

2025

Annual Report



MOULTRIE
BANK & TRUST

LETTER FROM OUR C.E.O.

Dear MB&T Shareholders,

Upon review of the fiscal year concluding December 31, 2025, Moultrie Bank & Trust is pleased to present its financial highlights and principal accomplishments. Over the past four years, the Bank has demonstrated substantial progress in enhancing its financial stability and providing value to shareholders.

In 2025, Moultrie Bank & Trust reported a net income of \$1.07 million, marking a significant improvement from the net loss of \$366,056 recorded in 2024. Total assets increased by 34% to \$174.89 million, driven by substantial growth across loans, deposits, and securities. The loan portfolio expanded considerably, with gross loans rising 178% to \$57.06 million. Prudent risk management was maintained, evidenced by an increase in the allowance for credit losses to \$681,997. Additionally, the Bank experienced notable growth in both non-interest bearing and interest-bearing deposits, resulting in a 38% increase to \$153.54 million, highlighting continued success in customer acquisition and retention. The securities available-for-sale portfolio advanced to \$38.27 million, with unrealized gains reflecting favorable market performance. As of December 31, 2025, Moultrie Bank & Trust remains well-

capitalized under regulatory requirements, with a Tier 1 capital ratio of 13.12%.

As a community bank, we are committed to serving the Moultrie-Colquitt County area. We remain attentive to local economic conditions and strive to support our customers while contributing to the community's growth and prosperity. Although cumulative net losses from previous years preclude the payment of dividends in 2026, we remain confident in the outlook ahead. Our priorities continue to be sustainable growth, effective risk management, and creating value for our shareholders.

Moultrie Bank & Trust remains committed to ongoing growth and sincerely appreciates your continued support for Moultrie's one and only **LOCAL** bank.

Sincerely,



Donna S. Lott
President & Chief Executive Officer

2025

MOULTRIE BANK & TRUST
FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

MOULTRIE BANK & TRUST
TABLE OF CONTENTS
DECEMBER 31, 2025 AND 2024

Independent Auditor's Report	1-2
Financial Statements	
Balance Sheets	3
Statements of Income (Loss).....	4
Statements of Comprehensive Income (Loss).....	5
Statements of Changes in Stockholders' Equity.....	6
Statements of Cash Flows	7-8
Notes to the Financial Statements	9-37

Independent Auditor's Report

Board of Directors
Moultrie Bank & Trust
Moultrie, Georgia

Opinion

We have audited the financial statements of Moultrie Bank & Trust, which comprise the balance sheet as of December 31, 2025, and the related statements of income (loss), comprehensive income (loss), changes in stockholders' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position Moultrie Bank & Trust as of December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Other Matter

The financial statements of Moultrie Bank & Trust for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those statements on February 17, 2025.

Responsibilities of Management for the Financial Statements

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

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

In performing an audit in accordance with GAAS, we:

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

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

Richards, Cauley + Associates, LLC

Dublin, Georgia
April 7, 2026

MOULTRIE BANK & TRUST
BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

	2025	2024
Assets		
Cash and due from banks	\$ 755,334	\$ 600,431
Federal funds sold	5,925,000	1,325,000
Interest-bearing deposits in banks	56,313,920	60,389,825
Cash and cash equivalents	62,994,254	62,315,256
Time deposits in other banks	8,726,000	13,454,002
Securities available-for-sale, at fair value, net of allowance for credit losses of \$-0- and \$-0-, respectively	38,266,949	26,119,540
Loans, less allowance for credit losses of \$681,997 and \$242,019, respectively	56,375,696	20,285,413
Accrued interest receivable	904,106	294,889
Premises and equipment, net	7,514,011	7,748,719
Other assets	111,229	105,905
Total assets	<u>\$ 174,892,245</u>	<u>\$ 130,323,724</u>
Liabilities and Stockholders' Equity		
Deposits		
Non-interest-bearing demand	\$ 30,709,631	\$ 26,176,501
Interest-bearing	122,826,069	84,626,987
	153,535,700	110,803,488
Accrued interest payable	147,689	128,383
Other liabilities	84,596	129,287
Total liabilities	<u>153,767,985</u>	<u>111,061,158</u>
Shareholders' equity		
Common stock, \$1 par value, authorized 20,000,000 shares 2,172,237 issued and outstanding in 2025 and 2,157,197 issued and outstanding in 2024	2,172,237	2,157,197
Preferred stock \$1 par value, authorized 1,000,000 shares 0 issued and outstanding in 2025 and 2024	-	-
Additional paid-in capital	20,419,397	20,083,287
Accumulated deficit	(1,870,407)	(2,945,355)
Accumulated other comprehensive income (loss)	403,033	(32,563)
Total shareholders' equity	<u>21,124,260</u>	<u>19,262,566</u>
Total liabilities and shareholders' equity	<u>\$ 174,892,245</u>	<u>\$ 130,323,724</u>

See accompanying independent auditor's report and notes to the financial statements.

MOULTRIE BANK & TRUST
STATEMENTS OF INCOME (LOSS)
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Interest and dividend income		
Interest and fees on loans	\$ 3,097,169	\$ 1,423,620
Interest income on securities	1,229,841	800,894
Income on federal funds sold	120,450	192,686
Interest-bearing deposits in banks	2,773,274	2,505,116
Total interest income	<u>7,220,734</u>	<u>4,922,316</u>
Interest expense		
Deposits	2,259,033	1,765,684
Other interest expense	7	173
Total interest expense	<u>2,259,040</u>	<u>1,765,857</u>
Net interest income	4,961,694	3,156,459
Provision for credit losses - loans	442,847	44,358
Provision for credit losses - unfunded commitments	21,767	-
Total provision for credit losses	<u>464,614</u>	<u>44,358</u>
Net income after provision for credit losses	<u>4,497,080</u>	<u>3,112,101</u>
Noninterest income		
Service charges on deposit accounts	62,665	34,448
Other income	144,728	110,322
Total noninterest income	<u>207,393</u>	<u>144,770</u>
Noninterest expense		
Salaries and employee benefits	1,757,236	1,833,543
Occupancy and equipment expenses	477,472	430,811
Data processing	703,127	657,815
Other expenses	691,690	700,376
Total noninterest expense	<u>3,629,525</u>	<u>3,622,545</u>
Income (loss) before income taxes	1,074,948	(365,674)
Provision for income taxes	-	382
Net income (loss)	<u>\$ 1,074,948</u>	<u>\$ (366,056)</u>

See accompanying independent auditor's report and notes to the financial statements.

MOULTRIE BANK & TRUST
STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
YEARS ENDED DECEMBER 31, 2025 and 2024

	2025	2024
Net income (loss)	\$ 1,074,948	\$ (366,056)
Other comprehensive income (loss)		
Securities available for sale		
Unrealized holding gains arising during period	435,596	239,494
Tax effect	-	-
	435,596	239,494
Other comprehensive income		
Comprehensive income (loss)	\$ 1,510,544	\$ (126,562)

See accompanying independent auditor's report and notes to the financial statements.

MOULTRIE BANK & TRUST
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2025 and 2024

	Common Stock	Preferred Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total
Balance, December 31, 2023	\$ 2,157,197	\$ -	\$ 19,882,537	\$ (2,579,299)	\$ (272,057)	\$ 19,188,378
Net loss	-	-	-	(366,056)	-	(366,056)
Other comprehensive income	-	-	-	-	239,494	239,494
Stock compensation expense	-	-	200,750	-	-	200,750
Balance, December 31, 2024	2,157,197	-	20,083,287	(2,945,355)	(32,563)	19,262,566
Net income	-	-	-	1,074,948	-	1,074,948
Other comprehensive income	-	-	-	-	435,596	435,596
Stock compensation expense	-	-	200,750	-	-	200,750
Exercise of stock warrants	15,000	-	135,000	-	-	150,000
Common stock issued	40	-	360	-	-	400
Balance, December 31, 2025	<u>\$ 2,172,237</u>	<u>\$ -</u>	<u>\$ 20,419,397</u>	<u>\$ (1,870,407)</u>	<u>\$ 403,033</u>	<u>\$ 21,124,260</u>

See accompanying independent auditor's report and notes to the financial statements.

MOULTRIE BANK & TRUST
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 and 2024

	2025	2024
Cash flow from operating activities		
Net income (loss)	\$ 1,074,948	\$ (366,056)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities		
Depreciation and amortization of premises and equipment	312,480	274,504
Provision for credit losses	442,847	44,358
Stock compensation expense	200,750	200,750
Net accretion on securities	(12,344)	(197,519)
Changes in accrued interest receivable	(609,217)	211,146
Changes in other assets	(5,324)	28,301
Net change in operating lease liabilities	-	(6,576)
Net change in operating lease of right-of-use assets	-	13,294
Changes in accrued interest payable	19,306	56,907
Changes in other liabilities	(44,691)	(252,972)
Net cash flow provided by operating activities	1,378,755	6,137
Cash flow from investing activities		
Net change in loans to customers	(36,533,130)	(4,585,412)
Purchase of securities available for sale	(42,316,256)	(14,871,453)
Proceeds from sales, maturities, calls, or paydowns of securities available-for-sale	30,616,787	13,975,000
Purchase of time deposits in other banks	(8,477,000)	(8,964,000)
Proceeds from maturities of time deposits in other banks	13,205,002	5,438,267
Property and equipment expenditures	(77,772)	(1,251,691)
Net cash flow used by investing activities	(43,582,369)	(10,259,289)
Cash flow from financing activities		
Net change in deposits	42,732,212	47,043,504
Proceeds from issuance of common stock	400	-
Proceeds from exercise of stock warrants	150,000	-
Net cash flow provided by financing activities	42,882,612	47,043,504
Net change in cash and cash equivalents	678,998	36,790,352
Cash and cash equivalents, beginning of year	62,315,256	25,524,904
Cash and cash equivalents, end of year	\$ 62,994,254	\$ 62,315,256

See accompanying independent auditor's report and notes to the financial statements.

MOULTRIE BANK & TRUST
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 and 2024

	2025	2024
Supplemental schedule of noncash investing and financing activities		
Changes in unrealized gain/(loss) on investments	\$ 435,596	\$ 239,494
Supplemental disclosures of cash flow information -		
Cash paid during the year for		
Interest	\$ 2,239,734	\$ 1,708,950
Income taxes	\$ -	\$ -

See accompanying independent auditor's report and notes to the financial statements.

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Moultrie Bank & Trust (the “Bank”) conform with generally accepted accounting principles (GAAP) in the United States of America and general practices within the banking industry. The following is a description of the more significant of those policies that the Bank follows in preparing and presenting its financial statements.

Reporting Entity and Nature of Operations

Moultrie Bank & Trust began operation on May 9, 2022 and operates as a state chartered bank in Moultrie, Georgia. As a state chartered bank, the Bank is subject to regulation by the Georgia Department of Banking and Finance (the DBF) and the Federal Deposit Insurance Corporation (the FDIC) (collectively, the regulators). The Bank provides a variety of financial services to individuals and small businesses. Its primary deposit products are checking, savings and term certificate accounts, and its primary lending products are commercial (including agricultural), mortgage and consumer loans.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates.

Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for credit losses, the valuation of real estate acquired in connection with foreclosures or in satisfaction of loans, the valuation of collateral-dependent loans, the realization and valuation of deferred tax assets, the fair value of securities, and the valuation of the fair values of certain financial instruments.

Cash and Cash Equivalents

For the purpose of presentation in the statements of cash flows, cash and cash equivalents are defined as those amounts included in the balance-sheet captions “cash and due from banks”, federal funds sold, and interest-bearing deposits in banks with original maturities of three months or less. The carrying amount of cash and cash equivalents approximates fair value.

The Bank is required to maintain reserve balances in cash and deposits to meet federal regulatory reserve requirements.

Time Deposits in Other Banks

Time deposits in other banks are carried at cost and mature at specified intervals of more than three months. Accrued interest receivable on time deposits in other banks totaled \$19,801 and \$52,655 at December 31, 2025 and 2024, respectively.

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investment Securities

The Bank classifies its securities in one of three categories: (1) trading, (2) available-for-sale or (3) held-to-maturity. 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 Bank has the positive intent and ability to hold to maturity. All other debt securities are classified as available-for-sale. Trading securities are reported at fair value, with unrealized gains and losses recorded in earnings. Held-to-maturity securities are reported at amortized cost. Available-for-sale securities are reported at fair value, with unrealized holding gains and losses excluded from earnings and reported in other comprehensive income, net of the related deferred tax effect, until realized. There were no trading or held-to-maturity securities at December 31, 2025 and 2024.

The amortization of premiums and accretion of discounts are recognized in interest income using methods approximating the interest method over the expected life of the securities. Realized gains and losses, determined on the basis of the cost of specific securities sold, are included in earnings on the trade date. The Bank has made a policy election to exclude accrued interest from the amortized cost basis of debt securities and report accrued interest as a separate line item on the balance sheet. A security is placed on nonaccrual status at the time any principal or interest payments become more than 90 days delinquent or if full collection or 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 securities reversed against interest income for the years ended December 31, 2025 and 2024. Accrued interest receivable on securities totaled \$184,794 and \$69,768 at December 31, 2025 and 2024, respectively.

Allowance for Credit Losses – Securities Available-for-Sale

For all available-for-sale securities in an unrealized loss position, the Bank first evaluates whether it intends to sell or it is more likely than not that the Bank will be required to sell the security before recovery of its amortized cost basis. If either criteria is met, the security's amortized cost basis is written down to fair value through earnings. If either of the criteria is not met, the Bank evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security is compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost basis. Any loss that has not been recorded through an allowance for credit losses is recognized in other comprehensive income, net of tax, as a non-credit related impairment.

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Allowance for Credit Losses – Securities Available-for-Sale

Changes in the allowance for credit losses are recorded as provision for credit loss expense. Losses are charged against the allowance for credit loss when management believes an available for sale security is confirmed to be uncollectible or when either of the criteria regarding intent or requirement to sell is met. Accrued interest receivable on available for sale debt securities was excluded from the estimate of credit losses. At December 31, 2025 and 2024 there was no allowance for credit loss related to the available for sale portfolio.

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 principal balance outstanding, net of purchase premiums and discounts and deferred loan fees and costs. Accrued interest receivable totaled \$699,511 and \$172,466 at December 31, 2025 and 2024 and is excluded from the estimate of credit losses. Interest income is accrued on the unpaid principal balance. Loan origination fees, to the extent of identified origination costs, are recognized in income at origination and any excess fee amounts are deferred and recognized over the life of the loan. The related loan origination costs are recognized as expense at the time the loan is originated. The net effect on the financial condition and results of operations of not deferring the net fees and costs is not significant.

The accrual of interest on loans is discontinued when, in management's opinion, the borrower may be unable to meet payments as they become due, unless the loan is well-secured. When interest accrual is discontinued, all unpaid accrued interest is reversed against interest income, unless management believes that the accrued interest is recoverable through the liquidation of collateral. Interest income is subsequently recognized only to the extent cash payments are received. Loans are returned to accrual status when all the principal and interest amounts contractually due are reasonably assured of repayment within a reasonable time frame.

Loan delinquencies are determined by comparing contractual requirements to the timing of payments received from the borrower. The policies and procedures related to nonaccrual and delinquent loans are applied consistently to all outstanding loans.

Allowance for Credit Losses – Loans

The allowance for credit losses is a valuation account that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the loans. Loans are charged off against the allowance when management believes the collectability of a loan balance is confirmed. Expected recoveries do not exceed the aggregate of amounts previously charged-off and expected to be charged-off.

The allowance for credit losses represents management's estimate of lifetime credit losses inherent in loans as of the balance sheet date. The allowance for credit losses is estimated by management using relevant available information, from both internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. Adjustments to historical loss information are made for differences in current loan-specific risk characteristics such as differences in underwriting standards, portfolio mix, delinquency level, or term as well as for changes in environmental conditions, such as changes in unemployment rates, property values, or other relevant factors such as national, state and local economies, interest rates, consumer housing market and commercial real estate market.

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Allowance for Credit Losses – Loans

Management allocates the allowance for credit losses by pools of risk within each loan portfolio segment. The allocation methodology consists of the following components. First, a specific reserve is established for individually credit-deteriorated loans, which management defines as nonaccrual credit relationships, collateral dependent loans, and other loans with evidence of credit deterioration. The specific reserve in the allowance for credit losses for these credit deteriorated loans is equal to the aggregate collateral or discounted cash flow shortfall. Next, management allocates the allowance for credit losses on loans with historical loss rates by loan segment. The loss factors are measured on a quarterly basis and applied to each loan segment based on current loan balances and projected for their expected remaining life. Management also allocates using the qualitative and environmental factors mentioned above. Consideration is given to those current qualitative or environmental factors that are likely to cause estimated credit losses at the evaluation date to differ from the historical loss experience of each loan segment. Lastly, management considers reasonable and supportable forecasts to assess the collectability of future cash flows.

The allowance for credit losses is measured on a collective (pool) basis when similar risk characteristics exist. The Bank has identified the following portfolio segments with similar risk characteristics for measuring expected credit losses.

Commercial Real Estate – Commercial real estate mortgage loans include owner occupied and non owner occupied commercial real estate loans 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 business activities. Loans on non owner occupied and other income producing properties are repaid through rental income generated from the properties. Loans within this portfolio segment are sensitive to the valuation of the related real estate.

Residential Real Estate – Residential mortgage loans include real estate loans secured by first liens, second liens, or open ended loans, such as home equity lines of credit. Residential real estate loans are repaid through various means, which include borrower's income, sale of the real estate, or rental income generated from the property. Loans within this portfolio segment are sensitive to the valuation of the related real estate.

Commercial – The commercial loan portfolio segment includes non real estate commercial and financial loans. These loans are primarily used in the normal business operations to finance working capital needs, equipment purchases, or expansion projects. Loans are traditionally paid through cash flows generated from business activities. Collection risk in the portfolio is directly related to the creditworthiness of the underlying borrower and related cash flows from business operations.

Consumer and other– Consumer loans include direct consumer installment loans and other revolving credit loans. Loans in this portfolio are sensitive to unemployment and other key consumer economic measures.

Loans that do not share risk characteristics are evaluated on an individual basis. Loans evaluated individually are not also included in the collective evaluation. When management determines that foreclosure is probable and the borrower is experiencing financial difficulty, the expected credit losses are based on the fair value of collateral at the reporting date and adjusted for selling costs as appropriate.

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant Group Concentrations of Credit Risk

A substantial portion of the Bank's loan portfolio is to customers in the Moultrie, Colquitt County, Georgia area. The ultimate collectability of a substantial portion of the portfolio is therefore susceptible to changes in the economic and market condition in and around this area. Although the Bank largely has a diversified customer base, approximately 23.57% of its loan balance outstanding was held by four relationships as of December 31, 2025.

The Bank offers a variety of deposit products to its customers. Although the Bank largely has a diversified customer base, approximately 41.44% of its deposit balance outstanding was held by two relationships as of December 31, 2025.

The nature of the Bank's business requires that it maintain amounts due from banks, which at times may exceed federally insured limits. The Bank has not experienced any losses in such accounts, and management works to mitigate risk associated with its correspondent institutions. Amounts due from banks are typically maintained in demand deposit accounts which are insured up to \$250,000.

Foreclosed Assets

Foreclosed assets are acquired through or in lieu of loan foreclosure are held for sale and are initially recorded at fair value less estimated selling costs at the date of foreclosure establishing a new cost basis. After acquisition, these assets are carried at the lower of carrying amount or fair value less estimated selling costs. Fair value is estimated through current appraisals, where practical, or an inspection and a comparison of the property securing the loan with similar properties in the area by a licensed appraiser, a real estate broker or management. Subsequent provisions for losses, which may result from the ongoing periodic valuations of these properties, are charged to expense in the period in which they are identified. Operating costs after acquisition are expensed.

At December 31, 2025 and 2024, there are no foreclosed real estate properties. At December 31, 2025 and 2024, the Bank has no loans for which formal foreclosure proceedings are in process. There was no expense or income related to foreclosed assets for the years ended December 31, 2025 and 2024.

Premises and Equipment

Premises and equipment are stated at cost less accumulated depreciation, computed principally on declining balance and straight-line methods over the estimated useful lives of the assets. Land is stated at cost. Maintenance and repairs that do not extend the useful life of the premises and equipment are charged to expense. The useful lives of premises and equipment are as follows:

Land improvements	15
Buildings and improvements	39
Furniture, fixtures and equipment	3-10

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Leases

Leases are classified as operating or finance leases at the lease commencement date. The Bank leases certain equipment. The Bank records leases on the balance sheet in the form of a lease liability for the present value of future lease payments under the lease terms and a right-of-use asset equal to the lease liability adjusted for items such as deferred or prepaid rent, lease incentives, and any impairment of the right-of-use asset. The discount rate used in determining the lease liability is based upon incremental borrowing rates the Bank could obtain for similar loans as of the date of commencement or renewal. The Bank does not record short term leases with an initial lease term of one year or less on the balance sheets.

At lease inception, the Bank determines the lease term by considering the noncancelable lease term and all optional renewal periods that the Bank is reasonably certain to renew. The lease term is also used to calculate straight-line lease expense. Leasehold improvements are amortized over the shorter of useful life and the estimated lease term. The Bank's leases do not contain residual value guarantees or material variable lease payments.

Operating lease expense consists of a single lease cost allocated over the remaining lease term on a straight-line basis, variable lease expense, and any impairment of the right-of-use asset. Lease expense is included in occupancy and equipment expense on the Bank's statements of income. The Bank's variable lease expense includes rent escalators that are based on market conditions and include items such as maintenance, property taxes, insurance and other costs associated with the lease. The amortization of the right-of-use asset arising from finance leases is expensed through occupancy and equipment expense and the interest on the related lease liability is expensed through interest expense on borrowings on the Bank's statements of income.

The Bank has elected to treat property leases that includes both lease and non-lease components as a single component and account for it as a lease.

During the year ended December 31, 2022, the Bank entered into an operating lease for its Moultrie banking location. The Bank's lease was terminated during 2024 and ROU assets and liabilities were extinguished. Therefore, there are no future undiscounted cash flows or future expected expenses.

The components of lease expense are as follows for the years ended December 31, 2025 and 2024:

	2025	2024
Operating lease cost	\$ -	\$ 6,900
Short-term lease cost	7,332	9,416
Total lease cost	\$ 7,332	\$ 16,316

Allowance for Credit Losses – Unfunded Commitments

The Bank estimates expected credit losses over the contractual period in which the Bank is exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the Bank. The allowance for credit losses on unfunded commitments is adjusted through the provision for credit losses. The allowance for credit losses on unfunded commitments is estimated by loan portfolio segment under the current expected credit loss model using the same methodologies as for loans. The estimate includes consideration of the likelihood that funding will occur and an estimate of expected credit losses on commitments expected to be funded over its estimated life.

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenues from Contracts with Customers

The Bank's revenue from contracts with customers within the scope of Accounting Standards Codification (ASC) 606 included in noninterest income in the income statement is comprised of the following for the years ended December 31, 2025 and 2024:

	2025	2024
Service charges on deposits	\$ 62,665	\$ 34,448
Interchange income	98,487	56,217
	\$ 161,152	\$ 90,665

A description of the Bank's revenue streams accounted for under ASC 606 is as follows:

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

Interchange income: The Bank earns interchange fees from cardholder transactions conducted through the Visa/Mastercard or other payment network. Interchange fees from cardholder transactions represent a percentage of the underlying transaction value and are recognized daily, concurrently with the transaction processing services provided to the cardholder.

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 Bank, (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 Bank does not maintain effective internal control over the transferred assets through an agreement to repurchase them before their maturity.

Employee Benefits

The Bank has a deferred compensation plan (the Plan) under Section 401(k) of the Internal Revenue Code. Participation in the Plan is subject to the service and other requirements established by the Plan. Under the Plan, employees may elect to defer amounts of their salary subject to statutory limits. At the discretion of the Bank's Board of Directors, the Bank may contribute funds to the Plan for employee accounts, subject to Plan and statutory limitations.

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Income Taxes

The provision for income taxes is based on income and expense reported for financial statement purposes after the adjustment for permanent differences such as tax-exempt income. Deferred income tax assets and liabilities are determined using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is determined based on the tax effects of the temporary differences between the book and tax basis of the various balance sheet assets and liabilities and gives current recognition to changes in tax rates and laws.

Income tax expense is the total of the current year income tax due or refundable and the change in deferred tax assets and liabilities. Deferred tax assets and liabilities are the expected future tax amounts for the temporary differences between carrying amounts and tax bases of assets and liabilities, computed using enacted tax rates. A valuation allowance, if needed, reduces deferred tax assets to the amount expected to be realized.

A tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is record.

The Bank recognizes interest and/or penalties to income tax matters in income tax expense.

Comprehensive Income (Loss)

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 their balance sheet, such items, along with net income (loss), are components of comprehensive income (loss).

Loss Contingencies

Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. Management does not believe there now are such matters that will have a material effect on the financial statements.

Financial Instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Quoted market prices, if available, are utilized as estimates of the fair values of financial instruments. Since no quoted market prices exist for a significant part of the Bank’s financial instruments, the fair values of such instruments have been derived based on management's assumptions, the estimated amount and timing of future cash flows and estimated discount rates.

The estimation methods for individual classifications of financial instruments are described more fully in Note 12. Different assumptions could significantly affect these estimates. Accordingly, net realizable values could be materially different from the estimates disclosed.

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Advertising

The Bank expenses advertising costs as incurred. For the years ended December 31, 2025 and 2024, advertising expense was \$66,361 and \$105,608, respectively.

Earnings per Common Share

Basic earnings per share represents income available to common shareholders divided by the weighted-average number of common shares outstanding during the period. Diluted earnings per share reflects additional common shares that would have been outstanding if dilutive potential common shares had been issued, as well as any adjustment to income that would result from the assumed conversion. Potential common shares that may be issued by the Bank relate solely to outstanding stock options, and are determined using the treasury stock method.

Earnings per common share have been computed based on the following:

	Years Ended December 31,	
	2025	2024
Net income (loss)	\$ 1,074,948	\$ (366,056)
Weighted average number of common shares outstanding	2,161,107	2,157,197
Average number of common shares outstanding used to calculate diluted earnings per common share	2,161,107	2,157,197
Earnings per share		
Basic	\$ 0.50	\$ (0.17)
Diluted	\$ 0.50	\$ (0.17)

Reclassifications

Certain reclassifications have been made to the December 31, 2024 financial statements for them to be comparable to the current year presentation. Reclassifications had no effect on prior year retained earnings or stockholders' equity.

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 - SECURITIES AVAILABLE FOR SALE

The amortized costs, gross unrealized gains and losses, and estimated fair values of securities available for sale at December 31, 2025 and 2024 are summarized as follows:

	December 31, 2025				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Estimated Fair Value
U.S Treasuries and federal agencies	\$ 5,809,002	\$ 155,157	\$ -	\$ -	\$ 5,964,159
Mortgage-backed GSE residential	32,054,914	260,231	(12,355)	-	32,302,790
	<u>\$ 37,863,916</u>	<u>\$ 415,388</u>	<u>\$ (12,355)</u>	<u>\$ -</u>	<u>\$ 38,266,949</u>
	December 31, 2024				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Estimated Fair Value
U.S Treasuries and federal agencies	\$ 26,152,103	\$ -	\$ (32,563)	\$ -	\$ 26,119,540
	<u>\$ 26,152,103</u>	<u>\$ -</u>	<u>\$ (32,563)</u>	<u>\$ -</u>	<u>\$ 26,119,540</u>

The proceeds from sales and calls of all securities and the associated gains and losses are listed below.

	2025	2024
Proceeds	\$ 1,000,000	\$ 13,975,000
Gross gains	-	-
Gross losses	-	-

The amortized costs and estimated fair values of investment securities available for sale at December 31, 2025, by contractual maturity are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Securities Available for Sale	
	Amortized Cost	Estimated Fair Value
Due in one year or less	\$ -	\$ -
Due after one year but less than five years	37,863,916	38,266,949
Due after five years but less than ten years	-	-
Due in more than ten years	-	-
	<u>\$ 37,863,916</u>	<u>\$ 38,266,949</u>

For the purpose of the maturity table, mortgage-backed securities, which are not due at a single maturity date, have been allocated over maturity groupings based on the weighted-average contractual maturities of underlying collateral. The mortgage-backed securities may mature earlier than their weighted-average contractual maturities because of principal prepayments.

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 - SECURITIES AVAILABLE FOR SALE

Securities with a carrying value of \$37,312,037 and \$25,246,562 at December 31, 2025 and 2024, respectively, were pledged to secure public deposits and for other purposes required, or permitted by law.

Taxable interest income on securities was \$1,229,841 and \$800,894 for the years ended December 31, 2025 and 2024, respectively. There was no interest income exempt from Federal income taxes for the years ended December 31, 2025 and 2024, respectively.

Information pertaining to securities with gross unrealized losses at December 31, 2025 and 2024 aggregated by investment category and length of time that individual securities have been in a continuous loss position, follows:

	2025			
	Twelve Months or Less		Over Twelve Months	
	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value
U.S Treasuries and federal agencies	\$ -	\$ -	\$ -	\$ -
Mortgage-backed GSE residential	(12,355)	4,980,378	-	-
	\$ (12,355)	\$ 4,980,378	\$ -	\$ -
	2024			
	Twelve Months or Less		Over Twelve Months	
	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value
U.S Treasuries and federal agencies	\$ (10,094)	\$ 16,931,320	\$ (22,469)	\$ 9,188,220
	\$ (10,094)	\$ 16,931,320	\$ (22,469)	\$ 9,188,220

The market value is established by an independent pricing service as of the approximate dates indicated. The differences between the book value and market value reflect current interest rates and represent the potential loss (or gain) had the portfolio been liquidated on that date. Security losses (or gains) are realized only in the event of dispositions prior to maturity.

At December 31, 2025, the Bank's security portfolio consisted of 29 securities, 3 of which were in an unrealized loss position. The Bank held 3 mortgage-backed residential securities that were in an unrealized loss position. Substantially, all of the unrealized losses were the result of changes in market interest rates compared to the date the securities were acquired rather than the credit quality of the issuers or underlying loans.

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 - SECURITIES AVAILABLE FOR SALE

U.S. Treasuries and federal agencies

The unrealized losses associated with U.S. Treasury and federal agency securities are primarily driven by changes in interest rates and not due to the credit quality of the securities. These securities are issued by U.S. government agencies or government-sponsored entities and do not have any credit losses given the explicit or implicit government guarantee.

Mortgage-backed GSE residential

The unrealized losses associated with mortgage-backed GSE residential securities are primarily driven by changes in interest rates and liquidity and not due to the credit quality of the securities. The Bank does not have intent to sell and it is likely that management will not be required to sell the securities prior to their anticipated recovery. Management does not consider these securities to be other-than-temporarily impaired at December 31, 2025.

Management evaluates available-for-sale securities in an unrealized loss position on at least a quarterly basis, and more frequently when economic or market concerns warrant such evaluation, to determine if credit-related impairment exists. Management first evaluates whether they intend 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 criteria is not met, management evaluates whether the decline in fair value is attributable to credit or resulted from other factors. The Bank does not intend to sell these investment securities at an unrealized loss position at December 31, 2025, and it is more likely than not that the Bank will not be required to sell these securities prior to recovery or maturity. Based on the results of management's review at December 31, 2025, management determined that none of the loss was attributable to credit impairment. As of December 31, 2025, the Bank had no allowance for credit losses for securities available for sale.

NOTE 3 - LOANS

The composition of loans as of December 31, 2025 and 2024 is summarized as follows:

	2025	2024
Commercial real estate	\$ 42,876,417	\$ 12,589,828
Residential real estate	5,598,509	2,055,734
Commercial	7,798,508	5,615,754
Consumer and other	784,259	266,116
Gross loans	57,057,693	20,527,432
Allowance for credit losses	(681,997)	(242,019)
Loans, net	<u>\$ 56,375,696</u>	<u>\$ 20,285,413</u>

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 3 - LOANS

In the normal course of business, the Bank may sell and purchase loan participations to and from other financial institutions and related parties. Loan participations are typically sold to comply with the legal lending limits per borrower as imposed by regulatory authorities. The participations are sold without recourse and the Bank imposes no transfer or ownership restrictions on the purchaser. At December 31, 2025 and 2024, the Bank had loan participations sold of \$1,320,813 and \$-0-, respectively. Included in loans at December 31, 2025, were nine loan participations purchased from other financial institutions. The outstanding principal balances for these loan participations purchased amounted to \$13,692,570 or 24.00% of gross loans. At December 31, 2024, the Bank had no loan participations purchased.

The following tables present loans purchased and sold during the years ended December 31, 2025 and 2024 by portfolio type.

<u>December 31, 2025</u>	<u>Commercial real estate</u>	<u>Residential real estate</u>	<u>Commercial</u>	<u>Consumer and other</u>	<u>Total</u>
Purchases	\$ 24,489,176	\$ -	\$ -	\$ -	\$24,489,176
Sales	6,550,000	-	-	-	6,550,000

<u>December 31, 2024</u>	<u>Commercial real estate</u>	<u>Residential real estate</u>	<u>Commercial</u>	<u>Consumer and other</u>	<u>Total</u>
Purchases	\$ -	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-	-

The allowance for credit losses (ACL) for the years ended December 31, 2025 and 2024, by portfolio segment, is as follows:

<u>For the Year Ended December 31, 2025</u>	<u>Commercial Real Estate</u>	<u>Residential Real Estate</u>	<u>Commercial</u>	<u>Consumer and other</u>	<u>Total</u>
Allowance for Credit Losses					
Beginning balance	\$ 148,285	\$ 24,213	\$ 66,143	\$ 3,378	\$ 242,019
Charge-offs	-	-	(3,369)	-	(3,369)
Recoveries	-	-	500	-	500
Provision for credit losses	371,772	39,490	11,663	19,922	442,847
Ending balance	<u>\$ 520,057</u>	<u>\$ 63,703</u>	<u>\$ 74,937</u>	<u>\$ 23,300</u>	<u>\$ 681,997</u>

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 3 - LOANS

For the Year Ended December 31, 2024	Commercial Real Estate	Residential Real Estate	Commercial	Consumer and other	Total
Allowance for Credit Losses					
Beginning balance	\$ 137,671	\$ 20,703	\$ 36,193	\$ 3,094	\$ 197,661
Charge-offs	-	-	-	-	-
Recoveries	-	-	-	-	-
Provision for credit losses	10,614	3,510	29,950	284	44,358
Ending balance	<u>\$ 148,285</u>	<u>\$ 24,213</u>	<u>\$ 66,143</u>	<u>\$ 3,378</u>	<u>\$ 242,019</u>

The Bank designates individually evaluated loans on nonaccrual status as collateral dependent loans, as well as other loans designated as having higher risk. Collateral-dependent loans are loans where repayment is expected to be provided substantially through the operation or sale of the collateral when the borrower is experiencing financial difficulty. If the Bank determines that foreclosure is probable, these loans are written down to the lower of cost or fair value of the collateral less estimated costs to sell. When repayment is expected to be from the operation of the collateral, the ACL is calculated as the amount by which the amortized cost basis of the financial asset exceeds the present value of expected cash flows from the operation of the collateral. The Bank may, in the alternative, measure the ACL as the amount by which the amortized cost basis of the financial asset exceeds the estimated fair value of the collateral.

The following table presents the individually evaluated collateral-dependent financial assets and related ACL as of December 31, 2025 and 2024:

	December 31, 2025		December 31, 2024	
	Balance	Allowance for Credit Losses	Balance	Allowance for Credit Losses
Commercial real estate	\$ -	\$ -	\$ -	\$ -
Residential real estate	12,143	-	-	-
Commercial	17,683	3,180	381,488	-
Consumer and other	-	-	31,137	-
Total	<u>\$ 29,826</u>	<u>\$ 3,180</u>	<u>\$ 412,625</u>	<u>\$ -</u>

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 3 - LOANS

A primary credit quality indicator for financial institutions is delinquent balances. The following are the delinquent amounts, by portfolio segment as of December 31, 2025 and 2024:

December 31, 2025	Accruing				Total Loans
	Current	30-89 Days	90 Days or More Past Due	Non-accrual	
Commercial real estate	\$ 42,876,417	\$ -	\$ -	\$ -	\$ 42,876,417
Residential real estate	5,586,366	-	-	12,143	5,598,509
Commercial	7,780,825	-	-	17,683	7,798,508
Consumer and other	784,259	-	-	-	784,259
Total	<u>\$ 57,027,867</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,826</u>	<u>\$ 57,057,693</u>

December 31, 2024	Accruing				Total Loans
	Current	30-89 Days	90 Days or More Past Due	Non-accrual	
Commercial real estate	\$ 12,589,828	\$ -	\$ -	\$ -	\$ 12,589,828
Residential real estate	2,043,591	12,143	-	-	2,055,734
Commercial	5,615,754	-	-	-	5,615,754
Consumer and other	266,116	-	-	-	266,116
Total	<u>\$ 20,515,289</u>	<u>\$ 12,143</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,527,432</u>

The following table presents the amortized cost basis of loans on non-accrual status as of December 31, 2025 and 2024:

December 31, 2025	Non-accrual Loans With No Allowance	Non-accrual Loans With An Allowance	Total Non-accrual Loans
Commercial real estate	\$ -	\$ -	\$ -
Residential real estate	12,143	-	12,143
Commercial	-	17,683	17,683
Consumer and other	-	-	-
Total	<u>\$ 12,143</u>	<u>\$ 17,683</u>	<u>\$ 29,826</u>

There were no non-accrual loans as of December 31, 2024.

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 3 - LOANS

The Bank uses an eight category risk grading system to assign a risk grade to each loan in the portfolio. The following is a description of the general characteristics of the grades:

Grade 1-4 Pass – This grade represents loans to the Bank’s most creditworthy borrowers or loans that secured by cash or cash equivalents.

Grade 5 Special Mention – This grade includes loans that exhibit potential weaknesses that deserve management’s close attention. If left uncorrected, these weaknesses may result in deterioration of the repayment prospects for the asset or in the Bank’s credit position at some future date.

Grade 6 Substandard – This grade represents loans which are inadequately protected by the current sound worth and paying capacity of the borrower or of the collateral pledged, if any. These assets exhibit a well-defined weakness or are characterized by the distinct possibility that the Bank will sustain some loss if the deficiencies are not corrected. These weaknesses may be characterized by past due performance, operating losses or questionable collateral values.

Grade 7 Doubtful – This grade includes loans which exhibit all of the characteristics of a substandard loan with the added provision that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions and values, highly questionable or improbable.

Grade 8 Loss – This grade is assigned to loans which are considered uncollectible and of such little value that their continuance as active assets of the Bank is not warranted. This classification does not mean that the loss has absolutely no recovery or salvage value, but it is not practical or desirable to defer writing it off.

In the case of consumer credit, closed end consumer installment loans delinquent 120 days or more (five monthly payments) will be classified loss. Open end consumer credit will be classified loss if delinquent 180 days or more (seven or more billing cycles).

The following table presents the loan portfolio by risk grade as of December 31, 2025 and 2024:

<u>December 31, 2025</u>	<u>Commercial real estate</u>	<u>Residential real estate</u>	<u>Commercial</u>	<u>Consumer and other</u>	<u>Total</u>
Rating					
1-4 (Pass)	\$ 42,876,417	\$ 5,586,366	\$ 7,780,825	\$ 783,394	\$ 57,027,002
5 (Special Mention)	-	-	-	865	865
6 (Substandard)	-	12,143	17,683	-	29,826
7 (Doubtful)	-	-	-	-	-
8 (Loss)	-	-	-	-	-
Total	<u>\$ 42,876,417</u>	<u>\$ 5,598,509</u>	<u>\$ 7,798,508</u>	<u>\$ 784,259</u>	<u>\$ 57,057,693</u>

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 3 - LOANS

December 31, 2024	Commercial real estate	Residential real estate	Commercial	Consumer and other	Total
Rating					
1-4 (Pass)	\$ 12,589,828	\$ 1,969,512	\$ 5,615,754	\$ 266,116	\$ 20,441,210
5 (Special Mention)	-	86,222	-	-	86,222
6 (Substandard)	-	-	-	-	-
7 (Doubtful)	-	-	-	-	-
8 (Loss)	-	-	-	-	-
Total	<u>\$ 12,589,828</u>	<u>\$ 2,055,734</u>	<u>\$ 5,615,754</u>	<u>\$ 266,116</u>	<u>\$ 20,527,432</u>

The Bank periodically provides modifications to borrowers experiencing financial difficulty. These modifications include either payment deferrals, term extensions, interest rate reductions, principal forgiveness or combinations of modification types. The determination of whether the borrower is experiencing financial difficulty is made on the date of modification. When principal forgiveness is provided, the amount of principal forgiveness is charged off against the allowance for credit losses with a corresponding reduction in the amortized cost basis of the loan.

The Bank has not made any modifications to loans for borrowers experiencing financial difficulty during the years ended December 31, 2025 and 2024.

NOTE 4 - PREMISES AND EQUIPMENT

The major classes of premises and equipment and the total accumulated depreciation at December 31, 2025 and 2024 are as follows:

	2025	2024
Land	\$ 1,342,194	\$ 1,342,194
Land improvements	661,048	661,048
Buildings and improvements	5,372,669	5,372,669
Furniture, fixtures and equipment	809,328	731,556
Total	<u>8,185,239</u>	<u>8,107,467</u>
Less accumulated depreciation	(671,228)	(358,748)
Premises and equipment, net	<u>\$ 7,514,011</u>	<u>\$ 7,748,719</u>

Depreciation expense was \$312,480 and \$274,504 for the years ended December 31, 2025 and 2024, respectively.

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 5 - DEPOSITS

Deposit account balances at December 31, 2025 and 2024 are summarized as follows:

	2025	2024
Non - interest bearing demand deposits	\$ 30,709,631	\$ 26,176,501
Interest-bearing deposits	86,289,801	57,216,123
Time deposits	36,536,268	27,410,864
Total deposits	\$ 153,535,700	\$ 110,803,488

Scheduled maturities of time deposits for the next five years are as follows:

Year Ending December 31,	
2026	\$ 36,350,109
2027	112,993
2028	58,622
2029	14,544
2030	-
2031 and thereafter	-
	\$ 36,536,268

At December 31, 2025 and 2024, overdraft demand deposits reclassified to loans totaled \$345 and \$486, respectively. Time deposits that meet or exceed the Federal Depository Insurance Corporation (FDIC) insurance limit of \$250,000 at December 31, 2025 and 2024 were \$20,043,867 and \$14,025,740, respectively.

NOTE 6 - OTHER BORROWINGS

The Bank maintained lines of credit for federal funds purchased with correspondent institutions of \$8,000,000 as of December 31, 2025. At December 31, 2025 and 2024, the Bank did not have an outstanding balance borrowed against these lines of credit.

NOTE 7 - EMPLOYEE BENEFIT PLANS

Effective July 1, 2022, the Bank adopted a 401(k) plan covering substantially all of its employees meeting age and length of service requirements. The plan provides a safe harbor matching contribution of up to 4% of employee compensation for each employee. In addition, the Bank may make a profit sharing contribution that is determined annually by the Board of Directors. The Bank made matching contributions of \$50,021 and \$52,938 for the years ended December 31, 2025 and 2024, respectively.

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 8 - STOCK BASED COMPENSATION

The Bank has a stock-based compensation plans as described below. Total compensation cost that has been charged against income for those plans was \$200,750 and \$200,750 for 2025 and 2024, respectively. The total income tax benefit was \$52,576 and \$52,978 for 2025 and 2024, respectively.

Stock Option Plan

The Bank established an employee and director stock based compensation plan during the year ended December 31, 2022. The Board of Directors authorized 517,000 shares that included 200,000 shares under an Incentive Stock Option (ISO) pool for management as well as 317,000 shares under a Warrant pool (Class A and Class B) for Directors. As of December 31, 2022, 122,000 shares were granted to management under the ISO, and 317,000 shares were granted to directors under the Class A and Class B warrant pool.

Under the Bank's plan, one third of the ISOs granted to each individual become exercisable annually beginning on the first anniversary of the grant. Options may be exercised at any time until the tenth anniversary of the grant. Under the plan, option holders have the right at any time, with respect to all exercisable options, to exercise any number of exercisable options by paying the exercise price and receiving the number of common shares equal to the number of options exercised.

The Class A Warrants (Service Warrants) are being awarded for the Director's willingness to serve on the Board of the Bank. Each Class A Warrant is (a) vested ratably over a three year period; and (b) exercisable to acquire 0.4 shares for an exercise price of \$10.00 per share. Each Class A warrant expires on the tenth anniversary of the date that the Bank opens for business.

The fair value of options granted was determined using the following weighted-average assumptions as of grant date.

	Service Warrants and Employee Stock Options	Risk Warrants
	<u> </u>	<u> </u>
Risk-free interest rate	2.97%	2.97%
Expected term	5	6.5
Expected stock price volatility	12.00%	12.00%

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 8 - STOCK BASED COMPENSATION

A summary of the activity in the service warrant and stock option plan for 2025 follows:

	Shares	Weighted Average Exercise Price
Outstanding at beginning of year	439,000	\$ 10.00
Granted	-	10.00
Exercised	15,000	10.00
Forfeited or expired	1,000	10.00
Outstanding at end of year	423,000	10.00
Fully vested and expected to vest	423,000	10.00
Exercisable at end of year	423,000	\$ 10.00

Information related to the stock option plan during each year follows:

	2025	2024
Intrinsic value of options exercised	\$ 27,450	\$ -
Cash received from option exercises	150,000	-
Tax benefit from option exercises	-	-
Weighted average fair value of options granted	-	-

As of December 31, 2025, there was \$-0- of total unrecognized compensation cost related to nonvested stock options granted under the Plan.

A summary of changes in the Bank's nonvested shares for the year follows:

	Shares	Weighted-Average Grant-Date Fair Value
Nonvested at January 1, 2025	146,333	\$ 200,751
Granted	-	-
Vested	145,333	198,551
Forfeited	1,000	2,200
Nonvested at December 31, 2025	-	\$ -

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 9 - RELATED PARTY TRANSACTIONS

In the ordinary course of business has direct and indirect loans outstanding to or for the benefit of certain executive officers and directors. These loans were made on substantially the same terms as those prevailing, at the time made, for comparable loans to other persons and did not involve more than the normal risk of collectability or present other unfavorable features.

The following is a summary of activity during 2025 and 2024 with respect to such loans to these individuals:

	2025	2024
Balance, beginning	\$ 3,012,993	\$ 2,061,669
New loans	3,177,806	2,363,903
Repayments	(2,583,494)	(1,412,579)
Balance, ending	<u>\$ 3,607,305</u>	<u>\$ 3,012,993</u>

The Bank also had deposits from these related parties of approximately \$68,347,522 and \$41,600,208 at December 31, 2025 and 2024, respectively.

The Bank paid \$17,300 and \$37,500 for consulting services to related parties in the year ended December 31, 2025 and 2024, respectively.

NOTE 10 - ALLOWANCE FOR CREDIT LOSSES – UNFUNDED COMMITMENTS

The following table presents the balance and activity in the allowance for credit losses for unfunded loan commitments, which is included in accrued expenses and other liabilities on the balance sheets, as of December 31, 2025 and 2024:

	2025	2024
Beginning balance	\$ -	\$ -
Provision for credit losses	21,767	-
Ending balance	<u>\$ 21,767</u>	<u>\$ -</u>

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 11 - INCOME TAXES

The total provision for income taxes in the statements of income is as follows:

	December 31,	
	2025	2024
Current	\$ -	\$ (382)
Deferred	-	-
	\$ -	\$ (382)
	2025	2024
Tax on pretax income at statutory rate	\$ 225,739	\$ (76,792)
Non-deductible stock-based compensation	42,158	42,158
State income taxes, net of federal tax benefit	10,854	(26,752)
Change in valuation allowance	(411,803)	101,034
Other	133,052	(40,030)
	\$ -	\$ (382)

Deferred income taxes are reflected for certain timing differences between book and taxable income and will be reduced in future years as these timing differences reverse. The reasons for the difference between the actual tax expense and tax computed at the federal income tax rate are as follows:

	December 31,	
	2025	2024
Deferred tax assets:		
Provision for loan losses	\$ 133,300	\$ 50,824
State credit carryover	17,969	13,487
Net operating loss carryforwards	335,363	740,596
Nonaccrual loan interest	34	-
Unrealized losses on securities available for sale	-	6,838
	486,666	811,745
Deferred tax liabilities:		
Unrealized gain on securities available for sale	105,555	-
Depreciation	114,078	132,909
	219,633	132,909
Net deferred tax asset before valuation allowance	267,033	678,836
Less: valuation allowance	(267,033)	(678,836)
Net deferred tax asset	\$ -	\$ -

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 11 - INCOME TAXES

As of December 31, 2025, the Bank had federal net operating loss carryforwards of \$1,191,981 and state net operating loss carryforwards of \$1,690,300, both of which may be carried forward indefinitely with no expiration date. The Bank had no uncertain tax positions that qualify for recognition or disclosure as of December 31, 2025. The Bank is subject to U.S. federal income tax as well as income tax of the state of Georgia. The Bank is subject to examination by taxing authorities for years ended December 31, 2022 and thereafter.

NOTE 12 - FINANCIAL INSTRUMENTS

The Bank 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. Those instruments involve, to varying degrees, elements of credit risk and interest rate risk in excess of the amount recognized in the balance sheets. The contract or notional amounts of those instruments reflect the extent of involvement the Bank has in those particular financial instruments.

The Bank'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 written is represented by the contractual notional amount of those instruments. The Bank uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments.

The Bank does require collateral or other security to support financial instruments with credit risk.

	Contract Amount	
	2025	2024
Financial instruments whose contract amounts represent credit risk:		
Commitments to extend credit	\$ 17,268,000	\$ 10,929,000
Standby letters of credit	-	-

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 Bank evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained if deemed necessary by the Bank upon extension of credit is based on management's credit evaluation of the counterparty.

Standby letters of credit written are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan commitments to customers.

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 13 - FAIR VALUE

The Bank follows ASC 820, Fair Value Measurement and Disclosures. Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

There are three levels of inputs that may be used to measure fair values:

Level 1 - Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Bank has the ability to access as of the measurement date.

Level 2 - Significant other observable inputs, other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted process in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Significant unobservable inputs that reflects the Bank's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Bank used the following methods and significant assumptions to estimate fair value:

Debt Securities – The fair values for securities are determined by quoted market prices, if available (Level 1). For securities where quoted prices are not available, fair values are calculated based on market price of similar securities (Level 2), from an independent pricing service. The fair value measurements considered observable data that may include dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, live trading levels, trade execution data, market consensus payment spreads, credit information, and the bond's terms and conditions, among other things. The investments in the Bank's portfolio are generally not quoted on an exchange but are actively traded in the secondary institutional markets. For securities where quoted process or market prices of similar securities are not available, fair values are calculated using discounted cash flows or other market indicators (Level 3).

Collateral-Dependent Loans – The fair value for collateral-dependent loans is estimated based on discounted cash flows or underlying collateral values, where applicable. Fair value is measured based on the value of the collateral securing these loans and is classified at a Level 3 in the fair value hierarchy. Collateral may include real estate, or business assets including equipment, inventory and accounts receivable. The value of real estate collateral is determined based on an appraisal by qualified licensed appraisers hired by the Bank. The value of business equipment is based on an appraisal by qualified licensed appraisers hired by the Bank if significant, or the equipment's net book value on the business' financial statements. Inventory and accounts receivable collateral are valued based on independent field examiner review or aging reports. Appraised and reported values may be discounted based on management's expertise and knowledge of the client and the client's business, which would result in classification as Level 3. Collateral-dependent loans are evaluated on a quarterly basis and adjusted in accordance with the allowance policy.

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 13 - FAIR VALUE

The tables below present the Bank's assets and liabilities measured at fair value on a recurring and nonrecurring basis as of December 31, 2025 and 2024, aggregated by the level in the fair value hierarchy within which those measurements fall.

	December 31, 2025				Total Gains (Losses)
	Total	Level 1	Level 2	Level 3	
Assets					
Recurring fair value measurements					
Securities available for sale					
U.S Treasuries and federal agencies	\$ 5,964,159	\$ -	5,964,159	\$ -	
Mortgage-backed GSE residential	32,302,790	-	32,302,790	-	
Total securities available for sale	<u>\$ 38,266,949</u>	<u>\$ -</u>	<u>\$ 38,266,949</u>	<u>\$ -</u>	
Nonrecurring fair value measurements					
Collateral-dependent loans	\$ 29,826	\$ -	\$ -	\$ 29,826	\$ -
Total nonrecurring fair value measurements	<u>\$ 29,826</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,826</u>	<u>\$ -</u>
December 31, 2024					
	Total	Level 1	Level 2	Level 3	Total Gains (Losses)
Assets					
Recurring fair value measurements					
Securities available for sale					
U.S Treasuries and federal agencies	\$ 26,119,540	\$ -	\$ 26,119,540	\$ -	
Total securities available for sale	<u>\$ 26,119,540</u>	<u>\$ -</u>	<u>\$ 26,119,540</u>	<u>\$ -</u>	
Nonrecurring fair value measurements					
Collateral-dependent loans	\$ -	\$ -	\$ -	\$ -	\$ -
Total nonrecurring fair value measurements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The Bank held no assets or liabilities measured at fair value on a nonrecurring basis as of December 31, 2024.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities that are not reflected in the accompanying financial statements. These commitments and contingent liabilities include various guarantees, commitments to extend credit and standby letters of credit. Refer to Note 12 for additional disclosure for financial instruments with off-balance-sheet risk.

The Bank's nature of business is such that it ordinarily results in a certain amount of litigation. In the opinion of management, there is no litigation in which the outcome will have a material effect on the financial statements.

The Bank does not anticipate any material losses as a result of the commitments and contingent liabilities.

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 15 - RISK FACTORS

The Bank's operations, profitability, cash flows, capital, and liquidity are affected by various risk factors, including, but not necessarily limited to, interest-rate risk, credit risk and risk from geographic concentration of lending activities. Management attempts to manage interest rate risk through various asset/liability management techniques designed to match maturities and rate terms and structures of assets and liabilities. Loan policies and administration are designed to provide assurance that loans will only be granted to credit-worthy borrowers, although credit losses are expected to occur resulting from factors beyond the control of the Bank.

The Bank's operations, profitability, cash flows, capital, and liquidity are significantly dependent on economic conditions and related uncertainties. In addition, the Bank is affected, directly and indirectly, by domestic and international economic and political conditions, pandemics (such as COVID-19) and by governmental monetary and fiscal policies.

The Bank is particularly sensitive to changes in economic conditions and related uncertainties in South Georgia because the Bank derives substantially all of its loans, deposits, and other business from this area. The Bank is a community bank and as such, is mandated by the Community Reinvestment Act and other regulations to conduct most of its lending activities within the geographic area where it is located. As a result, the Bank and its borrowers may be especially vulnerable to the consequences of changes in the local economy.

The Bank is subject to extensive federal and state governmental supervision and regulation, which are intended primarily for the protection of depositors. In addition, the Bank is subject to changes in federal and state laws, as well as changes in regulations, governmental policies, and accounting principles. The effects of any such potential changes cannot be predicted but could adversely affect the business, operations, profitability, cash flows, capital, and liquidity of the Bank in the future.

The Bank has cash deposits with financial institutions in excess of the insured limitation of the FDIC. If any of these financial institutions were not to honor its contractual liability, the Bank could incur losses. Management is of the opinion that there is no material risk because of the financial strength of the institutions.

The Bank is subject to vigorous competition in all aspects and areas of business from banks and other financial institutions, including savings and loan associations, savings banks, finance companies, credit unions, and other providers of financial services, such as money market mutual funds, brokerage firms, consumer finance companies, and insurance companies. The Bank also competes with non-financial institutions, including retail stores that maintain their own credit programs and governmental agencies that make available low cost or guaranteed loans to certain borrowers. Certain competitors are larger financial institutions with substantially greater resources, lending limits, larger branch systems, and a wider array of commercial banking services.

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 15 - RISK FACTORS

Pandemics, natural disasters such as extreme weather conditions, hurricanes, floods, and other acts of nature and geopolitical events involving civil unrest, changes in government regimes, terrorism, or military conflict could adversely affect the Bank's business operations and those customers and have significant negative impacts upon economic conditions and cause substantial damage and loss to real and personal property. These pandemics, natural disasters and geopolitical events could impair the Bank's borrowers' ability to service their loans, decrease the level and duration of deposits by customers, erode the value of loan collateral, and result in an increase in the amount of nonperforming loans and higher level of non-performing assets (including real estate owned), net charge-offs, and provision for credit losses, and could materially and adversely affect the Bank's business, financial condition and results of operations.

In addition, the Bank conducts business daily with correspondent banks. These banks are not immune to financial difficulties. Regulation F "Limitations on Interbank Liabilities" requires the Bank to establish and maintain written policies and procedures to prevent excessive exposure to any individual correspondent banking relationship relative to the financial condition of such correspondent. The Bank is vulnerable to the financial difficulties of any of its major correspondent banking relationships directly and indirectly.

NOTE 16 - OPERATING EXPENSES

Components of other operating expenses greater than 1% of total interest income and other income for the periods ended December 31, 2025 and 2024 are:

	Years Ended December 31,	
	2025	2024
Professional fees	\$ 128,365	\$ 181,056
Director warrants	111,365	111,365
FDIC deposit insurance	99,356	63,387

NOTE 17 - REGULATORY MATTERS

Banks are subject to regulatory capital requirements administered by federal banking agencies. Capital adequacy guidelines and, additionally for banks, prompt corrective action regulations, involve quantitative measures of assets, liabilities, and certain off-balance sheet items calculated under regulatory practices. Capital amounts and classifications are also subject to qualitative judgements by regulators. Failure to meet capital requirements can initiate regulatory action. The net unrealized gain or loss on available for sale securities is not included in computing regulatory capital. Management believes as of December 31, 2025 the Bank meets all capital adequacy requirements to which they are subject.

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 17 - REGULATORY MATTERS

Prompt corrective action regulations provide five classifications: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized, although these terms are not used to represent overall financial condition. If adequately capitalized, regulatory approval is required to accept brokered deposits. If undercapitalized, capital distributions are limited, as is asset growth and expansion, and capital restoration plans are required. At year-end 2025 and 2024, the most recent regulatory notifications categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since that notification that management believes have changed the institution's category.

In 2019, the federal banking agencies jointly issued a final rule that provides for an optional, simplified measure of capital adequacy, the community bank leverage ratio framework (CBLR framework), for qualifying community banking organizations, consistent with Section 201 of the Economic Growth, Regulatory Relief, and Consumer Protection Act.

The community bank leverage ratio removes the requirement for qualifying banking organizations to calculate and report risk-based capital but rather only requires a Tier 1 to average assets (leverage) ratio. Qualifying banking organizations that elect to use the community bank leverage ratio framework and that maintain a leverage ratio of greater than required minimums will be considered to have satisfied the generally applicable risk based and leverage capital requirements in the agencies' capital rules (generally applicable rule) and, if applicable, will be considered to have met the well capitalized ratio requirements for purposes of section 38 of the Federal Deposit Insurance Act. The community bank leverage ratio minimum requirement is 9%. An eligible banking organization is provided a two-quarter grace period to correct a ratio that falls below the required amount, provided that the bank maintains a leverage ratio of greater than 8%.

An eligible banking organization can opt out of the CBLR framework and revert to the risk-weighting framework without restriction. As of December 31, 2025 the Bank was a qualifying community banking organization as defined by the federal banking agencies and elected to measure capital adequacy under the CBLR framework.

Financial institutions under the generally applicable capital rule are required to maintain a capital conservation buffer of greater than 2.5 percent in order to avoid restrictions on capital distributions and other payments. Federal banking regulations require institutions to meet their capital conservation buffer requirement with common equity tier 1 capital. However, because qualifying institutions using the CBLR framework are considered in compliance with the generally applicable capital rule, the Bank is not subject to the capital conservation buffer.

MOULTRIE BANK & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 17 - REGULATORY MATTERS

Actual and required capital amounts (in thousands) and ratios are presented below at year-end.

2025	Amount		To Be Well Capitalized Under Prompt Corrective Action Regulations (CBLR Framework)	
	Amount	Ratio	Amount	Ratio
Tier 1 (Core) Capital to average total assets	\$ 21,124	13.12%	\$ 14,489	9.0%

2024	Amount		To Be Well Capitalized Under Prompt Corrective Action Regulations (CBLR Framework)	
	Amount	Ratio	Amount	Ratio
Tier 1 (Core) Capital to average total assets	\$ 19,262	17.31%	\$ 10,016	9.0%

NOTE 18 - LIMITATION ON DIVIDENDS

The Board of Directors of the Bank may declare and pay cash dividends on its outstanding capital stock without any request for approval of the bank's regulatory agency if the following conditions are met:

- 1) Total adversely classified assets at the most recent examination of the Bank, do not exceed eighty (80) percent of Tier 1 Capital plus the allowances for credit losses as reflected at such examination; and
- 2) The aggregate amount of distributions declared or anticipated to be declared in the calendar year does not exceed fifty (50) percent of the net income that is attributable to the Bank for the previous calendar year; and
- 3) The ratio of Tier I Capital to Average Total Assets shall not be less than six (6) percent.

As of December 31, 2025, the Bank is not permitted to pay dividends or make other distributions in 2026 without prior regulatory approval, as cumulative net losses for the years ended December 31, 2022, 2023, and 2024 exceed net income for the current year. Accordingly, the amount available for distribution in 2026 without regulatory consent is \$-0-.

NOTE 19 - SUBSEQUENT EVENTS

The Bank assessed events that have occurred subsequent to December 31, 2025 through April 7, 2026, which represents the date the financial statements were available to be issued. No events have occurred, that would require adjustment to or disclosure in the financial statements.

[This page intentionally left blank.]

Board of Directors

Tony Weaver Lasseter, II
Chairman

Joseph Preston Jimmerson
Vice-Chairman

Joseph Patrick Baker

Charles Henry Cannon, IV

Henry Bart Davis, Jr.

Trenton Arlen Davis

Tony Weaver Lasseter

Donna S. Lott

John Mark Mobley, III

Schley Louis Perry, III

William Bradley Tyson

Senior Officers

Donna S. Lott, *President & CEO*

Collin M. Batchelor, *EVP & CFO*

John C. Peters, Jr., *EVP & CLO*

Chad Blanchett, *SVP & SCO*

Investor Relations

Collin M. Batchelor

*Executive Vice President
& Chief Financial Officer*

P.O. Box 1988 | Moultrie, GA
31776-1988 | 229.785.1302