



everyone has a story to tell

& one of our great pleasures at Peach State Bank is listening to our customers, learning their stories, and figuring out how we can best help them reach their goals.

To that end, we work hard to bring together people, business and values — ours and yours — to create a warm, friendly environment where collaboration and community spirit are topped with a friendly attitude. We are happy to share our broad experience and business acumen, and are honored to play even a small part in our customers' business and personal success.

Please read on to learn the stories of a few of our customers, your friends and neighbors. You'll meet a number of hard-working North Georgians with a variety of interests and endeavors. We appreciate their entrepreneurial drive, their dedication, and of course, their trust in us. We are grateful for your support and look forward to continuing our service to our community for many years to come.



at the **grand** **community**

Dear Peach State Bancshares Shareholders, Customers & Friends:

With another year in the books, Peach State Bank continues to grow at a record pace.

The grand opening of our new branch in Braselton was like adding fuel to a fire – in a positive way. Along with our Gainesville-based operations, Peach State grew at a phenomenal rate with each month in 2025 outperforming the previous month in deposits and loan volumes.

Staffing at our two locations expanded to 76 service-friendly employees. Meanwhile, our asset growth reached \$786 million as we move ever closer to becoming a billion-dollar bank. At our size, productivity has greatly improved with an efficiency score in the low 50s as compared to the 60 percent range (spending 60 cents to earn a dollar), which is the target goal of most banks.

Meanwhile, our momentum continues to add market share each year, moving us up another notch in 2025 to No. 4 among the region's top tier banks in deposits.

We could go on with more numbers reflecting the bank's success (check out our Financial Highlights section in this annual report), but there's something bigger happening across our community. A wave of quality growth is sweeping from one end of Hall County to the other, leading Georgia and much of the nation with the lowest unemployment rates and vigorous job creation.

In a state that ranks No. 1 for its business environment, Gainesville-Hall County is Georgia's Top Job-Producing Metro Area. Business publications from Forbes to Business Facilities magazine consistently recognize our home region among the top business climates anywhere.

At the financial intersection behind much of this business success is Peach State Bank.

Community Central

Imagine, if you will, that an elaborate rail network similar to New York City's subways spanned Gainesville-Hall County, connecting people to key sites and services. Of course, the two hospitals in Gainesville and Braselton would be major stops along with libraries, city halls, and post offices.

As the region's largest and only locally owned community bank, however, Peach State Bank would most certainly be Grand Central. The bank lies at the very heart of business dreams, start-ups, expansions, home purchases, nest eggs, and everyday transactions.

It's a financial advisor for community doctor Kevin Waits. A shared vision with downtown developer and entrepreneur Dr. Jeff Payne. A source of financing for the expansion of Celebration Church in South Hall. An on-call problem solver for Gainesville Mechanical, which well understands 24/7 service. Lifelong relationships with local

junction of & commerce

business owners like Heath Jarrett of CMS and Sam McGee of WeStore. . . . Their stories, told in the pages of this annual report, are just a few of the hundreds of Northeast Georgia customers whose lives and businesses pass through the doors of Peach State Bank on a daily basis.

For charitable causes, we're so proud of our many employees who serve as volunteers, donors, civic club leaders, and board members. Nearly a hundred churches, nonprofits and schools bank with Peach State. In turn, we give back to these organizations through sponsorships and donations while investing their deposits into the community.

Behind the scenes, we are happy to help nonprofits in other ways – like our special financing for Habitat for Humanity homes and the donation of all fees from after-hours parking at our downtown Gainesville site to local nonprofits.

We're also a hospitality host for some of the region's most popular community gatherings. Our outdoor BLT sandwich luncheons attract hundreds every summer in Gainesville – and now at our new Braselton bank, too. In April, we also host a Low Country Boil that is open to the public as well as our customers and stockholders.

Even our seminar series on cybersecurity draws hundreds throughout the year at neighborhoods and community sites across Hall County.

"In the midst of so much population growth," said one observer at last summer's BLT lunch, "we need events like these at Peach State. They bring us together and help us hold onto our community."

Likewise, we embrace the community that allows Peach State to flourish and impact the lives of our neighbors. Truly, our success is measured by the success of every resident and business in our downtowns and neighborhoods across Hall County. Aside from financials and rankings, those are the numbers that really matter.

Strong Bank. Strong Community. That's what Peach State and community banking are all about.

With warmest regards,



Ron G. Quinn
*President and CEO
Peach State Bancshares*

Stewart Teaver
*Chairman
Peach State Bancshares*



Peach State Bank's
David Dyer with Senior Pastor Mike Day

The Beautiful New Building was Completed in December

In 1997, Mike and Leigh Anne Day had a dream to start a church in Hoschton. That lofty dream is now well established as Celebration Church, which is thriving, growing and serving families throughout Northeast Georgia.

The congregation's most recent dream-come-true is the completion of a new sanctuary building on their campus, located just a mile down the street from Peach State Bank's Braselton branch. The beautiful new building was completed in December thanks to a construction loan from Peach State.

“But this wasn't just a new loan,” explains Senior Pastor Mike Day. “It was a new banking partner, a new banking relationship, and a much better fit for our financial needs. And it all happened in a matter of weeks.”

The church had been banking with another institution for more than a decade. After launching a successful capital campaign for the new sanctuary, the church was seeking a construction loan to fund the completion of the building. As loan discussions with the church's current bank stalled, Mike was introduced to Peach State loan officer David Dyer, who expressed the bank's enthusiasm and interest in providing the construction financing.

“We were getting to the point where we couldn't keep going without a loan,” Mike says. “But it took us only a few weeks working with Peach State to jump start our project. David put together the loan very quickly and we were on our way.”

Now all of the church's accounts are at Peach State, including the church's weekday preschool, Celebration Academy, and its employee credit cards. Peach State has also facilitated the fee-free transfer of the church's mission funds to its mission partner in Albania.

“It's been such an easy transition,” Mike says. “Celebration Church and Peach State Bank are very much aligned in terms of our community focus and care.”

“Plus, we're neighbors,” David adds. “It's fun to help people in the area. As the church continues to grow, we'll be able to help them with whatever they need.”

And that's certainly something to celebrate.



Peach State Bank's
Keith Brady with Jeff Payne

Keeping an Eye on Real Estate

How did Jeff Payne go from being a successful ophthalmologist to a successful real estate developer? Dare we say Jeff had “vision” about how to launch his new company back in 2017?

That’s when Jeff founded Gainesville-based Capstone Property Group, a real estate development company focused on hospitality, multifamily and retail development. Jeff began investing in real estate while he was still a student in medical school. Decades later, he is now retired from his medical practice and focuses solely on Capstone.

Residents of North Georgia know Capstone’s signature projects. Among them are The National mixed-use development anchored by the Courtyard by Marriott, the historic Walton Jackson Building in Gainesville and several medical office buildings. Capstone’s most recent project is a Residence Inn by Marriott, now under construction off Limestone Parkway on White Sulphur Road.

Peach State construction loans have funded several of Capstone’s projects, and the bank also provides treasury management services such as business bill pay for the company. “Jeff is in a growth mindset,” explains Peach State loan officer Keith Brady. “We appreciate the opportunity to help him continue on this path.”

“Our company really wants to see the North Georgia region flourish and develop,” Jeff says. “Many banks have been hesitant to finance hospitality projects since the pandemic, but Peach State understands that we’re in a growing market in need of hotel rooms.

They’re a local bank so they understand the dynamics of our town better than the large national banks that either don’t have a presence here, or have a very small presence.”

“Peach State is more creative and willing to work with local businesses to see growth that benefits the community,” Jeff added.

“They’re great to work with. We’re looking forward to opening the new hotel in early 2027, and to be providing a nice, new place to stay in town, and attracting visitors for tourism, conventions, sports activities and business. Peach State is helping us do that.”



Peach State Bank's
Elizabeth Cain with Dr. Kevin Waits

Dr. Kevin Waits

A Community Bank for a Community Doctor

As a neurosurgeon at Longstreet Clinic, Dr. Kevin Waits treats complex brain and spinal conditions and provides Level 1 neurosurgical trauma care at Northeast Georgia Medical Center. Patients count on Kevin to make smart decisions about their care, finding the right solution for every issue and concern.

Kevin has already made many smart decisions about his finances. When he moved to North Georgia in 2020, he chose Peach State Bank for his personal banking. As he searched for a new dream home, he turned to Peach State and loan officer Elizabeth Cain to help with the financing.

“Peach State is very responsive and works with my unpredictable schedule,” says Kevin. “They’re proactive with creative solutions that have helped me afford the properties I’ve bought.”

“They’ve also steered me away from a few risky decisions with remodeling projects. Because they know the community so well, they’ve helped me avoid less savvy financial decisions. Some of the larger banks don’t provide that personal feel or type of service.”

Kevin has also referred other medical professionals to Peach State to check out the loan program. “The medical community in Gainesville and Braselton is growing tremendously,” Kevin notes. “We all try to help each other.”

“Being helpful is core to what we do, too,” says Elizabeth. “We always try to be easy to work with — to return calls promptly, communicate by text if that’s what works, and collaborate to figure things out with our customers. It’s especially fun to work with people like Kevin because he’s determined to make smart investment decisions, and the home purchase process can be challenging. We’re here to help.”



Dustin Wellborn
and Kent Henderson with
Peach State Bank's Steve Sorrells

A Local Loan for Lanier Luxe

A few years ago, real estate developers and investors Dustin Wellborn and Kent Henderson thought a joint venture between old family friends sounded like a winning idea — and that’s how Lanier Luxe Management was born. Now the team’s signature project, Lanier Luxe Climate-Controlled Storage, is launched and thriving, serving customers at their upscale-but-affordable storage facility on Browns Bridge Road in Gainesville.

A Peach State Bank construction loan made it possible.

“We had a piece of land and decided it would be a good spot for storage units,” Dustin explained. “We were pleased that Peach State Bank stepped in to finance our construction. It’s been a real pleasure to work with them.”

Dustin and Kent were both born and raised in Gainesville. Their Peach State loan officer Steve Sorrells has known Kent almost 40 years and Steve has known Dustin since Dustin was born.

“For us, it’s all about relationships,” Dustin says. “We always try to keep things local. We have excellent relationships with the people at Peach State — we feel really comfortable with their knowledge and what they do there.”

“In fact, we’ve been working with Peach State on various projects since the day they opened,” Kent adds. “Whether it’s construction loans or commercial loans, we have trust in the people at Peach State. Everything’s gone well for Lanier Luxe with help from our Peach State bankers.”

Both Kent and Dustin especially appreciate Peach State’s friendly approach.

“People here want to deal with local bankers,” Kent says. “We like the hometown feel — that’s a big deal for us who have lived here all our lives. This is the kind of banking we enjoy.”

Steve shares the sentiment. “Kent and Dustin want to provide quality facilities at a fair price with good customer service. That’s right on the money with Peach State Bank’s philosophy.”

“There’s nothing better than having a personal relationship with bankers who do a great job,” Dustin says. “As business owners, that’s what we rely on.”



Peach State Bank's
Mike Underwood with
Rusty Gravitt

Solving Problems, 24/7

When your heating goes out in the North Georgia winter, or your air conditioning stops working in the extreme heat of summer, who you gonna call? For many, it's Rusty Gravitt and his team at Gainesville Mechanical.

For 37 years, the Gainesville Mechanical crew has served residential and commercial customers with HVAC needs, providing dependable service at great value. And for Rusty, when you own a company like Gainesville Mechanical, you need a line of credit to accommodate delayed payments and maintain positive cash flow.

That's where Peach State Bank comes in. Peach State SVP and loan officer Mike Underwood gets it. "In today's environment, a line of credit keeps businesses like Rusty's going when they need some flexibility," Mike says.

Rusty's been banking with Peach State for about 15 years now. "I knew I was moving to the right bank when I got a call from the Peach State team on a Saturday night saying that everything was ready for our transfer meeting on Monday morning," Rusty says.

"Those aren't typical bankers' hours, but they're our hours. We're helping customers 24/7, and apparently, so is Peach State!"

Among Gainesville Mechanical's core values is "providing exceptional levels of integrity and professionalism." Rusty says that Peach State strives to meet the same high bar. "Mike and I share the same work ethic," Rusty says. "Whenever I call, he's on his game. He's always a step ahead, trying to make our banking easier."

Unfortunately, fraud is always a challenge in business. "But sure enough, even if I call Mike after hours, Peach State is on top of it before it gets out of hand," Rusty says.

"It's nice to be able to pick up the phone or drive across town to solve a problem face-to-face."

"We are community people," Rusty adds. "We like to provide the best customer service we know how to provide, and I believe Peach State Bank uses that same philosophy."



Peach State Bank's
Elizabeth Cain and Terry Baker (*standing*)
with Heath and Toni Jarrett (*seated*)

From Sandbox to Start-Up

It's rare these days to have relationships that span generations. But Heath Jarrett and Terry Baker literally played together in the sandbox as kids, their moms grew up in the same area, and their parents had been friends for years. With these lifelong connections, it seems only fitting that Heath and his wife, Toni, owners of Cantrell Mechanical Solutions, Inc. (CMS) and Jarrett Foods, would count on Terry and Peach State Bank when seeking a new banking partner.

The Jarretts are genuine entrepreneurs. Their food processing equipment manufacturing business, CMS, along with their recently launched custom poultry processing solutions business, Jarrett Foods, are thriving thanks to their exceptional management and strategic planning. "But Peach State Bank has been instrumental in getting our companies off the ground," Heath explains. "They helped us smoothly transition from a larger, regional bank and eventually assisted us in purchasing new space, expanding our facilities, streamlining our accounting operations, and growing our businesses."

"Peach State has always been there for us, lending a helping hand. Starting a company requires a lot of help — and Peach State is the reason Jarrett Foods exists," Toni claims.

From commercial lending to treasury management, the Jarretts have maximized Peach State Bank's services. "Financing, automation, cash flow, reporting, fraud protection — Peach State has really been essential to our success," Heath says.

"The automation has been the biggest help," says Toni. "They streamlined our reporting and reconciliation and take care of so many things for us. If we ever have a question, we hear back from them within about 30 minutes. No delays. No sitting on hold. Always a personal response. Terry, his fellow loan officer Elizabeth Cain, and the treasury management team are great allies and resources for us."

Heath notes that their companies and Peach State have many qualities in common.

"Our businesses both run on customer relationships — and for us, doing business with Peach State is 100% relationship. We never feel like a number. It's the people there who make a difference."

Sam McGee with
Peach State Bank's Chris England



Putting the “We” in WeStore

Sam and Deb McGee are successful business people. They’ve started, operated and sold many companies over the years. They get things done.

But they’re also people-people. So when it came time to launch their latest endeavor, a WeStore facility in Flowery Branch, they turned to their longtime friends and bankers at Peach State to get their construction loan underway, and get their self-storage business up and running.

Sam and his Peach State loan officer Chris England have known each other for more than 50 years, starting back in the South Hall Touchdown Club on the Chicopee Ball Field. “Chris is a good guy, very straightforward and transparent,” says Sam. “When we needed a new construction loan, we thought, ‘Why not do business with friends?’ We knew Chris and Peach State would do what they needed to do to help us out.”

“The McGees were working with another bank, but they didn’t really know anyone there,” says Chris.

“They needed a local community bank that was willing to develop true rapport and meet their needs. Peach State was a perfect fit. We have a local board, local employees, and all of our lending decisions are made right here. We’re not looking for transactions, we’re looking for relationships.”

In addition to using Peach State’s commercial services for WeStore, such as treasury management, bill pay and merchant services, the McGees also do their personal banking at Peach State. “The Peach State bankers are on our team. If I need something, Chris gets it done, even little things like getting us a certified check or making a transfer. We can do business directly with them.”

“We’re all in this together,” Chris says. “Sam and Deb are local people, and Peach State is a local bank. We’re happy to have helped the McGees launch their successful business — Sam says this is their last one! — and we’re proud that we’ve been a part of their WeStore success.”

BOARD OF DIRECTORS



STANDING (left to right):

Tracy Vardeman | Ricky Presley | Wesley Martin
Andy Fuller | Steve McKibbin | Joe Hatfield
Nancy Norton | Charles Blair

SEATED (left to right):

Clifton Hastings | Ron Quinn
Stewart Teaver (Chairman)

GAINESVILLE **COMMUNITY** **DEVELOPMENT** BOARD



STANDING (left to right):

John Wright | Steve Adams | Uriel Arellano
Preston Bowen (Chairman) | Elizabeth Higgins
Gary Funk | Sissy Lawson | Brian Hughs

SEATED (left to right):

Sandy Carter | Abigail Guzman

BRASELTON **COMMUNITY DEVELOPMENT** BOARD



Jennifer Scott | Kathy Fauscett | Jennifer Kidd-Harrison
Caryn McGarity | Brian Steines (Chairman) | Tonya Parrish

FUTURE LEADERS BOARD



BACK ROW (left to right):

Chase Quinn | Scott Lefevre | John Baxter
Steven Pettit | Caroline Nix
Charlie Hawkins (Chairman) | Roland Stanley

FRONT ROW (left to right):

Suzanne Cindea | Mary Clark
Lorena Caudillo-Juarez | Rachel Dockery
Callie Hughs

EXECUTIVE MANAGEMENT



Charles Blair | Ron Quinn | Gina Rider | Terry Baker | Andy Stewart

ALL LENDER GROUP



STANDING (left to right):

Heather Wilbanks | Chris England
Keith Brady | Elizabeth Cain
Ricky Pugh | David Dyer | Brandy Kastner

SEATED (left to right):

Steve Sorrells | Terry Baker | Mike Underwood

MORTGAGE GROUP



Carl Blackburn | Ken Crenshaw | Mickey Hyder | Steve Goins

GAINESVILLE OFFICERS



Terry Baker
Chief Lending Officer



Carl Blackburn
Mortgage Department
Manager



Charles Blair
Chief Financial Officer



Keith Brady
Commercial Lending



Brandi Breedlove
Call Center



Geani Clark
Human Resources



Elizabeth Cain
Private Banking



Tim Carter
IT Specialist



John Chapman
Information Security



Ken Crenshaw
Mortgage Lending



Chris England
Commercial Lending



Shakira Favors
Deposit Operations



Lynn Gilstrap
Loan Operations



Dallas Holmes
Treasury Management



Joseph Hopkins
Compliance



Tina Howe
Operations



Mickey Hyder
Mortgage Lending



Brandy Kastner
Private Banking



Janet Leach
Accounting



Nicole Lineberry
Loan Operations



Ashley Moon
Accounting



Candice Nanney
Controller



Kristi Perry
Head Teller



Steven Pettit
IT Manager



Ricky Pugh
Commercial Lending



Ron Quinn
President & CEO



Gina Rider
Chief Operations Officer



Steve Sorrells
Commercial Lending



Andy Stewart
Chief Risk Officer



Heather Wilbanks
Private Banking



Susan Williams
Marketing



Pamela Willis
BSA/Fraud

BRASELTON OFFICERS



Kim Anderson
Branch Manager



David Dyer
Commercial Lending



Steve Goins
Mortgage Lending



Mike Underwood
Commercial Lending

FINANCIAL HIGHLIGHTS

2025 TOP 10

Shareholder value increased by

32%

(far exceeding the previous year's 22.72 percent increase).

Tangible book value rose from \$13.11 per share to \$17.37.

1

Peach State opened its new 10,000 square-foot Braselton branch in the high-visibility Friendship Road corridor.



The new location far surpassed revenue projections less than a year after its grand opening in June 2025.

2

The Braselton Community Development Board



was established with distinguished leaders representing business, healthcare and government offices across South Hall.

3

The annual growth rate of the bank's loan portfolio expanded by

10.2%

leading a record increase in earnings and reflecting a strong local business climate across Gainesville, Braselton and Hall County.

4

Total assets ballooned from

\$745 million

to

\$786 million

(a 5.5 percent annual growth rate),

clearly setting Peach State on a course toward becoming a **billion-dollar** bank.



Peach State Bank ended 2025 with



losses from check fraud and cyber scams. This phenomenal success – nearly unprecedented in today’s banking industry – saved hundreds of thousands of dollars for the bank and its customers.

With

112

NEW ACCOUNTS

opened for healthcare professionals and practices in 2025 – in addition to our financial support for Northeast Georgia Health System’s medical residency program – Peach State has well established its financial leadership in the local medical market.



Peach State ranks in

TOP

5

among Georgia banks in asset quality, which is measured by such indicators as number of foreclosures, non-accrual loans, and past-due accounts.



Newsweek magazine and Plant-A Insights Group named Peach State Bank to its 2026 list of

AMERICA'S BEST 500

Regional Banks. Peach State was one of only three banks in Georgia to receive the highest 5-Star ranking based on financial strength, customer satisfaction, and community banking performance.

Major investments in

technology upgrades



were completed in 2025 to enhance customer service – including phone system enhancements and exclusive new “Switch Kit” software that allows instant set-up of bill pay and deposit transfers for customers’ online banking accounts.





Consolidated Financial Statements

December 31, 2025, 2024 and 2023

(with Independent Auditor's Report thereon)



Independent Auditor's Report

Board of Directors
Peach State Bancshares, Inc.
Gainesville, Georgia

Opinion

We have audited the accompanying consolidated financial statements of Peach State Bancshares, Inc. and Subsidiary (the "Company"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of earnings, comprehensive income, changes in stockholders equity, and cash flows for the years then ended December 31, 2025, and the related notes to the financial statements (collectively, the "financial statements").

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive, flowing style.

Greenville, South Carolina
February 9, 2026

PEACH STATE BANCSHARES, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2025 and 2024

(Dollars in thousands)

	<u>2025</u>	<u>2024</u>
<u>Assets</u>		
Cash and due from banks	\$ 9,819	7,027
Interest-bearing deposits with Federal Reserve Bank and other banks	<u>87,098</u>	<u>76,577</u>
Cash and cash equivalents	96,917	83,604
Investment in debt securities	151,837	170,064
Investment in equity securities	1,563	3,012
Federal Home Loan Bank stock	533	512
Mortgage loans held for sale	316	504
Loans, net of allowance for credit losses of \$5,970 and \$5,577, as of December 31, 2025 and 2024, respectively	502,475	455,957
Premises and equipment, net	17,587	14,820
Bank owned life insurance	8,509	8,222
Accrued interest receivable and other assets	<u>6,191</u>	<u>8,089</u>
Total assets	\$ <u>785,928</u>	<u>744,784</u>
<u>Liabilities and Stockholders' Equity</u>		
Deposits:		
Non-interest bearing	\$ 192,693	204,905
Interest-bearing	<u>509,666</u>	<u>468,405</u>
Total deposits	702,359	673,310
Federal Reserve Bank Term Funding Program	-	-
Subordinated debentures, net of capitalized fees	28,542	30,971
Accrued interest payable and other liabilities	<u>2,918</u>	<u>2,619</u>
Total liabilities	<u>733,819</u>	<u>706,900</u>
Stockholders' equity:		
Preferred stock, no par value; authorized 2,000,000 shares; no shares issued and outstanding	-	-
Common stock, \$5 par value; authorized 10,000,000 shares; 3,011,892 issued and 3,000,542 and 2,890,652 outstanding, respectively	15,059	14,510
Additional paid-in capital	14,024	11,935
Retained earnings	27,054	19,127
Accumulated other comprehensive loss	(3,914)	(7,574)
Treasury stock at cost, 11,350 shares	<u>(114)</u>	<u>(114)</u>
Total stockholders' equity	<u>52,109</u>	<u>37,884</u>
Total liabilities and stockholders' equity	\$ <u>785,928</u>	<u>744,784</u>

See accompanying notes to consolidated financial statements.

PEACH STATE BANCSHARES, INC. AND SUBSIDIARIES
Consolidated Statements of Earnings
For the Years Ended December 31, 2025, 2024 and 2023
(Dollars in thousands, except per share amounts)

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Interest and dividend income:			
Interest and fees on loans	\$ 31,774	28,076	21,129
Interest on debt securities	5,851	8,668	6,098
Interest on tax-exempt debt securities	29	59	57
Interest and dividends – other	<u>2,399</u>	<u>4,257</u>	<u>2,203</u>
Total interest and dividend income	<u>40,053</u>	<u>41,060</u>	<u>29,487</u>
Interest expense:			
Interest expense – deposits	13,100	14,386	9,272
Interest expense – borrowings	<u>1,801</u>	<u>5,463</u>	<u>3,577</u>
Total interest expense	<u>14,901</u>	<u>19,849</u>	<u>12,849</u>
Net interest income	25,152	21,211	16,638
Provision for credit losses	<u>270</u>	<u>606</u>	<u>-</u>
Net interest income after provision for credit losses	<u>24,882</u>	<u>20,605</u>	<u>16,638</u>
Other income:			
Service charges on deposit accounts	286	182	162
Mortgage origination income	679	521	408
Gains (losses) on sales of debt securities, net	44	(45)	-
(Losses) gains recognized on equity securities, net	(43)	22	71
(Losses) gains on sale and disposal of premises and equipment	(33)	174	8
Other	<u>974</u>	<u>910</u>	<u>836</u>
Total other income	<u>1,907</u>	<u>1,764</u>	<u>1,485</u>
Other expenses:			
Salaries and employee benefits	9,782	8,877	7,815
Occupancy and equipment	1,242	1,140	1,121
Outside services	508	496	425
Information technology	1,935	1,631	1,455
Other	<u>2,310</u>	<u>2,726</u>	<u>2,278</u>
Total other expenses	<u>15,777</u>	<u>14,870</u>	<u>13,094</u>
Earnings before income taxes	11,012	7,499	5,029
Income tax expense	<u>(2,502)</u>	<u>(1,155)</u>	<u>(1,258)</u>
Net earnings	<u>\$ 8,510</u>	<u>6,344</u>	<u>3,771</u>
Earnings per common share	<u>\$ 2.92</u>	<u>2.19</u>	<u>1.30</u>
Diluted earnings per common share	<u>\$ 2.68</u>	<u>2.07</u>	<u>1.24</u>
Dividends per common share	<u>\$ 0.20</u>	<u>0.20</u>	<u>0.30</u>

See accompanying notes to consolidated financial statements.

PEACH STATE BANCSHARES, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2025, 2024 and 2023
(Dollars in thousands)

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Net earnings	\$ 8,510	6,344	3,771
Other comprehensive income (loss), net of tax:			
Unrealized gains (losses) on debt securities available-for-sale:			
Holding gains (losses) arising during the period, net of taxes of \$1,204, \$7, and \$1,000	3,612	(24)	3,002
Reclassification adjustments for (gains) losses included in earnings, net of taxes of \$11, \$11, and \$0	(33)	34	-
Unrealized gains on derivative instruments, net of taxes of \$27, \$394, and \$22	<u>81</u>	<u>1,163</u>	<u>67</u>
Other comprehensive income	<u>3,660</u>	<u>1,173</u>	<u>3,069</u>
Total comprehensive income	<u>\$ 12,170</u>	<u>7,517</u>	<u>6,840</u>

See accompanying notes to consolidated financial statements.

PEACH STATE BANCSHARES, INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Stockholders' Equity
For the Years Ended December 31, 2025, 2024 and 2023
(Dollars in thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Treasury Stock	Total
Balance, December 31, 2022	\$ 14,510	11,802	11,579	(11,816)	(114)	25,961
Adoption of new CECL accounting standard, net	-	-	(1,121)	-	-	(1,121)
Other comprehensive income	-	-	-	3,069	-	3,069
Stock option expense	-	57	-	-	-	57
Net earnings	-	-	3,771	-	-	3,771
Cash dividends, \$0.30 per share	-	-	(867)	-	-	(867)
Balance, December 31, 2023	14,510	11,859	13,362	(8,747)	(114)	30,870
Other comprehensive income	-	-	-	1,173	-	1,173
Stock option expense	-	76	-	-	-	76
Net earnings	-	-	6,344	-	-	6,344
Cash dividends, \$0.20 per share	-	-	(579)	-	-	(579)
Balance, December 31, 2024	14,510	11,935	19,127	(7,574)	(114)	37,884
Other comprehensive income	-	-	-	3,660	-	3,660
Stock option expense	-	138	-	-	-	138
Conversion of subordinated debt	549	1,951	-	-	-	2,500
Net earnings	-	-	8,510	-	-	8,510
Cash dividends, \$0.20 per share	-	-	(583)	-	-	(583)
Balance, December 31, 2025	\$ 15,059	14,024	27,054	(3,914)	(114)	52,109

See accompanying notes to consolidated financial statements.

PEACH STATE BANCSHARES, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2025, 2024 and 2023
(Dollars in thousands)

	2025	2024	2023
Cash flows from operating activities:			
Net earnings	\$ 8,510	6,344	3,771
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation, amortization, accretion	886	(1,050)	323
Stock option compensation expense	138	76	57
Deferred income tax	706	(228)	-
Provision for credit losses	270	606	-
Increase in cash surrender value of bank owned life insurance	(287)	(266)	(210)
(Gain) loss on sales of debt investment securities	(44)	45	-
Loss on sales of equity investment securities	113	21	49
(Gain) on equity investment securities	(70)	(43)	(120)
Loss (gain) on sales of premises and equipment	33	(174)	(8)
Change in:			
Mortgage loans held for sale	188	513	(1,017)
Accrued interest receivable and other assets	158	1,758	(512)
Accrued interest payable and other liabilities	256	(1,053)	82
Net cash provided by operating activities	10,857	6,549	2,415
Cash flows from investing activities:			
Purchases of debt investment securities	(11,537)	(137,228)	(27,655)
Proceeds from maturities and paydowns of debt securities	30,628	138,990	55,445
Proceeds from sales of debt securities	3,726	16,119	-
Purchase of equity securities	(339)	(1,052)	(1,206)
Proceeds from sales of equity securities	1,745	660	163
Proceeds (purchases) of Federal Home Loan Bank Stock, net	(21)	(77)	(69)
Net increase in loans	(46,788)	(66,888)	(49,572)
Proceeds from sales of premises and equipment	363	375	637
Purchases of premises and equipment	(3,787)	(3,776)	(2,899)
Net cash used in investing activities	(26,010)	(25,156)	(25,156)
Cash flows from financing activities:			
Net increase in deposits	29,049	70,010	56,818
Proceeds from Federal Reserve BTFP facility	-	53,000	47,000
Repayment of Federal Reserve BTFP facility	-	(100,000)	-
Proceeds from sale of common stock	2,500	-	-
Retirement of subordinated debentures	(2,500)	-	-
Proceeds from sale of subordinated debentures, net	-	-	500
Capitalized subordinated debenture costs	-	-	(6)
Common stock dividends	(583)	(579)	(867)
Net cash provided by financing activities	28,466	22,431	103,445
Net change in cash and cash equivalents	13,313	(23,897)	80,704
Cash and cash equivalents at beginning of year	83,604	107,501	26,797
Cash and cash equivalents at end of year	\$ 96,917	83,604	107,501
Supplemental disclosures of cash flow information and noncash activities:			
Cash paid for interest	\$ 14,708	19,833	12,593
Cash paid for subordinate debenture interest	\$ 1,729	1,777	1,772
Cash paid for Federal Reserve BTFP interest	\$ -	3,626	1,458
Cash paid for income taxes	\$ 2,135	1,575	925
Change in unrealized gain (loss) on derivative instruments, net of tax	\$ 81	1,163	67
Change in unrealized gain (loss) on debt securities available-for-sale, net of tax	\$ 3,612	(24)	3,002

See accompanying notes to consolidated financial statements.

PEACH STATE BANCSHARES, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(1) Summary of Significant Accounting Policies

Nature of Operations

Peach State Bancshares, Inc. (the "Company") is a bank holding company whose principal activity is the ownership and management of its wholly owned subsidiary, Peach State Bank & Trust (the "Bank"). The Bank is a community oriented commercial bank with emphasis on retail banking and offers such customary banking services as consumer and commercial checking accounts, savings accounts, certificates of deposit, commercial and consumer loans, money transfers and a variety of other banking services. The Bank, which opened to the public April 27, 2005, has two banking offices in Hall County, Gainesville and Braselton, Georgia, and conducts its banking activities primarily in Hall and surrounding counties. The Bank is chartered and regulated by the Georgia Department of Banking and Finance ("DBF") and is insured and subject to regulation by the Federal Deposit Insurance Corporation ("FDIC").

The Company received approval from the Federal Reserve Bank of Atlanta ("FRB") on January 11, 2017, for the reorganization of the Bank into a bank holding company structure. Under the agreement of reorganization (the "Agreement"), which was approved in 2017 by the stockholders of the Bank and was effective February 1, 2017, the Bank became a wholly owned subsidiary of Peach State Bancshares, Inc. Each share of Bank common stock issued and outstanding was converted into and exchanged for the right to receive one share of Company common stock. After the share exchange, the Company became the holding company for the Bank, and the Bank is the Company's only significant asset.

Recent Accounting Changes

On January 1, 2023, the Company adopted ASU 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASC 326). This standard replaced the incurred loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities, and some off-balance sheet credit exposures such as unfunded commitments to extend credit. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses.

In addition, CECL made changes to the accounting for available-for-sale debt securities. One such change is to require credit losses to be presented as an allowance rather than as a write-down on available-for-sale debt securities if management does not intend to sell and does not believe that it is more likely than not they will be required to sell.

The Company adopted ASC 326 and all related subsequent amendments thereto effective January 1, 2023, using the modified retrospective approach for all financial assets measured at amortized cost and off-balance sheet credit exposures. The transition adjustment of the adoption of CECL included an increase in the allowance for credit losses on loans of \$1,000,000, which is presented as a reduction to net loans outstanding and an increase of \$500,000 on unfunded loan commitments, which is recorded within Other Liabilities. The Company recorded a net decrease to retained earnings of \$1,121,000, as of January 1, 2023, for the cumulative effect of adopting CECL, which reflects the transition adjustments noted above, net of the applicable deferred tax assets recorded.

The Company adopted ASC 326 using the prospective transition approach for debt securities for which other-than-temporary impairment had been recognized prior to January 1, 2023. As of December 31, 2022, the Company did not have any other-than-temporarily impaired investment securities. Therefore, upon adoption of ASC 326, the Company determined that an allowance for credit losses on available-for-sale securities was not deemed material.

Inapplicable Industry Matters

Certain matters often found in depository and commercial banking institutions financial statements and accompanying disclosures do not apply to the Company and the Bank. Additionally, there is no detailed and prominent disclosure in the financial statements of matters that management has

PEACH STATE BANCSHARES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements, continued

(1) Summary of Significant Accounting Policies, continued

Inapplicable Industry Matters, continued

determined to be insignificant to its operations. Matters that either do not apply or are insignificant include the following:

- Held to Maturity Securities
- Loan Participations Purchased and Sold
- Foreclosed Property and Other Real Estate
- Mortgage Servicing Rights
- Pensions

Basis of Presentation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Peach State Bank & Trust. All significant intercompany accounts and transactions have been eliminated in consolidation.

The accounting principles followed by the Company and the methods of applying these principles conform with accounting principles generally accepted in the United States of America "GAAP" and with general practices within the banking industry. In preparing financial statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported amounts in the consolidated financial statements. Actual results could differ significantly from those estimates. Material estimates common to the banking industry that are particularly susceptible to significant change in the near term include, but are not limited to, the determination of the allowance for credit losses, the valuation of real estate acquired in connection with or in lieu of foreclosure on loans, valuation allowances associated with deferred tax assets, the recognition of which is based on future taxable income, and the valuation of investment in debt securities.

Subsequent Events

Management has evaluated subsequent events for potential recognition or disclosure in the consolidated financial statements through February 9, 2026, the date on which the consolidated financial statements were available to be issued.

Reclassification

Certain 2024 amounts have been reclassified to conform to the presentation used in 2025. These reclassifications had no effect on the operations, financial condition nor cash flows of the Company.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Company includes cash and due from banks, and interest-bearing deposits with other banks.

Investment in Debt Securities

Debt securities are recorded at fair value. Unrealized holding gains and losses, net of the related tax effect, on debt securities are excluded from earnings and are reported as a separate component of stockholders' equity until realized.

For available-for-sale securities, management evaluates all investments in an unrealized loss position on an annual basis, and more frequently when economic or market conditions warrant such evaluation. If the Company has the intent to sell the security, or it is more likely than not that the Company will be required to sell the security the security is written down to fair value, and the entire loss is recorded in earnings.

If either of the above criteria is not met, the Company evaluates whether the decline in fair value is the results of credit losses or other factors. In making the assessment, the Company may consider various factors including the extent to which fair value is less than amortized cost, performance on any underlying collateral, downgrades in the ratings of the security by a rate agency, the failure of the issuer to make scheduled interest or principal payments and adverse conditions specifically related to the security. If the assessment indicates that a credit loss exists, the present value of cash flows

PEACH STATE BANCSHARES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements, continued

(1) Summary of Significant Accounting Policies, continued

Investment in Debt Securities, continued

expected to be collected is compared to the amortized cost basis of the security and any excess is recorded as an allowance for credit loss, limited to 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 allowance for credit loss is recognized in other comprehensive income.

Changes in the allowance for credit loss are recorded as provision for (or reversal of) credit loss expense. Losses are charged against the allowance for credit loss when management believes an available for sale security is confirmed to be uncollectible or when either of the criteria regarding intent or requirement to sell is met. At December 31, 2025 and 2024, there was no allowance for credit loss related to the available-for-sale portfolio.

Accrued interest receivable on available-for-sale debt securities totaled approximately \$561,000 and \$657,000 at December 31, 2025 and 2024, respectively,, and was excluded from the estimate of credit losses.

Premiums and discounts are amortized or accreted over the life of the related security as an adjustment to the yield. Realized gains and losses for securities classified as available-for-sale are included in earnings and are derived using the specific identification method for determining the cost of securities sold.

Investment in Equity Securities

Equity securities are recorded at fair value, with changes in fair value reported in net income. Equity securities without readily determinable fair values are carried at cost, minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment.

Federal Home Loan Bank Stock

Federal Home Loan Bank ("FHLB") stock is an investment that does not have a readily determinable fair value and is carried at cost. The Company is required to hold the FHLB stock as a member of the FHLB and transfer of the stock is substantially restricted.

Mortgage Loans Held for Sale

Mortgage loans held for sale are carried at the aggregate cost unless they are held for greater than (30) thirty days. The amount by which cost exceeds market value is accounted for as a valuation allowance. Changes in the valuation allowance are included in the determination of net earnings of the period in which the change occurs. At December 31, 2025 and 2024, there was no valuation allowance associated with mortgage loans held for sale.

Loans, Loan Fees and Interest Income on Loans

Loans are stated at the principal amount outstanding, net of the allowance for credit losses and unearned loan fees. Interest on loans is calculated by using the simple interest method on daily balances of the principal amount outstanding.

Accrual of interest is discontinued on a loan when management believes, after considering economic and business conditions and collection efforts that the borrower's financial condition is such that collection of interest is doubtful. When a loan is placed on nonaccrual status, previously accrued and uncollected interest is charged to interest income on loans. Generally, payments on nonaccrual loans are applied to principal.

Loan fees, net of certain origination costs, are deferred and amortized over the lives of the respective loans.

Allowance for Credit Losses

The allowance for credit losses is a valuation account that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the loans. Loans are charged off against the allowance when management believes the collectability of a loan balance is unconfirmed.

PEACH STATE BANCSHARES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements, continued

(1) Summary of Significant Accounting Policies, continued

Allowance for Credit Losses, continued

Expected recoveries do not exceed the aggregate of amounts previously charged-off and expected to be charged-off. Accrued interest receivable is excluded from the estimate of credit losses. The allowance for credit losses represents management's estimate of lifetime credit losses inherent in loans as of the balance sheet date.

The allowance for credit losses is estimated by management using relevant available information, from both internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts.

The Company measures expected credit losses for loans on a pooled basis when similar risk characteristics exist. The Company has identified the following portfolio segments and calculates the allowance for credit losses for each using the discounted cash flow methodology for all segments except for the secured by farmland, other revolving credit plans, automobile loans, and other consumer loan segments, which use the weighted average remaining life methodology:

- 1-4 family residential construction loans
- Other construction loans and all land development and other land loans
- Secured by farmland
- Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit
- Secured by first liens
- Secured by junior liens
- Secured by multifamily residential properties
- Loans secured by owner-occupied, nonfarm nonresidential properties
- Loans secured by other nonfarm nonresidential properties
- Commercial and industrial loans
- Other revolving credit plans
- Automobile loans
- Other consumer loans
- Other loans
- Loans to non-depository financial institutions

Loss estimates are developed under the discounted cash flow methodology by utilizing the Company's loan portfolio history, such as prepayment speeds and curtailment rates. Loss estimates are developed under the weighted average remaining life methodology by utilizing the loss history and data of a group of peer banks of similar size and geographical area. On a quarterly basis, the forecasting of the unemployment rate is applied to all loan segments based upon gathering such forecasted rate from at minimum three industry credible sources.

Additionally, the allowance for credit losses calculation includes subjective adjustments for qualitative risk factors that are likely to cause estimated credit losses to differ from historical experience. These qualitative adjustments may increase or reduce reserve levels and include adjustments for lending management experience and risk tolerance, loan review and audit results, lending policies, asset quality and portfolio trends, pandemics, industry concentrations, trends in underlying collateral, housing starts, external factors, national and local economy and economic conditions not already captured.

Loans that do not share risk characteristics are evaluated on an individual basis. When the borrower is experiencing financial difficulty and repayment is expected to be provided through operation or sale of the collateral, the expected credit losses are based on the fair value of collateral at the reporting date, adjusted for selling costs as appropriate.

Management believes the allowance for credit losses is adequate. While management uses available information to recognize losses on loans, future additions to the allowance may be necessary based on changes in economic conditions. In addition, regulatory agencies, as an integral part of their

PEACH STATE BANCSHARES, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements, continued

(1) **Summary of Significant Accounting Policies, continued**

Allowance for Credit Losses, continued

examination process, periodically review the allowance for credit losses. Such regulators may require additions to the allowance based on their judgments of information available to them at the time of their examination.

Allowance for Credit Losses – Unfunded Commitments

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

The Company records an allowance for credit losses on off-balance sheet credit exposures, unless the commitments to extend credit are unconditionally cancelable, through a charge to provision for unfunded commitments in the Company's income statements. The allowance for credit losses on off-balance sheet credit exposures 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 as well as any third-party guarantees. The allowance for unfunded commitments is included in other liabilities on the Company's consolidated balance sheets.

Premises and Equipment

Premises and equipment are carried at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of the related asset. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs which do not improve or extend the useful life of the respective asset is charged to income as incurred, whereas significant renewals and improvements are capitalized. The estimated useful life for the buildings is 40 years and the range of useful lives for furniture and equipment is 3-10 years.

Bank-Owned Life Insurance

Life insurance policies were purchased by the Bank on certain employees. These policies are recorded at their cash surrender value or realizable amounts. Income from these policies and changes in the cash surrender value are recorded in other non-interest income. The Bank is the named beneficiary for each policy in an amount equal to the death benefit less an amount equal to the insured employee's annual salary, except for executive officers. In 2022, the Bank purchased \$2,500,000 of additional life insurance policies. There were no purchases in 2023, 2024 and 2025. During 2025, 2024 and 2023, income recorded from the purchased life insurance policies was approximately \$287,000, \$266,000, and \$210,000, respectively.

Income Taxes

The Company uses the liability method of accounting for income taxes which requires the recognition of deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Additionally, this method requires the recognition of future tax benefits, such as net operating loss carryforwards, to the extent that realization of such benefits is more likely than not. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the assets and liabilities are expected to be recovered or settled.

In the event the future tax consequences of differences between the financial reporting basis and the tax basis of the Company's assets and liabilities results in deferred tax assets, an evaluation of the probability of being able to realize the future benefits indicated by such asset is required. A valuation allowance is provided for the portion of the deferred tax asset when it is more likely than not that some portion or all of the deferred tax asset will not be realized. In assessing the realization of the deferred tax assets, management considers the scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and all evidence available, both positive and negative, which is objectively verifiable. Deferred tax valuation assessments require significant amounts of judgment. GAAP requires the more likely than not criteria (a likelihood of 50% or more) to be used; however, the

PEACH STATE BANCSHARES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements, continued

(1) Summary of Significant Accounting Policies, continued

Income Taxes, continued

likelihood is not possible to be expressed in purely mathematical terms. Highly subjective information about future events heavily factor into the conclusion as to whether the more likely than not criteria can be achieved.

The Company currently evaluates uncertainty in income tax positions. GAAP requires that a loss contingency reserve be accrued if it is probable that the tax position will be challenged, it is probable that the future resolution of the challenge will confirm that a loss has been incurred, and the amount of such loss can be reasonably estimated.

Net Earnings Per Common Share

Basic and dilutive earnings per share for 2025 are based on 2,918,049 and 3,180,180 weighted average shares outstanding and weighted average shares outstanding including common stock equivalents, respectively. The Company has issued options, which represent potential common shares.

Operating Segments

While the members of management monitor the revenue streams of the various products and services, operations are managed, and financial performance is evaluated on a Company-wide basis. Operating segments are aggregated into one as operating results for all segments are similar. Accordingly, all of the financial service operations are considered by management to be aggregated in one reportable operating segment.

Stock-Based Compensation

The Company has a stock-based compensation plan which is described more fully in Note 8. The Company accounts for this plan using a fair value-based method of accounting whereby compensation cost is measured at the grant date based on the value of the award and is recognized over the service period, which is usually the vesting period. The cost associated with share-based payments (stock options) for the years ended December 31, 2025, 2024 and 2023 was approximately \$138,000, \$76,000, and \$57,000, respectively. Total unrecognized compensation costs at December 31, 2025, was approximately \$415,000. There were 22,500, 22,000, and 15,000 options granted in 2025, 2024 and 2023, respectively.

The fair value of each option granted in 2025, 2024, and 2023 is estimated using the Black-Scholes valuation model that uses the assumptions noted in the table below. Expected volatility is based on observations of publicly traded community bank stocks due to the limited historical and supportable information related to the Company's own stock. The calculation considers historical data and peer group data to estimate option exercises and employee terminations within the valuation model. The expected term of options granted represents the period of time that options granted are expected to be outstanding. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Weighted average fair value	\$5.56	\$7.10	\$7.03
Dividend yield	0.88%	0.95%	1.85%
Risk-free interest rate	3.72%	4.38%	3.84%
Expected life	7.5 Years	7.5 Years	7.5 Years
Volatility	24.93%	24.93%	24.93%

Accumulated Other Comprehensive Income (Loss)

Other comprehensive income (loss) consists of the after-tax effect of changes in unrealized gains and losses on investment securities available-for-sale.

Derivative Instruments and Hedging Activities

The Company records all derivatives on the balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative and the resulting designation. Derivatives used to hedge the exposure to changes in the fair value of an asset, liability,

PEACH STATE BANCSHARES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements, continued

(1) Summary of Significant Accounting Policies, continued

Derivative Instruments and Hedging Activities, continued

or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives used to hedge the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges.

For derivatives designated as cash flow hedges, the effective portion of changes in the fair value of the derivative is initially reported in other comprehensive income (outside of earnings) and subsequently reclassified to earnings when the hedged transaction affects earnings, and the ineffective portion of the change in the fair value of the derivative is recognized directly in earnings. The Company assesses the effectiveness of the hedging relationship by comparing the changes in cash flows of the derivative hedging instrument with the changes in cash flows of the designated hedged transactions.

The Company's objective in using derivatives is to add stability to net interest income and to manage its exposure to adverse changes in interest rates.

(2) Investment Securities

Securities available-for-sale at December 31, 2025 and 2024 are as follows (in thousands):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
<u>December 31, 2025:</u>				
U.S. Government sponsored enterprises	\$ 48,449	30	2,095	46,384
State, county and municipal securities	1,892	1	26	1,867
Corporate debt securities	3,199	2	150	3,051
Mortgage-backed securities	104,963	359	4,787	100,535
Total investment securities	<u>\$ 158,503</u>	<u>392</u>	<u>7,058</u>	<u>151,837</u>
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
<u>December 31, 2024:</u>				
U.S. Government sponsored enterprises	\$ 56,837	48	3,161	53,724
State, county and municipal securities	2,988	-	88	2,900
Corporate debt securities	1,747	1	204	1,544
Mortgage-backed securities	119,914	62	8,080	111,896
Total investment securities	<u>\$ 181,486</u>	<u>111</u>	<u>11,533</u>	<u>170,064</u>

The amortized cost and estimated fair value of securities available-for-sale as of December 31, 2025, by contractual maturity are shown below. Maturities may differ from contractual maturities in mortgage-backed securities because the mortgages underlying the securities may be called or repaid without penalty. There was no allowance for credit losses for available-for-sale securities as of December 31, 2025 and 2024. Unrealized losses on corporate bonds have not been recognized into income because the issuers bonds are of high credit quality, management does not intend to sell, and it is likely that management will not be required to sell the securities prior to their anticipated recovery, and the decline in fair value is largely due to changes in interest rates and other market conditions. The issuers continue to make timely principal and interest payments on the bonds. The fair value is expected to recover as the bonds approach maturity.

PEACH STATE BANCSHARES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements, continued

(2) Investment Securities, continued

Therefore, these securities are not included in the maturity categories in the following summary (in thousands).

	Amortized Cost	Estimated Fair Value
Due in less than one year	\$ 8,988	8,851
Due after one year through five years	11,351	10,846
Due after five years through ten years	4,174	4,052
After ten years	29,027	27,553
Mortgage-backed securities	<u>104,963</u>	<u>100,535</u>
	<u>\$ 158,503</u>	<u>151,837</u>

Investments with an estimated fair value of approximately \$46,189,000 and \$38,056,000, were pledged as collateral for public deposits and to secure borrowings at December 31, 2025 and 2024, respectively.

The following table summarizes securities sales activity and net gains (losses) for the years ended December 31, 2025, 2024, and 2023 (in thousands):

	2025	2024	2023
Proceeds from sales	\$ <u>3,726</u>	<u>16,119</u>	<u>-</u>
Gross gains	74	136	-
Gross losses	<u>(30)</u>	<u>(181)</u>	<u>-</u>
Net gain (loss) on sales of securities available-for-sale	\$ <u>44</u>	<u>(45)</u>	<u>-</u>

Securities available-for-sale with gross unrealized losses at December 31, 2025 and 2024 aggregated by investment category and length of time that individual securities have been in a continuous loss position are as follows (in thousands):

	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
<u>December 31, 2025:</u>						
U.S. Government sponsored enterprises	\$ 1,033	6	40,228	2,089	41,261	2,095
State, county and municipal securities	-	-	991	26	991	26
Corporate debt securities	1,421	30	1,130	120	2,551	150
Mortgage-backed securities	<u>8,159</u>	<u>39</u>	<u>73,714</u>	<u>4,748</u>	<u>81,873</u>	<u>4,787</u>
Total temporarily impaired securities	\$ <u>10,613</u>	<u>75</u>	<u>116,063</u>	<u>6,983</u>	<u>126,676</u>	<u>7,058</u>
<u>December 31, 2024:</u>						
U.S. Government sponsored enterprises	\$ 22,677	1,625	25,938	1,536	48,615	3,161
State, county and municipal securities	1,049	13	1,851	75	2,900	88
Corporate debt securities	-	-	1,046	204	1,046	204
Mortgage-backed securities	<u>37,775</u>	<u>816</u>	<u>67,208</u>	<u>7,264</u>	<u>104,983</u>	<u>8,080</u>
Total temporarily impaired securities	\$ <u>61,501</u>	<u>2,454</u>	<u>96,043</u>	<u>9,079</u>	<u>157,544</u>	<u>11,533</u>

PEACH STATE BANCSHARES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements, continued

(2) Investment Securities, continued

The unrealized losses on the debt securities arose due to changing interest rates and market conditions and not related to credit issues, rather because of acceptable investment grades or where the repayment sources of principal and interest are largely backed by U.S. government sponsored agencies. At December 31, 2025, 15 (fifteen) of 21 (twenty one) U.S. government sponsored enterprises securities, 1 (one) of 2 (two) state, county, and municipal securities, 5 (five) of 6 (six) corporate debt securities, and 95 (ninety five) of 114 (one hundred and fourteen) mortgage-backed securities contain unrealized losses. The Company does not intend to sell the investments and it is not likely that the Company will be required to sell the investments before recovery of their amortized cost basis, which may be at maturity.

At December 31, 2025 and 2024, the Company held approximately \$1,563,000 and \$3,012,000, in equity investment securities, respectively. During 2025, the Company sold approximately \$339,000, equity investment securities resulting in net losses of approximately \$113,000. In addition, the Company recognized net gains of approximately \$70,000, related to the change in market values in 2025. During 2024, the Company sold approximately \$660,000 equity investment securities for a net loss of approximately \$21,000. Conversely, the Company recognized net gains of approximately \$43,000 related to the change in market values in 2024.

(3) Loans and Allowance for Credit Losses

Major classifications of loans, by purpose code, at December 31, 2025 and 2024 are summarized as follows (in thousands):

	<u>2025</u>	<u>2024</u>
Commercial	\$ 21,884	23,101
Commercial real estate:		
Land development and construction	93,031	72,212
Non-owner occupied	124,757	121,947
Owner occupied	81,386	83,242
Residential real estate	185,846	159,055
Consumer	<u>2,282</u>	<u>2,622</u>
	509,186	462,179
Less: Unearned fees	741	645
Allowance for credit losses	<u>5,970</u>	<u>5,577</u>
Net loans	<u>\$ 502,475</u>	<u>455,957</u>

The Bank makes loans to individuals and small businesses for various personal and commercial purposes primarily in Hall and surrounding counties in Northeast Georgia. The Bank's loan portfolio is not concentrated in loans to any single borrower or a relatively small number of borrowers. The principal component of the loan portfolio is loans secured by real estate which account for approximately 95% of total loans as of December 31, 2025. Commercial real estate loans comprise approximately 62% of total real estate loans and residential real estate loans account for approximately 38%. Commercial real estate loans are further categorized into owner occupied, which represents approximately 16% of total loans. Non-owner-occupied loans represent approximately 24%. Land development and construction loans represent approximately 18% of the total loan portfolio.

PEACH STATE BANCSHARES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements, continued

(3) Loans and Allowance for Credit Losses, continued

The following tables present the balance in the allowance for credit losses and the recorded investment by portfolio segment as of December 31, 2025, 2024 and 2023 (in thousands):

<u>December 31, 2025:</u>	<u>Commercial</u>	<u>Commercial Real Estate</u>	<u>Residential Real Estate</u>	<u>Consumer</u>	<u>Unallocated</u>	<u>Total</u>
Allowance for credit losses:						
Beginning balance	\$ 88	3,026	2,513	14	(64)	5,577
Provision for (recovery of) credit losses	17	(614)	682	24	311	420
Charge-offs	-	-	-	(28)	-	(28)
Recoveries	-	-	-	1	-	1
Ending balance	<u>\$ 105</u>	<u>2,412</u>	<u>3,195</u>	<u>11</u>	<u>247</u>	<u>5,970</u>
<u>December 31, 2024:</u>	<u>Commercial</u>	<u>Commercial Real Estate</u>	<u>Residential Real Estate</u>	<u>Consumer</u>	<u>Unallocated</u>	<u>Total</u>
Allowance for credit losses:						
Beginning balance	\$ 155	3,314	1,321	20	161	4,971
Provision for (recovery of) credit losses	(67)	(288)	1,192	(6)	(225)	606
Charge-offs	-	-	-	(6)	-	(6)
Recoveries	-	-	-	6	-	6
Ending balance	<u>\$ 88</u>	<u>3,026</u>	<u>2,513</u>	<u>14</u>	<u>(64)</u>	<u>5,577</u>
<u>December 31, 2023:</u>	<u>Commercial</u>	<u>Commercial Real Estate</u>	<u>Residential Real Estate</u>	<u>Consumer</u>	<u>Unallocated</u>	<u>Total</u>
Allowance for credit losses:						
Beginning balance	\$ 190	2,429	1,125	38	194	3,976
Adjustment to allowance for adoption of ASU 2016-13	(35)	885	187	(4)	(33)	1,000
Provision for (recovery of) credit losses	-	-	-	-	-	-
Charge-offs	-	-	-	(22)	-	(22)
Recoveries	-	-	9	8	-	17
Ending balance	<u>\$ 155</u>	<u>3,314</u>	<u>1,321</u>	<u>20</u>	<u>161</u>	<u>4,971</u>

On December 31, 2025, 2024 and 2023, the Bank had no non-accrual loans, nor any loans individually evaluated for impairment.

The following tables present the aging of the recorded investment in past due loans, as well as the recorded investment in nonaccrual loans as of December 31, 2025 and 2024 by segment (in thousands):

<u>December 31, 2025:</u>	<u>30 - 59 Days Past Due</u>	<u>60 - 89 Days Past Due</u>	<u>Greater than 90 Days Past Due</u>	<u>Total Past Due</u>	<u>Current</u>	<u>Total</u>	<u>Non- accrual</u>
Commercial	\$ -	-	-	-	21,884	21,884	-
Commercial real estate:							
Land, development and construction	-	-	-	-	93,031	93,031	-
Non-owner occupied	-	-	-	-	124,757	124,757	-
Owner occupied	-	-	-	-	81,386	81,386	-
Residential real estate	-	-	-	-	185,846	185,846	-
Consumer	-	-	-	-	2,282	2,282	-
Total	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>509,186</u>	<u>509,186</u>	<u>-</u>

PEACH STATE BANCSHARES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements, continued

(3) Loans and Allowance for Credit Losses, continued

<u>December 31, 2024:</u>	<u>30 - 59 Days Past Due</u>	<u>60 - 89 Days Past Due</u>	<u>Greater than 90 Days Past Due</u>	<u>Total Past Due</u>	<u>Current</u>	<u>Total</u>	<u>Non- accrual</u>
Commercial	\$ -	-	-	-	23,101	23,101	-
Commercial real estate:							
Land, development and construction	-	-	-	-	72,212	72,212	-
Non-owner occupied	-	-	-	-	121,947	121,947	-
Owner occupied	-	-	-	-	83,242	83,242	-
Residential real estate	-	-	-	-	159,055	159,055	-
Consumer	-	-	-	-	2,622	2,622	-
Total	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>462,179</u>	<u>462,179</u>	<u>-</u>

There were no loans greater than 90 days past due and accruing as of December 31, 2025 and 2024.

The Bank categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, historical payment experience, credit documentation, public information and current economic trends, among other factors. The Bank analyzes non-consumer loans individually by classifying the loans as to credit risk. This analysis is performed on at least an annual basis. Consumer loans are categorized based on the performance of the loan. Unless the Bank is aware of extenuating circumstances, a consumer loan is deemed substandard once it becomes sixty (60) days past due and a loss once it reaches one hundred twenty (120) days past due. The Bank uses the following definitions for its risk ratings:

Pass and Special Mention. Pass loans are various grades of loans in which the probability of default is considered low. Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date. Special mention loans are not considered adversely classified as they do not expose the Bank to sufficient risk to warrant an adverse classification.

Substandard. Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

Doubtful. Specific weaknesses characterized as Substandard that are severe enough to make collection in full unlikely. There is no reliable secondary source of full repayment.

Loss. Loans that are categorized as Loss have the same characteristics as Doubtful; however, probability of loss is certain. Loans classified as such are generally charged-off or charged down to the fair market value minus estimated costs of selling.

Loans rated substandard, doubtful or loss are considered by management and bank regulatory authorities to be adversely classified assets. As of December 31, 2025, and 2024, and based on the most recent analysis performed, all loans were pass and special mention with no loans rated substandard, doubtful nor loss. Also, no modifications were given to borrowers experiencing financial difficulty.

(4) Derivatives

In April 2022, the Company entered into a receive fixed/pay variable interest rate swap agreement. In January 2024, the Company dissolved the April 2022 interest rate swap, and entered into a new receive variable/pay fixed interest rate swap agreement. In August 2024, the Company entered into a different receive fixed/pay variable swap derivative instrument. In September 2025, the Company dissolved the January 2024 receive variable / pay fixed interest rate swap agreement. The Company

PEACH STATE BANCSHARES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements, continued

(4) Derivatives, continued

mitigates the interest rate risk entering into these swap agreements by entering into equal and offsetting swap agreements with a highly rated third-party financial institution. The remaining swap agreement is a freestanding derivative and recorded at fair value in the Company's consolidated balance sheets.

The following table presents, in thousands, the notional and fair values of the derivative agreements for December 31, 2025 and 2024, respectively.

December 31, 2025:	<u>Notional Amount</u>	<u>Fair Value</u>
Interest rate swap agreement:		
Receive variable / pay fixed swap	\$ -	\$ -
Receive fixed / pay variable swap	19,600	1,481
 December 31, 2024:		
Interest rate swap agreement:		
Receive variable / pay fixed swap	\$ 15,000	\$ 34
Receive fixed / pay variable swap	19,600	1,422

(5) Premises and Equipment

Premises and equipment at December 31, 2025 and 2024, are summarized as follows (in thousands):

	<u>2025</u>	<u>2024</u>
Land and land improvements	\$ 4,340	4,241
Building	11,991	6,296
Equipment and furniture, and construction in progress	<u>5,364</u>	<u>7,871</u>
	21,695	18,408
Less: Accumulated depreciation	<u>4,108</u>	<u>3,588</u>
	<u>\$ 17,587</u>	<u>14,820</u>

Depreciation expense was approximately \$624,000, \$507,000, and \$537,000, for the years ended December 31, 2025, 2024, and 2023, respectively.

On March 15, 2022, the Company purchased a building and land for approximately \$5,800,000, to serve as the Bank's main office. On October 21, 2022, the Company sold the Bank's existing main office, mortgage office, and two adjacent properties for approximately \$4,575,000, resulting in net gains of approximately \$620,000. The Company elected to designate approximately \$4,558,000 of the proceeds from the sale of the properties for 1031 exchange purposes. Approximately \$2,506,000, was allocated to the purchase price of \$2,500,000 for the future Braselton branch. In September 2024, the Company sold a lot previously owned for the purpose of excess parking at the prior main office. The lot was sold for proceeds of approximately \$375,000 and a gain of \$174,000.

In December 2023, the Company sold a portion of the Braselton land. The net proceeds from the sale of land was approximately \$637,000, with no gain recognized. Construction of the new Braselton branch was completed in June 2025. In December 2025, the Bank began leasing the second floor of the new Braselton branch to two lessors.

There are no scheduled office lease obligations as of December 31, 2025 and 2024, respectively.

(6) Deposits

The aggregate amount of time deposits, with a minimum denomination of \$250,000, was approximately \$20,937,000 and \$16,762,000, at December 31, 2025 and 2024, respectively.

PEACH STATE BANCSHARES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements, continued

(6) Deposits, continued

At December 31, 2025, the scheduled maturities of time deposits are as follows (in thousands):

2026	\$ 37,596
2027	3,031
2028	367
2029	1,947
2030	<u>2,112</u>
Total	<u>\$ 45,053</u>

At December 31, 2025, the Bank had two (2) significant customer deposit relationships in multiple accounts, with one (1) of the relationships being a related party. Total deposit balances of the two (2) significant customer deposit relationships was approximately \$156,416,000 at December 31, 2025. At December 31, 2024, the Bank had two (2) significant customer deposit relationships in multiple accounts, with one (1) of the relationships being a related party. Total deposit balances of the two (2) significant customer deposit relationships was approximately \$144,147,000 at December 31, 2024.

On August 28, 2020, the Bank purchased approximately \$3,079,000 in deposit accounts from First Century Bank, NA, resulting in the recognition of a core deposit intangible at the time of acquisition. At December 31, 2025, the core deposit intangible associated with the acquired deposits is approximately \$87,000 and included within accrued interest receivable and other assets on the consolidated balance sheet. The core deposit intangible asset is being amortized on an accelerated basis over ten years. Amortization as of December 31, 2025 and 2024 was approximately \$27,000, and \$32,000, respectively.

(7) Borrowings

At December 31, 2025, borrowings of approximately \$29,000,000 have a scheduled maturity of 2027 and thereafter.

On December 22, 2017, the Company issued \$4,000,000 in five-year Subordinated Debentures to directors (the Debentures) at a fixed rate of 7%. The proceeds of the offering, net of offering costs of approximately \$2,000, were approximately \$3,998,000. The Company injected \$3,500,000 of the proceeds from the offering into the Capital of the Bank with the remainder of the proceeds available for general corporate purposes. On December 22, 2022, the directors renewed the original \$4,000,000 in five-year Subordinated Debentures and (2) two of the directors added an additional \$1,000,000 in five-year Subordinated Debentures at a fixed rate of 7%. In January 2023, 1 (one) director added an additional \$500,000 in five-year Subordinated Debentures at a fixed rate of 7%. In September 2025, 2 (two) directors elected to transfer their subordinated debentures into common stock. The proceeds of the exchanged subordinated debentures was \$2,500,000, resulting in issuance of 109,890 shares of common stock. Interest expensed in 2025, 2024, and 2023, totaled approximately \$338,000, \$385,000, and \$385,000, respectively, and the capitalized offering costs were approximately \$6,000 in 2023 with no capitalized offering costs in 2025 and 2024. Approximately \$1,000 in capitalized offering costs was amortized in 2025 and 2024, respectively.

On September 6, 2019 the Bank through a wholly owned LLC paid \$800,000 for land and building, adjacent to its current office, for future expansion. The Bank paid \$100,000 in cash and the seller owner financed \$700,000 at a fixed rate of 5%, payable in fifty-nine equal monthly installments of principal and interest with a final payment date of October 1, 2024. On October 31, 2022, the LLC was dissolved with the sale of the land and building adjacent to the current office and the note was paid off.

On September 18, 2022, the Company entered into a loan agreement with a bank for a \$1.5 million unsecured revolving line of credit for general corporate purposes. The term of the line is for one year at an interest rate of prime. The loan agreement has been renewed for additional 1 (one) year term at each anniversary date. The Company has agreed to certain financial covenants as a condition of the loan including agreeing to not pledge the stock of the Bank during the term of the line. Interest is

PEACH STATE BANCSHARES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements, continued

(7) Borrowings, continued

payable monthly. At December 31, 2025 and 2024, there was not an outstanding balance on the line and there were no advances on the line in 2025 and 2024.

On January 28, 2021, the Company completed the offering and sale of \$9.5 million, in aggregate principal amount, of its 4.25% no-call, fixed-to-floating rate subordinated notes due 2031 (the "2031 subordinated notes"), and \$6.5 million, in aggregate principal amount, of its 4.5% no-call, fixed-to-floating rate subordinated notes due 2036 (the "2036 subordinated notes"). The 2031 subordinated notes will mature on January 28, 2031, and through January 27, 2026 will bear a fixed rate of interest of 4.25% per annum, payable quarterly. Beginning January 28, 2026, the interest rate on the 2031 subordinated notes resets quarterly to a floating rate per annum equal to the then-current 3-month SOFR plus 3.92%, payable quarterly. The 2036 subordinated notes will mature on January 28, 2036, and through January 27, 2031, will bear a fixed rate of interest of 4.5% per annum, payable quarterly. Beginning January 28, 2031, the interest rate on the 2036 subordinated notes resets quarterly to a floating rate per annum equal to the then current 3-month SOFR plus 3.64%, payable quarterly. The proceeds of the offering, net of offering costs of approximately \$640,000, were approximately \$15,360,000. The Company injected \$11,000,000 of the proceeds from the offering into the Capital of the Bank with the remainder of the proceeds available for general corporate purposes. Interest expensed in 2025 and 2024 totaled approximately \$696,000, and the expense related to the amortization of capitalized offering costs were approximately \$40,000, respectively.

On September 16, 2022, the Company completed the offering and sale of \$10 million, in aggregate principal amount, of its 6.25% no-call, fixed-to-floating rate subordinated notes due 2032 (the "2032 subordinated notes"). The 2032 subordinated notes will mature on September 15, 2032, and through September 15, 2027 will bear a fixed rate of interest of 6.25% per annum, payable semi-annually. Beginning September 16, 2027, the interest rate on the 2032 subordinated notes resets quarterly to a floating rate per annum equal to the then-current 3-month SOFR plus 3.07%, payable semi-annually. The proceeds of the offering, net of offering costs of approximately \$297,000, were approximately \$9,703,000. The Company injected \$7,500,000 of the proceeds from the offering into the Capital of the Bank with the remainder of the proceeds available for general corporate purposes. Interest expensed in 2025, 2024, and 2023 totaled approximately \$625,000, respectively, and the expense related to the amortization of capitalized offering costs were approximately \$30,000, respectively.

At December 31, 2025 and 2024, the Bank had borrowing capacity with the Federal Home Loan Bank (FHLB) of approximately \$220,480,000 and \$194,461,000, respectively. There were no outstanding obligations with the FHLB as of December 31, 2025 or 2024.

The Bank participates in the Federal Reserve Bank ("FRB") of Atlanta's discount window program. The Bank's borrowing capacity at December 31, 2025 and 2024 under this arrangement was approximately \$22,074,000 and \$17,160,000, respectively. The Bank had approximately \$16,956,000 and \$13,090,000 of residential real estate loans pledged to maintain borrowing capacity as of December 31, 2025 and 2024, respectively. There were no amounts outstanding at December 31, 2025 or 2024.

The Bank participated in the FRB Bank Term Funding Program ("BTFP"). The BTFP was created in March 2023 to support American businesses and households by making additional funding available to eligible depository institutions to help assure banks have the ability to meet the needs of all their depositors. The BTFP offers loans maturing in one year to banks and other eligible depository institutions secured by FRB designated eligible collateral. Designated eligible collateral is valued at par. As of December 31, 2025 and 2024, the Bank had no eligible securities pledged as collateral, and no outstanding obligations.

The Bank has unsecured Federal Funds lines of credit with four (4) correspondent banks with aggregate borrowing capacity of \$37,000,000.

PEACH STATE BANCSHARES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements, continued

(8) Income Taxes

The components of income tax expense for the years ended December 31, 2025, 2024 and 2023 are as follows (in thousands):

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current	\$ 1,796	1,383	1,258
Deferred	<u>706</u>	<u>(228)</u>	<u>-</u>
	<u>\$ 2,502</u>	<u>1,155</u>	<u>1,258</u>

The difference between income tax expense and the amount computed by applying the statutory federal income tax rate to earnings before income taxes for the years ended December 31, 2025, 2024 and 2023 is as follows (in thousands):

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Pretax earnings at statutory rate - 21%	\$ 2,312	1,575	1,056
State income tax, net	300	(27)	(56)
Other	<u>(110)</u>	<u>(393)</u>	<u>258</u>
	<u>\$ 2,502</u>	<u>1,155</u>	<u>1,258</u>

The components of deferred income taxes at December 31, 2025 and 2024 are as follows (in thousands):

	<u>2025</u>	<u>2024</u>
Deferred income tax assets:		
Allowance for credit losses	\$ 1,573	1,535
Unrealized losses on investment securities	1,687	2,890
Accrued Incentive	-	278
Nonqualified stock options	98	99
Tax credit carryforwards	-	207
Unrealized losses on equity securities	8	26
Other	86	-
Deferred compensation plan	<u>304</u>	<u>328</u>
Total gross deferred income tax assets	<u>3,756</u>	<u>5,363</u>
Deferred income tax liabilities:		
Premises and equipment	(1,098)	(858)
Other	(104)	(42)
Unrealized gain on derivative instruments	<u>(361)</u>	<u>(325)</u>
Total gross deferred income tax liabilities	<u>(1,563)</u>	<u>(1,225)</u>
Net deferred income taxes	<u>\$ 2,193</u>	<u>4,138</u>

As of December 31, 2025, the Company did not have any state tax credit carryforwards. Additionally, at December 31, 2025, the 2022 through 2025 tax years were open to examination though no examinations are in process.

(9) Stockholders' Equity

On August 31, 2019 the Company closed a private placement of 581,479 shares of its common stock at a price of \$12.50 per share, resulting in an increase to stockholders' equity of \$7,218,000, net of \$50,000 in offering expenses. During the third quarter of 2019, the Company contributed \$4 million of the proceeds from the offering to the Capital of the Bank.

The Board of Directors has approved the reservation of 500,000 shares of common stock for use in a stock option plan for the benefit of directors, key officers and employees.

PEACH STATE BANCSHARES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements, continued

(9) Stockholders' Equity, continued

A summary of activity for all stock options for the year ended December 31, 2025 is presented below:

	Shares	Weighted Avg. Exercise Price	Weighted Avg. Remaining Contractual Term (Years)
Outstanding, beginning of the year	323,250	\$ 10.11	7
Granted during the year	22,500	\$ 22.75	8
Forfeited during the year	-	\$ -	-
Outstanding, end of the year	<u>345,750</u>	\$ 10.93	6
Exercisable at year end	<u>281,300</u>	\$ 9.04	5

(10) Employment Benefit Plans

401(k) Retirement Plan

The Company has a contributory 401(k) profit sharing plan covering substantially all employees. The Company matches 100% of an employee's contribution up to a maximum amount equal to 4% of the contributing employee's salary. Contributions to the plan are determined by the Board of Directors based upon operating results. Matching company contributions under the plan were approximately \$244,000, \$212,000, and \$235,000, for the years ended December 31, 2025, 2024, and 2023, respectively.

Deferred Compensation Plan

The Company currently has Supplemental Pension Plan agreements, providing for future payments upon retirement for three of its executive officers. The Company expensed approximately \$115,000, \$109,000, and \$38,000, in 2025, 2024, and 2023, respectively, for the accrual and interest cost of these future retirement benefits. There were no benefit payments in 2025 and 2024. Supplemental Pension Plan benefits payable, recorded in other liabilities, totaled approximately \$1,278,000 and \$1,163,000, at December 31, 2025 and 2024, respectively.

(11) Dividend Restrictions

Banking regulations restrict the amount of dividends the Bank may pay without obtaining prior regulatory approval. In addition to the formal statutes and regulations, regulatory authorities also consider the adequacy of the Bank's total capital in relation to its assets, deposits and other such items. Capital adequacy considerations could further limit the availability of dividends from the Bank.

(12) Regulatory Matters

The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Bank's financial statements. Under certain adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The Bank'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 Bank to maintain minimum amounts and ratios of total common equity Tier 1, total and Tier 1 capital to risk-weighted assets and of Tier 1 capital to average assets. Management believes, as of December 31, 2025 and 2024, that the Bank meets all capital adequacy requirements to which it is subject.

As of January 1, 2016, an additional capital conservation buffer was added to the minimum requirements for capital adequacy purposes and is subject to a three-year phase-in period. The capital

PEACH STATE BANCSHARES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements, continued

12) Regulatory Matters, continued

conservation buffer was phased-in on January 1, 2019 at 2.5%. A banking organization with a conservation buffer of less than 2.5% (or the required phase-in amount in years prior to 2019) will be subject to limitations on capital distributions, including dividend payments and certain discretionary bonus payments to executive officers. The ratios for the Bank are currently sufficient to satisfy the fully phased-in conservation buffer.

As of December 31, 2025, and 2024, the most recent notification from the FDIC categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Bank must maintain minimum common equity Tier 1 risk-based, total risk-based, Tier 1 risk-based and Tier 1 leverage ratios as set forth below. There are no conditions or events since that notification that management believes have changed the institution's category.

The Company is not required to maintain minimum capital ratios as a small bank holding company (less than \$3 billion in total assets). The Bank's actual capital amounts and ratios are also presented in the table (dollars in thousands):

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
<u>As of December 31, 2025:</u>						
Common Equity Tier 1 (to Risk-Weighted Assets)	\$ 74,004	14.18%	\$ 23,488	≥4.5%	\$ 33,928	≥6.5%
Total Capital (to Risk- Weighted Assets)	\$ 80,044	15.34%	\$ 41,757	≥8.0%	\$ 52,196	≥10.0%
Tier I Capital (to Risk- Weighted Assets)	\$ 74,004	14.18%	\$ 31,318	≥6.0%	\$ 41,757	≥8.0%
Tier I Capital (to Average Assets)	\$ 74,004	9.69%	\$ 30,553	≥4.0%	\$ 38,191	≥5.0%
<u>As of December 31, 2024:</u>						
Common Equity Tier 1 (to Risk-Weighted Assets)	\$ 73,170	15.30%	\$ 21,524	≥4.5%	\$ 31,090	≥6.5%
Total Capital (to Risk- Weighted Assets)	\$ 78,687	16.45%	\$ 38,265	≥8.0%	\$ 47,832	≥10.0%
Tier I Capital (to Risk- Weighted Assets)	\$ 73,170	15.30%	\$ 28,699	≥6.0%	\$ 38,265	≥8.0%
Tier I Capital (to Average Assets)	\$ 73,170	9.56%	\$ 30,627	≥4.0%	\$ 38,284	≥5.0%

(13) Related Party Transactions

The Company conducts transactions with directors and executive officers, including companies in which they have beneficial interest, in the normal course of business. It is the policy of the Company that loan transactions with directors and executive officers be made on substantially the same terms as those prevailing at the time for comparable loans to other persons.

The following is a summary of activity for related party loans for 2025 (in thousands):

Beginning balance	\$ 12,507
Loans advanced	4,575
Repayments	<u>(2,277)</u>
Ending balance	<u>\$ 14,805</u>

The aggregate amount of deposits of directors and executive officers and their affiliates amounted to approximately \$100,227,000 and \$90,702,000, at December 31, 2025 and 2024, respectively.

PEACH STATE BANCSHARES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements, continued

(14) Commitments

The Company is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments could include commitments to extend credit and standby letters of credit. Those instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the balance sheet. The contract amounts of those instruments reflect the extent of involvement the Company has in particular classes of financial instruments.

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

In most cases, the Company requires collateral or other security to support financial instruments with credit risk.

	Approximate Contract Amount	
	(in thousands)	
	2025	2024
Financial instruments whose contract amounts represent credit risk:		
Commitments to extend credit	\$ 125,913	110,924
Letters of credit	\$ 947	848

Commitments to extend credit are agreements to lend to a customer, as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Company evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Company, upon extension of credit is based on management's credit evaluation. Collateral held varies but may include unimproved and improved real estate, certificates of deposit, or personal property.

Standby letters of credit are conditional commitments issued by the Company to guarantee the performance of a customer to a third party. Those guarantees are primarily issued to local businesses. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers.

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 and are discussed in Note 3. The allowance for credit losses for unfunded loan commitments of \$350,000 and \$500,000, at December 31, 2025 and 2024, respectively, is separately classified on the balance sheet within Other Liabilities.

(15) Fair Value Measurements and Disclosures

The Company utilizes fair value measurements to record fair value adjustments to certain assets. Securities available-for-sale are recorded at fair value on a recurring basis. From time to time, the Company may be required to record at fair value other assets on a nonrecurring basis.

PEACH STATE BANCSHARES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements, continued

(15) Fair Value Measurements and Disclosures, continued

Fair Value Hierarchy

The Company groups assets at fair value in three levels, based on the markets in which the assets are traded and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1 – Valuation is based upon quoted prices for identical instruments traded in active markets.
- Level 2 – Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.
- Level 3 – Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models and similar techniques.

Following is a description of valuation methodologies used for assets which are recorded at fair value.

Investment Securities

Investment securities are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions and other factors such as credit loss assumptions. Level 1 securities include those traded on an active exchange, such as the New York Stock Exchange and U.S. Treasury securities that are traded by dealers or brokers in active over-the-counter market funds. Level 2 securities include mortgage-backed securities issued by government sponsored enterprises and state, county and municipal bonds. Securities classified as Level 3 include asset-backed securities in less liquid markets. Equity securities are classified as recurring Level 1.

Loans

The Company does not record loans at fair value on a recurring basis. Loans that do not share risk characteristics are evaluated on an individual basis. When the borrower is experiencing financial difficulty and repayment is expected to be provided through operation or sale of the collateral, the expected credit losses are based on the fair value of collateral at the reporting date, adjusted for selling costs as appropriate. The fair value of such loans is estimated using one of three methods, including collateral value, market value of similar debt, and discounted cash flows. Those loans not requiring an allowance represent loans for which the fair value of the expected repayments or collateral exceed the recorded investments in such loans. Loans where an allowance is established based on the fair value of collateral require classification in the fair value hierarchy. When the fair value of the loan is based on an observable market price, the Company records the loan as nonrecurring Level 2. When an appraised value is used or management determines the fair value of the loan is further calculated below the appraised value of the collateral and there is not an observable market price, the Company records the loan as nonrecurring Level 3. Loans held for sale are comprised of loans originated for sale in the ordinary course of business. The fair value of loans originated for sale in the secondary market is based on purchase commitments or quoted prices for the same or similar loans and are classified as recurring Level 3.

PEACH STATE BANCSHARES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements, continued

(15) Fair Value Measurements and Disclosures, continued

Assets Recorded at Fair Value on a Recurring Basis

The table below presents the recorded amount of assets measured at fair value on a recurring basis as of December 31, 2025 and 2024 (in thousands):

<u>December 31, 2025:</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Government sponsored enterprises	\$ 35,583	10,801	-	46,384
State, county and municipal securities	-	1,867	-	1,867
Corporate debt securities	-	3,051	-	3,051
Equity securities	1,563	-	-	1,563
Mortgage-backed securities	-	100,535	-	100,535
	<u>\$ 37,146</u>	<u>116,254</u>	<u>-</u>	<u>153,400</u>
<u>December 31, 2024:</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Government sponsored enterprises	\$ 40,621	13,103	-	53,724
State, county and municipal securities	-	2,900	-	2,900
Corporate debt securities	-	1,544	-	1,544
Equity securities	3,012	-	-	3,012
Mortgage-backed securities	-	110,956	940	111,896
	<u>\$ 43,633</u>	<u>128,503</u>	<u>940</u>	<u>173,076</u>

Assets Recorded at Fair Value on a Nonrecurring Basis

The Company may be required, from time to time, to measure certain assets at fair value on a nonrecurring basis in accordance with U.S. generally accepted accounting principles. These include assets that are measured at the lower of cost or market that were recognized at fair value below cost at the end of the period. Assets measured at fair value on a nonrecurring basis are included in the table below as of December 31, 2025 and 2024 (in thousands):

<u>December 31, 2025:</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Loans individually evaluated	\$ -	-	-	-
Loans held for sale	-	-	316	316
Total assets at fair value	<u>\$ -</u>	<u>-</u>	<u>316</u>	<u>316</u>
<u>December 31, 2024:</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Loans individually evaluated	\$ -	-	-	-
Loans held for sale	-	-	504	504
Total assets at fair value	<u>\$ -</u>	<u>-</u>	<u>504</u>	<u>504</u>

(16) Subsequent Event

On January 28, 2026, the Company elected to repay \$9.5 million of its 4.25% no-call fixed to floating rate subordinated notes due 2031. As noted in Note 7, on January 28, 2021, the Company completed the offering and sale of \$9.5 million, in aggregate principal amount, of its 4.25% no-call, fixed-to-floating rate subordinated notes due 2031 (the "2031 subordinated notes"). The 2031 subordinated notes will mature on January 28, 2031, and are callable monthly on or after January 27, 2026. On January 28, 2026, rather than the interest rate resetting quarterly to a floating rate per annum equal to the then-current 3-month SOFR plus 3.92%, payable quarterly, the Company elected to repay the notes.

(17) Parent Company Financial Information

The following information presents the condensed balance sheets and cash flows of Peach State Bancshares, Inc. as of December 31, 2025 and 2024 and the condensed statements of operations for each of the three years ended December 31, 2025 (dollars in thousands):

PEACH STATE BANCSHARES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements, continued

(17) Parent Company Financial Information, continued

CONDENSED BALANCE SHEETS

	December 31,	
	2025	2024
<u>Assets</u>		
Cash	\$ 9,256	1,098
Investment in equity securities	1,563	3,012
Investment in subsidiaries	69,897	65,150
Other assets	160	138
Total assets	\$ 80,876	69,398
<u>Liabilities and Stockholders' Equity</u>		
Accrued interest payable	\$ 192	195
Other liabilities	33	348
Subordinated debentures	28,542	30,971
Stockholders' equity	52,109	37,884
Total liabilities and stockholders' equity	\$ 80,876	69,398

CONDENSED STATEMENTS OF OPERATIONS

	Years Ended December 31,		
	2025	2024	2023
Income:			
Interest on deposits with banks	16	62	80
Interest on equity securities	116	178	113
Loss on sale of equity securities	(113)	(21)	(49)
Gains recognized on equity securities	70	43	120
Total income	89	262	264
Expenses:			
Interest expense	1,730	1,777	1,772
Salaries and employee benefits	138	76	57
Outside services	4	4	-
Other operating expenses	283	243	226
Total expenses	2,155	2,100	2,055
Loss before income tax and equity in undistributed earnings of subsidiary	(2,066)	(1,838)	(1,791)
Income tax benefit	489	434	450
Loss before equity in undistributed earnings of subsidiary	(1,577)	(1,404)	(1,341)
Equity in undistributed earnings of subsidiary	10,087	7,748	5,112
Net income	\$ 8,510	6,344	3,771

PEACH STATE BANCSHARES, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements, continued

(17) Parent Company Financial Information

CONDENSED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2025	2024	2023
Cash flows from operating activities:			
Net income	\$ 8,510	\$ 6,344	\$ 3,771
Adjustments to reconcile net income to net cash used in operating activities:			
Equity in undistributed earnings of subsidiary	(1,087)	(7,748)	(5,112)
Depreciation, amortization and accretion	71	71	71
Losses on sale of equity securities	113	21	49
Losses on equity securities	(70)	(43)	(120)
Stock-based compensation	138	76	57
Change in other assets and liabilities	(340)	206	1,398
Net cash (used in) provided by operating activities	7,249	(1,073)	114
Cash flows from investing activities, consisting of capital infusion to subsidiary:			
	1,492	(392)	(1,043)
Cash flows from financing activities:			
Proceeds from sale of common stock	2,500	-	-
Retirement of subordinated debentures	(2,500)	-	-
Proceeds from sale of subordinated debentures	-	-	500
Capitalized subordinated debenture costs	-	-	(6)
Dividends to stockholders	(583)	(579)	(867)
Net cash (used in) provided by investing activities	(583)	(579)	(373)
Net increase (decrease) in cash	8,158	(2,044)	(1,302)
Cash at beginning of year	1,098	3,142	4,444
Cash at end of year	\$ 9,256	\$ 1,098	\$ 3,142

The image features a dynamic, abstract composition of overlapping, curved green shapes in various shades, ranging from light lime to deep forest green. These shapes create a sense of movement and depth. In the center, a large, white, circular void is partially framed by the green elements. The text is positioned within the upper portion of this white space.

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**open the door for
tomorrow's
opportunities**

Thank you

to our shareholders for your
trust in Peach State Bancshares
and Peach State Bank & Trust.



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