

Form 5500

Annual Return/Report of Employee Benefit Plan

OMB Nos. 1210-0110 1210-0089

2024

This Form is Open to Public Inspection

Department of the Treasury Internal Revenue Service

Department of Labor Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

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.

Part I Annual Report Identification Information

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

- A This return/report is for: [] a multiemployer plan [] a multiple-employer plan... [X] a single-employer plan [] a DFE... B This return/report is: [] the first return/report [] the final return/report... C If the plan is a collectively-bargained plan, check here... D Check box if filing under: [X] Form 5558 [] automatic extension... 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: COASTAL BEND BANCSHARES, INC. EMPLOYEE STOCK OWNERSHIP PLAN & TRUST
1b Three-digit plan number (PN): 002
1c Effective date of plan: 11/01/1999
2a Plan sponsor's name (employer, if for a single-employer plan): FIRST COMMUNITY BANK
2b Employer Identification Number (EIN): 76-0024722
2c Plan Sponsor's telephone number: 361-888-9310
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.

Table with 4 columns: SIGN HERE, Signature of plan administrator, Date, Enter name of individual signing as plan administrator. Includes rows for employer/plan sponsor and DFE.

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2024) v. 240311

3a Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor FIRST COMMUNITY BANK 416 NORTH WATER STREET CORPUS CHRISTI, TX 78401	3b Administrator's EIN 76-0024722 3c Administrator's telephone number 361-888-9310
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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
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5 Total number of participants at the beginning of the plan year	5	161
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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	6a(1)	136
a(2) Total number of active participants at the end of the plan year	6a(2)	133
b Retired or separated participants receiving benefits.....	6b	9
c Other retired or separated participants entitled to future benefits	6c	8
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d	150
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e	2
f Total. Add lines 6d and 6e	6f	152
g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)	6g(1)	114
g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g(2)	109
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	4

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
 2O 2Q 3H 2J 2K

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) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> 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 2024 Form M-1 annual report. If the plan was not required to file the 2024 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 H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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 2024 This Form is Open to Public Inspection
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For calendar plan year 2024 or fiscal plan year beginning <u>01/01/2024</u> and ending <u>12/31/2024</u>	
A Name of plan <u>COASTAL BEND BANCSHARES, INC. EMPLOYEE STOCK OWNERSHIP PLAN & TRUST</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>FIRST COMMUNITY BANK</u>	D Employer Identification Number (EIN) <u>76-0024722</u>

Part I	Asset and Liability Statement
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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.

		(a) Beginning of Year	(b) End of Year
Assets			
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	916	0
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	190013	60741
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	681366	980648
(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)		
(9) Value of interest in common/collective trusts	1c(9)		
(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)		
(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)	12679937	13571271
(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	13552232	14612660
Liabilities			
g Benefit claims payable.....	1g	7232	10404
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	7232	10404
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	13545000	14602256

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)	77347	
(B) Participants.....	2a(1)(B)	337157	
(C) Others (including rollovers).....	2a(1)(C)		
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		414504
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	28312	
(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)		
(F) Other.....	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		28312
(2) Dividends:			
(A) Preferred stock.....	2b(2)(A)		
(B) Common stock.....	2b(2)(B)	304001	
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		304001
(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)	891334	
(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)		
(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)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		1638151

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	579978	
(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)		579978
f Corrective distributions (see instructions)	2f		
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)		
(3) Recordkeeping fees	2i(3)		
(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)	917	
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		917
j Total expenses. Add all expense amounts in column (b) and enter total	2j		580895

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1057256
l Transfers of assets:			
(1) To this plan	2l(1)		
(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: WHITLEY PENN LLP

(2) EIN: 75-2393478

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.)		X	
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.)		X	
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.)		X	
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.)		X	
e Was this plan covered by a fidelity bond?	X		5000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
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?		X	
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?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
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.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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 2024 This Form is Open to Public Inspection.
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

A Name of plan <u>COASTAL BEND BANCSHARES, INC. EMPLOYEE STOCK OWNERSHIP PLAN & TRUST</u>	B Three-digit plan number (PN) ▶	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>FIRST COMMUNITY BANK</u>	D Employer Identification Number (EIN) <u>76-0024722</u>	

Part I	Distributions
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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
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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): 74-2953074

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	
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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.)
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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
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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.
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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

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: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	14a	
b The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	14b	
c The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	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	15a	
b The corresponding number for the second preceding plan year	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	16a	
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.....	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

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

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 ___/___/____ (MM/DD/YYYY) and the Opinion Letter serial number _____.

**COASTAL BEND BANCSHARES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN & TRUST**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE**

**Years Ended December 31, 2024 and 2023
with Report of Independent Auditors**

**COASTAL BEND BANCSHARES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN & TRUST**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE**

Years Ended December 31, 2024 and 2023

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of the
Coastal Bend Bancshares, Inc. Employee Stock Ownership Plan & Trust

Opinion

We have audited the financial statements of the Coastal Bend Bancshares, Inc. Employee Stock Ownership Plan & Trust (the “Plan”), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (“ERISA”), which comprise the statements of net assets available for benefits as of December 31, 2024 and 2023, the related statements of changes in net assets available for benefits for the years then ended, 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 the Plan as of December 31, 2024 and 2023, and the changes in net assets available for benefits for the years then ended, in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (“GAAS”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 GAAP, 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 the 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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the Plan's ability to continue as a going concern for a reasonable period of time.

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

Other Matter – Supplemental Schedule Required by ERISA

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of Form 5500, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) 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 ("DOL") 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 audit 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 DOL'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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Whitley Penn LLP

San Antonio, Texas

August 29, 2025

**COASTAL BEND BANCSHARES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN & TRUST**

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31, 2024			December 31, 2023		
	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
Assets						
Cash - interest bearing	\$ 962,788	\$ 17,860	\$ 980,648	\$ 667,274	\$ 14,092	\$ 681,366
Investment in sponsor company common stock, at fair value	<u>13,571,271</u>	<u>-</u>	<u>13,571,271</u>	<u>12,679,937</u>	<u>-</u>	<u>12,679,937</u>
Total investments	<u>14,534,059</u>	<u>17,860</u>	<u>14,551,919</u>	<u>13,347,211</u>	<u>14,092</u>	<u>13,361,303</u>
Receivables:						
Other participant contributions due from 401(k) plan	-	-	-	916	-	916
Dividends	-	60,741	60,741	-	190,013	190,013
Total receivables	<u>-</u>	<u>60,741</u>	<u>60,741</u>	<u>916</u>	<u>190,013</u>	<u>190,929</u>
Total assets	<u>\$ 14,534,059</u>	<u>\$ 78,601</u>	<u>\$ 14,612,660</u>	<u>\$ 13,348,127</u>	<u>\$ 204,105</u>	<u>\$ 13,552,232</u>
Liabilities						
Excess contributions payable	\$ 9,924	\$ -	\$ 9,924	\$ 7,091	\$ -	\$ 7,091
Benefit claims payable	<u>480</u>	<u>-</u>	<u>480</u>	<u>141</u>	<u>-</u>	<u>141</u>
Total liabilities	<u>10,404</u>	<u>-</u>	<u>10,404</u>	<u>7,232</u>	<u>-</u>	<u>7,232</u>
Net assets available for benefits	<u>\$ 14,523,655</u>	<u>\$ 78,601</u>	<u>\$ 14,602,256</u>	<u>\$ 13,340,895</u>	<u>\$ 204,105</u>	<u>\$ 13,545,000</u>

See accompanying notes to the financial statements.

**COASTAL BEND BANCSHARES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN & TRUST**

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Year Ended December 31, 2024		
	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
Additions to Net Assets Attributed to:			
Investment income:			
Net realized and unrealized loss on plan sponsor stock	\$ 891,334	\$ -	\$ 891,334
Dividends and interest current year	267,804	64,509	332,313
Allocation of prior dividends receivable	190,013	(190,013)	-
Total investment income (loss)	<u>1,349,151</u>	<u>(125,504)</u>	<u>1,223,647</u>
Contributions:			
Participant	337,157	-	337,157
Employer	77,347	-	77,347
Total contributions	<u>414,504</u>	<u>-</u>	<u>414,504</u>
Total additions to (reductions from) net assets	1,763,655	(125,504)	1,638,151
Deductions from Net Assets Attributable to:			
Distributions:			
Benefits paid to participants	579,978	-	579,978
Total distributions	<u>579,978</u>	<u>-</u>	<u>579,978</u>
Plan administrative expenses	917	-	917
Total deductions from net assets	<u>580,895</u>	<u>-</u>	<u>580,895</u>
Net change in net assets available for benefits	1,182,760	(125,504)	1,057,256
Net assets available for benefits at beginning of year	<u>13,340,895</u>	<u>204,105</u>	<u>13,545,000</u>
Net assets available for benefits at end of year	<u><u>\$ 14,523,655</u></u>	<u><u>\$ 78,601</u></u>	<u><u>\$ 14,602,256</u></u>

See accompanying notes to the financial statements.

**COASTAL BEND BANCSHARES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN & TRUST**

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Year Ended December 31, 2023		
	Allocated	Unallocated	Total
Additions to Net Assets Attributed to:			
Investment income:			
Net realized and unrealized loss on plan sponsor stock	\$ 334,294	\$ -	\$ 334,294
Dividends and interest current year	260,163	192,164	452,327
Allocation of prior dividends receivable	292,665	(292,665)	-
Total investment income (loss)	887,122	(100,501)	786,621
Contributions:			
Participant	343,301	-	343,301
Employer	78,744	-	78,744
Total contributions	422,045	-	422,045
Total additions to (reductions from) net assets	1,309,167	(100,501)	1,208,666
Deductions from Net Assets Attributable to:			
Distributions:			
Benefits paid to participants	652,195	-	652,195
Total distributions	652,195	-	652,195
Plan administrative expenses	1,364	-	1,364
Total deductions from net assets	653,559	-	653,559
Net change in net assets available for benefits	655,608	(100,501)	555,107
Net assets available for benefits at beginning of year	12,685,287	304,606	12,989,893
Net assets available for benefits at end of year	\$ 13,340,895	\$ 204,105	\$ 13,545,000

See accompanying notes to the financial statements.

**COASTAL BEND BANCSHARES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN & TRUST**

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024 and 2023

A. Description of the Plan

General

The following brief description of the Coastal Bend Bancshares, Inc. Employee Stock Ownership Plan (“ESOP”) & Trust (the “Plan”) is provided for general information purposes only. The Plan is sponsored by First Community Bank (the “Company” or “Plan Sponsor”). Participants should refer to the Plan document for more complete information. The Company’s corporate offices are in Corpus Christi, Texas.

The Plan was effective November 1, 1999, restated most recently effective January 1, 2012, and is a defined contribution plan covering almost all employees of the Company that have completed at least 1,000 hours of service within the first year of employment and are at least twenty-one years of age. The Plan specifically excludes those covered by a collective bargaining agreement, leased employees, and non-resident aliens. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). The Plan is administered by an ESOP Committee comprising of three trustees appointed by the Plan Sponsor’s Board of Directors. The Plan has an interest-bearing bank account with the Plan Sponsor, a financial institution. The Plan purchased the common stock of Coastal Bend Bancshares, Inc. (the “Holding Company”) using contributions.

The purpose of the Plan is to permit employees to obtain a beneficial interest in the stock of the Company and to provide deferred compensation benefits to participants and beneficiaries.

Contributions

An eligible Participant may authorize the Company to withhold from one percent up to one hundred percent of eligible compensation not to exceed the annual limits established by the Internal Revenue Service (“IRS”). Participants who are eligible to make salary deferral contributions under the Plan and who have attained age 50 before the close of the year may make catch-up contributions in accordance with, and subject to the limitations imposed by the Code.

The Company makes matching contributions to the Plan at a set percentage of the participants’ salary deferrals. For the Plan years ended December 31, 2024 and 2023, the match was 50% of the first 4% of the participants’ base compensation on a pro rata basis based on the amounts deferred in into the ESOP Plan and the First Community Bank 401(k) Profit Sharing Plan. In addition, the Company’s Board of Directors may elect to contribute an additional non-elective employer contribution on an annual basis. None was approved in 2024 or 2023.

Voting Rights

Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such rights are to be exercised. The Trustee is not permitted to vote on any allocated share for which instructions have not been given by a participant. The trustee is required, however, to vote on any unallocated shares on behalf of the collective best interest of plan participants and beneficiaries.

**COASTAL BEND BANCSHARES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN & TRUST**

NOTES TO THE FINANCIAL STATEMENTS (continued)

A. Description of the Plan – continued

Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of: (a) the Company's contribution; and (b) Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings or account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account. Plan earnings are allocated to each participant's account based on the ratio of the participant's beginning of the period account balance to all participants' beginning of the period account balances.

Vesting

If a participant's employment with the Company ends for any reason other than retirement, disability, or death, he or she will vest in the balances in his or her account based on total years of service with the Company. Participants are immediately vested in their voluntary contributions plus actual earnings thereon.

Vesting in the Company contribution portion of accounts, plus actual earnings thereon is as follows:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 1 year	0%
2 years	20%
3 years	40%
4 years	60%
5 years	80%
6 years	100%

Benefit Payments

Participants withdrawing during the year for reasons of service or disability, retirement, death, or termination are entitled to their vested account balance. Benefits are distributed in the form of rollovers or lump sum payments. If withdrawing participants are not entitled to their entire account balance, the amounts not received are forfeited.

Forfeitures

Forfeited balances of terminated participants' nonvested cash and stock accounts are to be reallocated to the remaining participants on a regular basis. All 34.8 forfeited stock shares have been reallocated to the remaining participants by year end. At December 31, 2024 and 2023, forfeited non-vested cash accounts that have not yet been allocated totaled \$17,860 and \$14,092, respectively. During 2024 and 2023, \$1,676 and \$204 of cash was forfeited by participants who withdrew from the Plan and net earnings on the balance of the unallocated cash were \$2,092 and \$1,947, respectively.

**COASTAL BEND BANCSHARES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN & TRUST**

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

A. Description of the Plan – continued

Plan Expenses

Employees of the Company perform certain administrative functions with no compensation from the Plan. In accordance with Plan provisions, the Company pays substantially all costs relating to asset charges and recordkeeping. All significant administrative expenses are paid by the Company and are not reflected in the accompanying financial statements.

Put Option

Under Federal income tax regulations, the Holding Company common stock that is held by the Plan and its participants is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Plan Sponsor buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the current value of stock. The Plan Sponsor can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash. The Holding Company elected to be a Sub-Chapter S corporation in 1999. While the Holding Company is registered as a Sub-Chapter S Corporation, all distributions will be made in cash only and the put option will have no effect. During the years ended December 31 2024 and 2023, all distributions were made in 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 the Holding Company common stock into investments which are more diversified. Participants who have reached 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 shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage increases to 50%.

Participants who elect to diversify have the option to receive a cash distribution or a direct rollover to an IRA or other qualified employer plan. Participants eligible to diversify make their election after year-end based on the number of shares of the Holding Company's common stock held in their account at year-end.

B. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

**COASTAL BEND BANCSHARES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN & TRUST**

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

B. Summary of Significant Accounting Policies – continued

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from these estimates.

Cash and Cash Equivalents

The Plan maintains its interest-bearing trust account with the Plan Sponsor, a financial institution. The account is insured by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2024 and 2023, the Plan's total uninsured cash balance was \$730,648 and \$431,366, respectively.

Contributions

Contributions from the Company and participants are accrued as they become obligations of the Company, as determined by the Plan's administrator, and in the period in which they are deducted, in accordance with salary deferral agreements. It is the policy of the Plan's employer to deposit the participants' withheld contributions within the ERISA required time limit which is the earliest date the Company can segregate deferrals from general assets.

Investments and Revenue Recognition

The shares of Holding Company common stock are valued at estimated fair value. See Note C for discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis.

Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net realized and unrealized gains (losses) includes the Plan's gains on investments bought and sold as well as held during the year.

Excess Contributions Payable

Amounts payable to participants for contributions in excess of amounts allowed by the Code are recorded as a liability with a corresponding deduction to benefits paid. The amount of excess 2024 contributions refunded timely in 2025 totaled \$9,924. The amount of excess 2023 contributions refunded timely in 2024 totaled \$7,091.

Payment of Benefits

Benefits are recorded when paid.

**COASTAL BEND BANCSHARES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN & TRUST**

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

C. Fair Value Measurements

GAAP defines fair value as 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 and establishes a three-tier hierarchy that is used to identify assets and liabilities measured at fair value. The hierarchy focuses on the inputs used to measure fair value. The three levels defined are as follows:

- Level 1 – observable inputs that are based upon quoted market prices for identical assets or liabilities within active markets.
- Level 2 – observable inputs other than Level 1 that are based upon quoted market prices for similar assets or liabilities, based upon quoted prices within inactive markets, or inputs other than quoted market prices that are observable through market data for substantially the full term of the asset or liability.
- Level 3 – inputs that are unobservable for the particular asset or liability due to little or no market activity and are significant to the fair value of the asset or liability. These inputs reflect assumptions that market participants would use when valuing the particular asset or liability.

GAAP requires that management describe the methodologies used to measure the fair value of assets and liabilities. The methodologies used to measure the fair value of the Plan's investments are as follows:

- The Holding Company common stock was valued by an independent third party as the stock is not traded on a securities exchange. The valuation is based on the market and income approaches which are weighted to arrive at a fair market value of the equity of the Company. The market approach is the guideline public company method and external transaction method, and the income approach is the capitalized cash flow method. Both of these valuation techniques require the use of significant unobservable inputs including the discount rate selection, risk premiums, and valuation multiples. The plan endeavors to use the best information available in arriving at fair value, and Plan management reviews the valuation process on an annual basis with the help of the independent third-party valuation firm. Accordingly, valuation techniques that maximize the use of observable inputs are favored.

**COASTAL BEND BANCSHARES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN & TRUST**

NOTES TO THE FINANCIAL STATEMENTS (continued)

C. Fair Value Measurements – continued

There have been no changes in the methodologies used at December 31, 2024 and 2023. The following table details the Plan's investments at fair value by level, within the fair value hierarchy, as of December 31:

	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>	<u>Total Fair Value</u>
December 31, 2024				
Common stock	\$ -	\$ -	\$ 13,571,271	\$ 13,571,271
Total investments at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,571,271</u>	<u>\$ 13,571,271</u>
December 31, 2023				
Common stock	\$ -	\$ -	\$ 12,679,937	\$ 12,679,937
Total investments at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,679,937</u>	<u>\$ 12,679,937</u>

These items are classified in their entirety based on the lowest priority level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement of assets and liabilities within the levels of the fair value hierarchy.

For the year ended December 31, 2024, there were no purchases or sales of the Holding Company's common stock. For the year ended December 31, 2023, there were purchases of 1,123.47 shares of the Holding Company's common stock for \$100,000 and no sales.

D. Tax Status

The Plan obtained its latest determination letter dated October 29, 2013, in which the IRS stated that the Plan, as then designed, was in compliance with the applicable requirements of the Code. The Plan has been amended since receiving the determination letter.

Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Company believes that the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan was qualified, and the related trust was tax-exempt as of the financial statement date.

**COASTAL BEND BANCSHARES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN & TRUST**

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

D. Tax Status – continued

GAAP requires 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 the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2024, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

E. Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions set forth in ERISA. In the event the Plan terminates, all amounts credited to participants' accounts will become 100% vested.

F. Risks and Uncertainties

The Plan invests in the common stock of the Holding Company, which is not traded on a securities exchange. The common stock is exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with the common stock, it is at least reasonably possible that changes in the values of the common stock will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

G. Parties-in-Interest Transactions

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, an employee organization whose members are covered by the Plan, a person who owns 50% or more of such an employer or employee organization, or relatives of such persons.

Investments in shares of the Holding Company's common stock and interest-bearing cash held at the Company qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules. The Plan paid certain expenses related to Plan operations and investments activity to various service providers. These transactions are party-in-interest transactions under ERISA which are exempt from the prohibited transaction rules.

H. Reconciliation of Financial Statements to Form 5500

The net assets available for benefits and the changes in net assets available for benefits per the financial statements reconciled to Schedule H of Form 5500 without a difference as of and for the years ended December 31, 2024 and 2023.

**COASTAL BEND BANCSHARES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN & TRUST**

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

I. Subsequent Events

In preparing the accompanying financial statements, management has evaluated all subsequent events and transactions for potential recognition or disclosure through August 29, 2025, the date the financial statements were available for issuance.

SUPPLEMENTAL SCHEDULE

**COASTAL BEND BANCSHARES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN & TRUST**

FORM 5500, SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2024

EIN: 76-0024722

Plan #: 002

(a)	(b) Identity of issuer, 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
	Cash			
*	First Community Bank	Cash - Interest Bearing	\$ 980,648	\$ 980,648
	Common Stock			
*	Coastal Bend Bancshares, Inc.	143,763 shares	\$4,323,209	<u>13,571,271</u>
		Total investments		<u><u>\$14,551,919</u></u>

* Indicates Party-in-Interest to Plan

See Report of Independent Auditors.

SUPPLEMENTAL SCHEDULE

**COASTAL BEND BANCSHARES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN & TRUST**

FORM 5500, SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2024

EIN: 76-0024722

Plan #: 002

(a)	(b) Identity of issuer, 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
	Cash			
*	First Community Bank	Cash - Interest Bearing	\$ 980,648	\$ 980,648
	Common Stock			
*	Coastal Bend Bancshares, Inc.	143,763 shares	\$4,323,209	<u>13,571,271</u>
		Total investments		<u><u>\$14,551,919</u></u>

* Indicates Party-in-Interest to Plan

See Report of Independent Auditors.