

**FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.
and
STATE OF GEORGIA
DEPARTMENT OF BANKING AND FINANCE
ATLANTA, GEORGIA**

In the Matter of

**COMMUNITY BANK AND TRUST –
WEST GEORGIA
LAGRANGE, GEORGIA**

**(INSURED STATE NONMEMBER
BANK)**

CONSENT ORDER

FDIC-25-0127b

The Federal Deposit Insurance Corporation (FDIC) is the appropriate Federal banking agency for Community Bank and Trust – West Georgia, LaGrange, Georgia (Bank), under Section 3(q) of the Federal Deposit Insurance Act (Act), 12 U.S.C. § 1813(q). The Georgia Department of Banking and Finance (GDBF) is the primary regulator over the Bank pursuant to O.C.G.A. § 7-1-60.

The Bank, by and through its duly elected and acting Board of Directors (Board), has executed a STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER (CONSENT AGREEMENT), dated January 12, 2026, that is accepted by the FDIC and the GDBF, hereinafter referred to collectively as the Supervisory Authorities.

With the CONSENT AGREEMENT, the Bank has consented, without admitting or denying any charges of unsafe or unsound banking practices and/or violations of law or regulation relating to weaknesses in management, asset quality, capital, earnings, liquidity/funding and

sensitivity to market risk, to the issuance of this CONSENT ORDER (ORDER) by the Supervisory Authorities.

Having determined that the requirements for issuance of an order under 12 U.S.C. § 1818(b) and O.G.G.A. § 7-1-91 have been satisfied, the Supervisory Authorities hereby order that:

BOARD OF DIRECTORS AND MANAGEMENT

1. As of the effective date of this ORDER, the Board shall increase its participation in the affairs of the Bank, assuming full responsibility for the approval of sound policies, procedures, and objectives and for the supervision of all the Bank's activities, consistent with the role and expertise commonly expected for directors of banks of comparable size and in comparable condition. This participation shall include regular meetings, either in person or via teleconference, at which the regular business of the Bank shall be reviewed and compliance with this ORDER shall be specifically and comprehensively discussed.
2. The Bank shall increase the number of directors on the Bank's Board to at least five (5) directors and adhere to the conditions of Paragraph 4. The full Board shall oversee the Bank's compliance with this ORDER.
3. Within 60 days from the effective date of this ORDER, the Bank shall retain a qualified, independent bank consultant to develop a written analysis and assessment of the Bank's current staffing levels and expertise relative to the Bank's current business model and ability to address the key issues and findings in the June 23, 2025 Report of Examination from the Supervisory Authorities (ROE) (Board and Management Report). Prior to entering a contract with the consultant, the engagement letter or contract will be submitted to the Supervisory Authorities for review and approval.
4. Due to the lack of independence in the current Board structure, the bank consultant approved in paragraph 3 shall also provide recommended action plans to address each finding

identified in the Board and Management Report. The action plans created to address each finding in the Board and Management Report shall be submitted to the Board and Supervisory Authorities simultaneously within 60 days from the date of the Supervisory Authorities' approval of the independent bank consultant in accordance with paragraph 3 of this ORDER. Once the action plans have been reviewed and approved by the Supervisory Authorities, management shall actively work to implement the plans. While this ORDER is in effect, the Bank shall maintain reporting that addresses regulatory findings cited at any future examination or visitation conducted by the Supervisory Authorities.

5. During the life of this ORDER, the Bank shall notify the Supervisory Authorities, in writing, of the resignation or termination of any of the Bank's directors or executive officers. Prior to the addition of any individual to the Board or the employment of any individual as an executive officer, the Bank shall comply with the requirements of Section 32 of the Federal Deposit Insurance Act, 12 U.S.C. § 1831i, 12 C.F.R. §§ 303.100-303.104. The Bank shall also obtain the written approval of the GDBF prior to the addition of any individual to the Board or the employment of any individual as an executive officer. If the FDIC issues a notice of disapproval pursuant to 12 U.S.C. § 1831i or the GDBF issues a letter of disapproval with respect to the proposed individual, then such individual may not be added to the Board or employed by the Bank.

ASSET QUALITY

6. Within 60 days from the effective date of this ORDER, the Bank shall formulate a written plan to reduce the Bank's risk exposure in each asset in excess of \$1,000,000 classified "Doubtful" or "Substandard" by the Supervisory Authorities (Asset Reduction Plan). For purposes of this paragraph, "reduce" shall mean to collect, charge off, or improve the quality of an asset to warrant its removal from adverse classification by the Supervisory Authorities. Within 60 days from the receipt of any future regulatory examination or visitation, the Bank shall formulate Asset

Reduction Plans to reduce the Bank's risk exposure in each asset that exceeds \$1,000,000, or other amount required by the Supervisory Authorities, that is classified "Doubtful" or "Substandard" by the Supervisory Authorities. Upon the Board's approval of Asset Reduction Plans, the Bank shall provide them to the Supervisory Authorities with the next due quarterly Progress Report.

7. The Asset Reduction Plans mandated by this section shall further require a reduction in the Bank's aggregate balances of assets classified "Substandard" and "Doubtful," and for purposes of the plan, the reduction of adversely classified assets shall be detailed using quarterly targets expressed as a percentage of the Bank's Tier 1 Capital plus the Allowance for Credit Losses (ACL) and may be accomplished by collection, charge off, improvement in the quality of an asset so as to warrant its removal from adverse classification by the Supervisory Authorities, or an increase in the Bank's Tier 1 Capital.

8. As of the effective date of this ORDER, borrowers shall be treated in the following manner:

- (a) the Bank shall not extend, directly or indirectly, any additional credit to, or for the benefit of, any borrower who has a loan or other extension of credit from the Bank that has been charged off or adversely classified, in whole or in part, "Loss" or "Doubtful," and is uncollected; and
- (b) the Bank shall not extend, directly or indirectly, any additional credit to, or for the benefit of, any borrower who has a loan or other extension of credit from the Bank that has been adversely classified, in whole or part, "Substandard" and is uncollected. The requirements of paragraph (b) shall not prohibit the Bank from renewing, after collection in cash of interest due from the borrower, any credit already extended to any borrower.

9. Paragraph 8 shall not apply if the Bank's failure to extend further credit to a particular borrower would be detrimental to the best interests of the Bank. Prior to the extension of any

additional credit pursuant to this paragraph, either in the form of a renewal, extension, or further advance of funds, such additional credit shall be approved by a majority of the Board, who shall certify in writing why the failure of the Bank to extend such credit would be detrimental to the best interests of the Bank and that the extension of such credit does not otherwise violate any applicable laws or regulations.

10. Within 30 days of the effective date of this ORDER, the Bank shall, to the extent that it has not previously done so, eliminate from its books, by charge-off or collection, all assets or portions of assets adversely classified “Loss” and one-half (50 percent) of the assets classified “Doubtful” by the Supervisory Authorities, an external loan reviewer, or internally. Elimination or reduction of these assets through proceeds of loans made by the Bank shall not be considered “collection” for the purposes of this paragraph.

11. While this ORDER is in effect, the Bank shall eliminate from its books, by charge-off or collection, all assets or portions of assets classified “Loss” and one-half (50 percent) of the assets classified “Doubtful” as determined at any future examination or visitation conducted by the Supervisory Authorities. Elimination or reduction of these assets through proceeds of loans made by the Bank shall not be considered “collection” for the purposes of this paragraph.

12. Within 90 days of the effective date of this ORDER, the Bank shall develop plans to eliminate and/or resolve the weaknesses noted for each asset listed on the *Items Listed for Special Mention* pages of the ROE that exceeds \$500,000 (Special Mention Asset Plans). For any “Special Mention” assets listed in future examination or visitation reports prepared by the Supervisory Authorities, Special Mention Asset Plans shall be prepared within 90 days of receiving the examination or visitation report. Upon the Board’s approval of Special Mention Asset Plans, the Bank shall provide them to the Supervisory Authorities with the next due quarterly Progress Report.

ALLOWANCE FOR CREDIT LOSSES

13. Within 60 days from the effective date of this ORDER, the Board shall develop, adopt, implement and adhere to a Current Expected Credit Losses (CECL) methodology that complies with Generally Accepted Accounting Principles and Reports of Condition and Income instructions.

14. The Board shall regularly review the ACL such that the findings of the Board with respect to the ACL are properly reported in the quarterly Reports of Condition and Income. A deficiency in the ACL shall be remedied in the calendar quarter it is discovered, prior to submitting the Report of Condition, by a charge to current operating earnings.

CAPITAL

15. While this ORDER is in effect, the Bank must have and maintain a Leverage Ratio at least equal to 10 percent and a Total Capital Ratio at least equal to 12 percent, each ratio as defined in 12 C.F.R. Part 324, after establishing an appropriate ACL, unless the Bank is advised otherwise by the Supervisory Authorities.

16. Within 90 days from the effective date of this ORDER, the Bank shall submit to the Supervisory Authorities a written Capital Restoration Plan (CRP). This CRP shall comprehensively detail the steps that the Bank will take to achieve and maintain the capital requirements set forth in this ORDER. The CRP shall include a contingency plan to sell or merge the Bank.

17. No increase in Tier 1 Capital that is necessary to meet the requirements of this ORDER may be accomplished through a deduction from the Bank's ACL, unless the deduction conforms with Generally Accepted Accounting Principles (GAAP) and has the prior written approval of the Supervisory Authorities. No increase in Tier 1 Capital that is necessary to meet the requirements of this ORDER may be accomplished through Bank-financed contributions.

18. If all or part of any necessary increase in Tier 1 Capital required by this ORDER is accomplished by the sale of new securities, the Board shall take all necessary steps to implement a plan for the sale of such additional securities. Should the implementation of the plan involve a public distribution of the Bank's securities (including a distribution limited only to the Bank's existing shareholders), the Bank shall prepare offering materials fully describing the securities being offered, including an accurate description of the financial condition of the Bank and the circumstances giving rise to the offering, and any other material disclosures necessary to comply with applicable state and federal securities laws. Prior to the implementation of the plan and, in any event, not less than 15 days prior to the dissemination of such materials, the plan and any materials proposed to be used in the sale of the securities shall be submitted to the Georgia Department of Banking and Finance, 2990 Brandywine Road, Suite 200, Atlanta, Georgia 30341, and the FDIC, Division of Risk Management Supervision, Accounting Policy Section, 550 17th Street, N.W., Room MB-5073, Washington, D.C. 20429, for review. Any changes requested to be made in the plan or materials by the GDBF or the FDIC shall be made prior to the dissemination of the plan and materials. If the increase in Tier 1 Capital is provided by the sale of noncumulative perpetual preferred stock, then all terms and conditions of the issue, including, but not limited to, those terms and conditions relative to interest rate and convertibility factor, shall be presented to the Supervisory Authorities for prior approval.

LIQUIDITY AND WHOLESALE FUNDING

19. During the life of this ORDER, the Bank's Liquidity Ratio shall be continuously maintained in excess of 10 percent. The Liquidity Ratio shall be calculated as follows: total liquid assets (sum of cash and due from accounts, Federal funds sold, securities purchased under agreements to resell, and unpledged available-for-sale securities) divided by total deposits.

20. During the life of this Order, the Bank shall not accept, renew, or rollover any brokered deposit, as defined in 12 C.F.R. Part 337.6(a)(2), unless it complies with the requirements of 12 C.F.R. Part 337.6(b), which governs the solicitation and acceptance of brokered deposits by insured depository institutions. The Bank shall comply with the restriction on the effective yields on deposits as described in 12 C.F.R. Part 337.6.

STRATEGIC PLAN

21. Within 90 days from the effective date of this ORDER, the Bank shall prepare and submit to the Supervisory Authorities an acceptable written Board-approved Strategic Plan covering the overall operation of the Bank, with consideration given to the Bank's risk profile. At a minimum, the plan shall establish measurable objectives for the Bank's earnings performance, growth, balance sheet mix, off-balance sheet activities, liability structure, capital and liquidity adequacy, reduction of nonperforming and underperforming assets, product line diversification, and market segments that the Bank intends to promote or develop, together with strategies for achieving those objectives. In addition, the plan shall include a thorough description of each business line and the risks involved, as well as risk mitigation strategies for material business lines, including triggers for implementing exit strategies. The plan shall also identify capital, funding, management expertise, appropriate staffing levels, and other resources needed to accomplish its objectives.

RELATED INTEREST/AFFILIATE TRANSACTIONS

22. Within 60 days from the effective date of this ORDER, the Bank shall retain a qualified independent bank consultant to assist the Board and senior management to identify all affiliates and related interests of the Board, senior management, and the Bank and assist with the preparation of a Related Interests and Affiliates Report. Prior to entering a contract with the consultant, the engagement letter or contract will be submitted to the Supervisory Authorities for review and

approval. The Related Interests and Affiliates Report shall be submitted to the Board and Supervisory Authorities simultaneously within 60 days from the date of the Supervisory Authorities' approval of the independent bank consultant.

FORENSIC ACCOUNTING ANALYSIS

23. Within 90 days from the effective date of this ORDER, the Bank shall engage a qualified outside party to conduct a forensic accounting analysis of the Bank's general ledger to verify that the general ledger accounts reflect only Bank assets and liabilities. The forensic accounting analysis shall specifically consider intercompany transactions, use of the Bank's loan platform for affiliate transactions, the use and accuracy of loan suspense accounts, and proper accounting and reporting of the mortgage servicing asset. Prior to entering a contract with the outside party, the engagement letter or contract will be submitted to the Supervisory Authorities for review and approval.

INTERNAL AUDIT

24. Within 120 days from the effective date of this ORDER, the Bank shall develop and implement a plan to improve the Bank's internal audit program. The plan shall require the completion of a comprehensive audit risk assessment that addresses all auditable areas of the Bank and the creation of a risk-based audit plan. The plan shall also detail the actions that will be taken to address the internal audit-related findings contained in the ROE.

FINANCIAL REPORTING

25. Effective immediately, the Bank must refile its March 31, 2025 Report of Condition and Income (Call Report) to accurately reflect the Bank's capital position with the elimination of \$1,250,000 in ineligible capital obtained from the Bank's holding company during the reporting period. Effective immediately, the Bank must refile its June 30, 2025 Call Report and make the

amendments outlined in the ROE to accurately reflect the Bank's capital position during the reporting period.

26. Effective immediately, assets not owned or controlled by the Bank must be properly segregated from the Bank's general ledger and financial statements for financial reporting purposes.

VIOLATIONS OF LAWS, RULES, AND REGULATIONS

27. Within 60 days from the effective date of this ORDER, the Bank must eliminate and/or correct all apparent violations of laws and rules and regulations cited in the ROE. For any apparent violation that cannot be corrected, the Bank must document the reason, and the document must be reviewed by the Board and provided to the Supervisory Authorities when the next Progress Report is due. While this ORDER is in effect, the Bank shall eliminate and/or correct all apparent violations of laws, rules and regulations cited at any future examination or visitation conducted by the Supervisory Authorities.

ASSET GROWTH

28. During the Life of this ORDER, the Bank is required to obtain a non-objection from the Supervisory Authorities before engaging in any transactions that would materially change the Bank's balance sheet composition, such as substantially increasing brokered deposits or volatile funding. In addition, total asset growth shall not exceed five percent or more per annum from the date of this ORDER.

ESTABLISHMENT OF NEW OFFICES

29. As of the effective date of this ORDER, the Bank shall not establish or relocate any representative office, including, but not limited to, a loan production office, a deposit production office, and/or a trust production office, without the prior approval of the Supervisory Authorities.

PROGRESS REPORTS

30. Within 30 days from the end of the first quarter following the effective date of this ORDER, and within 30 days from the end of each quarter thereafter, the Bank shall furnish written progress reports to the Supervisory Authorities detailing the form and manner of any actions taken to secure compliance with this ORDER and the results thereof. Progress Reports may be discontinued when the corrections required by this ORDER have been accomplished and the Supervisory Authorities have released the Bank in writing from submitting further reports. All Progress Reports and other written responses to this ORDER shall be reviewed by the Board.

DISCLOSURE TO SHAREHOLDER

31. Within 30 days from the effective date of this ORDER, the Bank shall send a copy of this ORDER, or otherwise furnish a description of this ORDER, to its parent holding company, Community Bankshares, Inc., LaGrange, Georgia. The description shall fully describe this ORDER in all material respects.

OTHER ACTIONS

32. The provisions of this ORDER shall not bar, estop, or otherwise prevent the FDIC, the GDBF, or any other Federal or State agency or department from taking any action against the Bank, the Bank's current or former institution-affiliated parties, and/or any of their respective directors, officers, employees, and agents, including, but not limited to, the imposition of civil money penalties.

This ORDER shall be effective on the date of issuance.

The provisions of this ORDER shall be binding upon the Bank, its institution-affiliated parties, and any successors and assigns thereof.

The provisions of this ORDER shall remain effective and enforceable except to the extent that and until such time as any provisions have been modified, terminated, suspended, or set aside by the Supervisory Authorities.

Issued Pursuant to Delegated Authority.

Dated: January 12, 2026

By:

/s/
Ann Servaes
Deputy Regional Director
Division of Risk Management Supervision
Atlanta Region
Federal Deposit Insurance Corporation

The GDBF, having duly approved the foregoing ORDER, and the Bank, through its Board, agree that the issuance of said ORDER by the FDIC shall be binding as between the Bank and the GDBF to the same degree and to the same legal effect that such ORDER would be binding if the GDBF had issued a separate ORDER that included and incorporated all of the provisions of the foregoing ORDER, pursuant to O.C.G.A. § 7-1-91.

Dated: January 12, 2026

By:

/s/

Oscar B. Fears III
Commissioner
Department of Banking and Finance
State of Georgia