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& Company, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders
Lakeside Bancshares, Inc. and Subsidiary
Lake Charles, Louisiana

Opinion

We have audited the accompanying financial statements of Lakeside Bancshares, Inc. and Subsidiary (a Louisiana corporation), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of operations and comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lakeside Bancshares, Inc. and Subsidiary as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Lakeside Bancshares, Inc. and Subsidiary 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lakeside Bancshares, Inc. and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 generally accepted auditing standards 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Lakeside Bancshares, Inc. and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lakeside Bancshares, Inc. and Subsidiary'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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The separate bank information starting on page 42 is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Joseph J. Williams, Co., #88

Lake Charles, Louisiana
March 26, 2024

LAKESIDE BANCSHARES, INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

December 31, 2023 and 2022

ASSETS	2023	2022
Cash and due from banks	\$ 5,366,185	\$ 18,009,302
Interest-bearing bank deposits	14,233,397	3,501,737
Federal funds sold	150,000	-
Cash and cash equivalents	19,749,582	21,511,039
Investment securities available-for-sale	1,191,557	397,187
Investment securities held-to-maturity	83,988,081	86,140,701
Restricted stock	1,990,300	330,500
Loans, net of allowance for credit losses	240,105,016	232,273,168
Prepaid income taxes	-	130,205
Bank premises and equipment, net of accumulated depreciation	7,871,485	8,247,601
Accrued interest receivable	779,858	1,045,254
Deferred tax asset	79,610	-
Foreclosed properties	-	23,000
Bank owned life insurance	2,111,368	2,057,987
Intangible asset	50,600	105,417
Other assets	406,655	337,367
TOTAL ASSETS	\$ 358,324,112	\$ 352,599,426

LAKESIDE BANCSHARES, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS - CONTINUED

December 31, 2023 and 2022

LIABILITIES AND STOCKHOLDERS' EQUITY	2023	2022
Deposits:		
Non-interest bearing	\$ 59,676,654	\$ 77,274,459
Interest-bearing	223,031,314	243,369,971
Total deposits	282,707,968	320,644,430
Federal Home Loan Bank ("FHLB") advances	41,123,324	1,213,668
Other liabilities:		
Accrued interest payable	1,288,697	102,818
Accrued expenses	153,048	137,321
Income tax payable	66,349	-
Deferred compensation	50,600	101,200
Allowance for credit losses on off-balance sheet exposures	100,000	100,000
Deferred tax liability	-	19,754
Other liabilities	209,204	80,274
Total other liabilities	1,867,898	541,367
Commitments and contingent liabilities		
Stockholders' equity:		
Common stock; \$1 par value; 10,000,000 shares authorized; 2,098,133 shares issued and outstanding for 2023 and 2022	2,098,133	2,098,133
Additional paid-in-capital	27,756,053	20,756,053
Retained earnings	2,801,655	7,393,447
Accumulated other comprehensive loss	(30,919)	(47,672)
Total stockholders' equity	32,624,922	30,199,961
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 358,324,112	\$ 352,599,426

LAKESIDE BANCSHARES, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Interest income:		
Interest and fees on loans	\$ 12,837,611	\$ 9,936,879
Interest on investment securities	1,646,111	1,053,534
Interest on federal funds sold	15,574	56,413
Other interest income	479,499	265,666
Total interest income	<u>14,978,795</u>	<u>11,312,492</u>
Interest expense:		
Interest on deposits	2,824,027	658,816
Interest on borrowed funds	1,369,700	16,747
Total interest expense	<u>4,193,727</u>	<u>675,563</u>
Net interest income	10,785,068	10,636,929
Credit loss expenses-loans	<u>35,000</u>	<u>446,000</u>
Net interest income after credit loss expense	10,750,068	10,190,929
Non-interest income	832,635	1,080,751
Non-interest expenses	<u>(8,517,758)</u>	<u>(8,453,623)</u>
Net income before income tax expense	3,064,945	2,818,057
Income tax expense	<u>656,737</u>	<u>604,279</u>
Net income	2,408,208	2,213,778
Other comprehensive income:		
Change in unrealized holding gains in available-for-sale securities arising during the period, net of income tax expense of \$4,453 in 2023 and \$1,785 in 2022	<u>16,753</u>	<u>6,716</u>
Comprehensive income	<u>\$ 2,424,961</u>	<u>\$ 2,220,494</u>
Per common share data:		
Basic income per share	<u>\$ 1.15</u>	<u>\$ 1.06</u>
Weighted average number of shares outstanding	2,098,113	2,098,113