

PUBLIC DISCLOSURE

February 23, 2026

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

South Georgia Bank
Certificate Number: 32532

401 S Veterans Blvd
Glennville, Georgia 30427

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Atlanta Regional Office

10 10th Street NE, Suite 900
Atlanta, Georgia 30309-3849

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment areas, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

- The loan-to-deposit ratio is reasonable (considering seasonal variations and taking into account lending related activities) given the institution's size, financial condition, and assessment areas' credit needs.
- A majority of loans are in the institution's assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of loans to borrowers reflects, given the demographics of the assessment areas, reasonable penetration among businesses of different sizes and individuals of different income levels (including low- and moderate-income).
- The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

DESCRIPTION OF INSTITUTION

South Georgia Bank is a state-chartered community bank headquartered in Glennville, Tattnall County, Georgia (GA). The bank remains wholly owned by South Group Bancshares, Inc., a one-bank holding company, also located in Glennville, GA. South Georgia Bank received a “Satisfactory” rating at the previous FDIC Community Reinvestment Act (CRA) Performance Evaluation, dated April 13, 2020, based on the Interagency Small Institution Examination Procedures.

Since the previous evaluation, South Georgia Bank expanded its full-service locations from four to five. The bank continues to operate the main office and one branch in Tattnall County, one branch in Evans County, and one branch in Liberty County. In November 2024, the bank established a loan production office (LPO) in Augusta, Richmond County, GA. The bank subsequently converted the LPO into a full-service branch in June 2025. South Georgia Bank did not engage in any merger or acquisition activities, since the previous evaluation.

South Georgia Bank’s lending focus is multi-faceted with a primary focus on commercial lending, which has not changed since the previous evaluation. The bank offers a variety of in-house commercial, home mortgage, agricultural, and consumer loans to help meet the needs of individuals and businesses in the assessment areas. In addition, the bank offers conventional mortgage loan options through a third-party broker arrangement, which further helps meet residential real estate needs in the assessment areas. Deposit products include checking, savings, money market, negotiable order of withdrawal (NOW), certificates of deposit, and individual retirement accounts. Alternative banking products and services include online banking, mobile banking, and telephone banking. Further, the bank operates five automated teller machines, with one at each full-service banking location.

As of the December 31, 2025, Consolidated Reports of Condition and Income (Call Report), South Georgia Bank had total assets of \$256.1 million, total loans of \$141.1 million, and total deposits of \$228.1 million. As shown in the following table, commercial loans (loans secured by nonfarm nonresidential properties and commercial and industrial loans) represented the largest portion of the loan portfolio, at 44.9 percent. Residential loans (loans secured by 1-4 family and multi-family residential properties) represented the second largest portion of the loan portfolio, at 30.1 percent. Farm loans (loans secured by farmland and agricultural production loans) and consumer loans accounted for a nominal amount of the loan portfolio, at 7.6 percent and 4.8 percent, respectively.

Loan Portfolio Distribution as of 12/31/2025		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	12,610	8.9
Secured by Farmland	8,739	6.2
Secured by 1-4 Family Residential Properties	34,488	24.4
Secured by Multifamily (5 or more) Residential Properties	8,070	5.7
Secured by Nonfarm Nonresidential Properties	44,132	31.3
Total Real Estate Loans	108,039	76.5
Commercial and Industrial Loans	19,195	13.6
Agricultural Production and Other Loans to Farmers	1,892	1.4
Consumer Loans	6,762	4.8
Obligations of State and Political Subdivisions in the U.S.	4,029	2.9
Other Loans	1,169	0.8
Lease Financing Receivable (net of unearned income)	-	-
Less: Unearned Income	-	-
Total Loans	141,086	100.0
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that would limit the institution's ability to meet the credit needs of its assessment areas.

DESCRIPTION OF ASSESSMENT AREAS

The CRA regulation requires each financial institution to define one or more assessment areas within which to evaluate its CRA performance. The FDIC evaluates the bank's CRA performance based on its activity within the defined assessment area(s). South Georgia Bank has delineated three assessment areas within the State of Georgia: Non-Metropolitan Statistical Area (Georgia Non-MSA); Hinesville, GA MSA (Hinesville MSA); and the Augusta-Richmond County, GA-SC MSA.

The Georgia Non-MSA assessment area continues to include Tattnall and Evans counties. The Hinesville MSA assessment area continues to include Liberty County. The Augusta-Richmond GA-SC MSA assessment area includes Richmond County. South Georgia Bank added the August-Richmond GA-SC MSA assessment area, effective June 2025, with the establishment of a full-service branch. South Georgia Bank's assessment areas do not arbitrarily exclude any low- or moderate-income geographies that the bank would reasonably be expected to serve.

Assessment area delineations are based on available census data. Specifically, examiners used the 2015 American Community Survey (ACS) Census data at the previous evaluation to delineate the bank's assessment areas. In 2022, the Federal Financial Interagency Examination Council (FFIEC) released updates to the MSAs and Metropolitan Divisions, states, counties, census tracts, and income-level indicators based on information collected during the 2020 United States (U.S.) Census. As a result of the 2020 U.S. Census, the number of census tracts increased, and income classifications changed, which slightly impacted the bank's assessment areas. The following tables detail the counties, number of census tracts, and branches included in each assessment area for the

current evaluation based on the 2015 ACS Census and 2020 U.S. Census data. Refer to each assessment area section of this evaluation for additional information.

Description of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
Georgia Non-MSA	Tattnall and Evans	8	3
Hinesville MSA	Liberty	15	1
<i>Source: Bank Data; 2015 ACS</i>			

Description of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
Georgia Non-MSA	Tattnall and Evans	10	3
Hinesville MSA	Liberty	18	1
Augusta-Richmond County GA-SC MSA	Richmond	56	1
<i>Source: Bank Data; 2020 U.S. Census</i>			

SCOPE OF EVALUATION

General Information

The evaluation covers the period from the prior evaluation, dated April 13, 2020, to the current evaluation, dated February 23, 2026. Examiners used the Interagency Small Institution Examination Procedures to evaluate South Georgia Bank’s CRA performance. These procedures include the Small Bank Lending Test, as described in the *Appendices*.

Examiners evaluate a bank’s lending data, deposit activity, branch locations, and time in the assessment areas to determine the review level and weighting of the assessment areas in the overall conclusions. As such, examiners conducted a full-scope review of the Georgia Non-MSA assessment area and a limited-scope review of the Hinesville MSA assessment area. Examiners gave more weight to performance in the Georgia Non-MSA assessment area in determining overall conclusions. Given the limited time South Georgia Bank has been in the Augusta-Richmond County GA-SC MSA assessment area, and considering the current evaluation product review timeframes, examiners excluded the Augusta-Richmond County GA-SC MSA assessment area from the current evaluation. Refer to the *Activities Reviewed* subsection below for further comment of the products reviewed and timeframes. The following table details the breakdown of loans, deposits, and banking locations by assessment area.

Assessment Area Breakdown of Loans, Deposits, and Branches*						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Georgia Non-MSA	14,666	74.3	208,233	93.4	3	75.0
Hinesville MSA	5,062	25.7	14,610	6.6	1	25.0
Total	19,728	100.0	222,843	100.0	4	100.0

*Source: Bank Data; FDIC Summary of Deposits (06/30/2025); *Excluding the Augusta-Richmond County GA-SC MSA assessment area.*

Activities Reviewed

The CRA regulation requires a review of an institution’s lending performance in its defined assessment area(s) with respect to small business, home mortgage, small farm, and consumer lending, if significant. Examiners selected small business and home mortgage loans to assess South Georgia Bank’s performance under the Lending Test. This conclusion considered the bank’s business strategy, distribution of the loan portfolio, and number and dollar volume of loans originated during the evaluation period. No other loan types, such as small farm and consumer loans, represented a major product line. Therefore, examiners did not include other loan products in this evaluation. Bank records indicate the lending focus and product mix remained consistent throughout the evaluation period.

South Georgia Bank is not subject to CRA data collection and reporting requirements and does not voluntarily collect and maintain such data. In addition, examiners used Dun & Bradstreet (D&B) demographic data as a standard of comparison for analyzing the bank’s small business lending performance. For the current evaluation, 2024 D&B data is the most recent year available. Therefore, the evaluation period for small business lending, as defined in the *Glossary*, was from January 1, 2024, through December 31, 2024. During the evaluation period, South Georgia Bank originated 195 small business loans totaling \$19.5 million. The universe of small business loans was evaluated for the *Assessment Area Concentration*, *Geographic Distribution* performance, and *Borrower Profile* criterion.

South Georgia Bank is subject to Home Mortgage Disclosure Act (HMDA) data collection and reporting requirements. The 2025 HMDA Loan Application Register (LAR) is not yet available, with a submission date of March 1, 2026. Therefore, the current evaluation included an analysis of home mortgage loans reported on the bank’s 2023 and 2024 HMDA LARs. In 2023, the bank reported 66 home mortgage loans totaling \$5.9 million. In 2024, the bank reported 101 home mortgage loans totaling \$11.7 million. Examiners did not identify any trends from 2023 to 2024 that would materially affect conclusions. Therefore, examiners only presented 2024 HMDA data in the conclusions tables for *Geographic Distribution* and *Borrower Profile*. However, examiners discuss any observed anomalies, as applicable. Aggregate 2024 HMDA data (peer lending data) and 2020 U.S. Census demographic data provided a standard of comparison for home mortgage loans.

While the number and dollar volume of loans are presented, examiners emphasized the bank’s performance based on the number of loans, because the number of loans is a better indicator of the number of individuals and businesses served. Considering the bank’s business strategy and number and dollar volume of loans originated during the evaluation period, small business loans received

more weight than home mortgage loans in determining overall conclusions. In addition, for the loan products reviewed, the *Geographic Distribution* and *Borrower Profile* criteria only include loans originated inside the assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Overall, the Lending Test is rated Satisfactory. The rating is supported by a reasonable loan-to-deposit ratio, a majority of lending within the assessment areas, reasonable geographic distribution, and reasonable borrower profile performance. In addition, the bank did not receive any CRA-related complaints since the previous evaluation.

Loan-to-Deposit Ratio

The loan-to-deposit ratio is reasonable (considering seasonal variations and lending-related activities) given the institution’s size, financial condition, and assessment areas’ credit needs. The bank’s average net loan-to-deposit ratio, calculated from Call Report data, averaged 60.5 percent over the past 24 calendar quarters from March 31, 2020, to December 31, 2025. The ratio fluctuated from a low of 54.8 percent as of March 31, 2025, to a high of 72.8 percent as of March 31, 2020. South Georgia Bank’s net loan-to-deposit ratio was generally consistent over the evaluation period.

Examiners compare a bank’s average net loan-to-deposit ratio to similarly situated institutions. These institutions may operate within a bank’s assessment area(s) and/or share similar attributes, such as size, branching network, and loan portfolio mix. South Georgia Bank’s average net loan-to-deposit ratio, over the evaluation period, was generally consistent with the similarly situated institutions’ ratios. The following table shows the average net loan-to-deposit ratio comparison data.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 12/31/2025 (\$000s)	Average Net LTD Ratio (%)
South Georgia Bank, Glennville, GA	256,134	60.5
Similarly-Situated Institution #1	265,286	66.2
Similarly-Situated Institution #2	240,688	52.9

Source: Reports of Condition and Income 3/31/2020 – 12/31/2025

Assessment Area Concentration

South Georgia Bank originated a majority of loans within the assessment areas. Overall, the bank originated 72.4 percent, by number, and 53.0 percent, by dollar volume, of loans reviewed inside the combined assessment area. This performance demonstrates the bank’s efforts to provide credit to individuals and businesses residing and operating within the assessment areas. The following table details the bank’s lending concentration performance.

Lending Inside and Outside of the Assessment Area											
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000)				Total \$(000)	
	Inside		Outside			Inside		Outside			
	#	%	#	%		\$	%	\$	%		
Home Mortgage											
2023	46	69.7	20	30.3	66	3,664	61.7	2,278	38.3	5,942	
2024	73	72.3	28	27.7	101	6,268	53.4	5,464	46.6	11,732	
Subtotal	119	71.3	48	28.7	167	9,932	56.2	7,742	43.8	17,674	
Small Business											
2024	143	73.3	52	26.7	195	9,796	50.1	9,744	49.9	19,540	
Total	262	72.4	100	27.6	362	19,728	53.0	17,486	47.0	37,214	
<i>Source: Imported Bank Data; Due to rounding, totals may not equal 100.0%.</i>											

Geographic Distribution

Overall, the geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. Conclusions regarding South Georgia Bank’s performance are consistent throughout the assessment areas. Refer to the *Geographic Distribution* section of each assessment area for further information on the bank’s lending performance.

Borrower Profile

Overall, the distribution of loans to borrowers reflects, given the demographics of the assessment areas, reasonable penetration among businesses of different sizes and individuals of different income levels (including low- and moderate-income). Conclusions regarding South Georgia Bank’s performance are consistent throughout the assessment areas. Refer to the *Borrower Profile* section of each assessment area for further information on the bank’s lending performance.

Response to Complaints

South Georgia Bank has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

South Georgia Bank’s compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

GEORGIA NON-MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN GEORGIA NON-MSA ASSESSMENT AREA

The Georgia Non-MSA assessment area consists of Tattnall and Evans counties in their entirety. South Georgia Bank operates three, or 75.0 percent, of its banking locations in this assessment area: the main office and one branch in Tattnall County and one branch in Evans County. The Tattnall County branch is in a distressed and underserved middle-income census tract. The Evans County branch is in a moderate-income census tract. By dollar volume, the assessment area accounts for 74.3 percent of bank-wide loans and 93.4 percent of bank-wide deposits. Since the previous evaluation, the number of census tracts and income designations changed as a result of the 2020 U.S. Census. The following table reflects the changes in census tract number and income-level designations, based on the 2015 ACS and 2020 U.S. Census data.

Tract Income Level	# of Census Tracts 2015 ACS	# of Census Tracts 2020 U.S. Census
Low	-	-
Moderate	1	2
Middle	6	7
Upper	1	1
Income Not Assigned	-	-
Total	8	10
<i>Source: 2015 ACS Data and 2020 U.S. Census Data</i>		

In addition, the FFIEC has designated certain Georgia Non-MSA middle-income census tracts as distressed and/or underserved. The distressed designation is based on high unemployment rates, poverty rates, and/or population loss. The underserved designation is based on areas being rural and remote, indicating that the area’s population is sufficiently small, thin, and distant from a population center. Additionally, the census tract(s) has limited financing options and opportunities available to meet the fixed costs needed to address essential community needs. Tattnall County’s five middle-income census tracts are designated as distressed due to poverty and population loss, as well as underserved. Evans County’s two middle-income census tracts are designated as distressed due to poverty.

Economic and Demographic Data

Of the businesses operating in the Georgia Non-MSA assessment area, 75.7 percent reported having four or fewer employees and 92.0 percent reported operating from a single location. The following table presents additional demographic information.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	10	0.0	20.0	70.0	10.0	0.0
Population by Geography	33,616	0.0	29.7	61.7	8.6	0.0
Housing Units by Geography	14,794	0.0	21.5	69.4	9.1	0.0
Owner-Occupied Units by Geography	8,004	0.0	18.9	71.8	9.3	0.0
Occupied Rental Units by Geography	4,347	0.0	27.7	61.7	10.6	0.0
Vacant Units by Geography	2,443	0.0	19.0	75.0	5.9	0.0
Businesses by Geography	2,052	0.0	25.3	65.1	9.6	0.0
Farms by Geography	223	0.0	21.5	70.9	7.6	0.0
Family Distribution by Income Level	8,563	23.2	16.4	20.6	39.9	0.0
Household Distribution by Income Level	12,351	24.3	14.7	19.2	41.8	0.0
Georgia Non-MSA Median Family Income		\$55,981	Median Housing Value		\$ 92,693	
			Median Gross Rent		\$566	
			Families Below Poverty Level		15.5%	
<i>Source: 2020 Census And 2024 D&B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.</i>						

In addition, D&B data reflects that the top industries in the assessment area are non-classifiable establishments (14.5 percent); other services (11.5 percent); and agriculture, forestry, fishing, and hunting (9.8 percent). According to the Georgia Department of Labor, major employers throughout the assessment area include Rotary Corp, Georgia Department of Correction, Tattnall Hospital Company LLC, Claxton Poultry Co, and Valmont Network.

According to the Bureau of Labor Statistics, Tattnall County’s unemployment rate remained relatively consistent from 2021 to 2024 and was generally higher compared to the state average and lower compared to the national average. Evans County’s unemployment rate was generally lower compared to Tattnall County and was consistently lower than the state and national average. The following table reflects the average unemployment rates and trends for the assessment area counties, state, and nation.

Unemployment Rates*				
Area	2021	2022	2023	2024
	%	%	%	%
Tattnall County	3.6	3.3	3.5	3.6
Evans County	3.7	3.1	3.1	3.2
State of Georgia	3.9	3.2	3.3	3.5
National Average	5.3	3.6	3.6	4.0
<i>Source: Bureau of Labor Statistics; *Not seasonally adjusted</i>				

Examiners used the FFIEC estimated median family income levels for the Georgia Non-MSA assessment area to analyze home mortgage lending for the *Borrower Profile* criterion. The following table presents the low-, moderate-, middle-, and upper-income ranges and categories.

Estimated Median Family Income Ranges					
Year	MFI	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥ 120%
2024	\$ 69,300	< \$34,650	\$34,650 to < \$55,440	\$55,440 to < \$83,160	≥ \$83,160
<i>Source: FFIEC</i>					

Competition

The Georgia Non-MSA assessment area is highly competitive in the financial services market. According to the FDIC’s June 30, 2025, *Summary of Deposits*, five FDIC-insured financial institutions operate 12 offices in the assessment area. South Georgia Bank ranked second with a 27.8 percent deposit market share.

As previously noted, South Georgia Bank is not required to report its small business loan data (CRA data) and has elected not to voluntarily report such information. Therefore, the analysis of small business loans under the Lending Test does not include comparisons to aggregate data. However, aggregate data reflects the level of demand for small business loans, and, therefore, is included for context. Aggregate data for small business loans is not available for calendar year 2025. As such, examiners used 2024 aggregate data. In 2024, 41 lenders reported 391 small business loans totaling \$15.1 million in the assessment area, indicating a high level of competition for small business loans. The top five lenders accounted for 60.6 percent, by number, and 21.2 percent, by dollar volume, of the market share for small business loans.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders in the assessment area. In 2024, 99 lenders reported 533 home mortgage loans totaling \$86.1 million in the assessment area. South Georgia Bank ranked third with 8.3 percent of the market share, by number of loans. The top five lenders accounted for 51.2 percent, by number, and 39.3 percent, by dollar volume, of the market share for home mortgage loans.

Community Contact

As part of the evaluation, examiners contact third parties active in the assessment area to assist in identifying credit and community development needs. This information helps examiners determine whether local financial institutions are responsive to those needs and identify the credit and community development opportunities that are available.

Examiners used an existing community contact with an organization that promotes economic development in the assessment area. The contact indicated that the assessment area encounters persistent economic distress in attracting and retaining businesses. In addition, the contact indicated that the assessment area experiences lower income levels, higher unemployment, and limited economic opportunities. Further, the contact indicated that the housing stock is limited, and demand is elevated due to a nearby military base, which competes for housing with local residents and those employed at the base. The contact stated that although there are persistent economic challenges, local financial institutions are effectively meeting the credit needs of the assessment area.

Credit Needs

Considering information obtained from the community contact, demographic data, and economic data, examiners determined that small business and home mortgage loans are primary needs within the assessment area. This conclusion is supported by the significant percentage of businesses with gross annual revenues of \$1.0 million or less (88.2 percent), the percentage of businesses operating from a single location (92.0 percent), the number of businesses with four or fewer employees (75.7 percent), and as indicated by the community contact. In addition, home mortgage loans, and particularly affordable home loans, are a need, as 39.6 percent of families are low- and moderate-income, 15.5 percent of families live below the poverty level, and considering information obtained from the community contact.

CONCLUSIONS ON PERFORMANCE CRITERIA IN GEORGIA NON-MSA ASSESSMENT AREA

LENDING TEST

South Georgia Bank's lending performance in the Georgia Non-MSA assessment area reflects satisfactory performance. The bank's reasonable geographic distribution and borrower profile performance supports this conclusion.

Geographic Distribution

Overall, the geographic distribution of loans reflects reasonable dispersion throughout the assessment area. Reasonable small business and home mortgage lending supports this conclusion. There are no designated low-income census tracts within the assessment area.

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. Lending in moderate-income census tracts were below demographics. However, to gain a better understanding of the bank’s lending performance and opportunity, examiners reviewed aggregate market data from institutions that collect and report data on small business loans. The 2024 aggregate market data reflects that 16.4 percent of all small business loans were to businesses located in a moderate-income census tract. Considering aggregate market data and the level of competition in the assessment area, the bank’s performance is reasonable. The following table reflects the distribution of small business lending within the assessment area.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	25.3	18	13.2	992	10.4
Middle	65.1	100	73.5	7,614	80.1
Upper	9.6	18	13.2	902	9.5
Total	100.0	136	100.0	9,508	100.0

Source: 2024 D&B Data; Bank Data; Due to rounding, totals may not equal 100.0%.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. Lending in moderate-income census tracts was comparable to demographics and aggregate performance. The following table reflects the distribution of home mortgage lending within the assessment area.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner Occupied Housing Units	HMDA Aggregate % of #	#	%	\$(000s)	%
Moderate	18.9	17.8	8	18.2	231	8.7
Middle	71.8	71.3	32	72.7	2,001	75.0
Upper	9.3	10.9	4	9.1	437	16.4
Total	100.0	100.0	44	100.0	2,669	100.0

Source: 2020 Census; Imported Bank Data; 2024 HMDA Aggregate Data; Due to rounding, totals may not equal 100.0%.

Borrower Profile

Overall, the distribution of loans to borrowers reflects, given the demographics of the assessment area, reasonable penetration among businesses of different sizes and individuals of different income levels (including low- and moderate-income). Reasonable small business and home mortgage lending supports this conclusion.

Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses of different sizes. Lending to businesses with gross annual revenues of \$1.0 million or less (small businesses) was below demographics. However, D&B data reflects the percentage of businesses, by gross annual revenue, and not the level of demand for small business loans. To gain a better understanding of credit needs and demand in the assessment area, examiners reviewed aggregate market data from institutions that collect and report data on small business loans. The 2024 aggregate market data reflects that 42.2 percent of all small business loans were made to small businesses. In addition, there is a high level of competition for small business loans in the assessment area. Further, 47.1 percent of the bank’s small business loans were to businesses with gross annual revenues of less than \$250,000, indicating the bank’s willingness to lend to very small businesses. The following table reflects the penetration of small business loans by businesses of different sizes.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<= \$1,000,000	88.2	91	66.9	5,618	59.1
> \$1,000,000	2.5	13	9.6	2,956	31.1
Revenue Not Available	9.3	32	23.5	934	9.8
Total	100.0	136	100.0	9,508	100.0
<i>Source: 2024 D&B Data; Bank Data; Due to rounding, totals may not equal 100.0%.</i>					

Home Mortgage Loans

The distribution of home mortgage loans reflects reasonable penetration among individuals of different income levels. Lending to low-income borrowers was below demographics but significantly exceeded aggregate performance. Further, considering demographics of the assessment area, 66.8 percent of the low-income families live below the poverty level, of which these individuals may not qualify for conventional home mortgage financing. Considering the poverty level, competition, and aggregate performance, opportunities to lend to low-income borrowers are limited. Lending to moderate-income borrowers exceeded both demographics and aggregate performance. In addition, there is a high level of competition for home mortgage loans in the assessment area. The following table reflects the penetration of home mortgage loans by borrower income level.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	HMDA Aggregate % of #	#	%	\$(000s)	%
Low	23.2	6.0	6	13.6	260	9.7
Moderate	16.4	16.0	12	27.3	512	19.2
Middle	20.6	22.5	12	27.3	657	24.6
Upper	39.9	39.0	13	29.6	1,095	41.0
NA	0.0	16.5	1	2.3	145	5.4
Total	100.0	100.0	44	100.0	2,669	100.0

Source: 2020 Census; Imported Bank Data; 2024 HMDA Aggregate Data; Due to rounding, totals may not equal 100.0%.

HINESVILLE MSA ASSESSMENT AREA – Limited-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN HINESVILLE MSA ASSESSMENT AREA

The Hinesville MSA assessment area consists of Liberty County in its entirety. The Hinesville MSA also includes Long County. South Georgia Bank operates one, or 25.0 percent, of its banking locations in this assessment area. The Liberty County branch is located in a moderate-income census tract. By dollar volume, the assessment area accounts for 25.7 percent of bank-wide loans and 6.6 percent of bank-wide deposits. Since the previous evaluation, the number of census tracts and income designations changed as a result of the 2020 U.S. Census. The following table reflects the changes in census tract number and income-level designations, based on the 2015 ACS and 2020 U.S. Census data.

Tract Income Level	# of Census Tracts 2015 ACS	# of Census Tracts 2020 U.S. Census
Low	-	-
Moderate	3	3
Middle	9	10
Upper	2	4
Income Not Assigned	1	1
Total	15	18

Source: 2015 ACS Data and 2020 U.S. Census Data

Economic and Demographic Data

Of the businesses operating in the Hinesville MSA assessment area, 73.5 percent reported having four or fewer employees and 93.0 percent reported operating from a single location. The following table presents additional demographic information.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	18	0.0	16.7	55.6	22.2	5.6
Population by Geography	65,256	0.0	18.3	61.9	19.9	0.0
Housing Units by Geography	28,566	0.0	18.8	62.3	18.9	0.0
Owner-Occupied Units by Geography	11,059	0.0	16.8	59.0	24.2	0.0
Occupied Rental Units by Geography	12,994	0.0	21.4	63.4	15.2	0.0
Vacant Units by Geography	4,513	0.0	16.3	67.5	16.2	0.0
Businesses by Geography	4,164	0.0	18.2	61.6	20.2	0.0
Farms by Geography	34	0.0	5.9	70.6	23.5	0.0
Family Distribution by Income Level	16,734	18.8	19.7	22.4	39.0	0.0
Household Distribution by Income Level	24,053	20.3	18.0	21.3	40.4	0.0
Median Family Income MSA - 25980 Hinesville, GA MSA		\$54,993	Median Housing Value		\$ 123,131	
			Median Gross Rent		\$1,044	
			Families Below Poverty Level		14.6%	
<i>Source: 2020 Census And 2024 D&B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.</i>						

In addition, D&B data reflects that the top industries in the assessment area are non-classifiable establishments (19.4 percent), other services (12.0 percent), and retail trade (9.7 percent). According to the Georgia Department of Labor, major employers in the assessment area include SNF Holding Company, Gmh Military Housing Mgmt. LLC, Firth Rixson Forgings LLC, Carolina Builders Corp, and Interstate Paper LLC.

The following table reflects the annual unemployment rates and trends for the assessment area, state, and nation.

Unemployment Rates*				
Area	2021	2022	2023	2024
	%	%	%	%
Liberty County	4.4	3.9	3.9	4.1
State of Georgia	3.9	3.2	3.3	3.5
National Average	5.3	3.6	3.6	4.0
<i>Source: Bureau of Labor Statistics; *Not seasonally adjusted</i>				

The following table presents the FFIEC estimated median family income ranges for the Hinesville MSA assessment area.

Estimated Median Family Income Ranges					
Year	MFI	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥ 120%
2024	\$ 82,500	< \$41,250	\$41,250 to < \$66,000	\$66,000 to < \$99,000	≥ \$99,000
<i>Source: FFIEC</i>					

Further, the Hinesville MSA assessment area is highly competitive in the financial services market. According to the FDIC’s June 30, 2025, *Summary of Deposits*, five FDIC-insured financial institutions operate five offices in the assessment area. South Georgia Bank ranked fourth with a 1.9 percent deposit market share.

CONCLUSIONS ON PERFORMANCE CRITERIA IN HINESVILLE MSA ASSESSMENT AREA

LENDING TEST

South Georgia Bank’s lending performance in the Hinesville MSA assessment area is consistent with the institution’s lending performance within the Non-MSA portion of the state that was reviewed using full-scope examination procedures.

Geographic Distribution

Small Business Loans

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	18.2	3	42.9	223	77.4
Middle	61.6	1	14.3	19	6.6
Upper	20.2	3	42.9	46	16.0
Total	100.0	7	100.0	288	100.0
<i>Source: 2024 D&B Data; Bank Data; Due to rounding, totals may not equal 100.0%.</i>					

Home Mortgage Loans

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner Occupied Housing Units	HMDA Aggregate % of #	#	%	\$(000s)	%
Moderate	16.8	13.8	6	20.7	794	22.1
Middle	59.0	55.4	16	55.2	1,903	52.9
Upper	24.2	30.8	7	24.1	902	25.1
Total	100.0	100.0	29	100.0	3,599	100.0
<i>Source: 2020 Census; Imported Bank Data; 2024 HMDA Aggregate Data; Due to rounding, totals may not equal 100.0%.</i>						

Borrower Profile

Small Business Loans

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<= \$1,000,000	91.4	4	57.1	242	84.0
> \$1,000,000	1.2	0	0.0	0	0.0
Revenue Not Available	7.5	3	42.9	46	16.0
Total	100.0	7	100.0	288	100.0
<i>Source: 2024 D&B Data; Bank Data; Due to rounding, totals may not equal 100.0%.</i>					

Home Mortgage Loans

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	HMDA Aggregate % of #	#	%	\$(000s)	%
Low						
2023	18.8	0.8	0	0.0	0	0.0
2024	18.8	2.5	0	0.0	0	0.0
Moderate						
2023	19.7	3.7	1	9.1	20	1.7
2024	19.7	11.6	0	0.0	0	0.0
Middle						
2023	22.4	23.2	0	0.0	0	0.0
2024	22.4	29.3	2	6.9	194	5.4
Upper						
2023	39.0	44.7	1	9.1	106	9.0
2024	39.0	22.4	2	6.9	203	5.6
NA						
2023	0.0	27.5	9	81.8	1,049	89.3
2024	0.0	34.3	25	86.2	3,202	89.0
Total						
2023	100.0	100.0	11	100.0	1,175	100.0
2024	100.0	100.0	29	100.0	3,599	100.0
<i>Source: 2020 Census; Imported Bank Data; 2024, 2023 HMDA Aggregate Data; Due to rounding, totals may not equal 100.0%.</i>						

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The institution's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the institution under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited-scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-Income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.