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.

This report form is to be filed by all top-tier bank holding companies, top-tier savings and loan holding companies, and U.S. intermediate holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

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, Valerie Hurst
Name of the Holding Company Director and Official

President/CEO
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.

Valerie Hurst
Signature of Holding Company Director and Official

03/29/2019
Date of Signature

Date of Report (top-tier holding company's fiscal year-end):
December 31, 2018
Month / Day / Year

N/A
Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address

Freedom Bancshares, Inc.
Legal Title of Holding Company

20 N Crim Avenue
(Mailing Address of the Holding Company) Street / P.O. Box

Belington	WV	26250
City	State	Zip Code

same
Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Terri Kittle	SVP/CFO
Name	Title

304-823-1531
Area Code / Phone Number / Extension

304-823-2982
Area Code / FAX Number

tkittle@freedombankwv.com
E-mail Address

www.freedombankwv.com
Address (URL) for the Holding Company's web page

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 _____
C.I. _____

Is confidential treatment requested for any portion of this report submission? ..... 0=No 1=Yes: 0

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."

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.

Legal Title of Subsidiary Holding Company

(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box

City State Zip Code

Physical Location (if different from mailing address)

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ANNUAL REPORT OF BANK HOLDING COMPANIES – FR Y-6
FREEDOM BANCSHARES, INC.
DECEMBER 31, 2018

RESPONSES TO REPORT ITEMS CALLED FOR IN FORM FR Y-6 ARE AS FOLLOWS:

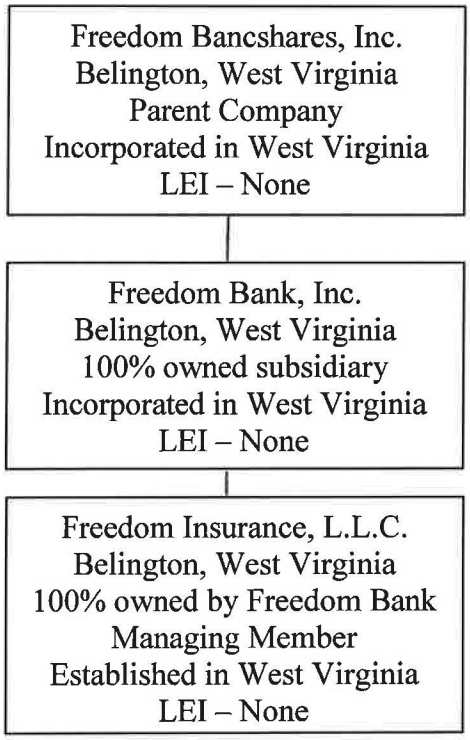
REPORT ITEM 1a: FORM 10-K FILED WITH THE SECURITIES AND EXCHANGE COMMISSION

Freedom Bancshares, Inc. is not currently subject to filing with the Securities and Exchange Commission. No Form 10-K is due for 2018.

REPORT ITEM 1b: ANNUAL REPORTS TO SHAREHOLDERS

The Annual Report to Shareholders as of and for the year ended December 31, 2018 is included as Attachment A.

REPORT ITEM 2: ORGANIZATIONAL CHART



ANNUAL REPORT OF BANK HOLDING COMPANIES – FR Y-6
FREEDOM BANCSHARES, INC.
DECEMBER 31, 2018

REPORT ITEM 2 CONT.

ORGANIZATION CHART, SUPPLEMENTAL QUESTIONS

(a) None
(b) None
(c) None
(d) None

REPORT ITEM 2B: BRANCHES

See Attachment B for listing.

REPORT ITEM 3: SHAREHOLDERS

A listing of shareholders that directly or indirectly own, control, or hold with power to vote five percent or more of common stock of Freedom Bancshares, Inc. is included as Attachment C.

All principal shareholders listed are United States citizens.

There were no other shareholders during the year who owned or controlled five percent or more of the common stock of Freedom Bancshares, Inc.

There were no options, warrants, or other securities which may be converted or exercised for common stock.

REPORT ITEM 4: DIRECTORS AND OFFICERS

Attachment D is a schedule of directors and officers of Freedom Bancshares, Inc. and subsidiary as of December 31, 2018.

Percentage of securities owned or held with power to vote in direct or indirect subsidiaries of the BHC: NONE.

Freedom Bank is wholly owned by Freedom Bancshares, Inc.
Freedom Insurance, LLC is wholly owned by Freedom Bank, Inc.

ATTACHMENT A

FREEDOM BANCSHARES, INC.
AND SUBSIDIARY

CONSOLIDATED FINANCIAL REPORT

December 31, 2018

CONTENTS

BROWNEDWARDS
certified public accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
and Stockholders
Freedom Bancshares, Inc.
Belington, West Virginia

We have audited the accompanying consolidated financial statements of Freedom Bancshares, Inc. and Subsidiary (the "Company"), which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, and the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Freedom Bancshares, Inc. and Subsidiary as of December 31, 2018 and 2017, and the results of their operations and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

March 26, 2019

FREEDOM BANCSHARES, INC.
AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2018 and 2017

	2018	2017
ASSETS		
Cash and amounts due from banks	$ 2,726,254	$ 4,254,369
Interest bearing deposits in other banks	6,389,209	6,568,331
Federal funds sold	372,038	-
Total cash and cash equivalents	9,487,501	10,822,700
Certificates of deposit in other financial institutions	100,000	590,000
Investment securities (Note 3)		
Securities held-to-maturity	745,206	923,320
Securities available-for-sale at approximate market value	10,950,298	10,054,749
Total investment securities	11,695,504	10,978,069
Loans (Note 4)	132,005,322	129,411,007
Less allowance for loan losses (Note 4)	1,588,848	1,739,823
Net loans	130,416,474	127,671,184
Bank premises, furniture, and equipment	2,842,018	2,851,873
Deferred income taxes	896,813	897,354
Bank owned life insurance	3,298,124	3,229,372
Other real estate owned and repossessions	1,793,150	2,544,595
Restricted equity securities	276,700	195,900
Accrued interest receivable and other assets	749,218	758,419
Total other assets	9,856,023	10,477,513
Total assets	$ 161,555,502	$ 160,539,466
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits		
Interest bearing	$ 94,773,595	$ 93,865,185
Non-interest bearing	42,440,731	45,134,979
Total deposits	137,214,326	139,000,164
Borrowings	6,392,639	4,712,014
Accrued interest payable and other liabilities	2,116,924	2,152,441
Total other liabilities	8,509,563	6,864,455
Total liabilities	145,723,889	145,864,619
STOCKHOLDERS' EQUITY		
Common stock, $1 par value, 1,000,000 shares authorized, 181,370 shares issued and 178,381 shares outstanding for 2018; 178,586 for 2017	181,370	181,370
Surplus	3,502,636	3,502,636
Retained earnings	12,614,839	11,330,524
Treasury stock, at cost (2,989 shares for 2018 and 2,784 for 2017)	(162,370)	(156,220)
Accumulated other comprehensive loss	(304,862)	(183,463)
Total stockholders' equity	15,831,613	14,674,847
Total liabilities and stockholders' equity	$ 161,555,502	$ 160,539,466

The Notes to Consolidated Financial Statements are an integral part of these statements.

FREEDOM BANCSHARES, INC.
AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME
Years Ended December 31, 2018 and 2017

	2018	2017
INTEREST INCOME		
Interest and fees on loans	$ 5,870,597	$ 5,558,643
Investment securities:		
Taxable	132,053	175,405
Tax-exempt	135,084	134,673
Interest on deposits in other banks	47,857	29,416
	6,185,591	5,898,137
INTEREST EXPENSE		
Interest on deposits and borrowed funds	541,236	549,033
Net interest income	5,644,355	5,349,104
Provision for loan losses	240,000	120,000
Net interest income after provision for loan losses	5,404,355	5,229,104
OTHER INCOME		
Service charges on deposit accounts	496,639	479,848
Visa check card fees	544,022	479,697
Other service charges, commissions and fees	93,597	91,394
Earnings on bank-owned life insurance	68,752	69,006
Gains (losses) and writedowns on foreclosed assets	289,491	92,992
Other operating income	139,917	132,565
Total other income	1,632,418	1,345,502
OTHER EXPENSES		
Salaries and employee benefits	2,410,735	2,408,929
Premises and fixed assets	610,192	546,282
Data processing	534,936	499,190
Postage and courier	84,285	87,113
Debit card/ATM fees	312,800	304,422
FDIC and WV Assessment	97,700	119,025
Professional fees	126,834	115,779
Other-than-temporary impairment losses	140,697	76,700
Other operating expenses	1,015,833	789,585
Total other expenses	5,334,012	4,947,025
Income before income taxes	1,702,761	1,627,581
Income taxes (Note 8)	398,806	856,055
Net income	$ 1,303,955	$ 771,526
Basic and fully diluted net income per common share	$ 7.31	$ 4.32

The Notes to Consolidated Financial Statements are an integral part of these statements.

FREEDOM BANCSHARES, INC.
AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Years Ended December 31, 2018 and 2017

	2018	2017
NET INCOME	$ 1,303,955	$ 771,526
OTHER COMPREHENSIVE INCOME (LOSS)		
Changes in unrealized income (loss) on securities available-for-sale, net of tax of $44,901 and $(116,911) for 2018 and 2017, respectively	(121,399)	175,363
OTHER COMPREHENSIVE INCOME (LOSS)	(121,399)	175,363
COMPREHENSIVE INCOME	$ 1,182,556	$ 946,889

The Notes to Consolidated Financial Statements are an integral part of these statements.

FREEDOM BANCSHARES, INC.
AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
Years Ended December 31, 2018 and 2017

	Common Stock	Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (loss)	Total Stockholders' Equity
BALANCE, December 31, 2016	$ 181,370	$ 3,502,636	$ 10,544,186	$ (156,220)	$ (326,155)	$ 13,745,817
Net income	-	-	771,526	-	-	771,526
Dividends paid	-	-	(17,859)	-	-	(17,859)
Other comprehensive income	-	-	-	-	175,363	175,363
Tax cut and jobs act reclassification	-	-	32,671	-	(32,671)	-
BALANCE, December 31, 2017	181,370	3,502,636	11,330,524	(156,220)	(183,463)	14,674,847
Net income	-	-	1,303,955	-	-	1,303,955
Dividends paid	-	-	(19,640)	-	-	(19,640)
Purchase of common stock	-	-	-	(6,150)	-	(6,150)
Other comprehensive loss	-	-	-	-	(121,399)	(121,399)
BALANCE, December 31, 2018	$ 181,370	$ 3,502,636	$ 12,614,839	$ (162,370)	$ (304,862)	$ 15,831,613

The Notes to Consolidated Financial Statements are an integral part of these statements.

FREEDOM BANCSHARES, INC.
AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2018 and 2017

	2018	2017
OPERATING ACTIVITIES		
Net income	$ 1,303,955	$ 771,526
Adjustments to reconcile net income to net cash provided by operating activities		
Provision for loan losses	240,000	120,000
Depreciation, amortization and accretion	325,292	261,848
Deferred income tax expense	45,441	289,315
Gain on sale of foreclosures and repossessions	(504,491)	(140,993)
Valuation writedowns on foreclosures and repossessions	216,000	48,000
OTTI loss on HTM securities	140,697	76,700
Decrease in interest receivable and other assets	(58,050)	155,094
Increase (decrease) in interest payable and other liabilities	(35,517)	295,727
Net cash provided by operating activities	1,673,327	1,877,217
INVESTING ACTIVITIES		
Securities held-to-maturity:		
Proceeds from maturities and calls	37,417	-
Securities available-for-sale:		
Proceeds from sales, maturities, calls, and paydowns	948,636	728,650
Payments for purchases	(2,193,591)	-
Purchase of CDs with other financial institutions	-	(1,715,000)
Maturities of CDs from other financial institutions	490,000	3,180,000
Purchases of premises and equipment	(134,331)	(57,108)
Redemption (purchase) of FHLB stock	(80,800)	231,200
Net increase in loans	(2,442,576)	(3,227,363)
Proceeds from sale of foreclosures and repossessions	497,722	1,092,503
Net cash provided by (used in) investing activities	(2,877,523)	232,882
FINANCING ACTIVITIES		
Net increase (decrease) in deposits	(1,785,838)	9,160,064
Cash dividends	(19,640)	(17,859)
Proceeds from (payments on) borrowings	1,680,625	(6,317,986)
Purchase of common stock	(6,150)	-
Net cash provided by (used in) financing activities	(131,003)	2,824,219
Increase (decrease) in cash and cash equivalents	(1,335,199)	4,934,318
CASH, Beginning	10,822,700	5,888,382
CASH, Ending	$ 9,487,501	$ 10,822,700

(Continued)

The Notes to Consolidated Financial Statements are an integral part of these statements.

FREEDOM BANCSHARES, INC.
AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2018 and 2017

	2018	2017
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest paid in cash	$ 544,153	$ 557,380
Income taxes paid in cash	$ 500,000	$ 377,131
SUPPLEMENTAL DISCLOSURES OF NON-CASH FLOW INFORMATION		
Loans transferred to foreclosures and repossessions	$ 210,000	$ 1,305,147
Bank financed sales of foreclosures and repossessions	$ 752,714	$ 89,151

The Notes to Consolidated Financial Statements are an integral part of these statements.

Note 1. Summary of Significant Accounting Policies

Operations and principles of consolidation

Freedom Bancshares, Inc. through its wholly-owned subsidiary, Freedom Bank (the "Bank" or collectively, the "Company"), provides banking services to domestic markets in north central West Virginia. To a large extent, the operations of the Company, such as loan portfolio management and deposit growth, are directly affected by the local economy. The consolidated financial statements include the accounts of the respective parent company and its subsidiary. All significant inter-company balances and transactions have been eliminated.

Management estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates include the allowance for loan losses, valuation of other real estate owned, and repossessions, and are based upon known facts and circumstances. Estimates are revised by management in the period such facts and circumstances change.

Investment securities

Debt securities that management has the ability and intent to hold to maturity are classified as held-to-maturity and carried at cost, adjusted for amortization of premium and accretion of discounts computed by the interest method from purchase date to maturity. The Company also holds restricted equity securities that are carried at cost. Other marketable securities are classified as available-for-sale, and are carried at fair value. Unrealized gains and losses on securities available-for-sale, net of the deferred income tax effect, are recognized as direct increases or decreases in stockholder's equity. Cost of securities sold is recognized using the specific identification method.

Loans

Loans receivable that management has the intent and ability to hold for the foreseeable future, or until maturity or payoff, are stated at their outstanding unpaid principal balance, net of the allowance for loan losses and any deferred fees or costs. Interest income is accrued on the unpaid principal balance. Loan origination and commitment fees and direct loan origination costs are primarily recognized as collected and incurred. Management has concluded that the use of this method of recognition does not produce results that are materially different from results which would have been produced if such costs and fees were deferred and amortized as an adjustment of the loan yield.

Note 1. Summary of Significant Accounting Policies (Continued)

Loans (Continued)

The accrual of interest is generally discontinued when the contractual payment of principal or interest has become 90 days past due or management has serious doubts about further collectability of principal or interest, even though the loan may be currently performing. A loan may remain on accrual status if it is in the process of collection and is either guaranteed or well-secured. When a loan is placed on nonaccrual status, unpaid interest credited to income in the current year is reversed. Interest received on nonaccrual loans generally is either applied against principal or reported as interest income, according to management's judgment as to the collectability of principal. Interest accrual resumes when the loan is no longer past due and the borrower, in management's opinion, is able to meet future payments as they become due. A loan is considered past due if the required principal and interest payment has not been received as of the contractual due date.

Premiums on loans purchased are recorded at cost and adjusted for amortization of premium over the average life of the loans purchased using the straight-line method.

Allowance for loan losses

The allowance for loan losses is maintained at a level believed to be adequate by management to absorb probable losses inherent in the portfolio and is based on the size and current risk characteristics of the loan portfolio, an assessment of individual problem loans and actual loss experience, current economic events in specific industries and the local economy, and other pertinent factors such as regulatory guidance and general economic conditions. The allowance is established through a provision for loan losses charged to earnings. Loans identified as losses and deemed uncollectible by management are charged to the allowance. Subsequent recoveries, if any, are credited to the allowance. The allowance for loan losses is evaluated on a regular basis by management.

The allowance consists of specific and general components. The specific component relates to loans that are classified as impaired, for which an allowance is established when the fair value of the loan is lower than its carrying value. The general component covers non-impaired loans and is based on historical loss experience adjusted for qualitative factors. Historical losses are categorized into risk-similar loan pools and a loss ratio factor is applied to each group's loan balances to determine the allocation.

Qualitative and environmental factors include external risk factors that management believes affect the overall lending environment of the Company. Environmental factors that management of the Company routinely analyze include levels and trends in delinquencies and impaired loans, levels and trends in charge-offs and recoveries, trends in volume and terms of loans, effects of changes in risk selection and underwriting practices, experience, ability, and depth of lending management and staff, national and local economic trends and conditions such as unemployment rates, housing statistics, banking industry conditions, and the effect of changes in credit concentrations. Determination of the allowance is inherently subjective, as it requires significant estimates, including the amounts and timing of expected future cash flows on impaired loans, estimated losses on pools of homogeneous loans based on historical loss experience, and consideration of current economic trends, all of which may be susceptible to significant change.

(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Loan charge-off policies

Unsecured consumer loans generally are charged off when the loan becomes 90 days past due or is deemed uncollectible. Overdrafts generally are charged off at the earlier of determination that recovery is not expected or the overdraft becomes 60 days old. Consumer loans secured by collateral other than the borrower's primary or secondary residence are generally charged down to net recoverable value within 30 days of being added to the classified loan list.

Real estate loans other than first mortgages are reviewed closely for charge-off at 180 days past due if the "well-secured and in process of collection" test cannot be met. Commercial loans are charged off as soon as all or a portion of the loan balance is deemed to be uncollectible. Loans are charged off in any circumstance where all efforts to achieve collection have been exhausted and the loan appears non-collectable. A loan that is unsecured and the applicant has obtained relief under the protection of the federal bankruptcy court will be charged off.

Company premises, furniture, and equipment

Company premises, furniture, and equipment are carried at cost less accumulated depreciation. The provision for depreciation is computed for financial reporting purposes by the straight-line method, based on the estimated useful lives of the assets, ranging from 1 – 40 years.

Foreclosed and repossessed assets held for resale

Foreclosed and repossessed assets held for resale acquired in satisfaction of loan obligations and in foreclosure and repossession proceedings are recorded at the fair market value of the asset. Properties carried in foreclosed and repossessed assets held for resale are assessed quarterly for decline in market value and future cash flows, and provisions for impairment losses are charged to income as required.

Income taxes

Deferred income taxes are reported for timing differences between items of income or expense reported in the consolidated financial statements and those reported for income tax purposes. The differences relate principally to the provision for loan losses, deferred compensation, and differences between book and tax methods of depreciation. The federal income tax returns of the Company are subject to examination by the Internal Revenue Service (IRS), generally for three years after they are filed.

Note 1. Summary of Significant Accounting Policies (Continued)

Basic and fully diluted net income per common share

Basic and fully diluted net income per common share amounts are computed based on the weighted average number of common shares outstanding during the year. The Company had no dilutive common stock equivalents as of December 31, 2018 and 2017; therefore, basic and diluted earnings per share are the same for both years.

Cash flows

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, amounts due from banks, federal funds sold, and short-term deposits in other banks.

Comprehensive income

Accounting principles require that recognized revenue, expenses, and gains and losses be included in net income. Although certain changes in assets and liabilities, such as unrealized gains and losses on available-for-sale securities, are reported as a separate component of the equity section of the consolidated statements of financial position. Such items, along with net income, are components of comprehensive income.

Reclassification

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Subsequent events

Subsequent events were considered through March 26 2019, the date the consolidated financial statements were available to be issued.

Note 2. Restrictions on Cash and Due from Banks

At December 31, 2018 and during the year, the Company had interest bearing and non-interest deposits due from other banks and federal funds sold to other banks in excess of the limits of depository insurance. The Company does not expect any losses from those depository relationships. The Company is required to maintain average reserve balances with the Federal Reserve Bank. The required reserve balance was approximately $1,267,000 and $1,287,000 as of December 31, 2018 and 2017, respectively.

Note 3. Investment Securities

Amortized cost and approximate market value of investment securities held-to-maturity, including gross unrealized gains and losses, are summarized as follows:

	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Market Value
December 31, 2018				
Subordinated debt security	$ 745,206	$ -	$ -	$ 745,206
	$ 745,206	$ -	$ -	$ 745,206

	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Market Value
December 31, 2017				
Subordinated debt security	$ 923,300	$ -	$ -	$ 923,300
Mortgage-backed securities	20	-	-	20
	$ 923,320	$ -	$ -	$ 923,320

Amortized cost and approximate market values of investment securities available-for-sale are summarized as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
December 31, 2018				
Government-sponsored enterprises	$ 4,417,657	$ 14	$ (110,785)	$ 4,306,886
State and municipal securities	6,929,931	37	(306,944)	6,623,024
Mortgage-backed securities	12,089	73	(14)	12,148
	11,359,677	124	(417,743)	10,942,058
Equity securities	8,240	-	-	8,240
	$ 11,367,917	$ 124	$ (417,743)	$ 10,950,298

Note 3. Investment Securities (Continued)

	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Market Value
December 31, 2017				
Government-sponsored enterprises	$ 4,464,308	$ -	$ (53,292)	$ 4,411,016
State and municipal securities	5,814,143	-	(198,524)	5,615,619
Mortgage-backed securities	19,376	510	(12)	19,874
	10,297,827	510	(251,828)	10,046,509
Equity securities	8,240	-	-	8,240
	$ 10,306,067	$ 510	$ (251,828)	$ 10,054,749

Maturities of investment securities held-to-maturity and available-for-sale at December 31, 2018 are as follows:

	Held-to-Maturity	
	Amortized Cost	Approximate Value
Due in one year or less	$ 745,206	$ 745,206
Due after one year through five years	-	-
Due after five years through ten years	-	-
Due after ten years	-	-
	$ 745,206	$ 745,206

	Available-for-Sale	
	Amortized Cost	Approximate Value
Due in one year or less	$ 36,044	$ 36,046
Due after one year through five years	1,274	1,303
Due after five years through ten years	2,295,427	2,225,958
Due after ten years	9,026,932	8,678,751
	$ 11,359,677	$ 10,942,058

(Continued)

Note 3. Investment Securities (Continued)

The Company had Federal Home Loan Bank stock of $276,700 and $195,900 at December 31, 2018 and 2017, respectively. These amounts are included in the balance sheet caption "Restricted Equity Securities."

Investment securities with a carrying amount of $4,156,084 and $4,635,185 at December 31, 2018 and 2017, respectively, were pledged to secure public deposits and for other purposes required or permitted by law.

The unrealized loss and approximate fair value of securities that were in a loss position at December 31, 2018 and 2017 are shown below:

	Loss Position Less Than 12 Months		Loss Position 12 Months or Longer		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
2018						
Government sponsored enterprises	$ -	$ -	$ 3,246,782	$ (110,785)	$ 3,246,782	$ (110,785)
State and municipals	488,045	(4)	5,453,621	(306,940)	5,941,666	(306,944)
Mortgage-backed securities	-	-	8,890	(14)	8,890	(14)
	$ 488,045	$ (4)	$ 8,709,293	$ (417,739)	$ 9,197,338	$ (417,743)

	Loss Position Less Than 12 Months		Loss Position 12 Months or Longer		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
2017						
Government sponsored enterprises	$ 827,752	$ (3,117)	$ 3,472,664	$ (50,175)	$ 4,300,416	$ (53,292)
State and municipals	-	-	5,617,640	(198,524)	5,617,640	(198,524)
Mortgage-backed securities	10,378	(12)	-	-	10,378	(12)
	$ 838,130	$ (3,129)	$ 9,090,304	$ (248,699)	$ 9,928,434	$ (251,828)

At December 31, 2018 and 2017, the available-for-sale portfolio included 24 and 23, respectively, individual investments for which the fair market value was less than the amortized cost. Management does not believe any individual unrealized loss as of December 31, 2018 represents an other-than-temporary impairment. These unrealized losses are primarily attributable to changes in interest rates resulting from market fluctuations. The Company has the ability to hold these securities for the time necessary, including to maturity, to recover the amortized cost.

Note 3. Investment Securities (Continued)

In 2018 and 2017, the Company recognized other-than-temporary losses of $140,697 and $76,700, respectively, on held-to-maturity securities. There were no gains or losses recorded in 2018 and 2017 on the sale of securities.

Note 4. Loans Receivable and Allowance for Loan Losses

The following table summarizes the primary segments of the loan portfolio as of December 31, 2018 and 2017:

	2018	2017
Residential loans	$ 74,600,245	$ 75,609,276
Commercial real estate loans	24,871,781	25,926,708
Multi-family	226,110	239,191
Consumer loans	14,757,519	11,358,276
Commercial business loans	13,862,194	11,563,068
Other	3,687,473	4,714,488
	$ 132,005,322	$ 129,411,007

The segments of the Company's loan portfolio are disaggregated to a level that allows management to monitor risk and performance. In reviewing risk, management has determined there to be several different risk categories within the loan portfolio. The allowance for loan losses consists of amounts applicable to: (i) the commercial business loan portfolio; (ii) the commercial real estate loan portfolio; (iii) the multi-family loan portfolio; (iv) the consumer loan portfolio; and, (v) the residential loan portfolio. The commercial business segment consists of loans made for the purpose of financing the activities of commercial customers. The commercial real estate segment primarily consists of loans made to commercial customers secured by real estate. Consumer loans consist of loans secured by motor vehicles, savings accounts and personal lines of credit, overdraft protection, and other types of secured and unsecured personal loans. The residential loan segment is made up of fixed rate and adjustable rate single-family amortizing term loans, which are primarily first liens.

Management establishes the allowance for loan losses based upon its evaluation of the pertinent factors underlying the types and quality of loans in the portfolio. Commercial loans and commercial real estate loans are reviewed on a regular basis with a focus on larger loans along with loans which have experienced past payment or financial deficiencies. Certain loans including commercial and other loans which are experiencing payment or financial difficulties, loans in industries for which economic trends are negative, and loans which are of heightened concern to management are included on the Company's "watch list." Significant watch list loans, larger commercial loans, and commercial real estate loans which are 90 days or more past due are selected for impairment testing. These loans are analyzed to determine if they are "impaired," which means that it is probable that not all amounts will be collected according to the contractual terms of the loan agreement.

Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed.

(Continued)

Note 4. Loans Receivable and Allowance for Loan Losses (Continued)

Once the determination has been made that a loan is impaired, the determination of whether a specific allocation of the allowance is necessary is measured by comparing the recorded investment in the loan to the fair value of the loan using one of three methods: (1) the present value of expected future cash flows discounted at the loan's effective interest rate; (2) the loan's observable market price; or (3) the fair value of the collateral less selling costs. The method is selected on a loan-by-loan basis, with management using the fair value of collateral method for loans that are collateral dependent or the present value of future cash flows method as appropriate. The evaluation of the need and amount of a specific allocation of the allowance and whether a loan can be removed from impaired status is made on a quarterly basis. The Company's policy for recognizing interest income on impaired loans does not differ from its overall policy for interest recognition.

The following tables present impaired loans by class, segregated by those for which a specific allowance was required and those for which a specific allowance was not necessary as of December 31, 2018 and 2017:

	Impaired Loans with Specific Allowance		Impaired Loans with No Specific Allowance	Total Impaired Loans		
	Recorded Investment	Related Allowance	Recorded Investment	Recorded Investment	Unpaid Principal Balance	Related Allowance
December 31, 2018						
Residential loans	$ 128,135	$ 34,000	$ 410,685	$ 538,820	$ 538,820	$ 34,000
Commercial real estate loans	419,013	109,000	2,315,743	2,734,756	2,734,756	109,000
Commercial business loans	1,566,156	223,000	-	1,566,156	1,566,156	223,000
Consumer loans	-	-	59,521	59,521	59,521	-
Other	-	-	30,307	30,307	30,307	-
Total impaired loans	$ 2,113,304	$ 366,000	$ 2,816,256	$ 4,929,560	$ 4,929,560	$ 366,000

	Impaired Loans with Specific Allowance		Impaired Loans with No Specific Allowance	Total Impaired Loans		
	Recorded Investment	Related Allowance	Recorded Investment	Recorded Investment	Unpaid Principal Balance	Related Allowance
December 31, 2017						
Residential loans	$ 173,572	$ 33,000	$ 314,739	$ 488,311	$ 488,311	$ 33,000
Commercial real estate loans	464,306	102,000	3,649,204	4,113,510	4,432,481	102,000
Commercial business loans	1,735,555	269,000	-	1,735,555	1,759,575	269,000
Consumer loans	-	-	66,792	66,792	66,792	-
Other	-	-	43,448	43,448	43,448	-
Total impaired loans	$ 2,373,433	$ 404,000	$ 4,074,183	$ 6,447,616	$ 6,790,607	$ 404,000

(Continued)

Note 4. Loans Receivable and Allowance for Loan Losses (Continued)

At times, there may be certain impaired loans whose payments are being applied to reduce the principal balance of the loan because the recovery of principal is not determinable. The unpaid principal balance reflects the balance as if the payments were applied in accordance with the terms of the original contractual agreement, whereas the recorded investment reflects the outstanding principal balance for financial reporting purposes. In addition, the recorded investment in a loan may be reduced by partial charge offs that would not be reflected in the unpaid principal balance.

The following tables present the average recorded investment in impaired loans and related interest income recognized for the years ended December 31, 2018 and 2017 according to the loan policy:

	Average Investment in Impaired Loans	Interest Income Recognized on a Cash Basis
December 31, 2018		
Residential loans	$ 513,566	$ 13,328
Commercial real estate loans	3,424,133	18,496
Commercial business loans	1,650,856	86,793
Other	100,034	-
	$ 5,688,589	$ 118,617

	Average Investment in Impaired Loans	Interest Income Recognized on a Cash Basis
December 31, 2017		
Residential loans	$ 423,258	$ 17,095
Commercial real estate loans	4,053,204	99,767
Commercial business loans	2,440,163	96,557
Other	28,515	-
	$ 6,945,140	$ 213,419

Note 4. Loans Receivable and Allowance for Loan Losses (Continued)

Management uses a nine point internal risk rating system to monitor the credit quality of the overall loan portfolio. The first five categories are considered not criticized, and are aggregated as "Pass" rated. The criticized rating categories utilized by management generally follow bank regulatory definitions. The Special Mention category includes assets that are currently protected but are potentially weak, resulting in an undue and unwarranted credit risk, but not to the point of justifying a Substandard classification. Loans in the Substandard category have well-defined weaknesses that jeopardize the orderly liquidation of the debt, and have a distinct possibility that some loss may be sustained if the weaknesses are not corrected. All loans greater than 90 days past due are considered Substandard. Loans in the Doubtful category have all the weaknesses found in Substandard loans, with the added provision that the weaknesses make collection of debt in full highly questionable and improbable. Any portion of a loan that has been charged off is placed in the Loss category.

To help ensure that risk ratings are accurate and reflect the present and future capacity of borrowers to repay a loan as agreed, the Company's loan rating process is subject to both internal and external oversight. The Company's Chief Executive Officer and Senior Lending Officer review risk grades when approving a loan and approve all risk rating changes, except those made within the pass risk ratings. The Company utilizes an internal loan review specialist and engages an external consultant to conduct loan reviews on an ongoing basis. Generally, the external consultant reviews commercial relationships that equal or exceed $500,000. The consultant also samples residential, commercial, and consumer installment loans originated during the previous 12 months.

The following tables present the classes of the loan portfolio summarized by the aggregate Pass and the criticized categories of Special Mention and Substandard within the internal risk rating system as of December 31, 2018 and 2017:

	Pass	Special Mention	Substandard	Total
December 31, 2018				
Commercial business	$ 12,108,871	$ 560,795	$ 1,192,528	$ 13,862,194
Commercial real estate	21,128,341	1,128,405	2,615,035	24,871,781
Multi-family	226,110	-	-	226,110
Other	3,220,162	437,004	30,307	3,687,473
	$ 36,683,484	$ 2,126,204	$ 3,837,870	$ 42,647,558

	Pass	Special Mention	Substandard	Total
December 31, 2017				
Commercial business	$ 9,414,125	$ 602,383	$ 1,546,560	$ 11,563,068
Commercial real estate	20,257,436	1,679,693	3,989,579	25,926,708
Multi-family	239,191	-	-	239,191
Other	4,132,947	538,093	43,448	4,714,488
	$ 34,043,699	$ 2,820,169	$ 5,579,587	$ 42,443,455

(Continued)

Note 4. Loans Receivable and Allowance for Loan Losses (Continued)

No loans were classified as doubtful or a loss as of December 31, 2018 and 2017.

The following tables present the classes of the loan portfolio for which loan performance was the primary credit quality indicator as of December 31, 2018 and 2017:

	Residential Loans	Consumer Loans	Total
December 31, 2018			
Performing loans	$ 72,158,012	$ 14,562,710	$ 86,720,722
Non-performing loans	2,442,233	194,809	2,637,042
	$ 74,600,245	$ 14,757,519	$ 89,357,764

	Residential Loans	Consumer Loans	Total
December 31, 2017			
Performing loans	$ 74,823,764	$ 11,195,914	$ 86,019,678
Non-performing loans	785,512	162,362	947,874
	$ 75,609,276	$ 11,358,276	$ 86,967,552

Management further monitors the performance and credit quality of the loan portfolio by analyzing the age of the portfolio as determined by the length of time a recorded payment is past due. The following tables present the classes of the loan portfolio summarized by the past due as of December 31, 2018 and 2017:

	Current	30 – 89 Days Past Due	90+ Days Past Due	Total Past Due	Total Loans
December 31, 2018					
Residential loans	$ 72,158,012	$ 1,875,975	$ 566,258	$ 2,442,233	$ 74,600,245
Commercial real estate loans	22,277,522	322,928	2,271,331	2,594,259	24,871,781
Multi-family	226,110	-	-	-	226,110
Consumer loans	14,562,710	155,620	39,189	194,809	14,757,519
Commercial business loans	12,737,030	995,053	130,111	1,125,164	13,862,194
Other	3,477,166	-	210,307	210,307	3,687,473
	$ 125,438,550	$ 3,349,576	$ 3,217,196	$ 6,566,772	$ 132,005,322

Note 4. Loans Receivable and Allowance for Loan Losses (Continued)

	Current	30 – 89 Days Past Due	90+ Days Past Due	Total Past Due	Total Loans
December 31, 2017					
Residential loans	$ 74,823,764	$ 625,862	$ 159,650	$ 785,512	$ 75,609,276
Commercial real estate loans	23,189,469	28,727	2,708,512	2,737,239	25,926,708
Multi-family	239,191	-	-	-	239,191
Consumer loans	11,195,914	122,317	40,045	162,362	11,358,276
Commercial business loans	10,684,002	704,579	174,487	879,066	11,563,068
Other	4,685,072	-	29,416	29,416	4,714,488
	$ 124,817,412	$ 1,481,485	$ 3,112,110	$ 4,593,595	$ 129,411,007

Management also monitors the accrual status of all loans. The following tables present the classes of loans that are classified as 90 days past due and accruing as well as non-accrual loans as of December 31, 2018 and 2017:

	90 Days + Past Due and Accruing	Non-Accrual
December 31, 2018		
Residential loans	$ 245,516	$ 450,045
Commercial real estate loans	-	2,615,034
Consumer loans	-	39,189
Commercial business loans	9,849	140,593
Other	180,000	30,307
	$ 435,365	$ 3,275,168

	90 Days + Past Due and Accruing	Non-Accrual
December 31, 2017		
Residential loans	$ -	$ 399,093
Commercial real estate loans	-	3,462,599
Consumer loans	-	40,045
Commercial business loans	-	201,233
Other	-	43,446
	$ -	$ 4,146,416

Note 4. Loans Receivable and Allowance for Loan Losses (Continued)

An allowance for loan and lease losses (ALLL) is maintained to absorb losses from the loan portfolio. The ALLL is based on management's continuing evaluation of the risk characteristics and credit quality of the loan portfolio, assessment of current economic conditions, diversification and size of the portfolio, adequacy of collateral, past and anticipated loss experience, and the amount of non-performing loans.

The classes described above provide the starting point for the ALLL analysis. Management tracks the historical net charge-off activity by loan class. A historical charge-off factor is calculated and applied to each class. Loans that are collectively evaluated for impairment are analyzed with general allowances being made as appropriate. For general allowances, historical loss trends are used in the estimation of losses in the current portfolio. Other qualitative factors are also considered.

Management has identified a number of qualitative factors that it uses to supplement the historical charge-off factor because these factors are likely to cause estimated credit losses associated with the existing loan pools to differ from historical loss experience. The qualitative factors are evaluated quarterly and updated using information obtained from internal, regulatory, and governmental sources.

The Company's qualitative factors consist of: national and local economic trends and conditions; levels of and trends in delinquency rates and non-accrual loans; levels of and trends in the borrower's financial condition and performance; trends in volume and terms of loans; effects of changes in lending policies and strategies; and concentrations of credit from a loan type, industry, and/or geographic standpoint.

Management reviews the loan portfolio on a quarterly basis using a defined, consistently applied process in order to make appropriate and timely adjustments to the ALLL. When information confirms all or part of specific loans to be uncollectible, these amounts are promptly charged off against the ALLL.

Note 4. Loans Receivable and Allowance for Loan Losses (Continued)

The following tables summarize the primary segments of the ALLL, segregated into the amount required for loans individually evaluated for impairment and the amount required for loans collectively evaluated for impairment as of December 31, 2018 and 2017. Activity in the allowance is presented for the 12 months ended December 31, 2018 and 2017:

	Residential Loans	Commercial Real Estate Loans	Consumer Loans	Commercial Business Loans	Other	Unallocated	Total
ALLL balance at December 31, 2017	$ 295,000	$ 781,000	$ 57,000	$ 386,000	$ 13,000	$ 207,823	$ 1,739,823
Charge-offs	(22,000)	(114,799)	(57,000)	(224,000)	-	-	(417,799)
Recoveries	-	9,824	17,000	-	-	-	26,824
Provision	8,000	(94,025)	69,000	338,001	(2,000)	(78,976)	240,000
ALLL balance at December 31, 2018	$ 281,000	$ 582,000	$ 86,000	$ 500,001	$ 11,000	$ 128,847	$ 1,588,848
Ending ALLL for loans							
Individually evaluated for impairment	$ 34,000	$ 109,000	$ -	$ 223,000	$ -	$ -	$ 366,000
Collectively evaluated for impairment	$ 247,000	$ 473,000	$ 86,000	$ 277,001	$ 11,000	$ 128,847	$ 1,222,848
Individually evaluated for impairment	$ 538,820	$ 2,734,756	$ 59,521	$ 1,566,156	$ 30,307	$ -	$ 4,929,560
Collectively evaluated for impairment	$ 74,061,425	$ 22,363,135	$ 14,697,998	$ 12,296,038	$ 3,657,166	$ -	$ 127,075,762

	Residential Loans	Commercial Real Estate Loans	Consumer Loans	Commercial Business Loans	Other	Unallocated	Total
ALLL balance at December 31, 2016	$ 322,000	$ 701,000	$ 45,000	$ 404,000	$ 18,000	$ 988,893	$ 2,478,893
Charge-offs	(36,000)	(836,718)	(39,000)	-	-	-	(911,718)
Recoveries	8,000	31,648	13,000	-	-	-	52,648
Provision	1,000	885,070	38,000	(18,000)	(5,000)	(781,070)	120,000
ALLL balance at December 31, 2017	$ 295,000	$ 781,000	$ 57,000	$ 386,000	$ 13,000	$ 207,823	$ 1,739,823
Ending ALLL for loans							
Individually evaluated for impairment	$ 33,000	$ 102,000	$ -	$ 269,000	$ -	$ -	$ 404,000
Collectively evaluated for impairment	$ 262,000	$ 679,000	$ 57,000	$ 117,000	$ 13,000	$ 207,823	$ 1,335,823
Individually evaluated for impairment	$ 488,311	$ 4,113,510	$ 66,792	$ 1,735,555	$ 43,448	$ -	$ 6,447,616
Collectively evaluated for impairment	$ 75,120,965	$ 22,052,389	$ 11,291,484	$ 9,827,513	$ 4,671,040	$ -	$ 122,936,391

Note 4. Loans Receivable and Allowance for Loan Losses (Continued)

The allowance for loan losses is based on estimates, and actual losses will vary from current estimates. Management believes that the granularity of the homogeneous pools and the related historical loss ratios and other qualitative factors, as well as the consistency in the application of assumptions, result in an ALLL that is representative of the risk found in the components of the portfolio at any given date.

In 2014, the Company purchased loans from third-party financial institutions. At the time of the purchases, the principal balances of the loans totaled $18,871,685 and the Company paid a premium of $188,717. In 2015, the Company purchased additional loans from a third-party financial institution in the amount of $4,308,080 and the Company paid a premium of $43,080. In 2016, the Company purchased additional loans from a third-party financial institution in the amount of $2,356,713 with a premium paid of $23,567. As of December 31, 2018, the balance of these purchased loans was $10,226,127, with an unamortized premium of $17,300.

The Company conducts its business through five offices located in north central West Virginia. At December 31, 2018 and 2017, the majority of the Company's loan portfolio was secured by properties located in this region. The Company does not believe it has significant concentrations of credit risk to any one group of borrowers given its underwriting and collateral requirements.

The Company's loan portfolio also includes certain loans that have been modified in a troubled debt restructuring (TDR), where economic concessions have been granted to borrowers who have experienced financial difficulties. These concessions typically result from the Company's loss mitigation activities and could include reductions in the interest rate, payment extensions, forgiveness of principal, forbearance, or other actions.

When the Company modifies a loan, and subsequently if the loan goes into default, management evaluates any possible impairment based on the present value of expected future cash flows, discounted at the contractual interest rate of the original loan agreement, except when the sole remaining source of repayment for the loan is the operation or liquidation of the collateral. In these cases, management uses the current fair value of the collateral, less selling costs, instead of discounted cash flows. If management determines that the value of the modified loan is less than the recorded investment in the loan, impairment is recognized by segment or class of loan, as applicable, through a charge to the allowance. Segment and class status is determined by the loan's classification at origination.

Note 4. Loans Receivable and Allowance for Loan Losses (Continued)

There were no loan modifications that were considered TDRs completed during the year ended December 31, 2018. Loan modifications that were considered TDRs completed during the year ended December 31, 2017, are as follows:

December 31, 2017	Number of Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
Commercial real estate loans	1	$ 340,375	$ 340,375
Commercial business loans	2	68,002	68,002
Consumer	1	5,050	5,050
		$ 413,427	$ 413,427

These modifications extended the loan term and reduced the interest rate to reduce the monthly payment for the borrowers. During 2018 and 2017, no loans modified in the previous 12 months as a TDR defaulted.

Residential real estate included in other real estate owned consisted of 2 properties totaling $153,150 at December 31, 2018 and 1 property totaling $53,150 at December 31, 2017.

At December 31, 2018, there were no loans secured by residential real estate property for which the foreclosure process had begun but had yet to be completed. At December 31, 2017, there was one loan secured by residential real estate property for which the foreclosure process had begun but had yet to be completed. This loan balance was $74,665.

Note 5. Company Premises, Furniture, and Equipment

Company premises, furniture, and equipment at December 31, 2018 and 2017 were as follows:

	2018	2017
Bank premises	$ 4,540,960	$ 4,525,385
Equipment, furniture, and fixtures	2,119,973	2,049,655
	6,660,933	6,575,040
Less allowance for depreciation	(3,818,915)	(3,723,167)
	$ 2,842,018	$ 2,851,873

Depreciation expense for 2018 and 2017 was $142,186 and $156,748, respectively.

Note 6. Deposits

Deposits at December 31, 2018 and 2017 were as follows:

	2018	2017
Demand deposits of individuals, partnerships, and corporations:		
Interest bearing	$ 13,738,732	$ 13,516,471
Non-interest bearing	41,174,100	43,984,274
Time and savings deposits of individuals, partnerships, and corporations:	73,909,918	76,534,829
Deposits of U.S. government	3,400	3,598
Deposits of state and political subdivisions	7,591,513	4,186,486
All other deposits	41,240	22,171
Certified and official checks	755,423	752,335
	$ 137,214,326	$ 139,000,164
Time deposits of over $250,000 included above	$ 2,741,598	$ 2,617,534

Note 6. Deposits (Continued)

Scheduled maturities of certificates of deposit at December 31, 2018, were as follows:

2019	$ 11,910,410
2020	8,639,618
2021	4,985,012
2022	2,572,744
2023 and thereafter	2,084,046
	$ 30,191,830

Note 7. Financial Instruments

Financial instruments with off-balance-sheet risk

The Company is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and standby letters of credit. These instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amounts recognized in the consolidated balance sheets.

The Company's exposure to credit loss in the event of non-performance by the other party to the financial instruments for commitments to extend credit and standby letters of credit is represented by the contractual amount of those instruments. The Company uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments.

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Company evaluates each customer's creditworthiness on a case-by-case basis.

The amount and type of collateral obtained, if deemed necessary by the Company upon extension of credit, varies, and is based on management's credit evaluation of the customer.

Standby letters of credit are conditional commitments issued by the Company to guarantee the performance of a customer to a third party. Standby letters of credit generally have fixed expiration dates or other termination clauses and may require payment of a fee. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loans to customers. The Company's policy for obtaining collateral, and the nature of such collateral, is essentially the same as that involved in making commitments to extend credit.

Note 7. Financial Instruments (Continued)

Financial instruments with off-balance-sheet risk (Continued)

Total contractual amounts of the commitments as of December 31, 2018 and 2017 are as follows:

	2018	2017
Available on lines of credit	$ 7,084,780	$ 8,537,431
Standby letter of credit	195,328	212,328
Other loan commitments	731,100	356,866
	$ 8,011,208	$ 9,106,625

Fair value of financial instruments

Fair value estimates are based on the present value of expected future cash flows, quoted market prices of similar financial instruments, if available, and other valuation techniques. These valuations are significantly affected by the discount rates, cash flow assumptions, and risk assumptions used. Therefore, fair value estimates may not be substantiated by comparison to independent markets and are not intended to reflect the proceeds that may be realizable in an immediate settlement of the financial instruments.

The authoritative guidance excludes certain items from the disclosure requirements, and accordingly, the aggregate fair values of amounts presented do not represent the underlying value of the Company. Management does not have the intention to dispose of a significant portion of its financial instruments and, therefore, the unrealized gains or losses should not be interpreted as a forecast of future earnings and cash flows.

Note 7. Financial Instruments (Continued)

Fair value of financial instruments (Continued)

The following table represents the estimates of fair value of financial instruments as of December 31, 2018 and 2017:

	2018		2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Cash and short-term investments	$ 9,587,501	$ 9,587,501	$ 11,412,700	$ 11,412,700
Investment securities available-for-sale	10,950,298	10,950,298	10,054,754	10,054,754
Investment securities held-to-maturity	745,206	745,206	923,315	923,315
Loans	130,416,475	130,429,000	127,671,186	128,495,000
Bank-owned life insurance	3,298,124	3,298,124	3,229,372	3,229,372
Accrued interest receivable	402,171	402,171	407,721	407,721
Financial liabilities				
Deposits	137,214,326	135,510,116	139,000,164	137,514,243
Accrued interest payable	57,964	57,964	60,881	60,881

The following methods and assumptions are used to estimate the fair value of financial instruments:

Cash and short-term investments

The carrying amount for cash and short-term investments is a reasonable estimate of fair value. Short-term investments consist of federal funds sold and certificates of deposit in other banks with a maturity of three months or fewer.

Investment securities

Fair values for investment securities are based on quoted market prices, if available. If market prices are not available, quoted market prices of similar securities or discounted cash flows are used.

Loans

The fair value of net loans is based on a discounted value of the estimated future cash flow expected to be received through the earlier of the loan payout or the loan repricing date. The interest rate applied in the discounted cash flow method reflects average current rates on new loans adjusted for relative risk and maturity. Fair values of impaired loans are primarily based on estimates of net realization of underlying collateral.

Note 7. Financial Instruments (Continued)

Deposits

The carrying amount is considered a reasonable estimate of fair value for demand and savings deposits and other variable rate deposit accounts. The fair value of fixed maturity certificates of deposit is estimated by a discounted cash flow method using the interest rates currently offered for deposits of similar remaining maturities.

Accrued interest receivable and payable

The carrying amounts of accrued interest receivable and payable approximate their fair values.

Debt

The interest rate for debt approximates the interest rate available for similar debt in the current economic market. Accordingly, the carrying amount of debt approximates the fair value.

Off-balance-sheet instruments

The fair value of commitments is estimated using the fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the present credit standing of the customers. The amount of fees currently charged on commitments is determined to be insignificant and therefore the fair value and carrying value of off-balance-sheet instruments are not shown.

Note 8. Income Taxes

The Company records income taxes using an asset and liability approach that requires the recognition of deferred income tax liabilities and assets for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities.

The amount reflected as income taxes represents federal and state income taxes on financial statement income. Certain items of income and expense, primarily the provision for possible loan losses, deferred compensation, and depreciation, are reported in different accounting periods for income tax purposes.

The provision for income taxes for 2018 and 2017 consisted of the following:

	2018	2017
Current	$ 444,248	$ 566,740
Deferred taxes	(45,442)	289,315
	$ 398,806	$ 856,055

Note 8. Income Taxes (Continued)

Deferred income tax assets and liabilities are the result of timing differences in recognition of revenue and expense for income tax and financial statement purposes. Deferred income tax assets and liabilities were comprised of the following at December 31:

	2018	2017
Provision for loan loss	$ 238,284	$ 173,484
Net operating losses	82,433	136,187
Deferred compensation	275,253	253,830
Non-accrual interest	126,300	155,928
Valuation on OREO reserve	58,320	118,910
OTTI loss on debenture security	62,100	20,709
Net realized loss on available-for-sale securities	112,757	67,856
Other items	16,200	16,200
Gross deferred tax assets	971,647	943,104
Depreciation	(74,834)	(45,750)
Gross deferred liabilities	(74,834)	(45,750)
	$ 896,813	$ 897,354

The Company had state net operating losses of $1,373,878 as of December 31, 2018, of which $206,448 will expire at December 31, 2031, $865,665 will expire at December 31, 2032, and $301,765 will expire at December 31, 2033.

On December 22, 2017, President Trump signed into law new U.S. tax reform legislation. The Tax Cut and Jobs Act of 2017 (TCJA) made significant changes to U.S. corporate income tax laws including a decrease in the corporate tax rate to 21% effective for tax years beginning after December 31, 2017. As a result of the change in tax rate, a deferred tax expense of $366,488 was recorded in the year ended December 31, 2017.

In February 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-02, *Income Statement – Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*. The standard provides financial statement preparers with an option to reclassify stranded tax effects within AOCI to retained earnings in each period in which the effect of the change in the U.S. federal corporate income tax rate in the TCJA (or portion thereof) is recorded. The Bank early adopted this standard and has reclassified $32,671 from accumulated other comprehensive income to retained earnings as of December 31, 2017.

Note 9. Related Party Transactions

Loans

The Company has granted loans to officers and directors and to their affiliates. Related party loans are made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than normal risk of collectability.

Below is a summary of the related party loan activity:

	Balance at Beginning of Year	Borrowings	Reductions	Balance at End of Year
December 31, 2018	$ 2,263,735	$ 641,020	$ (756,154)	$ 2,148,601
December 31, 2017	$ 2,735,608	$ 524,319	$ (996,192)	$ 2,263,735

Deposits

The Company held related party deposits of approximately $1,123,666 and $824,997 at December 31, 2018 and 2017, respectively.

Note 10. Regulatory Limitations on Dividends

The primary source of funds for the dividends paid by Freedom Bancshares, Inc. is dividends received from Freedom Bank, Inc. The approval of its regulatory agencies would be required if the total of all dividends declared by the subsidiary in any calendar year was greater than its net profits, as defined, for that year combined with its retained net profits for the preceding two calendar years.

Note 11. Retirement Plans

The Company provides a 401(k) profit sharing plan covering substantially all eligible employees. Under the provisions of the plan, eligible employees may defer a portion of their compensation. A matching contribution equal to a percentage of the amount the employee deferred is determined annually by the Company. The Company may make a discretionary contribution to the plan. To be fully vested, an employee must complete five years of service. The Company's matching contribution for December 31, 2018 and 2017 was $46,226 and $47,775, respectively.

The Company also has a nonqualified retirement plan that covers certain employees, executive management, and certain directors. Provisions charged to the consolidated statement of income and the cumulative liability under the plan is computed using a 6.43% present value discount. The liability accrued under these plans at December 31, 2018 and 2017 was $1,019,455 and $940,110, respectively. During the years ended December 31, 2018 and 2017, the Company recorded retirement plan expenses of $112,353 and $88,499, respectively.

(Continued)

Note 12. Regulatory Matters

Banks and bank holding companies are subject to regulatory capital requirements administered by federal banking agencies. Capital adequacy guidelines and, additionally for banks, prompt corrective action regulations, involve quantitative measures of assets, liabilities, and certain off-balance-sheet items calculated under regulatory accounting practices. Capital amounts and classifications are also subject to qualitative judgments by regulators. Failure to meet capital requirements can initiate regulatory action. The final rules implementing the Basel Committee on Banking Supervision's capital guidelines for U.S. banks (Basel III rules) became effective for the Company on January 1, 2015, with full compliance with all of the requirements being phased in over a multi-year schedule, and fully phased in by January 1, 2019. Under the Basel III rules, the Company must hold a capital conservation buffer above the adequately capitalized risk-based capital ratios.

The capital conservation buffer is being phased in at the rate of 0.625% per year from -0-% in 2015 to 2.50% on January 1, 2019. The capital conservation buffer for 2018 was 1.875% and for 2017 was 1.25%. The net unrealized gain or loss on available-for-sale securities is not included in computing regulatory capital. Management believes as of December 31, 2018 the Bank met all capital adequacy requirements to which it was subject. The Company is exempt from consolidated capital requirements, as those requirements do not apply to certain companies with assets under $1 billion.

Prompt corrective action regulations provide five classifications: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized, although these terms are not used to represent overall financial condition. If adequately capitalized, regulatory approval is required to accept brokered deposits. If undercapitalized, capital distributions are limited, as is asset growth and expansion, and capital restoration plans are required. At year-end 2018 and 2017, the most recent regulatory notifications categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. There were no conditions or events since that notification that management believes have changed the institution's category.

Note 12. Regulatory Matters (Continued)

The Bank's actual and required capital amounts and ratios are as follows:

	Actual		Minimum for Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
December 31, 2018						
Total capital (to risk-weighted assets)	$ 18,703	16.72%	$ 8,951	8.00%	$ 11,189	10.00%
Tier 1 capital (to risk-weighted assets)	17,302	15.46	6,713	6.00	8,951	8.00
Tier I capital (to average assets)	17,302	10.94	6,327	4.00	7,909	5.00
Common equity Tier 1 (to risk-weighted assets)	17,302	15.46	5,035	4.50	7,273	6.50

	Actual		Minimum for Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
December 31, 2017						
Total capital (to risk-weighted assets)	$ 17,644	15.97%	$ 8,839	8.00%	$ 11,048	10.00%
Tier 1 capital (to risk-weighted assets)	16,258	14.72	6,629	6.00	8,839	8.00
Tier I capital (to average assets)	16,258	10.14	6,417	4.00	8,021	5.00
Common equity Tier 1 (to risk-weighted assets)	16,258	14.72	4,972	4.50	7,181	6.50

Note 13. Line of Credit Arrangements and Borrowings

The Company is a member of the Federal Home Loan Bank and had a maximum borrowing capacity at December 31, 2018 of $61,269,800 available from the Federal Home Loan Bank of Pittsburgh, which are secured by loans. At December 31, 2018, the Company had an outstanding loan balance of $5,000,000. This is due January 1, 2019. At December 31, 2017, the company had an outstanding loan balance of $3,000,000. This matured on September 11, 2018.

The Company had additional federal funds lines of credit totaling $4,500,000 as of December 31, 2018.

Note 13. Line of Credit Arrangements and Borrowings (Continued)

The Company issued $2,500,000 of debentures in 2012 at rate of 10% per annum with the principal due on April 1, 2017. In 2014, the Company made a $250,000 principal payment. In 2017, these debentures matured. The Company reissued $1,712,014 of these debentures maturing April 1, 2022 and paid off $537,986 at the time of maturity. In 2018, the Company paid off $319,375 of these debentures. The balance at December 31, 2018 was $1,392,639. The interest rate is 6% with interest payable quarterly. Interest payable as of December 31, 2018 was $21,586. Interest expense for 2018 and 2017 was $94,300 and $112,128, respectively.

Note 14. Postretirement Benefit of Split-Dollar Life Insurance

The Company currently has endorsement split-dollar life insurance agreements with five directors and three officers. Under these agreements, the Company agrees to pay all insurance premiums from its general assets and designates that it will divide received death benefit proceeds with a beneficiary designated by the related insured. The agreements also stipulate that the Company owns the policies and can terminate the insurance at any time without consent of the insured individual.

At December 31, 2018 and 2017, the estimated postretirement benefit liability was $184,166 and $179,206, respectively, related to these policies. The total liability is included in "accrued interest payable and other liabilities." During the years ended December 31, 2018 and 2017, the Company recorded an expense of $4,960 and $2,248, respectively, for these agreements.

Note 15. Fair Value Measurements

U.S. generally accepted accounting principles (GAAP) establish a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1 Inputs – Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 Inputs – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, such as interest rates, volatilities, prepayment speeds, and credit risks, or inputs that are derived principally from or corroborated by market data by correlation or other means.

Level 3 Inputs – Unobservable inputs for determining the fair values of assets or liabilities that reflect an entity's own assumptions about the assumptions that market participants would use in pricing the assets or liabilities.

Note 15. Fair Value Measurements (Continued)

In general, fair value is based upon quoted market prices, where available. If such quoted market prices are not available, fair value is based upon third-party models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. These adjustments may include amounts to reflect counterparty credit quality, the Company's creditworthiness, among other things, as well as unobservable parameters. Any such valuation adjustments are applied consistently over time. The Company's valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While management believes the Company's valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Recurring – investment securities available for sale

Securities classified as available-for-sale are reported at fair value utilizing Level 2 inputs. The Company obtains fair value measurements from an independent third-party source. The fair value measurements consider observable data that may include dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, live trading levels, trade execution data, market consensus prepayment speeds, credit information, and the bond's terms and conditions, among other things.

Non-recurring – impaired loans

The Company does not record loans at fair value on a recurring basis. However, from time to time a loan is considered impaired and an allowance for loan losses is established. Loans for which it is probable that payment of interest and principal will not be made in accordance with the contractual terms of the loan agreement are considered impaired. Once a loan is identified as individually impaired, management measures impairment using one of several methods, including collateral value, recent appraisal value and /or tax assessed value, liquidation value, and discounted cash flows.

At December 31, 2018, impaired loans were either evaluated based on the fair value of the collateral or the present value of expected cash flows. For impaired loans valued using the value of collateral, fair value is based upon independent market prices or appraised values of the collateral that the Company considers as nonrecurring Level 3. For impaired loans valued on expected cash flows, fair value for these loans is based upon the discounted expected future cash flows at year-end. The Company considers these as nonrecurring Level 3.

Non-recurring – other real estate owned

Other real estate owned is adjusted to fair value upon transfer of the loans to other real estate owned. Subsequently, other real estate owned is carried at the lower of carrying value or fair value. Fair value is based upon independent market prices or appraised values of the collateral which the Company considers as nonrecurring Level 3.

Note 15. Fair Value Measurements (Continued)

Non-recurring – held-to-maturity investment

The held-to-maturity is adjusted to fair value upon the fair value decrease being considered other than temporary. Subsequently, the investment is carried at fair value less any interest payments applied to principal. Fair value is based upon independent market prices or valuations of the investment which the Company considers as nonrecurring Level 3.

The following tables summarize the Company's assets and liabilities that were measured at fair value on either a recurring or non-recurring basis as of December 31, 2018 and 2017, segregated by the level of the valuation inputs within the fair value hierarchy:

	2018			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets and liabilities measured on a recurring basis:				
Government sponsored enterprises	$ 4,306,886	$ -	$ 4,306,886	$ -
State and municipal securities	6,623,024	-	6,623,024	-
Mortgage-backed securities	12,148	-	12,148	-
Equities	8,240	8,240	-	-
	$ 10,950,298	$ 8,240	$ 10,942,058	$ -
Assets and liabilities measured on a non-recurring basis:				
Impaired loans	$ 4,929,560	$ -	$ -	$ 4,929,560
Other real estate owned and repossessions	1,793,150	-	-	1,793,150
Held-to-maturity investment	745,206	-	-	745,206
	$ 7,246,934	$ -	$ -	$ 7,246,934

Note 15. Fair Value Measurements (Continued)

	2017			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets and liabilities measured on a recurring basis:				
Government sponsored enterprises	$ 4,411,016	$ -	$ 4,411,016	$ -
State and municipal securities	5,615,619	-	5,615,619	-
Mortgage-backed securities	19,874	-	19,874	-
Equities	8,240	8,240	-	-
	$ 10,054,749	$ 8,240	$ 10,046,509	$ -
Assets and liabilities measured on a non-recurring basis:				
Impaired loans	$ 6,447,616	$ -	$ -	$ 6,447,616
Other real estate owned and repossessions	2,554,594	-	-	2,554,594
	$ 9,002,210	$ -	$ -	$ 9,002,210

Note 15. Fair Value Measurements (Continued)

The following tables show the unobservable inputs used for Level 3 assets as of December 31, 2018 and 2017:

	Fair Value December 31, 2018	Valuation Technique	Significant Unobservable Inputs	Range
Other real estate owned	$ 1,793,150	Discounted appraised value	Discounted for selling costs and age of appraisals	15% – 55%
Impaired loans	$ 4,929,560	Discounted appraised value, present value of future cash flows	Discounted for selling costs and age of appraisals, time value of money	15% – 55%
Held-to-maturity investment	$ 745,206	Discounted valuation	Discounted for projected cash flow	7% – 23%

	Fair Value December 31, 2017	Valuation Technique	Significant Unobservable Inputs	Range
Other real estate owned	$ 2,554,594	Discounted appraised value	Discounted for selling costs and age of appraisals	15% – 55%
Impaired loans	$ 6,447,616	Discounted appraised value, present value of future cash flows	Discounted for selling costs and age of appraisals, time value of money	15% – 55%

Note 16. Recent Accounting Pronouncements and Changes

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-09 is a comprehensive new revenue recognition model that requires a company to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. ASU 2014-09 also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. ASU 2014-09 was effective for annual reporting periods beginning after December 15, 2017. ASU No. 2015-14, issued in August 2015, deferred the effective date of this update to annual reporting periods beginning after December 15, 2018. The adoption of this ASU is not expected to have a material effect on the Company's current financial position or results of operations; however, it may impact the reporting of future financial statement disclosures.

In January 2016, ASU No. 2016-01 *Financial Instruments – Overall (Subtopic 825-10)* was issued by the FASB. The amendments address certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. The amendments were effective for fiscal years beginning after December 15, 2018. The Company is currently evaluating the impact of these amendments on its financial statements.

In June 2016, ASU No. 2016-13 *Financial Instruments – Credit Losses (Topic 326)* was issued by the FASB. This ASU is intended to improve financial reporting by requiring timelier recording of credit losses on loans and other financial instruments held by financial institutions and other organizations. The ASU is effective for the Company in fiscal years beginning after December 15, 2020. Early application is permitted for all organizations for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. The Company is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

Other accounting standards have been issued by the FASB that are not currently applicable to the Company or are not expected to have a material impact on the Company's financial statements.

ATTACHMENT B

Results: A list of branches for your depository institution: FREEDOM BANK, INC. (ID_RSSD: 629522).
This depository institution is held by FREEDOM BANCSHARES, INC. (1250053) of BELINGTON, WV.
The data are as of 12/31/2018. Data reflects information that was received and processed through 01/06/2019.

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 sold 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.

Data Action	Effective Date	Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
OK		Full Service (Head Office)	629522	FREEDOM BANK, INC.	20 N CRIM AVENUE	BELINGTON	WV	26250	BARBOUR	UNITED STATES	Not Required	Not Required	FREEDOM BANK, INC.	629522	
OK		Full Service	2309332	BRIDGEPORT OFFICE	625 W. MAIN STREET	BRIDGEPORT	WV	26330	HARRISON	UNITED STATES	Not Required	Not Required	FREEDOM BANK, INC.	629522	
OK		Full Service	2529907	BUCKHANNON BRANCH	ROUTE 20 SOUTH	BUCKHANNON	WV	26201	UPSHUR	UNITED STATES	Not Required	Not Required	FREEDOM BANK, INC.	629522	
OK		Full Service	2448398	ELKINS BRANCH	EAST U.S. ROUTES 219 & 250	ELKINS	WV	26241	RANDOLPH	UNITED STATES	Not Required	Not Required	FREEDOM BANK, INC.	629522	
OK		Full Service	2448400	PHILIPPI BRANCH	124 SOUTH MAIN STREET	PHILIPPI	WV	26416	BARBOUR	UNITED STATES	Not Required	Not Required	FREEDOM BANK, INC.	629522	

ATTACHMENT C

Freedom Bancshares, Inc.

5% or More Stock Ownership

December 31, 2018

Margaret L. Baughman Principal Shareholder Morgantown, WV United States of America	14,680 Shares	8.09% Ownership
Craig G. Phillips Principal Shareholder Belington, WV United States of America	12,229 Shares	6.74% Ownership
Thomas M. Pitsenberger Principal Shareholder/Director Emeritus Beverly, WV United States of America	31,527 Shares	17.38% Ownership
Anna Gale Smithson Principal Shareholder Belington, WV United States of America	27,678 Shares	15.26% Ownership

ATTACHMENT D

Freedom Bancshares, Inc.
Belington, WV 26250
December 31, 2018

Officers, Directors and Principal Shareholders

4.1 Name & Address	4.2 Principal Occupation	4.3a Title Freedom Bancshares, Inc.	4.4a Ownership Freedom Bancshares, Inc.	4.3b Title Freedom Bank	4.4b Ownership Freedom Bank	4.3c Other Business Relationships	4.4c Ownership of Other Business
Michael A. Cvechko Belington, WV	Insurance	Director	0.30%	Director	None	Cvechko Insurance Services	100%
Linda K. Wellings Buckhannon, WV	Retired	Chair Director	0.56%	Director	None	None	
Carol L. Sinsel Philippi, WV	Retired College Professor	Director	0.28%	Director	None	None	
Samuel D. Sedosky, Jr. Weston, WV	Accountant	Director Audit Chair	1.10%	Chair Director Audit Chair	None	Sedosky & Associates, PLLC	100%
William V. Ross Coalton, WV	Meter & Regulator Operator	Director	0.30%	Director	None	None	
Valerie D. Hurst Clarksburg, WV	Banking	Director President/CEO	0.35%	Director President/CEO	None	None	
J. Craig Hott Upper Tract, WV	Ag Services	Director	0.28%	Director	None	None	
L. Kevin Hawkins Tallmansville, WV	Building Contractor	Director	0.29%	Director	None	Gutterworks, LLC	100%
Gary (Dave) Shaw Fairmont, WV	Banking	SVP/Senior Credit Officer Exec. Officer Team	0.00%	SVP/Senior Credit Officer Exec. Officer Team	None	None	
Terri L. Kittle Belington, WV	Banking	SVP/CFO/Treasurer Exec. Officer Team	0.06%	SVP/CFO/Treasurer Exec. Officer Team Exec. Officer Team	None	None	
*Thomas M. Pitsenberger Beverly, WV	Retired	Director Emeritus Principal Shareholder	17.38%		None	Seneca Mall P & M Properties LLC	33% 50%
*Anna Gale Smithson Belington, WV	Retired	Principal Shareholder	15.26%		None		

*Denotes Principal Shareholder