Board of Governors of the Federal Reserve System

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 8(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, 5365, 5412, 1850a(c)(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, Jeremy W. Brown
Name of the Holding Company Director and Officer
President/CEO/Chairman
Title of the Holding Company Director and Officer

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 Officer

Date of Signature

For holding companies not registered with the SEC—indicate status of Annual Report to Shareholders:

[X] 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: 2942805
C.I.

Date of Report (top-tier holding company's fiscal year-end):

December 31, 2017
Month / Day / Year

None
Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Peterstown Bancorp, Inc.
Legal Title of Holding Company

P.O. Box 550
(Mailing Address of the Holding Company) Street / P.O. Box
220 Market Street, Peterstown WV 24963
City / State / Zip Code

[ ] 2018

Person to whom questions about this report should be directed:

Jeremy W. Brown

Name

President

Title

Area Code / Phone Number / Extension
304-753-4321

Area Code / FAX Number
304-753-5863

E-mail Address
jbrown@fnbp.com

www.fnbp.com

Address (URL) for the Holding Company's web page

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

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.

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."

Public reporting burden for this information collection is estimated to vary from 1.3 to 101 hours per response, with an average of 5.50 hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0297), Washington, DC 20503.

03/2016
For Use By Tiered Holding Companies

Top-tiered holding companies must list the names, mailing address, and physical locations of each of their subsidiary holding companies below.

<table>
<thead>
<tr>
<th>Legal Title of Subsidiary Holding Company</th>
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Report Item

1: a. The BHC is not required to prepare form 10K with the SEC.

1: b. The BHC does prepare an annual report for its shareholders. Enclosed are three copies of the annual report.

2: Organizational Chart

[Diagram showing the organizational structure of Peterstown Bancorp, Inc. and The First National Bank of Peterstown.]
<table>
<thead>
<tr>
<th>Data 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 UNNUM*</th>
<th>Office Number*</th>
<th>Head Office</th>
<th>Head Office _RSSD*</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ch</td>
<td>3/28/2019</td>
<td>Full Service</td>
<td>4934485</td>
<td>FNBP NARROWS BRANCH</td>
<td>115 OLD VIRGINIA AVENUE</td>
<td>NARROWS</td>
<td>VA</td>
<td>24124</td>
<td>GILES</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>FIRST NATIONAL BANK OF PETERS TOWN, THE</td>
<td>719030</td>
<td></td>
</tr>
<tr>
<td>(1)(a) Name and Address (City, State, Country)</td>
<td>(1)(b) Country of Citizenship or Incorporation</td>
<td>(1)(c) Number and Percentage of Each Class of Voting Securities</td>
<td>Shareholders not listed in (3)(1)(a) through 3(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12-31-17</td>
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<tr>
<td>Michelle D. Morel Doylestown, PA, USA</td>
<td>USA</td>
<td>4,410 - 6.85% Common Stock</td>
<td>None</td>
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<tr>
<td>James W. Childs Bassett, VA, USA</td>
<td>USA</td>
<td>4,250 - 6.60% Common Stock</td>
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<tr>
<td>Sally K. Parker Florence, AL, USA</td>
<td>USA</td>
<td>4,000 - 6.21% Common Stock</td>
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</tr>
<tr>
<td>Francis, Elizabeth Peterstown, WV 24963</td>
<td>USA</td>
<td>3,444 - 5.35% Common Stock</td>
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</tbody>
</table>
Report Item 4: Directors and Officers  
December 31, 2017

<table>
<thead>
<tr>
<th>Names &amp; Address</th>
<th>Principal Occupation if other than with Bank Holding Company</th>
<th>Title &amp; Position with Bank Holding Company</th>
<th>Title &amp; Position with Subsidiaries (include names of subsidiaries)</th>
<th>Percentage of Voting Shares in Bank Holding Company</th>
<th>Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)</th>
</tr>
</thead>
<tbody>
<tr>
<td>William A. Bailey</td>
<td>N/A</td>
<td>Director</td>
<td>Director (The First National Bank of Peterstown)</td>
<td>N/A</td>
<td>3.11%</td>
</tr>
<tr>
<td>Peterstown, WV, USA</td>
<td>Dairy Farmer</td>
<td>Director</td>
<td>Owner Boggess Dairy</td>
<td>None</td>
<td>Boggess Dairy 50%</td>
</tr>
<tr>
<td>Neal Boggess</td>
<td>N/A</td>
<td>Director</td>
<td>Director &amp; President/CFO (The First National Bank of Peterstown)</td>
<td>N/A</td>
<td>2.48%</td>
</tr>
<tr>
<td>Peterstown, WV, USA</td>
<td>Director, President &amp; CFO</td>
<td></td>
<td></td>
<td>None</td>
<td>Boggess Dairy</td>
</tr>
<tr>
<td>Jeremy W. Brown</td>
<td>N/A</td>
<td>Cashier</td>
<td>Vice President/Compliance officer (The First National Bank of Peterstown)</td>
<td>N/A</td>
<td>0.31%</td>
</tr>
<tr>
<td>Peterstown, WV, USA</td>
<td>Family Physician</td>
<td>Director</td>
<td>Owner Miller Family Practice</td>
<td>None</td>
<td>Miller Family Practice 100%</td>
</tr>
<tr>
<td>Stephen M. Miller</td>
<td>N/A</td>
<td>Doctor</td>
<td>Director (The First National Bank of Peterstown)</td>
<td>N/A</td>
<td>3.57%</td>
</tr>
<tr>
<td>Peterstown, WV, USA</td>
<td>Mortician</td>
<td></td>
<td>Owner Broyles Shrewsbury Funeral Home</td>
<td>None</td>
<td>Broyles Shrewsbury Funeral Home 50%</td>
</tr>
<tr>
<td>William S. Broyles</td>
<td>Retired Mortician</td>
<td>Doctor</td>
<td>Director (The First National Bank of Peterstown)</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Lindside, WV, USA</td>
<td></td>
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<tr>
<td>John D. Helvey</td>
<td>N/A</td>
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<tr>
<td>Peterstown, WV, USA</td>
<td></td>
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</tr>
<tr>
<td>Philip Shrewsbury</td>
<td>N/A</td>
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</tr>
</tbody>
</table>
**Directors**
- William Bailey
- Neal Boggess
- Jeremy Brown
- William Broyles
- Dr. Stephen Miller
- Phil Shrewsbury
- John Helvey

**Officers and Employees**
- Jeremy Brown, President, CEO
- John Helvey, VP
- Chris Whitt, Cashier
- Sarah Thwaites, Loan Officer
- Evin Dusold, Loan Officer
- Betty Humphreys, Auditor
- Debra Beasley, Bookkeeper
- Lisa Brown, Head Teller
- Catherine Ensign, Loan Processor
- Alana Terry, Loan Processor
- Mae Dillon, Teller
- Elaine Flint, Teller
- Marsha Thompson, Teller
- Angela Thornton, Teller
- Stacy Jewell, Teller
- Jerrica Baker, Teller
- Rachel Carnes, Teller

**P.O. Box 550**
Peterstown, WV 24963

**P.O. Box 455**
Narrows, VA 24124

**Statement of Condition**
December 31, 2017

**ASSETS**
- Net Loans and Discounts $38,472,604 $30,488,637
- Available-for-sale investment securities $15,824,424 $20,986,374
- Stock in Federal Reserve Bank $13,200 $13,200
- Cash & Due From Banks $3,378,801 $5,082,577
- Banking House & Furniture & Fixtures $2,880,163 $3,201,227
- Interest receivable $205,201 $212,557
- Other Real Estate Owned - -
- Other Assets - -
- **Total Assets** $61,225,348 $60,549,638

**LIABILITIES**
- Demand Deposits $21,110,127 $19,768,920
- Savings & Time Deposits $32,273,936 $33,237,792
- Interest payable $9,550 $10,288
- Other Liabilities $215,200 $201,573
- **Total Liabilities** $53,698,813 $53,218,573

**CAPITAL FUNDS**
- Common Stock (80,000 shares) $80,000 $80,000
- Surplus $362,500 $362,500
- Treasury Stock (15,599 Shares and 15,599 shares) $(540,580) $(540,580)
- AFS Market Value Income (Loss) $(191,860) $(288,072)
- Undivided Profits $7,906,475 $7,717,217
- **Total Equity and Capital** $7,616,535 $7,331,065
- **Total Liabilities and Equity** $61,225,348 $60,549,638
CONSOLIDATED STATEMENT OF INCOME AND EXPENSES
Years Ended December 31

<table>
<thead>
<tr>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Thousands)</td>
<td>(Thousands)</td>
</tr>
</tbody>
</table>

**Operating Income:**
Interest and fees on loans  | 1,720 | 1,553 |
Interest on investments securities | 410 | 462 |
Net income of federal funds sold | 8 | 3 |
Total income | 2,138 | 2,020 |
Interest expense | 102 | 123 |
Net interest income | 2,035 | 1,897 |
Provision for loss on loans | 3 | 2 |
Net interest income after provision | 2,022 | 1,895 |

**Other Income:**
Service charges on deposit accounts | 37 | 32 |
ATM income | 156 | 134 |
Net gain on sale of securities | 68 | 52 |
Total other income | 261 | 231 |

**Total Incomes:**
$302 | 261 |

**Income before income tax:**
$121 | 99 |

**Net Income:**
$231 | 177 |

**Earnings per common share:**
$3.59 | $3.45 |

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**Consolidated Statement of Cash Flows**

<table>
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<tr>
<th>2017</th>
<th>2016</th>
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**Cash Flows from Operating Activities:**
Net income | 231,117 | 221,988 |
Adjustments to reconcile net income to net cash provided by operating activities:
Provision for loan losses | 41,725 |
Depreciation | 117,248 | 123,869 |
Loss on disposal of fixed assets | 3,021 |
Loss on sale of other real estate | 19,295 | (13,392) |
Deferred income tax expense (benefit) | 66,163 | (12,489) |
Investment securities amortization (accretion), net | 111,493 | 149,605 |
Cash surrender value of life insurance | (25,824) | (24,324) |
Change in current assets and liabilities:
Increase (decrease) in:
Interest receivable | 7,256 | 4,501 |
Other assets | 37,266 | 72,628 |
Decrease in:
Interest payable | (738) | (4,133) |
Other liabilities | 13,627 | 14,620 |
Net cash provided by operating activities | 621,759 | 532,959 |

**Cash Flows from Investing Activities:**
Purchase of securities available for sale | (3,051,656) | (5,792,097) |
Proceeds from maturities of securities held-to-maturity | 8,235,538 | 7,880,288 |
Proceeds from sale of securities available for sale | (8,045,703) | (973,793) |
Net increase (decrease) in loans receivable | (24,205) | (39,898) |
Proceeds from sale of premises and equipment | 225,000 | (19,488) |
Proceeds from the sale of other real estate and repossessed assets | 41,735 |
Net cash provided by (used in) financing activities | (2,661,076) | 1,094,911 |

**Cash Flows from Financing Activities:**
Purchase of treasury stock | 377,351 | (2,751,251) |
Net increase in deposits | (41,859) | (38,641) |
Cash dividends paid | 146,207 |
Net cash provided by (used in) financing activities | 335,492 | (2,795,992) |
Increase (decrease) in cash and cash equivalents | (1,703,775) | (1,168,122) |

**Cash and Cash Equivalents:**
Beginning | 5,082,576 | 6,230,698 |
Ending | 3,378,801 | 5,082,576 |

**Supplemental Information:**
Interest paid in cash | $105,831 | $127,517 |
Income taxes paid in cash | $6,537 | $-|

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**Peterstown Bancorp, Inc. & Subsidiary**