Annual Report of Holding Companies—FR Y-6

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844(c)(1)(A)); sections B(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3108(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); and sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5363, 5412, 1850a(1), and 5468(b)(1)). Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

NOTE: The Annual Report of Holding Companies must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report. If the holding company is an ESOP/ESOT formed as a corporation or is an LLC, see the General Instructions for the authorized individual who must sign the report.

I, John P Reed
Name of the Holding Company Director and Official
Secretary/Treasurer
Title of the Holding Company Director and Official
attest that the Annual Report of Holding Companies (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board’s “Rules Regarding Availability of Information,” 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Signature of Holding Company Director and Official
05/01/2018
Date of Signature

For holding companies not registered with the SEC—Indicate status of Annual Report to Shareholders:
☐ is included with the FR Y-6 report
☐ will be sent under separate cover
☐ is not prepared

For Federal Reserve Bank Use Only

RSSD ID
C.I.

Date of Report (top-tier holding company’s fiscal year-end):
December 31, 2017

Report to whom questions about this report should be directed:
Jill Lester
AVP/Bookkeeping Supervisor
304-436-4112-1235
Area Code / Phone Number / Extension
304-436-5602
Area Code / FAX Number
jill.ester@mcnbbanks.com
E-mail Address
www.mcnbbanks.com
Address (URL) for the Holding Company’s web page

Is confidential treatment requested for any portion of this report submission? □ No □ Yes

In accordance with the General Instructions for this report (check only one),
1. a letter justifying this request is being provided along with the report (required) □
2. a letter justifying this request has been provided separately □

NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as “confidential.”

Person to whom questions about this report should be directed:
Jill Lester
AVP/Bookkeeping Supervisor
MCNB Banks Inc
P.O. Box 549
Welch, WV 24801

Address (including supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

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Secretary/Treasurer
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Date of Signature

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05/01/2018
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For Federal Reserve Bank Use Only

RSSD ID
C.I.
Results: A list of branches for your depository institution: MCNB BANK AND TRUST CO. (ID_RSSD: 20633).
This depository institution is held by MCNB BANKS, INC. (2913083) of WELCH, WV.
The data are as of 12/31/2017. Data reflects information that was received and processed through 01/04/2018.

Reconciliation and Verification Steps
1. In the Data Action column of each branch row, enter one or more of the actions specified below.
2. If required, enter the date in the Effective Date column.

Actions
OK: If the branch information is correct, enter 'OK' in the Data Action column.
Change: If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the Data Action column and the date when this information first became valid in the Effective Date column.
Close: If a branch listed was closed or closed, enter 'Close' in the Data Action column and the sale or closure date in the Effective Date column.
Delete: If a branch listed was never owned by this depository institution, enter 'Delete' in the Data Action column.
Add: If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the Data Action column and the opening or acquisition date in the Effective Date column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

Submission Procedure
When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information.
If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

Note:
To satisfy the FR Y-10 reporting requirements, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a Data Action of Change, Close, Delete, or Add.
The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - https://y10online.federalreserve.gov.

* FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

<table>
<thead>
<tr>
<th>Date Action</th>
<th>Effective Date</th>
<th>Branch Service Type</th>
<th>Branch ID_RSSD</th>
<th>Popular Name</th>
<th>Street Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>County</th>
<th>Country</th>
<th>FDIC UNINUM</th>
<th>Office Number</th>
<th>Head Office</th>
<th>Head Office ID_RSSD</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>Head Office</td>
<td>20633</td>
<td>MCNB BANK AND TRUST CO.</td>
<td>75 WYOMING ST</td>
<td>WELCH</td>
<td>WV</td>
<td>24801</td>
<td>MCDOWELL</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>MCNB BANK AND TRUST CO.</td>
<td>20633</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>4447403</td>
<td>RICHLANDS BRANCH</td>
<td>1102 CEDAR VALLEY DRIVE</td>
<td>RICHLANDS</td>
<td>VA</td>
<td>24655</td>
<td>TAZEWELL</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>MCNB BANK AND TRUST CO.</td>
<td>20633</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>5322066</td>
<td>BECKLEY BRANCH</td>
<td>80 JEROME VANCE DRIVE</td>
<td>BECKLEY</td>
<td>WV</td>
<td>25801</td>
<td>RALEIGH</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>MCNB BANK AND TRUST CO.</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>OK</td>
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<td>3546405</td>
<td>BLUESTIELD BRANCH</td>
<td>3542 EAST CUMBERLAND ROAD</td>
<td>BLUESTIELD</td>
<td>WV</td>
<td>24701</td>
<td>MERCER</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>MCNB BANK AND TRUST CO.</td>
<td>20633</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>5322066</td>
<td>BECKLEY BRANCH</td>
<td>80 JEROME VANCE DRIVE</td>
<td>BECKLEY</td>
<td>WV</td>
<td>25801</td>
<td>RALEIGH</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>MCNB BANK AND TRUST CO.</td>
<td>20633</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>3178157</td>
<td>PRINCETON BRANCH</td>
<td>322 S WALKER ST</td>
<td>PRINCETON</td>
<td>WV</td>
<td>24701</td>
<td>MERCER</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>MCNB BANK AND TRUST CO.</td>
<td>20633</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Limited Service</td>
<td>7355300</td>
<td>WELCH DRIVE IN BRANCH</td>
<td>90 HOWARD ST</td>
<td>WELCH</td>
<td>WV</td>
<td>24801</td>
<td>MCDOWELL</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>MCNB BANK AND TRUST CO.</td>
<td>20633</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Item 3

3.1

Alpa & Company  (11.089%)  122,610 shares
P O Box 549
Welch, WV 24801
The United States of America

3.2 n/a
<table>
<thead>
<tr>
<th>Directors MCNB Banks Inc.</th>
<th>OWNED</th>
<th>BENEFICIALLY</th>
<th>%</th>
<th>TOTAL%</th>
<th>HOW BENE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Directors MCNB Banks Inc.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Martha Callaway</td>
<td>16000</td>
<td>1.447%</td>
<td>1.447%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>John P. Reed</td>
<td>40</td>
<td>0.002%</td>
<td>0.002%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H C Lewis Jr</td>
<td>23894</td>
<td>2.161%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H C Lewis Jr</td>
<td>871</td>
<td>0.079%</td>
<td>2.249%</td>
<td>ALPA - BE</td>
<td></td>
</tr>
<tr>
<td>Ronald D. Hassan</td>
<td>9132</td>
<td>0.826%</td>
<td>0.826%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>William H Horne</td>
<td>17340</td>
<td>1.568%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carl Urps &amp; Ruth Ann Urps JTWROS</td>
<td>11108</td>
<td>1.005%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carl Urps</td>
<td>4636</td>
<td>0.419%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carl Urps &amp; Ruth Ann Urps</td>
<td>1898</td>
<td>0.172%</td>
<td>1.596%</td>
<td>ALPA - BE</td>
<td></td>
</tr>
<tr>
<td>Arvel Wyatt</td>
<td>3696</td>
<td>0.334%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arvel Wyatt &amp; Janet Wyatt JTWROS</td>
<td>33921</td>
<td>3.068%</td>
<td>3.402%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL OWNED DIRECTLY &amp; BENEFICIALLY</strong></td>
<td>121665</td>
<td>871</td>
<td>122536</td>
<td>9.522%</td>
<td></td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alpa &amp; Company</td>
<td>122610</td>
<td>11.089%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(see Sheet 3 for details)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL SHARES OUTSTANDING</strong></td>
<td>1,105,739</td>
<td>(26008 Treasury Shares)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Insider Holdings
As Of 12/31/17
<table>
<thead>
<tr>
<th>SHAREHOLDER (1)</th>
<th>OCCUPATION (2)</th>
<th>HOLDING COMPANY</th>
<th>TITLE &amp; POSITION (3)(a)</th>
<th>TITLE &amp; POSITION OTHER BUSINESSES (3)(b)</th>
<th>PERCENT. VOTING SHARES IN BANK (4)(a)</th>
<th>PERCENT. VOTING SHARES IN SUBSIDIARIES (4)(b)</th>
<th>% OF VOTING SECURITY IN BUSINESS (4)(c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>H C Lewis Jr</td>
<td>Owner/ H C Lewis</td>
<td>Director &amp;</td>
<td>Director Owner</td>
<td>2</td>
<td>N/A</td>
<td>N/A</td>
<td>HC Lewis Oil Company</td>
</tr>
<tr>
<td>Welch WV 24801</td>
<td>Oil Company and</td>
<td>Kwik Serve Mart</td>
<td>MCNB Bank &amp; Trust</td>
<td>H C Lewis</td>
<td>Oil Company and</td>
<td>52%</td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td>Chairman</td>
<td>MCNB Banks Inc</td>
<td></td>
<td></td>
<td>Kwik Serve Mart</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ronald D. Hassan</td>
<td>Attorney/Hassan</td>
<td>Director</td>
<td>Director Owner</td>
<td>1</td>
<td>N/A</td>
<td>N/A</td>
<td>Hassan Law Office</td>
</tr>
<tr>
<td>Welch WV 24801</td>
<td></td>
<td>MCNB Banks Inc</td>
<td>Chairman Hassan Law</td>
<td></td>
<td>Office</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td>Director</td>
<td>MCNB Bank &amp; Trust</td>
<td>Office</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>William Horne</td>
<td>Owner</td>
<td>Director &amp;</td>
<td>Director Owner/</td>
<td>1</td>
<td>N/A</td>
<td>N/A</td>
<td>Horn Holdings LLC</td>
</tr>
<tr>
<td>Welch WV 24801</td>
<td>Director &amp;</td>
<td>Horne Holdings, LLC</td>
<td>MCNB Bank &amp; Trust Horn Holdings LLC</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td>Vice Chairman</td>
<td>Horn Holdings LLC</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>John P. Reed</td>
<td>President &amp; CEO</td>
<td>Director &amp;</td>
<td>President &amp; CEO N/A</td>
<td>1</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Princeton WV 24740</td>
<td>MCNB Banks</td>
<td>Secretary &amp; Treasurer/MCNB Bank &amp; Trust Co</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td>Director</td>
<td>MCNB Banks Inc</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carl Urps</td>
<td>Retired</td>
<td>Director</td>
<td>Director N/A</td>
<td>1</td>
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<td>N/A</td>
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<tr>
<td>Princeton WV 24740</td>
<td>MCNB Banks</td>
<td>Director</td>
<td>MCNB Bank &amp; Trust Co</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>USA</td>
<td>Director</td>
<td>MCNB Banks Inc</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Martha Callaway</td>
<td>Volunteer Coordinato</td>
<td>Director</td>
<td>Director Volunteer Coordinato Welch Community Hospital</td>
<td>1</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Welch WV 24801</td>
<td>Director</td>
<td>MCNB Banks Inc</td>
<td>MCNB Bank &amp; Trust Co</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>USA</td>
<td>Director</td>
<td>MCNB Bank &amp; Trust Co</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arvel Wyatt</td>
<td>Pharmacist</td>
<td>Director</td>
<td>Pharmacist N/A</td>
<td>3</td>
<td>N/A</td>
<td>N/A</td>
<td>Flat Iron Drug 50%</td>
</tr>
<tr>
<td>Welch WV 24801</td>
<td>Flat Iron Drug</td>
<td>President</td>
<td>Flat Iron Drug</td>
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<td></td>
</tr>
<tr>
<td>USA</td>
<td>Director</td>
<td>MCNB Bank &amp; Trust Co</td>
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</tr>
<tr>
<td>Alpa &amp; Company</td>
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<td>N/A</td>
<td>N/A</td>
<td>11.089</td>
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