ANNUAL REPORT

2025

COMMUNITY CAPITAL BANCSHARES, INC. AND SUBSIDIARY

FINANCIAL REPORT
DECEMBER 31, 2025

CONGFURTHER

MJ
CPAs & ADVISORS

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MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report

To the Board of Directors
Community Capital Bancshares, Inc.
Albany, Georgia

Opinion

We have audited the accompanying consolidated financial statements of Community Capital Bancshares, Inc. and Subsidiary, which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Community Capital Bancshares, Inc. and Subsidiary as of December 31, 2025 and 2024, and the results of their operations and their cash flows for the years then ended in accordance with generally accepted accounting principles in the United States of America.

Basis for Opinion

We conducted our audits in accordance with generally accepted auditing standards in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Capital Bancshares, Inc. and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Capital 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

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

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

Mauldin & Jenkins, LLC

Albany, Georgia
March 6, 2026

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Cash and due from banks	$ 862,821	$ 1,038,906
Interest-bearing deposits in other banks	15,944,502	25,273,064
Cash and cash equivalents	16,807,323	26,311,970
Federal funds sold	41,146,000	48,050,000
Securities available for sale, at fair value (amortized cost $32,319,480 and $23,400,977)	32,303,198	23,091,066
Restricted equity securities, at cost	206,300	192,500
Loans	186,994,809	169,553,573
Less allowance for credit losses	2,477,933	2,455,750
Loans, net	184,516,876	167,097,823
Premises and equipment	2,824,161	2,336,413
Accrued interest receivable	1,053,255	864,283
Deferred tax assets, net	615,530	766,902
Other assets	424,428	622,490
	$ 279,897,071	$ 269,333,447
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Deposits		
Noninterest-bearing	$ 85,490,212	$ 85,217,392
Interest-bearing	158,144,891	148,117,927
Total deposits	243,635,103	233,335,319
Other borrowings	4,040,109	2,311,226
Guaranteed preferred beneficial interests in junior subordinated debentures	-	4,124,000
Accrued interest payable	87,405	146,500
Other liabilities	869,654	842,073
Total liabilities	248,632,271	240,759,118
Commitments and contingencies (Note 12)		
Stockholders' equity		
Preferred stock, authorized 2,000,000 shares; none issued	-	-
Common stock, par value $1; 10,000,000 shares authorized; 1,297,720 and 1,287,534 shares issued and outstanding	1,297,720	1,287,534
Capital surplus	26,519,203	28,972,452
Retained earnings (deficit)	3,460,740	(1,440,827)
Accumulated other comprehensive loss	(12,863)	(244,830)
Total stockholders' equity	31,264,800	28,574,329
	$ 279,897,071	$ 269,333,447

See Notes to Consolidated Financial Statements.

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

	2025	2024
Interest income		
Loans, including fees	$ 11,567,538	$ 11,528,893
Taxable securities	1,142,939	966,141
Nontaxable securities	9,180	-
Interest-bearing deposits in other banks	721,561	476,195
Federal funds sold	1,778,240	2,336,762
Total interest income	15,219,458	15,307,991
Interest expense		
Deposits	3,102,608	3,818,859
Other borrowings	368,045	505,996
Total interest expense	3,470,653	4,324,855
Net interest income	11,748,805	10,983,136
Provision for credit losses	-	10,002
Net interest income after provision for credit losses	11,748,805	10,973,134
Noninterest income		
Service charges on deposit accounts	561,614	607,126
Financial service fees	239,426	203,973
Mortgage banking income	58,117	67,605
Other operating income	73,046	93,961
Total noninterest income	932,203	972,665
Noninterest expenses		
Salaries and employee benefits	3,557,864	3,442,885
Equipment and occupancy expenses	695,602	733,599
Data processing expenses	887,245	832,256
Administrative expenses	286,047	286,737
Legal and professional fees	156,717	152,511
Regulatory assessment expense	149,610	147,818
Other operating expenses	550,006	610,926
Total noninterest expenses	6,283,091	6,206,732
Income before income tax	6,397,917	5,739,067
Income tax	1,496,350	1,289,652
Net income	$ 4,901,567	$ 4,449,415
Basic earnings per common share	$ 3.79	$ 3.46
Diluted earnings per common share	$ 3.72	$ 3.42

See Notes to Consolidated Financial Statements.

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

	2025	2024
Net income	$ 4,901,567	$ 4,449,415
Other comprehensive income:		
Net unrealized holding gains In securities available for sale arising during year, net of tax expense of $61,662 and $46,495	231,967	174,910
Comprehensive income	$ 5,133,534	$ 4,624,325

See Notes to Consolidated Financial Statements.

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

	Common Stock		Capital Surplus	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Par Value				
Balance, December 31, 2023	1,281,018	$ 1,281,018	$ 29,828,526	$ (5,890,242)	$ (419,740)	$ 24,799,562
Net income	-	-	-	4,449,415	-	4,449,415
Return of capital dividend $0.75 per common share	-	-	(964,620)	-	-	(964,620)
Granting of restricted shares	4,686	4,686	(4,686)	-	-	-
Exercise of stock options, net	1,830	1,830	1,234	-	-	3,064
Stock-based compensation	-	-	111,998	-	-	111,998
Other comprehensive income	-	-	-	-	174,910	174,910
Balance, December 31, 2024	1,287,534	1,287,534	28,972,452	(1,440,827)	(244,830)	28,574,329
Net income	-	-	-	4,901,567	-	4,901,567
Return of capital dividend $2.00 per common share	-	-	(2,592,694)	-	-	(2,592,694)
Granting of restricted shares	4,190	4,190	(4,190)	-	-	-
Exercise of stock options, net	5,996	5,996	(158)	-	-	5,838
Stock-based compensation	-	-	143,793	-	-	143,793
Other comprehensive income	-	-	-	-	231,967	231,967
Balance, December 31, 2025	1,297,720	$ 1,297,720	$ 26,519,203	$ 3,460,740	$ (12,863)	$ 31,264,800

See Notes to Consolidated Financial Statements.

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

	2025	2024
Operating Activities		
Net income	$ 4,901,567	$ 4,449,415
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	155,309	222,483
Provision for credit losses	-	10,002
Provision for deferred taxes	89,711	86,814
Net loss on sales of premises and equipment	22,208	-
Decrease in loans held for sale	-	152,799
Decrease (increase) in interest receivable	(188,972)	65,211
Increase (decrease) in interest payable	(59,095)	42,239
Increase in taxes payable	96,809	96,809
Stock-based compensation	143,793	111,998
Other operating activities	128,033	(917,224)
Net cash provided by operating activities	5,289,363	4,320,546
Investing Activities		
Net (increase) decrease in restricted equity securities	(13,800)	5,000
Net (increase) decrease in loans	(17,419,053)	4,833,153
Net decrease (increase) in federal funds sold	6,904,000	(14,360,000)
Proceeds from maturities, paydowns, and calls of securities available for sale	14,187,717	6,214,037
Purchases of securities available for sale	(23,105,420)	(10,846,825)
Purchases of premises and equipment	(666,189)	(226,820)
Proceeds from sale of premises and equipment	924	-
Net cash used in investing activities	(20,111,821)	(14,381,455)
Financing Activities		
Net increase in deposits	10,299,784	18,489,322
Repayment of other borrowings	(6,519,117)	(2,095,017)
Net proceeds from other borrowings	4,124,000	-
Return of capital dividend paid	(2,592,694)	(964,620)
Exercise of stock options, net	5,838	3,064
Net cash provided by financing activities	5,317,811	15,432,749
Net (decrease) increase in cash and cash equivalents	(9,504,647)	5,371,840
Cash and cash equivalents at beginning of year	26,311,970	20,940,130
Cash and cash equivalents at end of year	$ 16,807,323	$ 26,311,970
Supplemental Disclosures		
Cash paid for:		
Interest	$ 3,529,748	$ 4,282,616
Income taxes	1,424,863	1,319,972
Noncash Transactions		
Unrealized gains on securities available for sale	$ 293,629	$ 221,405

See Notes to Consolidated Financial Statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Community Capital Bancshares, Inc. (the "Company") is a bank holding company whose principal activity is the ownership and management of its wholly-owned bank subsidiary, AB&T (the "Bank"). The Bank's main office and branch are both located in Albany, Dougherty County, Georgia. The Bank provides a full range of banking services to individual and corporate customers in its primary market area of Dougherty County, Georgia.

The Company also owns Community Capital Statutory Trust I, a Delaware statutory business trust. This nonoperating subsidiary was created in 2003 for the sole purpose of issuing trust preferred securities and investing the proceeds in subordinated debentures issued by the Company, all of which are described more fully in Note 7. During 2025, the Company redeemed the trust preferred securities and subordinated debentures and this statutory trust was dissolved in 2025.

Basis of Presentation and Accounting Estimates

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

In preparing the consolidated financial statements in conformity 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 the disclosure of contingent assets and liabilities as of the date of the balance sheet and 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, the valuation of other real estate owned, deferred tax assets, credit impairments of securities, the fair value of financial instruments, and contingent assets and liabilities. 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 loans 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 local economic conditions in the real estate and agricultural industries.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation and Accounting Estimates (Continued)

The Company has evaluated all transactions, events, and circumstances for consideration or disclosure through March 6, 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.

Cash, Cash Equivalents, and Cash Flows

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

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 total 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 is reported in accrued interest receivable in the consolidated balance sheets and totaled $323,617 and $263,636 as of December 31, 2025 and 2024, respectively.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Securities (Continued)

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. The Company does not currently have any securities in which a credit impairment exists.

The Company uses a systematic methodology to determine its ACL for debt securities held to maturity considering the effects of past events, current conditions, and reasonable and supportable forecasts on the collectability of the portfolio. The ACL is a valuation account that is deducted from the amortized cost basis to present the net amount expected to be collected on the held to maturity portfolio. The Company monitors the held to maturity portfolio on a quarterly basis to determine whether a valuation account would need to be recorded. As of December 31, 2025 and 2024, the Company had no held to maturity securities and no related valuation account.

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"). Gains and losses on sale of loans are recognized at the time of the sale. Losses on sales of loans are recognized when management has determined that such loans will be sold at a price less than the carrying value. Gains and losses are determined by the difference between the net sales proceeds and the cost basis of the loans sold. For loans carried at LOCOM, gains and losses on loan sales (sales proceeds minus carrying value) are recorded in mortgage banking income. The estimated fair value of loans held for sale is based on independent third party quoted prices. There were no loans held for sale at December 31, 2025 and 2024.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 unaccreted 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 is reported in accrued interest receivable in the consolidated balance sheets and totaled $729,638 and $600,647 at December 31, 2025 and 2024, respectively.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Credit Losses – Loans (Continued)

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.

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.

Modified Loans

The Company designates loan modifications as modified loans when for economic and legal reasons related to the borrower's financial difficulties, it grants a concession to the borrower that it would not otherwise consider. Modified loans can involve loans remaining on nonaccrual, moving to nonaccrual, or continuing on accrual status, depending on the individual facts and circumstances of the borrower. In circumstances where the modified loan involves charging off a portion of the loan balance, the Company typically classifies these restructurings as nonaccrual.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Modified Loans (Continued)

In connection with restructurings, the decision to maintain a loan that has been restructured on accrual status is based on a current, well documented credit evaluation of the borrower's financial condition and prospects for repayment under the modified terms. This evaluation includes consideration of the borrower's current capacity to pay, which among other things may include a review of the borrower's current financial statements, an analysis of global cash flow sufficient to pay all debt obligations, a debt-to-income analysis, and an evaluation of secondary sources of payment from the borrower and any guarantors. This evaluation also includes an evaluation of the borrower's current willingness to pay, which may include a review of past payment history, an evaluation of the borrower's willingness to provide information on a timely basis, and consideration of offers from the borrower to provide additional collateral or guarantor support. The credit evaluation also reflects consideration of the borrower's future capacity and willingness to pay, which may include evaluation of cash flow projections, consideration of the adequacy of collateral to cover all principal and interest and trends indicating improving profitability and collectability of receivables.

Restructured nonaccrual loans may be returned to accrual status based on a current, well-documented credit evaluation of the borrower's financial condition and prospects for repayment under the modified terms. This evaluation must include consideration of the borrower's sustained historical repayment for a reasonable period, generally a minimum of six months, prior to the date on which the loan is returned to accrual status.

Premises and Equipment

Land is carried at cost. Premises and equipment are carried at cost less accumulated depreciation computed on the straight-line method over the estimated useful lives of the assets or the expected terms of the leases, if shorter. Expected terms include lease option periods to the extent that the exercise of such options is reasonably assured. Maintenance and repairs are expensed as incurred while major additions and improvements are capitalized. Gains and losses on dispositions are included in other operating expense.

	Years
Buildings	39
Furniture and equipment	3-7

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 - put presumptively beyond the reach of the transferor and its creditors, even in bankruptcy or other receivership; (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 or the ability to unilaterally cause the holder to return specific assets.

Advertising Costs

Advertising costs are expensed as incurred.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Real Estate Owned

Other real estate owned acquired through or in lieu of loan foreclosure are held for sale and initially recorded at fair value less estimated selling costs. Any write-down to fair value at the time of transfer to other real estate owned 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 the carrying amount or fair value less estimated costs to sell. Costs of improvements are capitalized, whereas costs relating to holding other real estate owned and subsequent adjustments to the value are expensed. The Company had no other real estate owned at December 31, 2025 and 2024.

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 Compensation Plans

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. A Black-Scholes model is used to estimate the fair value of stock options, while the market price of the Company's common stock at the date of grant is used for restricted stock awards and stock grants.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Earnings Per Common Share

Basic earnings per common 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 common 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.

Other 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 consolidated balance sheet, such items, along with net income, are components of other comprehensive income.

Financial Service Fees

The Company's subsidiary, AB&T, elected to sell its trust services to a third-party in 2013. This third-party has been handling the trust related services for the Company's customers and the Company receives revenue sharing from this third-party which is included in financial service fees on the consolidated statement of income.

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.

Accounting Standards Update

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740) Improvements to Income Tax Disclosures ("ASU 2023-09"). This ASU was issued to enhance the transparency and decision usefulness of income tax disclosures. The ASU addresses investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The Company adopted this standard effective January 1, 2025 on a retroactive basis. The adoption did not have a material impact on the Company's financial position, results of operations, or cash flows, but resulted in enhanced, disaggregated disclosures in the income tax footnote.

NOTE 2. SECURITIES

The amortized cost and fair value of securities available for sale with gross unrealized gains and losses are summarized as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities Available for Sale				
December 31, 2025				
U.S. Government and federal agency	$ 29,619,576	$ 97,279	$ (101,471)	$ 29,615,384
State, county, and municipal	483,750	16,280	-	500,030
Mortgage-backed securities - GSE residential	16,154	-	(9)	16,145
Corporate bonds	2,200,000	-	(28,361)	2,171,639
Total available for sale securities	$ 32,319,480	$ 113,559	$ (129,841)	$ 32,303,198
December 31, 2024				
U.S. Government and federal agency	$ 20,657,689	$ 5,782	$ (151,577)	$ 20,511,894
Mortgage-backed securities - GSE residential	43,288	-	(267)	43,021
Corporate bonds	2,700,000	-	(163,849)	2,536,151
Total available for sale securities	$ 23,400,977	$ 5,782	$ (315,693)	$ 23,091,066

The amortized cost and fair value of debt 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 in one year or less	$ 1,000,000	$ 1,000,360
Due from one to five years	750,000	742,613
Due from five to ten years	15,448,411	15,450,347
Due after ten years	15,104,915	15,093,733
Mortgage-backed securities - GSE residential	16,154	16,145
	$ 32,319,480	$ 32,303,198

There were no securities pledged to secure public deposits as of December 31, 2025 and 2024 as the Company was participating in the Georgia Secure Deposit Program (see Note 6).

NOTE 2. SECURITIES (CONTINUED)

The following table shows the gross unrealized losses and fair value of the Company's investments with unrealized losses for which an allowance for credit losses has not been recorded, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position.

Available for sale securities that have been in a continuous unrealized loss position are as follows:

	Less Than 12 Months		Over 12 Months		Total	
Available for Sale Securities	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**
December 31, 2025						
U.S. Government and federal agency	$ 15,980,635	$ (90,042)	$ 1,487,470	$ (11,429)	$ 17,468,105	$ (101,471)
Mortgage-backed securities -						
GSE residential	-	-	16,145	(9)	16,145	(9)
Corporate bonds	-	-	1,171,639	(28,361)	1,171,639	(28,361)
Total available for sale securities	$ 15,980,635	$ (90,042)	$ 2,675,254	$ (39,799)	$ 18,655,889	$ (129,841)
December 31, 2024						
U.S. Government and federal agency	$ 8,984,985	$ (92,944)	$ 8,928,645	$ (58,633)	$ 17,913,630	$ (151,577)
Mortgage-backed securities -						
GSE residential	-	-	43,021	(267)	43,021	(267)
Corporate bonds	-	-	2,536,151	(163,849)	2,536,151	(163,849)
Total available for sale securities	$ 8,984,985	$ (92,944)	$ 11,507,817	$ (222,749)	$ 20,492,802	$ (315,693)

U.S. Government and federal agency obligations: The unrealized losses on twenty investments in U.S. Government obligations and direct obligations of U.S. government agencies were caused by interest rate changes. The contractual terms of the investments do not permit the issuer to settle the securities at a price less than the amortized cost bases of the investments. Because the Company does not intend to sell the investment and it is not more likely than not that the Company will be required to sell the investments before recovery of the amortized cost bases, which may be maturity, the Company does not consider the investments to have any credit-related impairment at December 31, 2025.

GSE residential mortgage-backed securities: The unrealized loss on the Company's investment in one GSE mortgage-backed security was caused by interest rate changes. The Company purchased this investment at a discount relative to its face amount, and the contractual cash flows of this investment is guaranteed by an agency of the U.S. Government. Accordingly, it is expected that the security would not be settled at a price less than the amortized cost basis of the Company's investment. Because the decline in market value is attributable to changes in interest rates and not credit quality, and because the Company does not intend to sell the investment and it is not more likely than not that the Company will be required to sell the investment before recovery of their amortized cost basis, which may be maturity, the Company does not consider this investment to have any credit-related impairment at December 31, 2025.

NOTE 2. SECURITIES (CONTINUED)

Corporate bonds: The Company's unrealized losses on investments in two corporate bonds are related to investments in a company within the financial services sector. The unrealized losses are primarily caused by recent decreases in profitability and profit forecasts by industry analysts resulting from the sub-prime mortgage market and a recent sector downgrade by several industry analysts. The contractual terms of these investments do not permit the Company to settle the securities at a price less than the par value of the investments. The Company currently does not believe it is probable that it will be unable to collect all amounts due according to the contractual terms of the investments. Because the Company does not intend to sell the investments and it is not more likely than not that the Company will be required to sell the investments before recovery of its par value, which may be maturity, it does not consider the investments to have any credit-related impairment at December 31, 2025.

Restricted Equity Securities

Restricted equity securities consist of the following:

	December 31,	
	2025	2024
Federal Home Loan Bank stock	$ 206,300	$ 192,500

The Company has an investment in the common stock of the FHLB of Atlanta at December 31, 2025 and 2024. The investment is accounted for by the cost method, which represents par value, and is made for long-term business affiliation reasons. In addition, the investment is subject to restrictions relating to sale, transfer, or other disposition. Dividends are recognized in income when declared. The estimated fair value of the investment was $206,300 and $192,500 as of December 31, 2025 and 2024, respectively. Therefore, the investment stock account is not considered impaired as of December 31, 2025 or 2024.

NOTE 3. LOANS

Portfolio Segmentation

The composition of loans is summarized as follows:

	December 31,	
	2025	2024
Commercial real estate:		
Construction and land development	$ 3,705,672	$ 2,941,143
Owner occupied	37,711,229	29,501,561
Non-owner occupied	34,459,478	40,559,204
Residential real estate	65,972,893	52,492,748
Commercial	42,125,771	40,908,585
Consumer	3,078,936	3,208,724
	187,053,979	169,611,965
Deferred loan fees	(59,170)	(58,392)
Allowance for credit losses	(2,477,933)	(2,455,750)
Loans, net	$ 184,516,876	$ 167,097,823

NOTE 3. LOANS (CONTINUED)

Portfolio Segmentation (Continued)

For purposes of the disclosures required pursuant to the adoption of ASC 310, the loan portfolio was disaggregated into portfolio 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 four loan portfolio segments that include commercial real estate, residential real estate, commercial, and consumer. 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. Classes within the commercial real estate portfolio segment include construction and land development, owner occupied, and non-owner occupied. Residential real estate, commercial, and consumer have not been disaggregated into additional classes.

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

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

- Loans for commercial real estate construction and land development are repaid through cash flow related to the operations, sale, or refinance of the underlying property. This portfolio segment also 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.

- Commercial real estate mortgage loans include owner-occupied commercial real estate loans, owner-occupied construction loans for commercial businesses, and loans secured by income producing properties. Owner-occupied commercial real estate loans to operating businesses are long-term financing of land and buildings. These loans are repaid by cash flow generated from the business operation. Real estate loans for income-producing properties such as office and industrial buildings and retail shopping centers are repaid from rent income derived from the properties.

- Residential real estate mortgage loans include 1-4 family and multifamily residential mortgage loans. The 1-4 family residential mortgage loans are repaid by various means such as a borrower's income, sale of the property, or rental income derived from the property. Multifamily residential real estate mortgage loans include real estate loans secured by apartment buildings and duplexes. These are repaid by various means such as rental income from the property, borrower's income, or sale of 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: 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.

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	Residential Real Estate	Commercial	Consumer	Total
Allowance for Credit Losses					
December 31, 2025					
Beginning balance	$ 812,536	$ 650,625	$ 946,229	$ 46,360	$ 2,455,750
Charge-offs	-	-	-	(3,769)	(3,769)
Recoveries	6,300	16,111	-	3,541	25,952
Provision (recovery)	(43,547)	72,928	(21,021)	(8,360)	-
Ending balance	$ 775,289	$ 739,664	$ 925,208	$ 37,772	$ 2,477,933
December 31, 2024					
Beginning balance	$ 1,000,439	$ 830,272	$ 738,728	$ 48,545	$ 2,617,984
Charge-offs	-	-	(331,143)	(5,573)	(336,716)
Recoveries	-	14,293	-	187	14,480
Provision (recovery)	(187,903)	(193,940)	538,644	3,201	160,002
Ending balance	$ 812,536	$ 650,625	$ 946,229	$ 46,360	$ 2,455,750

Credit Quality Indicators

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

Pass: Loans in this risk category involve borrowers of acceptable-to-strong credit quality and risk who have the apparent ability to satisfy their loan obligations. Loan in this risk grade would possess sufficient mitigating factors, such as adequate collateral or strong guarantors possessing the capacity to repay the debt if required, for any weakness that may exist.

Special Mention: Loans in this category are currently bankable, but are potentially weak and deserve 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. The credit is not currently adequate and constitutes an unwarranted risk in light of the circumstances surrounding a specific asset.

Substandard: These are loans inadequately protected by the current sound worth and repayment capacity of the borrower or of the 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 loan. This risk rating may apply to nonaccrual loans and other real estate owned. Weaknesses are well defined by management and there is a distinct possibility that the Company will sustain some loss if deficiencies are not corrected.

NOTE 3. LOANS (CONTINUED)

Credit Quality Indicators (Continued)

Doubtful: Any loan classified doubtful has all the weaknesses inherent in a loan classified substandard with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions and value, highly questionable, and improbable. Loans in this category must be placed in nonaccrual and all payments applied to principal recapture. The weakness in credits under this classification is so severe that collection or liquidation in full, on the basis of currently existing facts, conditions and values, is highly questionable or improbable. The possibility of loss is extremely high, but because of certain important and reasonably specific pending factors cannot be determined at this time. The classification as an estimated loss is deferred until its more exact status may be determined. Pending factors include proposed merger, acquisition, or liquidation procedures, capital injection, perfecting liens on additional collateral, and refinancing plans. All doubtful loans must be on nonaccrual; however, all nonaccrual loans are not necessarily rated doubtful. If a split classification exists, it is possible to reclassify a part of the loan as loss and another part as substandard. There were no loans classified as doubtful at December 31, 2025 or 2024.

Loss: Loans classified loss are considered uncollectible and of such little value that their continuance as bankable assets is not warranted. This classification does not mean that the loan has absolutely no recovery or salvage value, but rather it is not practical or desirable to defer writing off this basically worthless asset even though partial recovery may be affected in the future. The Company should not attempt long-term recoveries while the loans remain booked. Loans classified loss should be written off in the period that they surface as uncollectible. Loans that qualify in this category are typically charged off. There were no loans classified as a loss held at December 31, 2025 or 2024.

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.

	Term Loans Amortized Cost Basis by Origination Year						
	2025	2024	2023	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	Total
Commercial Real Estate							
Construction and land development							
Risk rating							
Pass	$ 3,452,026	$ -	$ 80,370	$ 173,276	$ -	$ -	$ 3,705,672
Special mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-
Total construction and land development	$ 3,452,026	$ -	$ 80,370	$ 173,276	$ -	$ -	$ 3,705,672
Construction and land development							
Current period gross write-offs	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Owner Occupied							
Risk rating							
Pass	$ 7,883,404	$ 2,975,836	$ 5,544,996	$ 12,080,044	$ 9,226,949	$ -	$ 37,711,229
Special mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-
Total owner occupied loans	$ 7,883,404	$ 2,975,836	$ 5,544,996	$ 12,080,044	$ 9,226,949	$ -	$ 37,711,229
Owner Occupied							
Current period gross write-offs	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Non-Owner Occupied							
Risk rating							
Pass	$ 2,835,046	$ 4,158,525	$ 7,637,979	$ 17,412,074	$ 66,547	$ -	$ 32,110,171
Special mention	-	-	1,903,361	445,946	-	-	2,349,307
Substandard	-	-	-	-	-	-	-
Total non-owner occupied loans	$ 2,835,046	$ 4,158,525	$ 9,541,340	$ 17,858,020	$ 66,547	$ -	$ 34,459,478
Non-Owner Occupied							
Current period gross write-offs	$ -	$ -	$ -	$ -	$ -	$ -	$ -

NOTE 3. LOANS (CONTINUED)

Credit Quality Indicators (Continued)

	Term Loans Amortized Cost Basis by Origination Year						
	2025	2024	2023	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	Total
Residential Real Estate							
Risk rating							
Pass	$ 20,396,952	$ 5,125,110	$ 1,527,612	$ 30,834,625	$ 7,090,490	$ -	$ 64,974,789
Special mention	-	-	-	998,104	-	-	998,104
Substandard	-	-	-	-	-	-	-
Total residential real estate loans	$ 20,396,952	$ 5,125,110	$ 1,527,612	$ 31,832,729	$ 7,090,490	$ -	$ 65,972,893
Residential real estate							
Current period gross write-offs	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commercial							
Risk rating							
Pass	$ 8,532,248	$ 11,133,322	$ 1,126,767	$ 4,681,853	$ 16,617,876	$ -	$ 42,092,066
Special mention	33,705	-	-	-	-	-	33,705
Substandard	-	-	-	-	-	-	-
Total commercial	$ 8,565,953	$ 11,133,322	$ 1,126,767	$ 4,681,853	$ 16,617,876	$ -	$ 42,125,771
Commercial							
Current period gross write-offs	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Consumer							
Risk rating							
Pass	$ 436,372	$ 61,568	$ 10,681	$ 1,330	$ 2,568,985	$ -	$ 3,078,936
Special mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-
Total consumer loans	$ 436,372	$ 61,568	$ 10,681	$ 1,330	$ 2,568,985	$ -	$ 3,078,936
Consumer							
Current period gross write-offs	$ 3,769	$ -	$ -	$ -	$ -	$ -	$ 3,769

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, 2024:

	Term Loans Amortized Cost Basis By Origination Year						
	2024	2023	2022	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	Total
Commercial Real Estate							
Construction and land development							
Risk rating							
Pass	$ 41,928	$ 161,694	$ 1,239,967	$ 1,497,554	$ -	$ -	$ 2,941,143
Special mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-
Total construction and land development	$ 41,928	$ 161,694	$ 1,239,967	$ 1,497,554	$ -	$ -	$ 2,941,143
Construction and land development							
Current period gross write-offs	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Owner Occupied							
Risk rating							
Pass	$ 3,145,480	$ 5,793,173	$ 2,062,131	$ 18,401,824	$ 98,953	$ -	$ 29,501,561
Special mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-
Total owner occupied loans	$ 3,145,480	$ 5,793,173	$ 2,062,131	$ 18,401,824	$ 98,953	$ -	$ 29,501,561
Owner Occupied							
Current period gross write-offs	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Non-Owner Occupied							
Risk rating							
Pass	$ 4,245,739	$ 10,259,781	$ 13,395,519	$ 12,460,127	$ 198,038	$ -	$ 40,559,204
Special mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-
Total non-owner occupied loans	$ 4,245,739	$ 10,259,781	$ 13,395,519	$ 12,460,127	$ 198,038	$ -	$ 40,559,204
Non-Owner Occupied							
Current period gross write-offs	$ -	$ -	$ -	$ -	$ -	$ -	$ -

NOTE 3. LOANS (CONTINUED)

Credit Quality Indicators (Continued)

	Term Loans Amortized Cost Basis By Origination Year						
	2024	2023	2022	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	Total
Residential Real Estate							
Risk rating							
Pass	$ 6,454,798	$ 2,924,048	$ 12,307,911	$ 24,043,964	$ 6,762,027	$ -	$ 52,492,748
Special mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-
Total residential real estate loans	$ 6,454,798	$ 2,924,048	$ 12,307,911	$ 24,043,964	$ 6,762,027	$ -	$ 52,492,748
Residential real estate Current period gross write-offs	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commercial							
Risk rating							
Pass	$ 13,138,972	$ 2,494,003	$ 5,002,294	$ 2,998,125	$ 17,275,191	$ -	$ 40,908,585
Special mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-
Total commercial loans	$ 13,138,972	$ 2,494,003	$ 5,002,294	$ 2,998,125	$ 17,275,191	$ -	$ 40,908,585
Commercial Current period gross write-offs	$ -	$ 331,143	$ -	$ -	$ -	$ -	$ 331,143
Consumer							
Risk rating							
Pass	$ 1,020,388	$ 33,435	$ 6,421	$ 6,671	$ 2,141,809	$ -	$ 3,208,724
Special mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-
Total consumer loans	$ 1,020,388	$ 33,435	$ 6,421	$ 6,671	$ 2,141,809	$ -	$ 3,208,724
Consumer Current period gross write-offs	$ 5,573	$ -	$ -	$ -	$ -	$ -	$ 5,573

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 table provides a summary of current, accruing past due, and nonaccrual loans by portfolio class as of December 31, 2025 and 2024.

		Past Due Status (Accruing Loans)					
	Current	30-89 Days	90+ Days	Total Past Due	Nonaccrual with an ACL	Nonaccrual without an ACL	Total
December 31, 2025							
Commercial real estate:							
Construction and land development	$ 3,705,672	$ -	$ -	$ -	$ -	$ -	$ 3,705,672
Owner occupied	37,711,229	-	-	-	-	-	37,711,229
Non-owner occupied	34,459,478	-	-	-	-	-	34,459,478
Residential real estate	64,972,021	2,768	-	2,768	998,104	-	65,972,893
Commercial	42,092,066	33,705	-	33,705	-	-	42,125,771
Consumer	3,068,438	10,498	-	10,498	-	-	3,078,936
Total	$ 186,008,904	$ 46,971	$ -	$ 46,971	$ 998,104	$ -	$ 187,053,979
December 31, 2024							
Commercial real estate:							
Construction and land development	$ 2,941,143	$ -	$ -	$ -	$ -	$ -	$ 2,941,143
Owner occupied	29,501,561	-	-	-	-	-	29,501,561
Non-owner occupied	40,559,204	-	-	-	-	-	40,559,204
Residential real estate	52,455,490	37,258	-	37,258	-	-	52,492,748
Commercial	40,908,585	-	-	-	-	-	40,908,585
Consumer	3,207,743	981	-	981	-	-	3,208,724
Total	$ 169,573,726	$ 38,239	$ -	$ 38,239	$ -	$ -	$ 169,611,965

NOTE 3. LOANS (CONTINUED)

Collateral-Dependent Loans

A loan held for investment is considered collateral-dependent when, based on current information and events; it is probable that the Company will be unable to collect all amounts due (both principal and interest) according to the terms of the loan agreement. There were no loans considered collateral-dependent as of December 31, 2025 or 2024.

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.

The following table presents the amortized cost basis of loans at December 31, 2025 that were both experiencing financial difficulty and modified during the year ended December 31, 2025, by class and by type of modification. The percentage of the amortized cost basis of loans that were modified to borrowers in financial distress as compared to the amortized cost basis of each class of financing receivable is also presented below:

	Principal Forgiveness	Payment Delay	Term Extension	Interest Rate Reduction	Combination Term Extension and Principal Forgiveness	Combination Term Extension Interest Rate Reduction	Total Class of Financing Receivable
Commercial real estate							
Construction and land development	$ -	$ -	$ -	$ -	$ -	$ -	0.00%
Owner occupied	-	-	-	-	-	-	0.00%
Non-owner occupied	-	-	-	-	-	-	0.00%
Residential real estate	-	-	998,104	-	-	-	1.51%
Commercial	-	-	-	-	-	-	0.00%
Consumer	-	-	-	-	-	-	0.00%
Total	$ -	$ -	$ 998,104	$ -	$ -	$ -	1.51%

The Bank has extended the maturity of the above loan while the borrower is in bankruptcy and awaiting either an approved plan from the court or until the property is sold, whichever comes first.

The Bank has not committed to lend additional amounts to the borrowers included in the previous table.

There were no loans modified that subsequently defaulted (i.e. 90 days or more past due following a modification) within one year of restructure during the years ended December 31, 2025 and 2024.

The Company has no additional commitments to lend additional funds to any of the related borrowers whose terms have been modified.

NOTE 3. LOANS (CONTINUED)

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:

	December 31,	
	2025	2024
Balance, beginning of year	$ 5,432,126	$ 5,828,645
Advances	8,869,735	5,394,038
Repayments	(3,463,943)	(5,790,557)
Balance, end of year	$ 10,837,918	$ 5,432,126

NOTE 4. PREMISES AND EQUIPMENT

Premises and equipment are summarized as follows:

	December 31,	
	2025	2024
Land	$ 830,718	$ 830,718
Building	3,263,621	2,788,873
Furniture and equipment	1,308,147	1,190,451
Construction in progress	-	148,605
	5,402,486	4,958,647
Accumulated depreciation	(2,578,325)	(2,622,234)
	$ 2,824,161	2,336,413

NOTE 5. DEPOSITS

The aggregate amount of time deposits in denominations of $250,000 or more at December 31, 2025 and 2024 was approximately $7,307,000 and $10,056,000, respectively. The scheduled maturities of time deposits at December 31, 2025 are as follows:

2026	$ 15,093,262
2027	1,125,597
2028	312,448
2029	16,071
	$ 16,547,378

At December 31, 2025 and 2024, overdraft demand deposits reclassified to loans totaled $7,426 and $20,895, respectively.

At December 31, 2025, one municipality comprised approximately $17,100,000 or 7% of total deposits.

NOTE 6. OTHER BORROWINGS

Other borrowings consist of the following:

	December 31, 2025	December 31, 2024
Secured borrowings with United Banker's Bank; principal and interest due quarterly through July 1, 2030; with interest at 6.5%	$ 3,616,133	$ -
Secured borrowings with First Port City Bank; principal and interest due at various maturity dates through May 25, 2027; interest rates ranging from 3.69% to 7.25%	423,976	2,311,226
Total secured borrowings	$ 4,040,109	$ 2,311,226

Contractual maturities of other borrowings as of December 31, 2025 are as follows:

2026	$ 307,390
2027	669,637
2028	304,448
2029	324,725
2030	2,433,909
	$ 4,040,109

The Company and Bank have available unused lines of credit with the FHLB totaling approximately $32,096,000 at December 31, 2025. In addition, of the Company's approximately $32,096,000 available with the FHLB, $5,000,000 is pledged in a letter of credit to secure public deposits through the Georgia Secure Deposit Program. The unused lines are secured by certain qualifying loans totaling approximately $50,271,000 at December 31, 2025. The Company also has a $5,000,000 line of credit with ServisFirst Bank that was available in full at December 31, 2025.

NOTE 7. GUARANTEED PREFERRED BENEFICIAL INTERESTS IN JUNIOR SUBORDINATED DEBENTURES

In March 2003, the Company formed a wholly-owned Connecticut statutory business trust, Community Capital Statutory Trust I ("Statutory Trust I") for the sole purpose of issuing trust preferred securities and investing the proceeds in floating rate junior subordinated deferrable interest debentures issued by the Company. These debentures qualify as Tier I capital under Federal Reserve Board guidelines. All of the common securities of Statutory Trust I are owned by the Company. The proceeds from the issuance of the common securities and the trust preferred securities were used by Statutory Trust I to purchase $4,124,000 of junior subordinated debentures of the Company, which carry a floating rate based on a three-month CME Term SOFR plus applicable tenor spread adjustment plus 315 basis points. The debentures represent the sole asset of Statutory Trust I. The trust preferred securities accrue and pay distributions at a floating rate of three-month CME Term SOFR plus applicable tenor spread adjustment plus 315 basis points per annum of the stated liquidation value of $1,000 per capital security. The Company has entered into contractual arrangements which, taken collectively, fully and unconditionally guarantee payment of: (i) accrued and unpaid distributions required to be paid on the trust preferred securities; (ii) the redemption price with respect to any trust preferred securities called for redemption by Statutory Trust I; and (iii) payments due upon a voluntary or involuntary dissolution, winding up or liquidation of Statutory Trust I. The trust preferred securities are mandatorily redeemable upon maturity of the debentures in March 2033, or upon earlier redemption as provided in the indenture. The Company has the right to redeem the debentures purchased by Statutory Trust I in whole or in part, on or after March 26, 2008. As specified in the indenture, if the debentures are redeemed prior to maturity, the redemption price will be the principal amount, plus any unpaid accrued interest. During 2025, the trust preferred securities and junior subordinated debentures were redeemed and paid in full with no remaining outstanding balance at December 31, 2025.

NOTE 8. EMPLOYEE BENEFIT PLANS

Profit Sharing Plan

The Company has a 401(k) Employee Profit-Sharing Plan available to all eligible employees, subject to certain minimum age and service requirements. Contributions charged to expense for the years ended December 31, 2025 and 2024 amounted to $72,019 and $69,235, respectively.

NOTE 9. STOCK OPTIONS AND WARRANTS

On May 21, 2019, the Company's shareholders approved the 2019 Long-Term Incentive Plan ("2019 Plan") under which options to purchase 120,000 shares of its common stock may be granted to directors, officers, and employees. Both incentive stock options and nonqualified stock options, stock appreciation rights, restricted stock, and other stock-based awards may be granted under the plan. The exercise price of an incentive stock option may not be less than the fair market value of the Company's common stock on the date of the grant nor less than 110% of the fair market value if the participant owns more than 10% of the outstanding common stock. Nonqualified stock options may be made exercisable at a price no less than the fair market value of the Company's common stock on the date that the option is granted. The term of any incentive stock option may not exceed ten years from the date of grant; however, any incentive stock option granted to a participant who owns more than 10% of the Company's common stock will not be exercisable after the expiration of five years from the date the option is granted. Subject to any further limitations in a stock option agreement, in the event of a participant's termination of employment, the term of an incentive stock option will expire, terminate, and become unexercisable no later than three months after the date of the termination of employment; provided, however, that if termination of employment is due to death or disability, a one-year period shall be substituted for the three month period. On December 31, 2025, there were 38,148 shares available for grant under the 2019 Plan.

A summary of the status of the employee stock option plans and activity during the years is as follows:

	Years Ended			
	December 31, 2025		December 31, 2024	
	Number	Weighted-Average Exercise Price	Number	Weighted-Average Exercise Price
Under option, beginning of the year	68,434	$ 12.46	62,000	$ 11.40
Granted	7,542	23.66	8,434	18.08
Exercised	(9,000)	8.01	(2,000)	3.07
Expired	-	-	-	-
Under option, end of the year	66,976	$ 14.32	68,434	$ 12.46
Unvested at the end of the year	20,370	$ 19.41	21,184	$ 16.32
Vested and exercisable at the end of the	46,606	$ 12.10	47,250	$ 10.74

	2025	2024
Weighted-average fair value per option of options granted during the year	$ 11.30	$ 11.33

NOTE 9. STOCK OPTIONS AND WARRANTS (CONTINUED)

Information pertaining to options outstanding at December 31, 2025 is as follows:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number	Weighted-Average Contractual Life in Years	Weighted-Average Exercise Price	Number	Weighted-Average Exercise Price
Below to $ 7.15	3,000	0.40	7.15	3,000	$ 7.15
10.68	3,000	1.40	10.68	3,000	10.68
12.82	4,000	2.40	12.82	4,000	12.82
9.66	8,000	3.50	9.66	8,000	9.66
10.49	8,000	4.50	10.49	8,000	10.49
13.10	8,000	5.50	13.10	8,000	13.10
13.14	8,000	6.40	13.14	6,000	13.14
16.95	9,000	7.40	16.95	4,500	16.95
18.08	8,434	8.40	18.08	2,106	18.08
23.66	7,542	9.40	23.66	-	-
Total	66,976	5.71	14.32	46,606	$ 12.10

At December 31, 2025, there was approximately $131,000 of unrecognized compensation cost related to stock-based payments, which is expected to be recognized over a weighted-average period of 2.29 years.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	Years Ended December 31,	
	2025	2024
Dividend yield	7.53%	2.39%
Expected life	7.00 years	7.00 years
Expected volatility	102.83%	81.68%
Risk-free interest rate	4.18%	4.52%

A summary of the status of restricted stock and activity during the years is as follows:

	Years Ended December 31,	
	2025	2024
Restricted stock, beginning of year	11,436	10,250
Granted	4,190	4,686
Vested	(4,170)	(3,500)
Restricted stock, end of year	11,456	11,436

NOTE 10. EARNINGS PER COMMON SHARE

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

	Years Ended December 31,	
	2025	2024
Net income available to common stockholders	$ 4,901,567	$ 4,449,415
Weighted-average number of common shares outstanding	1,294,973	1,284,918
Effect of dilutive options	24,104	17,060
Weighted-average of common shares outstanding used to calculate dilutive earnings per common share	$ 1,319,077	$ 1,301,978

As of December 31, 2025 and 2024, no options were not included in the dilutive calculation due to the fact that they would have been anti-dilutive.

NOTE 11. INCOME TAXES

The components of income tax expense are as follows:

	Years Ended December 31,	
	2025	2024
Current expense		
Federal	$ 1,334,934	$ 1,138,529
State	71,705	85,564
Deferred expense		
Federal	83,452	57,364
State	6,259	8,195
	$ 1,496,350	$ 1,289,652

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	Percent	Amount	Percent
Tax provision at statutory federal rate	$ 1,343,563	21.00%	$ 1,205,204	21.00%
State and local income taxes, net of federal benefit	73,686	1.15%	74,070	1.29%
Stock based compensation	30,197	0.47%	23,520	0.41%
Other	48,904	0.76%	(13,142)	(0.23)%
Income tax expense	$ 1,496,350	23.38%	$ 1,289,652	22.47%

State and local taxes in Georgia make up 100% of this category.

NOTE 11. INCOME TAXES (CONTINUED)

Income taxes paid were as follows:

	Year Ended December 31, 2025
Federal	$ 1,372,863
State and local	52,000
	$ 1,424,863

The components of the net deferred tax assets are as follows:

	Years Ended December 31,	
	2025	2024
Deferred tax assets:		
Allowance for credit losses - loans	$ 532,756	$ 589,380
Allowance for credit losses - unfunded commitments	96,750	108,000
Other	12,722	14,014
Deferred compensation	37,865	33,590
Unrealized losses on securities available for sale	3,419	65,080
	683,512	810,064
Deferred tax liabilities:		
Depreciation	67,982	43,162
Net deferred tax assets	$ 615,530	$ 766,902

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

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. Such commitments involve, to varying degrees, elements of credit risk and interest rate risk in excess of the amount recognized in the consolidated balance sheets.

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:

	2025	2024
Commitments to extend credit	$ 50,913,207	$ 39,725,297
Standby letters of credit	869,681	712,929
	$ 51,782,888	$ 40,438,226

NOTE 12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Loan Commitments (Continued)

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 customer. 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 letters of credit 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 standby letters of credit for the years ended December 31, 2025 and 2024.

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 included in other liabilities in the consolidated balance sheet.

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

	December 31,	
	2025	2024
Allowance for Credit Losses-Unfunded Commitments		
Beginning balance	$ 450,000	$ 600,000
Recovery of unfunded commitments	-	(150,000)
Ending balance	$ 450,000	$ 450,000

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

Concentration by Geographic Location

The Company originates primarily commercial, commercial real estate, residential real estate, and consumer loans to customers in Dougherty and Lee Counties, Georgia, and surrounding counties. The ability of the majority of the Company's customers to honor their contractual obligations is dependent on the local and metropolitan economy of Albany, Georgia.

Seventy-six percent (76%) of the Company's loan portfolio is concentrated in loans secured by real estate. A substantial portion of these loans are secured by real estate located in the Company's primary market areas. In addition, a substantial portion of the other real estate owned is located in those same markets. Accordingly, the ultimate collectability of the Company's loan portfolio and recovery of the carrying amount of other real estate owned are 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 generally extend credit to any single borrower or group of related borrowers in excess of 25% of the Bank's statutory capital, as defined, or approximately $8,539,000 as of December 31, 2025.

NOTE 14. REGULATORY MATTERS

The primary source of funds available to the Company is the payment of dividends by the Bank. The Bank is subject to certain restrictions on the amount of dividends that may be declared without prior regulatory approval. At December 31, 2025, the Bank had approximately $2,582,000 in dividends available to be paid without prior regulatory approval.

The Bank is subject to various regulatory capital requirements administered by the federal and state 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 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 the 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. Prompt corrective action provisions are not applicable to bank holding companies.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios of Total, Tier 1 capital, and CET1 capital to risk weighted assets, as defined, and of Tier 1 capital to average assets, as defined. Management believes, as of December 31, 2025 and 2024, the Bank meets all capital adequacy requirements to which they are subject.

As of December 31, 2025, 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 capital ratios as set forth in the table and not be subject to any formal enforcement action. There are no conditions or event since that notification that management believes have changed the Bank's category.

NOTE 14. REGULATORY MATTERS (CONTINUED)

The Bank's actual capital ratios are presented in the following table.

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of December 31, 2025 -						
Total Capital Ratio (total capital to risk weighted assets)	$ 33,618,000	17.62%	$ 15,264,000	8.00%	$ 19,080,000	10.00%
Core Capital Ratio (Tier 1 capital to risk weighted assets)	$ 31,228,000	16.37%	$ 11,448,000	6.00%	$ 15,264,000	8.00%
CET1 Ratio (common equity Tier 1 capital to risk weighted assets)	$ 31,228,000	16.37%	$ 8,586,000	4.50%	$ 12,402,000	6.50%
Leverage Ratio (Tier 1 capital to average assets)	$ 31,228,000	11.47%	$ 10,892,000	4.00%	$ 13,615,000	5.00%
As of December 31, 2024 -						
Total Capital Ratio (total capital to risk weighted assets)	$ 32,256,000	18.23%	$ 14,157,000	8.00%	$ 17,697,000	10.00%
Core Capital Ratio (Tier 1 capital to risk weighted assets)	$ 30,038,000	16.97%	$ 10,618,000	6.00%	$ 14,157,000	8.00%
CET1 Ratio (common equity Tier 1 capital to risk weighted assets)	$ 30,038,000	16.97%	$ 7,963,000	4.50%	$ 11,503,000	6.50%
Leverage Ratio (Tier 1 capital to average assets)	$ 30,038,000	11.20%	$ 10,726,000	4.00%	$ 13,408,000	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.

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

Determination of Fair Value (Continued)

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.

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.

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

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

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
December 31, 2025				
Securities available for sale:				
U.S. Government and federal agency	$ -	$ 29,615,384	$ -	$ 29,615,384
State, county, and municipals	-	500,030	-	500,030
Mortgage-backed securities - GSE residential	-	16,145	-	16,145
Corporate bonds	-	2,171,639	-	2,171,639
Total assets at fair value	$ -	$ 32,303,198	$ -	$ 32,303,198
December 31, 2024				
Securities available for sale:				
U.S. Government and federal agency	$ -	$ 20,511,894	$ -	$ 20,511,894
Mortgage-backed securities - GSE residential	-	43,021	-	43,021
Corporate bonds	-	2,536,151	-	2,536,151
Total assets at fair value	$ -	$ 23,091,066	$ -	$ 23,091,066

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. There were no 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 at December 31, 2025 and 2024.

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

Cash, Due from Banks, Interest-Bearing Deposits in Other Banks, and Federal Funds Sold: The carrying amount of cash, due from banks, interest-bearing deposits in other banks, and federal funds sold approximates fair value.

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

Securities: Where quoted prices are available in an active market, management classifies the securities within Level 1 of the valuation hierarchy. Securities are defined as both long and short positions. 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, including GSE obligations, corporate bonds, and other securities. 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.

Loans: The carrying amount of variable-rate loans that reprice frequently and have no significant change in credit risk approximates fair value. The fair value of fixed-rate loans is estimated based on discounted contractual cash flows, using interest rates currently being offered for loans with similar terms to borrowers with similar credit quality. The fair value of impaired loans is estimated based on discounted contractual cash flows or underlying collateral values, where applicable.

Deposits: The carrying amount of demand deposits, savings deposits, and variable-rate certificates of deposit approximates fair value. The fair value of fixed-rate certificates of deposit is estimated based on discounted contractual cash flows using interest rates currently being offered for certificates of similar maturities.

Other Borrowings and Subordinated Debentures: The fair value of fixed rate advances is estimated based on discounted contractual cash flows using the current incremental borrowing rates for similar type borrowing arrangements. The fair value of fixed-rate other borrowings is estimated based on discounted contractual cash flows using the current rates for similar type financial instruments. The carrying amount of variable-rate junior subordinated debentures approximates fair value.

Accrued Interest: The carrying amount of accrued interest approximates fair value.

Off-Balance-Sheet Instruments: The carrying amount of commitments to extend credit and standby letters of credit approximates fair value.

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

The carrying amount and estimated fair value of the Company's financial instruments were as follows:

		Fair Value Measurements			
	Carrying Amount	Level 1	Level 2	Level 3	Total
December 31, 2025					
Financial assets					
Cash, due from banks, and interest-bearing deposits in other banks	$ 16,807,323	$ 16,807,323	$ -	$ -	$ 16,807,323
Federal funds sold	41,146,000	41,146,000	-	-	41,146,000
Securities	32,509,498	-	32,509,498	-	32,509,498
Loans, net	184,516,876	-	-	191,538,912	191,538,912
Accrued interest receivable	1,053,255	-	323,617	729,638	1,053,255
Financial liabilities					
Deposits	$ 243,635,103	$ -	$ 247,360,434	$ -	$ 247,360,434
Other borrowings and subordinated debentures	4,040,109	-	-	3,949,661	3,949,661
Accrued interest payable	87,405	-	87,217	188	87,405
December 31, 2024					
Financial assets					
Cash, due from banks, and interest-bearing deposits in other banks	$ 26,311,970	$ 26,311,970	$ -	$ -	$ 26,311,970
Federal funds sold	48,050,000	48,050,000	-	-	48,050,000
Securities	23,091,066	-	23,091,066	-	23,091,066
Loans, net	167,097,823	-	-	172,262,401	172,262,401
Accrued interest receivable	864,283	-	263,636	600,647	864,283
Financial liabilities					
Deposits	$ 233,335,319	$ -	$ 236,273,483	$ -	$ 236,273,483
Other borrowings and subordinated debentures	6,435,226	-	-	6,382,097	6,382,097
Accrued interest payable	146,500	-	140,953	5,547	146,500

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.

	2025	2024
Noninterest income		
Service charges on deposit accounts	$ 561,614	$ 607,126
Financial service fees	239,426	203,973
Mortgage banking income (a)	58,117	67,605
Other operating income	73,046	93,961
	$ 932,203	$ 972,665

(a) Not within scope of ASC 606.

Following is a discussion of key revenues within the scope of Topic 606:

Service charges on deposit accounts: Revenue from service charges on deposit accounts is earned through cash management, wire transfer, overdraft, non-sufficient funds, and other deposit-related services. Revenue is recognized for these services either over time, corresponding with deposit accounts' monthly cycle, or at a point in time for transaction-related services and fees. Payment for service charges on deposit accounts is primarily received immediately or in the following month through a direct charge to customers' accounts. This category also includes interchange fees from consumer credit and debit cards processed by card association networks, as well as merchant discounts, and other card-related services. Interchange rates are generally set by the credit card associations and based on purchase volumes and other factors. Interchange fees and merchant discounts are recognized concurrently with the delivery of service on a daily basis as transactions occur. Payment is typically received immediately or in the following month.

Financial service fees: Financial service fees consist primarily of a revenue sharing arrangement with a third-party related to trust services offered to the Company's customers, but administered by employees of the third-party that utilize space within the Company. The fees are recognized on a monthly basis as the Company's performance obligations are satisfied and revenue is received.

Other operating income: Other operating income primarily consist of revenues generated from ATM fees and safe deposit box rentals. ATM fees are recognized concurrently with the delivery of service on a daily basis as transactions occur. Safe deposit box rentals income are recognized on a monthly basis as the Company's performance obligation for these services is satisfied.

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 Community Capital Bancshares, Inc. for the years ended December 31, 2025 and 2024.

CONDENSED BALANCE SHEETS

	2025	2024
Assets		
Cash	$ 3,594,757	$ 2,641,546
Investment in subsidiary	31,096,196	29,679,838
Other assets	210,564	402,888
Total assets	$ 34,901,517	$ 32,724,272
Liabilities		
Other borrowings	$ 3,616,133	$ -
Guaranteed preferred beneficial interests in junior subordinated debentures	-	4,124,000
Other liabilities	20,584	25,943
Total liabilities	3,636,717	4,149,943
Stockholders' equity	31,264,800	28,574,329
Total liabilities and stockholders' equity	$ 34,901,517	$ 32,724,272

CONDENSED STATEMENTS OF OPERATIONS

	2025	2024
Income		
Dividend from subsidiary	$ 4,000,000	$ 3,000,000
Other operating income	4,840	10,817
	4,004,840	3,010,817
Expenses		
Interest expense	297,777	359,274
Other operating expenses	57,770	56,704
	355,547	415,978
Income before income tax benefit and equity in undistributed income of subsidiary	3,649,293	2,594,839
Income tax benefit	(87,676)	(102,488)
Income before equity in undistributed income of subsidiary	3,736,969	2,697,327
Equity in undistributed income of subsidiary	1,164,598	1,752,088
Net income	$ 4,901,567	$ 4,449,415

NOTE 17. PARENT COMPANY FINANCIAL INFORMATION (CONTINUED)

CONDENSED STATEMENTS OF CASH FLOWS

	2025	2024
Operating Activities		
Net income	$ 4,901,567	$ 4,449,415
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in undistributed income of subsidiary	(1,164,598)	(1,752,088)
Increase in taxes receivable	(87,676)	(102,488)
Other operating activities	398,641	(125,710)
Net cash provided by operating activities	4,047,934	2,469,129
Financing Activities		
Exercise of stock options, net	5,838	3,064
Proceeds from other borrowings	4,124,000	-
Repayment of other borrowings	(4,631,867)	-
Return of capital dividend paid	(2,592,694)	(964,620)
Net cash used in financing activities	(3,094,723)	(961,556)
Net increase in cash	953,211	1,507,573
Cash at beginning of year	2,641,546	1,133,973
Cash at end of year	$ 3,594,757	$ 2,641,546

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Community Capital Bancshares, Inc.

DIRECTORS AND EXECUTIVE OFFICERS

DIRECTORS

James L. Bacon, III
Chairman, Community Capital Bancshares, Inc. and AB&T
Retired General Manager, SafeAire Heating & Cooling Co., Inc.; Partner, Oakland Plantation Partners, LLC

F. Faison Middleton, IV
Vice Chairman, Community Capital Bancshares, Inc. and AB&T; Attorney and Managing Partner, Watson Spence, LLP

Ben Jacobs Barrow
Chief Executive Officer, LRA Constructors, Inc.

The Honorable Victoria S. Darrisaw
Judge of Superior Court, Dougherty Judicial Circuit

Donald E. Gray, Jr.
Director of Facilities Management, City of Albany; Lt. Col. (Ret.) United States Marine Corps

Justin L. Jones
Owner, Jones Planting Company, LLC; Owner, Jones West Citrus Farms, LLC; Owner, Jones Bros Farms; Partner, The Satsuma Company, LLC; Interests in various businesses in multiple industries in Southwest Georgia

Laurence Kirk Jones
President, Jones Farms of Warwick, Inc.; Partner, C&J Albany Holdings, LLC

William J. McAfee, M.D.
Physician/Partner, Radiation Oncology Associates, PC; Managing Partner, Fowltown Farms, LLC

Jack F. Posey
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Chief Executive Officer, Community Capital Bancshares, Inc. and AB&T

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President, Community Capital Bancshares, Inc. and AB&T

Jenny Y. Savelle
Chief Executive Officer, Bishop Clean Care, Inc.

J. Bridges Sinyard
Vice President, Adams Exterminators, Inc.; Partner, Smada Investments; Partner, Smada Rentals

J. Scott Steiner
President & Chief Executive Officer, Phoebe Putney Health System and its Affiliates

Jeffrey D. Wiggins
Partner, DJ's II Car Wash, Inc.; Owner, Artesian Holdings; Owner, KLM Investments

Lawrence A. Willson
President & CEO, Sunnyland Farms, Inc.; Owner, C2 Communications, Inc.; Partner, Willson Property Holdings

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