

**THOMASVILLE BANCSHARES, INC.  
AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL REPORT**

**DECEMBER 31, 2025**

**THOMASVILLE BANCSHARES, INC.  
AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL REPORT  
DECEMBER 31, 2025**

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**Hutchins Clenney Rumsey Huckaby | PC**  
Certified Public Accountants & Advisors

**INDEPENDENT AUDITOR'S REPORT**

**To the Stockholders and Board of Directors  
Thomasville Bancshares, Inc.  
Thomasville, Georgia**

***Opinion***

We have audited the accompanying consolidated financial statements of Thomasville Bancshares, Inc. (a Georgia corporation) and Subsidiary, which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of income, 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 accompanying consolidated financial statements present fairly, in all material respects, the financial position of Thomasville Bancshares, Inc. and Subsidiary as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***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 Audits of the Financial Statements section of our report. We are required to be independent of Thomasville 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 opinions.

***Responsibilities of Management for the 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 financial statements that are free from 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 Thomasville 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.

## *Auditor's Responsibilities for the Audit of the 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 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 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 to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit 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 Thomasville 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Thomasville 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 financial statement audit.

*Hutchins Clenney Ramsey Luckaby, P.C.*

Albany, Georgia  
February 26, 2026

**THOMASVILLE BANCSHARES, INC.  
AND SUBSIDIARY**

**CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2025 AND 2024**

<u>Assets</u>	<u>2025</u>	<u>2024</u>
Cash and due from banks	\$ 5,119,925	4,326,964
Interest-bearing deposits in other banks	227,478,830	261,908,738
Federal funds sold	3,583,701	3,232,520
Securities available for sale, at fair value (amortized cost \$55,574,238 and \$52,973,669)	55,591,182	52,924,534
Restricted equity securities, at cost	5,468,050	4,593,150
Other equity securities, at cost	240,000	240,000
Loans held for sale	192,000	-
Loans	1,765,259,979	1,539,251,142
Less allowance for credit losses	38,124,890	32,549,222
Loans, net	<u>1,727,135,089</u>	<u>1,506,701,920</u>
Premises and equipment, net	22,399,274	19,473,248
Bank owned life insurance	11,219,924	10,837,042
Goodwill	4,009,759	4,009,759
Accrued interest receivable	9,082,531	9,555,928
Other assets	15,558,215	13,130,284
	<u>\$ 2,087,078,480</u>	<u>\$ 1,890,934,087</u>
<b><u>Liabilities and Stockholders' Equity</u></b>		
Deposits		
Noninterest-bearing	\$ 427,214,959	\$ 314,758,109
Interest-bearing	1,368,350,839	1,332,239,598
Total deposits	<u>1,795,565,798</u>	<u>1,646,997,707</u>
Federal Home Loan Bank borrowings	77,421,218	61,021,964
Accrued interest payable	1,820,305	1,961,243
Allowance for credit losses on unfunded commitments	4,589,000	4,159,000
Other liabilities	4,304,149	1,673,758
Total liabilities	<u>1,883,700,470</u>	<u>1,715,813,672</u>
Commitments and contingencies (Note 12)		
Stockholders' equity		
Preferred stock, par value \$1.00; 2,000,000 shares authorized; 331,309 and 332,597 issued and outstanding, respectively	331,309	332,597
Common stock, par value \$1.00; 10,000,000 shares authorized; 6,332,232 and 6,312,665 issued and outstanding, respectively	6,332,232	6,312,665
Paid-in capital	14,750,565	13,335,236
Retained earnings	181,951,365	155,176,277
Accumulated other comprehensive income (loss)	12,539	(36,360)
Total stockholders' equity	<u>203,378,010</u>	<u>175,120,415</u>
	<u>\$ 2,087,078,480</u>	<u>\$ 1,890,934,087</u>

**See Notes to Consolidated Financial Statements.**

**THOMASVILLE BANCSHARES, INC.  
AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF INCOME  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

	2025	2024
<b>Interest income</b>		
Interest and fees on loans	\$ 113,874,124	\$ 101,240,061
Interest on taxable securities	2,200,988	3,091,818
Interest on federal funds sold	148,953	116,051
Interest on deposits in other banks	7,847,484	10,931,503
Total interest income	124,071,549	115,379,433
<b>Interest expense</b>		
Interest on deposits	42,988,548	45,779,307
Interest on other borrowings	2,165,828	1,718,164
Total interest expense	45,154,376	47,497,471
Net interest income	78,917,173	67,881,962
<b>Provision for credit losses</b>	6,000,000	2,000,000
Net interest income after provision for credit losses	72,917,173	65,881,962
<b>Noninterest income</b>		
Trust and investment services	21,634,531	19,170,725
Service charges on deposit accounts	525,057	506,244
Other service charges, commissions, and fees	1,512,631	1,416,359
Mortgage origination fees	277,059	265,845
Other income	885,753	853,000
Total noninterest income	24,835,031	22,212,173
<b>Noninterest expense</b>		
Salaries and employee benefits	23,938,436	21,203,372
Equipment	1,198,030	1,182,310
Occupancy	1,297,491	1,289,223
Regulatory assessment	1,351,204	1,424,496
Data processing	3,630,764	3,419,605
Advertising and marketing	905,946	880,382
Legal and accounting	656,212	763,521
Other operating expense	7,284,847	7,064,754
Total noninterest expense	40,262,930	37,227,663
Income before income taxes	57,489,274	50,866,472
<b>Applicable income taxes</b>	12,736,166	11,596,015
Net income	\$ 44,753,108	\$ 39,270,457
<b>Basic earnings per share</b>	\$ 6.94	\$ 6.11
<b>Diluted earnings per share</b>	\$ 6.73	\$ 5.92

See Notes to Consolidated Financial Statements.

**THOMASVILLE BANCSHARES, INC.  
AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>Net income</b>	<b>\$ 44,753,108</b>	<b>\$ 39,270,457</b>
<b>Other comprehensive income (loss):</b>		
Net unrealized holding gains (losses) on securities available for sale arising during the year, net of tax expense (benefit) of \$17,181 and \$(7,506), respectively	<u>48,899</u>	<u>(21,362)</u>
<b>Comprehensive income</b>	<b>\$ 44,802,007</b>	<b>\$ 39,249,095</b>

**See Notes to Consolidated Financial Statements.**

**THOMASVILLE BANCSHARES, INC.  
AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

	Preferred Stock		Common Stock		Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Par Value	Shares	Par Value				
<b>Balance, December 31, 2023</b>	340,644	\$ 340,644	6,309,989	\$ 6,309,989	\$ 13,654,890	\$ 131,189,982	\$ (14,998)	\$ 151,480,507
Net income	-	-	-	-	-	39,270,457	-	39,270,457
Common stock cash dividend declared, \$2.30 per share	-	-	-	-	-	(14,514,937)	-	(14,514,937)
Preferred stock cash dividend declared, \$2.30 per share	-	-	-	-	-	(769,225)	-	(769,225)
Issuance of common stock	-	-	19,676	19,676	1,261,177	-	-	1,280,853
Repurchase and retirement of common stock	-	-	(17,000)	(17,000)	(1,063,350)	-	-	(1,080,350)
Other comprehensive loss	-	-	-	-	-	-	(21,362)	(21,362)
Repurchase and retirement of preferred stock	(8,047)	(8,047)	-	-	(517,481)	-	-	(525,528)
<b>Balance, December 31, 2024</b>	<u>332,597</u>	<u>\$ 332,597</u>	<u>6,312,665</u>	<u>\$ 6,312,665</u>	<u>13,335,236</u>	<u>155,176,277</u>	<u>(36,360)</u>	<u>175,120,415</u>
Net income	-	-	-	-	-	44,753,108	-	44,753,108
Common stock cash dividend declared, \$2.70 per share	-	-	-	-	-	(17,082,892)	-	(17,082,892)
Preferred stock cash dividend declared, \$2.70 per share	-	-	-	-	-	(895,128)	-	(895,128)
Issuance of common stock	-	-	19,567	19,567	1,513,982	-	-	1,533,549
Other comprehensive income	-	-	-	-	-	-	48,899	48,899
Repurchase and retirement of preferred stock	(1,288)	(1,288)	-	-	(98,653)	-	-	(99,941)
<b>Balance, December 31, 2025</b>	<u>331,309</u>	<u>\$ 331,309</u>	<u>6,332,232</u>	<u>\$ 6,332,232</u>	<u>\$ 14,750,565</u>	<u>\$ 181,951,365</u>	<u>\$ 12,539</u>	<u>\$ 203,378,010</u>

See Notes to Consolidated Financial Statements.

**THOMASVILLE BANCSHARES, INC.  
AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

	2025	2024
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 44,753,108	\$ 39,270,457
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit loss	6,000,000	2,000,000
Provision for deferred taxes	(1,324,897)	(500,270)
Depreciation, accretion, and amortization, net	(907,531)	(2,089,437)
(Increase) decrease in interest receivable	473,397	(1,172,479)
Increase in Bank owned life insurance	(382,882)	(359,323)
Increase (decrease) in interest payable	(140,938)	584,013
(Increase) decrease in taxes receivable	(489,385)	729,513
Gain on disposal of premises and equipment	(14,632)	(23,300)
Writedowns on foreclosed assets	30,000	-
Net increase in loans held for sale	(192,000)	-
Net other operating activities	2,459,562	(2,639,178)
Total adjustments	5,510,694	(3,470,461)
Net cash provided by operating activities	50,263,802	35,799,996
<b>INVESTING ACTIVITIES</b>		
(Increase) decrease in interest-bearing deposits in banks, net	34,429,908	(121,565,482)
Purchases of securities available for sale	(59,979,309)	(114,513,304)
Proceeds from maturities of securities available for sale	59,193,000	122,074,000
Increase in federal funds sold	(351,181)	(3,232,520)
Increase in loans, net	(226,493,169)	(121,397,924)
Net change in restricted equity securities	(874,900)	(13,400)
Proceeds from sales of premises and equipment	28,500	42,250
Purchase of premises and equipment	(3,846,623)	(4,224,559)
Net cash used in investing activities	(197,893,774)	(242,830,939)
<b>FINANCING ACTIVITIES</b>		
Net increase in deposits	148,568,091	222,699,910
Repayment of Federal Home Loan Bank borrowings	(3,600,746)	(2,432,890)
Proceeds from Federal Home Loan Bank borrowings	20,000,000	-
Issuance of common stock	1,533,549	1,280,853
Repurchase and retirement of common stock	-	(1,080,350)
Repurchase and retirement of preferred stock	(99,941)	(525,528)
Dividends paid	(17,978,020)	(15,284,162)
Net cash provided by financing activities	148,422,933	204,657,833
Net increase (decrease) in cash and due from banks	792,961	(2,373,110)
Cash and due from banks at beginning of year	4,326,964	6,700,074
Cash and due from banks at end of year	\$ 5,119,925	\$ 4,326,964
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash paid during the year for:		
Interest	\$ 45,295,314	\$ 46,913,458
Income taxes	14,550,380	11,366,720
<b>NONCASH TRANSACTIONS</b>		
Net change in unrealized gains (losses) on securities available for sale	\$ 66,080	\$ (28,868)
Loans transferred to foreclosed assets	490,000	-

**See Notes to Consolidated Financial Statements.**

**THOMASVILLE BANCSHARES, INC.**  
**AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

Thomasville Bancshares, Inc. (the “Company”) is a one-bank holding company whose principal activity is the ownership and management of its wholly-owned commercial bank subsidiary, Thomasville National Bank (the “Bank”). The Bank has two locations in Thomasville, Thomas County, Georgia, one location on St. Simons Island, Glynn County, Georgia and operates as St. Simons Bank & Trust, a division of Thomasville National Bank, and one location in Tallahassee, Leon County, Florida and operates as Tallahassee National Bank, a division of Thomasville National Bank. The Bank provides a full range of banking services to individual and corporate customers in its primary market areas of Thomas County and Glynn County, Georgia as well as Leon County, Florida and the surrounding counties. The Bank also offers trust and money management services through TNB Financial Services, a division of the Bank.

**Basis of Presentation and Accounting Estimates**

The consolidated financial statements include the accounts of the Company and its subsidiary. Significant intercompany transactions and balances have been eliminated in consolidation.

In preparing the consolidated financial statements in accordance with generally accepted accounting principles in the United States of America (“GAAP”), management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Material estimates that are particularly susceptible to significant change in the near-term relate to the determination of the allowance for credit losses, deferred tax assets, the valuation of foreclosed assets, credit impairments of securities, and the fair value of financial instruments.

The determination of the adequacy of the allowance for credit losses is based on estimates that are susceptible to significant changes in the economic environment and market conditions. In connection with the determination of the estimated losses on credits and the valuation of foreclosed real estate, management obtains independent appraisals for significant collateral.

The Company’s loans are generally secured by specific items of collateral including real property, consumer assets, and business assets. Although the Company has a diversified loan portfolio, a substantial portion of its borrowers’ ability to honor their contracts is dependent on the local economic conditions and the real estate market.

While management uses available information to recognize losses on loans, further reductions in the carrying amounts of loans may be necessary based on changes in local economic conditions. In addition, regulatory agencies, as an integral part of their examination process, periodically review the estimated losses on loans. Such agencies may require the Company to recognize additional losses based on their judgments about information available to them at the time of their examination. Because of these factors, it is reasonably possible that the estimated losses on loans may change materially in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

The Company has evaluated all transactions, events, and circumstances for consideration or disclosure through February 26, 2026, the date these financial statements were available to be issued, and has reflected or disclosed those items within the consolidated financial statements and related footnotes as deemed appropriate.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Cash, Due from Banks, and Cash Flows

For purposes of reporting cash flows, cash, and due from banks include cash on hand, cash items in process of collection and amounts due from banks. Cash flows from interest-bearing deposits in other banks, federal funds sold, loans, restricted equity securities, and deposits are reported net.

During 2020, the Federal Reserve Bank no longer required the Company to maintain a reserve requirement. This remains unchanged as of December 31, 2025. The Federal Reserve Bank does not have plans to reimplement the reserve requirement in the near future, but reserves the right to increase the reserve percentage at a future date.

The Company maintains amounts due from banks which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts.

#### Interest-Bearing Deposits in Other Banks and Federal Funds Sold

Interest-bearing deposits in other banks are primarily overnight funds or funds which mature within one year and are carried at cost.

#### Investment Securities

The Company classifies its debt securities in one of three categories: (i) trading, (ii) held-to-maturity, or (iii) available for sale. Trading securities are bought and held principally for the purpose of selling them in the near term. Held to maturity securities are those securities for which the Company has the ability and positive intent to hold until maturity. All other debt securities are classified as available for sale.

Available for sale securities are carried at fair value. Unrealized holding gains and losses, net of the related deferred tax effect, on available for sale securities are excluded from earnings and are reported in other comprehensive income as a separate component of stockholders' equity until realized. Held to maturity securities are carried at amortized cost.

Interest income includes amortization of purchase premium or discount. Premiums and discounts on securities are amortized on the level-yield method without anticipating prepayments, except for mortgage-backed securities where prepayments are anticipated. Premiums on callable debt securities are amortized to their earliest call date. Gains and losses on sales are recorded on the trade date and determined using the specific identification method. The Company has made a policy election to exclude accrued interest from the amortized cost basis of debt securities and report accrued interest in other assets in the consolidated balance sheets. A debt security is placed on nonaccrual status at the time any principal or interest payments become more than 90 days delinquent or if full collection of interest or principal becomes uncertain. Accrued interest for a security placed on nonaccrual is reversed against interest income. There was no accrued interest related to debt securities reversed against interest income for the years ended December 31, 2025 and 2024. Accrued interest receivable on debt securities totaled \$97,648 and \$97,203 as of December 31, 2025 and 2024, respectively.

The Company evaluates available for sale securities in an unrealized loss position to determine if credit-related impairment exists. The Company first evaluates whether it intends to sell or more likely than not will be required to sell an impaired security before recovering its amortized cost basis. If either criteria is met, the entire amount of unrealized loss is recognized in earnings with a corresponding adjustment to the security's amortized cost basis. If either of the above criteria is not met, the Company evaluates whether the decline in fair value is attributable to credit or resulted from other factors. If credit-related impairment exists, the Company recognizes an allowance for credit losses ("ACL"), limited to the amount by which the fair value is less than the amortized cost basis. Any impairment not recognized through an ACL is recognized in other comprehensive income, net of tax, as a non credit-related impairment.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Restricted Equity Securities

The Company is required to maintain an investment in capital stock of various entities. Based on redemption provisions of these entities, the stock has no quoted market value and is carried at cost. At their discretion, these entities may declare dividends on the stock. Management reviews for impairment based on the ultimate recoverability of the cost basis in these stocks.

#### Loans Held For Sale

Loans originated and intended for sale in the secondary market are carried at the lower of cost or fair value (“LOCOM”). For loans carried at LOCOM, gains and losses on loan sales (sales proceeds minus carrying value) are recorded in noninterest income, and direct loan origination costs and fees are deferred at origination of the loan and are recognized in noninterest income upon sale of the loan. The estimated fair value of loans held for sale is based on independent third party quoted prices.

#### Loans

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at amortized cost, net of the allowance for credit losses. Amortized cost is the outstanding principal balances less unearned income, net of deferred fees, origination costs and unaccrued or unamortized non-credit purchase discounts or premiums, respectively. Interest income is accrued on the outstanding principal balance. For all classes of loans, the accrual of interest on loans is discontinued when, in management’s opinion, the borrower may be unable to make payments as they become due, unless the loan is well secured and in the process of collection. Interest income on mortgage and commercial loans is discontinued and placed on nonaccrual status at the time the loan is 90 days delinquent unless the loan is well secured and in process of collection. Mortgage loans and commercial loans are charged off to the extent principal or interest is deemed uncollectible. Consumer loans continue to accrue interest until they are charged off, generally between 90 and 120 days past due, unless the loan is in the process of collection. All interest accrued, but not collected for loans that are placed on nonaccrual or charged off, is reversed against interest income. Interest received on nonaccrual loans is applied against principal until the loans are returned to accrual status. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

#### Allowance for Credit Losses – Loans

Under the current expected credit loss model, the ACL on loans is a valuation allowance estimated at each balance sheet date in accordance with GAAP that is deducted from the loans’ amortized cost basis to present the net amount expected to be collected on the loans.

The Company estimates the ACL on loans based on the underlying loans’ amortized cost basis, which is the amount at which the financing receivable is originated or acquired, adjusted for applicable accretion or amortization of premium, discount, and net deferred fees or costs, collection of cash, and charge-offs. In the event that collection of principal becomes uncertain, the Company has policies in place to reverse accrued interest in a timely manner. Therefore, the Company has made a policy election to exclude accrued interest from the measurement of ACL. Accrued interest receivable on loans totaled \$8,914,490 and \$9,419,848 at December 31, 2025 and 2024, respectively.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Allowance for Credit Losses – Loans (Continued)

Expected credit losses are reflected in the allowance for credit losses through a charge to provision for credit losses. The Company measures expected credit losses of loans on a collective (pool) basis, when the loans share similar risk characteristics. Expected credit losses are estimated over the contractual term of the loans, adjusted for expected prepayments when appropriate. The contractual term excludes expected extensions, renewals and modifications unless the extension or renewal options are included in the original or modified contract at the reporting date and are not unconditionally cancellable by the Company.

The Company's methodologies for estimating the ACL consider available relevant information about the collectability of cash flows, including information about past events, current conditions, and reasonable and supportable forecasts. The methodologies apply historical loss information, adjusted for asset-specific characteristics, economic conditions at the measurement date, and forecasts about future economic conditions over a period that has been determined to be reasonable and supportable, to the identified pools of loans with similar risk characteristics for which the historical loss experience was observed.

Individually Evaluated Assets: Loans that do not share risk characteristics are evaluated on an individual basis. For collateral dependent loans where the Company has determined that foreclosure of the collateral is probable, or where the borrower is experiencing financial difficulty and the Company expects repayment of the loan to be provided substantially through the operation or sale of the collateral, the ACL is measured based on the difference between the fair value of the collateral and the amortized cost basis of the loan as of the measurement date. When repayment is expected to be from the operation of the collateral, expected credit losses are calculated as the amount by which the amortized cost basis of the loan exceeds the present value of expected cash flows from the operation of the collateral. The Company may, in the alternative, measure the expected credit loss as the amount by which the amortized cost basis of the loan exceeds the estimated fair value of the collateral. When repayment is expected to be from the sale of the collateral, expected credit losses are calculated as the amount by which the amortized costs basis of the loan exceeds the fair value of the underlying collateral less estimated cost to sell. The ACL may be zero if the fair value of the collateral at the measurement date exceeds the amortized cost basis of the loan.

Charge-offs and Recoveries: Loan losses are charged against the allowance when management believes the collection of a loan's principal is unlikely. Subsequent recoveries are credited to the allowance. If the loan is collateral dependent, the loss is more easily identified and is charged-off when it is identified, usually based upon receipt of an appraisal. However, when a loan has guarantor support, and the guarantor demonstrates willingness and capacity to support the debt, the Company may carry the estimated loss as a reserve against the loan while collection efforts with the guarantor are pursued. If, after collection efforts with the guarantor are complete, the deficiency is still considered uncollectible, the loss is charged-off and any further collections are treated as recoveries.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Loan Commitments and Financial Instruments

Financial instruments include off-balance sheet credit instruments, such as commitments to make loans and commercial letters of credit issued to meet customer financing needs. The Company's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for off-balance sheet loan commitments is represented by the contractual amount of those instruments. Such financial instruments are recorded when they are funded.

The Company records an allowance for credit losses on off-balance sheet credit exposures, unless the commitments to extend credit are unconditionally cancelable, through a charge to provision for unfunded commitments in the Company's consolidated statements of income. The ACL on off-balance sheet credit exposures is estimated by loan segment at each balance sheet date under the current expected credit loss model using the same methodologies as portfolio loans, taking into consideration the likelihood that funding will occur as well as any third-party guarantees and is included in other liabilities on the Company's consolidated balance sheets.

#### Premises and Equipment

Land is carried at cost. Premises and equipment are stated at cost less accumulated depreciation computed principally by the straight-line method over the estimated useful lives of the assets. Expenditures for improvements of the Company's premises and equipment are capitalized and depreciated over their estimated useful lives. Repairs and maintenance are expensed in the period incurred. When assets are sold or disposed of, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reflected in the Company's income statement. The estimated useful lives of the Company's premises and equipment are as follows:

Building	39 years
Furniture and equipment	3-7 years

#### Leases

The Company recognizes its leases on the consolidated balance sheet as required under ASU No. 2016-02 "Leases (Topic 842)". The lease standard requires recognition of both an operating right-of-use asset and operating lease liability as determined based on the present value of remaining minimum lease payments, discounted using the Company's incremental borrowing rate as of the date the Company entered the lease or adopted ASU No. 2016-02. Management implemented the standard under a modified retrospective approach and has elected to apply several of the available practical expeditions, including:

- Carryover of historical lease determination and lease classification conclusions.
- Carryover of historical initial direct deposit cost balance for existing leases.
- Accounting for lease and non-lease components in contracts in which the Company is a lessee as a single lease component.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Transfers of Financial Assets

Transfers of financial assets are accounted for as sales, when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Company, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and (3) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

#### Advertising Costs

Advertising costs are expensed as incurred.

#### Goodwill

Goodwill represents the excess of cost over the fair value of the net assets and liabilities acquired in a business combination or acquisition. Goodwill is not amortized over an estimated useful life, but rather is tested annually for impairment, or whenever events occur that may indicate that the recoverability of the carrying amount is not probable. Current accounting guidance allows the Company to assess qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. The Company is no longer required to calculate the fair value of a reporting unit unless the Company determines, based on a qualitative assessment, that it is more likely than not that its fair value is less than its carrying amount.

If necessary, the quantitative goodwill impairment test is performed in two steps. The first step is used to identify potential impairment and the second step, if required, measures the amount of impairment by comparing the carrying amount of goodwill to its implied fair value. In the event of impairment, the amount by which the carrying amount exceeds the fair value would be charged to earnings.

The Company assessed the qualitative and quantitative factors and determined it was not more likely than not that its fair value was less than its carrying amount.

#### Foreclosed Assets

Foreclosed assets acquired through or in lieu of loan foreclosure are held for sale and are initially recorded at fair value less estimated costs to sell. Any write-down to fair value at the time of transfer to foreclosed assets is charged to the allowance for loan losses. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less estimated cost to sell. Costs of improvements are capitalized, whereas costs relating to holding foreclosed assets and subsequent adjustments to the value are expensed. Foreclosed assets totaled \$460,000 at December 31, 2025 and is included in other assets on the consolidated balance sheet. There were no foreclosed assets at December 31, 2024.

#### Trust and Money Management

Property and funds held by the Company and the Bank in a fiduciary or other capacity for the benefit of its customers are not included in the accompanying consolidated financial statements since such items are not assets of the Company. Income earned from fees charged against trust assets, including money management services, are recognized in the Company's consolidated income statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Income Taxes

The income tax accounting guidance results in two components of income tax expense: current and deferred. Current income tax expense reflects taxes to be paid or refunded for the current period by applying the provisions of the enacted tax law to the taxable income or excess of deductions over revenues. The Company determines deferred income taxes using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax bases of assets and liabilities, and enacted changes in tax rates and laws are recognized in the period in which they occur.

Deferred income tax expense results from changes in deferred tax assets and liabilities between periods. Deferred tax assets are recognized if it is more likely than not, based on the technical merits, that the tax position will be realized or sustained upon examination. The term more likely than not means a likelihood of more than 50%; the terms examined and upon examination also include resolution of the related appeals or litigation processes, if any. A tax position that meets the more likely than not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more likely than not recognition threshold considers the facts, circumstances and information available at the reporting date and is subject to management's judgment. Deferred tax assets may be reduced by deferred tax liabilities and a valuation allowance if, based on the weight of evidence available, it is more likely than not that some portion or all of a deferred tax asset will not be realized.

#### Stock-Based Compensation

Stock compensation accounting guidance requires that the compensation cost relating to share-based payment transactions be recognized in financial statements. That cost will be measured based on the grant date fair value of the equity or liability instruments issued. The stock compensation accounting guidance covers a wide range of share-based compensation arrangements including stock options, restricted share plans, performance-based awards, share appreciation rights, and employee share purchase plans.

The stock compensation accounting guidance requires that compensation cost for all stock awards be calculated and recognized over the employees' service period, generally defined as the vesting period. For awards with graded-vesting, compensation cost is recognized on a straight-line basis over the requisite service period for the entire award. The market price of the Company's common stock at the date of grant is used for restricted stock awards and stock grants. The guidance also requires the tax benefits associated with these stock-based payments to be classified as financing activities in the consolidated statements of cash flows.

#### Earnings Per Share

Basic earnings per share are computed by dividing net income available to common stockholders by the weighted-average number of shares of common stock outstanding during the year. Diluted earnings per share are computed by dividing net income by the sum of the weighted-average number of shares of common stock outstanding and potential common shares that are dilutive. Potential common shares consist of preferred stock, and restricted stock.

#### Comprehensive Income

Accounting principles generally require that recognized revenue, expenses, gains, and losses be included in net income. Although certain changes in assets and liabilities, such as unrealized gains and losses on available for sale securities, are reported as a separate component of the equity section of the balance sheet, such items, along with net income, are components of comprehensive income.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Fair Value of Financial Instruments**

Fair values of financial instruments are estimates using relevant market information and other assumptions, as more fully disclosed in Note 15. Fair value estimates involve uncertainties and matters of significant judgment. Changes in assumptions or in market conditions could significantly affect the estimates.

#### **Revenue from Contracts with Customers**

The Company records revenue from contracts with customers in accordance with Accounting Standards Codification Topic 606, “Revenue from Contracts with Customers” (“Topic 606”). Under Topic 606, the Company must identify the contract with a customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract and recognize revenue when (or as) the Company satisfies a performance obligation. Significant revenue has not been recognized in the current reporting period that results from performance obligations satisfied in previous periods.

The majority of the Company’s revenues come from interest income and other sources, including loans and securities, that are not subject to Topic 606. Services within the scope of Topic 606 include service charges on deposit accounts, trust and investment service fees, data processing fees, debit card and ATM fees, and investment product fees, all of which are presented within noninterest income. The Company enters into various contracts with customers to provide these traditional banking services on a routine basis. The Company’s performance obligations are generally service-related and provided on a daily, monthly or quarterly basis. The performance obligations are generally satisfied as services are rendered and the fees are collected at such time, or shortly thereafter. It is not typical for contracts to require significant judgment to determine the transaction price.

#### **Recently Adopted Accounting Standards**

*ASU 2023-09—Income Taxes (Topic 740): Improvements to Income Tax Disclosures:* In December 2025, the Company adopted ASU 2023-09, which requires enhanced transparency in income tax disclosures. The amendments primarily focus on the disaggregation of information in the effective tax rate reconciliation and the disclosure of income taxes paid.

The Company adopted the amendments on a comparative basis effective January 1, 2025. Prior period comparative information for the rate reconciliation and income taxes paid has been restated to be comparative to current year presentation. The adoption of this guidance resulted in expanded footnote disclosures in Note 10 – Income Taxes, but did not have a material impact on the Company’s consolidated financial position, results of operations, or cash flows.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 2. SECURITIES

The following table summarizes the amortized cost, fair value, and allowance for credit losses of securities available for sale at December 31, 2025 and 2024, and the corresponding amounts of gross unrealized gains and losses recognized in accumulated other comprehensive income and gross unrecognized gains and losses:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<b>December 31, 2025:</b>				
U. S. Government and federal agencies	\$ 55,574,238	\$ 31,306	\$ (14,362)	\$ 55,591,182
<b>Total securities</b>	<b>\$ 55,574,238</b>	<b>\$ 31,306</b>	<b>\$ (14,362)</b>	<b>\$ 55,591,182</b>
December 31, 2024:				
U. S. Government and federal agencies	\$ 52,973,669	\$ 8,582	\$ (57,717)	\$ 52,924,534
<b>Total securities</b>	<b>\$ 52,973,669</b>	<b>\$ 8,582</b>	<b>\$ (57,717)</b>	<b>\$ 52,924,534</b>

The amortized cost and fair value of securities available for sale as of December 31, 2025 by contractual maturity are shown below. Actual maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties:

	Amortized Cost	Fair Value
Due within one year	\$ 55,574,238	\$ 55,591,182

Securities with a carrying value of approximately \$54,909,000 and \$51,918,000 at December 31, 2025 and 2024, respectively, were pledged to secure public deposits and for other purposes required or permitted by law. Based on the pledging requirements, the Company was over pledged by approximately \$868,000 and \$3,983,000 as of December 31, 2025 and 2024, respectively.

There were no sales of securities available for sale for the years ended December 31, 2025 and 2024.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 2. SECURITIES (CONTINUED)

The following table shows the gross unrealized losses and fair value of securities that are not deemed to have any credit-related impairment, aggregated by category and length of time that individual securities have been in a continuous unrealized loss position.

Description of Securities	Less Than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
<b>December 31, 2025</b>						
U. S. Government and federal agencies	\$ 19,903,269	\$ (14,362)	\$ -	\$ -	\$ 19,903,269	\$ (14,362)
<b>Total securities</b>	<b>\$ 19,903,269</b>	<b>\$ (14,362)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,903,269</b>	<b>\$ (14,362)</b>
<b>December 31, 2024</b>						
U. S. Government and federal agencies	\$ 47,803,835	\$ (57,717)	\$ -	\$ -	\$ 47,803,835	\$ (57,717)
<b>Total securities</b>	<b>\$ 47,803,835</b>	<b>\$ (57,717)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 47,803,835</b>	<b>\$ (57,717)</b>

At December 31, 2025, the Company's available for sale securities consisted of three securities in an unrealized loss position. The Company does not intend to sell investment securities in an unrealized loss position prior to the recovery of the unrealized loss, which may not be until maturity, and has the ability and intent to hold those securities for that period of time. Additionally, the Company is not currently aware of any circumstances which will require it to sell any of the securities that are in an unrealized loss position prior to the respective securities' recovery of all such unrealized losses. At December 31, 2025, no ACL was established for investment securities. Substantially all of the unrealized losses on the securities portfolio were the result of changes in market interest rates compared to the date the securities were acquired rather than the credit quality of the issuers or underlying loans. U.S. Treasury and agency securities are issued, guaranteed or otherwise supported by the United States government, an agency of the United States government, or a government sponsored enterprise.

#### *Restricted Equity Securities*

Restricted equity securities consist of the following:

	December 31,	
	2025	2024
Restricted equity securities:		
FHLB stock	\$ 5,021,500	\$ 4,146,600
Federal Reserve Bank stock	446,550	446,550
	<u>5,468,050</u>	<u>4,593,150</u>
Other equity securities:		
United National Bank stock	240,000	240,000
	<u>240,000</u>	<u>240,000</u>
	<u>\$ 5,708,050</u>	<u>\$ 4,833,150</u>

The Company's investments in the Federal Home Loan Bank ("FHLB") and Federal Reserve Bank stock are accounted for by the cost method, which represents par value, and are made for long-term business affiliation reasons. In addition, these investments are subject to restrictions relating to sale, transfer, or other disposition. Dividends are recognized in income when declared. The estimated fair value of the investments was \$5,021,500; \$446,550; and \$240,000; respectively, as of December 31, 2025 and, therefore, are not considered impaired.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 3. LOANS

#### Portfolio Segmentation

The composition of loans, excluding loans held for sale, is summarized as follows:

	December 31,	
	2025	2024
Commercial real estate:		
Non-farm, non-residential	\$ 425,721,489	\$ 392,960,023
Multifamily, construction and development	310,823,888	208,425,628
Farmland	75,777,384	63,162,163
1-4 family residential:		
First liens	594,342,562	536,580,414
Junior liens	56,978,155	47,475,857
Commercial	281,663,073	268,707,557
Consumer and other	17,530,615	18,764,072
Government obligations	2,422,813	3,175,428
Total loans	1,765,259,979	1,539,251,142
Allowance for credit losses	(38,124,890)	(32,549,222)
Loans, net	\$ 1,727,135,089	\$ 1,506,701,920

The Company has pledged certain loans secured by 1-4 family mortgages and commercial real estate loans under a collateral agreement to secure borrowings from the FHLB. The amount of such pledged loans totaled \$512,279,095 and \$431,072,218 at December 31, 2025 and 2024, respectively.

For purposes of the disclosures required pursuant to ASC 310, the loan portfolio was disaggregated into segments and then further disaggregated into classes for certain disclosures. A portfolio segment is defined as the level at which an entity develops and documents a systematic method for determining its allowance for credit losses. There are five loan portfolio segments that include commercial and residential real estate, commercial, consumer and government obligations. A class is generally determined based on the initial measurement attribute, risk characteristic of the loan and an entity's method for monitoring and assessing credit risk. Commercial, consumer and other and government obligations are separate classes. Classes within the commercial real estate portfolio segment include non-farm, non-residential, multifamily, construction and development and farmland. Classes within residential real estate segment include first liens and junior liens.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 3. LOANS (CONTINUED)

#### Portfolio Segmentation (Continued)

The following describe risk characteristics relevant to each of the portfolio segments and classes:

Real estate - As discussed below, the Company offers various types of real estate loan products. All loans within these portfolio segments are particularly sensitive to the valuation of real estate:

- Commercial real estate mortgage loans include non-farm, non-residential commercial real estate loans, construction loans for commercial businesses, multifamily loans secured by income producing properties and farmland. Non-farm, non-residential commercial real estate loans to operating businesses are long-term financing of land and buildings. Construction loans for a commercial business are for the development of land or construction of a building. Both of these loan classes are repaid by cash flow generated from the business operation. Real estate loans for income-producing properties such as apartment buildings, office and industrial buildings, and retail shopping centers are repaid from rent income derived from the properties. Loans for real estate construction and development are repaid through cash flow related to the operations, sale, or refinance of the underlying property. This portfolio segment includes extensions of credit to real estate developers or investors where repayment is dependent on the sale of the real estate or income generated from the real estate collateral.
- 1-4 family residential loans include both first mortgage liens, as well as junior liens including home equity lines. These loans are repaid by various means such as a borrower's income, sale of the property, or rental income derived from the property.

Commercial - The commercial loan portfolio segment includes commercial, financial and agricultural loans. These loans include those loans to commercial customers for use in normal business operations to finance working capital needs, equipment purchases, or expansion projects. Loans are repaid by business cash flows. Collection risk in this portfolio is driven by the creditworthiness of the underlying borrower, particularly cash flows from the customers' business operations.

Consumer and other - The consumer loan portfolio segment includes direct consumer installment loans, overdrafts and other revolving credit loans, and educational loans. Loans in this portfolio are sensitive to unemployment and other key consumer economic measures.

Government obligations - The government obligation loan portfolio segment includes loans made to municipalities and development authorities. Loans in this portfolio are repaid through tax revenue and private donations. They are guaranteed by the respective government authority.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 3. LOANS (CONTINUED)

#### Allowance for Credit Losses

The following table details activity in the allowance for credit losses by portfolio segment. Allocation of a portion of the allowance to one category of loans does not preclude its availability to absorb losses in other categories.

	Commercial Real Estate	1-4 Family Residential	Commercial	Consumer and Other	Government Obligations	Unallocated	Total
<b>December 31, 2025</b>							
<b>Allowance for credit losses:</b>							
<b>Beginning balance</b>	\$ 13,411,472	\$ 13,606,001	\$ 4,788,846	\$ 441,600	\$ 62,599	\$ 238,704	\$ 32,549,222
<b>Charge-offs</b>	-	(30,000)	-	(34,594)	-	-	(64,594)
<b>Recoveries</b>	25,800	36,528	591	7,343	-	-	70,262
<b>Provision (recovery)</b>	2,771,211	139,731	227,124	(20,503)	(17,119)	2,469,556	5,570,000
<b>Ending balance</b>	<u>\$ 16,208,483</u>	<u>\$ 13,752,260</u>	<u>\$ 5,016,561</u>	<u>\$ 393,846</u>	<u>\$ 45,480</u>	<u>\$ 2,708,260</u>	<u>\$ 38,124,890</u>
<b>December 31, 2024</b>							
<b>Allowance for credit losses:</b>							
<b>Beginning balance</b>	\$ 13,284,066	\$ 11,200,863	\$ 4,373,699	\$ 424,815	\$ 79,249	\$ 1,271,456	\$ 30,634,148
<b>Charge-offs</b>	-	(67,487)	(98,945)	(39,746)	-	-	(206,178)
<b>Recoveries</b>	16,850	-	-	9,402	-	-	26,252
<b>Provision (recovery)</b>	110,556	2,472,625	514,092	47,129	(16,650)	(1,032,752)	2,095,000
<b>Ending balance</b>	<u>\$ 13,411,472</u>	<u>\$ 13,606,001</u>	<u>\$ 4,788,846</u>	<u>\$ 441,600</u>	<u>\$ 62,599</u>	<u>\$ 238,704</u>	<u>\$ 32,549,222</u>

#### Credit Quality Indicators

A description of the general characteristics of the risk grades used by the Company is as follows:

“Superior”: Loans which are made to the best customers as judged by overall relationship. These loans are secured by virtually risk-free collateral, and have no structural or documentation weaknesses.

“Good”: Loans which would be considered satisfactory (listed below) and are additionally enhanced by the quality of the collateral or by the customer’s overall relationship with the Company.

“Satisfactory”: Loans which are considered to be satisfactory, having no identifiable risk of collection and conforming in all aspects to the lending policy. Documentation exceptions are minimal, are in the process of being corrected, and are not of a type that could subsequently introduce loan-loss risk.

“Watch”: Loans that have begun to show some signs of deterioration, such as late payments, negative trends in financial statements, yet continue to be well secured and, in the Company’s view, do not represent any significant loss to the Company.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 3. LOANS (CONTINUED)

#### Credit Quality Indicators (Continued)

“Special Mention”: A “special mention asset” has potential weakness that deserves management’s close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the asset or in the Company’s credit position at some future date. Special mention assets are not adversely classified and do not expose the Company to sufficient risk to warrant adverse classification. Conditions suggesting a special mention classification include:

- Adverse economic or market conditions which, in the future, may affect the borrower’s ability to repay.
- An adverse trend in the borrower’s financial condition that has not yet reached the point where the original payment terms are jeopardized.
- A business that is vulnerable to economic adversity due to technical obsolescence or from competitive pressures.
- A business that is too dependent on a restricted customer base, a very narrow market segment or other limitations on future sales and collections.

“Substandard”: Substandard loans are defined as being inadequately protected by current sound net worth, paying capacity of the borrower or pledged collateral. Loans are normally classified as substandard when they have unsatisfactory characteristics causing more than acceptable levels of risk. A substandard loan normally has one or more well-defined weaknesses that could jeopardize the repayment of the debt. Examples of substandard loans are listed below:

- Cash flow deficiencies which jeopardize future loan payments.
- Sale of non-collateral assets has become a primary source of loan repayment.
- The relationship has deteriorated to the point that sale of collateral is now the primary source of repayment (unless this was the original source of repayment. If the collateral is under Thomasville National Bank’s control, is cash or is highly marketable, then a more appropriate classification might be special mention.)
- The borrower is bankrupt, or for any other reason, future repayment is dependent upon court action.

“Substandard/Impaired”: Substandard/impaired loans are defined as loans with weaknesses inherent in the substandard classification and where collection or liquidation in full is highly questionable. For a loan to be classified as substandard/impaired, there must be specific ending factors which prevent the Loan Officer from determining the amount of loss contained in the credit. Included in the substandard totals on the following page, \$167,771 and \$76,146 were classified as substandard/impaired at December 31, 2025 and 2024, respectively.

“Doubtful/Impaired”: Loans classified doubtful/impaired have all the weaknesses inherent in those classified substandard/impaired with the added characteristic that the weaknesses make collections or liquidation in full, on the basis of currently known facts, conditions and values, highly questionable, and improbable.

“Loss”: Loans considered uncollectible and of such little value that their continuance as an active asset is not warranted are classified as loss loans. This rating does not mean that the asset has no recovery or salvage value, but rather that the asset should be charged off now even though partial or full recovery may be possible in the future.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 3. LOANS (CONTINUED)

#### Credit Quality Indicators (Continued)

Based on the most recent analysis performed the risk category of loans by class of loans is as follows as of December 31, 2025 and 2024:

As of December 31, 2025	Term Loans Amortized Cost Basis by Origination Year				Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	Total
	2025	2024	2023	Prior			
<b>Real estate:</b>							
<b>Commercial – Non-farm, non-residential</b>							
Risk Rating							
Pass	\$ 83,704,988	\$ 66,165,877	\$ 61,609,621	\$ 185,853,899	\$ 18,524,307	\$ -	\$ 415,858,692
Watch	-	-	-	8,806,045	-	-	8,806,045
Special mention	-	-	-	-	-	-	-
Substandard	-	-	-	1,056,752	-	-	1,056,752
Total commercial – non-farm, non-residential	<u>\$ 83,704,988</u>	<u>\$ 66,165,877</u>	<u>\$ 61,609,621</u>	<u>\$ 195,716,696</u>	<u>\$ 18,524,307</u>	<u>\$ -</u>	<u>\$ 425,721,489</u>
Current period gross write-offs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Commercial – Multifamily, construction, and development</b>							
Risk Rating							
Pass	\$ 112,811,280	\$ 48,124,450	\$ 22,841,767	\$ 56,040,073	\$ 70,958,952	\$ -	\$ 310,776,522
Watch	-	-	-	-	-	-	-
Special mention	-	-	-	-	-	-	-
Substandard	-	47,366	-	-	-	-	47,366
Total commercial – multifamily, construction, and development	<u>\$ 112,811,280</u>	<u>\$ 48,171,816</u>	<u>\$ 22,841,767</u>	<u>\$ 56,040,073</u>	<u>\$ 70,958,952</u>	<u>\$ -</u>	<u>\$ 310,823,888</u>
Current period gross write-offs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Commercial - Farmland</b>							
Risk rating							
Pass	\$ 11,757,227	\$ 9,673,656	\$ 3,279,376	\$ 35,077,440	\$ 13,520,637	\$ -	\$ 73,308,336
Watch	-	-	-	2,095,056	-	-	2,095,056
Special mention	-	-	-	-	-	-	-
Substandard	-	-	-	373,992	-	-	373,992
Total commercial - farmland	<u>\$ 11,757,227</u>	<u>\$ 9,673,656</u>	<u>\$ 3,279,376</u>	<u>\$ 37,546,488</u>	<u>\$ 13,520,637</u>	<u>\$ -</u>	<u>\$ 75,777,384</u>
Current period gross write-offs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>1-4 family residential-first liens</b>							
Risk Rating							
Pass	\$ 117,796,878	\$ 78,938,626	\$ 73,255,395	\$ 217,227,986	\$ 96,333,752	\$ -	\$ 583,552,637
Watch	-	8,092	100,144	5,594,963	130,851	-	5,834,050
Special mention	-	-	-	-	-	-	-
Substandard	770,619	-	364,481	3,521,375	299,400	-	4,955,875
Total 1-4 family first liens	<u>\$ 118,567,497</u>	<u>\$ 78,946,718</u>	<u>\$ 73,720,020</u>	<u>\$ 226,344,324</u>	<u>\$ 96,764,003</u>	<u>\$ -</u>	<u>\$ 594,342,562</u>
Current period gross write-offs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,000</u>
<b>1-4 family residential-junior liens</b>							
Risk Rating							
Pass	\$ 3,158,789	\$ 1,078,301	\$ 5,250,807	\$ 4,672,609	\$ 41,862,095	\$ -	\$ 56,022,601
Watch	-	-	143,433	237,940	492,626	-	873,999
Special mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	81,555	-	81,555
Total 1-4 family residential junior liens	<u>\$ 3,158,789</u>	<u>\$ 1,078,301</u>	<u>\$ 5,394,240</u>	<u>\$ 4,910,549</u>	<u>\$ 42,436,276</u>	<u>\$ -</u>	<u>\$ 56,978,155</u>
Current period gross write-offs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 3. LOANS (CONTINUED)

#### Credit Quality Indicators (Continued)

As of December 31, 2025	Term Loans Amortized Cost Basis by Origination Year				Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	Total
	2025	2024	2023	Prior			
<b>Commercial</b>							
Risk Rating							
Pass	\$ 50,781,311	\$ 37,773,696	\$ 20,059,008	\$ 68,090,029	\$ 104,195,395	\$ -	\$ 280,899,439
Watch	89,748	-	136,710	118,719	3,250	-	348,427
Special mention	-	-	-	-	-	-	-
Substandard	-	-	20,487	394,720	-	-	415,207
Total commercial	<u>\$ 50,871,059</u>	<u>\$ 37,773,696</u>	<u>\$ 20,216,205</u>	<u>\$ 68,603,468</u>	<u>\$ 104,198,645</u>	<u>\$ -</u>	<u>\$ 281,663,073</u>
Current period gross write-offs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Consumer and other</b>							
Risk Rating							
Pass	\$ 5,263,066	\$ 1,542,778	\$ 1,480,064	\$ 4,170,354	\$ 4,684,508	\$ -	\$ 17,140,770
Watch	-	-	11,840	9,133	127,566	-	148,539
Special mention	-	-	-	-	-	-	-
Substandard	84,225	6,783	10,594	139,704	-	-	241,306
Total consumer and other	<u>\$ 5,347,291</u>	<u>\$ 1,549,561</u>	<u>\$ 1,502,498</u>	<u>\$ 4,319,191</u>	<u>\$ 4,812,074</u>	<u>\$ -</u>	<u>\$ 17,530,615</u>
Current period gross write-offs	<u>\$ 30,917</u>	<u>\$ -</u>	<u>\$ 187</u>	<u>\$ 1,495</u>	<u>\$ 1,995</u>	<u>\$ -</u>	<u>\$ 34,594</u>
<b>Government obligations</b>							
Risk Rating							
Pass	\$ -	\$ -	\$ -	\$ 2,346,094	\$ 76,719	\$ -	\$ 2,422,813
Watch	-	-	-	-	-	-	-
Special mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-
Total government obligations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,346,094</u>	<u>\$ 76,719</u>	<u>\$ -</u>	<u>\$ 2,422,813</u>
Current period gross write-offs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 3. LOANS (CONTINUED)

#### Credit Quality Indicators (Continued)

As of December 31, 2024 Real estate:	Term Loans Amortized Cost Basis by Origination Year				Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	Total
	2024	2023	2022	Prior			
<b>Commercial – Non-farm, non-residential</b>							
Risk Rating							
Pass	\$ 68,351,324	\$ 67,899,710	\$ 64,339,480	\$ 152,968,304	\$ 13,252,238	\$ -	\$ 366,811,056
Watch	-	-	-	17,555,843	-	-	17,555,843
Special mention	-	-	-	7,933,560	-	-	7,933,560
Substandard	-	-	100,312	559,252	-	-	659,564
Total commercial – non-farm, non-residential	<u>\$ 68,351,324</u>	<u>\$ 67,899,710</u>	<u>\$ 64,439,792</u>	<u>\$ 179,016,959</u>	<u>\$ 13,252,238</u>	<u>\$ -</u>	<u>\$ 392,960,023</u>
Current period gross write-offs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Commercial – Multifamily, construction, and development</b>							
Risk Rating							
Pass	\$ 75,010,355	\$ 32,686,727	\$ 24,823,548	\$ 45,699,288	\$ 30,158,344	\$ -	\$ 208,378,262
Watch	-	-	-	-	-	-	-
Special mention	-	-	-	-	-	-	-
Substandard	47,366	-	-	-	-	-	47,366
Total commercial – multifamily, construction, and development	<u>\$ 75,057,721</u>	<u>\$ 32,686,727</u>	<u>\$ 24,823,548</u>	<u>\$ 45,699,288</u>	<u>\$ 30,158,344</u>	<u>\$ -</u>	<u>\$ 208,425,628</u>
Current period gross write-offs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Commercial - Farmland</b>							
Risk rating							
Pass	\$ 11,390,539	\$ 3,273,426	\$ 5,516,244	\$ 35,952,837	\$ 6,973,978	\$ -	\$ 63,107,024
Watch	-	-	-	-	55,139	-	55,139
Special mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-
Total commercial - farmland	<u>\$ 11,390,539</u>	<u>\$ 3,273,426</u>	<u>\$ 5,516,244</u>	<u>\$ 35,952,837</u>	<u>\$ 7,029,117</u>	<u>\$ -</u>	<u>\$ 63,162,163</u>
Current period gross write-offs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>1-4 family residential-first liens</b>							
Risk Rating							
Pass	\$ 84,906,733	\$ 71,397,241	\$ 73,207,690	\$ 192,141,840	\$ 106,372,008	\$ -	\$ 528,025,512
Watch	10,234	156,303	2,081,668	2,686,740	-	-	4,934,945
Special mention	-	-	-	-	-	-	-
Substandard	14,948	93,038	200,726	3,091,959	219,286	-	3,619,957
Total 1-4 family first liens	<u>\$ 84,931,915</u>	<u>\$ 71,646,582</u>	<u>\$ 75,490,084</u>	<u>\$ 197,920,539</u>	<u>\$ 106,591,294</u>	<u>\$ -</u>	<u>\$ 536,580,414</u>
Current period gross write-offs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>1-4 family residential-junior liens</b>							
Risk Rating							
Pass	\$ 2,722,074	\$ 6,070,435	\$ 1,374,679	\$ 2,788,421	\$ 33,794,605	\$ -	\$ 46,750,214
Watch	-	3,195	-	249,348	271,994	-	524,537
Special mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	201,106	-	201,106
Total 1-4 family residential junior liens	<u>\$ 2,722,074</u>	<u>\$ 6,073,630</u>	<u>\$ 1,374,679</u>	<u>\$ 3,037,769</u>	<u>\$ 34,267,705</u>	<u>\$ -</u>	<u>\$ 47,475,857</u>
Current period gross write-offs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,487</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,487</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 3. LOANS (CONTINUED)

#### Credit Quality Indicators (Continued)

As of December 31, 2024	Term Loans Amortized Cost Basis by Origination Year				Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	Total
	2024	2023	2022	Prior			
<b>Commercial</b>							
Risk Rating							
Pass	\$ 54,516,899	\$ 24,714,394	\$ 49,244,778	\$ 47,956,586	\$ 91,226,401	\$ -	\$ 267,659,058
Watch	123,723	35,115	-	524,435	70,300	-	753,573
Special mention	-	-	-	-	-	-	-
Substandard	-	25,166	33,788	235,972	-	-	294,926
Total commercial	<u>\$ 54,640,622</u>	<u>\$ 24,774,675</u>	<u>\$ 49,278,566</u>	<u>\$ 48,716,993</u>	<u>\$ 91,296,701</u>	<u>\$ -</u>	<u>\$ 268,707,557</u>
Current period gross write-offs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,945</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,945</u>
<b>Consumer and other</b>							
Risk Rating							
Pass	\$ 4,702,696	\$ 2,047,387	\$ 2,424,705	\$ 4,331,253	\$ 5,164,616	\$ -	\$ 18,670,657
Watch	-	23,637	11,805	5,547	16,588	-	57,577
Special mention	-	-	-	-	-	-	-
Substandard	-	19,251	-	16,587	-	-	35,838
Total consumer and other	<u>\$ 4,702,696</u>	<u>\$ 2,090,275</u>	<u>\$ 2,436,510</u>	<u>\$ 4,353,387</u>	<u>\$ 5,181,204</u>	<u>\$ -</u>	<u>\$ 18,764,072</u>
Current period gross write-offs	<u>\$ 30,858</u>	<u>\$ -</u>	<u>\$ 1,501</u>	<u>\$ 7,387</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,746</u>
<b>Government obligations</b>							
Risk Rating							
Pass	\$ -	\$ -	\$ -	\$ 3,130,709	\$ 44,719	\$ -	\$ 3,175,428
Watch	-	-	-	-	-	-	-
Special mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-
Total government obligations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,130,709</u>	<u>\$ 44,719</u>	<u>\$ -</u>	<u>\$ 3,175,428</u>
Current period gross write-offs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 3. LOANS (CONTINUED)

#### Past Due Loans

A loan is considered past due if any required principal and interest payments have not been received as of the date such payments were required to be made under the terms of the loan agreement. Generally, management places loans on nonaccrual when there is a clear indication that the borrower's cash flow may not be sufficient to meet payments as they become due, which is generally when a loan is 90 days past due.

The following tables provide a summary of current, accruing past due, and nonaccrual loans by portfolio class as of December 31, 2025 and 2024:

	<u>Past Due Status (Accruing Loans)</u>			<u>Total Past Due</u>	<u>Nonaccrual with an ACL</u>	<u>Nonaccrual without an ACL</u>	<u>Total</u>
	<u>Current</u>	<u>30-89 Days</u>	<u>90+ Days</u>				
<b>December 31, 2025</b>							
<b>Real estate:</b>							
<b>Commercial:</b>							
<b>Non-farm,</b>							
<b>non-residential</b>	\$ 425,635,364	\$ 40,000	\$ -	\$ 40,000	\$ 46,125	\$ -	\$ 425,721,489
<b>Multifamily, construction     and development</b>	310,261,661	514,861	-	514,861	47,366	-	310,823,888
<b>Farmland</b>	75,403,392	-	-	-	373,992	-	75,777,384
<b>1-4 family residential:</b>							
<b>First liens</b>	590,566,890	917,407	-	917,407	2,825,888	32,377	594,342,562
<b>Junior liens</b>	56,809,285	119,363	-	119,363	49,507	-	56,978,155
<b>Commercial</b>	281,054,738	192,858	270	193,128	394,951	20,256	281,663,073
<b>Consumer and other</b>	17,001,635	296,767	-	296,767	226,548	5,665	17,530,615
<b>Government obligations</b>	2,422,813	-	-	-	-	-	2,422,813
<b>Total</b>	<u>\$ 1,759,155,778</u>	<u>\$ 2,081,256</u>	<u>\$ 270</u>	<u>\$ 2,081,526</u>	<u>\$ 3,964,377</u>	<u>\$ 58,298</u>	<u>\$ 1,765,259,979</u>
<b>December 31, 2024</b>							
<b>Real estate:</b>							
<b>Commercial:</b>							
<b>Non-farm,</b>							
<b>non-residential</b>	\$ 392,909,711	\$ 50,312	\$ -	\$ 50,312	\$ -	\$ -	\$ 392,960,023
<b>Multifamily, construction     and development</b>	208,378,262	-	-	-	47,366	-	208,425,628
<b>Farmland</b>	63,162,163	-	-	-	-	-	63,162,163
<b>1-4 family residential:</b>							
<b>First liens</b>	534,621,435	1,128,961	-	1,128,961	788,978	41,040	536,580,414
<b>Junior liens</b>	47,385,496	-	-	-	90,361	-	47,475,857
<b>Commercial</b>	268,356,971	56,752	270	57,022	258,458	35,106	268,707,557
<b>Consumer and other</b>	18,729,839	12,027	-	12,027	22,206	-	18,764,072
<b>Government obligations</b>	3,175,428	-	-	-	-	-	3,175,428
<b>Total</b>	<u>\$ 1,536,719,305</u>	<u>\$ 1,248,052</u>	<u>\$ 270</u>	<u>\$ 1,248,322</u>	<u>\$ 1,207,369</u>	<u>\$ 76,146</u>	<u>\$ 1,539,251,142</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 3. LOANS (CONTINUED)

#### Collateral-Dependent Loans

The following table presents the amortized cost basis of collateral-dependent loans by class of loans as of December 31, 2025 and 2024:

	Balance	Allowance for Credit Losses
<b>December 31, 2025</b>		
<b>Real estate:</b>		
<b>1-4 family residential:</b>		
<b>First liens</b>	\$ 141,850	\$ 73,527
<b>Commercial</b>	20,256	-
<b>Consumer</b>	5,665	-
<b>Total</b>	\$ 167,771	\$ 73,527
December 31, 2024		
Real estate:		
1-4 family residential:		
First liens	\$ 41,040	\$ -
Commercial	35,106	-
Total	\$ 76,146	\$ -

#### Modified Loans

When borrowers are experiencing financial difficulty, the Company may make certain loan modifications as part of its loss mitigation strategies to maximize expected payment. All loan modifications, renewals, and refinancings where borrowers are experiencing financial difficulty are evaluated for modified loan classification. To be classified as a modified loan, the modifications must be in the form of providing an interest rate reduction relative to the current interest rate, principal forgiveness, or an other-than-insignificant payment delay or extension of the maturity of the loan. A modified loan is tracked for twelve months following the modifications granted.

There were no modified loans in the years ended December 31, 2025 and 2024.

#### Related Party Loans

In the ordinary course of business, the Company has granted loans to certain related parties, including directors, executive officers and their affiliates. The interest rates on these loans were substantially the same as rates prevailing at the time of the transaction and repayment terms are customary for the type of loan. Changes in related party loans are as follows:

	Years Ended December 31,	
	2025	2024
Balance, beginning of year	\$ 28,657,823	\$ 26,882,217
Advances	12,720,004	4,585,500
Repayments	(10,979,085)	(2,809,894)
Balance, end of year	\$ 30,398,742	\$ 28,657,823

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 4. FORECLOSED ASSETS

A summary of foreclosed assets for the years ended December 31, 2025 and 2024 are presented as follows:

	December 31,	
	2025	2024
Balance, beginning of year	\$ -	\$ 25,635
Additions	490,000	-
Externally financed sales	-	(25,635)
Write-downs	(30,000)	-
Balance, end of year	\$ 460,000	\$ -

There were no foreclosures in process at December 31, 2025 or 2024. There were no residential real estate properties held at December 31, 2025.

### NOTE 5. PREMISES AND EQUIPMENT

Premises and equipment are summarized as follows:

	December 31,	
	2025	2024
Land	\$ 4,156,958	\$ 4,149,001
Buildings	15,386,279	14,615,769
Furniture and equipment	6,683,825	6,285,431
Projects in progress (estimated costs to complete \$4,025,000)	6,189,251	3,758,576
	32,416,313	28,808,777
Accumulated depreciation	(10,017,039)	(9,335,529)
	\$ 22,399,274	\$ 19,473,248

Depreciation expense was \$906,729 and \$887,044 for the years ended December 31, 2025 and 2024, respectively.

#### Leases

The Bank leases a branch office, one condo, and equipment under non-cancelable operating leases. These leases will expire by 2028.

Rent expense under all operating leases amounted to \$50,829 and \$50,397 for the years ended December 31, 2025 and 2024, respectively.

Future minimum lease payments on non-cancelable operating leases are summarized as follows:

2026		\$ 51,283
2027		51,727
2028		31,230
Total		\$ 134,240

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 6. GOODWILL

Following is a summary of the goodwill balance:

	December 31,	
	2025	2024
Goodwill	<b>\$ 4,009,759</b>	<b>\$ 4,009,759</b>

### NOTE 7. DEPOSITS

The following is a summary of deposits by type:

	December 31,	
	2025	2024
Noninterest-bearing demand deposits	<b>\$ 427,214,959</b>	\$ 314,758,109
Interest-bearing demand deposits	<b>444,892,271</b>	416,522,009
Savings accounts	<b>47,702,513</b>	48,477,681
Money market accounts	<b>493,373,596</b>	508,018,115
Certificates of deposits	<b>382,382,459</b>	359,221,793
Total deposits	<b>\$ 1,795,565,798</b>	<b>\$ 1,646,997,707</b>

The aggregate amount of time deposits in denominations of \$250,000 or more at December 31, 2025 and 2024 was approximately \$184,893,000 and \$185,589,000, respectively. The scheduled maturities of time deposits at December 31, 2025 are as follows:

2026	\$ 342,530,004
2027	24,910,773
2028	8,186,010
2029	3,357,288
2030	2,637,377
Thereafter	761,007
	<b>\$ 382,382,459</b>

At December 31, 2025 and 2024, the Company held brokered time deposits from CEDE & Company in the amount of \$48,583,000 and \$41,182,000, respectively.

At December 31, 2025 and 2024, overdraft deposit accounts reclassified to loans totaled \$463,945 and \$326,197, respectively.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 8. FEDERAL HOME LOAN BANK BORROWINGS

Federal Home Loan Bank borrowings consist of the following:

	December 31,	
	2025	2024
Federal Home Loan Bank advance with principal and interest payable monthly at a fixed rate of 3.79% maturing August 2033.	\$ 134,167	\$ 151,667
Federal Home Loan Bank advance with principal and interest payable monthly at a fixed rate of 2.92% maturing November 2029.	391,667	491,667
Federal Home Loan Bank advance with principal and interest payable monthly at a fixed rate of 2.77% maturing February 2035.	458,333	508,333
Federal Home Loan Bank advance with principal and interest payable monthly at a fixed rate of 3.30% maturing May 2031.	925,000	985,000
Federal Home Loan Bank advance with principal and interest payable monthly at a fixed rate of 2.57% maturing September 2025.	-	1,916,667
Federal Home Loan Bank advance with principal and interest payable monthly at a fixed rate of 2.67% maturing January 2031.	677,778	811,111
Federal Home Loan Bank advance with principal and interest payable monthly at a fixed rate of 2.17% maturing June 2033.	446,080	504,902
Federal Home Loan Bank advance with principal and interest payable monthly at a fixed rate of 1.67% maturing August 2026.	83,333	208,333
Federal Home Loan Bank advance with principal and interest payable monthly at a fixed rate of 3.61% maturing June 2033.	156,250	168,750
Federal Home Loan Bank advance with principal and interest payable monthly at a fixed rate of 2.00% maturing October 2031.	3,433,333	3,566,667
Federal Home Loan Bank advance with principal and interest payable monthly at a fixed rate of 1.54% maturing February 2027.	6,111,111	6,777,778
Federal Home Loan Bank advance with quarterly interest payments payable at a fixed rate of 1.64% maturing February 2030.	10,000,000	10,000,000
Federal Home Loan Bank advance with principal and interest payable monthly at a fixed rate of 1.80% maturing January 2032.	4,020,833	4,270,833
Federal Home Loan Bank advance with quarterly interest payments payable at a fixed rate of 4.86% maturing March 2026.	20,000,000	20,000,000
Federal Home Loan Bank advance with quarterly interest payments payable at a fixed rate of 1.42% maturing February 2027.	10,000,000	10,000,000
Federal Home Loan Bank advance with principal and interest payable monthly at a fixed rate of 0.98% maturing July 2033.	583,333	660,256
Federal Home Loan Bank advance with quarterly interest payments payable at a fixed rate of 4.09% maturing May 2028.	10,000,000	-
Federal Home Loan Bank advance with quarterly interest payments payable at a fixed rate of 4.22% maturing May 2030.	10,000,000	-
	<b>\$ 77,421,218</b>	<b>\$ 61,021,964</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 8. FEDERAL HOME LOAN BANK BORROWINGS (CONTINUED)

Contractual maturities of Federal Home Loan Bank borrowings as of December 31, 2025 are as follows:

2026	\$ 21,642,413
2027	16,336,857
2028	10,892,413
2029	884,080
2030	20,792,413
Thereafter	<u>6,873,042</u>
Total	<u>\$ 77,421,218</u>

Advances from the Federal Home Loan Bank are secured by certain qualifying loans with a lendable collateral value of approximately \$512,280,000 as of December 31, 2025.

The Company and the Bank have available unused lines of credit with various financial institutions, including FHLB, totaling approximately \$547,114,000 at December 31, 2025.

### NOTE 9. OTHER COMPENSATION AND BENEFIT PLANS

#### Profit-Sharing Plan

The Company has a profit sharing plan, as well as a savings plan, administered under the provisions of the Internal Revenue Code Section 401(k). During the calendar years 2025 and 2024, the Company contributed approximately \$4,012,000 and \$4,660,000, respectively, to the above plan.

#### Directors Compensation Plan

During 2024, the Board approved the 2024 Directors Compensation Plan which authorized the issuance of up to 50,000 shares of the Company's common stock for Directors that make an annual election to receive their Board fees in the Company's common stock instead of cash payments. Under the plan, an electing Director will receive one additional share of common stock for every eight shares of common stock to be issued pursuant to the Directors' election. Such shares of common stock shall be issued semi-annually, in May and in November. During the years ended December 31, 2025 and 2024, 1,368 and 496 shares of common stock, respectively, were issued under the plan. As of December 31, 2025, 48,136 shares remained available for issuance under the plan.

#### Employee Stock Bonus Plan

During 2024, the Board approved the 2024 Employee Stock Bonus Plan which authorized the issuance of up to 50,000 shares of the Company's common stock for employees that make an annual election to receive their annual cash bonus in the Company's common stock instead of cash payments. Under the plan, an electing employee will receive one additional share of common stock for every eight shares of common stock to be issued pursuant to the employees' election. Such shares of common stock shall be issued annually, in December. During the years ended December 31, 2025 and 2024, 1,940 and 2,871 shares of common stock, respectively, were issued under the plan. As of December 31, 2025, 45,189 shares remained available for issuance under the plan.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 10. INCOME TAXES

The components of income tax expense are as follows:

	Years Ended December 31,	
	2025	2024
Current		
Federal	\$ 12,896,898	\$ 10,870,969
State	1,164,165	1,225,316
Deferred		
Federal	(1,010,497)	(404,852)
State	(314,400)	(95,418)
Total income tax expense	\$ 12,736,166	\$ 11,596,015

The Company incurred no foreign tax expense during 2025 and 2024.

The Company's income tax expense differs from the amounts computed by applying the federal income tax statutory rates to income before income taxes. A reconciliation of the differences is as follows:

	Years Ended December 31,			
	2025		2024	
	Amount	Percentage	Amount	Percentage
Tax provision at statutory federal rate	\$ 12,072,748	21.00%	\$ 10,681,959	21.00%
Tax-exempt income	(19,998)	(0.03)%	(32,118)	(0.06)%
State income taxes, net of federal tax benefit	559,966	0.97%	851,196	1.67%
Other	123,450	0.21%	94,978	0.19%
Income tax expense	\$ 12,736,166	22.15%	\$ 11,596,015	22.80%

State taxes in Georgia and Florida made up the majority of the tax effect in this category.

Rate reconciliation: The effective tax rate differs from the U.S. federal statutory rate primarily due to tax exempt income, tax credits, and state and local taxes.

Income taxes paid were as follows:

	Years Ended December 31,	
	2025	2024
Federal	\$ 13,172,151	\$ 10,322,538
State	1,378,229	1,044,232
	\$ 14,550,380	\$ 11,366,770

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 10. INCOME TAXES (CONTINUED)

The components of deferred income taxes, included in other assets, are as follows:

	Years Ended December 31,	
	2025	2024
Deferred tax assets:		
Allowance for credit losses	\$ 9,912,471	\$ 8,490,097
Allowance for credit losses—unfunded commitments	1,193,140	1,054,040
Nonaccrual interest	55,247	26,689
Securities available for sale	-	12,775
	<b>11,160,858</b>	<b>9,583,601</b>
Deferred tax liabilities:		
Depreciation	827,981	573,828
Goodwill	983,604	972,554
Securities available for sale	4,405	-
	<b>1,815,990</b>	<b>1,546,382</b>
Net deferred tax assets	<b>\$ 9,344,868</b>	<b>\$ 8,037,219</b>

The federal income tax returns of the Company are subject to examination by the IRS, generally for three years after they were filed.

### NOTE 11. EARNINGS PER SHARE

Presented below is a summary of the components used to calculate basic and diluted earnings per share:

	Years Ended December 31,	
	2025	2024
Net income	\$ 44,753,108	\$ 39,270,457
Less dividends on preferred stock	895,128	769,225
Net income available to common stockholders	<b>\$ 43,857,980</b>	<b>\$ 38,501,232</b>
Weighted-average number of common shares outstanding	6,323,149	6,305,633
Effect of dilutive options, restricted shares and preferred shares	331,309	332,597
Weighted average number of common shares outstanding used to calculate dilutive earnings per share	<b>6,654,458</b>	<b>6,638,230</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 12. COMMITMENTS AND CONTINGENCIES

#### Loan Commitments

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

The Company's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit and standby letters of credit is represented by the contractual amount of those instruments. The Company uses the same credit policies in making commitments as it does for on-balance-sheet instruments. A summary of the Company's commitments is as follows:

	December 31,	
	2025	2024
Commitments to extend credit	\$ 444,983,000	\$ 396,497,000
Standby letters of credit	5,525,000	6,876,000
Total	<u>\$ 450,508,000</u>	<u>\$ 403,373,000</u>

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The amount of collateral obtained, if deemed necessary by the Company upon extension of credit, is based on management's credit evaluation of the party. Collateral held varies, but may include accounts receivable, crops, livestock, inventory, property and equipment, residential real estate, and income-producing commercial properties.

Standby letters of credit are conditional commitments issued by the Company to guarantee the performance of a customer to a third-party. Those guarantees are primarily issued to support public and private borrowing arrangements. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loans to customers. Collateral held varies as specified above and is required in instances which the Company deems necessary.

At December 31, 2025 and 2024, the carrying amount of liabilities related to the Company's obligation to perform under standby letters of credit was insignificant. The Company has not been required to perform on any standby letters of credit, and the Company has not incurred any losses on financial standby letters of credit for the year ended December 31, 2025.

The Company maintains an allowance for off-balance sheet credit exposures such as unfunded balances for existing lines of credit, commitments to extend future credit, as well as both standby and commercial letters of credit when there is a contractual obligation to extend credit and when this extension of credit is not unconditionally cancellable. The allowance for off-balance sheet credit exposures is adjusted as a provision for credit loss expense. The estimate includes consideration of the likelihood that funding will occur, which is based on a historical funding study derived from internal information, and an estimate of expected credit losses on commitments expected to be funded over its estimated life, which are the same loss rates that are used in computing the allowance for credit losses on loans. The allowance for credit losses for unfunded commitments is separately classified on the balance sheet within other liabilities.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

#### Loan Commitments (Continued)

The following table presents the balance and activity in the allowance for credit losses for unfunded commitments for the year ended December 31, 2025 and 2024:

	December 31,	
	2025	2024
<b>Allowance for Credit Losses – Unfunded Commitments</b>		
Beginning balance	\$ 4,159,000	\$ 4,254,000
Provision for (recovery of) credit losses for unfunded commitments	<u>430,000</u>	<u>(95,000)</u>
Ending balance	<u>\$ 4,589,000</u>	<u>\$ 4,159,000</u>

#### Contingencies

In the normal course of business, the Company is involved in various legal proceedings. In the opinion of management, any liability resulting from such proceedings would not have a material adverse effect on the Company's financial statements.

### NOTE 13. CONCENTRATIONS OF CREDIT

The Company originates primarily commercial, commercial real estate, residential real estate, construction and development and consumer loans to customers in Thomas, Glynn, and Leon counties and surrounding counties. The ability of the majority of the Company's customers to honor their contractual obligations is dependent on the local economy.

Eighty-three percent (83%) of the Company's loan portfolio is concentrated in loans secured by real estate primarily in the Company's market area. Accordingly, the ultimate collectability of the Company's loan portfolio is susceptible to changes in market conditions in the Company's market areas. The other significant concentrations of credit by type of loan are set forth in Note 3.

The Company, as a matter of policy, does not extend credit to any single borrower or group of related borrowers in excess of 15% of the Bank's Tier 1 capital plus the allowance for credit losses, or approximately \$35,986,000.

As of December 31, 2025, there were six borrowers who participated in the Company's Supplemental Legal Lending Limit Program (the "Program"). Under the Program, the Company may participate the debt of a single borrower in excess of 10% over the normal legal lending limit. The aggregate amount of debt participated in the Program, for all borrowers, may not exceed 10% of capital. Three of these borrowers have related total debt exceeding 15% of capital at December 31, 2025.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 14. REGULATORY MATTERS

The Bank is subject to certain restrictions on the amount of dividends that may be declared without prior regulatory approval. At December 31, 2025, approximately \$69,397,000 of retained earnings were available for dividend declaration without regulatory approval.

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

Quantitative measures established by regulation to ensure capital adequacy require the Company and Bank to maintain minimum amounts and ratios of Total, Tier 1, and CET1 capital to risk-weighted assets, as defined, and of Tier 1 capital to average assets. Management believes, as of December 31, 2025, the Company and Bank met all capital adequacy requirements to which they are subject.

As of December 31, 2025, the most recent notification from the Federal Deposit Insurance Corporation categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Bank must maintain minimum total risk-based, Tier 1 risk-based, CET1 risk-based, and Tier 1 leverage ratios as set forth in the following table. There are no conditions or events since that notification that management believes have changed the Bank's categories. Prompt corrective action provisions are not applicable to bank holding companies.

The Bank's actual capital amounts and ratios are presented in the following tables.

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
(Dollars in Thousands)						
<b>As of December 31, 2025</b>						
<b>Total Capital Ratio (total capital to risk weighted assets)</b>						
Thomasville National Bank	\$ 218,652	12.90%	\$ 135,623	8.00%	\$ 169,529	10.00%
<b>Core Capital Ratio (Tier 1 capital to risk weighted assets)</b>						
Thomasville National Bank	\$ 197,195	11.63%	\$ 101,717	6.00%	\$ 135,623	8.00%
<b>CET1 Ratio (common equity Tier 1 capital to risk weighted assets)</b>						
Thomasville National Bank	\$ 197,195	11.63%	\$ 76,288	4.50%	\$ 110,194	6.50%
<b>Leverage Ratio (Tier 1 capital to average assets)</b>						
Thomasville National Bank	\$ 197,195	9.85%	\$ 80,060	4.00%	\$ 100,075	5.00%

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 14. REGULATORY MATTERS (CONTINUED)

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
	(Dollars in Thousands)					
As of December 31, 2024						
Total Capital Ratio (total capital to risk weighted assets)						
Thomasville National Bank	\$ 188,358	12.61%	\$ 119,472	8.00%	\$ 149,340	10.00%
Core Capital Ratio (Tier 1 capital to risk weighted assets)						
Thomasville National Bank	\$ 169,468	11.35%	\$ 89,604	6.00%	\$ 119,472	8.00%
CET1 Ratio (common equity Tier 1 capital to risk weighted assets)						
Thomasville National Bank	\$ 169,468	11.35%	\$ 67,203	4.50%	\$ 97,071	6.50%
Leverage Ratio (Tier 1 capital to average assets)						
Thomasville National Bank	\$ 169,468	9.03%	\$ 75,077	4.00%	\$ 93,846	5.00%

### NOTE 15. FAIR VALUE OF ASSETS AND LIABILITIES

#### Determination of Fair Value

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

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 15. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

#### Fair Value Hierarchy

In accordance with this guidance, the Company groups its financial assets and financial liabilities generally measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

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

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

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

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

**Assets Measured at Fair Value on a Recurring Basis:** Assets measured at fair value on a recurring basis are summarized below:

The following table presents financial assets measured at fair value on a recurring basis:

	Fair Value Measurements			
	Assets Measured at Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>December 31, 2025</b>				
<b>Securities available for sale</b>				
U.S. Government and federal agencies	\$ 55,591,182	\$ -	\$ 55,591,182	\$ -
<b>Total assets at fair value</b>	<b>\$ 55,591,182</b>	<b>\$ -</b>	<b>\$ 55,591,182</b>	<b>\$ -</b>
<b>December 31, 2024</b>				
<b>Securities available for sale</b>				
U.S. Government and federal agencies	\$ 52,924,534	\$ -	\$ 52,924,534	\$ -
<b>Total assets at fair value</b>	<b>\$ 52,924,534</b>	<b>\$ -</b>	<b>\$ 52,924,534</b>	<b>\$ -</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 15. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

#### Fair Value Hierarchy (Continued)

**Assets Measured at Fair Value on a Nonrecurring Basis:** Under certain circumstances, management makes adjustments to fair value for assets although they are not measured at fair value on an ongoing basis. The following table presents the financial instruments carried on the consolidated balance sheet by caption and by level in the fair value hierarchy for which a nonrecurring change in fair value has been recorded:

	<u>Fair Value Measurements Using</u>			<u>Total Losses</u>
	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	
<b>December 31, 2025</b>				
Collateral-dependent loans	\$ -	\$ -	\$ 167,771	\$ 73,527
Foreclosed assets	-	-	460,000	30,000
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 627,771</b>	<b>\$ 103,527</b>
<b>December 31, 2024</b>				
Collateral-dependent loans	-	-	76,146	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 76,146</b>	<b>\$ -</b>

#### Quantitative Disclosures for Level 3 Fair Value Measurements

The Company had no Level 3 assets measured at fair value on a recurring basis at December 31, 2025 and 2024.

For Level 3 assets measured at fair value on a nonrecurring basis as of December 31, 2025 and 2024, the significant unobservable inputs used in the fair value measurements are presented below.

	<u>Carrying Amount</u>	<u>Valuation Technique</u>	<u>Significant Unobservable Input</u>
<b>December 31, 2025</b>			
<b>Nonrecurring:</b>			
Collateral-dependent loans	\$ 167,771	Appraisal and discounted cash flow	Appraisal and cash flow discounts
Foreclosed assets	\$ 460,000	Appraisal	Appraisal
<b>December 31, 2024</b>			
<b>Nonrecurring:</b>			
Collateral-dependent loans	\$ 76,146	Appraisal and discounted cash flow	Appraisal and cash flow discounts

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 15. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

#### Quantitative Disclosures for Level 3 Fair Value Measurements (Continued)

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

**Cash and Due from Banks, Interest-Bearing Deposits in Other Banks, and Federal Funds Sold:** The carrying amounts approximate fair values based on the short-term nature of the assets.

**Securities:** Where quoted prices are available in an active market, management classifies the securities within Level 1 of the valuation hierarchy. Level 1 securities include highly liquid government bonds and exchange-traded equities.

If quoted market prices are not available, management estimates fair values using pricing models and discounted cash flows that consider standard input factors such as observable market data, benchmark yields, interest rate volatilities, broker/dealer quotes, and credit spreads. Examples of such instruments, which would generally be classified within Level 2 of the valuation hierarchy, include GSE obligations. Mortgage-backed securities are included in Level 2 if observable inputs are available. In certain cases where there is limited activity or less transparency around inputs to the valuation, management classifies those securities in Level 3.

**Equity Securities and Other Equity Securities:** Fair values for other investments are considered to be their cost as they are redeemed at par value.

**Loans Held for Sale:** The carrying amount of loans held for sale approximates value.

**Loans:** For variable-rate loans that reprice frequently and with no significant change in credit risk, fair values are based on carrying values. Fair values for certain mortgage loans (for example, 1-4 family residential) and other consumer loans are based on quoted market prices of similar loans sold in conjunction with securities securitization transactions, adjusted for differences in loan characteristics. Fair value for other loans (for example, commercial real estate and investment property mortgage loans, commercial, and industrial loans) are estimated using discounted cash flow analyses, using market interest rates for comparable loans.

**Deposits:** The fair values disclosed for demand deposits (for example, interest and noninterest checking, savings, and certain types of money market accounts) are, by definition, equal to the amount payable on demand at the reporting date (that is, their carrying amounts). The carrying amounts of variable-rate, fixed-term money market accounts, and certificates of deposit approximate their fair values at the reporting date. Fair values for fixed-rate certificates of deposit are estimated using a discounted cash flow calculation that applies market interest rates on comparable instruments to a schedule of aggregated expected monthly maturities on time deposits.

**Note Payable:** The carrying amount of the note payable approximates fair value.

**Federal Home Loan Bank Borrowings:** The carrying amount of variable rate borrowings approximates fair value. The fair value of fixed rate Federal Home Loan Bank borrowings is estimated based on discounted contractual cash flows using the current incremental borrowing rates for similar type borrowing arrangements.

**Accrued Interest:** The carrying amounts of accrued interest approximate fair value.

**Off-balance Sheet Credit-Related Instruments:** Fair values for off-balance sheet, credit-related financial instruments are based on fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the counterparties' credit standing.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 15. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

#### Quantitative Disclosures for Level 3 Fair Value Measurements (Continued)

	Carrying Amount	Fair Value Measurements at December 31, 2025 using:			
		Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Cash, due from banks, interest-bearing deposits in other banks, and federal funds sold	\$ 236,182,456	\$ 236,182,456	\$ -	\$ -	\$ 236,182,456
Securities available for sale	55,591,182	-	55,591,182	-	55,591,182
Restricted equity securities	5,468,050	-	5,468,050	-	5,468,050
Other equity securities	240,000	-	240,000	-	240,000
Loans, net	1,727,135,089	-	-	1,723,191,938	1,723,191,938
Loans held for sale	192,000	-	-	192,000	192,000
Accrued interest receivable	9,082,531	-	168,041	8,914,490	9,082,531
<b>Financial liabilities</b>					
Deposits	\$ 1,795,565,798	\$ -	\$ -	\$ 1,796,931,000	\$ 1,796,931,000
Federal Home Loan Bank borrowings	77,421,218	-	-	74,769,205	74,769,205
Accrued interest payable	1,820,305	-	-	1,820,305	1,820,305
Fair Value Measurements at December 31, 2024 using:					
	Carrying Amount	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Cash, due from banks, interest-bearing deposits in other banks, and federal funds sold	\$ 269,468,222	\$ 269,468,222	\$ -	\$ -	\$ 269,468,222
Securities available for sale	52,924,534	-	52,924,534	-	52,924,534
Restricted equity securities	4,593,150	-	4,593,150	-	4,593,150
Other equity securities	240,000	-	240,000	-	240,000
Loans, net	1,506,701,920	-	-	1,487,609,852	1,487,609,852
Accrued interest receivable	9,555,928	-	136,080	9,419,848	9,555,928
<b>Financial liabilities</b>					
Deposits	\$ 1,646,997,707	\$ -	\$ -	\$ 1,647,288,511	\$ 1,647,288,511
Federal Home Loan Bank borrowings	61,021,964	-	-	57,214,199	57,214,199
Accrued interest payable	1,961,243	-	-	1,961,243	1,961,243

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 16. REVENUE FROM CONTRACTS WITH CUSTOMERS

All of the Company's revenue from contracts with customers in the scope of ASC 606 is recognized within noninterest income. The following table presents the Company's sources of noninterest income for the years ended December 31, 2025 and 2024. Items outside the scope of ASC 606 are noted as such.

	For the Years Ended December 31,	
	2025	2024
<b>Noninterest income</b>		
Trust and investment services	\$ 21,634,531	\$ 19,170,725
Service charges on deposit accounts		
Account service charges	207,475	201,804
Overdraft fees	316,442	299,850
Other	1,140	4,590
Other service charges, commissions and fees	1,512,631	1,416,359
Mortgage origination fees (b)	277,059	265,845
Other income (a)	885,753	853,000
	\$ 24,835,031	\$ 22,212,173

(a) The other income category includes safe deposit box rent as of December 31, 2025 and 2024 of \$31,720 and \$31,191, respectively, which is within the scope of ASC 606; the remaining balance of \$854,033 and \$821,809 as of December 31, 2025 and 2024, respectively, represents dividend income, income from bank owned life insurance, and miscellaneous income, which is outside the scope of ASC 606.

(b) Not within scope at ASC 606.

A description of the Company's significant revenue streams accounted for under ASC 606 follows:

Trust and investment service fees: The Company earns fees from asset management and fiduciary services provided to clients of TNB Financial Services. The fees are recognized monthly and a receivable is recorded until commissions are generally paid by the 15<sup>th</sup> of the following month. Trust fees are billed in arrears or in advance and are recognized as revenues as the Company's performance obligations are satisfied. Certain fees are based on a percentage of assets invested or under management and are recognized as the service is performed and constraints regarding the uncertainty of the amount of fees are resolved. The Company also receives revenues from the sale of mutual funds and annuities and securities brokerage fees. Such revenues are generally recognized at the time of transaction execution. Mutual fund and other distribution fees are recognized upon initial placement of customer funds as well as in future periods as such customers continue to hold amounts in those mutual funds.

Service charges on deposit accounts: The Company earns fees from its deposit customers for transaction-based, account maintenance and overdraft services. Transaction-based fees, which include services such as stop payment charges, statement rendering, and ACH fees, are recognized at the time the transaction is executed as that is the point in time the Company fulfills the customer's request. Account maintenance fees, which are related primarily to monthly maintenance, are earned over the course of a month, representing the period over which the Company satisfies the performance obligation. Overdraft fees are recognized at the point in time that the overdraft occurs. Service charges on deposits are withdrawn from the customer's account balance.

Other service charges, commissions, and fees: The Company earns fees from its deposit customers for transaction-based services. Transaction-based fees, which includes services such as ATM use fees, wire transfer fees, check order fees, and credit card fees, are recognized at the time the transaction is executed as that is the point in time the Company fulfills the customer's request.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 17. PARENT COMPANY FINANCIAL INFORMATION

The following information presents the condensed balance sheets as of December 31, 2025 and 2024 and statements of income and cash flows of Thomasville Bancshares, Inc. for the years ended December 31, 2025 and 2024:

#### CONDENSED BALANCE SHEETS

	2025	2024
<b>Assets</b>		
Cash	\$ 1,924,678	\$ 1,423,754
Investment in subsidiary	201,217,416	173,441,747
Other equity securities, at cost	240,000	240,000
Other assets	-	14,914
Total assets	\$ 203,382,094	\$ 175,120,415
<b>Liabilities</b>		
Other liabilities	\$ 4,084	\$ -
<b>Stockholders' equity</b>	203,378,010	175,120,415
Total liabilities and stockholders' equity	\$ 203,382,094	\$ 175,120,415

#### CONDENSED STATEMENTS OF INCOME

	2025	2024
<b>Income</b>		
Dividends from subsidiary	\$ 16,978,021	\$ 16,364,513
Dividends, other	72,000	72,000
Other income	66,101	22,344
Total income	17,116,122	16,458,857
<b>Expenses</b>		
Other expense	85,700	116,895
Total expenses	85,700	116,895
Income before income tax expense (benefit) and equity in undistributed income of subsidiary	17,030,422	16,341,962
<b>Income tax expense (benefit)</b>	4,084	(14,914)
Income before equity in undistributed income of subsidiary	17,026,338	16,356,876
<b>Equity in undistributed income of subsidiary</b>	27,726,770	22,913,581
Net income	\$ 44,753,108	\$ 39,270,457

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 17. PARENT COMPANY FINANCIAL INFORMATION (CONTINUED)

#### CONDENSED STATEMENTS OF CASH FLOWS

	2025	2024
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 44,753,108	\$ 39,270,457
Adjustments to reconcile net income to net cash provided by operating activities:		
Undistributed income of subsidiary	(27,726,770)	(22,913,581)
Other operating activities	18,998	15,676
Net cash provided by operating activities	17,045,336	16,372,552
<b>FINANCING ACTIVITIES</b>		
Dividends paid	(17,978,020)	(15,284,162)
Issuance of common stock	1,533,549	1,280,853
Repurchase and retirement of common stock	-	(1,080,350)
Repurchase and retirement of preferred stock	(99,941)	(525,528)
Net cash used in financing activities	(16,544,412)	(15,609,187)
Net increase in cash	500,924	763,365
Cash at beginning of year	1,423,754	660,389
Cash at end of year	\$ 1,924,678	\$ 1,423,754