

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from _____ to _____

Commission File Number 001-42397



COLONY BANKCORP, INC.

(Exact Name of Registrant Specified in its Charter)

Georgia

(State or Other Jurisdiction of
Incorporation or Organization)

58-1492391

(I.R.S. Employer
Identification Number)

115 South Grant Street

Fitzgerald, Georgia

(Address of Principal Executive Offices)

31750

(Zip Code)

(229) 426-6000

Registrant's Telephone Number, Including Area Code

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class

Trading Symbol(s)

Name of each Exchange on which registered

Common Stock, Par Value \$1.00 per share

CBAN

The New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act: None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer Non-accelerated Filer Smaller Reporting Company Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act): Yes No

The aggregate market value of Colony Bankcorp, Inc. common stock held by non-affiliates was \$275.2 million based on the closing price of \$16.47 per share on June 30, 2025. For purposes of the foregoing calculation only, all directors and executive officers of the registrant have been deemed affiliates.

The number of shares outstanding of Colony Bankcorp, Inc. common stock, par value \$1.00 per share, as of March 11, 2026, was 21,166,315 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant’s Proxy Statement for the 2026 Annual Meeting of Shareholders are incorporated by reference into Part III of this Annual Report on Form 10-K to the extent stated herein. Such Proxy Statement will be filed with the Securities and Exchange Commission within 120 days after the end of the registrant’s fiscal year ended December 31, 2025.

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In this Annual Report on Form 10-K (this “Annual Report”), references to “we,” “our,” “us,” “Colony” or “the Company” refer to Colony Bankcorp, Inc., a Georgia corporation, and our wholly-owned banking subsidiary, Colony Bank, a Georgia-state chartered bank, unless otherwise indicated or the context otherwise requires. References to “Bank” refer to Colony Bank, our wholly-owned banking subsidiary.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These forward-looking statements reflect our current views with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as “may,” “might,” “should,” “could,” “predict,” “potential,” “believe,” “expect,” “continue,” “will,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “strive,” “projection,” “goal,” “target,” “outlook,” “aim,” “would,” “annualized” and “outlook,” or the negative version of those words or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management’s beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions, estimates and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements.

A number of important factors could cause our actual results to differ materially from those indicated in these forward-looking statements, including those factors discussed elsewhere in this Annual Report and the following:

- the impact of current and future economic and market conditions generally (including seasonality), both domestic and international, and in the financial services industry, nationally and within our primary market areas, including the effects of inflationary pressures, changes in interest rates, slowdowns in economic growth, and the potential for high unemployment rates, as well as the financial stress on borrowers and changes to customer and client behavior (including the velocity of loan repayment) and credit risk as a result of the foregoing;
- the potential adverse developments in the banking industry highlighted by high-profile bank failures and the impact of such developments on customer confidence, liquidity and regulatory responses to these developments (including increases in the cost of our deposit insurance assessments and increased regulatory scrutiny), our ability to effectively manage our liquidity risk and any growth plans and the availability of capital and funding;
- governmental monetary and fiscal policies, including interest rate policies of the FRB, as well as risks related to legislative, tax and regulatory change, including those that impact the value of the U.S. Dollar in relation to the currencies of other advanced and emerging market countries, the money supply and inflation;
- the risk of continued changes in interest rates on the level and composition of deposits (as well as the cost of, and competition for, deposits), loan demand, liquidity and the values of loan collateral, securities and market fluctuations, and interest rate sensitive assets and liabilities;
- interest rate risks (including the impact of interest rates on macroeconomic conditions, customer and client behavior, and on our net interest income), sensitivities, and the shape of the yield curve, and its impact on our financial projections and models;
- prolonged periods of inflation and their effects on our business, profitability, and our stock price;
- changes in borrower credit risks and payment behaviors, including the ability for borrowers under deferred payment programs to return to making full payments;
- changes in the availability and cost of credit and capital in the financial markets;
- changes in the prices, values and sales volumes of residential and commercial real estate, especially as they relate to the value of collateral supporting the Company’s loans;
- the concentration of our business within our geographic areas of operation in Georgia, Alabama, Florida and neighboring markets;
- the credit risks of lending activities, including our ability to estimate credit losses and the allowance for credit losses, as well as the effects of changes in the level of, and trends in, loan delinquencies and write-offs;
- the risk that our asset quality may deteriorate or that our allowance for credit losses may prove to be inadequate or may be negatively affected by credit risk exposures;
- factors that negatively impact our mortgage banking services, including declines in our mortgage originations or profitability due to rising or elevated interest rates and increased competition and regulation, the Bank’s or third party’s failure to satisfy mortgage servicing obligations, loan modifications, the effects of judicial or regulatory

- requirements or guidance, and the possibility of the Bank being required to repurchase mortgage loans or indemnify buyers;
- the effects of competition (including the inability to grow, or attrition of, deposits, customers and employees) from other commercial banks, thrifts, mortgage banking firms, consumer finance companies, credit unions, non-bank financial technology providers, securities brokerage firms, insurance companies, private credit funds, money market and other mutual funds and other financial institutions;
 - our ability to realize the expected benefits from our strategic initiatives or other operational and execution goals in the time period expected, which could negatively affect our future profitability;
 - risks relating to bank acquisitions, including the recent acquisition of TC Bancshares, Inc., including, without limitation: the diversion of management's time on issues related to the integration; unexpected transaction costs, including the costs of integrating operations; the risks that the businesses will not be integrated successfully or that such integration may be more difficult, time-consuming or costly than expected; the potential failure to fully or timely realize expected revenues and revenue synergies, including as the result of revenues following acquisitions being lower than expected; the risk of deposit and customer attrition; regulatory enforcement and litigation risk; any changes in deposit mix; unexpected operating and other costs, which may differ or change from expectations; the risks of customer and employee loss and business disruptions, including, without limitation, as the result of difficulties in maintaining relationships with employees; increased competitive pressures and solicitations of customers by competitors; as well as the difficulties and risks inherent with entering new markets;
 - the risk that we may not be able to identify suitable bank and non-bank acquisition opportunities as part of our growth strategy and even if we are able to identify attractive acquisition opportunities, we may not be able to complete such transactions on favorable terms or realize the anticipated benefits from such acquisitions;
 - the Company's ability to comply with any regulatory requirements and the risk that the regulatory environment may not be conducive to or may prohibit or delay the consummation of future mergers and/or business combinations, may increase the length of time and amount of resources required to consummate such transactions, and may reduce the anticipated benefit;
 - risks related to our implementation of new lines of business, new products and services, new technologies, and expansion of our existing business opportunities;
 - our ability to attract and maintain business banking relationships with well-qualified businesses, real estate developers and investors with proven track records in our market areas;
 - our ability to attract sufficient loans that meet prudent credit standards;
 - our ability to successfully execute our business strategy to achieve profitable growth;
 - our ability to manage our growth;
 - our ability to increase our operating efficiency;
 - the impact on the valuation of the Company's investments due to market volatility or counterparty payment risk, as well as the effect of a decline in stock market prices;
 - inability of the risk management framework to manage risks associated with our business;
 - our ability to maintain expenses in line with current projections;
 - statutory and regulatory dividend restrictions;
 - our ability to comply with applicable capital and liquidity requirements, including our ability to generate liquidity internally or raise capital on favorable terms, including continued access to the debt and equity capital markets;
 - restrictions or limitations on access to funds from historical and alternative sources of liquidity could adversely affect our overall liquidity, which could restrict our ability to make payments on our obligations and our ability to support asset growth and sustain our operations and the operations of the Bank;
 - our ability to maintain adequate internal controls over financial reporting;
 - our dependence on our management team and our ability to motivate and retain our management team;
 - our ability to attract and retain qualified employees;
 - our ability to identify and address potential cybersecurity risks, which may be exacerbated by recent developments in generative artificial intelligence, including brute force attacks (i.e., credential stuffing), ransomware or other malware, "denial-of-service" attacks, "hacking" and identity theft, a failure of which could disrupt our business and result in the disclosure of and/or misuse or misappropriation of confidential or proprietary information, disruption or damage to our systems, increased costs, losses, or adverse effects to our reputation;
 - our business relationships with, and reliance upon, third parties that have strategic partnerships with us or that provide key components of our business infrastructure, including the costs of services and products provided to us by third parties, and disruptions in service, security breaches, financial difficulties with or other adverse events affecting a third-party vendor or business relationship;
 - our ability to oversee the performance of third-party service providers that provide material services to our business;
 - failure to keep pace with technological change or difficulties when implementing new technologies;
 - changes in technology or products that may be more difficult, costly, or less effective than anticipated;

- fraudulent and negligent acts by our clients, employees or vendors, which we may not be able to prevent, detect or mitigate;
- increased credit losses or impairment of goodwill and other intangibles;
- potential or actual claims, damages, penalties, fines, costs, unexpected outcomes, and reputational damage resulting from new, existing, pending, or future litigation, regulatory proceedings and enforcement actions;
- changes in accounting policies, rules and practices;
- the impact of recent and future legislative and regulatory changes;
- uncertainties surrounding geopolitical events, trade policy, taxation policy, and monetary policy, which continue to impact the outlook for future economic growth, including the U.S. continuing to impose tariffs and consideration of responsive actions by the impacted nations and/or the expansion of import fees and tariffs among a larger group of nations, which may bring greater ambiguity to the outlook for future economic growth;
- the effects of war, regime change, civil unrest, or other conflicts, acts of terrorism, natural disasters, health emergencies, epidemics or pandemics, or other catastrophic events that may affect general economic conditions and/or increase costs;
- risks related to the development and execution of corporate strategies and initiatives, which could impact the Company's reputation, stakeholder relationships, or expose the Company to legal, regulatory, or compliance challenges;
- action or inaction by the federal government, including as a result of any prolonged government shutdown or government intervention in the U.S. financial system and those related to credit card interest rates;
- a deterioration of the credit rating for U.S. long-term sovereign debt, actions that the U.S. government may take to avoid exceeding the debt ceiling, and uncertainties surrounding the debt ceiling and the federal budget; and
- other risks and factors identified in this Form 10-K under the heading "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations".

The foregoing factors should not be construed as exhaustive and should be read together with the other cautionary statements included in this Annual Report on Form 10-K. Because of these risks and other uncertainties, our actual future results, performance or achievement, or industry results, may be materially different from the results indicated by the forward-looking statements in this Annual Report on Form 10-K. In addition, our past results of operations are not necessarily indicative of our future results. You should not rely on any forward looking statements, which represent our beliefs, assumptions and estimates only as of the dates on which they were made, as predictions of future events. Any forward-looking statement speaks only as of the date on which it is made, and we do not undertake any obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Part I

Item 1

Business

COLONY BANKCORP, INC.

General

Colony Bankcorp, Inc. (the “Company” or “Colony”) is a financial services company and a registered bank holding company headquartered in Fitzgerald, Georgia. The Company was incorporated on November 8, 1982 under the laws of the State of Georgia. The Company was organized for the purpose of operating as a bank holding company under the Bank Holding Company Act of 1956, as amended, and the bank holding company laws of Georgia. Our business is conducted primarily through our wholly-owned bank subsidiary, Colony Bank, a Georgia state-chartered commercial bank, which provides a broad range of banking services to its retail and commercial customers. We operate locations throughout Georgia as well as in Birmingham, Alabama, and Jacksonville, Santa Rosa Beach and Tallahassee, Florida. At December 31, 2025, we had approximately \$3.7 billion in total assets, \$2.5 billion in total loans, \$3.1 billion in total deposits and \$375.9 million in stockholder’s equity. Deposits are insured, up to applicable limits, by the Federal Deposit Insurance Corporation.

The Parent Company

Because the Company is a financial services company and a registered bank holding company, its principal operations are conducted through the Bank. It has 100 percent ownership of the Bank and maintains systems of financial, operational and administrative controls that permit centralized evaluation of the operations of the Bank in selected functional areas including operations, accounting, marketing, investment management, purchasing, human resources, computer services, auditing, compliance and credit review. As a bank holding company, we also perform certain shareholder and investor relations functions.

Colony Bank - Banking Services

Our principal subsidiary is the Bank. The Bank, headquartered in Fitzgerald, Georgia, offers a comprehensive range of banking solutions tailored to both personal and commercial customers. Our lending solutions include loans for small and medium-sized businesses, residential and commercial construction, land development and commercial real estate. We also provide commercial loans, agri-business and production loans, residential mortgages, home equity loans, and consumer loans. In addition to traditional lending, we offer specialized loan programs, including government-guaranteed loans through our Small Business Specialty Lending (“SBSL”) department and financing for marine and recreational vehicles.

Our deposit products serve as the primary funding source for our loans and are designed to meet the needs of both individuals and businesses. We offer a variety of noninterest-bearing and interest-bearing accounts, including checking, savings, money market, and other deposit options. Our focus is on expanding core deposits while strengthening customer relationships. To complement our deposit offerings, we also provide treasury solutions, merchant services, and other financial tools that support businesses in managing cash flow and operational efficiency.

We also offer wealth management, consumer insurance, internet banking services, electronic bill payment services, safe deposit box rentals, telephone banking, credit and debit card services, remote depository products and access to a network of ATMs to our customers. The Bank conducts its business through full-service banking centers and loan production offices located throughout Georgia, Alabama and Florida. Georgia locations include the cities of Albany, Ashburn, Athens, Atlanta, Augusta, Broxton, Cedartown, Centerville, Chickamauga, Columbus, Cordele, Covington, Douglas, Eastman, Fayetteville, Fitzgerald, Greensboro, LaGrange, Leesburg, Macon, Manchester, Monroe, Moultrie, Quitman, Rochelle, Rockmart, Savannah, Statesboro, Sylvester, Thomaston, Thomasville, Tifton, Valdosta and Warner Robins. The Bank also operates locations in Birmingham, Alabama, and Jacksonville, Santa Rosa Beach and Tallahassee, Florida.

Recent Developments

Stock Buyback Program

On October 20, 2022, the Company's Board of Directors authorized a stock buyback program, permitting the repurchase of up to \$12 million of the Company's outstanding common stock. Repurchases under this program may be conducted through open market purchases, privately negotiated transactions, or other methods compliant with applicable laws and regulations. The

initial buyback program commenced on October 20, 2022 and expired on December 31, 2023. On March 22, 2024, the Board approved an extension of the program through the end of 2024, followed by an additional extension on December 18, 2024 through the end of 2025. On December 22, 2025, the Board authorized a further extension of the program through the end of 2026. As of December 31, 2025, the Company had repurchased a total of 318,778 shares for a total of \$4,613,000 since the start of the program in 2022, leaving \$7,387,000 available to repurchase.

Acquisitions

On April 1, 2025, the Company acquired The Ellerbee Agency, an Allstate appointed consumer property and casualty insurance agency which became part of Colony's insurance division and expanded our insurance footprint and customer base into two new locations in Monroe and Greensboro, Georgia.

On December 1, 2025, the Company completed its acquisition of TC Bancshares, Inc. ("TCBC"), a bank holding company headquartered in Thomasville, Georgia. Upon consummation of the acquisition, TCBC was merged with and into the Company, with Colony Bankcorp, Inc. as the surviving entity in the merger. Immediately following the holding company merger, TCBC's wholly owned bank subsidiary, TC Federal Bank was also merged with and into the Bank. The acquisition expanded the Company's market presence, as TC Federal Bank had four full-service banking locations in Thomasville and Savannah, Georgia and in Tallahassee and Jacksonville, Florida. Under the terms of the Agreement and Plan of Merger, each TCBC shareholder had the option to receive either \$21.25 in cash or 1.25 shares of the Company's common stock in exchange for each share of TCBC stock. As a result, the Company issued 3,839,613 common shares at a fair value of \$65.8 million and paid \$15.4 million in cash to the former shareholders of TCBC as merger consideration.

Markets and Competition

The banking industry in general is highly competitive. Our market areas consist of north, central, south and coastal Georgia as well as Birmingham, Alabama, and Santa Rosa Beach, Jacksonville and Tallahassee, Florida. In contrast to our rural markets, in which we typically rank in the top three in terms of market share, we face competitive pressures in attracting deposits and making loans from larger regional banks and smaller community banks. The Bank's competition includes not only other banks of comparable or larger size in the same markets, but also various other nonbank financial institutions, including savings and loan associations, credit unions, mortgage companies, personal and commercial financial companies, peer to peer lending businesses, fintech companies, investment brokerage and financial advisory firms and mutual fund companies. The Bank competes for deposits, commercial, fiduciary and investment services and various types of loans and other financial services. The Bank also competes for interest-bearing funds with a number of other financial intermediaries, including brokerage and insurance firms, as well as investment alternatives, including mutual funds, governmental and corporate bonds, and other securities. Continued consolidation and rapid technological changes within the financial services industry will likely change the nature and intensity of competition, but also will create opportunities for the Company to demonstrate and leverage its competitive advantages. The continuing consolidation within the financial services industry is leading to larger, better capitalized and geographically diverse institutions with enhanced product and technology capabilities. Additionally, competition from fintechs, is increasing. These competitors increasingly offer digital-first alternatives for payments, deposits, lending and other financial services that may reduce customer reliance on traditional banking relationships.

In addition to fintechs, certain technology companies are working to provide financial services directly to their customers. These nontraditional financial service providers have been successful in developing digital and other products and services that effectively compete with traditional banking services, but are in some cases subject to fewer regulatory restrictions than banks and bank holding companies, allowing them to operate with greater flexibility and lower cost structures. Although digital products and services have been important competitive features of financial institutions for some time, the move toward digital financial services products has accelerated in recent years and we expect that trend to continue.

Competitors include not only financial institutions based in Georgia, but also a number of large out-of-state and foreign banks, bank holding companies and other financial institutions that have an established market presence in Georgia or that offer internet-based products. Many of the Company's competitors are engaged in local, regional, national and international operations and have greater assets, personnel and other resources. Some of these competitors are subject to less regulation and/or more favorable tax treatment. Many of these institutions have greater resources, broader geographic markets and higher lending limits, and may offer services that the Company does not offer. In addition, these institutions may be able to better afford and make broader use of media advertising, support services, and electronic and other technology. To offset these potential competitive disadvantages, the Company depends on its reputation for superior service, ability to make credit and other business decisions quickly, and the delivery of an integrated distribution of traditional branches and bankers, with digital technology.

Correspondents

Colony Bank has correspondent relationships with the following banks: Federal Reserve Bank of Atlanta; FHN Financial in Memphis, Tennessee; SouthState Bank in Lake Wales, Florida; ServisFirst in Birmingham, Alabama; The Independent Bankers Bank (TIB, N.A.) in Farmers Branch, Texas; Pacific Coast Bankers' Bank in Walnut Creek, California; and the Federal Home Loan Bank of Atlanta. These correspondent relationships facilitate the transaction of business by means of loans, collections, investment services, lines of credit and exchange services, particularly in markets in which Colony Bank does not have a physical presence. As compensation for these services, the Bank maintains balances with its correspondents in primarily interest-bearing accounts and pays some service charges.

Human Capital Resources

We recognize that our most valuable asset is our people. One of our top strategic priorities is the retention and development of our talent. This includes providing career development opportunities for all associates; increasing our inclusivity and recognizing that diverse perspectives, backgrounds, and experiences strengthen our ability to meet the needs of our associates, communities, clients and shareholders; training our next generation of leaders; and succession planning.

On December 31, 2025, the Company had a total of 537 employees, 526 of which are full-time equivalent employees. None of our employees are represented by any collective bargaining unit or is a party to a collective bargaining agreement. We consider our relationship with our employees to be satisfactory and have not experienced interruptions of operations due to labor disagreements. All of our employees are chosen on the basis of their qualifications and merit.

Talent Acquisition, Development and Retention

Our culture emphasizes our longstanding dedication to being respectful to others and having a workforce that is representative of the communities we serve. Inclusion and belonging are fundamental to our culture. We believe in attracting, retaining and promoting quality talent and recognize that diversity makes us stronger as a company. Our success depends on our ability to attract, retain and develop employees, and our talent acquisition teams partner with hiring managers in sourcing and presenting a slate of qualified candidates to strengthen our organization. Professional development is a key priority, which is facilitated through our many corporate development initiatives including extensive training programs, corporate mentoring, leadership programs, educational reimbursement and professional speaker series. Our talent acquisition, development and retention focuses on rewarding merit and achievement while nurturing and progressing skilled talent across various business segments.

Health and Welfare

As part of our effort to attract and retain employees, we offer a broad range of benefits, including a profit-sharing plan covering all employees, subject to certain minimum age and service requirements. In addition, the Company maintains a comprehensive employee benefit program providing, among other benefits, hospitalization, major medical, life insurance and disability insurance. Management considers these benefits to be competitive with those offered by other financial institutions in our market area. Colony's employees are not represented by any collective bargaining group.

Corporate Information

The Company's headquarters is located at 115 South Grant Street, Fitzgerald, Georgia 31750, its telephone number is 229-426-6000 and its internet address is www.colonybank.com. The information contained on or accessible from our website does not constitute a part of this Annual Report on Form 10-K and is not incorporated by reference herein.

Public Information

Persons interested in obtaining information on the Company may read and copy any materials that we file with the U.S. Securities and Exchange Commission ("SEC"). The Commission maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at <https://www.sec.gov>. We make available, free of charge, on or through our website, <https://investors.colony.bank.com/sec-filings>, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and other filings pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and amendments to such filings, as soon as reasonably practicable after each is electronically filed with, or furnished to, the SEC.

SUPERVISION AND REGULATION

General

We are extensively regulated under federal and state law. The following is a brief summary that does not purport to be a complete description of all regulations that affect us or all aspects of those regulations. This discussion is qualified in its entirety by reference to the particular statutory and regulatory provisions described below and is not intended to be an exhaustive description of the statutes or regulations applicable to the Company's and the Bank's business. In addition, proposals to change the laws and regulations governing the banking industry are frequently raised at both the state and federal levels. The likelihood and timing of any changes in these laws and regulations, and the impact such changes may have on us and the Bank, are difficult to predict. In addition, bank regulatory agencies may issue enforcement actions, policy statements, interpretive letters and similar written guidance applicable to us or the Bank. Changes in applicable laws, regulations or regulatory guidance, or their interpretation by regulatory agencies or courts may have a material adverse effect on our and the Bank's business, operations, and earnings. Supervision and regulation of banks, their holding companies and affiliates is intended primarily for the protection of depositors and customers, the Deposit Insurance Fund ("DIF") of the Federal Deposit Insurance Corporation ("FDIC"), and the U.S. banking and financial system rather than holders of our capital stock.

Regulation of the Company

We are registered as a bank holding company with the Federal Reserve under the Bank Holding Company Act of 1956, as amended (the "BHC Act") and have elected to be treated as a financial holding company. As such, we are subject to comprehensive supervision and regulation by the Federal Reserve and are subject to its regulatory reporting requirements. Federal law subjects financial holding companies, such as the Company, to particular restrictions on the types of activities in which they may engage, and to a range of supervisory requirements and activities, including regulatory enforcement actions for violations of laws and regulations. Violations of laws and regulations, or other unsafe and unsound practices, may result in regulatory agencies imposing fines or penalties, cease and desist orders, or taking other enforcement actions. Under certain circumstances, these agencies may enforce these remedies directly against officers, directors, employees and other parties participating in the affairs of a bank or bank holding company.

Activity Limitations. As a financial holding company, we are permitted to engage directly or indirectly in a broader range of activities than those permitted for a bank holding company that has not elected to be a financial holding company. Bank holding companies are generally restricted to engaging in the business of banking, managing or controlling banks and certain other activities determined by the Federal Reserve to be closely related to banking. Financial holding companies may also engage in activities that are considered to be financial in nature, as well as those incidental or, if determined by the Federal Reserve, complementary to financial activities. We and Colony Bank must each remain "well-capitalized" and "well-managed" and Colony Bank must receive a CRA rating of at least "Satisfactory" at its most recent examination in order for us to maintain our status as a financial holding company. If Colony Bank ceases to be "well-capitalized" or "well-managed" under applicable regulatory standards, or if Colony Bank receives a rating of less than satisfactory under the CRA, the Federal Reserve Board may, among other things, place limitations on our ability to conduct these broader financial activities or, if the deficiencies persist, require us to divest the banking subsidiary or the businesses engaged in activities permissible only for financial holding companies.

In addition, the Federal Reserve has the power to order a bank holding company or its subsidiaries to terminate any nonbanking activity or terminate its ownership or control of any nonbank subsidiary, when it has reasonable cause to believe that continuation of such activity or such ownership or control constitutes a serious risk to the financial safety, soundness, or stability of any bank subsidiary of that bank holding company.

Source of Strength Obligations. A financial holding company is required to act as a source of financial and managerial strength to its subsidiary bank and to maintain resources adequate to support its bank. The term "source of financial strength" means the ability of a company, such as us, that directly or indirectly owns or controls an insured depository institution, such as the Bank, to provide financial assistance to such insured depository institution in the event of financial distress. The appropriate federal banking agency for the depository institution (in the case of the Bank, this agency is the FDIC) may require reports from us to assess our ability to serve as a source of strength and to enforce compliance with the source of strength requirements by requiring us to provide financial assistance to the Bank in the event of financial distress. If we were to enter bankruptcy or become subject to the orderly liquidation process established by the Dodd-Frank Act, any commitment by us to a federal bank regulatory agency to maintain the capital of the Bank would be assumed by the bankruptcy trustee or the FDIC, as appropriate, and entitled to a priority of payment.

Acquisitions. The BHC Act permits acquisitions of banks by bank holding companies, such that we and any other bank holding company, whether located in Georgia or elsewhere, may acquire a bank located in any other state, subject to certain deposit-percentage, age of bank charter requirements, and other restrictions. The BHC Act requires that a bank holding company obtain the prior approval of the Federal Reserve before (i) acquiring direct or indirect ownership or control of more than 5% of the voting shares of any additional bank or bank holding company, (ii) taking any action that causes an additional bank or bank holding company to become a subsidiary of the bank holding company, or (iii) merging or consolidating with any other bank holding company. The Federal Reserve may not approve any such transaction that would result in a monopoly or would be in furtherance of any combination or conspiracy to monopolize or attempt to monopolize the business of banking in any section of the United States, or the effect of which may be substantially to lessen competition or to tend to create a monopoly in any section of the country, or that in any other manner would be in restraint of trade, unless the anticompetitive effects of the proposed transaction are clearly outweighed by the public interest in meeting the convenience and needs of the community to be served. The Federal Reserve is also required to consider: (1) the financial and managerial resources of the companies involved, including pro forma capital ratios; (2) the risk to the stability of the United States banking or financial system; (3) the convenience and needs of the communities to be served, including performance under the Community Reinvestment Act, further described below; and (4) the effectiveness of the companies in combatting money laundering.

Change in Control. Federal law restricts the amount of voting stock of a bank holding company or a bank that a person may acquire without the prior approval of banking regulators. Under the Change in Bank Control Act and the regulations thereunder, a person or group must give advance notice to the Federal Reserve before acquiring control of any bank holding company, such as the Company, and the FDIC before acquiring control of the Bank. Upon receipt of such notice, the bank regulatory agencies may approve or disapprove the acquisition. The Change in Bank Control Act creates a rebuttable presumption of control if a person or group acquires the power to vote 10% or more of our outstanding common stock. The overall effect of such laws is to make it more difficult to acquire a bank holding company and a bank by tender offer or similar means than it might be to acquire control of another type of corporation. Consequently, shareholders of the Company may be less likely to benefit from the rapid increases in stock prices that may result from tender offers or similar efforts to acquire control of other companies. Investors should be aware of these requirements when acquiring shares of our stock.

Governance and Financial Reporting Obligations. We are required to comply with various corporate governance and financial reporting requirements under the Sarbanes-Oxley Act of 2002, as well as rules and regulations adopted by the SEC, the Public Company Accounting Oversight Board, and the New York Stock Exchange. In particular, we are required to include management and independent registered public accounting firm reports on internal controls as part of our Annual Report on Form 10-K in order to comply with Section 404 of the Sarbanes-Oxley Act. We have evaluated our controls, including compliance with the SEC rules on internal controls, and have and expect to continue to spend significant amounts of time and money on compliance with these rules. Our failure to comply with these internal control rules may materially adversely affect our reputation, ability to obtain the necessary certifications to financial statements, and the values of our securities.

Corporate Governance. The Dodd-Frank Act addresses many investor protections, corporate governance, and executive compensation matters that will affect most U.S. publicly traded companies. The Dodd-Frank Act (1) grants shareholders of U.S. publicly traded companies an advisory vote on executive compensation; (2) enhances independence requirements for Compensation Committee members; and (3) requires companies listed on national securities exchanges to adopt incentive-based compensation claw-back policies for executive officers.

Incentive Compensation. The Dodd-Frank Act required the banking agencies and the SEC to establish joint rules or guidelines for financial institutions with more than \$1 billion in assets, such as us and the Bank, which prohibit incentive compensation arrangements that the agencies determine to encourage inappropriate risks by the institution. The federal banking agencies issued proposed rules in 2011 and previously issued guidance on sound incentive compensation policies. In 2016, the federal banking agencies also proposed rules that would, depending upon the assets of the institution, directly regulate incentive compensation arrangements and would require enhanced oversight and recordkeeping. As of December 31, 2025, these rules have not been implemented. We and the Bank have undertaken efforts to ensure that our incentive compensation plans do not encourage inappropriate risks, consistent with three key principles - that incentive compensation arrangements should appropriately balance risk and financial rewards, be compatible with effective controls and risk management, and be supported by strong corporate governance. On October 26, 2022, the SEC adopted final rules to implement Section 954 of the Dodd-Frank Act that require public companies to adopt and disclose a policy for the recovery of incentive-based compensation received by current or former executive officers that is based on erroneously reported financial information in the event of a required accounting restatement. The rules also require disclosure of the policy, including filing the policy as an exhibit to annual reports on Form 10-K and additional disclosure in the event an accounting restatement is required and recovery is triggered under the policy.

Shareholder Say-On-Pay Votes. The Dodd-Frank Act requires public companies to take shareholders' votes on proposals addressing compensation (known as say-on-pay), the frequency of a say-on-pay vote, and the golden parachutes available to

executives in connection with change-in-control transactions. Public companies must give shareholders the opportunity to vote on the compensation at least every three years and the opportunity to vote on frequency at least every six years, indicating whether the say-on-pay vote should be held annually, biennially, or triennially. The say-on-pay, the say-on-parachute and the say-on-frequency votes are explicitly nonbinding and cannot override a decision of our board of directors.

Other Regulatory Matters. We and our subsidiaries are subject to oversight by the SEC, the Financial Industry Regulatory Authority, (“FINRA”), the PCAOB, the New York Stock Exchange and various state securities regulators. We and our subsidiaries have from time to time received requests for information from regulatory authorities in various states, including state attorneys general, securities regulators and other regulatory authorities, concerning our business practices. Such requests are considered incidental to the normal conduct of business.

Capital Requirements. The Company and the Bank are each required under federal law to maintain certain minimum capital levels based on ratios of capital to total assets and capital to risk-weighted assets. The required capital ratios are minimums, and the federal banking agencies may determine that a banking organization, based on its size, complexity or risk profile, must maintain a higher level of capital in order to operate in a safe and sound manner. Risks such as concentration of credit risks and the risk arising from non-traditional activities, as well as the institution’s exposure to a decline in the economic value of its capital due to changes in interest rates, and an institution’s ability to manage those risks are important factors that are to be taken into account in assessing an institution’s overall capital adequacy. The following is a brief description of the relevant provisions of these capital rules and their potential impact on our capital levels.

The Company and the Bank are each subject to the following risk-based capital ratios: a common equity Tier 1 (“CET1”) risk-based capital ratio, a Tier 1 risk-based capital ratio, which includes CET1 and additional Tier 1 capital, and a total risk-based capital ratio, which includes Tier 1 and Tier 2 capital. CET1 is primarily comprised of the sum of common stock instruments and related surplus net of treasury stock, plus retained earnings, and certain qualifying minority interests, less certain adjustments and deductions, including with respect to goodwill, intangible assets, mortgage servicing assets and deferred tax assets subject to temporary timing differences. Additional Tier 1 capital is primarily comprised of noncumulative perpetual preferred stock, tier 1 minority interests and grandfathered trust preferred securities. Tier 2 capital consists of instruments disqualified from Tier 1 capital, including qualifying subordinated debt, other preferred stock and certain hybrid capital instruments, and a limited amount of loan loss reserves up to a maximum of 1.25% of risk-weighted assets, subject to certain eligibility criteria. The capital rules also define the risk-weights assigned to assets and off-balance sheet items to determine the risk-weighted asset components of the risk-based capital rules, including, for example, certain “high volatility” commercial real estate, past due assets, structured securities and equity holdings.

The leverage capital ratio, which serves as a minimum capital standard, is the ratio of Tier 1 capital to quarterly average total consolidated assets net of goodwill, certain other intangible assets, and certain required deduction items. The required minimum leverage ratio for all banks is 4%.

In addition, as of January 1, 2019, the capital rules require a capital conservation buffer of 2.5%, constituted of CET1, above each of the minimum capital ratio requirements (CET1, Tier 1, and total risk-based capital), which is designed to absorb losses during periods of economic stress. These buffer requirements must be met for a bank to be able to pay dividends, engage in share buybacks or make discretionary bonus payments to executive management without restriction.

The Federal Deposit Insurance Corporation Improvement Act of 1991 (“FDICIA”), among other things, requires the federal bank regulatory agencies to take “prompt corrective action” regarding depository institutions that do not meet minimum capital requirements. FDICIA establishes five regulatory capital tiers: “well capitalized,” “adequately capitalized,” “undercapitalized,” “significantly undercapitalized,” and “critically undercapitalized.” A depository institution’s capital tier will depend upon how its capital levels compare to various relevant capital measures and certain other factors, as established by regulation. FDICIA generally prohibits a depository institution from making any capital distribution (including payment of a dividend) or paying any management fee to its holding company if the depository institution would thereafter be undercapitalized. The FDICIA imposes progressively more restrictive restraints on operations, management and capital distributions, depending on the category in which an institution is classified.

To be well-capitalized, the Bank must maintain at least the following capital ratios:

- 6.5% CET1 to risk-weighted assets;
- 8.0% Tier 1 capital to risk-weighted assets;
- 10.0% Total capital to risk-weighted assets; and
- 5.0% Leverage ratio.

Failure to be well-capitalized or to meet minimum capital requirements could result in certain mandatory and possible additional discretionary actions by regulators that, if undertaken, could have an adverse material effect on our operations or financial condition. For example, only a well-capitalized depository institution may accept brokered deposits without prior regulatory approval. Failure to be well-capitalized or to meet minimum capital requirements could also result in restrictions on the Bank's ability to pay dividends or otherwise distribute capital or to receive regulatory approval of applications or other restrictions on its growth.

The Federal Reserve has not yet revised the well-capitalized standard for bank holding companies to reflect the higher capital requirements imposed under the current capital rules. For purposes of the FRB's Regulation Y, including determining whether a bank holding company meets the requirements to be a financial holding company, bank holding companies, such as the Company, must maintain a Tier 1 risk-based capital ratio of 6.0% or greater and a total risk-based capital ratio of 10% or greater to be well-capitalized.

The Company is required to comply with minimum regulatory capital levels due to surpassing the \$3 billion asset threshold in 2023. The Economic Growth, Regulatory Relief, and Consumer Protection Act (the "Economic Growth Act") signed into law in May 2018 scaled back certain requirements of the Dodd-Frank Act and provided other regulatory relief. Among the provisions of the Economic Growth Act was a requirement that the Federal Reserve raise the asset threshold for those bank holding companies subject to the Federal Reserve's Small Bank Holding Company Policy Statement ("Policy Statement") to \$3 billion. As a result, as of the effective date of that change in 2018, the Company was no longer required to comply with the risk-based capital rules applicable to the Bank as described above from 2018 until June 2023 when its assets passed the \$3 billion asset threshold.

As of December 31, 2025, the Company's and the Bank's regulatory capital ratios were above the applicable well-capitalized standards and met the then-applicable capital conservation buffer.

As a result of the Economic Growth Act, the federal banking agencies were also required to develop a "Community Bank Leverage Ratio" (the ratio of a bank's Tier 1 capital to average total consolidated assets) for financial institutions with assets of less than \$10 billion. A "qualifying community bank" that exceeds this ratio will be deemed to be in compliance with all other capital and leverage requirements, including the capital requirements to be considered "well capitalized" under prompt corrective action statutes. The federal banking agencies may consider a financial institution's risk profile when evaluating whether it qualifies as a community bank for purposes of the capital ratio requirement. The federal banking agencies set the minimum capital for the new Community Bank Leverage Ratio at 9%. The Bank has not opted into the Community Bank Leverage Ratio Framework.

Payment of Dividends. We are a legal entity separate and distinct from the Bank and our other subsidiaries. Our primary source of cash, other than securities offerings, is dividends from the Bank. Under the laws of the State of Georgia, we, as a business corporation, may declare and pay dividends in cash or property unless the payment or declaration would be contrary to restrictions contained in our Articles of Incorporation, as amended, or unless, after payment of the dividend, we would not be able to pay our debts when they become due in the usual course of our business or our total assets would be less than the sum of our total liabilities. In addition, we are also subject to federal regulatory capital requirements that effectively limit the amount of cash dividends that we may pay.

The primary sources of funds for our payment of dividends to our shareholders are cash on hand and dividends from the Bank and our non-bank subsidiaries. Various federal and state statutory provisions and regulations limit the amount of dividends that the Bank and our non-bank subsidiaries may pay. The Bank is a Georgia bank. Under the regulations of the Georgia Department of Banking and Finance ("GA DBF"), a Georgia bank must have approval of the GA DBF to pay cash dividends if, at the time of such payment:

- the ratio of Tier 1 capital to average total assets is less than 6%;
- the aggregate amount of dividends to be declared or anticipated to be declared during the current calendar year exceeds 50% of its net after-tax profits before dividends for the previous calendar year; or
- its total adversely classified assets in its most recent regulatory examination exceeded 80% of its Tier 1 capital plus its allowance for loan and lease losses.

The Georgia Financial Institutions Code contains restrictions on the ability of a Georgia bank to pay dividends other than from retained earnings without the approval of the GA DBF. As a result of the foregoing restrictions, the Bank may be required to seek approval from the GA DBF to pay dividends.

In addition, we and the Bank are subject to various general regulatory policies and requirements relating to the payment of dividends, including requirements to maintain adequate capital above regulatory minimums. The appropriate federal bank regulatory authority may prohibit the payment of dividends where it has determined that the payment of dividends would be an unsafe or unsound practice and to prohibit payment thereof. The FDIC and the Federal Reserve have indicated that paying dividends that deplete a bank's capital base to an inadequate level would be an unsound and unsafe banking practice. The FDIC and the Federal Reserve have each indicated that depository institutions and their holding companies should generally pay dividends only out of current operating earnings. Prior approval by the FDIC is required if the total of all dividends declared by a bank in any calendar year exceeds the bank's profits for that year combined with its retained net profits for the preceding two calendar years.

Under a Federal Reserve policy adopted in 2009, the board of directors of a bank holding company must consider different factors to ensure that its dividend level is prudent relative to maintaining a strong financial position, and is not based on overly optimistic earnings scenarios, such as potential events that could affect its ability to pay, while still maintaining a strong financial position. As a general matter, the Federal Reserve has indicated that the board of directors of a bank holding company should consult with the Federal Reserve and eliminate, defer or significantly reduce the bank holding company's dividends if:

- its net income available to shareholders for the past four quarters, net of dividends previously paid during that period, is not sufficient to fully fund the dividends;
- its prospective rate of earnings retention is not consistent with its capital needs and overall current and prospective financial condition; or
- it will not meet, or is in danger of not meeting, its minimum regulatory capital adequacy ratios.

Regulation of the Bank

The Bank is subject to comprehensive supervision and regulation by the FDIC and is subject to its regulatory reporting requirements. The Bank also is subject to certain Federal Reserve regulations. In addition, as discussed in more detail below, the Bank and any other of our subsidiaries that offer consumer financial products and services are subject to regulation and potential supervision by the Consumer Financial Protection Bureau ("CFPB"). Authority to supervise and examine the Company and the Bank for compliance with federal consumer laws remains largely with the Federal Reserve and the FDIC, respectively. However, the CFPB may participate in examinations on a "sampling basis" and may refer potential enforcement actions against such institutions to their primary regulators. The CFPB also may participate in examinations of our other direct or indirect subsidiaries that offer consumer financial products or services. In addition, the Dodd-Frank Act permits states to adopt consumer protection laws and regulations that are stricter than those regulations promulgated by the CFPB, and state attorneys general are permitted to enforce certain federal consumer financial protection rules adopted by the CFPB.

Broadly, regulations applicable to the Bank include limitations on loans to a single borrower and to its directors, officers and employees; restrictions on the opening and closing of branch offices; the maintenance of required capital and liquidity ratios; the granting of credit under equal and fair conditions; the disclosure of the costs and terms of such credit; requirements to maintain reserves against deposits and loans; limitations on the types of investment that may be made by the Bank; and requirements governing risk management practices. The Bank is permitted under federal law to branch on a de novo basis across state lines where the laws of that state would permit a bank chartered by that state to open a de novo branch.

Transactions with Affiliates and Insiders. The Bank is subject to restrictions on extensions of credit and certain other transactions between the Bank and the Company or any nonbank affiliate. Generally, these covered transactions with either the Company or any affiliate are limited to 10% of the Bank's capital and surplus, and all such transactions between the Bank and the Company and all of its nonbank affiliates combined are limited to 20% of the Bank's capital and surplus. Loans and other extensions of credit from the Bank to the Company or any affiliate generally are required to be secured by eligible collateral in specified amounts. In addition, any transaction between the Bank and the Company or any affiliate are required to be on an arm's length basis. Federal banking laws also place similar restrictions on certain extensions of credit by insured banks, such as the Bank, to their directors, executive officers and principal shareholders.

Reserves. Federal Reserve rules require depository institutions, such as the Bank, to maintain reserves against their transaction accounts, primarily interest bearing and non-interest bearing checking accounts. Effective March 26, 2020, reserve requirement ratios were reduced to zero percent. These reserve requirements are subject to annual adjustment by the Federal Reserve. At December 31, 2025, the reserve requirement ratio remains at zero percent.

FDIC Insurance Assessments and Depositor Preference. The Bank's deposits are insured by the FDIC's DIF up to the limits under applicable law, which currently are set at \$250,000 per depositor, per insured bank, for each account ownership category. The Bank is subject to FDIC assessments for its deposit insurance. The FDIC calculates quarterly deposit insurance assessments

based on an institution's average total consolidated assets less its average tangible equity, and applies one of four risk categories determined by reference to its capital levels, supervisory ratings, and certain other factors. The assessment rate schedule can change from time to time, at the discretion of the FDIC, subject to certain limits.

As of September 30, 2025, the DIF reserve ratio reached 1.40%, exceeding the statutory minimum of 1.35%. The FDIC, as required under the Federal Deposit Insurance Act, established a plan on September 15, 2020 to restore the DIF reserve ratio to meet or exceed the statutory minimum of 1.35% within eight years. On October 18, 2022, the FDIC adopted a final plan and increased the initial base deposit insurance assessment rate schedules uniformly by 2 basis points, beginning in the first quarterly assessment period of 2023. The FDIC could further increase the deposit insurance assessments for certain insured depository institutions, including the Bank, if the DIF reserve ratio is not maintained.

Insurance of deposits may be terminated by the FDIC upon a finding that the institution has engaged in unsafe and unsound practices, is in an unsafe or unsound condition to continue operations, or has violated any applicable law, regulation, rule, order or condition imposed by a bank's federal regulatory agency. In addition, the Federal Deposit Insurance Act provides that, in the event of the liquidation or other resolution of an insured depository institution, the claims of depositors of the institution, including the claims of the FDIC as subrogee of insured depositors, and certain claims for administrative expenses of the FDIC as a receiver, will have priority over other general unsecured claims against the institution, including those of the parent bank holding company.

Standards for Safety and Soundness. The Federal Deposit Insurance Act requires the federal bank regulatory agencies to prescribe, by regulation or guideline, operational and managerial standards for all insured depository institutions relating to: (1) internal controls; (2) information systems and audit systems; (3) loan documentation; (4) credit underwriting; (5) interest rate risk exposure; and (6) asset quality.

The federal banking agencies have adopted regulations and Interagency Guidelines Establishing Standards for Safety and Soundness to implement these required standards. These guidelines set forth the safety and soundness standards used to identify and address problems at insured depository institutions before capital becomes impaired. Under the regulations, if a regulator determines that a bank fails to meet any standards prescribed by the guidelines, the regulator may require the bank to submit an acceptable plan to achieve compliance, consistent with deadlines for the submission and review of such safety and soundness compliance plans.

Anti-Money Laundering. A continued focus of governmental policy relating to financial institutions in recent years has been combating money laundering and terrorist financing. The USA PATRIOT Act broadened the application of anti-money laundering regulations to apply to additional types of financial institutions such as broker-dealers, investment advisors and insurance companies, and strengthened the ability of the U.S. Government to help prevent, detect and prosecute international money laundering and the financing of terrorism. The principal provisions of Title III of the USA PATRIOT Act require that regulated financial institutions, including state member banks: (i) establish an anti-money laundering program that includes training and audit components; (ii) comply with regulations regarding the verification of the identity of any person seeking to open an account; (iii) take additional required precautions with non-U.S. owned accounts; and (iv) perform certain verification and certification of money laundering risk for their foreign correspondent banking relationships. Failure of a financial institution to comply with the USA PATRIOT Act's requirements could have serious legal and reputational consequences for the institution. The Bank has augmented its systems and procedures to meet the requirements of these regulations and will continue to revise and update its policies, procedures and controls to reflect changes required by law.

FinCEN has adopted rules that require financial institutions to obtain beneficial ownership information with respect to legal entities with which such institutions conduct business, subject to certain exclusions and exemptions. Bank regulators are focusing their examinations on anti-money laundering compliance, and we continue to monitor and augment, where necessary, our anti-money laundering compliance programs.

Banking regulators will consider compliance with the Act's money laundering provisions in acting upon acquisition and merger proposals. Bank regulators routinely examine institutions for compliance with these obligations and have been active in imposing cease and desist and other regulatory orders and money penalty sanctions against institutions found to be violating these obligations. Sanctions for violations of the Act can be imposed in an amount equal to twice the sum involved in the violating transaction, up to \$1 million. On January 1, 2021, Congress passed federal legislation that made sweeping changes to federal anti-money laundering laws, including changes that will be implemented in 2021 and subsequent years. In 2024, U.S. federal regulators proposed amendments to modernize Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) program requirements. Aligned with the Anti-Money Laundering Act of 2020, the rules mandate a risk-based approach requiring institutions to identify, evaluate, and document risks based on business activities and national priorities.

Economic Sanctions. The Office of Foreign Assets Control (“OFAC”) is responsible for helping to ensure that U.S. entities do not engage in transactions with certain prohibited parties, as defined by various Executive Orders and acts of Congress. OFAC publishes, and routinely updates, lists of names of persons and organizations suspected of aiding, harboring or engaging in terrorist acts, including the Specially Designated Nationals and Blocked Persons List. If we find a name on any transaction, account or wire transfer that is on an OFAC list, we must undertake certain specified activities, which could include blocking or freezing the account or transaction requested, and we must notify the appropriate authorities.

Concentrations in Lending. During 2006, the federal bank regulatory agencies released guidance on "Concentrations in Commercial Real Estate Lending" and advised financial institutions of the risks posed by commercial real estate ("CRE") lending concentrations. The guidance requires that appropriate processes be in place to identify, monitor and control risks associated with real estate lending concentrations. Under the new guidance, a financial institution will be considered to have a significant commercial real estate ("CRE") concentration risk, and will be subject to enhanced supervisory expectations to manage that risk, if:

- total reported loans for construction, land & land development represent 100% or more of a bank’s tier 1 capital plus the allowance for credit losses for loans; or
- total reported loans for construction, land & land development plus non-owner occupied CRE represent 300% or more of a bank's tier 1 capital plus the allowance for credit losses for loans and the outstanding balance of the bank's CRE loan portfolio has increased by 50% or more during the prior 36 months.

As of December 31, 2025, the Company's construction, land & land development concentration as a percentage of capital totaled 79.7% and our CRE concentration, net of owner occupied loans, as a percentage of capital totaled 282.5%. As of December 31, 2025, both percentages were below the established regulatory guidelines.

We have always had exposures to loans secured by commercial real estate due to the nature of our markets and the loan needs of both retail and commercial customers. We believe our long term experience in CRE lending, underwriting policies, internal controls, and other policies currently in place, as well as our loan and credit monitoring and administration procedures, which include calculation of the above two ratios, are generally appropriate to managing our concentrations as required under the guidance.

Community Reinvestment Act. The Bank is subject to the provisions of the Community Reinvestment Act (“CRA”), which imposes a continuing and affirmative obligation, consistent with their safe and sound operation, to help meet the credit needs of entire communities where the bank accepts deposits, including low- and moderate-income neighborhoods. The FDIC’s assessment of the Bank’s CRA record is made available to the public. Further, a less than satisfactory CRA rating will slow, if not preclude, expansion of banking activities and prevent a company from becoming or remaining a financial holding company. Following the enactment of the Gramm-Leach-Bliley Act (“GLB”), CRA agreements with private parties must be disclosed and annual CRA reports must be made to a bank’s primary federal regulator. A bank holding company will not be permitted to become or remain a financial holding company and no new activities authorized under GLB may be commenced by a holding company or by a bank financial subsidiary if any of its bank subsidiaries received less than a “satisfactory” CRA rating in its latest CRA examination. Federal CRA regulations require, among other things, that evidence of discrimination against applicants on a prohibited basis, and illegal or abusive lending practices be considered in the CRA evaluation. The Bank has a rating of “Satisfactory” in its most recent CRA evaluation.

In 2023, the Federal Reserve, OCC, and FDIC issued a final rule to modernize their respective CRA regulations. The revised rules would substantially alter the methodology for assessing compliance with the CRA, with material aspects taking effect January 1, 2026 and revised data reporting requirements taking effect January 1, 2027. The revised CRA regulations have been subject to an injunction since March 29, 2024. On July 16, 2025, the Federal Reserve, OCC, and FDIC issued a joint proposal to rescind the 2023 modernization rule. The agencies continue to apply the CRA rules as they existed before the 2023 modernization, considering the injunction and pending finalization of the rescission of the modernization rule.

Privacy and Data Security. The GLB generally prohibits disclosure of consumer information to non-affiliated third parties unless the consumer has been given the opportunity to object and has not objected to such disclosure. Financial institutions are further required to disclose their privacy policies to customers annually. Financial institutions, however, will be required to comply with state law if it is more protective of consumer privacy than the GLB. The GLB also directed federal regulators, including the FDIC, to prescribe standards for the security of consumer information. The Bank is subject to such standards, as well as standards for notifying customers in the event of a security breach. Under federal law, the Bank must disclose its privacy policy to consumers, permit customers to opt out of having nonpublic customer information disclosed to third parties in certain circumstances and allow customers to opt out of receiving marketing solicitations based on information about the customer received from another subsidiary. States may adopt more extensive privacy protections. We are similarly required to

have an information security program to safeguard the confidentiality and security of customer information and to ensure proper disposal. Customers must be notified when unauthorized disclosure involves sensitive customer information that may be misused. The federal banking agencies require banks to notify their regulators within 36 hours of a “computer-security incident” that rises to the level of a “notification incident.”

Consumer Regulation. Activities of the Bank are subject to a variety of statutes and regulations designed to protect consumers. These laws and regulations include, among numerous other things, provisions that:

- limit the interest and other charges collected or contracted for by the Bank, including new rules respecting the terms of credit cards and of debit card overdrafts;
- govern the Bank’s disclosures of credit terms to consumer borrowers;
- require the Bank to provide information to enable the public and public officials to determine whether it is fulfilling its obligation to help meet the housing needs of the community it serves;
- prohibit the Bank from discriminating on the basis of race, creed or other prohibited factors when it makes decisions to extend credit;
- govern the manner in which the Bank may collect consumer debts; and
- prohibit unfair, deceptive or abusive acts or practices in the provision of consumer financial products and services.

Mortgage Regulation. The CFPB adopted a rule that implements the ability-to-repay and qualified mortgage provisions of the Dodd-Frank Act (the “ATR/QM rule”), which requires lenders to consider, among other things, income, employment status, assets, payment amounts, and credit history before approving a mortgage, and provides a compliance “safe harbor” for lenders that issue certain “qualified mortgages.” The ATR/QM rule defines a “qualified mortgage” to have certain specified characteristics, and generally prohibit loans with negative amortization, interest-only payments, balloon payments, or terms exceeding 30 years from being qualified mortgages. The rule also establishes general underwriting criteria for qualified mortgages, including that monthly payments be calculated based on the highest payment that will apply in the first five years of the loan and that the borrower have a total debt-to-income ratio that is less than or equal to 43%. While “qualified mortgages” will generally be afforded safe harbor status, a rebuttable presumption of compliance with the ability-to-repay requirements will attach to “qualified mortgages” that are “higher priced mortgages” (which are generally subprime loans). In addition, the securitizer of asset-backed securities must retain not less than 5% of the credit risk of the assets collateralizing the asset-backed securities, unless subject to an exemption for asset-backed securities that are collateralized exclusively by residential mortgages that qualify as “qualified residential mortgages.”

The CFPB has also issued rules to implement requirements of the Dodd-Frank Act pertaining to mortgage loan origination (including with respect to loan originator compensation and loan originator qualifications) as well as integrated mortgage disclosure rules. In addition, the CFPB has issued rules that require servicers to comply with new standards and practices with regard to: error correction; information disclosure; force-placement of insurance; information management policies and procedures; requiring information about mortgage loss mitigation options be provided to delinquent borrowers; providing delinquent borrowers access to servicer personnel with continuity of contact about the borrower’s mortgage loan account; and evaluating borrowers’ applications for available loss mitigation options. These rules also address initial rate adjustment notices for adjustable-rate mortgages (ARMs), periodic statements for residential mortgage loans, and prompt crediting of mortgage payments and response to requests for payoff amounts.

Non-Discrimination Policies. The Bank is also subject to, among other things, the provisions of the Equal Credit Opportunity Act (the “ECOA”) and the Fair Housing Act (the “FHA”), both of which prohibit discrimination based on race or color, religion, national origin, sex, and familial status in any aspect of a consumer or commercial credit or residential real estate transaction. The Department of Justice (the “DOJ”), and the federal bank regulatory agencies have issued an Interagency Policy Statement on Discrimination in Lending that provides guidance to financial institutions in determining whether discrimination exists, how the agencies will respond to lending discrimination, and what steps lenders might take to prevent discriminatory lending practices. The DOJ has increased its efforts to prosecute what it regards as violations of the ECOA and FHA.

Item 1A.

Risk Factors

In addition to the other information contained in this Annual Report, you should carefully consider the risks described below, as well as the risk factors and uncertainties discussed in our other public filings with the SEC under the caption “Risk Factors” in evaluating us and our business and making or continuing an investment in our stock. Our operations and financial results are subject to various risks and uncertainties, including, but not limited to, the material risks described below. Many of these risks are beyond our control although efforts are made to manage those risks while simultaneously optimizing operational and financial results. The occurrence of any of the following risks, as well as risks of which we are currently unaware or currently deem immaterial, could materially and adversely affect our assets, business, cash flows, condition (financial or otherwise), liquidity, prospects, results of operations and the trading price of our common stock.

In addition, certain statements in the following risk factors constitute forward-looking statements. Please refer to the section entitled “Cautionary Note Regarding Forward-Looking Statements” beginning on page 1 of this Annual Report.

Risks Related to Our Business

A decline in general business and economic conditions and any regulatory responses to such conditions could have a material adverse effect on our business, financial position, results of operations and growth prospects.

Our business and operations are sensitive to general business and economic conditions in the United States, generally, and particularly in the states of Georgia, Alabama and Florida. Unfavorable or uncertain economic and market conditions could lead to credit quality concerns related to borrower repayment ability and collateral protection as well as reduced demand for the products and services we offer. If the national, regional and local economies experience worsening economic conditions (including persistent inflation), elevated levels of unemployment, adverse effects of the U.S. government’s failure to raise its debt ceiling (including defaulting on its debt obligations or experiencing credit downgrades) or as a result of trade wars and/or tariffs, fluctuations in debt and equity capital markets, increased delinquencies on mortgage, commercial and consumer loans, residential and commercial real estate price declines, and lower home sales and commercial activity, our growth and profitability could be constrained. In addition, economic stress may result in heightened regulatory and supervisory scrutiny or more conservative regulatory expectations, which could limit our ability to grow, deploy capital or return capital to shareholders.

We face strong competition from financial service companies and other companies that offer commercial and retail banking services, which could harm our business.

Many of our competitors offer the same, or a wider variety of, the banking and related financial services we offer within our market areas. These competitors include national banks, regional banks and other community banks, including banks similar to us that primarily serve distinct or multi-ethnic communities. In many instances these national and regional banks have greater resources than we do, and the smaller community banks may have stronger ties in local markets than we do, which may put us at a competitive disadvantage. We also face competition from many other types of financial institutions, including fintech companies, savings associations, finance companies, brokerage firms, insurance companies, credit unions, mortgage banks and other financial intermediaries. Further, our credit union competitors benefit from competitive advantages, including the credit union exemption from paying federal income tax and can, therefore, more aggressively price many products and services. In addition, a number of out-of-state financial intermediaries have opened production offices or otherwise solicit deposits in our market areas. We also compete with many forms of payments offered by both bank and non-bank providers, including a variety of new and evolving alternative payment mechanisms, systems and products, such as aggregators and web-based and wireless payment platforms or technologies, digital or “crypto” currencies, prepaid systems and payment services targeting users of social networks, communications platforms and online gaming. Competition is increasingly focused on digital capabilities, customer experience, speed, and convenience, and failure to meet evolving customer expectations may adversely affect our competitive position. Some competitors may be willing to accept lower returns, assume greater risk, or offer more favorable pricing and terms than we are willing or able to provide, which could place downward pressure on our margins. In addition, some competitors may offer banking and payment services through embedded or platform-based models that reduce the need for customers to maintain traditional banking relationships. Our future success may depend, in part, on our ability to use technology competitively to offer products and services that provide convenience to customers and create additional efficiencies in our operations. If we are unable to match the pace of technological change or the level of investment made by larger or more technologically advanced competitors, we may experience customer attrition or reduced growth opportunities. Further, as a result of the GENIUS Act, passed in 2025 to provide a regulatory framework for stablecoins in the U.S., increased competition may emerge from issuers of stablecoins and providers of related technology.

Increased competition in our markets may result in reduced loans, deposits and commissions and brokers' fees, gains on sales, servicing fees, as well as reduced net interest margin and profitability. Competition may also increase pressure on compensation and make it more difficult to attract and retain experienced banking and mortgage lending personnel. If we are unable to attract and retain banking and mortgage loan customers and expand our sales market for such loans, we may be unable to continue to grow our business, and our financial condition and results of operations may be adversely affected.

Fluctuations in interest rates may impact net interest income and otherwise negatively impact our financial condition and results of operations.

Our earnings and financial condition are dependent to a large degree upon net interest income, which is the difference, or spread, between interest earned on loans, securities and other interest-earning assets and interest paid on deposits, borrowings and other interest-bearing liabilities. When market rates of interest change, the interest we receive on our assets and the interest we pay on our liabilities fluctuates. This may cause decreases in our spread and may adversely affect our earnings and financial condition.

Interest rates are highly sensitive to many factors including, without limitation: the rate of inflation; economic conditions; federal monetary policies; and stability of domestic and foreign markets. Interest rates remained elevated during 2024, with the Federal Reserve slowly decreasing interest rates beginning in the fourth quarter of 2024 through the fourth quarter of 2025. Further changes in interest rates and monetary policy reportedly are dependent upon the Federal Reserve's assessment of economic data as it becomes available. Increasing interest rates can have a negative impact on our business by reducing the amount of money our customers borrow or by adversely affecting their ability to repay outstanding loan balances that may increase due to adjustments in their variable rates which may lead to an increase in nonperforming assets and a reduction of income recognized, which could compress our net interest margin and adversely affect liquidity.

In addition, in a rising interest rate environment we may have to offer more attractive interest rates to depositors to compete for deposits, or pursue other sources of liquidity, such as wholesale funds. Conversely, decreasing interest rates reduce our yield on our variable rate loans and on our new loans, which reduces our net interest income. In addition, lower interest rates may reduce our realized yields on investment securities which would reduce our net interest income and cause downward pressure on net interest margin in future periods. Higher income volatility from changes in interest rates and spreads to benchmark indices could result in a decrease in net interest income and a decrease in current fair market values of our assets. Fluctuations in interest rates impact both the level of income and expense recorded on most of our assets and liabilities and the market value of all interest-earning assets and interest-bearing liabilities, which in turn could have a material adverse effect on our net income, operating results, or financial condition.

Although we have implemented procedures we believe will reduce the potential effects of changes in interest rates on our net interest income, these procedures may not always be successful as some of these effects are outside of our control. Our interest rate risk management models and assumptions may not accurately predict or fully mitigate the impact of future interest rate changes, particularly during periods of elevated volatility, and a prolonged period of volatile and unstable market conditions would likely increase our funding costs and negatively affect market risk mitigation strategies.

Inflation could negatively impact our business, our profitability and our stock price.

Prolonged periods of inflation may impact our profitability by negatively impacting our fixed costs and expenses, including increasing funding costs and expense related to talent acquisition and retention, and negatively impacting the demand for our products and services. Inflation may also contribute to restrictive or volatile monetary policy and elevated interest rates, which could further increase our funding costs, reduce loan demand and adversely affect asset values. Additionally, inflation may lead to a decrease in consumer and clients purchasing power and negatively affect the need or demand for our products and services. If significant inflation continues, our business could be negatively affected by, among other things, increased default rates leading to credit losses which could decrease our appetite for new credit extensions. These inflationary pressures could result in missed earnings and budgetary projections causing our stock price to suffer. Additionally, the timing and magnitude of inflation's effects may be difficult to predict and could persist or intensify depending on economic conditions and policy responses.

Negative developments in the banking industry could adversely affect our current and projected business operations and our financial condition and results of operations.

Bank failures and related negative media attention may generate significant market trading volatility among publicly traded bank holding companies and, in particular, regional banks like the Company. These developments have and may continue to negatively impact customer confidence in regional banks, which could prompt customers to maintain their deposits with larger financial institutions or otherwise relocate funds. Rapid changes in customer behavior, including accelerated deposit withdrawals facilitated by digital banking channels, could increase liquidity pressures. If we were required to sell a portion of our securities portfolio to address liquidity needs, we may incur losses, including as a result of the negative impact of rising interest rates on the value of our securities portfolio, which could negatively affect our earnings and our capital. While we have taken actions to improve our funding, there is no guarantee that such actions will be successful or sufficient in the event of sudden liquidity needs.

Negative developments in the banking industry may also prompt changes in regulatory and supervisory expectations or actions, including increased examination scrutiny, higher capital or liquidity requirements, or restrictions on growth or capital distributions, which could further constrain our operations and financial flexibility. In addition, bank failures have and could in the future prompt the FDIC to increase deposit insurance costs. Increases in funding, deposit insurance, or other costs as a result of these types of events have and could in the future materially adversely affect our financial condition and results of operations. Further, the disruption following these types of events have and could in the future generate significant market trading volatility among publicly traded bank holdings companies and, in particular, regional banks like the Company.

Liquidity risks could affect operations and jeopardize our business, financial condition, and results of operations.

Liquidity is essential to our business. An inability to raise funds through deposits, borrowings, the sale of loans and/or investment securities and through other sources could have a substantial negative effect on our liquidity. Our most important source of funds consists of our customer deposits. Such deposit balances can decrease when customers perceive alternative investments, such as the stock market, as providing a better risk/return tradeoff. If customers move money out of bank deposits and into other investments, we could lose a relatively low cost source of funds. Moreover, competition among U.S. banks and non-banks for customer deposits is intense and may increase the cost of deposits (particularly in an elevated rate environment) or prevent new deposits and may otherwise negatively affect our ability to grow our deposit base. In addition, our access to deposits may be affected by the liquidity and/or cash flow needs of depositors, which may be exacerbated in an inflationary, recessionary, or elevated rate environment. This may cause our deposit accounts to decrease in the future, and any such decrease could have a material adverse impact on our sources of funding.

Other primary sources of funds consist of cash from operations, investment maturities and sales, sale of loans and proceeds from the issuance and sale of our equity securities to investors. Additional liquidity is provided by our ability to borrow from the Federal Reserve Bank of Atlanta and the Federal Home Loan Bank of Atlanta. Recently proposed changes to the Federal Home Loan Bank system could adversely impact the Company's access to Federal Home Loan Bank borrowings or increase the cost of such borrowings. We also may borrow from third-party lenders from time to time. Our access to funding sources in amounts adequate to finance or capitalize our activities or on terms that are acceptable to us could be impaired by factors that affect us directly or the financial services industry or economy in general, such as disruptions in the financial markets or negative views and expectations about the prospects for the financial services industry. Our access to funding sources could also be affected by a decrease in the level of our business activity as a result of a downturn in our primary market area or by one or more adverse regulatory actions against us.

Any decline in available funding could adversely impact our ability to continue to implement our strategic plan, including our ability to originate loans, invest in securities, meet our expenses, or to fulfill obligations such as repaying our borrowings or meeting deposit withdrawal demands, any of which could have a material adverse impact on our liquidity, business, financial condition and results of operations.

Our business depends on our ability to successfully manage our asset quality and credit risk.

We are subject to the risk of losses resulting from the failure of borrowers, guarantors and related parties to pay us the interest and principal amounts due on their loans. Although we maintain well-defined credit policies and credit underwriting and monitoring and collection procedures, these policies and procedures may not prevent losses, as some of these risks are outside of our control, particularly during periods in which the local, regional or national economy suffers a general decline. Our credit risk may be heightened by concentrations in certain loan types, industries, geographic areas or borrower profiles, which could result in correlated losses during adverse economic conditions. Our access to funding sources could also be affected by a decrease in the level of our business activity as a result of a downturn in our primary market area or by one or more adverse regulatory actions against us. Deterioration in credit quality may not be immediately apparent, and losses may emerge over time as economic conditions worsen or collateral values decline. Further, in the event of delinquencies, regulatory changes and

policies designed to protect borrowers may slow or prevent us from making our business decisions or may result in a delay in our taking certain remediation actions, such as foreclosure. Our assessment of credit risk relies on management judgment, forecasts and assumptions, which may prove inaccurate, particularly during periods of economic stress or rapid market change. If borrowers fail to repay their loans, our financial condition and results of operations would be adversely affected. Additionally, potential future actions such as the proposed consumer credit card interest rate cap may lead to unprofitable products, especially for riskier borrowers, and could lead to cutting credit lines or eliminating cards, increased reliance on fees and increased debt burdens for those needing credit the most, thereby having the potential to negatively impact bank asset quality.

Our commercial real estate, real estate construction, and commercial business loans increase our exposure to credit risks.

At December 31, 2025, our portfolio of commercial real estate and commercial, financial and agricultural loans totaled \$1.8 billion or 74.4% of total loans compared to \$1.4 billion, or 76.5% of total loans at December 31, 2024. At December 31, 2025, the amount of nonperforming commercial real estate and commercial, financial and agricultural loans was \$18.7 million, or 79.6% of total nonperforming loans. These loans may expose us to a greater risk of non-payment and loss than residential real estate loans because, in the case of commercial loans, repayment often depends on the successful operation and earnings of the borrower's businesses and, in the case of consumer loans, the applicable collateral is subject to rapid depreciation. Additionally, commercial real estate loans typically involve larger loan balances to single borrowers or groups of related borrowers compared to residential real estate loans. If loans that are collateralized by real estate become troubled and the value of the real estate has been significantly impaired, then we may not be able to recover the full contractual amount of principal and interest due on the loan, which could cause us to increase our provision for loan losses and adversely affect our financial condition and operating results.

Because a significant portion of our loan portfolio is comprised of real estate loans, negative changes in the economy affecting real estate values and liquidity could impair the value of collateral securing our real estate loans and result in loans and other losses.

At December 31, 2025, approximately 84.5% of our loan portfolio was comprised of loans with real estate as a primary or secondary component of collateral. As a result, adverse developments affecting real estate values in our market areas could increase the credit risk associated with our real estate loan portfolio. The market value of real estate can fluctuate significantly in a short period of time as a result of market conditions in the geographic area in which the real estate is located. Adverse changes affecting real estate values and the liquidity of real estate in one or more of our markets could increase the credit risk associated with our loan portfolio, significantly impair the value of property pledged as collateral on loans and affect our ability to sell the collateral upon foreclosure without a loss or additional losses, which could result in losses that would adversely affect credit quality, profitability, financial condition, and results of operation. Such declines and losses would have a material adverse impact on our business, results of operations and growth prospects. In addition, if hazardous or toxic substances are found on properties pledged as collateral, the value of the real estate could be impaired. If we foreclose on and take title to such properties, we may be liable for remediation costs as well as for personal injury and property damage. Environmental laws may also require us to incur substantial expenses to address unknown liabilities and may materially reduce the affected property's value or limit our ability to use or sell the affected property.

Our provision and allowance for credit losses may not cover actual losses, and we may be required to materially increase our allowance, which may adversely affect our capital, financial condition and results of operations.

We make various assumptions and judgments about the collectability of our loan and lease portfolio and utilize these assumptions and judgments when determining the provision and allowance for credit losses. The determination of the appropriate level of the provision for credit losses inherently involves a high degree of subjectivity and requires us to make significant estimates of current credit risks and future trends, all of which may undergo material changes, as we have experienced. Deterioration in economic conditions affecting borrowers, new information regarding existing loans, identification of additional problem loans and other factors both within and outside of our control, may require an increase in the amount reserved in the allowance for credit losses. In addition, bank regulatory agencies periodically review our provision and the total allowance for credit losses and may require an increase in the allowance for credit losses or future provisions for credit losses, based on judgments different than those of management. Any increases in the provision or allowance for credit losses will result in a decrease in our net income and, potentially, capital, and could increase earnings volatility or constrain our ability to deploy capital, and may have a material adverse effect on our financial condition or results of operations.

We may not be able to meet our unfunded credit commitments, or adequately reserve for losses associated with our unfunded credit commitments.

A commitment to extend credit is a formal agreement to lend funds to a client as long as there is no violation of any condition established under the agreement. The borrowing needs of our customers may exceed our expected funding requirements, especially during a challenging economic environment when our client companies may be more dependent on our credit commitments due to the lack of available credit elsewhere, the increasing costs of credit, or the limited availability of financings from other sources. Unfunded credit commitments may be drawn at the same time by multiple borrowers, particularly during periods of economic or financial stress, which could significantly increase our liquidity demands. The timing and magnitude of draws on our unfunded credit commitments are difficult to predict, and actual utilization may exceed our expectations or stress assumptions. Any failure to meet our unfunded credit commitments in accordance with the borrowing needs of our customers may have a material adverse effect on our business, financial condition, results of operations or reputation. In addition, borrowers may draw on committed credit when their financial condition is deteriorating, increasing the risk that newly funded balances may not be repaid in accordance with their terms.

We use brokered deposits which may be an unstable and/or expensive deposit source to fund earning asset growth.

We use brokered deposits, as a source of funding to support our asset growth and augment deposits generated from our branch network, which are our principal source of funding. We have established policies and procedures with respect to the use of brokered deposits, which require, among other things, that (i) we limit the amount of brokered deposits as a percentage of total assets, and (ii) our asset liability committee monitors our use of brokered deposits on a regular basis, including interest rates and the total volume of such deposits in relation to our total assets. In the event that our funding strategies call for the use of brokered deposits, there can be no assurance that such sources will be available, or will remain available, or that the cost of such funding sources will be reasonable. Additionally, if the Bank is no longer considered well-capitalized, our ability to access new brokered deposits or retain existing brokered deposits could be affected by market conditions, regulatory requirements or a combination thereof, which could result in most, if not all, brokered deposit sources being unavailable. The inability to utilize brokered deposits as a source of funding could have an adverse effect on our financial position, results of operations and liquidity. In addition, significant reliance on brokered deposits could be perceived negatively by customers, counterparties or investors, which could further affect our funding costs or access to alternative sources of liquidity.

We hold certain intangible assets that in the future could be classified as either partially or fully impaired, which would reduce our earnings and the book values of these assets.

Pursuant to applicable accounting requirements, we are required to periodically test our goodwill and core deposit intangible assets for impairment. The impairment testing process considers a variety of factors, including the current market price of our common shares, the estimated net present value of our assets and liabilities and information concerning the terminal valuation of similarly situated insured depository institutions. Future impairment testing may result in a partial or full impairment of the value of our goodwill or core deposit intangible assets, or both. If an impairment determination is made in a future reporting period, our earnings and the book value of these intangible assets will be reduced by the amount of the impairment.

Decreased residential mortgage origination, volume and pricing decisions of competitors may adversely affect our profitability.

Our mortgage operation originates residential mortgage loans and services residential mortgage loans. Changes in interest rates, housing prices, financial stress on borrowers as a result of economic conditions, regulations by the applicable governmental authorities and pricing decisions by our loan competitors may adversely affect demand for our residential mortgage loan products, revenues received from servicing such loans for others, and ultimately reduce our net income. New regulations and increased regulatory reviews may be introduced and may increase costs and make it more difficult to operate a residential mortgage origination business.

Nonperforming assets take significant time to resolve and adversely affect our results of operations and financial condition, and could result in further losses in the future.

Our nonperforming assets adversely affect our net income in various ways. We do not record interest income on nonaccrual loans or OREO, thereby adversely affecting our net interest income, net income and returns on assets and equity, and our loan administration costs increase, which together with reduced interest income adversely affects our efficiency ratio. When we take

collateral in foreclosure and similar proceedings, we are required to mark the collateral to its then-fair market value, which may result in a loss. These nonperforming loans and OREO also increase our risk profile and the level of capital our regulators believe is appropriate for us to maintain in light of such risks. The resolution of nonperforming assets requires significant time commitments from management and can be detrimental to the performance of their other responsibilities. If we experience increases in nonperforming loans and nonperforming assets, our net interest income may be negatively impacted and our loan administration costs could increase, each of which would have an adverse effect on our net income and related ratios, such as return on assets and equity.

We could recognize losses on securities held in our securities portfolio, particularly if interest rates increase or economic and market conditions deteriorate.

Changes in interest rates may negatively affect both the returns on and market value of our investment securities. Interest rate volatility can reduce unrealized gains or increase unrealized losses in our portfolio. Interest rates are highly sensitive to many factors including monetary policies, domestic and international economic and political issues, and other factors beyond our control. These changes can negatively impact our other comprehensive income and equity levels through accumulated other comprehensive income, which includes net unrealized gains and losses on our investment securities. Further, such losses could be realized into earnings should liquidity and/or business strategy necessitate the sales of securities in a loss position. Periods of market stress or deposit outflows could increase the likelihood that we would need to sell securities at unfavorable prices. Additionally, actual investment income and cash flows from investment securities that carry prepayment risk, such as mortgage-backed securities and callable securities, may materially differ from those anticipated at the time of investment or subsequently as a result of changes in interest rates and market conditions. In a rising-rate environment, slower prepayments or extensions of expected maturities could increase interest rate sensitivity and reduce portfolio liquidity. These occurrences could have a material adverse effect on our net interest income or our results of operations.

The implementation of other new lines of business or new products and services may subject us to additional risk.

We continuously evaluate our service offerings and may implement new lines of business or offer new products and services within existing lines of business in the future. There are substantial risks and uncertainties associated with these efforts. In developing and marketing new lines of business and/or new products and services, we undergo a new product process to assess the risks of the initiative, and invest significant time and resources to build internal controls, policies and procedures to mitigate those risks, including hiring experienced management to oversee the implementation of the initiative. Initial timetables for the introduction and development of new lines of business and/or new products or services may not be achieved and price and profitability targets may not prove feasible. External factors, such as compliance with regulations, competitive alternatives, and shifting market preferences, may also impact the successful implementation of a new line of business and/or a new product or service. Furthermore, any new line of business and/or new product or service could require the establishment of new key and other controls and have a significant impact on our existing system of internal controls. Failure to successfully manage these risks in the development and implementation of new lines of business and/or new products or services could have a material adverse effect on our business and, in turn, our financial condition and results of operations.

We are highly dependent on our management team, and the loss of our senior executive officers or other key employees could harm our ability to implement our strategic plan, impair our relationships with customers and adversely affect our business, results of operations and growth prospects.

Our success depends, in large part, on our ability to attract and retain key personnel. Competition for the best personnel in most activities we engage in can be intense, as we compete with both smaller banks that may be able to offer bankers with more responsibility and autonomy and larger banks that may be able to offer bankers with higher compensation, resources and support, and we may not be able to hire personnel or to retain them. The unexpected loss of services of one or more of our key personnel could have a material adverse impact on our business because of their skills, knowledge of our market, relationships in the communities we serve, years of industry experience and the difficulty of promptly finding qualified replacement personnel. Although we have employment agreements with certain of our executive officers, there is no guarantee that these officers and other key personnel will remain employed with the Company. If we are unable to successfully plan for and execute the transition or replacement of key members of our management team, our operations and strategic initiatives could be adversely affected.

Our ability to maintain our reputation is critical to the success of our business and the failure to do so may materially adversely affect our business and the value of our common stock.

We are a community bank and our reputation is one of the most valuable components of our business. Threats to our reputation can come from many sources, including adverse sentiment about financial institutions generally, unethical practices, employee misconduct, failure to deliver minimum standards of service or quality, compliance deficiencies, security breaches, litigation,

investigations and other proceedings, and questionable or fraudulent activities of our customers. Negative publicity regarding our business, employees, or customers, with or without merit, may result in the loss of customers, investors and employees, costly litigation, a decline in revenues and increased government regulation. If our reputation is negatively affected, by the actions of our employees or otherwise, our business and, therefore, our operating results and the value of our common stock may be materially adversely affected.

Our risk management framework may not be effective in mitigating risks and/or losses to us.

Our risk management framework is comprised of various processes, systems and strategies, and is designed to manage the types of risk to which we are subject, including, among others, credit, market, liquidity, interest rate and compliance. Our framework also includes financial or other modeling methodologies that involve management assumptions and judgment. Our risk management framework may not be effective under all circumstances and may not adequately mitigate any risk or loss to us. If our risk management framework is not effective, we could suffer unexpected losses and our business, financial condition, results of operations or growth prospects could be materially and adversely affected. We may also be subject to potentially adverse regulatory consequences.

The financial services market is undergoing rapid technological changes, and if we are unable to stay current with those changes, we will not be able to effectively compete.

The financial services market is undergoing rapid technological changes with frequent introductions of new technology-driven products and services (including those related to or involving artificial intelligence, machine learning, blockchain and other distributed ledger technologies), and an established and growing demand for mobile and other phone and computer banking applications. In addition to better serving customers, the effective use of technology increases efficiency and enables financial institutions to reduce costs. Our future success will depend, in part, on our ability to keep pace with the technological changes and to use technology to satisfy and grow customer demand for our products and services that will satisfy customer demands for convenience as well as to create additional efficiencies in our operations as we continue to grow and expand our market area. Many of our larger competitors have substantially greater resources to invest in technological improvements and have invested significantly more than us in technological improvements. As a result, they may be able to invest more heavily in developing and adopting new technologies, and offer additional or more convenient products compared to those that we will be able to provide, which would put us at a competitive disadvantage. We may not be able to effectively implement new technology-driven products and services or be successful in marketing these products and services to our customers, which could impair our growth and profitability. The implementation of new technologies may also require changes to existing systems, processes and controls and may increase our reliance on third-party vendors, which could expose us to additional operational, regulatory or compliance risks. As a result, our ability to effectively compete to retain or acquire new business may be impaired, and the failure to successfully keep pace with technological change affecting the financial services industry could have a material adverse impact on our business, financial condition and results of operations.

System failures or disruptions of our network security, or the security of our data processing subsidiary, including as a result of cyberattacks or data security incidents, could subject us to increased operating costs as well as litigation and other liabilities.

The computer systems and network infrastructure we use, including those we maintain with our service providers and vendors, could be vulnerable to hardware and cyber security issues. Our operations are dependent upon our ability to protect our computer equipment against damage from fire, power loss, telecommunications failure, natural disasters such as earthquakes, tornadoes and hurricanes, or a similar catastrophic event. We could also experience a cybersecurity incident by intentional or negligent conduct on the part of employees or other internal or external sources, including our third-party vendors and cyber criminals through, for example, phishing attempts, brute force attacks, denial of service attacks, viruses or other malicious code, exploiting software vulnerabilities (including "zero-day attacks"), ransomware or other malware and supply chain attacks and other disruptive problems caused by criminal threat actors. Any damage or failure that causes an interruption in our operations could have an adverse effect on our financial condition and results of operations. In addition, our operations are dependent upon our ability to protect the computer systems and network infrastructure utilized by us, including our internet banking activities, against damage from physical break-ins, cyberattacks and other disruptive problems caused by criminal threat actors. Such cyberattacks and other technology disruptions would jeopardize the security of information stored in and transmitted through our computer systems and network infrastructure, and those maintained by our service providers and vendors, which may result in significant liability, reputational damage and inhibit the use of our internet banking services by current and potential customers, any of which may result in a material adverse impact on our financial condition, results of operations or the market price of our common stock. As cyber threats continue to evolve and become more frequent, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any information security vulnerabilities. In addition, as the regulatory environment related to information security, data collection and use, and privacy becomes increasingly rigorous, with new and constantly changing requirements applicable to our business, compliance with those requirements could also result in additional costs.

We and our third-party vendors are under continuous threat of loss due to hacking and cyberattacks especially as we continue to expand client capabilities to utilize internet and other remote channels to transact business. These cyber risks include increased phishing, malware, and other cybersecurity attacks described above, vulnerability to disruptions of our and our third-party vendors' information technology infrastructure and telecommunications systems for remote operations, increased risk of unauthorized dissemination of confidential information, limited ability to restore the systems in the event of a systems failure or interruption, greater risk of a cybersecurity incident resulting in destruction or misuse of valuable information, and potential impairment of our ability to perform critical functions, including wiring funds, all of which could expose us to risks of data or financial loss, litigation and liability and could seriously disrupt our operations and the operations of any impacted customers.

To date, none of foregoing types of attacks have had a material effect on our business or operations and we maintain a system of internal controls and insurance coverage to mitigate against operational risks, including data processing system failures and errors and customer or employee fraud. However, no assurances can be provided that we (or our third-party vendors) may not suffer from such an attack in the future that may cause us material harm, especially in light of the risks being posed by the proliferation of new technologies, including artificial intelligence, the use of the Internet and telecommunications technologies to conduct financial transactions, and the increased sophistication and activities of cybercriminals and other external parties.

Our operations could be interrupted if our third-party service providers experience difficulty, terminate their services or fail to comply with banking regulations.

We depend to a significant extent on a number of relationships with third-party service providers. Specifically, we receive core systems processing, essential web hosting, deposit processing and other processing services from third-party service providers. If these third-party service providers experience financial, operational (including as a result of a cybersecurity incident), or technological difficulties or terminate their services and we are unable to replace them with other suitable service providers, our operations could be interrupted. If an interruption were to continue for a significant period of time, our business, financial condition and results of operations could be adversely affected, perhaps materially. Even if we are able to replace our service providers, it may be at a higher cost to us, which could adversely affect our business, reputation, financial condition and results of operations. In addition, third-party service providers may fail to comply with applicable banking, consumer protection, data privacy or other regulatory requirements, and we may remain subject to regulatory action, fines, remediation requirements or reputational harm as a result. Failures or security breaches involving third-party service providers could also result in the unauthorized disclosure of sensitive customer or proprietary information, customer harm, litigation and increased regulatory scrutiny. Increased regulatory focus on third-party risk management may also result in heightened supervisory scrutiny, examination findings or limitations if our oversight of third-party service providers is deemed insufficient.

We are subject to certain operational risks, including, but not limited to, client or employee fraud and data processing system failures and errors.

Employee errors and employee and client misconduct could subject us to financial losses or regulatory sanctions and seriously harm our reputation. Misconduct by our employees could include hiding unauthorized activities from us, improper or unauthorized activities on behalf of our clients or improper use of confidential information. It is not always possible to prevent employee errors and misconduct, and the precautions we take to prevent and detect this activity may not be effective in all cases. Employee errors could also subject us to financial claims for negligence. We maintain a system of internal controls and insurance coverage to mitigate against operational risks. If our internal controls fail to prevent or detect an occurrence, or if any resulting loss is not insured or exceeds applicable insurance limits, it could have a material adverse effect on our business, financial condition and results of operations.

In addition, we rely heavily upon information supplied by third parties, including the information contained in credit applications, property appraisals, title information, equipment pricing and valuation and employment and income documentation, in deciding which loans we will originate, as well as the terms of those loans. If any of the information upon which we rely is misrepresented, either fraudulently or inadvertently, and the misrepresentation is not detected prior to asset funding, the value of the asset may be significantly lower than expected, or we may fund a loan that we would not have funded or on terms we would not have extended.

The developments and use of artificial intelligence (AI) presents risks and challenges that may adversely impact our business.

The Company or its third-party (or fourth party) vendors, clients or counterparties may develop or incorporate AI technology in certain business processes, services, or products. The development and use of AI presents a number of risks and challenges to the Company's business. The legal and regulatory environment relating to AI is uncertain and rapidly evolving, both in the U.S. and internationally, and includes regulatory schemes targeted specifically at AI as well as provisions in intellectual property,

privacy, security, consumer protection, employment, and other laws applicable to the use of AI. These evolving laws and regulations could require changes in the Company's implementation of AI technology and increase the Company's compliance costs and the risk of non-compliance. AI models, particularly generative AI models, may produce output or take action that is incorrect, that reflects biases included in the data on which they are trained, that results in the release of private, confidential, or proprietary information, that infringes on the intellectual property rights of others, or that is otherwise harmful. In addition, the complexity of many AI models makes it difficult to understand why they are generating particular outputs. This limited transparency increases the challenges associated with assessing the proper operation of AI models, understanding and monitoring the capabilities of the AI models, reducing erroneous output, eliminating bias, and complying with regulations that require documentation or explanation of the basis on which decisions are made. Further, the Company may rely on AI models developed by third parties, and, to that extent, would be dependent in part on the manner in which those third parties develop and train their models, including risks arising from the inclusion of any unauthorized material in the training data for their models and the effectiveness of the steps these third parties have taken to limit the risks associated with the output of their models, matters over which the Company may have limited visibility. Any of these risks could expose the Company to liability or adverse legal or regulatory consequences, harm the Company's reputation and the public perception of its business or the effectiveness of its security and risk-management practices, or place us at a competitive disadvantage if we are unable to adopt or govern AI technologies effectively relative to our peers.

Our accounting estimates and risk management processes rely on analytical and forecasting models.

Processes that management uses to estimate our probable incurred credit losses and to measure the fair value of financial instruments, as well as the processes used to estimate the effects of changing interest rates and other market measures on our financial condition and results of operations, depend upon the use of analytical and forecasting models. These models reflect assumptions that may not be accurate, particularly in times of market stress or other unforeseen circumstances. Even if these assumptions are accurate, the models may prove to be inadequate or inaccurate because of other flaws in their design or their implementation. If the models that management uses for interest rate risk and asset liability management are inadequate, we may incur increased or unexpected losses upon changes in market interest rates or other market measures. If the models that management uses for determining our probable credit losses are inadequate, the allowance for credit losses may not be sufficient to support future charge offs. If the models that management uses to measure the fair value of financial instruments are inadequate, the fair value of such financial instruments may fluctuate unexpectedly or may not accurately reflect what we could realize upon sale or settlement of such financial instruments. Any such failure in management's analytical or forecasting models could have a material adverse effect on our business, financial condition and results of operations.

Changes in accounting standards could materially impact our financial statements.

From time to time, the FASB or the Securities and Exchange Commission, or SEC, may change the financial accounting and reporting standards that govern the preparation of our financial statements. Such changes may result in us being subject to new or changing accounting and reporting standards. In addition, the bodies that interpret the accounting standards (such as banking regulators or outside auditors) may change their interpretations or positions on how these standards should be applied. These changes may be beyond our control, can be hard to predict and can materially impact how we record and report our financial condition and results of operations. In some cases, we could be required to apply a new or revised standard retrospectively, or apply an existing standard differently, also retrospectively, in each case resulting in our needing to revise or restate prior period financial statements.

Failure to maintain effective internal controls over financial reporting could have a material adverse effect on our business and stock price.

Management regularly monitors, reviews and updates our disclosure controls and procedures, including our internal control over financial reporting. Any system of controls, however well designed and operated, is based in part on certain assumptions and can provide only reasonable assurances that the controls will be effective. The effectiveness of our internal controls also depends on the performance of individuals, and human error, misconduct or changes in personnel could compromise the effectiveness of our controls. Any failure or circumvention of our controls and procedures or failure to comply with regulations related to controls and procedures could have a material adverse effect on our business, results of operations and financial condition. Failure to achieve and maintain an effective internal control environment could prevent us from accurately reporting our financial results, preventing or detecting fraud or providing timely and reliable financial information pursuant to our reporting obligations, which could result in a material weakness in our internal controls over financial reporting and the restatement of previously filed financial statements and could have a material adverse effect on our business, financial condition and results of operations. Further, ineffective internal controls could cause our investors to lose confidence in our financial information, which could affect the trading price of our common stock.

Hurricanes or other adverse weather events would negatively affect our local economies or disrupt our operations, which would have an adverse effect on our business or results of operations.

Our market area is located in the southeastern region of the United States and is susceptible to natural disasters, such as hurricanes, tornadoes, tropical storms, other severe weather events and related flooding and wind damage, and man-made disasters. These natural disasters could negatively impact regional economic conditions, cause a decline in the value or destruction of mortgaged properties and an increase in the risk of delinquencies, foreclosures or loss on loans originated by us, damage our banking facilities and offices and negatively impact our growth strategy. Climate change may be increasing the nature, severity and frequency of adverse weather conditions, making the impact from these types of natural disasters on us or our customers worse. Such weather events can disrupt operations, result in damage to properties and negatively affect the local economies in the markets where they operate. We cannot predict whether or to what extent damage that may be caused by future hurricanes or tornadoes will affect our operations or the economies in our current or future market areas, but such weather events could negatively impact economic conditions in these regions and result in a decline in local loan demand and loan originations, a decline in the value or destruction of properties securing our loans and an increase in delinquencies, foreclosures or loan losses. In addition, insurance coverage for certain losses may be unavailable, insufficient, delayed or more costly, and some losses related to severe weather events may not be fully insured. Repeated or severe weather events could also have longer-term effects on local economic conditions, population trends, property values and insurance affordability in the markets we serve. Our business or results of operations may be adversely affected by these and other negative effects of natural or man-made disasters.

The costs and effects of litigation, investigations or similar matters, or adverse facts and developments related thereto, could materially affect our business, operating results and financial condition.

We may be involved from time to time in a variety of litigation, investigations or similar matters arising out of our business. It is inherently difficult to assess the outcome of these matters, and we may not prevail in any proceedings or litigation. Our insurance may not cover all claims that may be asserted against us and indemnification rights to which we are entitled may not be honored, and any claims asserted against us, regardless of merit or eventual outcome, may harm our reputation. Should the ultimate judgments or settlements in any litigation or investigation significantly exceed our insurance coverage or to the extent that we incur civil money penalties that are not covered by insurance, they could have a material adverse effect on our business, financial condition and results of operations. In addition, premiums for insurance covering the financial and banking sectors are rising. We may not be able to obtain appropriate types or levels of insurance in the future, nor may we be able to obtain adequate replacement policies with acceptable terms or at historic rates, if at all. Finally, in recent years, a number of judicial decisions have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories, collectively termed “lender liability.” Generally, lender liability is founded on the premise that a lender has either violated a duty, whether implied or contractual, of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. We have been and in the future could become subject to claims based on this or other evolving legal theories. Further, banking institutions are also increasingly the target of class action lawsuits, including claims alleging deceptive practices or violations of account terms in connection with non-sufficient funds or overdraft charges and violations of the Fair Labor Standards Act (FLSA). We manage these risks through internal controls, personnel training, insurance, litigation management, our compliance and ethics processes, and other means. However, the commencement, outcome, and magnitude of litigation cannot be predicted or controlled with any certainty.

Risks Related to Legislative and Regulatory Events

We are subject to extensive government regulation that could limit or restrict our activities, which in turn may adversely impact our ability to increase our assets and earnings.

We operate in a highly regulated environment and are subject to supervision and regulation by a number of governmental regulatory agencies, including the Federal Reserve, the Georgia Department of Banking and Finance (“DBF”) and the FDIC. Regulations adopted by these agencies, which are generally intended to provide protection for depositors and customers rather than for the benefit of shareholders, govern a comprehensive range of matters relating to ownership and control of our shares, our acquisition of other companies and businesses, permissible activities for us to engage in, maintenance of adequate capital levels, and other aspects of our operations. These bank regulators possess broad authority to prevent or remedy unsafe or unsound practices or violations of law. Regulatory authorities also have significant discretion in the interpretation, application and enforcement of laws and regulations, and may impose supervisory expectations or informal actions that are not codified in statute or regulation. The laws and regulations applicable to the banking industry could change at any time and we cannot predict the effects of these changes on our business, profitability or growth strategy. Increased regulation could increase our

cost of compliance and adversely affect profitability. Moreover, certain of these regulations contain significant punitive sanctions for violations, including monetary penalties and limitations on a bank's ability to implement components of its business plan, such as expansion through mergers and acquisitions or the opening of new branch offices. In addition, changes in regulatory requirements may add costs associated with compliance efforts. Furthermore, government policy and regulation, particularly as implemented through the Federal Reserve System, significantly affect credit conditions. Negative developments in the financial industry and the impact of new legislation and regulation in response to those developments could negatively impact our business operations and adversely impact our financial performance. Regulatory constraints may also limit our ability to offer new products or services, pursue strategic initiatives or compete effectively with less-regulated or non-bank financial institutions. In addition, the potential erosion of Federal Reserve independence could negatively impact financial markets and impact our profitability. See "Item 1 - Business - Supervision and Regulation" for more information on the extensive regulation and supervision the Company and the Bank are subject to.

Federal and state regulators periodically examine our business, and we may be required to remediate adverse examination findings.

The Federal Reserve, the FDIC, and the DBF periodically examine our business, including our compliance with laws and regulations. If, as a result of an examination, a banking agency were to determine that our financial condition, capital resources, asset quality, earnings prospects, management, liquidity, interest rate sensitivity or other aspects of any of our operations had become unsatisfactory, or that we were in violation of any law or regulation, they may take a number of different remedial actions as they deem appropriate. These actions include the power to enjoin "unsafe or unsound" practices, to require affirmative action to correct any conditions resulting from any violation or practice, to issue an administrative order that can be judicially enforced, to direct an increase in our capital, to restrict our growth, to assess civil money penalties, to fine or remove officers and directors and, if it is concluded that such conditions cannot be corrected or there is an imminent risk of loss to depositors, to terminate our deposit insurance and place us into receivership or conservatorship. Remediation of examination findings may be costly, time-consuming and require significant management attention, and there can be no assurance that such remediation efforts will be completed to the satisfaction of regulators on a timely basis, or at all. Adverse examination findings may also restrict our ability to pay dividends, repurchase shares, pursue mergers or acquisitions, open or close branches, introduce new products or services, or otherwise implement our business strategy. Any regulatory action against us could have an adverse effect on our business, financial condition and results of operations. Additionally, significant transactions, such as the recently-completed transaction with TC Bancshares, Inc., may result in heightened regulatory or supervisory scrutiny, increased examination activity or additional remediation expectations, which could increase compliance costs or limit management flexibility during the integration period.

Changes to monetary policy by the Federal Reserve could adversely impact our results of operations.

The Federal Reserve is responsible for regulating the supply of money in the United States, including through open market operations and other tools used to influence economic activity and price stability, as well as setting monetary policy. Changes in monetary policy, including the pace, timing and magnitude of interest rate increases or decreases, as well as changes in liquidity conditions, may be volatile and difficult to predict. These actions strongly influence our rate of return on certain investments, our hedge effectiveness for mortgage servicing and our mortgage origination pipeline, as well as our cost of funds for lending and investing. Monetary policy actions may also affect asset valuations, deposit pricing and availability, borrower behavior and overall credit conditions, all of which could adversely impact our liquidity, results of operations, financial condition and capital position. In addition, changes in monetary policy may negatively affect the financial condition of our customers by increasing borrowing costs or reducing access to credit, which could result in increased delinquencies, reduced loan demand or lower profitability. We cannot predict the nature or timing of future changes in monetary, economic or other policies or the effect that they may have on our business activities, financial condition or results of operations.

We are subject to federal and state fair lending laws, and failure to comply with these laws could lead to material penalties.

Federal and state fair lending laws and regulations, such as the Equal Credit Opportunity Act and the Fair Housing Act, impose nondiscriminatory lending requirements on financial institutions. The Department of Justice, Consumer Financial Protection Bureau ("CFPB") and other federal and state agencies are responsible for enforcing these laws and regulations. Private parties may also have the ability to challenge an institution's performance under fair lending laws in private class action litigation. A successful challenge to our performance under the fair lending laws and regulations could adversely impact our rating under the Community Reinvestment Act and result in a wide variety of sanctions, including the required payment of damages and civil

money penalties, injunctive relief, imposition of restrictions on merger and acquisition activity and restrictions on expansion activity, which could negatively impact our reputation, business, financial condition and results of operations.

The Federal Reserve may require us to commit capital resources to support the Bank.

The Federal Reserve, which examines us and the Bank, requires a bank holding company to act as a source of financial and managerial strength to a subsidiary bank and to commit resources to support such subsidiary bank. Under the “source of strength” doctrine, the Federal Reserve may require a bank holding company to make capital injections into a troubled subsidiary bank and may charge the bank holding company with engaging in unsafe and unsound practices for failure to commit resources to such a subsidiary bank. In addition, The Bank is subject to capital adequacy guidelines and other regulatory requirements specifying minimum amounts and types of capital which the Bank must maintain. From time to time, the regulators implement changes to these regulatory capital adequacy guidelines. If the Bank fails to meet these minimum capital guidelines and other regulatory requirements, our financial condition would be materially and adversely affected. We may also be required to satisfy additional capital adequacy standards as determined by the Federal Reserve. These requirements, and any other new regulations, could adversely affect our ability to pay dividends, service holding-company obligations, pursue growth initiatives or return capital to shareholders, and could require us to raise additional capital or reallocate resources in ways that may not be favorable to our shareholders, including at times when market conditions are adverse.

We could face a risk of noncompliance and enforcement action with the Bank Secrecy Act and other anti-money laundering statutes and regulations.

The Bank Secrecy Act of 1970, the USA PATRIOT Act and other laws and regulations require financial institutions, among other duties, to institute and maintain effective anti-money laundering programs and file suspicious activity and currency transaction reports as appropriate. FinCEN, established by the U.S. Department of the Treasury to administer the Bank Secrecy Act, is authorized to impose significant civil money penalties for violations of those requirements and engages in coordinated enforcement efforts with the individual federal banking regulators, as well as the U.S. Department of Justice, Drug Enforcement Administration and IRS. There is also increased scrutiny of compliance with the rules enforced by OFAC related to U.S. sanctions regimes. If our policies, procedures and systems are deemed deficient or the policies, procedures and systems of the financial institutions that we have already acquired or may acquire in the future are deficient, we would be subject to liability, including fines and regulatory actions such as restrictions on our ability to pay dividends and the necessity to obtain regulatory approvals to proceed with certain aspects of our business plan, including our acquisition plans, which would negatively impact our business, financial condition and results of operations. Failure to maintain and implement adequate programs to combat money laundering and terrorist financing could also have serious reputational consequences for us.

Our deposit insurance premiums could be substantially higher in the future, which could have a material adverse effect on our future earnings.

The FDIC insures deposits at FDIC-insured depository institutions, such as the Bank, up to applicable limits. The amount of a particular institution’s deposit insurance assessment is based on that institution’s risk classification under an FDIC risk-based assessment system. An institution’s risk classification is assigned based on its capital levels and the level of supervisory concern the institution poses to its regulators. We are generally unable to control the amount of premiums that we are required to pay for FDIC insurance. Any future additional assessments, increases or required prepayments in FDIC insurance premiums could reduce our profitability, place additional pressure on pricing of loans and deposits, limit our ability to pursue certain business opportunities or otherwise negatively impact our operations. The timing and magnitude of any such assessments may be difficult to predict and could adversely affect our earnings in the periods in which they are imposed.

Risks Related to Our Common Stock

An investment in our common stock is not an insured deposit and may lose value.

Securities that we issue, including our common stock are not savings or deposit accounts or other obligations of any bank, insured by the FDIC, any other governmental agency or instrumentality, or any private insurer, and are subject to investment risk, including the possible loss of our shareholders' investments. Investment in our common stock is inherently risky for the reasons described herein, and is subject to the same market forces that affect the price of common stock in any company. As a result, if you acquire our common stock, you could lose some or all of your investment.

Environmental, social and governance ("ESG") and diversity, equity and inclusion ("DEI") risks could adversely affect our reputation and shareholder, employee, client and third-party relationships and may negatively affect our stock price.

Public expectations, investor preferences, regulatory developments and stakeholder views regarding environmental, social and governance-related matters continue to evolve and may be inconsistent or conflicting. Our responses to these matters, including decisions regarding business practices, customer relationships, disclosures or policies, may be perceived negatively by certain stakeholders, regardless of intent. In addition, adverse publicity or stakeholder reactions related to our clients, counterparties or business partners, including through traditional or social media, could harm our reputation and negatively affect our ability to attract and retain customers, employees and investors. Changes in laws, regulations or public policy affecting the consideration of ESG-related factors could also increase compliance costs, restrict certain business activities or adversely affect our growth strategies. Any of these factors could adversely affect our business, reputation and the market price of our common stock.

Our dividend policy may change, and consequently, your only opportunity to achieve a return on your investment may be if the price of our common stock appreciates.

We have historically paid quarterly dividends to our shareholders. However, we have no obligation to pay dividends and we may change our dividend policy at any time without giving notice to our shareholders. Holders of our common stock are only entitled to receive such cash dividends as our board of directors, in its discretion, may declare out of funds legally available for such payments. Furthermore, consistent with our strategic plans, growth initiatives, capital availability and requirements, projected liquidity needs, financial condition, and other factors, we have made, and will continue to make, capital management decisions and policies that could adversely impact the amount of dividends paid to our shareholders.

We are a separate and distinct legal entity from our subsidiary, the Bank. We receive substantially all of our revenue from dividends from the Bank, which we use as the principal source of funds to pay our expenses. Various federal and/or state laws and regulations limit the amount of dividends that the Bank may pay us. Such limits are also tied to the earnings of our subsidiary. In addition, bank regulators have broad discretion to restrict or prohibit dividends based on supervisory concerns, even if the Bank otherwise meets statutory requirements. If the Bank does not receive regulatory approval or if the Bank's earnings are not sufficient to make dividend payments to us while maintaining adequate capital levels, our ability to pay our expenses and our business, financial condition or results of operations could be materially and adversely impacted.

We may need to raise additional capital in the future.

We are required to meet certain regulatory capital requirements and maintain sufficient liquidity. We are generally not restricted from issuing additional shares of our common stock up to the authorized number of shares set forth in our charter. We may need to raise additional capital in the future to provide us with sufficient capital resources and liquidity to meet our commitments and business needs, which could include the possibility of financing acquisitions. Our ability to raise additional capital depends on conditions in the capital markets, economic conditions and a number of other factors, including investor perceptions regarding the banking industry, market conditions and governmental activities, and on our financial condition and performance. We cannot predict the size, timing or terms of future issuances of our common stock or other capital instruments, or the effect that any such issuances may have on the market price of our common stock. Any issuance of additional equity securities could result in dilution to existing shareholders, and the issuance of debt or other capital instruments could increase our leverage and interest expense. Accordingly, we may be unable to raise additional capital if needed, or on terms acceptable to us. If we or the Bank fail to maintain capital at levels required by regulators, or at levels deemed appropriate by supervisory authorities, our financial condition, liquidity and results of operations could be materially and adversely affected, and we could be subject to restrictions on growth, capital distributions or other aspects of our business.

We have the ability to incur debt and pledge our assets, including our stock in the Bank, to secure that debt.

We have the ability to incur debt and pledge our assets to secure that debt. Absent special and unusual circumstances, a holder of indebtedness for borrowed money has rights that are superior to those of holders of common stock. For example, interest must be paid to the lender before dividends can be paid to the shareholders, and loans must be paid off before any assets can be distributed to shareholders if we were to liquidate. Furthermore, we would have to make principal and interest payments on our indebtedness, which could reduce our profitability or result in net losses on a consolidated basis even if the Bank were profitable.

Risks Related to Acquisitions

If we fail to successfully integrate our acquisitions or to realize the anticipated benefits of them, our financial condition and results of operations could be negatively affected.

We intend to continue to regularly evaluate potential acquisitions and expansion opportunities. To the extent we grow through acquisition, we cannot assure you that we will be able to manage this growth adequately or profitably. Acquiring other banks, branches or businesses, as well as other geographic and product expansion activities, involve various risks including: (i) risk of unknown, undisclosed or contingent liabilities that could arise after the closing of an acquisition and for which there is no indemnification obligation or other price protection mechanism associated with the acquisition; (ii) unanticipated costs and delays, including as a result of enhanced regulatory scrutiny; (iii) risks that acquired new businesses do not perform consistently with our growth and profitability expectations; (iv) risks of entering new market or product areas where we have limited experience; (v) risks that growth will strain our infrastructure, staff, internal controls and management, which may require additional personnel, time and expenditures; (vi) exposure to potential asset quality issues with acquired institutions; (vii) difficulties, expenses and delays of integrating the operations and personnel of acquired institutions, and start-up delays and costs of other expansion activities; (viii) inaccurate estimates of value assigned to acquired assets; (ix) potential disruptions to our business; (x) possible loss of key employees and customers of acquired institutions; (xi) potential short-term decrease in profitability; (xii) potential dilution of our current shareholders or a decline in our share price resulting from the issuance in connection with an acquisition of equity securities or securities convertible into equity securities, any of which may be senior to our common stock as to distributions and in liquidation; (xiii) litigation; and (xiv) diversion of our management's time and attention from our existing operations and businesses.

Our future success is largely dependent upon our ability to successfully execute our business strategy.

Our future success, including our ability to achieve our growth and profitability objectives, depends on our management team's ability to effectively execute our long-term business strategy. This strategy requires, among other things, maintaining our reputation; attracting and retaining experienced bankers; maintaining stable, low-cost funding; growing market penetration while preserving leadership in our community markets; improving operating efficiency; implementing new technologies; managing credit, interest rate and liquidity risks; maintaining adequate liquidity and regulatory capital; growing noninterest income; effectively overseeing third-party service providers; attracting quality lending relationships; and controlling expenses.

Failure to achieve these objectives could impair our ability to execute our strategy and adversely affect our business, growth prospects, financial condition and results of operations. In addition, ineffective growth management, technology implementation challenges, cost overruns or service disruptions involving third-party providers could hinder our ability to achieve our strategic objectives. Pursuing multiple strategic initiatives simultaneously, including acquisitions, technology investments or geographic expansion, may place additional strain on management, personnel, systems and controls. Our ability to execute our strategic objectives depends, in part, on the successful integration of TC Bancshares, Inc. The integration process will require significant management attention and resources and may divert focus from other initiatives. We may encounter challenges integrating systems, processes, controls, personnel and cultures, and there can be no assurance that the anticipated benefits or efficiencies of the transaction will be realized on the expected timeline or at all. Failure to successfully integrate the businesses could adversely affect our growth prospects, financial condition and results of operations.

Item 1B

Unresolved Staff Comments

None.

Item 1C

Cybersecurity Risk Management and Strategy

Cybersecurity is an important aspect of Colony's business operations and the execution of our strategic plans, including growth initiatives. We maintain a comprehensive cyber risk management program aimed at identifying, assessing, mitigating, managing, and responding to cybersecurity threats. This program is incorporated into our enterprise risk management framework, covering both our internal information technology systems and customer-facing products and services.

Colony has implemented a formal risk management process to address cyber-related risks, encompassing identification, assessment, monitoring, consultation, communication, and review of cyber-related risks which is designed in accordance with regulatory guidance, industry standards and best practices for cybersecurity and information technology. Annually, our information security standards undergo external audits against applicable System and Organizational Controls (SOC). Our program undergoes periodic evaluations utilizing the National Institute of Standards and Technology, Cybersecurity Framework (NIST CSF) to gauge our cybersecurity readiness, ensure alignment with associated risks, identify potential areas for improvement or enhancement in our risk management practices and controls, and guide our risk management strategies..

Our information security program incorporates a diverse range of technologies aimed at safeguarding our operations and proprietary information. We have an established Business Continuity/Disaster Recovery program that undergoes regular updates and testing to ensure the protection of our networks, data, systems, and facilities against attacks or unauthorized access. Furthermore, we maintain an Incident Response program outlining Colony's protocols, procedures, and roles for addressing cybersecurity incidents. This program undergoes regular testing via tabletop exercises, which often yield valuable insights and lead to subsequent enhancements in our Incident Response protocols.

We believe Colony's employees play a vital role in the Company's cybersecurity defenses. Employees at all levels and in all lines of business and support functions participate in training programs on cybersecurity and social engineering to mitigate risk. Exercises to test the effectiveness of Colony's training program are conducted on a regular basis.

Third-party cyber advisors play an important role in Colony's cybersecurity framework, and we have established partnerships with leading cybersecurity entities and organizations to harness external technology and expertise as needed. We regularly enlist third-parties to conduct periodic reviews and assessments of our information security program, as well as annual penetration tests on our network. Additionally, we maintain cyber coverage through our insurance carrier to mitigate risks associated with cybersecurity incidents, subject to customary terms and exclusions. Additionally, we exercise cybersecurity due diligence and oversight over critical third-party relationships and vendors ensuring that those with access to personal, confidential, or proprietary information adhere to cybersecurity practices consistent with applicable legal standards and industry best practices

Colony remains committed to investing in the development and improvement of our security processes and controls, as well as maintaining our technology infrastructure. These processes include a comprehensive plan for notifying, informing, consulting, analyzing, and communicating any risks or incidents to a range of internal stakeholders, including executive management and the Board, as well as external stakeholders such as regulators, affected individuals, and the investment community, as deemed necessary and appropriate based on the circumstances.

Colony's business relies on the availability, security, reliability, and confidentiality of our information systems, networks, and data. Any disruption or compromise of these systems or data due to a cybersecurity incident or threat could materially impact our business strategy, financial condition, or results of operation. While the Company has encountered, and will continue to encounter, cyber incidents in the normal course of business, to date, the Company has not experienced a cybersecurity incident that has, or is reasonably likely to have, materially impacted our business strategy, financial condition, or results of operation. Despite our ongoing efforts to continually strengthen our cybersecurity program, there can be no assurance that our cybersecurity risk management processes and measures described will be fully implemented, complied with, or effective in safeguarding our systems and information. We face risks from certain cybersecurity threats that, if realized, could reasonably be

expected to materially affect our business strategy, financial condition, or results of operation. See “Part I - Item 1A. Risk Factors – Risks Related to our Business” of this Report.

Cybersecurity Governance

Colony’s Information Security Officer (“ISO”), reports to Colony’s Chief Risk Officer. Our ISO has twelve years of information security experience specific to the financial services industry which includes cybersecurity risk management. The ISO holds relevant certifications and completes annual training. The ISO is responsible for assessing and managing Colony’s cyber risk management program and strategy, informing executive management regarding the prevention, detection, mitigation, and remediation of cybersecurity incidents, and supervising such enterprise-wide efforts.

Our Board is actively engaged in the oversight of Colony’s information security risk management and cybersecurity programs and has delegated primary oversight of cybersecurity to its Technology and Risk Management Committees. The Technology Committee receives quarterly and as needed updates from the Company’s ISO on the Company’s information security and cyber risk strategy, cyber defense initiatives, cyber event preparedness, and cybersecurity risk assessments. As a part of these quarterly updates, the ISO updates the Technology Committee on the development of any new or emerging cyber risks or threats and the appropriate mitigation actions. The Technology Committee routinely provides a report of their activities to the full Board.

Item 2

Properties

The principal properties of the Company consist of the properties of the Bank. The Company's headquarters is located at 115 South Grant Street, Fitzgerald, Georgia 31750. The Bank currently operates thirty-seven locations in Georgia, one in Birmingham, Alabama and five in Florida. The Bank owns all of the banking offices occupied except for eleven which are leased. In addition, the Company owns the corporate operations office located in Fitzgerald, Georgia. We believe that our banking offices are in good condition and are suitable and adequate to our needs.

Item 3

Legal Proceedings

The Company and its subsidiary may from time to time become parties to various legal proceedings arising in the ordinary course of business. As of December 31, 2025, there are no material pending legal proceedings, including any material proceedings known to be contemplated by governmental authorities, to which Colony or its subsidiary is a party or of which any of their assets or properties are subject. However, one or more unfavorable outcomes in any legal action against us could have a material adverse effect in the period in which they are resolved. In addition, regardless of their merits or their ultimate outcomes, such matters may be costly, divert management’s attention and may materially adversely affect our reputation, even if resolved in our favor.

Item 4

Mine Safety Disclosures

Not applicable.

Part II

Item 5

Market for the Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchase of Equity Securities

Market Information and Holders of Record

On November 18, 2024, Colony Bankcorp, Inc. moved to trading on the New York Stock Exchange, remaining under the symbol "CBAN". From April 2, 1998 until November 15, 2024, Colony stock was traded on the NASDAQ Global Market. Prior to April 2, 1998, there was no public market for the common stock of the Company.

The closing price of the Company's common stock on the New York Stock Exchange on March 11, 2026 was \$19.41 per share.

As of March 11, 2026, there were 21,166,315 shares of our common stock outstanding held by 1,175 holders of record.

Dividends

During 2025, the Company paid \$8.0 million in cash dividends on its common stock. During 2024, the Company paid \$7.9 million in cash dividends on its common stock. We have no obligation to pay dividends and we may change our dividend policy at any time without notice to our shareholders. Any future determination to pay dividends to holders of our common stock will depend on our results of operations, financial condition, capital requirements, banking regulations, contractual restrictions and any other factors that our board of directors may deem relevant.

As a Georgia corporation, the Company is subject to certain restrictions on dividends under the Georgia Business Corporation Code. We are also subject to certain restrictions on the payment of cash dividends as a result of banking laws, regulations and policies. See "Item 1 – Business – Supervision and Regulation – Regulation of the Company – Payment of Dividends."

Issuer Purchase of Equity Securities

On October 20, 2022, the Company's Board of Directors authorized a stock buyback program permitting the repurchase of up to \$12 million of the Company's outstanding common stock. The initial program commenced on October 20, 2022 and expired on December 31, 2023. On March 22, 2024, the Board approved an extension of the buyback program through the end of 2024. The program was subsequently extended on December 18, 2024 through the end of 2025, and again on December 22, 2025, through the end of 2026. Repurchases under this program may be made from time to time through open market purchases, privately negotiated transactions or such other manners as will comply with applicable laws and regulations. The timing and actual number of shares repurchased will depend on a variety of factors including price, corporate and regulatory requirements, market conditions and other corporate liquidity requirements and priorities. The buyback program does not obligate the Company to purchase any particular number of shares and there is no guarantee as to the exact number of shares that will be repurchased by the Company. As of December 31, 2025, the Company had repurchased a total of 318,778 shares for a total of \$4,613,000 since the start of the program in 2022, leaving \$7,387,000 available to repurchase. The table below sets forth information regarding repurchases of our common stock during the fourth quarter of 2025.

<i>(dollars in thousands, except per share data)</i>	Total Number of Shares Repurchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
October 1, 2025 to October 31, 2025	20,057	\$ 16.03	20,057	\$ 7,841
November 1, 2025 to November 30, 2025	6,916	16.00	6,916	7,730
December 1, 2025 to December 31, 2025	20,000	17.15	20,000	7,387
Total	46,973	\$ 16.50	46,973	\$ 7,387

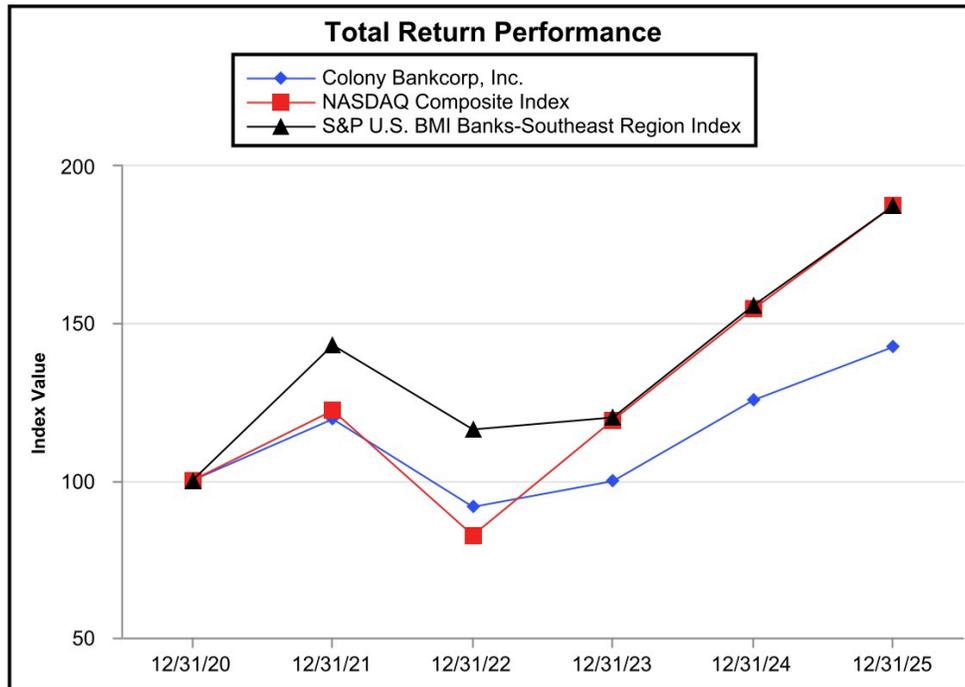
Securities Authorized for Issuance Under Equity Compensation Plans

See the information included under Part III, Item 12, which is incorporated in response to this item by reference, for information with respect to shares of common stock that are authorized for issuance under the Company's equity compensation plans as of December 31, 2025.

Performance Graph

The performance graph below compares the cumulative total shareholder return on the Company's Common Stock with the cumulative total return on the equity securities of companies included in the NASDAQ Composite Index and the S&P U.S. BMI Banks-Southeast Region Index, measured at the last trading day of each year shown. The graph assumes an investment of \$100 on December 31, 2020 through December 31, 2025, and assumes the reinvestment of dividends, if any. The performance graph represents past performance and should not be considered to be an indication of future performance.

Colony Bankcorp, Inc.



Index	Period Ending					
	12/31/20	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25
Colony Bankcorp, Inc.	100.00	119.47	91.35	99.77	125.42	142.49
NASDAQ Composite Index	100.00	122.18	82.43	119.22	154.48	187.14
S&P U.S. BMI Banks - Southeast Region Index	100.00	142.83	116.18	119.85	155.47	187.40

Source: S&P Global Market Intelligence

Item 6

Reserved.

Item 7

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this Annual Report on Form 10-K. This discussion and analysis contains forward-looking statements that involve risk, uncertainties and, assumptions. Certain risks, uncertainties and other factors, including but not limited to those set forth under "Cautionary Note Regarding Forward-Looking Statements," "Risk Factors," and elsewhere in this Annual Report on Form 10-K, may cause actual results to differ materially from those projected in the forward-looking statements. We assume no obligation to update any of these forward-looking statements.

The Company

Colony Bankcorp, Inc. is a bank holding company headquartered in Fitzgerald, Georgia that provides, through its wholly-owned subsidiary Colony Bank (collectively referred to as the Company), a broad array of products and services throughout north, central, south and coastal Georgia markets, Birmingham, Alabama and Santa Rosa Beach, Tallahassee and Jacksonville, Florida. The Company offers commercial and consumer banking services as well as specialized solutions including mortgage, government guaranteed lending, consumer insurance, credit cards, wealth management and merchant services.

Recent Developments

The Company paid dividends to its shareholders throughout 2025 and 2024 on a quarterly basis. In 2025, we had a quarterly dividend of \$0.1150 per share of common stock and in 2024, we had a quarterly dividend of \$0.1125 per share of common stock.

On January 1, 2023, the Company adopted ASC Topic 326 which replaced the incurred loss approach for measuring credit losses with an expected loss model, referred to the current expected credit loss ("CECL") model. CECL applies to financial assets subject to credit losses and measured at amortized cost and certain off-balance-sheet credit exposures, which include, but are not limited to, loans, leases, held-to-maturity securities, loan commitments and financial guarantees. The adoption of this guidance resulted in a decrease of the allowance for credit losses on loans of \$53,000, the creation of an allowance for unfunded commitments of \$1.7 million and a reduction of retained earnings of \$1.2 million, net of the increase in deferred tax assets of \$410,000 as of December 31, 2024.

Effective October 1, 2025, the Company early adopted ASU 2025-08, *Financial Instruments - Credit Losses (Topic 326): Purchased Loans*, which amended the accounting for certain purchased financial assets. Under the new guidance, the Company is allowed to apply the 'gross-up' approach to acquired loans that meet the definition of 'purchased seasoned loans' (PSLs), whereby an allowance for credit losses is recognized at the acquisition date with an offsetting adjustment to the amortized cost basis of the assets. This aligns the accounting for PSLs with the treatment of purchased financial assets with credit deterioration (PCD assets). This change eliminated the immediate recognition of day-one credit loss expense and resulted in an increase to the allowance for credit losses on loans of \$4.6 million and an increase to the allowance for unfunded commitments of \$134,000.

Going forward, the impact of utilizing the CECL approach to calculate the allowance for credit losses will be significantly influenced by the composition, characteristics and quality of our loan portfolio, as well as the prevailing economic conditions and forecasts utilized. Material changes to these and other relevant factors may result in greater volatility to the provision for credit losses, and therefore, greater volatility to our reported earnings. See Notes 1 and 5, included elsewhere in this Form 10-K, for additional information on the allowance for credit losses and the allowance for unfunded commitments.

In June 2023 and August, September and October 2024, the Company entered into a total of five derivative instruments, specifically interest rate swaps, to help manage its interest rate risk position and mitigate exposure to the variability of future cash flows or other forecasted transactions. Three of the interest rate swaps are designated as cash flow hedges of certain variable rate liabilities and two are designated as fair value hedges of certain fixed rate assets. Gains and losses are recorded on the swap transactions as a component of interest expense in the consolidated statements of income. Amounts reported in accumulated OCI related to swaps are reclassified to interest income or expense as interest payments are made on the Bank's fixed rate assets and variable rate liabilities. For additional discussion of the Company's derivative instruments, see "Note 11 - Derivatives".

Reconciliation and Management Explanation of Non-GAAP Financial Measures

Our accounting and reporting policies conform to generally accepted accounting principles (GAAP) in the United States and prevailing practices in the banking industry. However, certain non-GAAP measures are used by management to supplement the evaluation of our performance. These include the fully-taxable equivalent measures: tax-equivalent net interest income, tax-equivalent net interest margin and tax-equivalent net interest spread, which include the effects of taxable-equivalent adjustments using a statutory federal income tax rate of 21% to increase tax-exempt interest income to a tax-equivalent basis for the years ended December 31, 2025 and 2024. Tax-equivalent adjustments are reported to the Average Balances with Average Yields and Rates table under Rate/Volume Analysis in the tables that follow. Management believes that non-GAAP financial measures provide additional useful information that allows investors to evaluate the ongoing performance of the company and provide meaningful comparisons to its peers. Management believes these non-GAAP financial measures also enhance investors' ability to compare period-to-period financial results and allow investors and company management to view our operating results excluding the impact of items that are not reflective of the underlying operating performance.

Tax-equivalent net interest income, net interest margin and net interest spread.

Net interest income on a tax-equivalent basis is a non-GAAP measure that adjusts for the tax-favored status of net interest income from loans and investments. We believe this measure to be the preferred industry measurement of net interest income and it enhances comparability of net interest income arising from taxable and tax-exempt sources. The most directly comparable financial measure calculated in accordance with GAAP is our net interest income. Net interest margin on a tax-equivalent basis is net interest income on a tax-equivalent basis divided by average interest-earning assets on a tax-equivalent basis. The most directly comparable financial measure calculated in accordance with GAAP is our net interest margin. Net interest spread on a tax-equivalent basis is the difference in the average yield on average interest-earning assets on a tax equivalent basis and the average rate paid on average interest-bearing liabilities. The most directly comparable financial measure calculated in accordance with GAAP is our net interest spread.

These non-GAAP financial measures should not be considered alternatives to GAAP-basis financial statements, and other bank holding companies may define or calculate these non-GAAP measures or similar measures differently.

A reconciliation of these performance measures to GAAP performance measures is included in the tables below.

Non-GAAP Performance Measures Reconciliation

	Years Ended December 31,	
	2025	2024
<i>(dollars in thousands, except per share data)</i>		
Operating noninterest income reconciliation		
Noninterest income (GAAP)	\$ 40,280	\$ 39,375
Writedown of bank premises	—	197
Loss on sales of securities	1,039	1,835
Operating noninterest income	<u>\$ 41,319</u>	<u>\$ 41,407</u>
Operating noninterest expense reconciliation		
Noninterest expense (GAAP)	\$ 92,546	\$ 82,834
Severance costs	—	(288)
Acquisition-related expenses	(2,063)	—
Loss related to wire fraud incident	(1,252)	—
Operating noninterest expense	<u>\$ 89,231</u>	<u>\$ 82,546</u>
Operating net income reconciliation		
Net income (GAAP)	\$ 28,253	\$ 23,868
Severance costs	—	288
Acquisition-related expenses	2,063	—
Writedown of bank premises	—	197
Loss related to wire fraud incident	1,252	—
Loss on sales of securities	1,039	1,835
Income tax benefit	(881)	(470)
Operating net income	<u>\$ 31,726</u>	<u>\$ 25,718</u>
Weighted average diluted shares	17,789,688	17,557,743
Adjusted earnings per diluted share	<u>\$ 1.78</u>	<u>\$ 1.46</u>
Operating return on average assets reconciliation		
Return on average assets (GAAP)	0.89 %	0.78 %
Severance costs	—	0.01
Acquisition-related expenses	0.07	—
Writedown of bank premises	—	0.01
Loss related to wire fraud incident	0.04	—
Loss on sales of securities	0.03	0.06
Tax effect of adjustment items	(0.03)	(0.02)
Operating return on average assets	<u>1.00 %</u>	<u>0.84 %</u>
Operating return on average equity reconciliation		
Return on average equity (GAAP)	9.49 %	9.00 %
Severance costs	—	0.11
Acquisition-related expenses	0.69	—
Writedown of bank premises	—	0.07
Loss related to wire fraud incident	0.43	—
Loss on sales of securities	0.35	0.69
Tax effect of adjustment items	(0.30)	(0.18)
Operating return on average equity	<u>10.66 %</u>	<u>9.69 %</u>
Operating return on average tangible equity reconciliation		
Return on average tangible equity	11.65 %	11.22 %
Severance costs	—	0.14
Acquisition-related expenses	0.85	—
Writedown of bank premises	—	0.09
Loss related to wire fraud incident	0.52	—
Loss on sales of securities	0.43	0.86
Tax effect of adjustment items	(0.36)	(0.22)
Operating return on average tangible equity	<u>13.09 %</u>	<u>12.09 %</u>

Tangible book value per common share reconciliation

Book value per common share (GAAP)	\$ 17.69	\$ 15.91
Effect of goodwill and other intangibles	(3.38)	(2.96)
Tangible book value per common share	\$ 14.31	\$ 12.95

Tangible equity to tangible assets reconciliation

Equity to assets (GAAP)	10.06 %	8.96 %
Effect of goodwill and other intangibles	(1.76)	(1.54)
Tangible equity to tangible assets	8.30 %	7.42 %

Operating efficiency ratio calculation

Efficiency ratio (GAAP)	70.01 %	71.75 %
Severance costs	—	(0.25)
Acquisition-related expenses	(1.44)	—
Writedown of bank premises	—	(0.17)
Loss related to wire fraud incident	(0.87)	—
Loss on sales of securities	(0.72)	(1.56)
Operating efficiency ratio	66.98 %	69.77 %

Operating net noninterest expense⁽¹⁾ to average assets calculation

Net noninterest expense to average assets	1.64 %	1.43 %
Severance costs	—	(0.01)
Acquisition-related expenses	(0.07)	—
Writedown of bank premises	— %	(0.01)%
Loss related to wire fraud incident	(0.04)%	— %
Loss on sales of securities	(0.03)%	(0.06)%
Operating net noninterest expense to average assets	1.50 %	1.35 %

Pre-provision net revenue

Net interest income before provision for credit losses	\$ 91,901	\$ 76,076
Noninterest income	40,280	39,375
Total income	132,181	115,451
Noninterest expense	92,546	82,834
Pre-provision net revenue	\$ 39,635	\$ 32,617

Operating pre-provision net revenue

Net interest income before provision for credit losses	\$ 91,901	\$ 76,076
Operating noninterest income	41,319	41,407
Total operating income	133,220	117,483
Operating noninterest expense	89,231	82,546
Operating pre-provision net revenue	\$ 43,989	\$ 34,937

⁽¹⁾ Net noninterest expense is defined as noninterest expense less noninterest income.

Critical Accounting Policies and Estimates

The consolidated financial statements of Colony are prepared in conformity with U.S. generally accepted accounting principles (“GAAP”) and follow general practices within the industry in which it operates. This preparation requires management to make estimates, assumptions and judgments that affect the amounts reported in the consolidated financial statements and accompanying notes. These estimates, assumptions and judgments are based on information available as of the date of the consolidated financial statements; accordingly, as this information changes, actual results could differ from the estimates, assumptions and judgments reflected in the consolidated financial statements. Certain policies inherently have a greater reliance on the use of estimates, assumptions and judgments and, as such, have a greater possibility of producing results that could be materially different than originally reported. Estimates that are particularly susceptible to significant change include the valuation of loan acquisition transactions, as well as the determination of the allowance for credit losses and income taxes and, therefore, are critical accounting policies. In addition to the discussion that follows, the accounting policies related to these estimates are further described in Note 1, “Summary of Significant Accounting Policies,” in the Notes to Consolidated Financial Statements, under Part II, Item 8.

Reserve for Credit Losses

A consequence of lending activities is that we may incur credit losses. The amount of such losses will vary depending upon the risk characteristics of the loan lease portfolio as affected by economic conditions such as rising interest rates and the financial performance of the borrower.

The reserve for credit losses consists of the allowance for credit losses (“ACL”) and the allowance for unfunded commitments. As a result of our January 1, 2023 adoption of ASU No. 2016-13, and its related amendments, our methodology for estimating the reserve for credit losses changed significantly from prior years. The standard replaced the “incurred loss” approach with an “expected loss” approach known as the Current Expected Credit Losses (“CECL”). The CECL approach requires an estimate of the credit losses expected over the life of an exposure (or pool of exposures). It removes the incurred loss approach’s threshold that delayed the recognition of a credit loss until it was “probable” a loss event was “incurred.”

The estimate of expected credit losses under the CECL approach is based on relevant information about past events, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amounts. Historical loss experience is generally the starting point for estimating expected credit losses. We then consider whether the historical loss experience should be adjusted for asset-specific risk characteristics or current conditions at the reporting date that did not exist over the period from which historical experience was used. Finally, we consider forecasts about future economic conditions that are reasonable and supportable. The allowance for unfunded commitments represents the expected credit losses on off-balance sheet commitments such as unfunded commitments to extend credit. This allowance is estimated by loan segment at each balance sheet date under the CECL model using the same methodologies as portfolio loans, taking into consideration the likelihood that funding will occur.

Management’s evaluation of the appropriateness of the reserve for credit losses is often the most critical of accounting estimates for a financial institution. Our determination of the amount of the reserve for credit losses is a critical accounting estimate as it requires significant reliance on the credit risk rating we assign to individual borrowers, the use of estimates and significant judgment as to the amount and timing of expected future cash flows, reliance on historical loss rates on homogenous portfolios, consideration of our quantitative and qualitative evaluation of economic factors, and the reliance on our reasonable and supportable forecasts. The reserve for credit losses attributable to each portfolio segment also includes an amount for inherent risks not reflected in the historical analyses. Relevant factors include, but are not limited to, concentrations of credit risk (geographic, large borrower, and industry), local/regional economic trends and conditions, changes in underwriting standards, changes in collateral values, experience and depth of lending staff, trends in delinquencies, and the volume and terms of loans.

Overview

The following discussion and analysis present the more significant factors affecting the Company’s financial condition as of December 31, 2025 and 2024 and results of operations for each of the two year-periods ended December 31, 2025. This discussion and analysis should be read in conjunction with the Company’s consolidated financial statements, notes thereto and other financial information appearing elsewhere in this report.

Taxable-equivalent adjustments are the result of increasing income from tax-free loans and investments by an amount equal to the taxes that would be paid if the income were fully taxable based on a 21% federal tax rate for 2025 and 2024, thus making tax-exempt yields comparable to taxable asset yields.

Dollar amounts in tables are stated in thousands, except for per share amounts.

Results of Operations

The Company’s results of operations are determined by its ability to effectively manage interest income and expense, to minimize loan and investment losses, to generate noninterest income and to control noninterest expense. Since market forces and economic conditions beyond the control of the Company determine interest rates, the ability to generate net interest income is dependent upon the Company’s ability to obtain an adequate spread between the rate earned on interest-earning assets and the rate paid on interest-bearing liabilities. Thus, the key performance for net interest income is the interest margin or net yield, which is taxable-equivalent net interest income divided by average interest-earning assets. Net income available to common shareholders totaled \$28.3 million, or \$1.59 per diluted shares in 2025, compared to \$23.9 million, or \$1.36 per diluted shares in 2024.

Net Interest Income

Net interest income is the difference between interest income on earning assets, such as loans and securities, and interest expense on liabilities, such as deposits and borrowings, which are used to fund those assets. Net interest income is the Company’s largest component of income, representing 69.5% of total income during 2025 and 65.9% of total income during 2024.

Net interest margin is the taxable-equivalent net interest income as a percentage of average interest-earning assets for the period. The level of interest rates and the volume and mix of interest-earning assets and interest-bearing liabilities impact net interest income and net interest margin.

The Company's loan portfolio is significantly affected by changes in the prime interest rate. The prime interest rate, which is the rate offered on loans to borrowers with strong credit, was 6.75% as of December 31, 2025 and 7.50% as of December 31, 2024. The Federal Reserve Board sets general market rates of interest, including the deposit and loan rates offered by many financial institutions. During 2025, the prime interest rate decreased 0.75%. During 2024, the prime interest rate decreased 1.00%.

The following table presents the changes in taxable-equivalent net interest income and identifies the changes due to differences in the average volume of interest-earning assets and interest-bearing liabilities and the changes due to changes in the average interest rate on those assets and liabilities. The changes in net interest income due to changes in both average volume and average interest rate have been allocated to the average volume change or the average interest rate change in proportion to the absolute amounts of the change in each. The Company's consolidated average balance sheets along with an analysis of taxable-equivalent net interest earnings are presented in the Rate/Volume Analysis.

Rate/Volume Analysis

The rate/volume analysis presented hereafter illustrates the change from year to year for each component of the taxable equivalent net interest income separated into the amount generated through volume changes and the amount generated by changes in the yields/rates.

<i>(dollars in thousands)</i>	Changes from 2024 to 2025		
	Volume	Rate	Total
Interest income			
Loans held for sale	\$ (185)	\$ (21)	\$ (206)
Loans, net of unearned fees	\$ 12,477	\$ 488	\$ 12,965
Investment securities, taxable	(1,385)	—	(1,385)
Investment securities, exempt	(193)	(2)	(195)
Deposits in banks and short-term investments	2,988	(1,397)	1,591
Total interest income	13,702	(932)	12,770
Interest expense			
Interest-bearing demand and savings deposits	5,002	(7,941)	(2,939)
Time deposits	3,349	(3,707)	(358)
FHLB advances	406	1	407
Other borrowings	155	(379)	(224)
Total interest expense	8,912	(12,026)	(3,114)
Net interest income	\$ 4,790	\$ 11,094	\$ 15,884

The Company maintains about 41.60% of its loan portfolio in adjustable rate loans that reprice with prime rate changes, while a little over half of its other loans mature within 5 years. The liabilities to fund assets are primarily in non-maturing core deposits and short-term certificates of deposit that mature within one year. During 2025, Federal Reserve rates decreased 75 basis points. During 2024, Federal Reserve rates decreased 100 basis points. We have seen the net interest margin increase to 3.14% for 2025, compared to 2.72% for 2024 primarily due to lower rates paid on interest bearing liabilities while maintaining increased rates on loans.

Taxable-equivalent net interest income for 2025 increased by \$15.9 million or 20.7%, compared to 2024, primarily due to increases in loan volume and rates along with decreases in deposit rates. The average volume of interest-earning assets during 2025 increased \$127.1 million compared to 2024, primarily related to increases in loans and deposits in banks and short-term investments. The total yield on interest-earning assets increased year over year with increases in loan and deposits in banks and

short-term investments volume, partially offset by decreases in investment securities balances along with increased rates on loans in banks.

The average volume of loans increased \$131.8 million in 2025 compared to 2024, which reflects a combination of organic and acquired loan growth in 2025. The average yield on loans increased by 24 basis points in 2025 compared to 2024, primarily due to the increased loan volume. The average volume of interest-bearing deposits increased \$106.1 million in 2025 compared to 2024. Average savings and interest-bearing demand deposits increased \$65.1 million and average time deposits increased \$41.0 million in 2025 compared to 2024. Increases in average balances attributable to the acquisition of TC Bancshares, Inc. on December 1, 2025, were \$34.7 million in loans, \$20.3 million in interest-bearing demand and savings deposits and \$11.0 million in time deposits.

Accordingly, the ratio of average interest-bearing deposits to total average deposits was 83.01% in 2025 and 81.81% in 2024. For 2025, this deposit mix, combined with a decrease in interest rates, had the effect of decreasing the average cost of total deposits by 27 basis points in 2025 compared to 2024. Other interest-bearing liabilities also decreased by 11 basis points for the same periods.

The Company's net interest spread, which represents the difference between the average rate earned on interest-earning assets and the average rate paid on interest-bearing liabilities, increased to 2.70% in 2025 from 2.23% in 2024 and was also a result of deposit rate decreases as well as increases in loan volume and rates. The net interest spread, as well as the net interest margin, will be impacted by future changes in short-term and long-term interest rate levels, as well as the impact from the competitive environment. A discussion of the effects of changing interest rates on net interest income is set forth in "Market Risk and Interest Rate Sensitivity" included elsewhere in this report.

AVERAGE BALANCE SHEETS

<i>(dollars in thousands)</i>	2025			2024		
	Average Balances	Income/Expense	Yields/Rates	Average Balances	Income/Expense	Yields/Rates
Assets						
Loans held for sale	\$ 30,733	\$ 1,928	6.27 %	\$ 31,884	\$ 2,134	6.69 %
Loans, net of unearned fees ⁽¹⁾	2,001,425	122,735	6.13	1,868,502	109,770	5.87
Investment securities, taxable	668,875	17,885	2.67	720,986	19,270	2.67
Investment securities, tax-exempt ⁽²⁾	93,441	1,963	2.10	99,350	2,158	2.17
Deposits in banks and short-term investments	159,718	6,183	3.87	106,381	4,592	4.32
Total interest-earning assets	2,954,192	150,694	5.10 %	2,827,103	137,924	4.88 %
Total noninterest-earning assets	230,538			221,607		
Total assets	<u>\$ 3,184,730</u>			<u>\$ 3,048,710</u>		
Liabilities and Stockholders' Equity						
Interest-bearing liabilities:						
Savings and interest-bearing demand deposits	\$ 1,529,413	24,354	1.59 %	\$ 1,464,315	27,293	1.86 %
Time deposits	644,075	22,356	3.47	603,080	22,714	3.77
Total interest-bearing deposits	2,173,488	46,710	2.15	2,067,395	50,007	2.42
FHLB advances	185,850	7,618	4.10	176,421	7,211	4.09
Other borrowings	63,522	3,723	5.86	63,190	3,947	6.25
Total other interest-bearing liabilities	249,372	11,341	4.55	239,611	11,158	4.66
Total interest-bearing liabilities	2,422,860	58,051	2.40 %	2,307,006	61,165	2.65 %
Noninterest-bearing demand deposits	444,821			459,822		
Other liabilities	19,485			16,607		
Stockholders' equity	297,564			265,275		
Total liabilities and stockholders' equity	<u>\$ 3,184,730</u>			<u>\$ 3,048,710</u>		
Interest rate spread			2.70 %			2.23 %
Net interest income		<u>\$ 92,643</u>			<u>\$ 76,759</u>	
Net interest margin			3.14 %			2.72 %

- (1) The average balance of loans includes the average balance of nonaccrual loans. Income on such loans is recognized and recorded on the cash basis. Taxable-equivalent adjustments totaling \$330,000 and \$229,000 for the years ended December 31, 2025 and 2024, respectively, are calculated using the statutory federal tax rate and are included in income and fees on loans. Accretion income of \$489,000 and \$47,000 for the years ended December 31, 2025 and 2024 are also included in income and fees on loans.
- (2) Taxable-equivalent adjustments totaling \$412,000 and \$453,000 for the years ended December 31, 2025 and 2024, respectively, are calculated using the statutory federal tax rate and are included in tax-exempt interest on investment securities.

Provision for Credit Losses

Provision for credit losses totaled \$4.5 million in 2025 compared to \$3.1 million in 2024. The amount of provision expense recorded in each period was the amount required such that the total allowance for credit losses reflected the appropriate balance, in the estimation of management, sufficient to cover expected credit losses over the expected life of a loan exposure and unfunded commitments where the likelihood is that funding will occur. The provision for credit losses for the years ended December 31, 2025 and 2024 includes \$4.5 million and \$3.6 million, respectively, in credit losses on loans and \$3,000 in provision for and \$562,000 in release of, respectively, credit losses on unfunded commitments. See the section captioned "Allowance for Credit Losses" elsewhere in this discussion for further analysis of the provision for credit losses. The increase in provision for credit losses for the year ended December 31, 2025 compared to 2024 is primarily related to the change in our loan balances year over year which was impacted by the acquisition of TC Bancshares, Inc. on December 1, 2025, with the addition of \$412.7 million in loan balances. See the sections captioned "Loans" and "Allowance for Credit Losses" elsewhere in this discussion for further analysis of the provision for credit losses. Net charge-offs for the year ended December 31, 2025 were \$5.1 million compared to \$3.0 million for the same period in 2024. As of December 31, 2025, Colony's allowance for credit losses was \$23.0 million, or 0.97% of total loans, compared to \$19.0 million, or 1.03% of total loans, at December 31,

2024. At December 31, 2025 and 2024, nonperforming assets were \$24.7 million and \$11.3 million, or 0.66% and 0.36% of total assets, respectively, with credit quality in the overall loan portfolio remaining strong.

Noninterest Income

The components of noninterest income were as follows:

<i>(dollars in thousands)</i>	2025	2024	\$ Variance	% Variance
Service charges on deposit accounts	\$ 9,695	\$ 9,365	\$ 330	3.52 %
Mortgage fee income	7,535	6,048	1,487	24.59
Gain on sales of SBA loans	5,372	9,242	(3,870)	(41.87)
Loss on sales of securities	(1,039)	(1,835)	796	(43.40)
Interchange fees	8,438	8,299	139	1.67
BOLI income	1,792	1,725	67	3.87
Insurance commissions	2,864	1,789	1,075	60.07
Other	5,623	4,742	881	18.57
Total	\$ 40,280	\$ 39,375	\$ 905	2.30 %

Noninterest income in 2025 increased \$905,000, or 2.30% from 2024. All variances were impacted by the acquisition of TC Bancshares, Inc. on December 1, 2025. Increases were seen in service charges on deposit accounts, mortgage fee income, losses on sales of investment securities, interchange fees, BOLI income, insurance commission and other noninterest income, which included increases in equity investment income and income on wealth advisory and merchant services. These increases were offset by a decrease in gain on sales of SBA loans. The increase in service charges on deposit accounts is primarily a result of increased deposit account fees implemented in June 2025 as well as our ability to continue to grow deposits. The increase in mortgage fee income was a result of higher mortgage production year over year and interchange fees increased as a result of customer use of our card programs and fluctuating purchase habits between periods. Insurance commissions increased \$1.1 million which was driven by increased volume in the Company's insurance division, impacted by the acquisition of the Ellerbee Insurance Agency in the second quarter of 2025. The increase of \$881,000 in other noninterest income was attributable to equity investment market valuation gains of \$300,000 in 2025 compared to \$270,000 in 2024, an increase of \$235,000 in wealth advisory and merchant services along with increases in SBA servicing and other related fee income of \$156,000. Investment securities were sold in 2025 and 2024 for the purpose of restructuring underperforming assets in order to reinvest at higher yields and resulted in losses of \$1.0 million and \$1.8 million, respectively. The decrease of \$3.9 million in gain on sales of SBA loans is due to the sale of only 208 loans in 2025 compared to 451 loans in 2024.

Noninterest Expense

The components of noninterest expense were as follows:

<i>(dollars in thousands)</i>	2025	2024	\$ Variance	% Variance
Salaries and employee benefits	\$ 52,417	\$ 49,767	\$ 2,650	5.32 %
Occupancy and equipment	6,753	6,149	604	9.83
Acquisition related expenses	2,063	—	2,063	100.00
Information technology	10,652	8,978	1,674	18.65
Professional Fees	3,507	2,825	682	24.12
Advertising and public relations	4,279	4,009	270	6.73
Communications	805	865	(60)	(6.91)
Other	12,070	10,241	1,829	17.86
Total	\$ 92,546	\$ 82,834	\$ 9,712	11.72 %

Noninterest expense in 2025 increased by \$9.7 million, or 11.72% from 2024. All variances were impacted by the acquisition of TC Bancshares, Inc. on December 1, 2025. The Company's increases were seen in salaries and employee benefits, occupancy and equipment, acquisition related expenses, information technology, professional fees, advertising and public relations and other noninterest expense. These increases were offset by a decrease in communications expense. The increase in salaries and employee benefits was primarily due to the aforementioned acquisitions of the Ellerbee Insurance Agency and TC

Bancshares, Inc. as well as employee insurance and bonus expense which was partially offset by a decrease in stock award expense and an increase in deferred costs accounted for under ASC 310-20 due to loan growth. The increase in occupancy and equipment expenses can be seen in increases in repair and maintenance expense as well as lease expenses. Acquisition expenses in 2025 were all related to the TC Bancshares, Inc. acquisition and consisted primarily of professional and information technology expenses. The increase in information technology expense is due to increases in software and ATM expense. Professional fees saw increases in accounting and consulting fees, partially offset by decreases in legal fees, excluding acquisition related legal fees. The increase in advertising and public relations is primarily related to increases in subscription services and business development expenses, partially offset by decreases in appraisal fees. The increase in other noninterest expense of \$1.8 million is primarily the result of a nonrecoverable loss of \$1.3 million related to a wire fraud incident recorded in the third quarter of 2025 as well as changes in the valuation of the SBA servicing asset. The decrease in communications expense can be explained by fluctuations in data circuit fees

Sources and Uses of Funds

The following table illustrates, during the years presented, the mix of the Company's funding sources and the assets in which those funds are invested as a percentage of the Company's average total assets for the period indicated. Average assets totaled \$3.18 billion in 2025 compared to \$3.05 billion in 2024.

<i>(dollars in thousands)</i>	2025		2024	
Sources of Funds:				
Noninterest-bearing deposits	\$ 444,821	13.97 %	\$ 459,822	15.08 %
Interest-bearing deposits	2,173,488	68.25	2,067,395	67.81
FHLB advances	185,850	5.84	176,421	5.79
Other borrowings	63,522	1.99	63,190	2.07
Other noninterest-bearing liabilities	19,485	0.61	16,607	0.55
Equity capital	297,564	9.34	265,275	8.70
Total	\$ 3,184,730	100.00 %	\$ 3,048,710	100.00 %
Uses of Funds:				
Loans held for sale and loans	\$ 2,032,158	63.80 %	\$ 1,900,386	62.34 %
Investment securities	762,316	23.94	820,336	26.90
Deposits in banks and short term investments	159,718	5.02	106,381	3.49
Other noninterest-bearing assets	230,538	7.24	221,607	7.27
Total	\$ 3,184,730	100.00 %	\$ 3,048,710	100.00 %

Deposits continue to be the Company's primary source of funding. Over the comparable periods, interest-bearing deposits continues to be the largest component of the Company's mix of deposits. Average interest-bearing deposits totaled 83.0% in 2025 compared to 81.8% of total average deposits in 2024.

The Company primarily invests funds in loans and securities. Loans continue to be the largest component of the Company's mix of invested assets.

Loans

The following table presents the composition of the Company's loan portfolio as of December 31 for the past five years.

<i>(dollars in thousands)</i>	December 31, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
Construction, land & land development	\$ 302,512	\$ 205,046	\$ 247,146	\$ 229,435	\$ 165,446
Other commercial real estate	1,249,720	990,648	974,375	975,447	787,392
Total commercial real estate	1,552,232	1,195,694	1,221,521	1,204,882	952,838
Residential real estate	459,549	344,167	356,234	290,054	212,527
Commercial, financial & agricultural	218,532	213,910	242,756	223,923	154,048
Consumer and other	150,911	89,209	62,959	18,247	18,564
Total loans, net of unearned fees	2,381,224	1,842,980	1,883,470	1,737,106	1,337,977
Allowance for credit losses on loans	(23,014)	(18,980)	(18,371)	(16,128)	(12,910)
Loans, net	<u>\$ 2,358,210</u>	<u>\$ 1,824,000</u>	<u>\$ 1,865,099</u>	<u>\$ 1,720,978</u>	<u>\$ 1,325,067</u>

Maturity and Repricing Opportunity

The following table presents total loans as of December 31, 2025 according to maturity distribution and/or repricing opportunity on adjustable rate loans.

<i>(dollars in thousands)</i>	One year or less	After one year through five years	After five years through fifteen years	After fifteen years	Total
Construction, land & land development	\$ 229,167	\$ 44,757	\$ 20,789	\$ 7,799	\$ 302,512
Other commercial real estate	371,337	591,902	282,128	4,353	1,249,720
Total commercial real estate	600,504	636,659	302,917	12,152	1,552,232
Residential real estate	125,983	189,244	97,646	46,676	459,549
Commercial, financial & agricultural	120,327	62,935	35,138	132	218,532
Consumer and other	9,234	45,127	46,851	49,699	150,911
Total loans, net of unearned fees	856,048	933,965	482,552	108,659	2,381,224

Overview. Loans totaled \$2.4 billion at December 31, 2025, an increase of 29.2% from \$1.8 billion at December 31, 2024, which was attributable to a combination of organic growth and the TC Bancshares, Inc. acquisition. The majority of the Company's loan portfolio is comprised of real estate loans. Commercial and residential real estate loans which is primarily for 1-4 family residential properties, nonfarm nonresidential properties and real estate construction loans made up 84.5% and 83.6% of total loans at December 31, 2025 and December 31, 2024, respectively. Commercial, financial and agriculture loans represents 9.2% of total loans at December 31, 2025 and 11.6% at December 31, 2024. Consumer and other loans increased to 6.3% of total loans at December 31, 2025 from 4.8% at December 31, 2024. All categories of loans reflect increases as a result of the acquisition of TC Bancshares, Inc. in December 2025.

Loan origination/risk management. In accordance with the Company's decentralized banking model, loan decisions are made at the local bank level. The Company utilizes both an Executive Loan Committee and a Director Loan Committee to assist lenders with the decision making and underwriting process of larger loan requests. Due to the diverse economic markets served by the Company, evaluation and underwriting criterion may vary slightly by market. Overall, loans are extended after a review of the borrower's repayment ability, collateral adequacy, and overall credit worthiness.

Commercial purpose, commercial real estate, and agricultural loans are underwritten similarly to how other loans are underwritten throughout the Company. The properties securing the Company's commercial real estate portfolio are diverse in terms of type and geographic location. In addition, the Company restricts any single loan to a \$20 million transaction amount, unless approved by the Director Loan Committee ("DLC"). This diversity helps reduce the Company's exposure to adverse economic events that affect any single market or industry. Management monitors and evaluates commercial real estate loans monthly based on collateral, geography, and risk grade criteria. The Company also utilizes information provided by third-party agencies to provide additional insight and guidance about economic conditions and trends affecting the markets it serves.

The Company extends loans to builders and developers that are secured by non-owner occupied properties. In such cases, the Company reviews the overall economic conditions and trends for each market to determine the desirability of loans to be extended for residential construction and development. Sources of repayment for these types of loans may be pre-committed permanent loans from approved long-term lenders, sales of developed property or an interim mini-perm loan commitment from the Company until permanent financing is obtained. In some cases, loans are extended for residential loan construction for speculative purposes and are based on the perceived present and future demand for housing in a particular market served by the Company. These loans are monitored by on-site inspections and are considered to have higher risks than other real estate loans due to their ultimate repayment being sensitive to interest rate changes, general economic conditions and trends, the demand for the properties, and the availability of long-term financing.

The Company originates consumer loans at the bank level. Due to the diverse economic markets served by the Company, underwriting criterion may vary slightly by market. The Company is committed to serving the borrowing needs of all markets served and, in some cases, adjusts certain evaluation methods to meet the overall credit demographics of each market. Consumer loans represent relatively small loan amounts that are spread across many individual borrowers to help minimize risk. Additionally, consumer trends and outlook reports are reviewed by management on a regular basis.

The Company utilizes an independent third-party company for loan review and validation of the credit risk program on an ongoing quarterly basis. Results of these reviews are presented to management and the audit committee. The loan review process complements and reinforces the risk identification and assessment decisions made by lenders and credit personnel, as well as the Company's policies and procedures.

For additional discussion of our loan portfolio and deposit accounts, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Loans" and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Deposits."

Commercial, financial & agricultural. Commercial, financial and agricultural loans at December 31, 2025 increased by \$4.6 million, or 2.2% to \$218.5 million from December 31, 2024 at \$213.9 million. This increase was related to the acquisition of TC Bancshares, Inc. mentioned above partially offset by loan payoffs during the year. The Company's commercial, financial and agricultural loans are a diverse group of loans to small, medium and large businesses. The purpose of these loans varies from supporting seasonal working capital needs to term financing of equipment. These agricultural lines typically reduce in size at year end as crops are sold. While some short-term loans may be made on an unsecured basis, most are secured by the assets being financed with collateral margins that are consistent with the Company's loan policy guidelines.

Construction, land & land development. Construction, land and land development loans increased by \$97.5 million, or 47.5%, at December 31, 2025 to \$302.5 million from \$205.0 million at December 31, 2024. This increase was primarily attributable to the acquisition of TC Bancshares, Inc. and the continued growth of the business in 2025.

Other commercial real estate. Other commercial real estate loans increased by \$259.1 million, or 26.2%, at December 31, 2025 to \$1,249.7 million from \$990.6 million at December 31, 2024. This increase was primarily attributable to the acquisition of TC Bancshares, Inc. as well as growth of the business in 2025 despite the impact of the current lending and rate environment. At December 31, 2025, the Company's other commercial real estate loans were comprised of 61.6% of non-owner occupied loans and 38.4% of owner occupied loans.

The Company's non-owner occupied portfolio is well diversified as can be seen in the table below as of December 31, 2025 and 2024.

<i>(dollars in thousands)</i>	December 31, 2025	December 31, 2024
Multifamily	\$ 105,899	\$ 70,437
Hotel/Motel	100,915	51,887
Retail	183,134	154,418
Office	137,992	76,391
Industrial & Warehouse	73,916	70,669
Other Specialty	158,874	142,707
Government guaranteed SBSL	9,553	15,155
Total	\$ 770,283	\$ 581,664

Residential Real Estate Loans. Residential real estate loans increased by \$115.4 million or 33.5%, at December 31, 2025 to \$459.5 million from \$344.2 million at December 31, 2024. This increase was primarily attributable to the acquisition of TC

Bancshares, Inc. and the continued growth of the business in 2025. Residential real estate loans consist of revolving, open-end and closed-end loans as well as those secured by closed-end first and junior liens.

Consumer and other. Consumer and other loans include loans to individuals for personal and household purposes, including secured and unsecured installment loans and revolving lines of credit. Consumer and other loans at December 31, 2025 increased \$61.7 million or 69.2% to \$150.9 million from \$89.2 million at December 31, 2024. This increase was primarily attributable to the acquisition of TC Bancshares, Inc. as well as increases in the Company's marine and RV lending division and increases in Upstart loans, consumer loans to individuals with no or limited credit history.

Industry concentrations. As of December 31, 2025 and 2024, the Company had one industry, identified as Lessors of Non-Residential real estate, where the concentrations of loans was in excess of 10% of total loans, as segregated by Standard Industrial Classification code ("SIC code"). The SIC code is a federally designed standard industrial numbering system used by the Company to categorize loans by the borrower's type of business. The Company has established industry-specific guidelines with respect to maximum loans permitted for each industry with which the Company does business.

Collateral concentrations. Concentrations of credit risk can exist in relation to individual borrowers or groups of borrowers, certain types of collateral, certain types of industries, or certain geographic regions. The Company has a concentration in real estate loans as well as a geographic concentration that could pose an adverse credit risk. At December 31, 2025, approximately 84.5% of the Company's loan portfolio was concentrated in loans secured by real estate. A substantial portion of borrowers' ability to honor their contractual obligations is dependent upon the viability of the real estate economic sector. In addition, a large portion of the Company's foreclosed assets are also located in these same geographic markets, making the recovery of the carrying amount of foreclosed assets susceptible to changes in market conditions. Management continues to monitor these concentrations and has considered these concentrations in its allowance for credit loss analysis. In recent years, we have seen real estate values stabilizing in our markets.

Large credit relationships. The Company currently operates locations in north, central, south and coastal Georgia as well as Birmingham, Alabama and Jacksonville, Santa Rosa Beach and Tallahassee, Florida. As a result, the Company originates and maintains large credit relationships with several commercial customers in the ordinary course of business. The required approval of loans (new or renewal) is based on the total credit exposure of a borrower, the type of loan, combined with whether or not there are any material policy exceptions on the loan. For non-owner occupied commercial real estate loans, the DLC approves loans \$18 million or greater with material exceptions and loans \$26 million or greater without exceptions. For other loans that are not commercial real estate, the DLC approves loans \$21 million or greater with material exceptions and loans \$30 million or greater with no exceptions. At December 31, 2025, our largest 20 relationships consisted of loans and loan commitments, where the total committed balance was \$359.9 million with \$312.0 million outstanding. At December 31, 2024, our largest 20 relationships had total committed balance of \$304.5 million with \$286.1 million outstanding.

Maturities and sensitivities of loans to changes in interest rates. The following table presents the maturity distribution of the Company's loans at December 31, 2025. The table also presents the portion of loans that have fixed interest rates or variable interest rates that fluctuate over the life of the loans in accordance with changes in an interest rate index such as the prime rate.

<i>(dollars in thousands)</i>	Due in One Year or Less	After One Year, but within Five Years	After Five Years, but within Fifteen Years	After Fifteen Years	Total
Loans with fixed interest rates:					
Construction, land & land development	\$ 5,568	\$ 35,861	\$ 13,048	\$ 7,799	\$ 62,276
Other commercial real estate	116,108	520,922	278,564	4,353	919,947
Total commercial real estate	121,676	556,783	291,612	12,152	982,223
Residential real estate	20,121	60,446	24,505	46,665	151,737
Commercial, financial & agricultural	11,551	60,073	35,138	132	106,894
Consumer and other	8,160	45,119	46,851	49,699	149,829
Total loans with fixed interest rates, net of unearned fees	161,508	722,421	398,106	108,648	1,390,683
Loans with floating interest rates:					
Construction, land & land development	223,599	8,896	7,741	—	240,236
Other commercial real estate	255,229	70,980	3,564	—	329,773
Total commercial real estate	478,828	79,876	11,305	—	570,009
Residential real estate	105,862	128,798	73,141	11	307,812
Commercial, financial & agricultural	108,776	2,862	—	—	111,638
Consumer and other	1,074	8	—	—	1,082
Total loans with floating interest rates, net of unearned fees	694,540	211,544	84,446	11	990,541
Total loans, net of unearned fees	\$ 856,048	\$ 933,965	\$ 482,552	\$ 108,659	\$ 2,381,224

The Company may renew loans at maturity when requested by a customer whose financial strength appears to support such renewal or when such renewal appears to be in the Company's best interest. In such instances, the Company generally requires payment of accrued interest and may adjust the rate of interest, require a principal reduction or modify other terms of the loan at the time of renewal.

Nonperforming Assets and Potential Problem Loans

Asset quality experienced a slight decrease during the year ended December 31, 2025. Nonperforming assets include nonaccrual loans, accruing loans contractually past due 90 days or more, repossessed personal property and other real estate owned ("OREO"). Nonaccrual loans totaled \$23.4 million at December 31, 2025, an increase of \$12.7 million, or 119.3%, from \$10.7 million at December 31, 2024. There were eight loans contractually past due 90 days or more and still accruing totaling \$95,000 at December 31, 2025 and six loans totaling \$152,000 at December 31, 2024. At December 31, 2025, OREO totaled \$1.0 million, an increase of \$846,000, or 418.8%, compared with \$202,000 at December 31, 2024. The change in OREO is primarily the result of four properties added to other real estate totaling \$1.15 million offset by \$310,000 from the sale of two OREO properties. At the end of the year ended December 31, 2025, total nonperforming assets as a percentage of total assets increased to 0.66% compared with 0.36% at December 31, 2024. The increase in nonperforming assets was primarily the result of increases in construction, land & land development, commercial real estate and residential real estate loans as well as the addition of \$5.7 million of loans acquired in the acquisition of TC Bancshares, Inc., partially offset by repayments, payoffs and charged off loans.

Year-end nonperforming assets and accruing past due loans were as follows:

<i>(dollars in thousands)</i>	2025	2024	2023
Loans accounted for on nonaccrual	\$ 23,380	\$ 10,660	\$ 9,839
Loans accruing past due 90 days or more	95	152	370
Other real estate foreclosed	1,048	202	448
Reposessed assets	190	328	—
Total nonperforming assets	\$ 24,713	\$ 11,342	\$ 10,657
Nonperforming loans by segment			
Construction, land & land development	\$ 1,132	\$ —	\$ 85
Other commercial real estate	9,663	4,833	4,219
Residential real estate	4,501	1,204	3,911
Commercial, financial & agricultural	7,883	4,559	1,956
Consumer and other	296	216	38
Total nonperforming loans	\$ 23,475	\$ 10,812	\$ 10,209
Nonperforming assets as a percentage of:			
Total loans, other real estate and foreclosed assets	1.04 %	0.62 %	0.57 %
Total assets	0.66 %	0.36 %	0.35 %
Nonperforming loans as a percentage of:			
Total loans	0.99 %	0.59 %	0.55 %
Supplemental data:			
Accruing past due loans:			
30-89 days past due	\$ 9,850	\$ 8,361	\$ 6,069
90 or more days past due	95	152	370
Total accruing past due loans	\$ 9,945	\$ 8,513	\$ 6,439
Allowance for credit losses	\$ 23,014	\$ 18,980	\$ 18,371
Allowance for credit losses as a percentage of:			
Total loans	0.97 %	1.03 %	0.98 %
Nonperforming loans	98.04	175.55	179.95

Nonperforming assets include nonaccrual loans, loans past due 90 days or more, foreclosed real estate and reposessed assets. Nonperforming assets at December 31, 2025 increased 117.9% from December 31, 2024, as a result of the increase in nonaccrual loans and other real estate, offset by decreases in loans accruing past due 90 days or more and reposessed assets.

Generally, loans are placed on nonaccrual status if principal or interest payments become 90 days past due and/or management deems the collectability of the principal and/or interest to be in question, as well as when required by regulatory requirements. Loans to a customer whose financial condition has deteriorated are considered for nonaccrual status whether or not the loan is 90 days or more past due. For consumer loans, collectability and loss are generally determined before the loan reaches 90 days past due. Accordingly, losses on consumer loans are recorded at the time they are determined. Consumer loans that are 90 days or more past due are generally either in liquidation/payment status or bankruptcy awaiting confirmation of a plan. Once interest accruals are discontinued, accrued but uncollected interest is charged to current year operations. Subsequent receipts on nonaccrual loans are recorded as a reduction of principal, and interest income is recorded only after principal recovery is reasonably assured. Classification of a loan as nonaccrual does not preclude the ultimate collection of loan principal or interest.

The Company had five loans modified due to financial difficulty during the year ended December 31, 2025. See Note 4. Loans, for additional details on loan modifications.

Foreclosed assets represent property acquired as the result of borrower defaults on loans. Foreclosed assets are recorded at estimated fair value, less estimated selling costs, at the time of foreclosure. Write-downs occurring at foreclosure are charged against the allowance for credit losses. On an ongoing basis, properties are appraised as required by market indications and applicable regulations. Write-downs are provided for subsequent declines in value and are included in other non-interest expense along with other expenses related to maintaining the properties.

Allowance for Credit Losses

The allowance for credit losses for loans is a reserve established through charges to earnings in the form of a provision for credit losses. The provision for credit losses is based on management's evaluation of the size and composition of the loan portfolio, the level of non-performing and past due loans, historical trends of charged-off loans and recoveries, prevailing economic conditions and other factors management deems appropriate. The Company's management has established an allowance for credit losses for loans which it believes is adequate to cover expected credit losses over the expected life of a loan exposure and unfunded commitments where the likelihood is that funding will occur. Based on a credit evaluation of the loan portfolio, management presents a quarterly review of the allowance for credit losses for loans and allowance for credit losses on unfunded commitments to the Company's Board of Directors, which primarily focuses on risk by evaluating individual loans in certain risk categories. These categories have also been established by management and take the form of loan grades. By grading the loan portfolio in this manner, the Company's management is able to effectively evaluate the portfolio by risk, which management believes is the most effective way to analyze the loan portfolio and thus analyze the adequacy of the allowance for credit losses on loans.

The allowance for credit losses on loans is established by examining (1) the large classified loans, nonaccrual loans and loans considered impaired and evaluating them individually to determine the specific reserve allocation and (2) the remainder of the loan portfolio to allocate a portion of the allowance based on past loss experience and reasonable and supportable forecasts of economic conditions for the particular loan category. The Company also considers other factors such as changes in lending policies and procedures; changes in national, regional and/or local economic and business conditions; changes in the nature and volume of the loan portfolio; changes in the experience, ability and depth of either the market president or lending staff; changes in the volume and severity of past due and classified loans; changes in the quality of the loan review system; and other factors management deems appropriate.

The allowance for credit losses on 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 and an estimate of expected credit losses on commitments expected to be funded over its estimated life. The ACL is calculated using the same aggregate reserve rates calculated for the funded portion of loans at the portfolio level applied to the amount of commitments expected to fund.

Management evaluates the adequacy of the allowance for credit losses for each of these components on a quarterly basis. Peer comparisons, industry comparisons, and regulatory guidelines are also used in the determination of the valuation allowance. Loans identified as losses by management, internal loan review, and/or bank examiners are charged off. Additional information about the Company's allowance for credit losses is provided in the Notes to the Consolidated Financial Statements for Allowance for Credit Losses.

The following table sets forth the breakdown of the allowance for credit losses on loans by loan category for the periods indicated. The allocation of the allowance to each category is subjective and is not necessarily indicative of future losses and does not restrict the use of the allowance to absorb losses in any other category.

<i>(dollars in thousands)</i>	December 31, 2025		December 31, 2024		December 31, 2023		December 31, 2022		December 31, 2021	
	Reserve	% ⁽¹⁾								
Construction, land & land development	\$ 2,474	12.7 %	\$ 1,306	11.1 %	\$ 2,204	13.1 %	\$ 1,959	13.2 %	\$1,127	12.4 %
Other commercial real estate	7,715	52.5	6,459	53.8	7,064	51.7	8,886	56.1	7,691	58.8
Residential real estate	5,488	19.3	5,502	18.7	5,105	18.9	2,354	16.7	1,805	15.9
Commercial, financial & agricultural	3,894	9.2	2,904	11.6	2,110	12.9	2,709	12.9	1,083	11.5
Consumer and other	3,443	6.3	2,809	4.8	1,888	3.4	220	1.1	1,204	1.4
	<u>\$ 23,014</u>	<u>100.0 %</u>	<u>\$ 18,980</u>	<u>100.0 %</u>	<u>\$ 18,371</u>	<u>100.0 %</u>	<u>\$ 16,128</u>	<u>100.0 %</u>	<u>\$ 12,910</u>	<u>100.0 %</u>

Percentage represents the loan balance in each category expressed as a percentage of total end of period loans.

The following table presents an analysis of the Company's allowance for credit losses on loans for the periods indicated.

<i>(dollars in thousands)</i>	2025	2024	2023	2022	2021
Allowance for credit losses on loans at beginning of year	\$ 18,980	\$ 18,371	\$ 16,128	\$ 12,910	\$ 12,127
Adoption of ASU 2016-13	—	—	(53)	—	—
Adoption of ASU 2025-08	4,619	—	—	—	—
Charge-offs					
Construction, land & land development	—	—	—	—	—
Other commercial real estate	509	20	69	58	568
Residential real estate	183	427	771	48	3
Commercial, financial & agricultural	3,389	2,467	1,069	314	274
Consumer and other	1,618	604	35	60	68
Total charge-offs	<u>5,699</u>	<u>3,518</u>	<u>1,944</u>	<u>480</u>	<u>913</u>
Recoveries					
Construction, land & land development	1	16	10	25	466
Other commercial real estate	266	57	42	85	118
Residential real estate	195	256	79	50	274
Commercial, financial & agricultural	120	161	201	139	91
Consumer and other	35	25	22	29	47
Total recoveries	<u>617</u>	<u>515</u>	<u>354</u>	<u>328</u>	<u>996</u>
Net charge-offs/(recoveries)	<u>5,082</u>	<u>3,003</u>	<u>1,590</u>	<u>152</u>	<u>(83)</u>
Provision for credit losses on loans	4,497	3,612	3,886	3,370	700
Allowance for credit losses on loans at end of year	<u>\$ 23,014</u>	<u>\$ 18,980</u>	<u>\$ 18,371</u>	<u>\$ 16,128</u>	<u>\$ 12,910</u>
Ratio of net charge-offs/(recoveries) to average loans	<u>0.25 %</u>	<u>0.16 %</u>	<u>0.09 %</u>	<u>0.01 %</u>	<u>(0.01)%</u>

The allowance for credit losses on loans increased from \$19.0 million or 1.03% of total loans at December 31, 2024 to \$23.0 million, or 0.97% of total loans at December 31, 2025. The provision for credit losses on loans reflects loan quality trends, including the level of net charge-offs or recoveries, among other factors. Although net charge-offs were slightly higher which impacted the provision for credit losses, the primary reason for the year over year increase was due to the adoption of ASU 2025-08 which resulted in an addition of \$4.6 million to the allowance in 2025.

The amount of provision expense recorded in 2025 and 2024 was the amount required such that the total allowance for credit losses reflected the appropriate balance, in the estimation of management, that was sufficient to cover expected credit losses on loans over the expected life of a loan exposure and unfunded commitments where the likelihood is that funding will occur.

Investment Portfolio

The following table presents carrying values of investment securities available-for-sale held by the Company as of December 31, 2025, 2024 and 2023.

<i>(dollars in thousands)</i>	2025		2024		2023	
U.S. treasury securities	\$	5,582	\$	3,173	\$	498
U.S. agency securities		3,196		2,755		4,139
Asset backed securities		14,483		17,824		24,630
State, county and municipal securities		107,230		95,637		109,036
Corporate debt securities		48,807		47,782		47,390
Mortgage-backed securities		204,519		198,878		221,689
Total debt securities	\$	383,817	\$	366,049	\$	407,382

The following table presents investment securities held-to-maturity, carried at cost by the Company as of December 31, 2025, 2024 and 2023.

<i>(dollars in thousands)</i>	2025		2024		2023	
U.S. treasury securities	\$	65,408	\$	91,004	\$	93,306
U.S. agency securities		8,991		16,151		16,282
State, county and municipal securities		137,591		137,190		136,685
Mortgage-backed securities		174,628		185,732		202,758
Total debt securities	\$	386,618	\$	430,077	\$	449,031

The following table represents expected maturities and weighted-average yields of investment securities held by the Company as of December 31, 2025 (mortgage-backed securities are based on the average life at the projected speed, while State and Political Subdivisions reflect anticipated calls being exercised).

Available-for-Sale <i>(dollars in thousands)</i>	Within 1 Year		After 1 Year But Within 5 Years		After 5 Years But Within 10 Years		After 10 Years	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
U.S. treasury securities	\$ 773	3.97 %	\$ 4,809	3.62 %	\$ —	— %	\$ —	— %
U.S. agency securities	—	—	197	5.07	2,999	3.28	—	—
Asset backed securities	—	—	—	—	2,077	4.72	12,406	4.57
State, county and municipal securities	—	—	26,246	2.30	43,106	2.25	37,878	1.47
Corporate debt securities	7,968	4.97	4,227	6.75	36,612	4.84	—	—
Mortgage-backed securities	1,410	6.33	23,976	4.00	36,451	4.97	142,682	3.01
Total debt securities	\$ 10,151	5.08 %	\$ 59,455	3.42 %	\$ 121,245	3.92 %	\$ 192,966	2.81 %

Held-to-Maturity (dollars in thousands)	Within 1 Year		After 1 Year But Within 5 Years		After 5 Years But Within 10 Years		After 10 Years	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
U.S. treasury securities	\$ 11,928	1.31 %	\$ 53,480	1.02 %	\$ —	— %	\$ —	— %
U.S. agency securities	—	—	5,757	1.37	3,234	1.65	—	—
State, county and municipal securities	—	—	5,523	1.51	70,509	1.95	61,559	1.77
Mortgage-backed securities	5,800	2.05 %	26,205	1.47	27,340	1.60	115,283	1.83
Total debt securities	\$ 17,728	1.55 %	\$ 90,965	1.20 %	\$ 101,083	1.85 %	\$ 176,842	1.81 %

Securities are classified as held-to-maturity and carried at amortized cost when management has the positive intent and ability to hold them to maturity. Securities are classified as available-for-sale when they might be sold before maturity. Securities available-for-sale are carried at fair value, with unrealized holding gains and losses reported in other comprehensive income. The Company had both held-to-maturity and available-for-sale securities in the investment portfolio at December 31, 2025. Management also evaluates its securities portfolio for any credit-related losses on a quarterly basis. The Company did not identify any credit-related losses in its held-to-maturity or available-for-sale portfolios at December 31, 2025.

At December 31, 2025, there were no holdings of any one issuer, other than the U.S. government and its agencies, in an amount greater than 10% of the Company's stockholders' equity.

The average yield of the securities portfolio was 2.60% in 2025 and 2.61% in 2024. The slight decrease in the average yield from 2024 to 2025 was primarily attributed to the decrease in average balances of investment securities related to paydowns and the sales of investments securities during both periods.

Deposits

The following table presents the average amount outstanding and the average rate paid on deposits by the Company for the years 2025, 2024, and 2023.

(dollars in thousands)	2025		2024		2023	
	Average Amount	Average Rate	Average Amount	Average Rate	Average Amount	Average Rate
Noninterest-bearing demand deposits	\$ 444,821	—	\$ 459,822	—	\$ 519,225	—
Interest-bearing demand and savings deposits	1,529,413	1.59 %	1,464,315	1.86 %	1,390,247	1.14 %
Time deposits	644,075	3.47 %	603,080	3.77 %	619,083	3.17 %
Total deposits	\$ 2,618,309	1.78 %	\$ 2,527,217	1.98 %	\$ 2,528,555	1.40 %

The following table presents the maturities of the Company's time deposits as of December 31, 2025.

(dollars in thousands)	Time Deposits \$250,000 or Greater	Time Deposits Less than \$250,000	Total
Months to Maturity			
3 months or less	\$ 73,789	\$ 211,920	\$ 285,709
Over 3 months through 6 months	92,372	166,796	259,168
Over 6 months through 12 months	57,002	141,904	198,906
Over 12 months	16,012	60,850	76,862
	\$ 239,175	\$ 581,470	\$ 820,645

Average deposits increased \$91.1 million in 2025 compared to 2024. The increase in 2025 included increases of \$41.0 million, or 6.8% in time deposits and an increase in interest-bearing demand and savings deposits of \$65.1 million, or 4.4%, partially offset by a decrease of \$15.0 million, or 3.3% in noninterest-bearing deposits. The increase in our overall deposits is due primarily to the acquisition of TC Bancshares, Inc. The Company continues to focus on the importance of customer relationships and our ability to attract noninterest-bearing demand and interest-bearing demand and savings deposits despite the challenging interest rate environment.

As of December 31, 2025 and 2024, \$980.0 million and \$857.6 million, respectively, of our deposit portfolio was uninsured. The uninsured amounts are estimated based on the methodologies and assumptions used for the Bank's regulatory reporting requirements. The adjusted uninsured deposit estimate (which excludes deposits collateralized by public funds and internal accounts) was \$576.5 million as of December 31, 2025 compared to \$457.3 million as of December 31, 2024. Adjusted uninsured deposits represents a small percentage of our overall deposits, which increases the stability of our deposit base and lowers our overall funding risk.

The Company supplements deposit sources with brokered deposits. As of December 31, 2025, the Company had \$131.9 million, or 4.30% of total deposits, in brokered certificates of deposit attracted by external third parties. Additional information is provided in the Notes to Consolidated Financial Statements for Deposits.

Off-Balance-Sheet Arrangements and Contractual Obligations

In the ordinary course of business, our Bank has granted commitments to extend credit to approved customers. Generally, these commitments to extend credit have been granted on a temporary basis for seasonal or inventory requirements or for construction period financing and have been approved within the Bank's credit guidelines. Our Bank has also granted commitments to approved customers for financial standby letters of credit. These commitments are recorded in the financial statements when funds are disbursed or the financial instruments become payable. The Bank uses the same credit policies for these off-balance-sheet commitments as it does for financial instruments that are recorded in the consolidated financial statements. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitment amounts expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements.

The following table summarizes commitments and contractual obligations outstanding at December 31, 2025.

(dollars in thousands)

	Payments Due by Period				
	Total	Less Than 1 Year	1 – 3 Years	3 – 5 Years	More Than 5 Years
Contractual Obligations:					
Borrowings	\$ 258,104	\$ 84,972	\$ 80,000	\$ 30,000	\$ 63,132
Operating lease liabilities	13,775	1,387	2,386	1,981	8,021
Time Deposits	820,645	743,783	67,231	9,083	548
	<u>\$ 1,092,524</u>	<u>\$ 830,142</u>	<u>\$ 149,617</u>	<u>\$ 41,064</u>	<u>\$ 71,701</u>
Other Commitments:					
Loan commitments	\$ 422,592	\$ 221,698	\$ 86,368	\$ 34,939	\$ 79,587
Standby letters of credit	5,382	4,214	1,168	—	—
	<u>427,974</u>	<u>225,912</u>	<u>87,536</u>	<u>34,939</u>	<u>79,587</u>
Total Contractual Obligations and Other Commitments	\$ 1,520,498	\$ 1,056,054	\$ 237,153	\$ 76,003	\$ 151,288

Loan Commitments. The Company enters into contractual commitments to extend credit, normally with fixed expiration dates or termination clauses, at specified rates and for specific purposes. Substantially all of the Company's commitments to extend credit are contingent upon customers maintaining specific credit standards at the time of loan funding. The Company minimizes its exposure to loss under these commitments by subjecting them to credit approval and monitoring procedures. Management assesses the credit risk associated with certain commitments to extend credit in determining the level of the allowance for credit losses. Loan commitments outstanding at December 31, 2025 are included in the preceding table.

Standby Letters of Credit. Letters of credit are written conditional commitments issued by the Company to guarantee the performance of a customer to a third party. In the event the customer does not perform in accordance with the terms of the agreement with the third party, the Company would be required to fund the commitment. The maximum potential amount of future payments the Company could be required to make is represented by the contractual amount of the commitment. If the commitment is funded, the Company would be entitled to seek recovery from the customer. The Company's policies generally require that standby letters of credit arrangements contain security and debt covenants similar to those contained in loan agreements. Standby letters of credit outstanding at December 31, 2025 are included in the preceding table.

Capital Requirements

The Bank and the Company are each required under federal law to maintain certain minimum capital levels based on ratios of capital to total assets and capital to risk-weighted assets. The required capital ratios are minimums, and the federal banking agencies may determine that a banking organization, based on its size, complexity or risk profile, must maintain a higher level of capital in order to operate in a safe and sound manner. Risks such as concentration of credit risks and the risk arising from non-traditional activities, as well as the institution's exposure to a decline in the economic value of its capital due to changes in interest rates, and an institution's ability to manage those risks are important factors that are to be taken into account by the federal banking agencies in assessing an institution's overall capital adequacy. For more information, see "Item 1. Business – Supervision and Regulation – Regulation of the Company – Capital Requirements."

At December 31, 2025, shareholders' equity totaled \$375.9 million compared to \$278.7 million at December 31, 2024. The primary driver of the increase was the issuance of common stock of \$65.9 million as a result of the acquisition of TC Bancshares, Inc. in December 2025. In addition to net income of \$28.3 million, another significant change in shareholders' equity during 2025 included \$8.0 million of dividends declared on common stock. The accumulated other comprehensive loss component of stockholders' equity totaled \$34.5 million at December 31, 2025 compared to \$47.6 million at December 31, 2024. This fluctuation was mostly related to the after-tax effect of changes in the fair value of securities available-for-sale. Under regulatory requirements, the unrealized gain or loss on securities available for sale does not increase or reduce regulatory capital and is not included in the calculation of risk-based capital and leverage ratios. Regulatory agencies for banks and bank holding companies utilize capital guidelines designed to measure Tier 1 and total capital and take into consideration the risk inherent in both on-balance sheet and off-balance sheet items.

Tier 1 capital consists of common stock and qualifying preferred securities less goodwill, intangibles and disallowed deferred tax assets. Tier 2 capital consists of certain convertible, subordinated and other qualifying debt and the allowance for credit losses up to 1.25% of risk-weighted assets. The Company's Tier 2 capital consists of subordinated notes and the allowance for credit losses.

Using the capital requirements presently in effect, the Tier 1 ratio as of December 31, 2025 was 13.60% and total Tier 1 and 2 risk-based capital was 15.95%. Both of these measures compare favorably with the regulatory minimum of 6.0% for Tier 1 and 8% for total risk-based capital. The Company's common equity Tier 1 ratio as of December 31, 2025 was 12.67%, which exceeds the regulatory minimum of 4.50%. The Company's Tier 1 leverage ratio as of December 31, 2025 was 10.78%, which exceeds the required ratio standard of 4.0%.

For the year ended December 31, 2025, average capital was \$297.6 million representing 9.3% of average assets for the year. This compares to average capital of \$265.3 million, representing 8.7% of average assets for 2024.

For the years ended December 31, 2025 and 2024, the Company did not have any material commitments for capital expenditures.

The Company granted 63,426 and 74,358 restricted shares of common stock for the years ended December 31, 2025 and 2024, respectively. All restricted shares vest over a three year period.

A cash dividend of \$8.0 million and \$7.9 million was paid for the years ended December 31, 2025 and 2024, respectively.

Liquidity

The Company, primarily through the actions of its subsidiary bank, engages in liquidity management to ensure adequate cash flow for deposit withdrawals, credit commitments and repayments of borrowed funds. Needs are met through loan repayments, net interest and fee income and the sale or maturity of existing assets. In addition, liquidity is continuously provided through the acquisition of new deposits, the renewal of maturing deposits and external borrowings.

Cash and cash equivalents at December 31, 2025 and 2024 were \$257.6 million and \$231.0 million, respectively. The increase in cash and cash equivalents was partially due to sales and paydowns of investment securities, paydowns and maturities of loans, as well as increases in deposits and other borrowings. Management believes the various funding sources discussed above are adequate to meet the Company's liquidity needs in these unsettled times without any material adverse impact on our operating results.

Management monitors deposit flow and evaluates alternate pricing structures to retain and grow deposits. To the extent needed to fund loan demand, traditional local deposit funding sources are supplemented by the use of FHLB borrowings, brokered deposits and other wholesale deposit sources outside the immediate market area. Internal policies have been updated to monitor the use of various core and non-core funding sources, and to balance ready access with risk and cost. Through various asset/liability management strategies, a balance is maintained among goals of liquidity, safety and earnings potential. Internal policies that are consistent with regulatory liquidity guidelines are monitored and enforced by the Bank.

The investment portfolio provides a ready means to raise cash if liquidity needs arise. As of December 31, 2025, the available-for-sale bond portfolio totaled \$383.8 million. At December 31, 2024, the available-for-sale bond portfolio totaled \$366.0 million. This increase is primarily attributable to available-for-sale investment securities acquired in the acquisition of TC Bancshares, Inc. in December 2025. Only marketable investment grade bonds are purchased. Although approximately 51.5% of the Bank's bond portfolio is encumbered as pledges to secure various public funds deposits, repurchase agreements, and for other purposes, management can restructure and free up investment securities for sale if required to meet liquidity needs.

Management continually monitors the relationship of loans to deposits as it primarily determines the Company's liquidity posture. Colony had ratios of loans to deposits of 77.6% as of December 31, 2025 and 71.8% as of December 31, 2024. Management employs alternative funding sources when deposit balances will not meet loan demands. The ratios of loans to all funding sources (excluding Subordinated Debentures) at December 31, 2025 and December 31, 2024 were 73.0% and 71.8%, respectively. Management continues to emphasize programs to generate local core deposits as our Company's primary funding sources. The stability of the Banks' core deposit base is an important factor in Colony's liquidity position. A heavy percentage of the deposit base is comprised of accounts of individuals and small businesses with comprehensive banking relationships and limited volatility. At December 31, 2025 and December 31, 2024, the Bank had \$239.2 million and \$185.2 million, respectively, in certificates of deposit of \$250,000 or more. These larger deposits represented 7.8% and 7.2% of total deposits as of December 31, 2025 and 2024, respectively. Management seeks to monitor and control the use of these larger certificates, which tend to be more volatile in nature, to ensure an adequate supply of funds as needed. Relative interest costs to attract local core relationships are compared to market rates of interest on various external deposit sources to help minimize the Company's overall cost of funds.

The Company supplemented deposit sources with brokered deposits. As of December 31, 2025, the Company had \$131.9 million or 4.30% of total deposits in brokered deposits. Additional information is provided in the Notes to the Consolidated Financial Statements regarding these brokered deposits. Additionally, the Company uses external deposit listing services to obtain out-of-market certificates of deposit at competitive interest rates when funding is needed. The deposits obtained from listing services are often referred to as wholesale or internet CDs.

To plan for contingent sources of funding not satisfied by both local and out-of-market deposit balances, Colony and its subsidiary have established multiple borrowing sources to augment their funds management. The Company has borrowing capacity through membership of the Federal Home Loan Bank program. The Bank has also established overnight borrowing for Federal Funds Purchased through various correspondent banks. Management believes the various funding sources discussed above are adequate to meet the Company's liquidity needs in the future without any material adverse impact on operating results. At December 31, 2025 and 2024, we had \$195.0 million and \$185.0 million, respectively, of outstanding advances from the FHLB. Based on the values of loans pledged as collateral, we had \$747.0 million and \$578.7 million of additional borrowing availability with the FHLB at December 31, 2025 and 2024, respectively.

Other sources of liquidity include overnight borrowings from the Federal Reserve Discount Window. The Company also has unencumbered investment securities which provide the ability to either be pledged as collateral with borrowing sources or sold and converted to cash.

Liquidity measures the ability to meet current and future cash flow needs as they become due. The liquidity of a financial institution reflects its ability to meet loan requests, to accommodate possible outflows in deposits and to take advantage of interest rate market opportunities. The ability of a financial institution to meet its current financial obligations is a function of balance sheet structure, the ability to liquidate assets, and the availability of alternative sources of funds. The Company seeks to ensure its funding needs are met by maintaining a level of liquid funds through asset/liability management.

Asset liquidity is provided by liquid assets which are readily marketable or pledgeable or which will mature in the near future. Liquid assets include cash, interest-bearing deposits in banks, securities available for sale and federal funds sold and securities purchased under resale agreements.

Liability liquidity is provided by access to funding sources which include core deposits. Should the need arise, the Company also maintains relationships with the Federal Home Loan Bank, Federal Reserve Bank, three correspondent banks and repurchase agreement lines that can provide funds on short notice.

Since Colony is a bank holding Company and does not conduct operations, its primary sources of liquidity are dividends up streamed from the subsidiary bank and borrowings from outside sources.

The liquidity position of the Company is continuously monitored and adjustments are made to the balance between sources and uses of funds as deemed appropriate. Management is not aware of any events that are reasonably likely to have a material adverse effect on the Company's liquidity, capital resources or operations. In addition, management is not aware of any regulatory recommendations regarding liquidity, which if implemented, would have a material adverse effect on the Company.

Impact of Inflation and Changing Prices

The Company's financial statements included herein have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). GAAP presently requires the Company to measure financial position and operating results primarily in terms of historic dollars. Changes in the relative value of money due to inflation or recession are generally not considered. The primary effect of inflation on the operations of the Company is reflected in increased operating costs, and the Company has experienced material effects of inflation during the last five fiscal years due to the government's monetary policies and the current economic climate. In management's opinion, changes in interest rates affect the financial condition of a financial institution to a far greater degree than changes in the inflation rate. While interest rates are greatly influenced by changes in the inflation rate, they do not necessarily change at the same rate or in the same magnitude as the inflation rate. Interest rates are highly sensitive to many factors that are beyond the control of the Company, including changes in the expected rate of inflation, the influence of general and local economic conditions and the monetary and fiscal policies of the United States government, its agencies and various other governmental regulatory authorities, among other things, as further discussed in the next section.

Regulatory and Economic Policies

The Company's business and earnings are affected by general and local economic conditions and by the monetary and fiscal policies of the United States government, its agencies and various other governmental regulatory authorities, among other things. The Federal Reserve Board regulates the supply of money in order to influence general economic conditions. Among the instruments of monetary policy available to the Federal Reserve Board are (i) conducting open market operations in United States government obligations, (ii) changing the discount rate on financial institution borrowings, (iii) imposing or changing reserve requirements against financial institution deposits, and (iv) restricting certain borrowings and imposing or changing reserve requirements against certain borrowings by financial institutions and their affiliates. These methods are used in varying degrees and combinations to directly affect the availability of bank loans and deposits, as well as the interest rates charged on loans and paid on deposits. For that reason alone, the policies of the Federal Reserve Board have a material effect on the earnings of the Company.

Governmental policies have had a significant effect on the operating results of commercial banks in the past and are expected to continue to do so in the future; however, the Company cannot accurately predict the nature, timing or extent of any effect such policies may have on its future business and earnings.

Recently Issued Accounting Pronouncements

See Note 1 - Summary of Significant Accounting Policies included in the Notes to the Consolidated Financial Statements.

Market Risk and Interest Rate Sensitivity

Our financial performance is impacted by, among other factors, interest rate risk and credit risk. We utilize derivatives to help manage our interest rate risk position and mitigate exposure to the variability of future cash flows or other forecasted transactions. We mitigate our credit risk through reliance on an extensive loan review process and our allowance for credit losses.

Interest rate risk is the change in value due to changes in interest rates. The Company is exposed only to U.S. dollar interest rate changes and, accordingly, the Company manages exposure by considering the possible changes in the net interest margin. The Company does not have any trading instruments nor does it classify any portion of its investment portfolio as held for trading. The Company has no exposure to foreign currency exchange rate risk, commodity price risk and other market risks. Interest rate risk is addressed by our Risk Management Committee which includes senior management representatives. The Risk Management Committee monitors interest rate risk by analyzing the potential impact to the net portfolio of equity value and net interest income from potential changes to interest rates and considers the impact of alternative strategies or changes in balance sheet structure.

Interest rates play a major part in the net interest income of financial institutions. The repricing of interest earnings assets and interest-bearing liabilities can influence the changes in net interest income. The timing of repriced assets and liabilities is Gap management and our Company has established its policy to maintain a Gap ratio in the one-year time horizon of .80 to 1.20.

Our exposure to interest rate risk is reviewed at least quarterly by our Board of Directors and by our Risk Management Committee. Interest rate risk exposure is measured using interest rate sensitivity analysis to determine our change in net portfolio value in the event of assumed changes in interest rates. In order to reduce the exposure to interest rate fluctuations, we have implemented strategies to more closely match our balance sheet composition. The Company has engaged Stifel to run a quarterly asset/liability model for interest rate risk analysis. We are generally focusing our investment activities on securities with terms or average lives in the 3 ½ - 5 ½ year range.

Market risk reflects the risk of economic loss resulting from adverse changes in market prices and interest rates. This risk of loss can be reflected in either reduced current market values or reduced current and potential net income. Colony's most significant market risk is interest rate risk. This risk arises primarily from Colony's extension of loans and acceptance of deposits.

Managing interest rate risk is a primary goal of the asset liability management function. Colony attempts to achieve stability in net interest income while limiting volatility arising from changes in interest rates. Colony seeks to achieve this goal by balancing the maturity and repricing characteristics of assets and liabilities. Colony manages its exposure to fluctuations in interest rates through policies established by the Risk Management Committee and approved by the Board of Directors. The Risk Management Committee meets at least quarterly and has responsibility for developing asset liability management policies, reviewing the interest rate sensitivity of Colony, and developing and implementing strategies to improve balance sheet structure and interest rate risk positioning.

Colony measures the sensitivity of net interest income to changes in market interest rates through the utilization of Asset/Liability simulation modeling. On at least a quarterly basis, the following twenty-four month time period is simulated to determine a baseline net interest income forecast and the sensitivity of this forecast to changes in interest rates. These simulations include all of Colony's earning assets and liabilities. Forecasted balance sheet changes, primarily reflecting loan and deposit growth and forecasts, are included in the periods modeled. Projected rates for loans and deposits are based on management's outlook and local market conditions.

The magnitude and velocity of rate changes among the various asset and liability groups exhibit different characteristics for each possible interest rate scenario; additionally, customer loan and deposit preferences can vary in response to changing interest rates. Simulation modeling enables Colony to capture the expected effect of these differences. Assumptions utilized in the model are updated on an ongoing basis and are reviewed and approved by the Risk Management Committee of the Board of Directors.

Colony has modeled its baseline net interest income forecast assuming a flat interest rate environment with the federal funds rate at the Federal Reserve's targeted range of 3.50% and the prime rate of 6.75% at December 31, 2025. Colony has modeled the impact of a gradual increase in short-term rates of 100 and 200 basis points and a decline of 100 and 200 basis points to determine the sensitivity of net interest income for the next twelve months. As illustrated in the table below, the net interest income sensitivity model indicates that, compared with a net interest income forecast assuming stable rates, net interest income is projected to increase by 4.33% and 8.10% if interest rates increased by 100 and 200 basis points, respectively. Net interest income is projected to decline by 0.63% and 1.72% if interest rates decreased by 100 and 200 basis points. These changes were within Colony's policy limit of a maximum 15% negative change.

Twelve Month Net Interest Income Sensitivity

Change in Short-term Interest Rates (in basis points)	Estimated Change in Net Interest Income as of December 31,	
	2025	2024
+200	8.10%	5.66%
+100	4.33%	3.03%
Flat	—%	—%
-100	(0.63)%	(1.80)%
-200	(1.72)%	(3.77)%

The measured interest rate sensitivity indicates an asset sensitive position over the next year, which could serve to improve net interest income in a rising interest rate environment. The actual realized change in net interest income would depend on several factors, some of which could serve to reduce or eliminate the asset sensitivity noted above. These factors include a higher than projected level of deposit customer migration to higher cost deposits, such as certificates of deposit, which would increase total interest expense and serve to reduce the realized level of asset sensitivity. Another factor which could impact the realized interest rate sensitivity in a rising rate environment is the repricing behavior of interest-bearing non-maturity deposits. Assumptions for repricing are expressed as a beta relative to the change in the prime rate. For instance, a 25% beta would correspond to a deposit rate that would increase 0.25% for every 1% increase in the prime rate. Projected betas for interest bearing non-maturity deposit repricing are a key component of determining the Company's interest rate risk position. Should realized betas be higher than projected betas, the expected benefit from higher interest rates would be reduced.

Colony is also subject to market risk in certain of its fee income business lines. Mortgage banking income is subject to market risk. Mortgage loan originations are sensitive to levels of mortgage interest rates and therefore, mortgage banking income could be negatively impacted during a period of rising interest rates. The extension of commitments to customers to fund mortgage loans also subjects Colony to market risk. This risk is primarily created by the time period between making the commitment and closing and delivering the loan. Colony seeks to minimize this exposure by utilizing various risk management tools, the primary of which are forward sales commitments and best efforts commitments.

Item 7A

Quantitative and Qualitative Disclosures About Market Risk

The information required by this item is located in Item 7 under the heading "Market Risk and Interest Rate Sensitivity."

Item 8

Financial Statements and Supplemental Data

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Colony Bankcorp, Inc. is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, the company's principal executive and principal financial officers and affected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has assessed the effectiveness of the internal control over financial reporting as of December 31, 2025. In making this assessment, we used the criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Management also conducted an assessment of requirements pertaining to Section 112 of the Federal Deposit Insurance Corporation Improvement Act. This section relates to management's evaluation of internal control over financial reporting, including controls over the preparation of financial statements in accordance with the instructions to the Consolidated Financial Statements for Bank Holding Companies (Form FR Y-9C) and in compliance with laws and regulations. Our evaluation included a review of the documentation of controls, evaluations of the design of the internal control system and tests of the effectiveness of internal controls.

We have excluded TC Bancshares, Inc. and its wholly owned subsidiary, TC Federal Bank from our assessment of internal control over financial reporting as of December 31, 2025, because it was acquired by the Company in a purchase business combination during the fourth quarter of 2025.

Based on our assessment, management concluded that as of December 31, 2025, Colony Bankcorp, Inc.'s internal control over financial reporting is effective based on those criteria.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2025 has been audited by Mauldin and Jenkins, LLC, an independent registered public accounting firm, as stated in their report which appears herein.

/s/ T. Heath Fountain

T. Heath Fountain
Chief Executive Officer and Director

/s/ Derek Shelnett

Derek Shelnett
Executive Vice President and Chief Financial Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
Colony Bankcorp, Inc. and Subsidiaries
Fitzgerald, Georgia

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Colony Bankcorp, Inc. and Subsidiaries (the Company) as of December 31, 2025 and 2024 and the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 13, 2026, expressed an unqualified opinion.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the Audit Committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved especially challenging, subjective, or complex judgements. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Allowance for credit losses

Description of the Matter

As described in Note 5 to the Company's consolidated financial statements, the Company has a gross loan portfolio of \$2.38 billion and related allowance for credit losses (ACL) of \$23.01 million as of December 31, 2025. As described by the Company in Note 1, the Company computes quantitative and qualitative components for the allowance for credit losses. The quantitative component is evaluated on a collective (pool) basis, segregated by class of loans (the quantitative collective ACL). The Company estimated the quantitative collective ACL utilizing a discounted cash flow (DCF) methodology applied to their loan pools segregated by similar risk characteristics. The Company's DCF methodology generates cash flow projections at the loan level wherein payment expectations are adjusted for estimated prepayment speeds, curtailments, time to recovery, probability of default (PD), and loss given default (LGD).

We identified the Company's estimate of the ACL as a critical audit matter. The principal considerations for our determination of the ACL as a critical audit matter related to the subjective and complex auditor judgment involved in the assessment of the quantitative collective ACL due to significant measurement uncertainty and the high degree of subjectivity in the Company's judgments in determining the qualitative factors. Auditing these complex judgments and assumptions by the Company involves especially challenging auditor judgment due to the nature and extent of audit evidence and effort required to address these matters, including the extent of specialized skill or knowledge needed.

The primary procedures we performed to address this critical audit matter included the following:

- We evaluated the Company's ACL methodology for compliance with U.S. generally accepted accounting principles.
- We tested the design and operating effectiveness of controls relating to the Company's determination of the ACL, including controls over development of the quantitative and qualitative factors, reliability and accuracy of data used to calculate and estimate the various components of the ACL and managements validation procedures over the model.
- We evaluated the relevance, and the reasonableness of assumptions related to evaluation of the loan portfolio, current and forecasted economic conditions, and other risk factors used in development of the qualitative factors.
- We tested data used by the Company in developing the qualitative factors by comparing these data points to internally developed and externally reliable sources.
- We assessed the overall trends in credit quality by comparing the overall ACL to those recorded by the Company's peer institutions.
- We reviewed subsequent events and transactions and considered whether they corroborated or contradicted the Company's conclusion.

We have served as the Company's auditor since 2021.

/s/ Mauldin & Jenkins, LLC

Albany, Georgia
March 13, 2026

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
Colony Bankcorp, Inc. and Subsidiaries
Fitzgerald, Georgia

Opinion on Internal Control over Financial Reporting

We have audited Colony Bankcorp, Inc. and Subsidiaries (the Company) internal control over financial reporting, as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on the criteria established in *Internal Control – Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of Colony Bankcorp, Inc. and Subsidiaries (the “Company”) as of December 31, 2025 and 2024 and the related consolidated statements of income, comprehensive income, changes in stockholders’ equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements) and our report dated March 13, 2026 expressed an unqualified opinion.

As described in Management’s Report on Internal Control over Financial Reporting, management has excluded TC Bancshares, Inc. and its wholly owned subsidiary, TC Federal Bank from its assessment of internal control over financial reporting as of December 31, 2025, because it was acquired by the Company in a purchase business combination during the fourth quarter of 2025. We have also excluded TC Bancshares, Inc. and its wholly owned subsidiary, TC Federal Bank from our audit of internal control over financial reporting. TC Federal Bank was merged with and into the Company’s wholly owned subsidiary, Colony Bank as of and for the year ended December 31, 2025.

Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Mauldin & Jenkins, LLC

Albany, Georgia
March 13, 2026

COLONY BANKCORP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31

(dollars in thousands)

	2025	2024
Assets		
Cash and due from banks	\$ 27,307	\$ 26,045
Interest-bearing deposits in banks and federal funds sold	230,333	204,989
Cash and cash equivalents	257,640	231,034
Investment securities available-for-sale, at fair value (amortized cost \$412,395 and \$409,380, respectively)	383,817	366,049
Investment securities held-to-maturity, at amortized cost (fair value \$354,290 and \$383,020, respectively)	386,618	430,077
Other investments	19,176	17,694
Loans held for sale	78,990	39,786
Loans, net of unearned income	2,381,224	1,842,980
Allowance for credit losses	(23,014)	(18,980)
Loans, net	2,358,210	1,824,000
Premises and equipment	37,045	37,831
Other real estate owned	1,048	202
Goodwill	63,873	48,923
Other intangible assets	7,851	2,975
Bank-owned life insurance	68,457	57,970
Deferred income taxes, net	19,582	21,891
Other assets	53,094	31,350
Total assets	\$ 3,735,401	\$ 3,109,782
Liabilities and stockholders' equity		
Liabilities:		
Deposits		
Noninterest-bearing	\$ 526,803	\$ 462,283
Interest-bearing	2,540,718	2,105,660
Total deposits	3,067,521	2,567,943
Federal Home Loan Bank advances	194,972	185,000
Other borrowed money	63,132	63,039
Other liabilities	33,856	15,125
Total liabilities	3,359,481	2,831,107
Commitments and Contingencies (Note 15)		
Stockholders' equity:		
Preferred stock, no par value; 10,000,000 shares authorized, none issued or outstanding as of December 31, 2025 and 2024, respectively	—	—
Common stock, par value \$1.00 per share; 50,000,000 shares authorized, 21,251,695 and 17,519,884 shares issued and outstanding as of December 31, 2025 and 2024, respectively	21,252	17,520
Paid-in capital	228,577	168,353
Retained earnings	160,584	140,369
Accumulated other comprehensive loss, net of tax	(34,493)	(47,567)
Total stockholders' equity	375,920	278,675
Total liabilities and stockholders' equity	\$ 3,735,401	\$ 3,109,782

See accompanying notes which are an integral part of these financial statements.

COLONY BANKCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31

<i>(dollars in thousands, except per share data)</i>	2025	2024
Interest income		
Loans, including fees	\$ 124,333	\$ 111,675
Investment securities	19,436	20,974
Deposits with other banks and short term investments	6,183	4,592
Total interest income	149,952	137,241
Interest expense		
Deposits	46,710	50,007
Federal Home Loan Bank advances	7,618	7,211
Other borrowings	3,723	3,947
Total interest expense	58,051	61,165
Net interest income	91,901	76,076
Provision for credit losses	4,500	3,050
Net interest income after provision for credit losses	87,401	73,026
Noninterest income		
Service charges on deposits	9,695	9,365
Mortgage fee income	7,535	6,048
Gain on sales of SBA loans	5,372	9,242
Loss on sales of securities	(1,039)	(1,835)
Interchange fees	8,438	8,299
BOLI income	1,792	1,725
Insurance commissions	2,864	1,789
Other	5,623	4,742
Total noninterest income	40,280	39,375
Noninterest expense		
Salaries and employee benefits	52,417	49,767
Occupancy and equipment	6,753	6,149
Acquisition related expenses	2,063	—
Information technology expense	10,652	8,978
Professional fees	3,507	2,825
Advertising and public relations	4,279	4,009
Communications	805	865
Other	12,070	10,241
Total noninterest expense	92,546	82,834
Income before income taxes	35,135	29,567
Income taxes	6,882	5,699
Net income	\$ 28,253	\$ 23,868
Net income per share of common stock:		
Basic	\$ 1.59	\$ 1.36
Diluted	\$ 1.59	\$ 1.36
Cash dividends declared per share of common stock	\$ 0.46	\$ 0.45
Weighted average shares outstanding, basic	17,789,688	17,557,743
Weighted average shares outstanding, diluted	17,789,688	17,557,743

See accompanying notes which are an integral part of these financial statements.

COLONY BANKCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31

(dollars in thousands)

	<u>2025</u>	<u>2024</u>
Net income	\$ 28,253	\$ 23,868
Other comprehensive income:		
Net unrealized gains on investment securities arising during the period	12,892	3,296
Tax effect	(3,283)	(840)
Reclassification adjustment for amortization of unrealized holding losses from the transfer of securities from available-for-sale to held-to-maturity	4,265	5,041
Tax effect	(1,086)	(1,284)
Realized losses on sales of securities included in net income	1,039	1,835
Tax effect	(265)	(467)
Change in defined benefit pension plan	(69)	—
Tax effect	24	—
Unrealized gains (losses) on derivative instruments designated as cash flow hedges	(342)	1,364
Tax effect	87	(347)
Realized gains on derivative instruments recognized in net income	(252)	(700)
Tax effect	64	178
Total other comprehensive income	<u>13,074</u>	<u>8,076</u>
Comprehensive income	\$ <u>41,327</u>	\$ <u>31,944</u>

See accompanying notes which are an integral part of these financial statements.

COLONY BANKCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024

(dollars in thousands)

	Preferred Stock		Common Stock		Paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Total
	Shares	Amount	Shares	Amount				
Balance, December 31, 2023	—	\$ —	17,564,182	\$ 17,564	\$ 168,614	\$ 124,400	\$ (55,643)	254,935
Other comprehensive income	—	—	—	—	—	—	8,076	8,076
Dividends on common shares (\$0.46 per share)	—	—	—	—	—	(7,899)	—	(7,899)
Issuance of restricted stock, net of forfeitures	—	—	69,597	70	(70)	—	—	—
Tax withholding related to vesting of restricted stock	—	—	(23,895)	(24)	(272)	—	—	(296)
Repurchase and retirement of shares	—	—	(90,000)	(90)	(1,215)	—	—	(1,305)
Stock-based compensation expense, net	—	—	—	—	1,296	—	—	1,296
Net income	—	—	—	—	—	23,868	—	23,868
Balance, December 31, 2024	—	\$ —	17,519,884	\$ 17,520	\$ 168,353	\$ 140,369	\$ (47,567)	278,675
Other comprehensive income	—	—	—	—	—	—	13,074	13,074
Dividends on common shares (\$0.45 per share)	—	—	—	—	—	(8,038)	—	(8,038)
Issuance of common stock	—	—	3,839,613	3,840	62,010	—	—	65,850
Issuance of restricted stock, net of forfeitures	—	—	57,997	58	(58)	—	—	—
Tax withholding related to vesting of restricted stock	—	—	(18,502)	(19)	(292)	—	—	(311)
Repurchase and retirement of shares	—	—	(147,297)	(147)	(2,221)	—	—	(2,368)
Stock-based compensation expense, net	—	—	—	—	785	—	—	785
Net income	—	—	—	—	—	28,253	—	28,253
Balance, December 31, 2025	—	\$ —	21,251,695	\$ 21,252	\$ 228,577	\$ 160,584	\$ (34,493)	\$ 375,920

See accompanying notes which are an integral part of these financial statements.

COLONY BANKCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31

(dollars in thousands)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 28,253	\$ 23,868
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Provision for credit losses	4,500	3,050
Depreciation, amortization and accretion	7,723	8,130
Stock-based compensation expense	785	1,296
Loss on sales of securities	1,039	1,835
Net change in servicing asset	(192)	(1,456)
Loss (gain) on sales of other real estate owned and repossessions	134	(169)
Loss on sales of premises & equipment	—	5
Writedown of bank building	—	197
Change in bank owned life insurance	(1,792)	(1,725)
Equity method investment loss	(299)	(270)
Deferred tax expense	2,064	755
Gain on sales of SBA loans	(5,372)	(9,242)
Originations of loans held for sale	(353,252)	(301,632)
Proceeds from sales of loans held for sale	319,420	299,046
Change in other assets	(8,999)	(1,895)
Change in other liabilities	443	1,608
Net cash provided by (used in) operating activities	(5,545)	23,401
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investment securities, available-for-sale	(22,703)	(56,616)
Proceeds from maturities, calls, and paydowns of investment securities, available-for-sale	55,499	69,180
Proceeds from sales of investment securities, available-for-sale	55,550	29,890
Proceeds from maturities, calls, and paydowns of investment securities, held-to-maturity	27,481	17,376
Proceeds from sales of investment securities, held-to-maturity	17,877	3,971
Net change in loans	(132,294)	36,966
Purchase of premises and equipment	(1,354)	(1,080)
Proceeds from sales of other real estate owned and repossessions	610	1,269
Proceeds from settlement of bank owned life insurance policies	4,491	681
Purchase of Federal Home Loan Bank stock	(39)	(556)
Proceeds from sales of premises and equipment	—	77
Proceeds from insurance related to fire at bank branch	875	—
Net cash and cash equivalents received from bank acquisition	916	—
Net cash and cash equivalents paid in insurance acquisition	(3,500)	—
Net cash provided by investing activities	3,409	101,158
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in noninterest-bearing customer deposits	8,199	(36,709)
Change in interest-bearing customer deposits	31,260	59,862
Dividends paid on common stock	(8,038)	(7,899)
Proceeds from Federal Home Loan Bank advances	200,000	270,000
Repayments of Federal Home Loan Bank advances	(200,000)	(260,000)
Proceeds from other borrowings	75,000	20,000
Repayments on other borrowings	(75,000)	(20,000)

Redemption of subordinated debt	—	(500)
Repurchase and retirement of shares	(2,368)	(1,305)
Cash paid for tax withholding related to vesting of restricted stock	(311)	(296)
Net cash provided by financing activities	28,742	23,153
Net increase in cash and cash equivalents	26,606	147,712
Cash and cash equivalents at beginning of period	231,034	83,322
Cash and cash equivalents at end of period	\$ 257,640	\$ 231,034

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the period for interest	\$ 57,288	\$ 61,754
Cash paid during the period for income taxes	4,436	4,717

NONCASH INVESTING AND FINANCING ACTIVITIES

Transfers to other real estate	1,155	854
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See accompanying notes which are an integral part of these financial statements.

COLONY BANKCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Colony Bankcorp, Inc. and subsidiaries (the “Company”) is a financial holding company headquartered in Fitzgerald, Georgia, whose primary business is presently conducted by Colony Bank, its wholly owned banking subsidiary (the “Bank”). The Company operates locations throughout Georgia as well as in Birmingham, Alabama and Jacksonville, Santa Rosa Beach and Tallahassee, Florida. Through the Bank, the Company offers a broad range of banking solutions for personal and business customers. In addition to traditional banking services, the Bank provides specialized solutions including mortgage lending, government guaranteed lending, wealth management, credit cards and merchant services. The Company also provides an option for its customers to purchase insurance services including vehicle, home, renters and life insurance. Additionally, Colony Risk Management, Inc. is a subsidiary of the Company and is located in Las Vegas, Nevada. It is a captive insurance subsidiary which insures various liability and property damage policies for the Company and its related subsidiaries. Colony Risk Management is regulated by the State of Nevada Division of Insurance. The Company is subject to the regulations of certain state and federal agencies and are periodically examined by those regulatory agencies.

Basis of Presentation and Accounting Estimates

The consolidated financial statements include the accounts of Colony Bankcorp, Inc. and its wholly owned subsidiaries, Colony Bank and Colony Risk Management. All 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, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Transfer of Financial Assets

Transfers of financial assets are accounted for as sales, when control over the assets has been relinquished. Control over transferred assets is deemed to be surrendered when the assets have been isolated from the Company, 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 the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Cash and Cash Equivalents

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

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 intent to hold until maturity. All other debt securities are classified as available-for-sale. As of the periods ended December 31, 2025 and 2024, debt securities were classified as either held-to-maturity or 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 shareholders’ equity until realized. Held-to-maturity securities are carried at amortized cost. Transfers of securities between categories are recorded at fair value at the date of transfer. Unrealized holding gains or losses associated with transfers of securities from held-to-maturity to available-for-sale are recorded as a separate component of shareholders’ equity. These unrealized holding gains or losses are amortized into income over the remaining life of the security as an adjustment to the yield in a manner consistent with the amortization or accretion of the original purchase premium or discount on the associated security.

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 Company has made a policy election to exclude accrued interest from the amortized cost basis of debt securities and report accrued interest in other assets in the consolidated balance sheets. A debt security is placed on nonaccrual status at the time any principal or interest payments become more than 90 days delinquent or if full collection of interest or principal becomes uncertain. Accrued interest for a security placed on nonaccrual is reversed against interest income. There was no accrued interest related to debt securities reversed against interest income for the years ended December 31, 2025 and 2024.

The Company evaluates available-for-sale securities in an unrealized loss position to determine if credit-related losses exist. The Company first evaluates whether it intends to sell or more likely than not will be required to sell a security with losses 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 losses exist, the Company recognizes an allowance for credit losses ("ACL"), limited to the amount by which the fair value is less than the amortized cost basis. Any loss not recognized through an ACL is recognized in other comprehensive income, net of tax, as a non credit-related loss. As of December 31, 2025 and 2024, the Company had \$383.8 million and \$366.0 million available-for-sale securities, respectively, with no related allowance for credit losses.

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 \$386.6 million and \$430.1 million held-to-maturity securities, respectively, with no related allowance for credit losses.

Other Investments

Other investments include managed investment funds which are carried at their fair value and unrealized gains or losses are recorded through earnings as a component of noninterest income.

Federal Home Loan Bank ("FHLB") and First National Bankers Bank ("FNBB") stock are also included in other investments. These investments do not have a readily determinable market value due to restrictions placed on transferability and therefore are carried at cost.

These other investments are periodically evaluated for credit-related impairment based on ultimate recovery of par value or cost basis. Both cash and stock dividends are reported as income.

Loans Held for Sale

Mortgage and SBA loans held for sale are carried at the lower of aggregate cost or estimated fair value, as determined by outstanding commitments from third party investors in the secondary market. Adjustments to reflect unrealized gains and losses resulting from changes in fair value of mortgage loans held for sale and realized gains and losses upon ultimate sale of the mortgage loans held for sale are classified as mortgage fee income in the consolidated statements of income. Adjustments to reflect unrealized gains and losses resulting from changes in fair value of SBA loans held for sale and realized gains and losses upon ultimate sale of the SBA loans held for sale are classified as gain on sale of SBA loans in the consolidated statements of income.

Servicing Rights

When mortgage and SBA loans are sold with servicing retained, servicing rights are initially recorded at fair value with the income statement effect recorded in mortgage banking activity or gain on sale of SBA loans accordingly. Fair value is based on market prices for comparable servicing contracts, when available or alternatively, is based on a valuation model that calculates the present value of estimated future net servicing income. All classes of servicing assets are subsequently measured using the amortization method which requires servicing rights to be amortized into noninterest income in proportion to, and over the period of, the estimated future net servicing income of the underlying loans.

Servicing fee income, which is reported on the income statement in mortgage banking activity for serviced mortgage loans and other noninterest income for all other serviced loans, is recorded for fees earned for servicing loans. The fees are based on a

contractual percentage of the outstanding principal or a fixed amount per loan and are recorded as income when earned. The amortization of servicing rights is netted against loan servicing fee income.

Servicing rights are evaluated for impairment based upon the fair value of the rights as compared to carrying amount. Impairment is determined by stratifying rights into strata based on predominant risk characteristics, such as interest rate, loan type and investor type. Impairment is recognized for a particular stratum through a valuation allowance, to the extent that fair value is less than the carrying amount. If the Company later determines that all or a portion of the impairment no longer exists for a particular stratum, a reduction of the valuation allowance may be recorded as an increase to income. Changes in valuation allowances related to servicing rights are reported in mortgage banking activity and other noninterest income on the income statement.

The Company's servicing rights are a result of SBA loans that are sold with servicing retained and are recorded at fair value and follow the amortization method. As of December 31, 2025 and 2024, the Company had \$4.0 million and \$3.8 million in servicing rights, respectively, and no related valuation allowance.

Loans

Loans are reported at their outstanding principal balances less unearned income, net of deferred fees and origination costs. 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. Generally, loans are placed on nonaccrual status if principal or interest payments become 90 days past due. Loans may be placed on nonaccrual status regardless of whether such loans are considered past due. All interest accrued, but not collected for loans that are placed on nonaccrual or charged off, is reversed against interest income. Interest income 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 ("ACL") – Loans

The current expected credit loss ("CECL") approach requires an estimate of the credit losses expected over the life of an exposure (or pool of exposures). It replaced the incurred loss approach's threshold that delayed the recognition of a credit loss until it was probable a loss event was incurred. The estimate of expected credit losses is based on relevant information about past events, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amounts. Historical loss experience is generally the starting point for estimating expected credit losses. The Company then considers whether the historical loss experience should be adjusted for asset-specific risk characteristics or current conditions at the reporting date that did not exist over the historical period used. The Company also considers future economic conditions and portfolio performance as part of a reasonable and supportable forecast period.

The ACL 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 ACL when management believes the uncollectibility of a loan balance is confirmed. Accrued interest receivable is excluded from the estimate of credit losses.

Management determines the ACL balance using relevant available information from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. Historical credit behaviors along with model judgments provide the basis for the estimation of expected credit losses. Adjustments to modeled loss estimates may be 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 economic conditions, property values, or other relevant factors. The Company estimates the quantitative collective ACL utilizing a discounted cash flow (DCF) methodology applied to our loan pools segregated by similar risk characteristics. The Company's DCF methodology generates cash flow projections at the loan level wherein payment expectations are adjusted for estimated prepayment speeds, curtailments, time to recovery, probability of default (PD), and loss given default (LGD). The modeling of expected prepayment speeds and curtailment rates are based on historical internal data and consider current conditions and reasonable and supportable forecasts of future economic conditions. The Company uses regression analysis of historical internal and peer loss data to determine suitable macroeconomic variables to utilize when modeling lifetime PD and LGD. This analysis also determines how expected PD and LGD will react to forecasted levels of the macroeconomic variables over a reasonable and supportable forecast period. At the end of the four-quarter reasonable and supportable forecast period, the Company reverts to a historical loss rate on a straight-line basis over eight quarters. For loans that have elevated risk characteristics when compared to the collectively pooled loans, they are evaluated on an individual basis.

The qualitative component is comprised of measurements used to quantify the risks within each of these loans classes and are subjectively selected by management but measured by objective measurements period over period. The data for each measurement is obtained from internal and external sources. These adjustments are based upon quarterly trend assessments in certain economic factors as well as loan segment specific risks that cannot be addressed in the quantitative methods.

The Company has identified the following portfolio segments and calculates the ACL for each using a discounted cash flow methodology at the loan level, with loss rates, prepayment assumptions and curtailment assumptions driven by each loan's collateral type:

- Construction, land & land development - Risks common to construction, land & development loans are cost overruns, changes in market demand for property, inadequate long-term financing arrangements and declines in real estate values.
- Other commercial real estate - Loans in this category are susceptible to business failures and declines in general economic conditions, including declines in real estate value, declines in occupancy rates, and lack of suitable alternative use for the property.
- Residential real estate - Residential real estate loans are susceptible to weakening general economic conditions, increases in unemployment rates and declining real estate values.
- Commercial, financial & agricultural - Risks to this loan category include the inability to monitor the condition of the collateral, which often consists of inventory, accounts receivable and other non-real estate assets. Equipment and inventory obsolescence can also pose a risk. Declines in general economic conditions and other events can cause cash flows to fall to levels insufficient to service debt.
- Consumer and other - Risks common to consumer direct loans include unemployment and changes in local economic conditions as well as the inability to monitor collateral consisting of personal property.

When management determines that foreclosure is probable or when the borrower is experiencing financial difficulty at the reporting date and repayment is expected to be provided substantially through the operation or sale of the collateral, expected credit losses are based on the fair value of the collateral at the reporting date, adjusted for selling costs as appropriate.

Allowance for Credit Losses – Off-Balance Sheet Credit Exposures

Financial instruments include off-balance sheet credit instruments, such as commitments to make loans and standby letters of credit, issued to meet customer financing needs. The face amount for these items represents the exposure to loss, before considering customer collateral or ability to repay. Such financial instruments are recorded when they are funded.

Management estimates expected credit losses on commitments to extend credit over the contractual period during which the Company is exposed to credit risk on the underlying commitments. The ACL on 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 and an estimate of expected credit losses on commitments expected to be funded over its estimated life. The ACL is calculated using the same aggregate reserve rates calculated for the funded portion of loans at the portfolio level applied to the amount of commitments expected to fund.

Allowance for Credit Losses – Held-to-Maturity Securities ("HTM")

Management measures current expected credit losses on HTM debt securities on a collective basis by major security type. The estimate of current expected credit losses considers historical credit loss information that is adjusted for current conditions and reasonable and supportable forecasts. Management classifies the HTM portfolio into the following major security types: U.S. Treasury securities, U.S. agency securities, State, county & municipal securities, and Mortgage-backed securities. Accrued interest receivable on HTM debt is excluded from the estimate of credit losses.

All of the residential and commercial mortgage-backed securities held by the Company as HTM are issued by U.S. Government agencies and government sponsored entities. These securities are either explicitly or implicitly guaranteed by the U.S. government, are highly rated by major rating agencies and have a long history of no credit losses. The state and political subdivision securities are also highly rated by major rating agencies.

Allowance for Credit Losses – Available-for-Sale Securities ("AFS")

For AFS debt securities in an unrealized loss position, the Company first assesses whether it intends to sell, or whether it is more likely than not that it will be required to sell the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through income. For AFS debt securities that do not meet the aforementioned criteria, the Company 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 are 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 ACL is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost basis. Any amount of unrealized loss that has not been recorded through an ACL is recognized in other comprehensive income. Accrued interest receivable on AFS debt securities is excluded from the estimate of credit losses.

Changes in the ACL are recorded as provision for (or reversal of) credit loss expense. Losses are charged against the ACL when management believes the uncollectibility of an AFS security is confirmed or when either of the criteria regarding intent or requirement to sell is met.

Premises and Equipment

Land is carried at cost. Other premises and equipment are carried at cost, less accumulated depreciation computed on the straight-line method over the estimated useful lives of the assets. In general, estimated lives for buildings are up to 40 years, furniture and equipment useful lives range from five to 10 years and the lives of software and computer related equipment range from three to five years. Leasehold improvements are amortized over the life of the related lease, or the related assets, whichever is shorter. Expenditures for major improvements of the Company's premises and equipment are capitalized and depreciated over their estimated useful lives. Minor repairs, maintenance and improvements are charged to operations as incurred. When assets are sold or disposed of, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reflected in earnings.

Leases

The Company has entered into or acquired various operating leases for certain branch locations, ATM locations, loan production offices, and corporate support services locations. Generally, these leases have initial lease terms of 15 years or less. Many of the leases have one or more lease renewal options. The exercise of lease renewal options is at the Company's sole discretion and is considered on a case-by-case basis. Certain of our lease agreements contain early termination options. If renewal options or early termination options are determined by management to be reasonably certain, then they are included in the calculation of the operating right-of-use assets or operating lease liabilities. Certain of our lease agreements provide for periodic adjustments to rental payments for inflation. At the commencement date of the lease, the Company recognizes a lease liability at the present value of the lease payments not yet paid, discounted using the discount rate for the lease or the Company's incremental borrowing rate. As the majority of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate at the commencement date in determining the present value of lease payments. The incremental borrowing rate is based on the term of the lease. At the commencement date, the company also recognizes a right-of-use asset measured at (i) the initial measurement of the lease liability; (ii) any lease payments made to the lessor at or before the commencement date less any lease incentives received; and (iii) any initial direct costs incurred by the lessee. Leases with an initial term of 12 months or less are not recorded on the balance sheet. For these short-term leases, lease expense is recognized on a straight-line basis over the lease term. At December 31, 2025, the Company had no leases classified as finance leases.

Goodwill and Intangible Assets

Goodwill represents the excess of the cost of businesses acquired over the fair value of the net assets acquired. Goodwill is assigned to reporting units and tested for impairment at least annually, or on an interim basis if an event occurs or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying value.

Intangible assets consist of core deposit and customer relationship intangibles acquired in connection with a business combination. The core deposit intangible is initially recognized based on an independent valuation performed as of the acquisition date. The core deposit intangible is amortized by the straight-line method over the average remaining life of the

acquired customer deposits. The customer relationship intangibles are also initially recognized based on independent valuations performed as of the acquisition date and are amortized by the straight-line method over 10 years.

Cash Value of Bank Owned Life Insurance

The Company has purchased life insurance policies on certain officers. The life insurance is recorded at the amount that can be realized under the insurance contract at the balance sheet date, which is the cash surrender value adjusted for other charges or other amounts due that are probable at settlement.

Other Real Estate

Other real estate generally represents real estate acquired through foreclosure and is initially recorded at estimated fair value at the date of acquisition less the cost of disposal. Losses from the acquisition of property in full or partial satisfaction of debt are recorded as loan losses. Properties are evaluated regularly to ensure the recorded amounts are supported by current fair values, and valuation allowances are recorded as necessary to reduce the carrying amount to fair value less estimated cost of disposal. Routine holding costs and gains or losses upon disposition are included in foreclosed property expense.

Derivatives

At the inception of a derivative contract, the Company designates the derivative as one of three types based on the Company's intentions and belief as to likely effectiveness as a hedge. These three types are (1) a hedge of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability ("cash flow hedge"), (2) a hedge of the fair value of a recognized asset or liability or of an unrecognized firm commitment ("fair value hedge"), or (3) an instrument with no hedging designation ("non-designated derivative"). For a cash flow hedge, the gain or loss on the derivative is reported in other comprehensive income ("OCI") and is reclassified into earnings in the same period during which the hedged transaction affects earnings. For a fair value hedge, the gain or loss on the derivative, as well as the offsetting loss or gain on the hedged item attributable to the hedged risk, are recognized in current earnings as fair values change. Changes in the fair value of derivatives not designated are reported currently in earnings, as noninterest income.

Net cash settlements on derivatives that qualify for hedge accounting are recorded in interest income or interest expense, based on the item being hedged. Net cash settlements on derivatives that do not qualify for hedge accounting are reported in noninterest income or noninterest expense. Cash flows from hedges are classified in the consolidated statements of cash flows in the same manner as the items being hedged.

The Company formally documents the relationship between derivatives and hedged items, as well as the risk management objective and the strategy for undertaking hedge transactions at the inception of the hedging relationship. This documentation includes linking fair value or cash flow hedges to specific assets and liabilities on the balance sheet or to specific firm commitments or forecasted transactions. The Company also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivative instruments that are used are highly effective in offsetting changes in fair values or cash flows of the hedged items. The Company discontinues hedge accounting when it determines that the derivative is no longer effective in offsetting changes in the fair value or cash flows of the hedged item, the derivative is settled or terminated, a hedged forecasted transaction is no longer probable, a hedged firm commitment is no longer firm or treatment of the derivative as a hedge is no longer appropriate or intended.

When hedge accounting is discontinued, subsequent changes in fair value of the derivative are recorded as noninterest income. When a fair value hedge is discontinued, the hedged asset or liability is no longer adjusted for changes in fair value and the existing basis adjustment is amortized or accreted over the remaining life of the asset or liability. When a cash flow hedge is discontinued but the hedged cash flows or forecasted transactions are still expected to occur, gains or losses that were accumulated in OCI are amortized into earnings over the same periods which the hedged transactions will affect earnings.

Income Taxes

The provision for income taxes is based upon income for financial statement purposes, adjusted for nontaxable income and nondeductible expenses. Deferred income taxes have been provided when different accounting methods have been used in determining income for income tax purposes and for financial reporting purposes.

Deferred tax assets and liabilities are recognized based on future tax consequences attributable to differences arising from the financial statement carrying values of assets and liabilities and their tax basis. The differences relate primarily to depreciable assets (use of different depreciation methods for financial statement and income tax purposes) and allowance for credit losses

(use of the allowance method for financial statement purposes and the direct write-off method for tax purposes). In the event of changes in the tax laws, deferred tax assets and liabilities are adjusted in the period of the enactment of those changes, with effects included in the income tax provision. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company and its subsidiary file a consolidated federal income tax return. The subsidiary pays its proportional share of federal income taxes to the Company based on its taxable income.

The Company's federal and state income tax returns are subject to examination by the Internal Revenue Service (IRS) and the Georgia Department of Revenue, generally for three years after filing.

The Company believes that its income tax filing positions taken or expected to be taken on its tax returns will more likely than not be sustained upon audit by the taxing authorities and does not anticipate any adjustments that will result in a material adverse impact on the Company's financial condition, results of operations, or cash flow. Therefore, no reserves for uncertain income tax positions have been recorded.

Revenue Recognition

The Company's contracts with customers generally do not contain terms that require significant judgment to determine the amount of revenue to recognize. The Company's policies for recognizing noninterest income that falls within the scope of ASC Topic 606, and include service charges on deposits, interchange fees, and insurance revenue (included with other noninterest income).

Service charges on deposits include both account maintenance fees and overdraft fees and revenue from safe deposit box rental fees and lockbox services and ATM fees. 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 clients' accounts. Safe deposits and lockbox service fees are recognized over time, on a monthly basis, as the Company's performance obligation for services is satisfied. ATM fees are transaction-based fees recognized at the time the transaction is executed as that is the point at which the Company satisfies the performance obligation.

Interchange fees include debit card interchange fees. Debit card interchange fees are earned from debit card holder transactions conducted through various payment networks. Interchange fees from debit card holders transactions represent a percentage of the underlying transaction amount and are recognized daily, concurrently with the transaction processing services provided to the debit cardholder.

Insurance commissions represents income received on insurance products sold. The commissions are recognized as revenue when the client executes an insurance policy with the insurance carrier. In some cases, the company receives payment of trailing commissions each year when the client pays its annual premium.

Other income includes SBA servicing and other related fee income, income from wealth advisory and merchant services, dividends on FHLB stock, other deposit related fees as well as gains or losses on sales of assets and other real estate.

Earnings per Share

Basic earnings per share are computed by dividing net income allocated to common shareholders by the weighted-average number of shares of common stock outstanding during the period. Diluted earnings per common share are computed by dividing net income allocated to common shareholders by the sum of the weighted-average number of shares of common stock outstanding and the effect of the issuance of potential common shares that are dilutive. Potential common shares consist of restricted shares for the years ended December 31, 2025 and 2024, and are determined using the treasury stock method. The Company has determined that its outstanding non-vested stock awards are participating securities, and all dividends on these awards are paid similar to other dividends.

Comprehensive Income

Accounting principles generally require that recognized revenue, expenses, gains and losses be included in net income. Certain changes in assets and liabilities, such as unrealized gains and losses on securities available for sale, represent equity changes from economic events of the period other than transactions with owners. Such items are considered components of other comprehensive income. Accounting standards codification requires the presentation in the consolidated financial statements of net income and all items of other comprehensive income as total comprehensive income.

Fair Value Measures

Fair values of assets and liabilities are estimated using relevant market information and other assumptions, as more fully disclosed in Note 17. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular items. Changes in assumptions or in market conditions could significantly affect these estimates.

Operating Segments

The Company has three reportable segments, the Banking Division, the Retail Mortgage Division and the Small Business Specialty Lending Division. The Banking Division derives its revenues from the delivery of full service financial services to include commercial loans, consumer loans and deposit accounts. The Retail Mortgage Division derives its revenues from the origination, sales and servicing of one-to-four family residential mortgage loans. The Small Business Specialty Lending Division derives its revenues from origination, sales and servicing of SBA and USDA government guaranteed loans.

The Banking, Retail Mortgage and Small Business Specialty Lending Divisions are managed as separate business units because of the different products and services they provide. The Company's Chief Operating Decision Maker, our Chief Executive Officer, evaluates performance and allocates resources based on profit or loss from operations. The Company has applied the aggregation criterion set forth in ASC Topic 280 - Segment Reporting, to the results of its operations. There are no material intersegment sales or transfers.

Reclassifications

Certain amounts, previously reported, have been reclassified to state all periods on a comparable basis and had no effect on stockholders' equity or net income.

Accounting Standards Updates

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280) Improvements to Reportable Segment Disclosures* ("ASU 2023-07"). This ASU was issued to improve segment reporting disclosures. The amendments in this ASU improve financial reporting by requiring disclosure of incremental segment information including significant segment expenses regularly provided to the chief operating decision maker as well as the amount and composition of other segment items on an annual and interim basis for all public entities to enable investors to develop more decision-useful financial analyses. Retrospective application is required in all prior periods unless impracticable to do so. The Company adopted the new disclosure requirements for the annual period beginning on January 1, 2024 and for interim periods beginning on January 1, 2025. The adoption of this standard did not have a material impact on the Company's financial statements.

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 prospective 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.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement (Topic 220): Disaggregation of Income Statement Expenses* ("ASU 2024-03"). This ASU was issued to improve the disclosures over expenses and address requests from investors for more detailed information about the types of expenses in commonly presented expense captions. The ASU addresses investors' requests for more disaggregated expense information to better understand an entity's performance, better assess the entity's prospects for future cash flows, and compare an entity's performance over time and with that of other entities. This ASU requires disclosure in the notes to the financial statements of specified information about certain costs and expenses. Retrospective application in all periods is permitted. The Company will adopt the new disclosure requirements for the annual period beginning on January 1, 2027, and interim periods starting on January 1, 2028. The Company is still evaluating the impact of these additional disclosure requirements.

Effective October 1, 2025, the Company early adopted ASU 2025-08, *Financial Instruments - Credit Losses (Topic 326): Purchased Loans*, which amended the accounting for certain purchased financial assets. Under the new guidance, the Company is allowed to apply the 'gross-up' approach to acquired loans that meet the definition of 'purchased seasoned loans' (PSLs), whereby an allowance for credit losses is recognized at the acquisition date with an offsetting adjustment to the amortized cost

basis of the assets. This aligns the accounting for PSLs with the treatment of purchased financial assets with credit deterioration (PCD assets). This change eliminated the immediate recognition of day-one credit loss expense.

NOTE 2. BUSINESS COMBINATION

Acquisition of The Ellerbee Agency

On April 1, 2025, the Company acquired The Ellerbee Agency, an Allstate appointed consumer property and casualty insurance agency which became part of Colony's insurance division and expanded our insurance footprint and customer base into two new locations in Monroe and Greensboro, Georgia. The Company paid cash consideration of \$3.5 million and recorded a customer relationship intangible of \$1.4 million, which is being amortized over ten years, and \$1.9 million in goodwill. The goodwill was solely assigned to the Bank segment and is not expected to be deductible for income tax purposes.

Acquisition of TC Federal Bancshares, Inc.

On December 1, 2025, the Company completed its acquisition of TC Bancshares, Inc. ("TCBC"), a bank holding company headquartered in Thomasville, Georgia. Upon consummation of the acquisition, TCBC was merged with and into the Company, with Colony Bankcorp, Inc. as the surviving entity in the merger. Immediately following the holding company merger, TCBC's wholly owned bank subsidiary, TC Federal Bank was also merged with and into the Bank. The acquisition expanded the Company's market presence, as TC Federal Bank had four full-service banking locations in Thomasville and Savannah, Georgia and in Tallahassee and Jacksonville, Florida. Under the terms of the Agreement and Plan of Merger, each TCBC shareholder had the option to receive either \$21.25 in cash or 1.25 shares of the Company's common stock in exchange for each share of TCBC stock. As a result, the Company issued 3,839,613 common shares at a fair value of \$65.9 million and paid \$15.4 million in cash to the former shareholders of TCBC as merger consideration.

The assets and liabilities of TCBC as of the effective date of the merger were recorded at their respective estimated fair values and combined with those of the Company. The excess of the purchase price over the net estimated fair values of the acquired assets and liabilities was allocated to identifiable intangible assets with the remaining excess allocated to goodwill. Goodwill of \$13.0 million was recorded as part of the TCBC acquisition and was solely assigned to the Bank segment of the Company. Also, the goodwill recorded is not expected to be deductible for income tax purposes.

The Company's operating results for the year ended December 31, 2025 include the operating results of the acquired assets and assumed liabilities of TC Bancshares, Inc. subsequent to the acquisition on December 1, 2025. Due to the streamlining and integration of the operating activities into those of the Company post-acquisition, historical reporting for the former TC Bancshares, Inc. operations is impracticable, and thus disclosures of the revenue from the assets acquired and income before income taxes are impracticable for the period subsequent to acquisition.

The following table presents pro forma combined information as if the acquisition of TC Bancshares, Inc. had occurred on January 1, 2024. The pro forma amounts presented below give effect to changes in interest income due to the accretion of the net discount associated with the fair value adjustments to acquired loans, changes in noninterest expense associated with the amortization of the core deposit intangible had the acquisition occurred as of January 1, 2024, acquisition-related expenses attributable to the acquisition which primarily include, but is not limited to, advertising, professional fees and information technology expenses as well as related income tax effects on the aforementioned items. The pro forma results are not necessarily indicative of what would have occurred had the merger taken place on the indicated date nor are they intended to represent or be indicative of future results of operations. In addition, cost savings and other business synergies related to the acquisition are not reflected in the pro forma combined amounts.

<i>(dollars in thousands)</i>	For the Year Ended December 31,	
	2025	2024
Revenues	\$ 222,652	\$ 208,010
Net income	32,263	25,116

The following table presents the assets acquired and liabilities assumed of TCBC as of December 1, 2025, and their fair value estimates. The fair value estimates are subject to refinement for up to one year after the closing date of the acquisition for new information obtained about facts and circumstances that existed at the acquisition date. The Company continues its evaluation of the facts and circumstances available as of December 1, 2025, to assign fair values to assets acquired and liabilities assumed, which could result in further adjustments to the fair values presented below.

<i>(dollars in thousands, except market price)</i>	Initial Fair Value Adjustments
Purchase price consideration:	
Shares of CBAN common stock issued to TCBC shareholders as of December 1, 2025	3,839,613
Market price of CBAN common stock on November 28, 2025	\$ 17.15
Estimated fair value of CBAN common stock issued	65,850
Cash consideration paid	15,430
Total consideration	\$ 81,280
Assets acquired at fair value:	
Cash and cash equivalents	\$ 16,346
Investment securities, available-for-sale	93,485
Loans	412,676
Allowance for credit losses	(4,619)
Premises and equipment	1,615
Core deposit intangible	4,622
Prepaid and other assets	31,066
Total fair value of assets acquired	\$ 555,191
Liabilities assumed at fair value:	
Deposits	\$ 460,119
FHLB advances	9,969
Payables and other liabilities	16,825
Total fair value of liabilities assumed	\$ 486,913
Net assets acquired at fair value	\$ 68,278
Amount of goodwill resulting from acquisition	\$ 13,002

The following is a description of the methods used to determine the fair values of significant assets acquired and liabilities assumed.

Cash and due from banks and interest-bearing deposits with banks: The carrying amount of these assets was a reasonable estimate of fair value based on the short-term nature of these assets.

Securities: Fair values for securities were based on quoted market prices, where available. If quoted market prices were not available, fair value estimates were based on observable inputs including quoted market prices for similar instruments, quoted market prices that were not in an active market or other inputs that were observable in the market. In the absence of observable inputs, fair value was estimated based on pricing models and/or discounted cash flow methodologies.

Loans: Fair values for loans were based on a discounted cash flow methodology that considered factors including the type of loan and related collateral, classification status, fixed or variable interest rate, term, amortization status and current discount rates. Loans were grouped together according to similar characteristics when applying various valuation techniques. The discount rates used for loans were based on current market rates for new originations of comparable loans and include adjustments for liquidity. The discount rate does not include a factor for credit losses as that has been included as a reduction to the estimated cash flows. Purchased loans that reflect a more-than-insignificant deterioration of credit from origination are considered Purchase Credit Deteriorated ("PCD") loans. For PCD loans, the initial estimate of expected credit losses is recognized in the allowance for credit losses on the date of acquisition using the same methodology as other loans held-for-investment. In addition, the Company early adopted ASU 2025-08 as of October 1, 2025. Accordingly, the initial estimate of

expected credit losses recognized in the allowance for credit losses included both PCD and non-PCD loans which were deemed purchased seasoned loans.

The following table presents the acquired loan data for the TCBC acquisition.

<i>(dollars in thousands)</i>	Unpaid principal balance	Discount	Loans	Allowance for credit losses on loans	Net loans
PCD loans	\$ 11,625	\$ (580)	\$ 11,045	\$ (1,183)	\$ 9,862
Non-PCD loans	413,539	(11,908)	401,631	(3,436)	398,195
Total	\$ 425,164	\$ (12,488)	\$ 412,676	\$ (4,619)	\$ 408,057

Core deposit intangible: The Company recorded a core deposit intangible of \$4.6 million as of the acquisition date. The fair value was estimated based on a discounted cash flow methodology that gave appropriate consideration to expected customer attrition rates, net maintenance cost of the deposit base, alternative cost of funds, and the interest costs associated with customer deposits. The core deposit intangible is being amortized over the average remaining life of the acquired customer deposits.

Deposits: The fair values used for the demand and savings deposits by definition equal the amount payable on demand at the acquisition date. The fair values for time deposits were estimated using a discounted cash flow calculation that applies interest rates currently being offered to the contractual interest rates on such time deposits.

NOTE 3. INVESTMENT SECURITIES

The amortized cost and estimated fair value of securities available-for-sale and held-to-maturity, along with gross unrealized gains and losses are summarized as follows:

(dollars in thousands)

December 31, 2025	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities Available-for-Sale:				
U.S. treasury securities	\$ 5,570	\$ 12	\$ —	\$ 5,582
U.S. agency securities	3,304	—	(108)	3,196
Asset backed securities	14,622	6	(145)	14,483
State, county & municipal securities	118,204	58	(11,032)	107,230
Corporate debt securities	52,660	336	(4,189)	48,807
Mortgage-backed securities	218,035	525	(14,041)	204,519
Total	\$ 412,395	\$ 937	\$ (29,515)	\$ 383,817

December 31, 2025	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities Held-to-Maturity:				
U.S. treasury securities	\$ 65,408	\$ —	\$ (958)	\$ 64,450
U.S. agency securities	8,991	—	(682)	8,309
State, county & municipal securities	137,591	76	(11,675)	125,992
Mortgage-backed securities	174,628	—	(19,089)	155,539
Total	\$ 386,618	\$ 76	\$ (32,404)	\$ 354,290

December 31, 2024	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities Available-for-Sale:				
U.S. treasury securities	\$ 3,173	\$ —	\$ —	\$ 3,173
U.S. agency securities	3,001	—	(246)	2,755
Asset backed securities	17,925	17	(118)	17,824
State, county & municipal securities	110,952	—	(15,315)	95,637
Corporate debt securities	53,324	1	(5,543)	47,782
Mortgage-backed securities	221,005	207	(22,334)	198,878
Total	<u>\$ 409,380</u>	<u>\$ 225</u>	<u>\$ (43,556)</u>	<u>\$ 366,049</u>

December 31, 2024	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities Held-to-Maturity:				
U.S. treasury securities	\$ 91,004	\$ —	\$ (2,828)	\$ 88,176
U.S. agency securities	16,151	—	(1,263)	14,888
State, county & municipal securities	137,190	—	(15,915)	121,275
Mortgage-backed securities	185,732	—	(27,051)	158,681
Total	<u>\$ 430,077</u>	<u>\$ —</u>	<u>\$ (47,057)</u>	<u>\$ 383,020</u>

The Company elected to exclude accrued interest receivable from the amortized cost basis of available-for-sale and held-to-maturity securities disclosed throughout this note. As of December 31, 2025 and December 31, 2024, accrued interest receivable for available-for-sale and held-to-maturity securities totaled \$2.3 million and \$2.3 million, and \$1.7 million and \$1.8 million, respectively, and is included in the "other assets" line item on the Company's consolidated balance sheet.

The Company had no transfers of securities from available-for-sale to held-to-maturity during the periods ended December 31, 2025 and December 31, 2024, respectively.

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

	Less Than 12 Months		12 Months or More		Total	
	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
<i>(dollars in thousands)</i>						
December 31, 2025						
U.S. treasury securities	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
U.S. agency securities	1,182	(2)	2,014	(106)	3,196	(108)
Asset backed securities	5,001	(8)	8,265	(137)	13,266	(145)
State, county & municipal securities	5,219	(545)	94,080	(10,487)	99,299	(11,032)
Corporate debt securities	3,955	(45)	34,550	(4,144)	38,505	(4,189)
Mortgage-backed securities	27,089	(134)	125,920	(13,907)	153,009	(14,041)
Total debt securities	<u>\$ 42,446</u>	<u>\$ (734)</u>	<u>\$ 264,829</u>	<u>\$ (28,781)</u>	<u>\$ 307,275</u>	<u>\$ (29,515)</u>
December 31, 2024						
U.S. agency securities	—	—	2,755	(246)	2,755	(246)
Asset backed securities	3,715	(8)	8,269	(110)	11,984	\$ (118)
State, county & municipal securities	2,829	(294)	92,808	(15,021)	95,637	\$ (15,315)
Corporate debt securities	4,434	(720)	42,847	(4,823)	47,281	(5,543)
Mortgage-backed securities	21,278	(430)	160,343	(21,904)	181,621	(22,334)
Total debt securities	<u>\$ 32,256</u>	<u>\$ (1,452)</u>	<u>\$ 307,022</u>	<u>\$ (42,104)</u>	<u>\$ 339,278</u>	<u>\$ (43,556)</u>

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

	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
<i>(dollars in thousands)</i>						
December 31, 2025						
U.S. treasury securities	\$ —	\$ —	\$ 64,450	\$ (958)	\$ 64,450	\$ (958)
U.S. agency securities	—	—	8,309	(682)	8,309	(682)
State, county & municipal securities	441	(3)	116,706	(11,672)	117,147	(11,675)
Mortgage-backed securities	—	—	155,539	(19,089)	155,539	(19,089)
	<u>\$ 441</u>	<u>\$ (3)</u>	<u>\$ 345,004</u>	<u>\$ (32,401)</u>	<u>\$ 345,445</u>	<u>\$ (32,404)</u>
December 31, 2024						
U.S. treasury securities	\$ —	\$ —	\$ 88,176	\$ (2,828)	\$ 88,176	\$ (2,828)
U.S. agency securities	—	—	14,888	(1,263)	14,888	(1,263)
State, county & municipal securities	18,751	(374)	102,524	(15,541)	121,275	(15,915)
Mortgage-backed securities	—	—	158,681	(27,051)	158,681	(27,051)
	<u>\$ 18,751</u>	<u>\$ (374)</u>	<u>\$ 364,269</u>	<u>\$ (46,683)</u>	<u>\$ 383,020</u>	<u>\$ (47,057)</u>

Management evaluates available-for-sale securities in an unrealized loss position at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation to determine if credit-related losses exist. Management first evaluates whether they intend to sell or more likely than not will be required to sell a security with losses 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, management evaluates whether the decline in fair value is attributable to credit or resulted from other factors. The Company does not intend to sell these investment securities in an unrealized loss position at December 31, 2025, and it is more likely than not that the Company will not be required to sell these securities prior to recovery or maturity. Based on management's review, the Company's available-for-sale securities have no expected credit losses and no related allowance for credit losses has been established.

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. Based on management's review, the Company's held-to-maturity securities have no expected credit losses and no related allowance for credit losses has been established.

At December 31, 2025, there are 232 available-for-sale securities and 144 held-to-maturity securities that have unrealized losses from the Company's amortized cost basis. These securities are guaranteed by either the U.S. Government, other governments or U.S. corporations. In analyzing an issuer's financial condition, management considers whether the securities are issued by the federal government or its agencies, whether downgrades by bond rating agencies have occurred and the results of reviews of the issuer's financial condition. The unrealized losses are largely due to increases in market interest rates over the yields available at the time the underlying securities were purchased. As management has the ability to hold debt securities until maturity, or for the foreseeable future if classified as available-for-sale, no declines are due to reasons of credit quality.

The amortized cost and fair value of investment securities as of December 31, 2025, by contractual maturity, are shown hereafter. Expected maturities may differ from contractual maturities for certain investments because issuers may have the right to call or prepay obligations with or without call or prepayment penalties. This is often the case with mortgage-backed securities, which are disclosed separately in the table below.

<i>(dollars in thousands)</i>	Available-for-Sale		Held-to-Maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	\$ 8,923	\$ 8,742	\$ 11,927	\$ 11,918
Due after one year through five years	36,863	35,478	64,760	63,478
Due after five years through ten years	93,910	84,793	73,744	68,405
Due after ten years	54,664	50,285	61,559	54,950
	<u>\$ 194,360</u>	<u>\$ 179,298</u>	<u>\$ 211,990</u>	<u>\$ 198,751</u>
Mortgage-backed securities	218,035	204,519	174,628	155,539
	<u>\$ 412,395</u>	<u>\$ 383,817</u>	<u>\$ 386,618</u>	<u>\$ 354,290</u>

Proceeds from the sales of investment securities totaled \$73.4 million for the year ended December 31, 2025, and resulted in gross realized losses of \$1.0 million. For the year ended December 31, 2024, the Company had proceeds from the sales of investment securities of \$33.9 million, resulting in gross realized losses of \$1.8 million. The purpose of these sales in 2025 and 2024 was to restructure underperforming assets and reinvest at higher yields. The sales do not impact our ability to hold the remaining securities, and we are not in a position to be required to sell any remaining securities at this time.

Investment securities having a carrying value totaling \$397.2 million and \$451.5 million as of December 31, 2025 and 2024, respectively, were pledged to secure public deposits and for other purposes.

The Company previously adopted ASU 2016-13 Financial Instruments - Credit Losses (Topic 326), as amended on January 1, 2023 which included evaluation of expected credit losses on debt securities. As part of the Company's calculated credit losses, the allowance for credit losses on investment securities was determined to be de minimis due to the high credit quality of the portfolio, which includes securities issued or guaranteed by the U.S. Treasury, U.S. Government agencies and high quality municipalities. Therefore, no allowance for credit losses was recorded as of December 31, 2025 or 2024. See Note 1 for additional details on the allowance for credit losses as it relates to the securities portfolio.

NOTE 4. LOANS

The following table presents the composition of loans segregated by class of loans, as of December 31, 2025 and 2024.

<i>(dollars in thousands)</i>	December 31, 2025	December 31, 2024
Construction, land & land development	\$ 302,512	\$ 205,046
Other commercial real estate	1,249,720	990,648
Total commercial real estate	1,552,232	1,195,694
Residential real estate	459,549	344,167
Commercial, financial & agricultural	218,532	213,910
Consumer and other	150,911	89,209
Total loans	<u>\$ 2,381,224</u>	<u>\$ 1,842,980</u>

Included in the above table are government guaranteed loans totaling \$84.9 million at December 31, 2025 and \$81.6 million at December 31, 2024. The following table presents the composition of government guaranteed loans segregated by class of loans for each respective period.

<i>(dollars in thousands)</i>	December 31, 2025	December 31, 2024
Construction, land & land development	\$ 2,277	\$ 2,317
Other commercial real estate	43,251	41,471
Total commercial real estate	45,528	43,788
Residential real estate	10,050	9,348
Commercial, financial & agricultural	29,350	28,500
Total loans	<u>\$ 84,928</u>	<u>\$ 81,636</u>

The following table presents the composition of loans acquired during the year ended December 31, 2025, segregated by class of loans. The balances shown reflect a fair value discount related to interest rates applied at acquisition of \$12.5 million.

<i>(dollars in thousands)</i>	December 31, 2025	
Construction, land & land development	\$	42,422
Other commercial real estate		192,111
Total commercial real estate		234,533
Residential real estate		154,202
Commercial, financial & agricultural		16,428
Consumer and other		7,513
Total loans	\$	412,676

Included in the above acquired loan table are purchased credit deteriorated loans. These are loans for which there was, at acquisition, evidence of more than insignificant deterioration of credit quality since origination. The carrying amount of those loans is as follows:

<i>(dollars in thousands)</i>	December 31, 2025	
Purchase price of loans at acquisition	\$	11,625
Allowance for credit losses at acquisition		1,183
Non-credit discount at acquisition		580

The Company elected to exclude accrued interest receivable from the amortized cost basis of loans disclosed throughout this note. As of December 31, 2025 and 2024, respectively, accrued interest receivable for loans totaled \$11.4 million and \$9.0 million and is included in the "other assets" line item on the Company's consolidated balance sheet.

Commercial, financial & agricultural loans are extended to a diverse group of businesses within the Company's market area. These loans are often underwritten based on the borrower's ability to service the debt from income from the business. Real estate construction loans often require loan funds to be advanced prior to completion of the project. Due to uncertainties inherent in estimating construction costs, changes in interest rates and other economic conditions, these loans often pose a higher risk than other types of loans. Consumer and other loans are originated at the bank level. These loans are generally smaller loan amounts spread across many individual borrowers to help minimize risk.

Credit Quality Indicators. As part of the ongoing monitoring of the credit quality of the loan portfolio, management tracks certain credit quality indicators including trends related to (1) the risk grade assigned to commercial and consumer loans, (2) the level of classified commercial loans, (3) net charge-offs, (4) nonperforming loans, and (5) the general economic conditions in the Company's geographic markets.

The Company uses a risk grading matrix to assign a risk grade to each of its loans. For commercial loans over \$500,000, loans are graded on a scale of 1 to 10. A description of the general characteristics of the grades is as follows:

- Grades 1, 2 and 3 - Borrowers with these assigned risk grades range from virtual absence of risk to minimal risk. Such loans may be secured by Company-issued and controlled certificates of deposit or properly margined equity securities or bonds. Other loans comprising these grades are made to companies that have been in existence for a long period of time with many years of consecutive profits and strong equity, good liquidity, excellent debt service ability and unblemished past performance, or to exceptionally strong individuals with collateral of unquestioned value that fully secures the loans. Loans in this category fall into the "pass" classification.
- Grades 4 and 5 - Loans assigned these "pass" risk grades are made to borrowers with acceptable credit quality and risk. The risk ranges from loans with no significant weaknesses in repayment capacity and collateral protection to acceptable loans with one or more risk factors considered to be more than average. These loans are also included in the "pass" classification.
- Grade 6 - This grade includes "special mention" loans on management's watch list and is intended to be used on a temporary basis for pass grade loans where risk-modifying action is intended in the short-term.

- Grades 7 and 8 - These grades includes “substandard” loans in accordance with regulatory guidelines. This category includes borrowers with well-defined weaknesses that jeopardize the payment of the debt in accordance with the agreed terms. Loans considered to be impaired are assigned grade 8, and these loans often have assigned loss allocations as part of the allowance for credit losses. Generally, loans on which interest accrual has been stopped would be included in this grade.
- Grades 9 and 10 - These grades correspond to regulatory classification definitions of “doubtful” and “loss,” respectively. In practice, any loan with these grades would be for a very short period of time, and generally the Company has no loans with these assigned grades. Management manages the Company’s problem loans in such a way that uncollectible loans or uncollectible portions of loans are charged off immediately with any residual, collectible amounts assigned a risk grade of 7 or 8.

For smaller commercial loans (under \$500,000) and consumer loans, the Company began using behavioral based risk grades during the second quarter of 2024. These loans are assigned risk grades of 98 and 99 based on payment performance with the Company.

- * Grade 98 - Loans assigned this risk grade indicates a "pass" credit.
- * Grade 99 - Loans assigned this risk grade indicates a "substandard" credit and is moved to a nonaccrual status.

The following tables present the loan portfolio segregated by class of loans and the risk category of term loans by vintage year, which is the year of origination or most recent renewal, as of December 31, 2025 and 2024. Those loans with a risk grade of 1, 2, 3, 4, 5 and 98 have been combined in the pass line for presentation purposes. Loans with a risk grade of 7, 8 and 99 have been combined in the substandard line. There were no loans with a risk rating of "doubtful" or "loss" at December 31, 2025 and 2024.

Term Loans Amortized Cost Basis by Origination Year									
(dollars in thousands)	2025	2024	2023	2022	2021	Prior	Revolvers	Revolvers converted to term loans	Total
December 31, 2025									
Construction, land & land development									
Risk rating									
Pass	\$ 190,131	\$ 63,730	\$ 8,065	\$ 12,914	\$ 8,517	\$ 1,440	\$ 110	\$ —	\$ 284,907
Special Mention	16,167	—	—	—	—	—	—	—	16,167
Substandard	54	122	1,132	92	—	38	—	—	1,438
Total Construction, land & land development	206,352	63,852	9,197	13,006	8,517	1,478	110	—	302,512
Current period gross write offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Other commercial real estate									
Risk rating									
Pass	235,989	121,779	113,731	351,954	191,620	177,904	15,173	1,498	1,209,648
Special Mention	6,452	—	4,680	3,110	—	2,441	—	518	17,201
Substandard	5,135	6,327	4,117	3,036	799	2,638	616	203	22,871
Total Other commercial real estate	247,576	128,106	122,528	358,100	192,419	182,983	15,789	2,219	1,249,720
Current period gross write offs	—	—	206	278	5	20	—	—	509
Residential real estate									
Risk rating									
Pass	21,212	62,992	79,928	121,472	58,367	72,633	30,633	799	448,036
Special Mention	777	94	247	—	1,283	2,803	195	—	5,399
Substandard	566	52	2,534	1,674	261	1,027	—	—	6,114
Total Residential real estate	22,555	63,138	82,709	123,146	59,911	76,463	30,828	799	459,549
Current period gross write offs	—	—	—	140	—	43	—	—	183
Commercial, financial & agricultural									
Risk rating									
Pass	46,062	26,351	32,121	26,463	6,811	16,282	48,395	849	203,334
Special Mention	1,666	—	95	132	—	—	3,448	—	5,341
Substandard	123	2,291	3,277	1,571	2,173	136	286	—	9,857
Total Commercial, financial & agricultural	47,851	28,642	35,493	28,166	8,984	16,418	52,129	849	218,532
Current period gross write offs	178	597	1,206	915	433	60	—	—	3,389
Consumer and other									
Risk rating									
Pass	83,905	35,690	28,544	1,272	150	408	589	22	150,580
Special Mention	—	131	—	—	—	—	—	—	131
Substandard	—	114	86	—	—	—	—	—	200
Total Consumer and other	83,905	35,935	28,630	1,272	150	408	589	22	150,911
Current period gross write offs	244	1,071	274	17	—	12	—	—	1,618

Total Loans									
Risk rating									
Pass	577,299	310,542	262,389	514,075	265,465	268,667	94,900	3,168	2,296,505
Special Mention	25,062	225	5,022	3,242	1,283	5,244	3,643	518	44,239
Substandard	5,878	8,906	11,146	6,373	3,233	3,839	902	203	40,480
Total Loans	\$ 608,239	\$ 319,673	\$ 278,557	\$ 523,690	\$ 269,981	\$ 277,750	\$ 99,445	\$ 3,889	\$ 2,381,224
Total current period gross write offs	\$ 422	\$ 1,668	\$ 1,686	\$ 1,350	\$ 438	\$ 135	\$ —	\$ —	\$ 5,699

Term Loans Amortized Cost Basis by Origination Year

(dollars in thousands)

December 31, 2024

Construction, land & land development

Risk rating	2024	2023	2022	2021	2020	Prior	Revolvers	Revolvers converted to term loans	Total
Pass	\$ 98,269	\$ 47,378	\$ 25,930	\$ 23,193	\$ 1,979	\$ 5,379	\$ 53	\$ —	\$ 202,181
Special Mention	—	2,088	—	—	411	—	281	—	2,780
Substandard	—	—	—	—	—	85	—	—	85
Total Construction, land & land development	98,269	49,466	25,930	23,193	2,390	5,464	334	—	205,046
Current period gross write offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

Other commercial real estate

Risk rating	2024	2023	2022	2021	2020	Prior	Revolvers	Revolvers converted to term loans	Total
Pass	55,169	85,172	343,123	180,568	76,905	194,444	21,341	1,849	958,571
Special Mention	850	1,999	4,288	173	2,344	7,376	610	1,069	18,709
Substandard	4,114	2,586	2,875	459	352	2,419	563	—	13,368
Total Other commercial real estate	60,133	89,757	350,286	181,200	79,601	204,239	22,514	2,918	990,648
Current period gross write offs	—	—	—	—	—	20	—	—	20

Residential real estate

Risk rating	2024	2023	2022	2021	2020	Prior	Revolvers	Revolvers converted to term loans	Total
Pass	16,675	76,074	112,784	45,111	18,978	44,892	23,222	926	338,662
Special Mention	—	1,672	374	—	—	1,989	204	—	4,239
Substandard	—	—	442	270	28	526	—	—	1,266
Total Residential real estate	16,675	77,746	113,600	45,381	19,006	47,407	23,426	926	344,167
Current period gross write offs	—	—	400	18	—	9	—	—	427

Commercial, financial & agricultural

Risk rating	2024	2023	2022	2021	2020	Prior	Revolvers	Revolvers converted to term loans	Total
Pass	44,380	46,610	33,124	12,322	8,662	16,143	43,051	742	205,034
Special Mention	—	622	2,136	12	—	—	700	—	3,470
Substandard	105	1,612	858	1,904	271	218	433	5	5,406
Total Commercial, financial & agricultural	44,485	48,844	36,118	14,238	8,933	16,361	44,184	747	213,910
Current period gross write offs	138	588	659	986	28	68	—	—	2,467

Consumer and other									
Risk rating									
Pass	53,500	30,186	2,312	857	530	1,291	456	13	89,145
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	49	—	12	1	2	—	—	—	64
Total Consumer and other	53,549	30,186	2,324	858	532	1,291	456	13	89,209
Current period gross write offs	84	392	81	1	5	41	—	—	604
Total Loans									
Risk rating									
Pass	267,993	285,420	517,273	262,051	107,054	262,149	88,123	3,530	1,793,593
Special Mention	850	6,381	6,798	185	2,755	9,365	1,795	1,069	29,198
Substandard	4,268	4,198	4,187	2,634	653	3,248	996	5	20,189
Total Loans	\$ 273,111	\$ 295,999	\$ 528,258	\$ 264,870	\$ 110,462	\$ 274,762	\$ 90,914	\$ 4,604	\$ 1,842,980
Total current period gross write offs	\$ 222	\$ 980	\$ 1,140	\$ 1,005	\$ 33	\$ 138	\$ —	\$ —	\$ 3,518

A loan's risk grade is assigned at the inception of the loan and is based on the financial strength of the borrower and the type of collateral. Loan risk grades are subject to reassessment at various times throughout the year as part of the Company's ongoing loan review process. Loans with an assigned risk grade of 7, 8, 9, 10 or 99 and an outstanding balance of \$500,000 or more are reassessed on a quarterly basis. During this reassessment process individual reserves may be identified and placed against certain loans which are not considered impaired. In assessing the overall economic condition of the markets in which it operates, the Company monitors the unemployment rates for its major service areas. The unemployment rates are reviewed on a quarterly basis as part of the allowance for credit loss determination.

Loans are considered past due if the required principal and interest payments have not been received as of the date such payments were due. Generally, loans are placed on nonaccrual status if principal or interest payments become 90 days past due or when, in management's opinion, the borrower may be unable to meet payment obligations as they become due, as well as when required by regulatory provision. Loans may be placed on nonaccrual status regardless of whether such loans are considered past due.

Loans are classified as collateral-dependent when the borrower is experiencing financial difficulty, and we expect repayment to be provided substantially through the operation or sale of collateral. Our commercial loans have collateral that is comprised of real estate and business assets. Our consumer loans have collateral that is substantially comprised of residential real estate. The Company had \$7.2 million and \$3.1 million in collateral-dependent loans at December 31, 2025 and 2024, respectively. There were no significant changes in the extent to which collateral secures our collateral-dependent loans during the periods ended December 31, 2025 and 2024.

The following table represents an age analysis of past due loans and nonaccrual loans, segregated by class of loans, as of December 31, 2025 and 2024.

	Accruing Loans			Nonaccrual Loans	Current Loans	Total Loans
	30-89 Days Past Due	90 Days or More Past Due	Total Accruing Loans Past Due			
<i>(dollars in thousands)</i>						
December 31, 2025						
Construction, land & land development	\$ 269	\$ —	\$ 269	\$ 1,132	\$ 301,111	\$ 302,512
Other commercial real estate	4,183	—	4,183	9,663	1,235,874	1,249,720
Total commercial real estate	4,452	—	4,452	10,795	1,536,985	1,552,232
Residential real estate	3,558	—	3,558	4,501	451,490	459,549
Commercial, financial & agricultural	925	—	925	7,883	209,724	218,532
Consumer and other	915	95	1,010	201	149,700	150,911
Total loans	<u>\$ 9,850</u>	<u>\$ 95</u>	<u>\$ 9,945</u>	<u>\$ 23,380</u>	<u>\$ 2,347,899</u>	<u>\$ 2,381,224</u>

	Accruing Loans			Nonaccrual Loans	Current Loans	Total Loans
	30-89 Days Past Due	90 Days or More Past Due	Total Accruing Loans Past Due			
<i>(dollars in thousands)</i>						
December 31, 2024						
Construction, land & land development	\$ 544	\$ —	\$ 544	\$ —	\$ 204,502	\$ 205,046
Other commercial real estate	2,441	—	2,441	4,833	983,374	990,648
Total commercial real estate	2,985	—	2,985	4,833	1,187,876	1,195,694
Residential real estate	3,689	—	3,689	1,204	339,274	344,167
Commercial, financial & agricultural	1,348	—	1,348	4,559	208,003	213,910
Consumer and other	339	152	491	64	88,654	89,209
Total loans	<u>\$ 8,361</u>	<u>\$ 152</u>	<u>\$ 8,513</u>	<u>\$ 10,660</u>	<u>\$ 1,823,807</u>	<u>\$ 1,842,980</u>

The following table is a summary of the Company's nonaccrual loans by major categories for the periods indicated.

	Nonaccrual Loans with No Related ACL		Nonaccrual Loans with a Related ACL		Total Nonaccrual Loans
<i>(dollars in thousands)</i>					
December 31, 2025					
Construction, land & land development	\$	—	\$	1,132	\$ 1,132
Other commercial real estate		8,231		1,432	9,663
Total commercial real estate		8,231		2,564	10,795
Residential real estate		1,807		2,694	4,501
Commercial, financial & agricultural		4,296		3,587	7,883
Consumer and other		—		201	201
Total loans	<u>\$</u>	<u>14,334</u>	<u>\$</u>	<u>9,046</u>	<u>\$ 23,380</u>

(dollars in thousands)

	<u>Nonaccrual Loans with No Related ACL</u>	<u>Nonaccrual Loans with a Related ACL</u>	<u>Total Nonaccrual Loans</u>
December 31, 2024			
Construction, land & land development	\$ —	\$ —	\$ —
Other commercial real estate	1,482	3,351	4,833
Total commercial real estate	1,482	3,351	4,833
Residential real estate	—	1,204	1,204
Commercial, financial & agricultural	—	4,559	4,559
Consumer and other	—	64	64
Total loans	<u>\$ 1,482</u>	<u>\$ 9,178</u>	<u>\$ 10,660</u>

As of December 31, 2025, the Company had \$198,000 in loans secured by 1-4 family residential properties that were in the process of foreclosure. At December 31, 2024, there were no loans in process of foreclosure.

Interest income recorded on nonaccrual loans during the year ended December 31, 2025 was \$1.2 million, and reflects interest income recorded on nonaccrual loans prior to them being placed on nonaccrual status. Had nonaccrual loans performed in accordance with their original contractual terms, the Company would have recognized additional interest income of approximately \$4.8 million for the year ended December 31, 2025.

Interest income recorded on nonaccrual loans during the year ended December 31, 2024 was \$511,000, and reflects interest income recorded on nonaccrual loans prior to them being placed on nonaccrual status. Had nonaccrual loans performed in accordance with their original contractual terms, the Company would have recognized additional interest income of approximately \$3.8 million for the year ended December 31, 2024.

The allowance for credit losses incorporates an estimate of lifetime expected credit losses and is recorded on each asset upon asset origination or acquisition. The starting point for the estimate of the allowance for credit losses is historical loss information, which includes losses from modifications of receivables to borrowers experiencing financial difficulty. The Company uses a discounted cash flow model to determine the allowance for credit losses. An assessment of whether a borrower is experiencing financial difficulty is made on the date of a modification.

Because the effect of most modifications made to borrowers experiencing financial difficulty is already included in the allowance for credit losses because of the measurement methodologies used to estimate the allowance, a change to the allowance for credit losses is generally not recorded upon modification. Occasionally, the Company modifies loans by providing principal forgiveness on certain of its real estate loans. When principal forgiveness is provided, the amortized cost basis of the asset is written off against the allowance for credit losses. The amount of the principal forgiveness is deemed to be uncollectible; therefore, that portion of the loan is written off, resulting in a reduction of the amortized cost basis and a corresponding adjustment to the allowance for credit losses.

In some cases, the Company will modify a certain loan by providing multiple types of concessions. Typically, one type of concession, such as a term extension, is granted initially. If the borrower continues to experience financial difficulty, another concession, such as principal forgiveness, may be granted. Upon the Company's determination that a modified loan, or portion of a loan, has subsequently been deemed uncollectible, the loan, or portion of the loan, is written off.

The following tables present loans modified due to a financial difficulty under the above terms during the twelve month periods ended December 31, 2025 and 2024.

<i>(dollars in thousands)</i>	December 31, 2025		
	Interest rate reduction	Payment Delay	Total*
Construction, land & land development	\$ 54	\$ 1,132	\$ 1,186
Other commercial real estate	—	589	589
Residential real estate	—	233	233
Commercial, financial & agricultural	—	888	888
Total Loans	\$ 54	\$ 2,842	\$ 2,896

*less than 0.12% of total class of receivable

There were a total of five loans in the above categories for the year ended December 31, 2025. There were two construction, land & land development loans, one of which had an interest rate reduction and one that had been given a payment delay. There was one commercial real estate loan, one residential real state loan and one commercial, financial & agricultural loan, each of which had been given a payment delay.

<i>(dollars in thousands)</i>	December 31, 2024			
	Term Extension	Payment Delay	Term Extension and Payment Delay	Total*
Construction, land & land development	\$ —	\$ 85	\$ —	\$ 85
Other commercial real estate	355	—	145	500
Commercial, financial & agricultural	—	353	578	931
Total Loans	\$ 355	\$ 438	\$ 723	\$ 1,516

*less than 0.08% of total class of receivable

There were a total of nine loans in the above categories for the year ended December 31, 2024. There was one construction, land & land development loan which had been given a payment delay. The commercial real estate loans consisted of three loans, all three with a term extension of one year and one of these loans also given a payment delay. There were five commercial, financial & agricultural loans, one of which had been given a payment delay only and four with both a payment delay and term extensions, one loan for three years, one loan for five years and two loans for ten years.

The Company had one commercial, financial & agricultural loan that subsequently defaulted during the year ended December 31, 2025 due to late payments. The loan had been given a payment delay as well as a term extension. The Company had three loans that subsequently defaulted during the year ended December 31, 2024. These loans were commercial, financial & agricultural loans to one borrower that had been given a payment delay on each loan. The Company repossessed collateral of \$300,000 and charged off the remaining balance on the loans of \$810,000 in the fourth quarter of 2024.

NOTE 5. ALLOWANCE FOR CREDIT LOSSES

The ACL for loans represents management's estimate of life of loan credit losses in the portfolio as of the end of the period. The ACL related to unfunded commitments is included in other liabilities in the consolidated balance sheet. The following tables present the balance sheet activity in the ACL by portfolio segment for loans for the years ended December 31, 2025 and 2024.

<i>(dollars in thousands)</i>	Balance, December 31, 2024	Adoption of ASU 2025-08	Charge-offs	Recoveries	Provision for credit losses on loans	Balance, December 31, 2025
Year ended December 31, 2025						
Construction, land & land development	\$ 1,306	\$ 266	\$ —	\$ 1	\$ 901	\$ 2,474
Other commercial real estate	6,459	2,007	(509)	266	(508)	7,715
Total commercial real estate	7,765	2,273	(509)	267	393	10,189
Residential real estate	5,502	2,064	(183)	195	(2,090)	5,488
Commercial, financial & agricultural	2,904	138	(3,389)	120	4,121	3,894
Consumer and other	2,809	144	(1,618)	35	2,073	3,443
Total allowance for credit losses on loans	\$ 18,980	\$ 4,619	\$ (5,699)	\$ 617	\$ 4,497	\$ 23,014

<i>(dollars in thousands)</i>	Balance, December 31, 2023	Charge-offs	Recoveries	Provision for credit losses on loans	Balance, December 31, 2024
Year ended December 31, 2024					
Construction, land & land development	\$ 2,204	\$ —	\$ 16	\$ (914)	\$ 1,306
Other commercial real estate	7,064	(20)	57	(642)	6,459
Total commercial real estate	9,268	(20)	73	(1,556)	7,765
Residential real estate	5,105	(427)	256	568	5,502
Commercial, financial & agricultural	2,110	(2,467)	161	3,100	2,904
Consumer and other	1,888	(604)	25	1,500	2,809
Total allowance for credit losses on loans	\$ 18,371	\$ (3,518)	\$ 515	\$ 3,612	\$ 18,980

Colony used a one-year reasonable and supportable forecast period. The changes in loss rates used as the basis for the estimate of credit losses during this period were modeled using historical data from peer banks and macroeconomic forecast data obtained from a third party vendor, which were then applied to Colony's recent default experience as a starting point. As of December 31, 2025, the Company expects that the markets in which it operates will experience stable economic and unemployment conditions with the trend of delinquencies returning to more normalized levels, over the next year. Management adjusted the historical loss experience for these expectations. No reversion adjustments were necessary, as the starting point for the Company's estimate was a cumulative loss rate covering the expected contractual term of the portfolio.

The Company determines its individual reserves during its quarterly review of substandard loans. This process involves reviewing all loans with a risk grade of 7, 8, 9, 10 or 99 and an outstanding balance of \$500,000 or more, regardless of the loans impairment classification.

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

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.

(dollars in thousands)

	December 31, 2025	December 31, 2024
Beginning balance	\$ 813	\$ 1,375
Adjustment to allowance for unfunded commitments for adoption of ASU 2025-08	134	—
Provision for (recovery of) unfunded commitments	3	(562)
Ending balance	\$ 950	\$ 813

NOTE 6. PREMISES AND EQUIPMENT

Premises and equipment are comprised of the following as of December 31:

(dollars in thousands)

	2025	2024
Land	\$ 11,314	\$ 11,314
Building	36,839	38,410
Furniture, fixtures and equipment	22,624	21,203
Leasehold improvements	2,319	1,392
Construction in progress	19	1
Total cost	73,115	72,320
Accumulated depreciation	(36,070)	(34,489)
Total premises and equipment	\$ 37,045	\$ 37,831

Depreciation charged to operations totaled \$2.6 million in 2025 and \$2.5 million in 2024. Construction in progress at December 31, 2025 was \$19,000 which represents equipment repairs at three of the Company's branches. Costs to complete these projects are not expected to exceed \$34,000.

NOTE 7. OTHER REAL ESTATE OWNED

The following is a summary of the activity in other real estate owned during the years ended December 31, 2025 and 2024:

(dollars in thousands)

	2025	2024
Balance, Beginning of year	\$ 202	\$ 448
Loans transferred to other real estate	1,155	474
Sales proceeds	(310)	(1,269)
Transfer from premises and equipment	—	380
Net gain on sales	1	169
Ending balance	\$ 1,048	\$ 202

NOTE 8. GOODWILL AND INTANGIBLE ASSETS

The table below represents the change in goodwill during the years ended December 31:

(dollars in thousands)

	2025	2024
Beginning of year	\$ 48,923	\$ 48,923
Acquired goodwill	14,950	—
End of year	\$ 63,873	\$ 48,923

The Company has assigned all goodwill to its Bank segment. No goodwill is allocated to the Mortgage or Small Business Specialty Lending segments.

The following is an analysis of the core deposit intangible activity for the years ended December 31:

	2025		2024	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
<i>(dollars in thousands)</i>				
Amortizable intangible assets:				
Core deposit intangible	\$ 12,307	\$ 7,010	\$ 7,685	\$ 6,203
Customer relationship intangible	3,640	1,086	2,250	757
Total	\$ 15,947	\$ 8,096	\$ 9,935	\$ 6,960
Unamortizable intangible assets:				
Goodwill	\$ 63,873		\$ 48,923	

Amortization expense related to the intangible assets was \$1.1 million and \$1.2 million at December 31, 2025 and 2024, respectively. The estimated future amortization expense for intangible assets remaining as of December 31, 2025 is as follows:

<i>(dollars in thousands)</i>	Amount
2026	\$ 1,638
2027	1,432
2028	1,288
2029	1,204
2030	1,204
Thereafter	1,085
Total	\$ 7,851

NOTE 9. INCOME TAXES

The Company adopted ASU No. 2023-09, *Income Taxes (Topic 740) Improvements to Income Tax Disclosures* ("ASU 2023-09") on January 1, 2025 on a prospective basis.

Cash Taxes Paid in Current Period

<i>(dollars in thousands)</i>	Year ended December 31, 2025
Federal	\$ 4,210
States	
Other	226
Foreign	—
Total	\$ 4,436

Income Taxes

The Company files tax returns in the U.S federal jurisdiction and required states. With few exceptions, the Bank is no longer subject to tax examination by tax authorities for years prior to 2022.

The provision for income taxes from continuing operations consists of the following components:

<i>(dollars in thousands)</i>	Year ended December 31, 2025	
Current		
Federal	\$	4,607
State		211
Total current tax provision		4,818
Deferred		
Federal		1,699
State		365
Total deferred tax provision		2,064
Total tax provision from continuing operations*	\$	6,882

*The Company does not have pretax income from continuing foreign operations or foreign tax expense.

Components of Tax Expense

<i>(dollars in thousands)</i>	Year ended December 31, 2024	
Current federal expense	\$	4,808
Deferred federal expense		759
Federal income tax expense		5,567
Current state expense		136
Deferred state expense		(4)
State income tax expense		132
Provision for income taxes	\$	5,699

Income tax expense for the years ended December 31, 2025, 2024 and 2023 differed from the federal statutory rate applied to income before income taxes for the following reasons in accordance with ASU 2023-09:

<i>(dollars in thousands)</i>	Year ended December 31, 2025		
U.S. Federal statutory tax rate	\$	7,379	21.00 %
State and local income taxes, net of federal income tax effect ^(a)		455	1.30
Nontaxable or nondeductible items			
BOLI income		(373)	(1.06)
Tax-exempt interest		(491)	(1.40)
Other		(88)	(0.18)
Total	\$	6,882	19.66 %

^(a) State taxes in Georgia made up the majority (greater than 50%) of the tax effect in this category.

Income tax expense for the year ended December 31, 2024 differed from the federal statutory rate applied to income before income taxes for the following reasons before the adoption of ASU-09:

<i>(dollars in thousands)</i>	Year ended December 31,	
	2024	
Tax at U.S. statutory rate	\$	6,209
Increase (decrease) resulting from:		
State income tax expense, net of federal		104
Tax-exempt interest		(128)
Income in cash value of bank owned life insurance		(362)
Tax-exempt insurance premiums		(218)
Other items, net		94
Income tax expense	\$	<u>5,699</u>

The tax effects of temporary differences result in deferred tax assets and liabilities as presented below:

<i>(dollars in thousands)</i>	December 31,	
	2025	2024
Deferred Tax Assets		
Allowance for credit losses	\$ 4,576	\$ 4,751
Lease liability	2,571	330
Net operating loss carryforwards	1,927	1,276
Tax credit carryforwards	937	688
Deferred compensation	296	233
Unrealized loss on securities available for sale	11,599	16,443
Restricted stock	122	178
Investment in partnerships	—	39
Unrealized loss on hedging investments	166	—
Nonaccrual interest	875	694
Allowance for unfunded commitments	236	203
Purchase accounting adjustments	1,575	—
Other	—	103
Total deferred tax assets	<u>24,880</u>	<u>24,938</u>
Deferred Tax Liabilities		
Premises and equipment	1,462	659
Right of use lease asset	2,553	307
Purchase accounting adjustments	—	1,773
Core deposit intangible	1,095	120
Investment in partnerships	43	—
Unrealized gain on hedging investments	—	188
Other	145	—
Total deferred tax liabilities	<u>5,298</u>	<u>3,047</u>
Net deferred tax assets	<u>\$ 19,582</u>	<u>\$ 21,891</u>

Management assesses the realizability of deferred tax assets at each reporting period and considers whether it is more likely than not that a deferred tax asset will not be realized. The realization of a deferred tax asset is dependent upon the generation of future taxable income during periods in which the related temporary difference becomes deductible or realizable prior to its expiration. Management considers projected future taxable income, scheduled reversal of deferred tax liabilities, and tax planning strategies in making this assessment. Based on these considerations, management believes it is more likely than not that the deferred tax assets will be realized.

The Company does not have any material uncertain tax positions and does not have any interest and penalties recorded in the income statement for years ended December 31, 2025 or 2024. The Company files a consolidated income tax return in the U.S. federal tax jurisdiction.

NOTE 10. DEPOSITS

The aggregate amount of overdrawn deposit accounts reclassified as loan balances totaled \$897,000 and \$692,000 as of December 31, 2025 and 2024, respectively.

Components of interest-bearing deposits as of December 31 are as follows:

<i>(dollars in thousands)</i>	2025	2024
Interest-bearing demand	\$ 932,262	\$ 813,783
Savings and money market deposits	787,811	687,603
Time, \$250,000 and over	239,175	185,176
Other time	581,470	419,098
Total interest-bearing deposits	<u>\$ 2,540,718</u>	<u>\$ 2,105,660</u>

We had \$131.9 million and \$59.5 million in brokered deposits at December 31, 2025 and 2024, respectively. We use brokered deposits, subject to certain limitations and requirements, as a source of funding to support our asset growth and augment the deposits generated from our branch network, which are our principal source of funding. Our level of brokered deposits varies from time to time depending on competitive interest rate conditions and other factors, and tends to increase as a percentage of total deposits when the brokered deposits are less costly than issuing internet certificates of deposit or borrowing from the FHLB.

The aggregate amount of jumbo certificates of deposit, each with a minimum denomination of \$250,000 was \$239.2 million and \$185.2 million as of December 31, 2025 and 2024, respectively.

As of December 31, 2025, the scheduled maturities of certificates of deposit are as follows:

<i>(dollars in thousands)</i>	Year Ending December 31	Amount
2026		\$ 743,783
2027		49,938
2028		17,293
2029		7,463
2030		1,620
Thereafter		548
Total time deposits		<u>\$ 820,645</u>

NOTE 11. DERIVATIVES

As part of its asset liability management activities, the Company may enter into interest rate swaps to help manage its interest rate risk position and mitigate exposure to the variability of future cash flows or other forecasted transactions. The Company entered into two interest rate swaps during the second quarter of 2023, to hedge the variability of cash flows due to changes in the benchmark Secured Overnight Financing Rate ("SOFR") interest rate risk for its short-term funding over the term of these cash flow hedges. The Company entered into two additional interest rate swaps during the third quarter of 2024, one of which was designated as a cash flow hedge and the other a fair value hedge. In addition, the Company entered into one interest rate swap during the fourth quarter of 2024 which was also designated as a fair value hedge. Fair value hedging relationships mitigate exposure to the change in fair value of an asset or liability.

The notional amount of an interest rate swap does not represent the amount exchanged by the parties. The exchange of cash flows is determined by reference to the notional amount and the other terms of the interest rate swap agreements.

On June 23, 2023, the Company entered into a five-year interest rate swap with a notional amount totaling \$25.0 million. On June 26, 2023 the Company entered into a three-year interest rate swap with a notional amount totaling \$25.0 million. Both of the swaps were designated as cash flow hedges of certain variable rate liabilities.

On August 30, 2024, the Company entered into an interest rate swap with a notional amount totaling \$25.4 million with maturity dates ranging from three to 3.5 years. This swap was designated as a fair value hedge of certain fixed rate assets. On September 6, 2024, the Company entered into an interest rate swap with a notional amount totaling \$20.0 million with a maturity date of two years. This swap was designated as a cash flow hedge of certain variable rate liabilities. On October 17, 2024, the Company entered into an interest rate swap with a notional amount totaling \$25.0 million with a maturity date of three years. This swap was designated as a fair value hedge of certain fixed rate assets.

The Company had no derivatives recorded in "Other assets" on the Company's balance sheet at December 31, 2025. The derivatives recorded in "Other liabilities" on the Company's balance sheet at December 31, 2025 have a total value of \$636,000, with \$368,000 representing cash flow hedges and \$268,000 representing fair value hedges. At December 31, 2024, derivatives recorded in "Other assets" had a total value of \$784,000, with \$274,000 representing cash flow hedges and \$510,000 representing fair value hedges. The derivatives recorded in "Other liabilities" at December 31, 2024, had a total value of \$47,000, all related to cash flow hedges.

Gains were recorded on the swap transactions, which totaled \$252,000 and \$700,000 for the years ended December 31, 2025 and 2024, respectively, as a component of interest expense in the consolidated statements of income. Amounts reported in accumulated OCI related to swaps are reclassified to interest income or expense as interest payments are made on the Bank's fixed rate assets and variable rate liabilities.

The following table presents the amounts recorded in the consolidated statements of income and the consolidated statements of comprehensive income relating to the interest rate swaps for the years ended December 31, 2025 and 2024.

<i>(dollars in thousands)</i>	Year ended December 31, 2025	Year ended December 31, 2024
Cash flow hedging relationships		
Amount of gain(loss) recognized in OCI, net of tax	\$ (443)	\$ 495
Amount of gain reclassified from OCI to interest expense, net of tax	188	522
Fair value hedging relationships		
Amount of gain(loss) recognized in OCI, net of tax	(591)	380
Amount recognized in interest income, net of tax	262	118

The following table presents the carrying amount and associated cumulative basis adjustment related to the application of hedge accounting that is included in the carrying amount of the hedged assets/(liabilities) in fair value hedging relationships.

<i>(dollars in thousands)</i>	Year ended December 31, 2025	Year ended December 31, 2024
Carrying amount of assets/(liabilities)	\$ 58,284	\$ 60,537
Hedge accounting basis adjustment	(268)	(510)

NOTE 12. BORROWINGS

The following table presents information regarding the Company's outstanding borrowings at December 31, 2025:

Description	Maturity Date	Amount	Interest Rate
<i>(dollars in thousands)</i>			
FHLB Advances	December 22, 2027	\$ 15,000	4.00%
FHLB Advances	January 28, 2028	20,000	3.87%
FHLB Advances	February 15, 2028	20,000	3.83%
FHLB Advances	April 5, 2028	25,000	3.69%
FHLB Advances	April 6, 2026	25,000	3.90%
FHLB Advances	May 2, 2029	30,000	4.73%
FHLB Advances	March 25, 2026	25,000	3.78%
FHLB Advances	March 26, 2026	25,000	3.78%
FHLB Advances	November 6, 2026	10,000	4.14%
Fair Value Adjustment for FHLB Borrowings assumed		(28)	N/A
Subordinated notes, net of issuance costs	May 20, 2032	38,903	5.25%
Subordinated debentures	(1)	24,229	(1)
Total borrowings		<u>\$ 258,104</u>	

⁽¹⁾ See individual maturity dates and interest rates in table below.

The following table presents information regarding the Company's outstanding borrowings at December 31, 2024:

Description	Maturity Date	Amount	Interest Rate
<i>(dollars in thousands)</i>			
FHLB Advances	December 22, 2027	\$ 15,000	4.00%
FHLB Advances	January 28, 2028	20,000	3.87%
FHLB Advances	February 15, 2028	20,000	3.83%
FHLB Advances	April 5, 2028	25,000	3.69%
FHLB Advances	April 6, 2026	25,000	3.90%
FHLB Advances	May 2, 2029	30,000	4.73%
FHLB Advances	March 25, 2025	25,000	4.46%
FHLB Advances	March 26, 2025	25,000	4.46%
Subordinated notes	May 20, 2032	38,810	5.25%
Subordinated debentures	(1)	24,229	(1)
Total borrowings		<u>\$ 248,039</u>	

⁽¹⁾ See individual maturity dates and interest rates in table below.

As collateral on the outstanding FHLB advances, the Company has provided a blanket lien on its portfolio of qualifying residential first mortgage loans, commercial loans, farmland loans, multifamily loans and HELOC loans, as well as U.S. Treasury and Agency securities. At December 31, 2025 and 2024, the lendable collateral value of those loans and securities pledged was \$318.6 million and \$204.5 million, respectively. At December 31, 2025, the Company had remaining credit availability from the FHLB of \$747.0 million. At December 31, 2024, the Company had remaining credit availability from the FHLB of \$578.7 million. The Company may be required to pledge additional qualifying collateral in order to utilize the full amount of the remaining credit line.

At December 31, 2025 and 2024, the Company also has available federal funds lines of credit with various financial institutions totaling \$143.0 million and \$64.5 million, respectively, of which there were none outstanding at December 31, 2025 and 2024.

The Company has the ability to borrow funds from the Federal Reserve Bank (FRB) of Atlanta utilizing the discount window. The discount window is an instrument of monetary policy that allows eligible institutions to borrow money from the FRB on a short-term basis to meet temporary liquidity shortages caused by internal or external disruptions. The Company had borrowing

capacity available under this arrangement, with none outstanding at December 31, 2025 and 2024. The Company could be required to pledge certain available-for-sale investment securities as collateral under this agreement.

On May 20, 2022, the Company completed a private placement of \$39.5 million in fixed-to-floating rate subordinated notes due 2032 (the “Notes”). The Notes will bear a fixed rate of 5.25% for the first five years and will reset quarterly thereafter to then current three-month Secured Overnight Financing Rate, as published by the Federal Reserve Bank of New York, plus 265 basis points for the five year floating term. The Company is entitled to redeem the Notes, in whole or in part, on any interest payment date on or after May 20, 2027, or at any time, in whole but not in part, upon certain other specified events. At December 31, 2025, \$38.9 million of the Notes, net of debt issuance costs were outstanding. The notes are recorded as other borrowings on the consolidated balance sheets and, subject to certain limitations, qualify as Tier 2 Capital for regulatory capital purposes.

Subordinated Debentures (Trust Preferred Securities)

During the second quarter of 2004, the Company formed Colony Bankcorp Statutory Trust III for the sole purpose of issuing \$4,500,000 in Trust Preferred Securities through a pool sponsored by FTN Financial Capital Market. The securities have a maturity of thirty years and are redeemable after five years with certain exceptions.

During the second quarter of 2006, the Company formed Colony Bankcorp Capital Trust I for the sole purpose of issuing \$5,000,000 in Trust Preferred Securities through a pool sponsored by Truist Capital Markets. The securities have a maturity of thirty years and are redeemable after five years with certain exceptions.

During the first quarter of 2007, the Company formed Colony Bankcorp Capital Trust II for the sole purpose of issuing \$9,000,000 in Trust Preferred Securities through a pool sponsored by Trapeza Capital Management, LLC. The securities have a maturity of thirty years and are redeemable after five years with certain exceptions. Proceeds from this issuance were used to pay off trust preferred securities issued on March 26, 2002 through Colony Bankcorp Statutory Trust I.

During the third quarter of 2007, the Company formed Colony Bankcorp Capital Trust III for the sole purpose of issuing \$5,000,000 in Trust Preferred Securities through a pool sponsored by Trapeza Capital Management, LLC. The securities have a maturity of thirty years and are redeemable after five years with certain exceptions. Proceeds from this issuance were used to pay off trust preferred securities issued on December 19, 2002 through Colony Bankcorp Statutory Trust II.

The Company is not in default of any outstanding Trust Preferred Securities as of December 31, 2025.

The following table presents the information regarding the Company's subordinated debentures at December 31, 2025 and 2024. All subordinated debentures are at benchmark rates based on SOFR plus a spread adjustment plus a margin at December 31, 2025.

Description	Date	Amount	Added Margin	Total Interest Rate	Maturity	5-Year Call Option
<i>(dollars in thousands)</i>						
Colony Bankcorp Statutory Trust III	June 16, 2004	\$ 4,640	2.68%	6.65%	June 17, 2034	June 17, 2009
Colony Bankcorp Capital Trust I	April 13, 2006	5,155	1.50%	5.43%	June 30, 2036	April 13, 2011
Colony Bankcorp Capital Trust II	March 12, 2007	9,279	1.65%	5.60%	March 30, 2037	March 12, 2012
Colony Bankcorp Capital Trust III	September 14, 2007	5,155	1.40%	5.50%	October 30, 2037	September 14, 2012
Total		<u>\$ 24,229</u>				

The Trust Preferred Securities are recorded as subordinated debentures on the consolidated balance sheets and, subject to certain limitations, qualify as Tier 1 Capital for regulatory capital purposes. The proceeds from these offerings were used to fund certain acquisitions, pay off holding company debt and inject capital into the Bank subsidiary. The Trust Preferred Securities pay interest quarterly.

NOTE 13. LEASES

A lease is defined as a contract, or part of a contract, that conveys the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration. On January 1, 2019, the Company adopted ASU No. 2016-2 and all subsequent ASUs that modified this topic (collectively referred to as "Topic 842"). For the Company, Topic 842 primarily affected the accounting treatment for operating lease agreements in which the Company is the lessee.

Substantially all of the leases in which the Company is the lessee are comprised of real estate for branches and office space with terms extending through 2040. All of our leases are classified as operating leases, and therefore, were previously not recognized on the Company's consolidated balance sheet. With the adoption of Topic 842, operating lease arrangements are required to be recognized on the consolidated balance sheet as a right-of-use ("ROU") asset and a corresponding lease liability.

The following table represents the consolidated balance sheet classification of the Company's ROU assets and liabilities. The Company elected not to include short-term leases (i.e., leases with initial terms of twelve months or less), or equipment leases (deemed immaterial) on the consolidated balance sheet.

<i>(dollars in thousands)</i>	Classification	December 31, 2025	December 31, 2024
Assets			
Operating lease right-of-use assets	Other assets	\$ 10,257	\$ 1,225
Liabilities			
Operating lease liabilities	Other liabilities	\$ 10,327	\$ 1,319

The calculated amount of the ROU assets and lease liabilities in the table above are impacted by the length of the lease term and the discount rate used to present value the minimum lease payments and lease incentive payments. The Company's lease agreements often include one or more options to renew at the Company's discretion. If at lease inception the Company considers the exercising of a renewal option to be reasonably certain, the Company will include the extended term in the calculation of the ROU asset and lease liability. Regarding the discount rate, Topic 842 requires the use of the rate implicit in the lease whenever this rate is readily determinable. As this rate is rarely determinable, the Company utilizes its incremental borrowing rate at lease inception, on a collateralized basis, over a similar term. For operating leases existing prior to January 1, 2019, the rate for the remaining lease term as of January 1, 2019 was used.

For the years ended December 31, 2025 and 2024, operating lease cost was \$764,000 and \$531,000, respectively.

As of December 31, 2025, the weighted average remaining lease term was 12.30 years and the weighted average discount rate was 4.61%.

The following table represents the future maturities of the Company's operating lease liabilities and other lease information.

<i>(dollars in thousands)</i>	Year	Lease Liability
2026		\$ 1,387
2027		1,305
2028		1,081
2029		1,020
2030		961
Thereafter		8,021
Total Lease Payments		\$ 13,775
Less: Imputed Interest		(3,448)
Present Value of Lease Liabilities		\$ 10,327

Supplemental Lease Information: <i>(dollars in thousands)</i>	December 31, 2025	December 31, 2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases (cash payments)	\$ 764	\$ 659
Operating lease right-of-use assets obtained in exchange for leases entered into during the period	9,682 *	76

*Includes \$9.4 million assumed in business acquisition

NOTE 14. COMPENSATION PLANS

The Company offers a defined contribution 401(k) Profit Sharing Plan (the "Plan") which covers substantially all employees who meet certain age and service requirements. The Plan allows employees to make voluntary pre-tax salary deferrals to the Plan. The Company, at its discretion, may elect to make an annual contribution to the Plan equal to a percentage of each participating employee's salary. Such discretionary contributions must be approved by the Company's board of directors. Employees are fully vested in the Company contributions after six years of service. In 2025 and 2024, the Company made total contributions of \$1.8 million and \$1.7 million to the Plan, respectively.

Colony Bank, the wholly-owned subsidiary, has deferred compensation plans covering certain former directors and certain officers choosing to participate through individual deferred compensation contracts. In accordance with terms of the contracts, the Bank is committed to pay the participant's deferred compensation over a specified number of years, beginning at age 65. In the event of a participant's death before age 65, payments are made to the participant's named beneficiary over a specified number of years, beginning on the first day of the month following the death of the participant.

Liabilities accrued under the plans totaled \$778,000 and \$930,000 as of December 31, 2025 and 2024, respectively. Monthly benefit accruals under the contracts totaled \$65,000 in 2025 and \$(32,000) in 2024. Payments were \$90,000 in 2025 and \$130,000 in 2024.

The Company has purchased life insurance policies on the plans' participants and uses the cash flow from these policies to partially fund the plan. There was no fee income recognized in 2025 and 2024.

The Company offers a Stock Purchase Plan which allows employees and directors of the Company to purchase shares of the Company through deductions from eligible compensation in an amount selected by participants between one (1%) percent and fifty (50%) percent. The Stock Purchase Plan offers a fifteen (15%) match by the Company on every dollar contributed. Stock is purchased on the participants behalf each pay period using both the participants contributions and the Company match. Shares purchased with Company contributions are considered taxable income and subject to a one-year holding period. The number of shares of Company common stock reserved for issuance under this plan is 300,000 shares. Participation in the Stock Purchase Plan began in January 2026, and therefore there were no contributions or Company match as of December 31, 2025.

The Company assumed an employee pension plan as part of the acquisition of TC Bancshares, Inc. which remained in effect as of December 31, 2025. The plan was put in place on April 1, 2011 and effective March 31, 2019, the plan was frozen and closed to new participants. The plan was amended in 2025 for termination and is anticipated to be terminated by the end of 2026. The following tables provide information related to the plan since the date of acquisition, as computed by the Company's independent actuarial consultants.

Balance sheet items:

<i>(dollars in thousands)</i>	November 30, 2025	December 31, 2025
Change in benefit obligation		
Benefit obligation beginning of period	\$ 8,098	\$ 8,201
Service cost	—	—
Interest cost	390	35
Amendments	—	—
Actuarial (gain)/loss	185	(61)
Benefits paid	(472)	(103)
Effect of curtailment	—	—
Benefit obligation end of period	\$ 8,201	\$ 8,072
Change in plan assets		
Fair value of assets beginning of period	\$ 8,492	\$ 8,799
Actual return on assets	819	(92)
Employer contributions	—	—
Administrative expenses	(40)	(8)
Benefits paid	(472)	(103)
Fair value of assets end of period	\$ 8,799	\$ 8,596

Amounts recognized in statement of financial position			
Noncurrent assets	\$	598	\$ 524
Current liabilities		—	—
Noncurrent liabilities		—	—
Amounts recognized	\$	598	\$ 524

Amounts recognized in accumulated other comprehensive income			
Net (gain) loss	\$	(468)	\$ (378)
Transition obligation (asset)		—	—
Prior service cost (credit)		—	—
Amounts recognized	\$	(468)	\$ (378)

Key assumptions			
Discount rate		5.21 %	5.34 %
Expected rate of return on assets		7.00 %	7.00 %
Measurement date		11/30/2025	12/31/2025

Components of net periodic pension cost and other amounts recognized in other comprehensive income are as follows:

Net periodic pension cost	1/1 - 11/30/2025		12/1 - 12/31/2025	
Service cost	\$	—	\$	—
Interest cost		390		35
Expected return on plan assets		(525)		(51)
Amortization of unrecognized (gain) loss		—		—
Amortization of unrecognized prior service cost (credit)		—		—
Amortization of unrecognized transition (asset) obligation		—		—
Effect of curtailments		—		—
Net periodic pension cost (income)	\$	(135)	\$	(16)

Discount rate		5.44 %	5.21 %
Expected long-term rate of return on assets		7.00 %	7.00 %

Other changes to OCI			
Amortization of transition obligation	\$	—	\$ —
Net (gain) loss		(69)	90
Amortization of net gain (loss)		—	—
Prior service cost (credit)		—	—
Amortization of prior service (cost) credit		—	—
Effect of curtailments		—	—
Total recognized in OCI	\$	(69)	\$ 90

The following table reflects the expected benefit payments for the employee pension plan.

Year	Expected payments
2026	\$ 580
2027	577
2028	577
2029	573
2030	566
Thereafter	2,690

During the period December 1, 2025 through December 31, 2025, the plan experienced a liability gain of \$61,000, which was the result of an increase in the discount rate. During the same period, the plan experienced an asset loss of \$151,000. This resulted in a net loss for the period of \$90,000. The primary reason for the asset loss was an actual rate of return of approximately (1.05)% versus an assumed annual rate of 7.00%.

The Company awards restricted shares of the Company's common stock to various bank employees with a grant price equal to the market price of the Company's common stock on the grant date. The restricted shares vest in equal installments over three years, subject to continued service through each applicable vesting date, or earlier upon the occurrence of a change in control. With the restricted stock, there will be no cash consideration to the Company for the shares. The employees will have the right to vote all shares subject to such grant and receive all dividends with respect to such shares, whether or not the shares have vested.

The following table presents the outstanding balance for restricted stock awards as of December 31, 2025 and 2024.

	Quantity	Weighted-Average Grant Date Fair Value
Outstanding at December 31, 2023	175,993	\$ 14.67
Granted	74,358	12.16
Vested	(101,032)	15.86
Forfeited	(4,761)	15.06
Outstanding at December 31, 2024	144,558	12.53
Granted	63,426	16.95
Vested	(76,504)	13.41
Forfeited	(5,429)	12.25
Outstanding at December 31, 2025	126,051	\$ 14.23

Compensation expense for restricted stock is based on the market price of the Company stock at the time of the grant and amortized on a straight-line basis over the vesting period. Compensation expense recognized for the years ended December 31, 2025 and 2024 was \$785,000 and \$1.3 million, respectively. Total compensation expense unrecognized for the restricted shares granted for the year ended December 31, 2025 was \$1.4 million, which is expected to be recognized over a weighted average period of 2.07 years.

NOTE 15. COMMITMENTS AND CONTINGENCIES

Credit-Related Financial Instruments. The Company is a party to credit-related 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, standby letters of credit and commercial letters of credit. Such commitments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated balance sheets.

The Company's exposure to credit loss is represented by the contractual amount of these commitments. The Company follows the same credit policies in making commitments as it does for on-balance sheet instruments.

At December 31, 2025 and 2024, the following financial instruments were outstanding whose contract amounts represent credit risk:

	Contract Amount	
	2025	2024
<i>(dollars in thousands)</i>		
Commitments to extend credit	\$ 422,592	\$ 329,924
Standby letters of credit	5,382	5,947

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. The commitments for equity lines of credit may expire without being drawn upon. Therefore, the total commitment amounts do not necessarily represent future cash requirements. The amount of collateral obtained, if it is deemed necessary by the Company, is based on management's credit evaluation of the customer.

Unfunded commitments under commercial lines of credit, revolving credit lines and overdraft protection agreements are commitments for possible future extensions of credit to existing customers. These lines of credit are uncollateralized and usually do not contain a specified maturity date and may not be drawn upon to the total extent to which the Company is committed.

Standby and performance letters of credit are conditional lending 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. Essentially all letters of credit issued have expiration dates within one year. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers.

Legal Contingencies. In the ordinary course of business, there are various legal proceedings pending against Colony and its subsidiaries. The aggregate liabilities, if any, arising from such proceedings would not, in the opinion of management, have a material adverse effect on Colony's consolidated financial position.

Wire Fraud Incident and Insurance Recovery Contingency. In March 2025, the Company was the target of a wire fraud incident. Upon discovery, the Company promptly implemented enhanced internal controls and notified law enforcement and regulatory authorities. After an investigation, it was determined that the incident did not impact any customer accounts or compromise any customer data. The Company maintains insurance coverage for such incidents through both commercial insurance and through a captive insurance company that covers losses and deductibles. Based on discussions with the Company's attorneys and insurance carriers and review of applicable insurance policies, it was determined that \$1.25 million would not be recoverable and therefore was recognized as an expense in the Company's financial statements for the year ended December 31, 2025.

NOTE 16. RELATED PARTY TRANSACTIONS

The following table reflects the activity and aggregate balance of direct and indirect loans to directors, executive officers or principal holders of equity securities of the Company. All such loans were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and do not involve more than a normal risk of collectability. A summary of activity of related party loans is shown below:

<i>(dollars in thousands)</i>	<u>2025</u>	<u>2024</u>
Balance, Beginning	\$ 3,809	\$ 6,107
New loans	2,977	3,250
Repayments	(3,721)	(3,829)
Transactions due to changes in directors	1,181	(1,719)
Balance, Ending	<u>\$ 4,246</u>	<u>\$ 3,809</u>

NOTE 17. FAIR VALUE OF FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

Generally accepted accounting standards in the U.S. require disclosure of fair value information about financial instruments, whether or not recognized on the face of the balance sheet, for which it is practicable to estimate that value. The assumptions used in the estimation of the fair value of Colony Bancorp, Inc. and subsidiaries financial instruments are detailed hereafter. Where quoted prices are not available, fair values are based on estimates using discounted cash flows and other valuation techniques. The use of discounted cash flows can be significantly affected by the assumptions used, including the discount rate and estimates of future cash flows.

Generally accepted accounting principles related to Fair Value Measurements define fair value, establish a framework for measuring fair value, establish a three-level valuation hierarchy for disclosure of fair value measurement and enhance disclosure requirements for fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs to the valuation methodology are unobservable and represent the Company's own assumptions about the assumptions that market participants would use in pricing the assets or liabilities.

The following disclosures should not be considered a surrogate of the liquidation value of the Company, but rather a good-faith estimate of the increase or decrease in value of financial instruments held by the Company since purchase, origination or issuance.

Cash and short-term investments - For cash, due from banks, bank-owned deposits and federal funds sold, the carrying amount is a reasonable estimate of fair value and is classified Level 1.

Investment securities - Fair values for investment securities are based on quoted market prices where available and classified as Level 1. If quoted market prices are not available, estimated fair values are based on quoted market prices of comparable instruments and classified as Level 2. If a comparable is not available, the investment securities are classified as Level 3.

Other investments, at cost - The fair value of other bank stock approximates carrying value and is classified as Level 2. Fair values for investment funds are based on quoted market prices where available and classified as Level 1. If quoted market prices are not available, estimated fair values are based on quoted market prices of comparable instruments and classified as Level 2. If a comparable is not available, the investment securities are classified as Level 3.

Loans held for sale – The fair value of loans held for sale is determined on outstanding commitments from third party investors in the secondary markets and is classified within Level 2 of the valuation hierarchy.

Loans, net - The fair value of fixed rate loans is estimated by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings. For variable rate loans, the carrying amount is a reasonable estimate of fair value. Loans are classified as Level 3.

Derivative instruments - The fair values of interest rate swaps are determined using the market standard methodology of netting the discounted future fixed cash receipts and the discounted expected variable cash payments. The variable cash payments are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves. The interest rate swaps are classified as Level 2.

Deposit liabilities - The fair value of demand deposits, savings accounts and certain money market deposits is the amount payable on demand at the reporting date and is classified as Level 1. The fair value of fixed maturity certificates of deposit is estimated by discounting the future cash flows using the rates currently offered for deposits of similar remaining maturities and is classified as Level 2.

Federal Home Loan Bank advances – The fair value of Federal Home Loan Bank advances is estimated by discounting the future cash flows using the current rates at which similar advances would be obtained. Federal Home Loan Bank advances are classified as Level 2.

Other borrowings – The fair value of other borrowings is calculated by discounting contractual cash flows using an estimated interest rate based on current rates available to the Company for debt of similar remaining maturities and collateral terms. Other borrowings is classified as Level 2 due to their expected maturities.

Disclosures of the fair value of financial assets and financial liabilities, including those financial assets and financial liabilities that are not measured and reported at fair value on a recurring basis or non-recurring basis, are required in the financial statements.

The carrying amount, estimated fair values, and placement in the fair value hierarchy of the Company's financial instruments are as follows:

<i>(dollars in thousands)</i>	Carrying Amount	Estimated Fair Value	Level		
			1	2	3
December 31, 2025					
Assets					
Cash and short-term investments	\$ 257,640	\$ 257,640	\$ 257,640	\$ —	\$ —
Investment securities available for sale	383,817	383,817	—	377,302	6,515
Investment securities held to maturity	386,618	354,290	—	354,290	—
Other investments	19,176	19,176	—	19,176	—
Loans held for sale	78,990	78,990	—	78,990	—
Loans, net	2,358,210	2,274,712	—	—	2,274,712
Derivative assets	—	—	—	—	—
Liabilities					
Deposits	3,067,521	3,065,312	—	3,065,312	—
Federal Home Loan Bank advances	194,972	193,998	—	193,998	—
Other borrowed money	63,132	55,692	—	55,692	—
Derivative liabilities	636	636	—	636	—
December 31, 2024					
Assets					
Cash and short-term investments	\$ 231,034	\$ 231,034	\$ 231,034	\$ —	\$ —
Investment securities available for sale	366,049	366,049	—	357,128	8,921
Investment securities held to maturity	430,077	383,020	—	383,020	—
Other investments	17,694	17,694	—	17,694	—
Loans held for sale	39,786	39,786	—	39,786	—
Loans, net	1,824,000	1,703,487	—	—	1,703,487
Derivative assets	784	784	—	784	—
Liabilities					
Deposits	2,567,943	2,564,143	—	2,564,143	—
Federal Home Loan Bank advances	185,000	186,468	—	186,468	—
Other borrowed money	63,039	52,057	—	52,057	—
Derivative liabilities	47	47	—	47	—

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates do not reflect any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument. Because no market exists for a significant portion of the Company's financial instruments, fair value estimates are based on many judgments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Fair value estimates are based on existing on- and off-balance sheet financial instruments without attempting to estimate the value of anticipated future business and the value of assets and liabilities that are not considered financial instruments. Significant assets and liabilities that are not considered financial instruments include deferred income taxes and premises and equipment. In addition, the tax ramifications related to the realization of the unrealized gains and losses can have a significant effect on fair value estimates and have not been considered in the estimates.

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring and nonrecurring basis, as well as the general classification of such instruments pursuant to the valuation hierarchy:

Securities – Where quoted prices are available in an active market, securities are classified within level 1 of the valuation hierarchy. Level 1 inputs include securities that have quoted prices in active markets for identical assets. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flow. Examples of such instruments, which would generally be classified within level 2 of the valuation hierarchy, include certain collateralized mortgage and debt obligations and certain high-yield debt securities. In certain cases where there is limited activity or less transparency around inputs to the valuation, securities are classified within level 3 of the valuation hierarchy. When measuring fair value, the valuation techniques available under the market approach, income approach and/or cost approach are used. The Company’s evaluations are based on market data and the Company employs combinations of these approaches for its valuation methods depending on the asset class.

Collateral Dependent Impaired Loans - Impaired loans are those loans which the Company has measured impairment generally based on the fair value of the loan’s collateral. Fair value is generally determined based upon independent third-party appraisals of the properties, or discounted cash flows based upon the expected proceeds. These assets are included as level 3 fair values, based upon the lowest level of input that is significant to the fair value measurements.

Other Real Estate Owned - Other real estate owned assets are adjusted to fair value less estimated selling costs upon transfer of the loans to other real estate owned. Typically, an external, third-party appraisal is performed on the collateral upon transfer into the other real estate owned account to determine the asset’s fair value. Subsequent adjustments to the collateral’s value may be based upon either updated third-party appraisals or management’s knowledge of the collateral and the current real estate market conditions. Appraised amounts used in determining the asset’s fair value, whether internally or externally prepared, are discounted 10 percent to account for selling and marketing costs. Adjustments are routinely made in the appraisal process by the appraisers to adjust for differences between the comparable sales and income data available. Such adjustments are typically significant and result in a level 3 classification of the inputs for determining fair value. Because of the high degree of judgment required in estimating the fair value of other real estate owned assets and because of the relationship between fair value and general economic conditions, we consider the fair value of other real estate owned assets to be highly sensitive to changes in market conditions.

Assets Measured at Fair Value on a Recurring and Nonrecurring Basis - The following tables present the recorded amount of the Company’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. The tables below include collateral dependent loans and other real estate properties at December 31, 2025 and 2024. Those collateral dependent loans and other real estate properties are shown net of the related specific reserves and valuation allowances.

<i>(dollars in thousands)</i>	Total Fair Value	Fair Value Measurements at Reporting Date Using		
		(Level 1)	(Level 2)	(Level 3)
December 31, 2025				
Recurring				
Investment securities available-for-sale				
U.S. treasury securities	\$ 5,582	\$ —	\$ 5,582	\$ —
U.S. agency securities	3,196	—	3,196	—
Asset backed securities	14,483	—	14,483	—
State, county & municipal securities	107,230	—	107,230	—
Corporate debt securities	48,807	—	42,292	6,515
Mortgage-backed securities	204,519	—	204,519	—
Total investment securities available-for-sale	383,817	—	377,302	6,515
Loans held for sale	78,990	—	78,990	—
Derivative assets	—	—	—	—
Total recurring assets	\$ 462,807	\$ —	\$ 456,292	\$ 6,515
Derivative liabilities	\$ 636	\$ —	\$ 636	\$ —
Total recurring liabilities	\$ 636	\$ —	\$ 636	\$ —
Nonrecurring				
Collateral dependent loans	\$ 7,194	\$ —	\$ —	\$ 7,194
Other real estate owned	1,048	—	—	1,048
Total nonrecurring assets	\$ 8,242	\$ —	\$ —	\$ 8,242

<i>(dollars in thousands)</i>	Total Fair Value	Fair Value Measurements at Reporting Date Using		
		(Level 1)	(Level 2)	(Level 3)
December 31, 2024				
Recurring				
Investment securities available-for-sale				
U.S. treasury securities	\$ 3,173	\$ —	\$ 3,173	\$ —
U.S. agency securities	2,755	—	2,755	—
Asset backed securities	17,824	—	17,824	—
State, county & municipal securities	95,637	—	95,637	—
Corporate debt securities	47,782	—	41,234	6,548
Mortgage-backed securities	198,878	—	196,505	2,373
Total investment securities available-for-sale	366,049	—	357,128	8,921
Loans held for sale	39,786	—	39,786	—
Derivative assets	784	—	784	—
Total recurring assets	\$ 406,619	\$ —	\$ 397,698	\$ 8,921
Derivative liabilities	\$ 47	\$ —	\$ 47	\$ —
Total recurring liabilities	\$ 47	\$ —	\$ 47	\$ —
Nonrecurring				
Collateral dependent loans	\$ 3,075	\$ —	\$ —	\$ 3,075
Other real estate owned	202	—	—	202
Total nonrecurring assets	\$ 3,277	\$ —	\$ —	\$ 3,277

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

The following tables present quantitative information about the significant unobservable inputs used in the fair value measurements for assets in level 3 of the fair value hierarchy measured on a nonrecurring basis at December 31, 2025 and 2024. These tables are comprised primarily of collateral dependent impaired loans and other real estate owned:

<i>(dollars in thousands)</i>	December 31, 2025	Valuation Techniques	Unobservable Inputs	Discount rate
Collateral dependent loans	\$ 7,194	Appraised Value	Discounts to reflect estimated costs to sell	10 %
Other Real Estate	\$ 1,048	Appraised Value/ Comparable Sales	Discounts to reflect current market conditions and estimated costs to sell	10 %

<i>(dollars in thousands)</i>	December 31, 2024	Valuation Techniques	Unobservable Inputs	Discount rate
Collateral dependent loans	\$ 3,075	Appraised Value	Discounts to reflect estimated costs to sell	10 %
Other Real Estate	\$ 202	Appraised Value/ Comparable Sales	Discounts to reflect current market conditions and estimated costs to sell	10 %

The following tables present quantitative information about recurring level 3 fair value measurements as of December 31, 2025 and 2024.

<i>(dollars in thousands)</i>	December 31, 2025			
	Fair Value	Valuation Techniques	Unobservable Inputs	Range (Weighted Avg)
Available for sale securities	\$ 6,515	Discounted Cash Flow	Discount Rate or Yield	N/A

<i>(dollars in thousands)</i>	December 31, 2024			
	Fair Value	Valuation Techniques	Unobservable Inputs	Range (Weighted Avg)
Available for sale securities	\$ 8,921	Discounted Cash Flow	Discount Rate or Yield	N/A

The following table presents a reconciliation and statement of income classification of gains and losses for all assets measured at fair value on a recurring basis using significant unobservable inputs (level 3) for the year ended December 31, 2025 and 2024:

<i>(dollars in thousands)</i>	Available for sale securities	
	2025	2024
Beginning balance	\$ 8,921	\$ 10,814
Additions	20	2,588
Redemptions	(2,380)	(3,831)
Total unrealized/realized gains (losses) included in earnings	(46)	1,701
Transfers between levels	—	(2,351)
Ending balance	\$ 6,515	\$ 8,921

The Company's policy is to recognize transfers in and transfers out of levels 1, 2 and 3 as of the end of a reporting period. There were no transfers between levels for the period ended December 31, 2025 and \$2.4 million in transfers for the period ended December 31, 2024.

NOTE 18. REGULATORY CAPITAL MARKETS

The amount of dividends payable to the parent company from the subsidiary bank is limited by various banking regulatory agencies. Upon approval by regulatory authorities, the Bank may pay cash dividends to the parent company in excess of regulatory limitations.

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

Quantitative measures established by regulation to ensure capital adequacy require the Company to maintain minimum amounts and ratios of total and Tier I capital to risk-weighted assets, and of Tier I capital to average assets. As of December 31, 2025, the interim final Basel III rules (Basel III) require the Company to also maintain minimum amounts and ratios of common equity Tier 1 capital to risk weighted assets. These amounts and ratios as defined in regulations are presented hereafter. Management believes, as of December 31, 2025, the Company meets all capital adequacy requirements to which it is subject under the regulatory framework for prompt corrective action. In the opinion of management, there are no conditions or events since prior notification of capital adequacy from the regulators that have changed the institution's category.

The Basel III rules also require the Company to maintain a capital conservation buffer comprised of common equity Tier 1 capital. The capital conservation buffer is 2.5 percent of risk-weighted assets.

The following table summarizes regulatory capital information as of December 31, 2025 and December 31, 2024 on a consolidated basis and for the subsidiary, as defined. Regulatory capital ratios for December 31, 2025 and 2024 were calculated in accordance with the Basel III rules.

<i>(dollars in thousands)</i>	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 to Risk-Weighted Assets						
Consolidated	\$ 418,386	15.95 %	\$ 209,849	8.00 %	\$ 262,311	10.00 %
Colony Bank	378,421	14.48	209,072	8.00	261,340	10.00
Tier I Capital to Risk-Weighted Assets						
Consolidated	356,702	13.60	157,369	6.00	209,825	8.00
Colony Bank	355,640	13.61	156,785	6.00	209,046	8.00
Common Equity Tier 1 Capital to Risk-Weighted Assets						
Consolidated	332,473	12.67	118,084	4.50	170,566	6.50
Colony Bank	355,640	13.61	117,589	4.50	169,850	6.50
Tier I Capital to Average Assets						
Consolidated	356,702	10.78	132,357	4.00	165,446	5.00
Colony Bank	355,640	10.78	131,963	4.00	164,954	5.00
As of December 31, 2024						
Total Capital to Risk-Weighted Assets						
Consolidated	\$ 352,495	17.10 %	\$ 164,910	8.00 %	\$ 206,137	10.00 %
Colony Bank	314,266	15.29	164,430	8.00	205,537	10.00
Tier I Capital to Risk-Weighted Assets						
Consolidated	293,893	14.26	123,658	6.00	164,877	8.00
Colony Bank	294,474	14.33	123,297	6.00	164,396	8.00
Common Equity Tier 1 Capital to Risk-Weighted Assets						
Consolidated	269,664	13.08	92,774	4.50	134,007	6.50
Colony Bank	294,474	14.33	92,473	4.50	133,572	6.50
Tier I Capital to Average Assets						
Consolidated	293,893	9.50	123,744	4.00	154,681	5.00
Colony Bank	294,474	9.55	123,340	4.00	154,175	5.00

NOTE 19. FINANCIAL INFORMATION OF COLONY BANKCORP, INC. (PARENT ONLY)

The parent company's balance sheets as of December 31, 2025 and 2024 and the related statements of income and cash flows for each of the years in the two-year period then ended are as follows:

	2025	2024
ASSETS		
Cash	\$ 28,855	\$ 28,692
Investment in subsidiaries	400,594	305,918
Other	9,715	7,297
Total Assets	\$ 439,164	\$ 341,907
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Other	\$ 112	\$ 193
Subordinated notes, net of issuance costs	38,903	38,810
Subordinated debentures	24,229	24,229
Total Liabilities	63,244	63,232
Stockholders' Equity		
Common stock, par value \$1.00 per share; 50,000,000 shares authorized, 21,251,695 and 17,519,884 shares issued and outstanding as of December 31, 2025 and 2024, respectively	21,252	17,520
Paid-in capital	228,577	168,353
Retained earnings	160,584	140,369
Accumulated other comprehensive loss, net of tax	(34,493)	(47,567)
Total Stockholder's Equity	375,920	278,675
Total Liabilities and Stockholders' Equity	\$ 439,164	\$ 341,907

COLONY BANKCORP, INC. (PARENT ONLY)
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31
(DOLLARS IN THOUSANDS)

	<u>2025</u>	<u>2024</u>
Income		
Interest on deposits with banks	\$ 1	\$ 4
Dividends from subsidiaries	13,955	13,217
Other	540	204
Total income	<u>14,496</u>	<u>13,425</u>
Expenses		
Interest	3,703	3,937
Salaries and employee benefits	628	461
Other	341	183
Total expenses	<u>4,672</u>	<u>4,581</u>
Income before income taxes and equity in undistributed earnings of subsidiaries	9,824	8,844
Income tax benefit	<u>1,293</u>	<u>1,150</u>
Income before equity in undistributed earnings of subsidiaries	<u>11,117</u>	<u>9,994</u>
Equity in undistributed earnings of subsidiaries	<u>17,136</u>	<u>13,874</u>
Net income	<u>\$ 28,253</u>	<u>\$ 23,868</u>

COLONY BANKCORP, INC. (PARENT ONLY)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31
(DOLLARS IN THOUSANDS)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 28,253	\$ 23,868
Adjustments to reconcile net income to net cash provided by operating activities:		
Stock-based compensation expense	785	1,296
Equity in undistributed earnings of subsidiaries	(17,136)	(13,874)
Amortization of debt issuance costs	93	94
Change in deferred taxes	96	—
Change in interest payable	(8)	(7)
Other	(2,491)	(1,742)
Net cash provided by operating activities	<u>9,592</u>	<u>9,635</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash and cash equivalents received from bank acquisition	1,288	—
Net cash provided by investing activities	<u>1,288</u>	<u>—</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Redemption of subordinated debt	—	(500)
Cash paid for tax withholding related to vesting of restricted stock	(311)	(296)
Repurchase and retirement of shares	(2,368)	(1,305)
Dividends paid on common stock	(8,038)	(7,899)
Net cash used in financing activities	<u>(10,717)</u>	<u>(10,000)</u>
Net increase (decrease) in cash and cash equivalents	163	(365)
Cash and cash equivalents at beginning of period	28,692	29,057
Cash and cash equivalents at end of period	<u>\$ 28,855</u>	<u>\$ 28,692</u>

NOTE 20. EARNINGS PER SHARE

The following table presents earnings per share for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
<i>(dollars in thousands, except per share amounts)</i>		
Numerator		
Net income available to common stockholders	\$ 28,253	\$ 23,868
Denominator		
Weighted average number of common shares outstanding for basic earnings per common share	17,789,688	17,557,743
Weighted average number of common shares outstanding for diluted earnings per common share	17,789,688	17,557,743
Earnings per share - basic	\$ 1.59	\$ 1.36
Earnings per share - diluted	\$ 1.59	\$ 1.36

NOTE 21. SEGMENT INFORMATION

ASC Topic 280 - Segment Reporting identifies operating segments as components of an enterprise which are evaluated regularly by the Company's Chief Operating Decision Maker, our Chief Executive Officer, in deciding how to allocate resources and assess performance. The Company has applied the aggregation criterion set forth in this codification to the results of its operations. The Company's operating segments include banking, mortgage banking and small business specialty lending division. The reportable segments are determined by the products and services offered, and internal reporting. The Bank segment derives its revenues from the delivery of full-service financial services, including retail and commercial banking services and deposit accounts. The Mortgage Banking segment derives its revenues from the origination and sales of residential mortgage loans held for sale. The Small Business Specialty Lending Division segment derives its revenue from the origination, sales and servicing of Small Business Administration loans and other government guaranteed loans. Segment performance is evaluated using net interest income and noninterest income. Income taxes are allocated based on income before income taxes, and indirect expenses (includes management fees) are allocated based on various internal factors for each segment. Transactions among segments are made at fair value. The following tables present information reported internally for performance assessment as of December 31, 2025 and 2024:

	December 31, 2025			
<i>(dollars in thousands)</i>	Bank	Mortgage	Small Business Specialty Lending Division	Totals
Net Interest Income	\$ 87,718	\$ 224	\$ 3,959	\$ 91,901
Provision for Credit Losses	1,296	—	3,204	4,500
Net Interest Income after Provision for Credit Losses	86,422	224	755	87,401
Mortgage Fee Income	109	7,426	—	7,535
Gain on Sale of SBA Loans	—	—	5,372	5,372
Other	24,774 ⁽¹⁾	—	2,599 ⁽²⁾	27,373
Total Noninterest Income	24,883	7,426	7,971	40,280
Salaries and Employee Benefits	39,967	6,768	5,682	52,417
Other ⁽³⁾	38,669	304	1,156	40,129
Total Noninterest Expense	78,636	7,072	6,838	92,546
Income Taxes	6,365	133	384	6,882
Net income	\$ 26,304	\$ 445	\$ 1,504	\$ 28,253
Total assets	\$ 3,625,785	\$ 13,648	\$ 95,968	\$ 3,735,401
Full Time Employees	447	48	31	526

⁽¹⁾ includes service charges on deposits, loss on sales of securities, interchange fees, BOLI income, insurance commissions and other noninterest income

⁽²⁾ represents SBA loan related fee income

⁽³⁾ includes occupancy and equipment, acquisition related expenses, information technology expense, professional fees, advertising and public relations, communications and other noninterest expenses

December 31, 2024

<i>(dollars in thousands)</i>	Bank	Mortgage Banking	Small Business Specialty Lending Division	Totals
Net Interest Income	\$ 71,112	\$ 210	\$ 4,754	\$ 76,076
Provision for Credit Losses	1,558	—	1,492	3,050
Net Interest Income after Provision for Credit Losses	69,554	210	3,262	73,026
Mortgage Fee Income	70	5,978	—	6,048
Gain on Sale of SBA Loans	—	—	9,242	9,242
Other	21,642 ⁽⁴⁾	—	2,443 ⁽⁵⁾	24,085
Noninterest Income	21,712	5,978	11,685	39,375
Salaries and Employee Benefits	37,026	5,731	7,010	49,767
Other ⁽⁶⁾	31,929	45	1,093	33,067
Noninterest Expenses	68,955	5,776	8,103	82,834
Income Taxes	4,170	102	1,427	5,699
Net income/(loss)	\$ 18,141	\$ 310	\$ 5,417	\$ 23,868
Total assets	\$ 2,985,856	\$ 17,970	\$ 105,956	\$ 3,109,782
Full Time Employees	376	45	34	455

⁽⁴⁾ includes service charges on deposits, loss on sales of securities, interchange fees, BOLI income, insurance commissions and other noninterest income

⁽⁵⁾ represents SBA loan related fee income

⁽⁶⁾ includes occupancy and equipment, information technology expense, professional fees, advertising and public relations, communications and other noninterest expenses

Item 9**Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

Item 9A**Controls and Procedures**

The Company's Chief Executive Officer and Chief Financial Officer have evaluated the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) or 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), as of the end of the period covered by this report, as required by paragraph (b) of Rules 13a-15 or 15d-15 of the Exchange Act. Based on such evaluation, such officers have concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective for ensuring that information the Company is required to disclose in reports that it files or submits under the Exchange Act, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to the Company's senior management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

During the year ended December 31, 2025, there were no changes in the Company's internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rules 13a-15 or 15d-15 of the Exchange Act that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Management's assessment of the effectiveness of our internal control over financial reporting as of December 31, 2025 is included in Part II, Item 8 of this Report under the heading "Management's Report on Internal Control Over Financial Reporting."

Our independent auditors have issued an audit report on management's assessment of internal controls over financial reporting. This report is included in Part II, Item 8 of this Report under the heading "Report of Independent Registered Public Accounting Firm."

As mentioned in the above-referenced reports, on December 1, 2025, the Company acquired TC Bancshares, Inc. ("TCBC"), and as of December 31, 2025, full integration of TCBC's systems and processes into those of the Company was not complete. Management's assessment of and conclusion on the effectiveness of internal control over financial reporting as of December 31, 2025, excludes the internal controls of TCBC. This exclusion is in accordance with the SEC Staff's general guidance that an assessment of a recently acquired business may be omitted from the scope of management's assessment for one year following the acquisition.

Changes in Internal Controls

There were no changes made in our internal controls during the period covered by this report or, to our knowledge, in other factors that have materially affected, or are reasonably likely to materially affect these controls.

Item 9B**Other Information**

During the fourth quarter of 2025, none of our other executive officers or directors adopted Rule 10b5-1 trading plans and none of our directors or executive officers terminated a Rule 10b5-1 trading plan or adopted or terminated a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K).

Item 9C**Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

None.

Part III**Item 10****Directors and Executive Officers and Corporate Governance****Code of Ethics**

Colony Bankcorp, Inc. has adopted a Code of Ethics that applies to the Company's principal executive officer and principal accounting and financial officer. A copy of the Code of Ethics will be provided to any person without charge, upon written request mailed to T. Heath Fountain, Colony Bankcorp, Inc., 115 S. Grant Street, Fitzgerald, Georgia 31750, and can also be found on our website at www.colonybank.com. We will post any amendments to the Code of Ethics and any waivers that are required to be disclosed by the rules of either the SEC or the NYSE on our website.

The Company has adopted insider trading policies and procedures governing the purchase, sale, and/or other dispositions of the Company's securities by directors, officers and employees, or the Company itself, that are reasonably designed to promote compliance with insider trading laws, rules and regulations, and any listing standards applicable to the Company. A copy of the Company's Insider Trading Policy has been filed as Exhibit 19 to this Annual Report on Form 10-K.

The remaining information required by this item is incorporated by reference to the Directors and Nominees, Executive Officers, Governance of the Company, Legal Proceedings, and Delinquent Section 16(a) Reports sections of the Company's definitive Proxy Statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this Annual Report.

Item 11**Executive Compensation**

The information required by this item is incorporated by reference to the Executive Compensation section of the Company's definitive Proxy Statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this Annual Report.

Item 12**Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters****EQUITY COMPENSATION PLAN INFORMATION**

The information required by this item is incorporated by reference to Security Ownership of Certain Beneficial Owners section of the Company's definitive Proxy Statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this Annual Report.

Item 13**Certain Relationships and Related Transactions and Director Independence**

The information required by this item is incorporated by reference to the Governance of the Company and Related Party Transactions with the Company sections of the Company's definitive Proxy Statement to be filed with Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the fiscal year covered by this Annual Report.

Item 14

Principal Accounting Fees and Services

The information required by this item is incorporated by reference to the Independent Public Accountants section of the Company's definitive Proxy Statement to be filed with Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the fiscal year covered by this Annual Report.

The Independent Registered Public Accounting Firm is Mauldin & Jenkins, LLC (Public Company Accounting Oversight Board Firm ID 669) located in Albany, Georgia for the years ended December 31, 2025 and 2024.

Item 15

Exhibits, Financial Statement Schedules

(a) **The following documents are filed as part of this report:**

) The consolidated financial statements of Colony Bankcorp, Inc. and subsidiaries are filed as part of this report.

[Report of Independent Registered Accounting Firm](#)

[Consolidated Balance Sheets - December 31, 2025 and 2024](#)

[Consolidated Statements of Income – Years ended December 31, 2025 and 2024](#)

[Consolidated Statements of Comprehensive Income – Years ended December 31, 2025 and 2024](#)

[Consolidated Statements of Changes in |Stockholders' Equity– Years ended December 31, 2025 and 2024](#)

[Consolidated Statements of Cash Flows –Years ended December 31, 2025 and 2024](#)

[Notes to Consolidated Financial Statements](#)

) Financial Statements Schedules:

All schedules are omitted as the required information is inapplicable or the information is presented in the financial statements or the related notes.

) A list of the exhibits required by Item 601 of Regulation S-K to be filed as a part of this report is shown on the "Exhibit Index" filed herewith.

Exhibit Index

- 2.1 [Agreement and Plan of Merger, dated July 23, 2025, by and between Colony Bankcorp, Inc. and TC Bancshares, Inc.](#)
-filed as Exhibit 2.1 to the Registrant's Current Report on Form 8-K (File No. 001-42397), filed with the Commission on July 23, 2025 and incorporated herein by reference.
- 3.1 [Articles of Incorporation, as amended](#)
-filed as Exhibit 99.1 to the Registrant's Quarterly Report on Form 10-Q (File No. 0-12436), filed with the Commission on August 4, 2014 and incorporated herein by reference.
- 3.2 [Articles of Amendment to Articles of Incorporation, as amended](#)
-filed as Exhibit 3.2 to the Registrant's Quarterly Report on Form 10-Q (File No. 0-12436), filed with the Commission on August 12, 2022 and incorporated herein by reference.
- 3.3 [Amended and Restated Bylaws](#)
-filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 0-12436), filed with the Commission on September 18, 2020 and incorporated herein by reference.
- 4.1 [Description of Securities](#)
- 4.2 [Form of 5.25% Fixed to Floating Rate Subordinated Note due 2032](#)
-filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 0-12436), filed with the Commission on May 23, 2022 and incorporated herein by reference.
- 10.1 Deferred Compensation Plan and Sample Director Agreement†
-filed as Exhibit 10(a) to the Registrant's Registration Statement on Form 10 (File No. 0-18486), filed with the Commission on April 25, 1990 and incorporated herein by reference.

10.2	Profit-Sharing Plan Dated January 1, 1979† -filed as Exhibit 10(b) to the Registrant's Registration Statement on Form 10 (File No. 0-18486), filed with the Commission on April 25, 1990 and incorporated herein by reference.
10.3	Colony Bankcorp, Inc. Stock Purchase Plan dated May 22, 2025 -filed as Exhibit A of the Registrant's Proxy Statement on Schedule 14A (File No. 001-42397), filed with the Commission on April 17, 2025 and incorporated herein by reference.
10.4	1999 Restricted Stock Grant Plan and Restricted Stock Grant Agreement† -filed as Exhibit 10.C to the Registrant's Annual Report on Form 10-K405 (File No. 000-12436), filed with the Commission on March 30, 2001 and incorporated herein by reference.
10.5	2004 Restricted Stock Grant Plan and Restricted Stock Grant Agreement† -filed as Exhibit C to the Registrant's Definitive Proxy Statement for Annual Meeting of Stockholders held on April 27, 2004, filed with the Commission on March 3, 2004 (File No. 000-12436) and incorporated herein by reference.
10.6	Restricted Stock Award Between T. Heath Fountain and Colony Bankcorp, Inc.† -filed as Exhibit 10.1 to the Registrant's Registration Statement on Form S-8 (File No. 333-226984), filed with the Commission on August 23, 2018 and incorporated herein by reference.
10.7	Employment Agreement, Dated July 22, 2024, Between Colony Bankcorp, Inc., Colony Bank, and T. Heath Fountain.† -filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 000-12436), filed with the Commission on July 24, 2024 and incorporated herein by reference.
10.8	Retention Agreement, Dated January 15, 2019, Between Colony Bank and Kimberly C. Dockery† -filed as Exhibit 99.2 to the Registrant's Current Report on Form 8-K (File No. 000-12436), filed with the Commission on January 17, 2019 and incorporated herein by reference.
10.9	Separation and Release Agreement, Dated January 25, 2023, Between Colony Bank and Andrew Bormann† -filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 000-12436), filed with the Commission on January 26, 2023 and incorporated herein by reference.
10.10	Employment Agreement, dated as of September 9, 2022, between Colony Bankcorp, Inc. and Max Edward Hoyle† -filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q (File No. 000-12436), filed with the Commission on November 10, 2022 and incorporated herein by reference.
10.11	Employment Agreement, dated as of September 13, 2024, between Colony Bank and R. Dallis Copeland, Jr.† -filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 000-12436), filed with the Commission on September 14, 2024 and incorporated herein by reference.
10.12	Employment Agreement, dated January 19, 2025, by and between Colony Bankcorp, Inc. and Leonard Bateman, Jr.† -filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-42397), filed with the Commission on January 22, 2025 and incorporated herein by reference.
10.13	Form of Note Purchase Agreement, dated as of May 20, 2022, by and among Colony Bankcorp, Inc. and the purchasers named therein. -filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 0-12436), filed with the Commission on May 23, 2022 and incorporated herein by reference.
19	Insider Trading Policy
21	Subsidiaries of the Company
23.1	Consent of Mauldin & Jenkins, LLC
31.1	Certificate of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certificate of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certificate of the Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97	Colony Bankcorp, Inc. Compensation Recovery Policy, filed as Exhibit 97 to the Registrant's Annual Report on Form 10-K (file No. 000-12436) filed with the Commission on March 14, 2024
101.INS	XBRL Instance Document
101.SCH	XBRL Schema Document
101.CAL	XBRL Calculation Linkbase Document
101.DEF	XBRL Definition Linkbase Document
101.PRE	XBRL Label Linkbase Document

101.LAB XBRL Presentation Linkbase Document
104 Cover Page Interactive Data File (formatted as inline XBRL and included in Exhibit 101)

† Represents a management contract or a compensatory plan or arrangement.

(b) Exhibits

The response to this portion of Item 15 is submitted under item (a)(3) above.

(c) Financial Statement Schedules

None.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Colony Bankcorp, Inc. has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized:

COLONY BANKCORP, INC.

/s/ T. Heath Fountain

T. Heath Fountain
Chief Executive Officer and Director
(Principal Executive Officer)

March 13, 2026

Date

/s/ Derek Shelnett

Derek Shelnett
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

March 13, 2026

Date

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

/s/ T. Heath Fountain
T. Heath Fountain, /Director/Chief Executive Officer

March 13, 2026
Date

/s/ Mark H. Masee
Mark H. Masee, Director

March 13, 2026
Date

/s/ Meagan M. Mowry
Meagan M. Mowry, Director

March 13, 2026
Date

/s/ Scott Lowell Downing
Scott Lowell Downing, Director

March 13, 2026
Date

/s/ Matthew D. Reed
Matthew D. Reed, Director

March 13, 2026
Date

/s/ Brian D. Schmitt
Brian Schmitt, Director

March 13, 2026
Date

/s/ Audrey D. Hollingsworth
Audrey D. Hollingsworth, Director

March 13, 2026
Date

/s/ Paul Joiner, III
Paul Joiner, III, Director

March 13, 2026
Date

EXHIBIT NO. 4.1

DESCRIPTION OF CAPITAL STOCK

The following description summarizes the terms of our common stock and preferred stock but does not purport to be complete, and it is qualified in its entirety by reference to the applicable provisions of federal law governing bank holding companies, Georgia law and our Articles of Incorporation, as amended (“Articles”) and Amended and Restated Bylaws (“Bylaws”). Our Articles and Bylaws are incorporated by reference as exhibits to our Annual Report on Form 10-K for the year ended December 31, 2025 of which this Exhibit 4.1 is a part. As used in this Exhibit 4.1, the terms “Colony,” “we,” “us” and “our” refer only to Colony Bankcorp, Inc. and not to any existing or future subsidiaries of Colony Bankcorp, Inc.

Common Stock

Authorized. Colony has 50,000,000 shares of authorized common stock, \$1.00 par value, of which 21,251,695 were issued and outstanding as of December 31, 2025.

Voting Rights; Cumulative Voting. Pursuant to the Colony Bylaws, each outstanding share of Colony common stock is entitled to one vote on each matter submitted to a vote. Holders of Colony common stock do not have cumulative voting rights.

Board of Directors. Under Article 3.3 of the Colony Bylaws, the board of directors shall consist of not less than three (3), nor more than twenty-five (25) persons, with the exact number of directors to be determined from time to time by resolution of the board, or by resolution of the shareholders at any annual or special meeting of shareholders. The directors shall be elected by a majority of votes cast at a meeting where a quorum is present, provided, however, that in the event of a contested election for a director seat, such director shall be elected by a plurality of votes received rather than a majority of votes cast.

Dividends. Holders of Colony common stock are entitled to receive dividends if, as and when declared by the board of directors out of any funds legally available for dividends. Holders of Colony common stock are also entitled, upon our liquidation, and after claims of creditors and the preferences of any class or series of preferred stock outstanding at the time of liquidation, to receive pro rata net assets, if any. Colony pays dividends on its common stock only if it has paid or provided for all dividends on its outstanding series of preferred stock, for the then current period and, in the case of any cumulative preferred stock, all prior periods.

Colony is a legal entity separate and distinct from Colony Bank. There are various restrictions that limit the ability of Colony Bank to finance, pay dividends or otherwise supply funds to Colony or other affiliates. In addition, subsidiary banks of holding companies are subject to certain restrictions under Sections 23A and 23B of the Federal Reserve Act on any extension of credit to the bank holding company or any of its subsidiaries, on investments in the stock or other securities thereof and on the taking of such stock or securities as collateral for loans to any borrower. Further, a bank holding company and its subsidiaries are prohibited from engaging in certain tie-in arrangements in connection with extensions of credit, leases or sales of property, or furnishing of services.

The principal source of funds from which Colony pays cash dividends are the dividends received from its bank subsidiary, Colony Bank. Consequently, dividends are dependent upon Colony Bank’s earnings, capital needs, and regulatory policies, as well as statutory and regulatory limitations. Federal and state banking laws and regulations restrict the amount of dividends and loans a bank may make to its parent company. Georgia law requires prior approval for a bank to pay dividends where the aggregate amount of dividends to be declared or anticipated to be declared during the current calendar year exceeds fifty (50) percent of its net after-tax profits before dividends for the previous calendar year. A depository institution may not pay any dividend if payment would cause it to become undercapitalized or if it already is undercapitalized.

Preemptive Rights; Liquidation. Colony common stock does not carry any preemptive rights enabling a holder to subscribe for or receive shares of Colony common stock. In the event of liquidation, holders of Colony common stock are entitled to share in the distribution of assets remaining after payment of debts and expenses and after required payments to holders of Colony preferred stock, if any such shares are outstanding. There are no redemption or sinking fund provisions applicable to Colony common stock.

Preferred Stock

Under the terms of the Colony Articles, Colony has authorized the issuance of up to 10,000,000 shares of preferred stock, no par value, any part or all of which shares may be established and designated from time to time by the board of directors by filing an amendment to the Articles, which is effective without shareholder action, in accordance with the appropriate provisions of the Georgia Business Corporation Code (“GBCC”). If Colony offers preferred stock, it will file the terms of the preferred stock with the SEC, and the prospectus supplement relating to that offering will include a description of the specific terms of the offerings. The Colony Articles authorize the board of directors to establish one or more series of preferred stock, and to establish such preferences, limitations and relative rights as may be applicable to each series of preferred stock. The issuance of preferred stock and the determination of the terms of preferred stock by the board, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, adversely affect the voting power of the holders of our common stock.

Anti-Takeover Provisions

Voting Requirements; Business Combinations or Control Share Acquisition. The GBCC states that in the absence of a greater requirement in the articles of incorporation, a sale, lease, exchange, or other disposition of all, or substantially all, of a corporation’s property requires approval by a majority of the shares entitled to vote on the transaction. The Colony Articles do not provide for a greater than majority vote on such a transaction.

Removal of Directors. Under Article 3.4 of the Colony Bylaws, the entire board of directors or any individual director may be removed from office with or without cause by the affirmative vote of the holders of a majority of the shares entitled to vote at an election of directors.

Vacancies in the Board of Directors. Under Article 3.5 of the Colony Bylaws, the directors, even though less than a quorum, may fill any vacancy on the board of directors, including a vacancy created by an increase in the number of directors, and such appointment by the directors shall continue until the expiration of the term of the director whose place has become vacant, or until the next election of directors by the shareholders and until the election and qualification of his or her successor, or until his or her earlier resignation, removal from office or death.

In addition, Section 14-2-810 of the GBCC provides that unless the articles of incorporation or a bylaws approved by the shareholders provides otherwise, if a vacancy occurs on a board of directors, including a vacancy resulting from an increase in the number of directors: (i) the shareholders may fill the vacancy; (ii) the board of directors may fill the vacancy; or (iii) if the directors remaining in office constitute fewer than a quorum of the board, they may fill the vacancy by the affirmative vote of a majority of all the directors remaining in office. The GBCC also provides that if the vacant office was held by a director elected by a voting group of shareholders, only the holders of shares of that voting group or the remaining directors elected by that voting group are entitled to vote to fill the vacancy.

Amendment of the Articles of Incorporation or Bylaws. The Colony Articles may be amended in accordance with the GBCC, which generally requires the approval of the Colony board of directors and the holders of a majority of the votes entitled to be cast on the amendment. Colony’s Bylaws may be amended, altered, or repealed by the vote or written consent of holders of a majority of the outstanding shares entitled to vote at any annual or special meeting of the shareholders or by the board of directors at any regular or special meeting of the board of directors; provided, however, that if such action is to be taken at a meeting of the shareholders, notice of the general nature of the proposed change in the bylaws must be given in the notice of the meeting.

Special Meetings of Shareholders. Under the Colony Bylaws, special meetings of shareholders or a special meeting in lieu of the annual meeting of shareholders shall be called by Colony upon the written request of the holders of forty-five percent (45%) or more of all the shares of capital stock entitled to vote in an election of directors. Special meetings of the shareholders may be called at any time by the Chief Executive Officer, Chairman of the Board, or the Board of Directors. Colony must give written or printed notice of the place, day and hour of each special shareholders’ meeting no fewer than ten (10) days nor more than sixty (60) days before the meeting date to each shareholder of record entitled to vote at the meeting. The notice of a special meeting must state the general nature of the business to be transacted.

Shareholder Proposals and Nominations. Under the Colony Bylaws, shareholder proposals must be received by the Colony Board of Directors not later than the close of business on the ninetieth (90th) day, nor earlier than the close of business on the one hundred twentieth (120th) day, prior to the anniversary date of the immediately preceding year’s annual meeting; provided, however, that in the event that the annual meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the shareholder to be timely must be so delivered not later than the close of business on the tenth

(10th) day following the date on which such notice of the date of the meeting was mailed or public disclosure of the date of the meeting was made, whichever occurs first.

Limitations on Directors' and Officers' Liability. The Colony Bylaws provide that any person, his heirs, executors, or administrators, may be indemnified or reimbursed by Colony for reasonable expense actually incurred in connection with any action, suit or proceeding, civil or criminal, to which such person shall be made a party by reason of the fact that such person is or was a director, trustee, officer, employee, or agent of Colony, or that such person is or was serving, at the request of Colony, as a director, trustee, officer, employee, or agent of another firm, corporation, trust or other organization or enterprise; provided, however, that no person shall be so indemnified or reimbursed in relation to any matter in such action, suit or proceeding as to which such person shall finally be adjudged to have been guilty of or liable for gross negligence, willful misconduct or criminal acts in the performance of his duties to Colony, or to such other firm, corporation, trust, organization, or enterprise; and provided further, that no person shall be so indemnified or reimbursed in relation to any matter in such action, suit, or proceeding which has been in the subject of a compromise settlement, except with the approval of (i) a court of competent jurisdiction, (ii) the holders of record of a majority of the outstanding shares of capital stock of Colony, or (iii) a majority of the members of the board of directors then holding office, excluding the votes of any directors who are parties to the same or substantially the same action, suit or proceeding.

The Colony Bylaws also provide that expenses incurred in defending any action, suit or proceeding referred to above may be paid by Colony in advance of the final disposition of such action, suit or proceeding as authorized by the board of directors in the specific case upon receipt of an undertaking by or on behalf of the director, trustee, officer, employee or agent to repay such amount unless it shall ultimately be determined that such director, trustee, officer, employee or agent is entitled to be indemnified by Colony as provided above.

The Colony Bylaws further provide that Colony may purchase and maintain on behalf of a director, officer, employee or agent of Colony insurance against liability asserted against or incurred by that person serving in such capacity for Colony or arising from his status with Colony whether or not Colony would have the power to indemnify that person under the Bylaws.

COLONY BANKCORP, INC. INSIDER TRADING & CONFIDENTIALITY POLICY

INTRODUCTION

As a public company, Colony Bankcorp, Inc. is subject to various federal and state laws and regulations governing trading in its securities. It is the policy of Colony Bankcorp, Inc. and its subsidiaries (collectively, Colony) to comply fully, and to assist its employees in complying fully, with these laws and regulations. This Policy applies to all members of Colony's Board of Directors, director emeriti, officers, and employees, as well as members of such persons' immediate families and households and entities influenced or controlled by such persons. This Policy also applies to consultants and contractors of Colony who receive or have access to material, non-public information. All references in this Policy to employees of Colony should be read to include all such persons listed in this paragraph.

Colony depends upon the conduct and diligence of its employees, in both their professional and personal capacities, to ensure full compliance with this Policy. This Policy provides procedures and guidelines with respect to transactions in Colony's securities, the protection of material, non public information and the standard of conduct expected of Colony's employees in this highly sensitive area. It is the personal obligation and responsibility of each employee to act in a manner consistent with this Policy, and the ultimate responsibility for adhering to this Policy and avoiding improper trading rests with each employee.

LEGAL BACKGROUND

"Insider trading" is a top enforcement priority of the Securities and Exchange Commission (SEC), the NASDAQ Stock Market (NASDAQ), and the Department of Justice. Criminal prosecutions for insider trading are commonplace and may result in fines and/or imprisonment.

What is insider trading? The prohibition against such trading generally is understood to prohibit(1) trading on the basis of material, non-public information, (2) disclosing or "tipping" material, non-public information to others or recommending the purchase or sale of securities on the basis of such information or (3) assisting someone who is engaged in any of the above activities.

Who is an insider? The term "insider" applies to anyone who, by virtue of a special relationship with Colony, possesses material, non-public information regarding the business of Colony. An individual can be considered an insider for a limited time with respect to certain material, non public information even though he or she is not a director or officer. For example, an assistant who knows that an acquisition is about to occur may be regarded as an insider with respect to that information until the news of such acquisition has been fully disclosed to the public.

What is material, non-public information? Information is generally deemed to be "material" if it has market significance, that is, if its public dissemination is likely to affect the market price of securities, or if there is a substantial likelihood a "reasonable investor" would rely on it in deciding to purchase, sell, or hold a security to which the information relates. As a practical matter, materiality involves a relatively low threshold and often is determined after the fact,

when it is known that someone has traded on the information and after the information itself has been made public and its effects upon the market are more certain. Examples of information that is generally regarded as material are:

Financial results;

Projections that significantly differ from external expectations;

Changes in earnings estimates or unusual gains or losses in major operations;

Major proposed or pending acquisitions, investments, recapitalizations, joint ventures or divestitures;

Significant project or product developments;

Changes in key personnel;

Changes in dividends;

Stock splits;

Stock buy-backs;

New equity or debt offerings;

Significant regulatory or legislative developments affecting Colony;

Changes in auditors or auditor notification that Colony can no longer rely on an auditor's report;

Positive or negative developments in outstanding significant litigation;

Events that may result in the creation of a significant reserve or write-off or other significant adjustments to the financial statements; and

Actual or threatened significant litigation or inquiry by a governmental or regulatory authority; and any other facts that might cause Colony's financial results to be substantially affected.

Material information is not limited to historical facts but may also include projections and forecasts. With respect to a future event, such as a merger, acquisition or introduction of a new market, the point at which negotiations or market developments are determined to be material is determined by balancing the probability that the event will occur against the magnitude of the effect the event would have on a company's operations or stock price should it occur. When in doubt about whether particular non-public information is material, presume it is material. **If you are unsure whether information is material, you should consult with Colony's General Counsel before making any decision to disclose such information (other than to persons who need to know it) or to trade in or recommend securities to which that information relates.**

“Non-public” information is any information that has not been previously disclosed and is not otherwise available to investors generally. To be public, the information must have been disseminated in a manner designed to reach investors generally, and the investors must be given a reasonable opportunity to react to the information. Non-public information may include information available to a select group of analysts or brokers or institutional investors and information that has been entrusted to Colony on a confidential basis until a public announcement of the information has been made and enough time has elapsed for the market to respond to a public announcement of the information. Filings with the SEC and press releases are generally regarded as public information. Information about undisclosed financial results or a possible merger, acquisition, or other material development, whether concerning Colony or otherwise, and obtained in the normal course of employment or through a rumor, tip, or just "loose talk," is not public information. Information should be considered "non-public" until the beginning of the 2nd Trading Day (as defined below) after such information has been disseminated widely to the general public through press releases, news tickers, newspaper items, quarterly or annual reports, or other widely disseminated means. For purposes of this Policy, a "Trading Day" shall mean a day on which the NASDAQ is open for trading. **As with questions of materiality, if you are not sure whether information is considered public, you should either consult with Colony's General Counsel or assume that the information is "non-public" and treat it as confidential.**

A good general rule of thumb: **When in doubt, do not trade.**

Potential Criminal and Civil Liability and/or Disciplinary Action. The Securities Exchange Act of 1934, as amended (Exchange Act), and specifically Rule 10b-5 of the Exchange Act, makes it unlawful for any person to make false statements or omit to state material facts in connection with the purchase or sale of any security. There are no limits on the size of a transaction that will trigger insider trading liability. In the past, relatively small trades have resulted in SEC investigations and lawsuits.

Individuals found liable for insider trading face penalties of up to 3 times the profit gained or loss avoided, a criminal fine of up to \$5 million, and up to 20 years in jail. In addition to these potential criminal and civil liabilities, in certain circumstances Colony may be able to recover all profits made by an insider who traded illegally, plus collect other damages. In addition, Colony (and its executive officers and directors) could itself face penalties of the greater of \$1 million or 3 times the profit gained or loss avoided as a result of an employee's violation and/or a criminal penalty of up to \$25 million for failing to take steps to prevent insider trading.

Without regard to the civil or criminal penalties that may be imposed by others, any willful violation of this Policy and its procedures may constitute grounds for dismissal. The procedures regarding securities trading outlined below are designed to deter and, where possible, to prevent such improper trading.

POLICIES REGARDING TRANSACTIONS IN COLONY'S SECURITIES

The following policies apply to all transactions, direct or indirect, in all of Colony's securities, including, but not limited to, Colony's common stock (including those shares of common stock that may be held in any Colony 401(k) retirement savings plan, pension plan, retirement plan, other similar plan or any similar plan that Colony may adopt in the future), derivative

securities (including stock options, put or call options, and other similar securities), and any other securities that Colony may issue, such as preferred stock, notes, bonds and convertible securities.

Prohibitions for All Employees:

No Trading on Material, Non-Public Information. No employee who is aware of any material, non-public information concerning Colony or a third-party with whom Colony does business or is in negotiation with, shall engage in any transaction in Colony's or such third-party's securities, including any offer to purchase or sell, during any period commencing with the date that he or she obtains such material, non-public information and ending at the beginning of the 2nd Trading Day following the date that such information is disclosed. After termination of employment, any employee who is in possession of material, nonpublic information is prohibited from trading in Colony securities until that information has become public or is no longer material.

No Tipping. No employee shall disclose (i.e., "tip") material, non-public information to any other person where such information may be used by such person to his or her benefit by trading in the securities of Colony to which such information relates, nor shall an employee make any recommendations or express any opinions as to trading in Colony's securities to any other person on the basis of material, non-public information.

No Short Sales. No employee shall engage in the short sale of Colony's securities. A short sale is a sale of securities not owned by the seller or, if owned, not delivered against such sale within 20 days thereafter (a "short against the box"). Short sales of Colony's securities evidence an expectation on the part of the seller that the securities will decline in value, and, therefore, signal to the market that the seller has no confidence in Colony or its short-term prospects. In addition, short sales may reduce the seller's incentive to improve Colony's performance.

No Investments in Derivatives of Colony's Securities. No employee shall invest in Colony- based derivative securities. "Derivative Securities" are options, warrants, stock appreciation rights, or similar rights whose value is derived from the value of an equity security, such as Colony's common stock. This prohibition includes, but is not limited to, trading in Colony-based put or call option contracts and trading in straddles and the like. However, holding and exercising stock options, restricted stock units, or other derivative securities granted under Colony's equity compensation plans is not prohibited by this Policy.

No Margin Purchases and Pledges. No Section 16 Reporting Persons shall purchase Colony's securities on margin. This means such persons are prohibited from borrowing from a brokerage firm, bank, or other entity in order to purchase Colony's securities. Any Section 16 Reporting Persons who wishes to pledge Colony securities as collateral for a loan from a third party must submit a request for approval to Colony's General Counsel at least two weeks prior to the execution of the documents evidencing the proposed pledge.

No Hedging. Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow an individual to lock in much of the value of his or her securities holdings, often in exchange for all or part of the potential for upside appreciation in the securities. These transactions allow employees to own the covered securities, but without the full risks and rewards of ownership. When that occurs, the employees may no longer have the same objectives as Colony's other shareholders. Therefore, employees are prohibited from engaging in such transactions.

401(k) Plan. This Policy does not apply to purchases of Colony stock in its 401(k) plan resulting from periodic contributions of money pursuant to a payroll deduction election. The Policy does apply, however, to certain elections made under Colony's 401(k) plan, including (a) an election to increase or decrease the percentage of periodic contributions that will be allocated to Colony stock fund, (b) an election to make an intra-plan transfer of an existing account balance into or out of Colony stock fund, (c) an election to borrow money against a 401(k) plan account if the loan will result in a liquidation of some or all of Colony stock fund balance and (d) an election to pre-pay a plan loan if the pre-payment will result in allocation of loan proceeds to Colony stock fund.

Employee Stock Purchase Plan. This Policy does not apply to purchases of Colony securities in any employee stock purchase plan resulting from an employee's periodic contribution of money to the plan pursuant to the election such person made at the time of his or her enrollment in the plan. This Policy also does not apply to purchases of Colony securities resulting from lump sum contributions to the plan, provided that such employee elected to participate by lump sum payment at the beginning of the applicable enrollment period.

Dividend Reinvestment Plan. This Policy does not apply to ongoing purchases of Colony securities under any dividend reinvestment plan Colony may adopt resulting from an employee's reinvestment of dividends paid on Colony securities. This Policy does apply, however, to: (a) purchases of Colony stock that result from additional contributions a participant chooses to make to the plan, (b) a participant's election to participate in the plan or increase his/her level of participation in the plan, and (c) sales of any Colony stock purchased pursuant to the plan.

Prohibitions and Procedures for Section 16 Reporting Persons and Designated Individuals:

The following prohibitions and procedures apply to Section 16 Reporting Persons (as defined below) and to certain other employees that may be designated by Colony from time to time (Designated Individuals). "Section 16 Reporting Persons" are members of Colony's Board of Directors, director emeriti, and certain executive officers, who are subject to the reporting and "short-swing profit" liability provisions of Section 16 of the Exchange Act. Section 16 Reporting Persons and Designated Individuals will be informed of their status by Colony's Board of Directors.

Under special circumstances, certain employees who are not Section 16 Reporting Persons or Designated Individuals may gain access to material, non-public information and Colony, in its discretion, may determine that such employees may also be subject to the prohibitions and procedures identified below. Such employees will be notified of such status and will be subject to the following prohibitions and procedures for such period of time as Colony deems appropriate.

No Trading During Black-Out Periods. Section 16 Reporting Persons and Designated Individuals, as well as members of their immediate families and households, are subject to black-out periods during which they are prohibited from conducting any transactions involving Colony's securities. Each black-out period begins at the close of the market on the 14th day before the close of any fiscal quarter and ends at the market opening on the 2nd Trading Day following the release of Colony's quarterly or annual financial results for that particular quarter (Black-Out Period). The prohibition against trading during the Black-Out Period also prohibits

the fulfillment of "limit orders" by any broker for such Section 16 Reporting Person, Designated Individual, or member of such person's immediate family or household, and the brokers with whom any such "limit order" is placed must be informed of such prohibition at the time such "limit order" is placed. Notwithstanding the foregoing, a transaction may be exempt from this prohibition if it is made pursuant to a written trading plan that has been approved in writing in advance of a Black-Out Period while the employee was not in possession of material non-public information and that meets all of the requirements of the SEC's rules and regulations, including Rule 10b5-1 of the Exchange Act.

The Black-Out Period restriction may be waived in individual cases at Colony's discretion. Additional black-out periods may be implemented with regard to certain employees or groups from time to time who are in possession of non-public information regarding potentially significant matters.

No Trading in Colony's Securities on a Short-Term Basis. Any Colony securities purchased on the open market by a Section 16 Reporting Person, Designated Individual, or member of such person's immediate family or household must be held for a minimum of 6 months. Note that the SEC's short- swing profit rules already penalize Section 16 Reporting Persons who sell any Colony securities within 6 months of a purchase by requiring such person to disgorge all profits to Colony whether or not such person had knowledge of any material, non-public information.

Pre-Clearance of Trading by Section 16 Reporting Persons and Designated Individuals:

If a Section 16 Reporting Person, Designated Individual, or member of such person's immediate family or household is contemplating a transaction in Colony's securities, the proposed transaction must be pre-cleared with Colony's General Counsel even if the proposed transaction is to take place outside of the Black-Out Period (including, without limitation, purchases and sales; exercises of stock options, including cashless exercises, and exercises of other equity awards; gifts; trust transfers; and other nonsale transfers such as loans and pledges). If the transaction is cleared to proceed, Colony will assist a Section 16 Reporting Person in complying with Section 16 and, where applicable, Rule 144 of the Securities Act of 1933, as amended.

Colony's General Counsel shall record the date each request is received and the date and time each request is approved or disapproved. If the transaction does not occur during the trade window specified in Colony's General Counsel's approval, pre-clearance of the transaction must be re requested.

PERSONS WHO POSSESS MATERIAL, NON-PUBLIC INFORMATION REGARDLESS OF WHETHER OR NOT IT IS WITHIN THE BLACK-OUT PERIOD OR NOT, SHOULD NOT ENGAGE IN ANY TRANSACTION INVOLVING COLONY'S SECURITIES.

Exceptions to the Prohibitions on Trading

The only exceptions to this Policy's prohibitions of trading in Colony's securities as outlined above are the following:

1. *Stock Option Exercises-Exercises* in stock options granted under Colony's equity compensation plans for cash; however, this exception does not include the subsequent

sale of the shares acquired pursuant to the exercise of a stock option. For the avoidance of doubt, this Policy does apply to any sale as part of a broker assisted cashless exercise of an option, or any other market sale for the purposes of generating the cash needed to pay the exercise price of an option.

2. *Restricted Stock Awards*-This Policy does not apply to the vesting of restricted stock, or the exercise of a tax withholding right pursuant to which you elect to have Colony withhold shares of stock to satisfy tax withholding requirements upon the vesting of any restricted stock. The Policy does apply, however, to any market sale of restricted stock.
3. *Transfers to Brokers*-This Policy does not apply to a transfer of Colony securities to a brokerage account if the securities remain in your name following such transfer.
4. *Bona Fide Gifts*-Bona fide gifts of securities are not deemed to be transactions for the purposes of this Policy. Whether a gift is truly bona fide will depend on the circumstances surrounding a specific gift. The more unrelated the donee is to the donor, the more likely the gift would be considered "bona fide" and not a "transaction." For example, gifts to charities, churches, or nonprofit organizations" would not be deemed to be "transactions." However, gifts to dependent children followed by a sale of the "gifted securities" in close proximity to the time of the gift may imply some economic benefit to the donor and, therefore, may be deemed to be a "transaction" and not a "bona fide gift."
5. *Transactions Made Pursuant to a Rule 10b5-1 Plan*-This Policy does not apply to transactions involving Colony securities that are made pursuant to a pre-approved Rule 10b5-1 Plan. A Rule 10b5-1 Plan must be entered into at a time when an employee entering into the plan is not aware of material, nonpublic information. Once the plan is adopted, the employee must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. The plan must either specify the amount, pricing and timing of transactions in advance or delegate discretion on these matters to an independent third party. Any Rule 10b5-1 Plan must be submitted for approval 1 month prior to the entry into the Rule 10b5-1 Plan and must receive the approval of Colony's General Counsel. No further pre-approval of transactions conducted pursuant to the Rule 10b5-1 Plan will be required.

While these transactions are exceptions to this Policy's prohibitions on trading in Colony's securities, a Section 16 Reporting Person, Designated Individual, or member of such person's immediate family or household contemplating such a transaction should still pre-clear the proposed transaction with Colony's General Counsel.

POLICIES REGARDING THE USE, DISCLOSURE, AND PROTECTION OF MATERIAL, NON-PUBLIC INFORMATION

All employees of Colony have ethical and legal responsibilities to maintain the confidentiality of material, non-public information.

Use and Disclosure of Material, Non-Public Information. As explained previously, under no circumstances may an employee use material, non-public information about Colony for his or her personal benefit. Moreover, except as specifically authorized or in the performance of regular corporate duties, under no circumstances may an employee release to others information that

might affect Colony's securities. Therefore, it is important that an employee not disclose material, non public information to anyone, including other employees of Colony, unless the other employee needs to know such information in order to fulfill his or her job responsibilities. Under no other circumstances should such information be disclosed to anyone, including family, relatives, or business or social acquaintances. In maintaining the confidentiality of the information, the person in possession of such information shall not affirm or deny statements made by others, either directly or through electronic means, if such affirmation or denial would result in the disclosure of material, non-public information.

If an employee has any doubt about whether certain information is non-public or material, such doubt should be resolved in favor of not communicating such information or trading without discussing with the assigned compliance officer or raising with Colony's General Counsel. Questions concerning what is or is not material, non-public information should be directed to Colony's General Counsel.

Material, Non-Public Information Regarding Other Companies. In the ordinary course of doing business, employees may come into possession of material, non-public information with respect to other companies. An individual receiving material, non-public information in such a manner has the same duty not to disclose the information to others or to use that information in connection with securities transactions of such other company as such individual has with respect to material, non-public information about Colony. If Colony is in the process of negotiating a significant transaction with another company, employees are cautioned not to trade in the stock of that company if they are in possession of material, non-public information concerning such company.

If an employee is not certain whether it is permissible to trade in the stock of such company, the employee should contact Colony's General Counsel before making any trades.

Unauthorized Disclosure of Internal Information. Unauthorized disclosure of internal information about Colony may create serious problems for Colony whether or not the information is used to facilitate improper trading in securities of Colony. Therefore, it shall be the duty of each person employed or affiliated with Colony to maintain the confidentiality of information relating to Colony or obtained through a relationship of confidence. Colony personnel should not discuss internal Colony matters or developments with anyone outside Colony, except in the performance of regular corporate duties.

Precautions to Prevent Misuse or Unauthorized Disclosure of Sensitive Information. When an employee is involved in a matter or transaction that is sensitive and, if disclosed, could reasonably be expected to have an effect on the market price of the securities of Colony or any other company involved in the transaction, that individual should consider taking extraordinary precautions to prevent misuse or unauthorized disclosure of such information. Such measures include the following:

1. Maintaining files securely and avoiding storing information on computer systems that can be accessed by other individuals;
 2. Avoiding the discussion of confidential matters in areas where the conversation could possibly be overheard;
 3. Not gossiping about Colony affairs; and
-

4. Restricting the copying and distribution of sensitive documents within Colony.

Internet. Because any statement you make on the Internet (including, but not limited to, in a chat room, on a blog, on social media platforms (e.g. Facebook, LinkedIn or Twitter), or in some other similar forum) regarding Colony may be seen as a recommendation to buy or sell Colony's securities, Colony's policy is that none of its employees may participate in online communications regarding Colony or its securities.

External Communications. All external communications about Colony must be made through designated company spokespersons authorized to speak for Colony. Unless you are expressly authorized to do so in the performance of your duties, you should not discuss internal matters concerning Colony with anyone outside of the company. This prohibition applies specifically (but not exclusively) to inquiries from the press and members of the financial community. If you receive any inquiries of this nature, you should decline comment and refer the inquiry to Colony's General Counsel.

Inadvertent Disclosure of Material, Non-Public Information. If material, non-public information regarding Colony is inadvertently disclosed, no matter what the circumstances, by any employee, the person making or discovering that disclosure should immediately report the facts to Colony's General Counsel.

Inquiries Regarding Material, Non-public Information. When an inquiry is received regarding information that may be material, it should be referred, without comment, to Colony's General Counsel.

Reporting of Violations

Any person who believes that a violation of this policy has taken place shall report such violation promptly to Colony's General Counsel. Any questions concerning this Policy should be addressed to Colony's General Counsel.

Policy Subject to Revision

Colony's Board of Directors may change or otherwise revise the terms of this Policy from time to time to respond to developments in law and practice. We will take all steps to inform all affected persons of any material changes or revisions to this Policy.

Exhibit 21

SUBSIDIARIES OF THE COMPANY

<u>Name of Subsidiary</u>	<u>State of Incorporation</u>
Colony Bank	Georgia
Colony Risk Management, Inc.	Nevada
Colony Bankcorp Statutory Trust III	Delaware
Colony Bankcorp Capital Trust I	Delaware
Colony Bankcorp Capital Trust II	Delaware
Colony Bankcorp Capital Trust III	Delaware

EXHIBIT NO. 23.1

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Forms S-3 (No. 333-270613 and No. 333-260498) and Forms S-8 (No. 333-226984, No. 333-236721, No. 333-238752 and No. 333-263816) of Colony Bankcorp, Inc. of our report dated March 13, 2026 relating to the consolidated financial statements, appearing in this Annual Report on Form 10-K of Colony Bankcorp, Inc. for the year ended December 31, 2025.

/s/ Mauldin & Jenkins., LLC
Albany, Georgia
March 13, 2026

**CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) UNDER
THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, T. Heath Fountain certify that:

1. I have reviewed this Form 10-K of Colony Bankcorp, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 13, 2026

/s/ T. Heath Fountain

T. Heath Fountain

Chief Executive Officer and Director

**CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) UNDER
THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Derek Shelnett certify that:

1. I have reviewed this Form 10-K of Colony Bankcorp, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 13, 2026

/s/ Derek Shelnett

Derek Shelnett

Executive Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of Colony Bankcorp, Inc. (the "Company") for the year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), T. Heath Fountain, Chief Executive Officer and Director of the Company, and Derek Shelnett, Executive Vice President and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 13, 2026

/s/ T. Heath Fountain

T. Heath Fountain
Chief Executive Officer and Director

March 13, 2026

/s/ Derek Shelnett

Derek Shelnett
Executive Vice President and Chief Financial Officer

This certification accompanies this Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002, will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates it by reference and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed "filed" by the Company for purposes of §18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section.