 *Fair Value Measurements* are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active or inactive markets and inputs other than quoted prices that are observable for the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value:

Common/collective trust funds - Valued at the net asset value (“NAV”) of units of a bank common trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchased and sales) may occur daily.

Mutual funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV of shares held by the plan at year-end. The mutual funds held by the Plan are deemed to be actively traded.

Personal Choice - Consist of mutual funds, money market funds, exchange-traded funds, real estate investment trusts, and common stocks (equities). Personal choice held by the Plan are funds directed by the account owner.

STATE BANKSHARES 401(K) PROFIT SHARING PLAN

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31:

2023				
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 88,426,046	\$ 88,426,046	\$ -	\$ -
Personal choice	<u>2,850,397</u>	<u>2,850,397</u>	<u>-</u>	<u>-</u>
Total assets in the fair value hierarchy	91,276,443	91,276,443	-	-
Investments measured at net asset value	<u>182,397,950</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ <u>273,674,393</u>	\$ <u>91,276,443</u>	\$ <u>-</u>	\$ <u>-</u>
2022				
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 70,840,071	\$ 70,840,071	\$ -	\$ -
Personal choice	<u>2,219,800</u>	<u>2,219,800</u>	<u>-</u>	<u>-</u>
Total assets in the fair value hierarchy	73,059,871	73,059,871	-	-
Investments measured at net asset value	<u>149,470,549</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ <u>222,530,420</u>	\$ <u>73,059,871</u>	\$ <u>-</u>	\$ <u>-</u>

Fair Value of Investments in Entities that Use NAV

The following table summarizes investments measured at fair value based on NAV per share as of December 31:

<u>Investment Type</u>	<u>Fair Value</u>		<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
	<u>2023</u>	<u>2022</u>			
Collective trust fund					
Federated Capital					
Preservation Fund	\$ 14,742,382	\$ 14,777,880	n/a	See below	See below
Common trust funds					
Bell Income Fund	2,140,858	1,808,254	n/a	Daily	Daily
Bell Balanced Fund	8,398,996	7,240,322	n/a	Daily	Daily
Bell Moderate Income	4,211,078	3,960,099	n/a	Daily	Daily
Bell Moderate Growth Fund	17,023,521	14,891,437	n/a	Daily	Daily
Bell Aggressive Growth Fund	9,923,175	7,892,219	n/a	Daily	Daily
Bell Equity Income R	2,898,160	3,349,430	n/a	Daily	Daily
Bell Target Today	9,340,724	10,532,350	n/a	Daily	Daily
Bell Target Retirement 2025	17,518,393	16,505,059	n/a	Daily	Daily
Bell Target Retirement 2030	22,656,524	16,163,707	n/a	Daily	Daily
Bell Target Retirement 2035	19,956,808	15,016,302	n/a	Daily	Daily
Bell Target Retirement 2040	16,962,127	11,876,991	n/a	Daily	Daily
Bell Target Retirement 2045	15,527,862	10,679,503	n/a	Daily	Daily

(Continued)

STATE BANKSHARES 401(K) PROFIT SHARING PLAN

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

<u>Investment Type</u>	<u>Fair Value</u>		<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
	<u>2023</u>	<u>2022</u>			
Bell Target Retirement 2050	11,080,449	7,936,960	n/a	Daily	Daily
Bell Target Retirement 2055	7,045,032	5,061,757	n/a	Daily	Daily
Bell Target Retirement 2060	2,568,950	1,609,359	n/a	Daily	Daily
Bell Target Retirement 2065	<u>402,911</u>	<u>168,920</u>	n/a	Daily	Daily
	\$ <u>182,397,950</u>	\$ <u>149,470,549</u>			

The Federated Capital Preservation Fund seeks stability of principal and high current income. The fund invests in a variety of Guaranteed Investment Contracts (GIC), including traditional GICs, separate account GICs, and synthetic GICs. Participants may redeem units of the fund daily for purpose of funding a bona fide benefit payment, making a participant loan, honoring an employee-directed transfer of the employee's interest in the Plan to another investment election that is a non-competing investment, or paying Trustee fees. Participants may make withdrawals from the fund for other purposes generally only upon 12 months' advance written notice to the Trustee.

NOTE 5 – PARTIES-IN-INTEREST TRANSACTIONS

The Plan Sponsor provides certain accounting and administrative services to the Plan, for which no fees are charged to the Plan.

Certain Plan investments are in shares of common trust funds managed by Bell Bank, the trustee, as defined by the Plan, and, therefore, these transactions qualify as party-in-interest transactions. Bell Bank assesses an activity-based fee for loans and certain types of distributions; these fees are deducted from the individual participant account balances.

NOTE 6 – PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of the termination of the Plan, participants will become 100% vested in their accounts and are entitled to a distribution of those benefits.

NOTE 7 – TAX STATUS

On March 31, 2014, the Internal Revenue Service stated that the prototype adopted by the Plan, as then designed, qualifies under Section 401(a) of the IRC. The Plan has not received a determination letter specific to the Plan itself. The Plan has been amended and restated since adopting the prototype. However, the Plan administrator believes that the Plan was designed and is being operated in compliance with the applicable requirements of the IRC.

Plan management is required to evaluate tax positions taken by the Plan and determine if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2023, there are no uncertain positions.

STATE BANKSHARES 401(K) PROFIT SHARING PLAN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

NOTE 8 – RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participant account balances, and the amounts reported in the statements of net assets available for benefits.

NOTE 9 – RECONCILIATION OF THE FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of amounts shown in the financial statements at December 31 to the Form 5500:

	<u>2023</u>	<u>2022</u>
Net assets available for benefits per financial statements end of year	\$ 280,323,775	\$ 229,167,138
Employer contribution receivable	<u>(4,962,716)</u>	<u>(4,984,034)</u>
Net assets available for benefits per Form 5500	\$ <u><u>275,361,059</u></u>	\$ <u><u>224,183,104</u></u>

STATE BANKSHARES 401(K) PROFIT SHARING PLAN

**SUPPLEMENTAL SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2023**

STATE BANKSHARES 401(K) PROFIT SHARING PLAN

EIN – 45-0412162

PLAN NUMBER – 002

**SCHEDULE H LINE 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2023**

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current Value
*	Bell Aggressive Growth Fund	Common trust fund, dividends and interest reinvested	\$ N/A	\$ 9,923,175
*	Bell Balanced Fund	Common trust fund, dividends and interest reinvested	\$ N/A	\$ 8,398,996
*	Bell Equity Income R	Common trust fund, dividends and interest reinvested	\$ N/A	\$ 2,898,160
*	Bell Income Fund	Common trust fund, dividends and interest reinvested	\$ N/A	\$ 2,140,858
*	Bell Moderate Growth Fund	Common trust fund, dividends and interest reinvested	\$ N/A	\$ 17,023,521
*	Bell Moderate Income	Common trust fund, dividends and interest reinvested	\$ N/A	\$ 4,211,078
*	Bell Target Retirement 2025	Common trust fund, dividends and interest reinvested	\$ N/A	\$ 17,518,393
*	Bell Target Retirement 2030	Common trust fund, dividends and interest reinvested	\$ N/A	\$ 22,656,524
*	Bell Target Retirement 2035	Common trust fund, dividends and interest reinvested	\$ N/A	\$ 19,956,808
*	Bell Target Retirement 2040	Common trust fund, dividends and interest reinvested	\$ N/A	\$ 16,962,127
*	Bell Target Retirement 2045	Common trust fund, dividends and interest reinvested	\$ N/A	\$ 15,527,862
*	Bell Target Retirement 2050	Common trust fund, dividends and interest reinvested	\$ N/A	\$ 11,080,449
*	Bell Target Retirement 2055	Common trust fund, dividends and interest reinvested	\$ N/A	\$ 7,045,032
*	Bell Target Retirement 2060	Common trust fund, dividends and interest reinvested	\$ N/A	\$ 2,568,950
*	Bell Target Retirement 2065	Common trust fund, dividends and interest reinvested	\$ N/A	\$ 402,911
*	Bell Target Today	Common trust fund, dividends and interest reinvested	\$ N/A	\$ 9,340,724

(Continued)

STATE BANKSHARES 401(K) PROFIT SHARING PLAN

EIN – 45-0412162

PLAN NUMBER – 002

SCHEDULE H LINE 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR) DECEMBER 31, 2023

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
	American EuroPacific Growth	Mutual Fund, dividends and interest reinvested	\$ N/A	\$ 3,436,688
	American New Perspective Fund R6	Mutual Fund, dividends and interest reinvested	\$ N/A	\$ 3,048,600
	Baron Growth	Mutual Fund, dividends and interest reinvested	\$ N/A	\$ 3,119,800
	Dodge & Cox Income X	Mutual Fund, dividends and interest reinvested	\$ N/A	\$ 4,160,526
	DrieHaus Emerging Markets Growth Instl	Mutual Fund, dividends and interest reinvested	\$ N/A	\$ 1,087,852
	Eaton Vance Income Fund	Mutual Fund, dividends and interest reinvested	\$ N/A	\$ 1,015,840
	Federated Capital Preservation Fund	Collective trust fund, interest and dividends reinvested	\$ N/A	\$ 14,742,382
	Hartford Small Cap Fund	Mutual Fund, dividends and interest reinvested	\$ N/A	\$ 1,856,045
	JP Morgan Mid-Cap Growth R6	Mutual Fund, dividends and interest reinvested	\$ N/A	\$ 3,612,649
	John Hancock Funds Disc Value	Mutual Fund, dividends and interest reinvested	\$ N/A	\$ 3,354,166
	T. Rowe Price Instl Lrge Cap Core Grwth	Mutual Fund, dividends and interest reinvested	\$ N/A	\$ 9,419,148
	Personal Choice Retirement Acc	Mutual Funds, money market funds, ETFs, real estate investment trusts, common stocks, dividends and interest reinvested	\$ N/A	\$ 2,850,397
	Principal Small cap Growth	Mutual Fund, dividends and interest reinvested	\$ N/A	\$ 1,723,091
	Lord Abbett High Yield	Mutual Fund, dividends and interest reinvested	\$ N/A	\$ -
	Vanguard Total Intl Bond	Mutual Fund, dividends and interest reinvested	\$ N/A	\$ 288,020
	Vanguard 500 Index Admiral	Mutual Fund, dividends and interest reinvested	\$ N/A	\$ 19,069,064
	Vanguard Emerging Markets Stock Index	Mutual Fund, dividends and interest reinvested	\$ N/A	\$ 554,025
	Vanguard Equity Income	Mutual Fund, dividends and interest reinvested	\$ N/A	\$ 9,915,617
	Vanguard Information Technology Ind	Mutual Fund, dividends and interest reinvested	\$ N/A	\$ 8,862,759
	Vanguard Large Cap Index Fund ADM	Mutual Fund, dividends and interest reinvested	\$ N/A	\$ 2,215,395
	Vanguard Mid-Cap Index Fund ADM	Mutual Fund, dividends and interest reinvested	\$ N/A	\$ 2,017,582
	Vanguard Real Estate Index- ADM	Mutual Fund, dividends and interest reinvested	\$ N/A	\$ 737,127
	Vanguard Small-Cap Index	Mutual Fund, dividends and interest reinvested	\$ N/A	\$ 2,549,195
	Vanguard Total Bond Market Index ADM	Mutual Fund, dividends and interest reinvested	\$ N/A	\$ 1,214,940
	Vanguard Total Intl Stock Index ADM	Mutual Fund, dividends and interest reinvested	\$ N/A	\$ 956,462
	Vanguard Total Stock Mkt Idx ADM	Mutual Fund, dividends and interest reinvested	\$ N/A	\$ 3,724,726
	Vanguard Mid-Cap Growth Index-ADM	Mutual Fund, dividends and interest reinvested	\$ N/A	\$ 486,730
*	Participant Loans	Loan Fund, interest 4.25%-9.5%, various maturities, accrued by vested account balance	\$ -	\$ 1,686,666

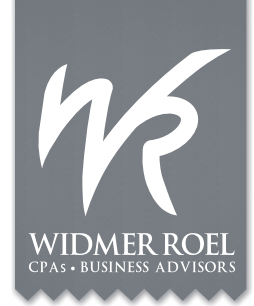
* Party-in-interest

N/A – Not applicable for participant-directed plan.

**STATE BANKSHARES EMPLOYEE STOCK
OWNERSHIP PLAN AND TRUST**

**FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

WITH INDEPENDENT AUDITOR'S REPORT



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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
State Bankshares Employee Stock Ownership Plan and Trust
Fargo, North Dakota

Opinion

We have audited the financial statements of **State Bankshares Employee Stock Ownership Plan and Trust**, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise of the statements of net assets available for benefits as of December 31, 2023 and 2022, and the related statement of changes in net assets available for benefits for the year ended December 31, 2023, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of **State Bankshares Employee Stock Ownership Plan and Trust** as of December 31, 2023 and 2022, and the changes in net assets available for benefits for the year ended December 31, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **State Bankshares Employee Stock Ownership Plan and Trust's** ability to continue as a going concern for one year after the date that the financial statements are issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Supplemental Schedules Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of and for the year ended December 31, 2023, is presented for purposes of additional analysis and is not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedule is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

A handwritten signature in black ink, appearing to read "William Rouse". The signature is fluid and cursive, with a large initial "W" and a stylized "R".

Fargo, North Dakota
September 30, 2024

STATE BANKSHARES EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2023 AND 2022

	Allocated	
	2023	2022
ASSETS		
Investments in State Bankshares, Inc. common stock, at fair value	\$ 72,613,775	\$ 76,303,159
Cash and cash equivalents	1,553,289	1,100,688
Employer contributions receivable	<u>1,573,098</u>	<u>3,205,462</u>
Total assets	75,740,162	80,609,309
LIABILITIES	<u>-</u>	<u>-</u>
Net assets available for benefits	\$ <u><u>75,740,162</u></u>	\$ <u><u>80,609,309</u></u>

STATE BANKSHARES EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2023**

ADDITIONS

Investment income	
Net depreciation in fair value of investments	\$ (3,689,384)
Interest and dividends	<u>637,886</u>
Total investment loss	(3,051,498)
Employer contributions	<u>1,573,098</u>
Total deductions	(1,478,400)

DEDUCTIONS

Benefits paid to participants	<u>3,390,747</u>
Net decrease	<u>(4,869,147)</u>

NET ASSETS AVAILABLE FOR BENEFITS

Beginning of year	<u>80,609,309</u>
End of year	\$ <u><u>75,740,162</u></u>

STATE BANKSHARES EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

NOTE 1 – DESCRIPTION OF THE PLAN

The following description of the State Bankshares Employee Stock Ownership Plan and Trust (“the Plan”) provides only general information. Participants should refer to the Plan Document for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution plan established by State Bankshares, Inc. (“the Company”) as of January 1, 2016. The Plan operates in relevant part, as a non-leveraged employee stock ownership plan (“ESOP”) and is designed to comply with the Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (“IRC”) and is subject to the applicable provisions of the Employee Retirement Security Act of 1974, as amended (“ERISA”). The Plan is administered by the Company. The Company’s Board of Directors appoint ESOP Trustees who have authority as set forth under the Plan.

Eligibility

The Plan covering all employees of its subsidiary, Bell Bank and Bell Bank’s subsidiary, Bell Insurance Services, LLC, who have one year of service and are age twenty-one or older. Participation is granted on the first day of each calendar quarter once eligibility requirements have been met.

Contributions

Contributions of cash or shares made by the Company are discretionary and are determined on an annual basis. Employees receive contributions after eligibility requirements are satisfied, have completed 1,000 hours of service, and are employed on the last day of the Plan year. The amount of discretionary contribution is determined by the Company’s Board of Directors.

Participant Accounts

An account balance of shares of State Bankshares, Inc. and other investments, if any, is maintained for each participant. Participant account balances are increased by allocations of shares or other investments. Additionally, participant accounts are credited with the change in fair value of their allocated shares. The value of each participant’s account will fluctuate based on the net appreciation or depreciation of State Bankshares, Inc. stock, which is based on an independent appraisal conducted at the end of each calendar year. Allocations are based on a percentage of the eligible compensation of a participant who is entitled to receive a contribution.

Vesting

Upon separation of service for reasons other than retirement, permanent disability or death, the participant will vest in the balance in his or her account based on the total years of service with the Company. The participant may receive credit for past employment with related parties as set forth under the Plan. Participants vest 20% per year of service after completing two years of eligibility and are 100% vested after six years of vesting service.

Payment and Transfer of Benefits

The plan does not provide for in-service distributions. Distributions due to termination, death, disability, or retirement are made in a lump sum in the plan year following the event. These distributions are made in cash, shares, or a rollover distribution to an eligible retirement plan.

STATE BANKSHARES EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

If a participant does not elect a distribution, depending on the vested account balance, the Trustee may distribute the balance in cash, roll the funds into an Individual Retirement Account established on behalf of the participant, or complete a trustee to trustee transfer to another eligible retirement plan subject to future direction from the participant.

Under the provisions of the Plan, the Company may be obligated to repurchase participant shares which have been distributed under the terms of the Plan.

A participant who reaches age 73 and is actively employed by the Company may elect to receive all or a portion of his or her account beginning on or after April 1 of the calendar year following the year in which he or she reaches age 73.

Benefits are recorded when paid.

Voting Rights

Each participant is only entitled to exercise voting rights attributable to the shares allocated to his or her account for approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all assets of a trade or business or such similar transactions as prescribed in regulations.

Put Option

Under federal income tax regulations, the shares held by the Plan and its participants are subject to a put option because they are currently not readily tradable on an established market. The put option is a right to demand that the Company buy any shares of its stock distributed to participants. The put price is equal to the fair market value of the shares. The Company can pay for the purchase with interest over a five-year period. The purpose of the put option is to ensure that the participant can convert the shares to cash.

Diversification

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in shares to investments which are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25% of the number of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. Participants who elect to diversify have various diversification options as defined in the Plan.

Forfeited Accounts

Employer contributions and Plan forfeitures are allocated to each eligible participant's account based upon a discretionary percentage allocation of that participant's eligible compensation for the plan year. Forfeitures of terminated non-vested account balances may be used to restore forfeitures, allocated as part of Company contributions, or used to pay reasonable Plan expenses. Plan earnings are allocated to each eligible participant's account based on the ratio of that participant's valuation date account balance to all participants' valuation date account balances. In December 31, 2023, the Plan had forfeitures of terminated non-vested account balances of \$119,642 that were re-allocated to the participants.

STATE BANKSHARES EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared using the accrual method of accounting.

Cash and Cash Equivalents

The Plan maintains a cash balance at Bell Bank, a party-in-interest. The account is subject to the Federal Deposit Insurance Corporation limit of up to \$250,000 per trust beneficiary. At December 31, 2023, all trust beneficiaries are covered up to \$250,000.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan Administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Shares are valued at fair market value. Fair market value is determined by annual independent appraisals.

Subsequent Events

Management has evaluated subsequent events through the date of the independent auditor's report which the financial statements were available to be issued.

NOTE 3 – INVESTMENTS

Investment in the Company, which represented 95.9% and 94.7% of the Plan's net assets available for benefits as of December 31, 2023 and 2022, respectively, is stated at fair value. Because the Company stock is not traded on an established securities market, the fair value of the Company stock is determined by the Company's Board of Directors based on an independent appraisal. The appraised value of a share of the Company stock was \$108.25 and \$113.75 as of December 31, 2023 and 2022, respectively. Purchases are recorded on a trade date basis. Gains or losses on sales of the Company, stock are determined using the actual cost basis of the shares being redeemed. Dividends are recorded on the ex-dividend date.

During 2023 and 2022, the Plan's investment, including gains on the investment bought and sold, as well as held during the year are as follows:

	<u>2023</u>	<u>2022</u>
State Bankshares, Inc. - common stock		
Number of shares	<u>670,797</u>	<u>670,797</u>
Cost	\$ <u>44,293,973</u>	\$ <u>44,293,973</u>
Fair Value	\$ <u>72,613,775</u>	\$ <u>76,303,159</u>

STATE BANKSHARES EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

NOTE 4 – FAIR VALUE MEASUREMENTS

The three levels of the fair value hierarchy in accordance with ASC 820 *Fair Value Measurements* are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active or inactive markets and inputs other than quoted prices that are observable for the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value:

State Bankshares Inc. common stock – The fair value of the Company common stock held in the Plan is valued at estimated fair value based upon an independent appraisal. The appraisal was based upon combination of the market and income valuation techniques consistent with prior years. The appraiser took into account historical and projected cash flow, net income, earnings before interest, taxes, depreciation, and amortization, return on assets, return on equity, market comparables, estimated fair value of company assets and liabilities, and other certain discounts.

The Plan provides for the determination of the fair value measurement of Company common stock by a third-party valuation specialist, subject to oversight by the Plan trustees. Those policies and procedures are reassessed at least annually to determine if the current valuation techniques are still appropriate. At that time, the unobservable inputs used in the fair value measurements are evaluated and adjusted as necessary, based on current market conditions and other third-party information.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

STATE BANKSHARES EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31:

		2023			
		<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
State Bankshares, Inc.					
common stock	\$	<u>72,613,775</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>72,613,775</u>
		2022			
		<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
State Bankshares, Inc.					
common stock	\$	<u>76,303,159</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>76,303,159</u>

NOTE 5 – PARTIES-IN-INTEREST TRANSACTIONS

The Plan's cash and cash equivalents are held in the Plan's trust account at Bell Bank. Company cash and stock contributions are held and managed by the Trustees. The Plan fees are paid by the Company on behalf of the Plan. These fees would otherwise be paid by the Plan.

The Company provides the Plan certain accounting and administrative services for which no fees are charged. Additionally, the Company also pays for administrative and legal expenses related to the Plan.

NOTE 6 – PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right to terminate the Plan at any time, subject to the Plan provisions.

NOTE 7 – TAX STATUS

The Internal Revenue Service has determined and informed the Plan Sponsor by letter dated November 28, 2017, that the plan document adopted by the Plan and related trust are designed in accordance with applicable sections of Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified, and the related trust is tax-exempt as of December 31, 2023.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2023 there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

STATE BANKSHARES EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

NOTE 8 – RISKS AND UNCERTAINTIES

The Plan's investments consist primarily of the Company's common stock, which is exposed to various risks, including interest rate, market, and credit risks, as well as valuation assumptions based on earnings and cash flows. Due to the level of risk associated with the investment in the common stock and the uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in the value on the common stock will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

**STATE BANKSHARES EMPLOYEE STOCK OWNERSHIP
PLAN AND TRUST**

**SUPPLEMENTAL SCHEDULE
DECEMBER 31, 2023**

STATE BANKSHARES EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST**EIN – 45-0412162****PLAN NUMBER – 003****SCHEDULE H LINE 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR)****DECEMBER 31, 2023**

(a)	(b)	(c)		(d)		(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value		Cost		Current Value
*	Cash	Interest bearing cash	\$	N/A	\$	1,553,289
*	State Bankshares, Inc. Common Stock	670,797 shares of Company Stock, \$0.05 par value	\$	44,293,973	\$	72,613,775

*Party-in-interest

N/A – Not applicable for participant-directed Plan

Form 5500 annual return/Report of Employee Benefit Plan
Schedule H Line 4i – Schedule of Assets (Held at End of Year)

See Supplemental Schedule attached with IQPA Opinion and Financial Statements.