

FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

AND

MISSISSIPPI DEPARTMENT OF BANKING AND CONSUMER FINANCE
JACKSON, MISSISSIPPI

In the Matter of)

COVINGTON COUNTY BANK)
COLLINS, MISSISSIPPI)

(Insured State Nonmember Bank))

CONSENT ORDER

FDIC-26-0011b

The Federal Deposit Insurance Corporation (FDIC) is the appropriate Federal banking agency for COVINGTON COUNTY BANK, COLLINS, MISSISSIPPI (Bank), under Section 3(q) of the Federal Deposit Insurance Act (FDI Act), 12 U.S.C. § 1813(q). The Mississippi Department of Banking and Consumer Finance (DBCF) is the appropriate state banking agency for the Bank under section 81-1-59, Mississippi Code of 1972, Annotated.

The Bank, by and through its duly elected and acting Board of Directors (Board), has executed a STIPULATION TO THE ISSUANCE OF A CONSENT ORDER (CONSENT AGREEMENT), dated March 25, 2026, that is accepted by the FDIC and the DBCF. With the CONSENT AGREEMENT, the Bank has consented, without admitting or denying any charges of violating the Bank Secrecy Act, 31 U.S.C. § 5311 *et. seq.*, 12 U.S.C. § 1829b, and 12 U.S.C. §§ 1951-60, 31 C.F.R. Chapter X, and 12 U.S.C. § 1818(s) and the FDIC's implementing regulations, 12 C.F.R. Part 326, Subpart B, (collectively, the Bank Secrecy Act or BSA) and 12 C.F.R. § 353 to the issuance of this CONSENT ORDER (ORDER) by the FDIC and the DBCF. Having determined that the requirements for issuance of an ORDER under Section 8(b) of the FDI Act,

12 U.S.C. § 1818(b), and Section 81-1-125, Mississippi Code of 1972, Annotated have been satisfied, the FDIC and the DBCF hereby order that:

ACTION PLAN

1. Within forty-five (45) days of the effective date of this ORDER, the Bank shall develop and implement a written action plan (Plan) that details the actions, including the relevant timelines, that the Board and management will take to correct the Bank's Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) Program deficiencies and violations cited in the DBCF Concurrent September 8, 2025 Report of Examination and the FDIC Concurrent September 8, 2025 Report of Examination (collectively, the 2025 ROE), and to comply with this ORDER. The Plan and its implementation must be acceptable to the Regional Director of the FDIC's Dallas Regional Office (Regional Director) and Commissioner of the Mississippi Department of Banking and Consumer Finance (Commissioner) as determined at subsequent examinations and/or visitations. After the Regional Director and the Commissioner comment on the Plan, the Board shall adopt and implement the Plan as amended or modified, if applicable.

BOARD OVERSIGHT

2. Within thirty (30) days of the effective date of this ORDER, the Board shall increase its oversight of the Bank's compliance with the BSA, including preparing and reviewing monthly reports detailing the Bank's actions with respect to compliance with this ORDER. A copy of the report and any discussion related to the report or the ORDER shall be included in the minutes of the Bank's Board meeting.

AML/CFT PROGRAM

3. Within ninety (90) days of the effective date of this ORDER, the Bank shall revise its written AML/CFT Program to ensure compliance with the BSA. At a minimum, the AML/CFT Program shall: (i) be commensurate with the Bank's money laundering (ML), terrorist financing (TF) and other illicit financial activities risk profile (collectively, ML/TF Risk

Profile); (ii) address the deficiencies and weaknesses identified in the 2025 ROE; (iii) comply with the requirements of this ORDER; (iv) include procedures for monitoring the performance of and the Bank's adherence to the AML/CFT Program; and (v) include procedures for periodically reviewing and revising the AML/CFT Program. The AML/CFT Program must ensure that clear and comprehensive compliance reports are provided to the Board monthly. The Bank's AML/CFT Program and its implementation shall be in a manner acceptable to the Regional Director and the Commissioner as determined at subsequent examinations and/or visitations of the Bank.

ML/TF RISK ASSESSMENT

4. Within ninety (90) days of the effective date of this ORDER, and at least annually thereafter, the Bank shall perform a ML/TF Risk Assessment (RA). The RA shall address all pertinent risk factors that affect the overall ML/TF risk profile of the Bank, including but not limited to, all products, services, types of customers, business lines, staffing levels, mitigating controls, and any identified BSA issues/concerns in the 2025 ROE. Further, the Bank shall ensure that such information contained within the RA is current, complete, and accurate. The RA shall be reviewed and approved by the Board, with risk mitigation strategies adopted and implemented as appropriate.

AML/CFT INTERNAL CONTROLS

5. Within ninety (90) days from the effective date of this ORDER, the Board must ensure that the Bank has a system of internal controls in place that considers the Bank's risk, size, complexity, organizational structure, and the deficiencies and weaknesses identified in the 2025 ROE in order to assure ongoing compliance with the BSA. At a minimum, the system of internal controls must include satisfactory written policies, procedures, and processes that reflect the Bank's actual practices.

6. Customer Due Diligence

Within sixty (60) days of the effective date of this ORDER, the Bank shall develop, adopt, and implement a written Customer Due Diligence (CDD) Program, which includes appropriate risk-based policies, procedures and processes for conducting ongoing CDD for new and existing customers and which reflects the Bank's practices. The Bank's CDD Program shall operate in conjunction with its Customer Identification Program and suspicious activity monitoring to enable the Bank to develop and maintain customer risk profiles and implement appropriate risk-based due diligence processes. At a minimum, such controls shall address the weaknesses and deficiencies identified in the 2025 ROE pertaining to CDD and ensure the Bank can accurately identify those customers that pose a heightened ML/TF risk to apply appropriate risk-based monitoring and due diligence.

7. Suspicious Activity Reporting

Within ninety (90) days of the effective date of this ORDER, the Bank shall develop and implement effective processes, across all business lines, for identifying and monitoring unusual or unexpected activity in order to detect, investigate, and report suspicious activity, as appropriate. The Bank shall ensure that such processes are in place and operate effectively. The following actions shall be implemented to ensure an effective process:

(a) The Bank must ensure appropriate tools/systems and documentation processes are in place to allow the Bank to review and file SARs timely. The Bank's processes should also incorporate a quality control component and validation process to ensure the procedures are effective.

(b) The Bank shall ensure that policies and processes provide for timely and comprehensive review, trend analysis, and reporting of identified suspicious activity, including any automated system alerts. The review and analysis shall include consideration of the customer's entire relationship with the Bank.

(c) The Bank shall ensure that all required information is included in each SAR.

(d) The Bank shall ensure all bank staff receive training related to detecting and monitoring for suspicious activity, including training on any automated software that is utilized to monitor for suspicious activity.

(e) The SAR program shall also be tested immediately for accuracy and completeness through independent testing, which shall be conducted in compliance with the relevant section below, and thereafter at least annually. Documentation of the testing shall be provided to the Board and should be recorded in the shall be included in the minutes of the Bank's Board meeting. Such documentation shall also be available to FDIC and DBCF examiners upon request.

(f) Within sixty (60) days of the effective date of this ORDER, the Bank shall establish and implement policies and procedures to report SARs to the Board in a timely manner.

8. Currency Transaction Reporting

(a) Within thirty (30) days from the effective date of this ORDER, the Bank shall update its policies and procedures to ensure timely, complete and accurate reporting for all other BSA reporting requirements, including Currency Transaction Reports (CTRs).

(b) The Bank must ensure appropriate tools/systems and documentation processes are in place to allow the Bank to file CTRs timely and accurately. The Bank's processes should also incorporate a quality control component and validation process to ensure the procedures are effective.

(c) The Bank shall implement internal controls for the reporting of currency transactions to ensure ongoing compliance with CTR requirements and be commensurate with the Bank's ML/TF risk profile, complexity and organizational structure.

(d) Within thirty (30) days from the effective date of this ORDER, the Bank shall improve policies, procedures, and processes related to the designation of transactions of

exempt persons to include an annual review and confirmation of the eligibility of an exempt person that is a listed public company, a listed public company subsidiary, a non-listed business, or a payroll customer.

INDEPENDENT TESTING

9. (a) Within forty-five (45) days from the effective date of this ORDER, the Bank shall identify a qualified party with the requisite ability to perform independent testing of the AML/CFT program. The qualified party may be an outside party or Bank personnel independent of the AML/CFT Program and BSA department with the knowledge to conduct this function. The Bank shall notify the Regional Director and the Commissioner regarding the chosen party to conduct the independent testing.

(b) Within seventy-five (75) days of the effective date of the ORDER, the Bank must submit a written plan for independent testing to the FDIC for review, comment, and non-objection. The Bank shall ensure that the scope of future AML/CFT independent testing is comprehensive and includes a review of compliance with all BSA rules and regulations and Bank policies and procedures as they relate to the Bank's business activities; the ML/TF Risk Assessment; efforts to address regulatory recommendations and actions; and other corrective efforts. Additionally, the Board shall ensure that future AML/CFT independent testing, whether conducted by internal or external parties, is appropriately staffed with respect to both resources and expertise to adequately perform a comprehensive review, reach a sound conclusion, and provide appropriate support for the assessment.

(c) Further, the Bank shall obtain such independent testing within one hundred twenty (120) days from the effective date of this ORDER, and at least annually thereafter, and the results of such testing shall be reported to, and the remediation of findings monitored by, the Board and provided to the FDIC and the DBCF in the subsequent Progress Report as required below. Additionally, the Board must ensure that appropriate updates to the Bank's ML/TF Risk

Assessment and the AML/CFT Program are implemented pursuant to any such findings during independent testing.

AML/CFT OFFICER, STAFFING, AND RESOURCES

10. Within sixty (60) days from the effective date of this ORDER, the Board shall designate a qualified individual or individuals to serve as the AML/CFT Officer. The AML/CFT Officer shall have appropriate knowledge, training, and experience commensurate with the Bank's ML/TF risk, size, and complexity; sufficient delegated authority; and suitable resources, including staffing and systems, to effectively coordinate and monitor day-to-day compliance and administer all aspects of the AML/CFT Program, including the Bank's compliance with BSA regulatory requirements pursuant to Section 326.8 of the FDIC's Rules and Regulations, 12 C.F.R. § 326.8.

AML/CFT TRAINING

11. (a) Within ninety (90) days from the effective date of this ORDER, the Bank shall develop an effective AML/CFT Training Program for the AML/CFT Officer and all staff, including newly hired employees, members of the Board, and management, on all relevant aspects of laws, regulations, and Bank policies and procedures relating to the Bank's AML/CFT Program. The AML/CFT Training Program also shall reflect the particular money laundering, terrorist financing and illicit finance risks of the Bank based on its products, services, business lines, customer types, geographic reach and any other risks reflected in the RA. This training shall be conducted at least annually and shall be updated, as appropriate, to include changes to the Bank's RA, which shall also be reviewed annually.

(b) The Bank shall ensure that all personnel are aware of and can comply with internal procedures and the requirements of the BSA and its implementing rules and regulations applicable to the individual's specific responsibilities. The AML/CFT Training Program shall be designed to ensure that training is tailored to address the specific compliance responsibilities of the group or individual for which the training is being provided and ensure that those being trained

are aware of and can comply with the requirements of the BSA on an ongoing basis and, at a minimum, include:

- 1) An overview of the BSA for new Bank personnel and specific training designed for their particular duties and responsibilities upon hiring;
- 2) Training for the appropriate personnel on SAR and CTR processes and procedures to ensure accurate and timely filing;
- 3) Training on CDD policies and procedures with regard to due diligence and monitoring of high-risk customers; and

A requirement that the Bank fully document the AML/CFT Training Program, including training materials, dates of the training sessions, attendance, and knowledge check results. The Bank shall ensure that all employees attend assigned AML/CFT Training appropriate for their position at least annually.

VIOLATIONS OF LAW AND REGULATIONS

12. Within ninety (90) days of the effective date of this ORDER, the Bank shall correct all BSA violations of law, as more fully set forth in the 2025 ROE. In addition, the Bank shall take all necessary steps to ensure future compliance with all applicable BSA laws and regulations.

PROGRESS REPORTS

13. Within thirty (30) days after the end of the first calendar quarter following the effective date of this ORDER, and within thirty (30) days after the end of each successive calendar quarter, the Bank shall furnish written progress reports to the Regional Director and Commissioner detailing the form and manner of any actions taken to secure compliance with this ORDER and the results thereof. Such reports may be discontinued when the corrections required by the ORDER have been accomplished and the Regional Director and Commissioner have released the Bank in writing from making additional reports.

BINDING EFFECT

14. (a) The provisions of this ORDER shall not bar, estop, or otherwise prevent the FDIC, the DBCF, or any other federal or state agency or department from taking any other action against the Bank or any of the Bank’s current or former institution-affiliated parties, as that term is defined in Section 3(u) of the FDI Act, 12 U.S.C. § 1813(u).

(b) 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.

(c) The provisions of this ORDER shall remain effective and enforceable except to the extent that and until such time as any provision has been modified, terminated, suspended, or set aside by the FDIC and the DBCF.

Issued pursuant to delegated authority this 26th day of March, 2026.

/s/

J. Mark Love
Deputy Regional Director
Dallas Regional Office
Division of Risk Management Supervision
Federal Deposit Insurance Corporation

/s/

Rhoshunda Kelly
Commissioner
Department of Banking and Consumer Finance