

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
SECURITY BANCSHARES, INC.		35-2682295	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
STEPHEN L. TRASK, CFO	731-644-8028	strask@securitybanktn.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and ZIP code of contact	
210 W. WASHINGTON STREET		PARIS, TN 38242	
8 Date of action		9 Classification and description	
DECEMBER 9, 2024		COMMON STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
N/A	N/A	N/A	N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ EFFECTIVE DECEMBER 9, 2024, SECURITY BANCSHARES, INC. ("SECURITY"), THROUGH ITS WHOLLY OWNED SUBSIDIARY SECURITY BANK AND TRUST ("SBT"), ACQUIRED BANK OF RIPLEY ("RIPLEY") THROUGH A MERGER TRANSACTION AND IN CONJUNCTION WITH THE ACQUISITION, RIPLEY MERGED INTO SBT. THE MERGER QUALIFIED AS A TAX-FREE REORGANIZATION UNDER SECTION 368 OF THE INTERNAL REVENUE CODE.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ PURSUANT TO THE AGREEMENT AND PLAN OF MERGER, EACH SHARE OF RIPLEY COMMON STOCK WAS EXCHANGED FOR \$14,279.80 CASH. THE SHAREHOLDERS OF RIPLEY COMMON STOCK WILL RECOGNIZE A CAPITAL GAIN OR LOSS EQUAL TO THE DIFFERENCE BETWEEN THEIR TAX BASIS IN THE COMMON STOCK AND THE CASH RECEIVED.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ EACH SHAREHOLDER OF RIPLEY WILL RECEIVE \$14,279.80 CASH. THIS BEING THE CASE, THE SHAREHOLDER WILL GENERALLY RECOGNIZE CAPITAL GAIN OR LOSS (DISCUSSED IN #18), WITH THE NATURE OF THE GAIN BEING DETERMINED BY HOW LONG RIPLEY STOCK WAS HELD BY EACH INDIVIDUAL SHAREHOLDER.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► TAX TREATMENT OF THE MERGER IS BASED ON THE FOLLOWING INTERNAL REVENUE CODE (IRC) SECTIONS AND SUBSECTIONS AS MORE FULLY DISCUSSED BELOW:


368 (A)
1001
1221

18 Can any resulting loss be recognized? ► RIPLEY SHAREHOLDERS RECEIVING CASH IN EXCHANGE FOR THEIR STOCK WILL GENERALLY RECOGNIZE CAPITAL GAIN OR LOSS EQUAL TO THE DIFFERENCE BETWEEN THE TOTAL AMOUNT OF CASH RECEIVED AND THAT SHAREHOLDER'S BASIS IN THEIR RIPLEY STOCK. EACH RIPLEY SHAREHOLDER SHOULD CONSULT THEIR TAX ADVISOR FOR SPECIFIC GUIDANCE.


19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► THE REPORTABLE TAX YEAR OF THE CAPITAL GAIN OR LOSS ASSOCIATED WITH THE MERGER IS THE SHAREHOLDER'S TAX YEAR THAT INCLUDES DECEMBER 9, 2024.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ►  Date ► 1/22/25

Print your name ► STEPHEN L. TRASK Title ► CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	ROBERT PARKER	<u></u>			P00868782
	Firm's name ► CROWE LLP			Firm's EIN ► 35-0921680	
	Firm's address ► 720 COOL SPRINGS BLVD, SUITE 600, FRANKLIN, TN 37607			Phone no. 615-360-5500	