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

3-30-2020
Date of Signature

For holding companies not registered with the SEC–
Indicate status of Annual Report to Shareholders:

- ☒ is included with the FR Y-6 report
- ☐ will be sent under separate cover
- ☐ is not prepared

For Federal Reserve Bank Use Only

RSSD ID ____________
C.I. ____________

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

12/31/2019
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 Ext. 1121
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

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."

ANNUAL REPORT OF BANK HOLDING COMPANIES – FR Y-6
FREEDOM BANCSHARES, INC.
DECEMBER 31, 2019

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

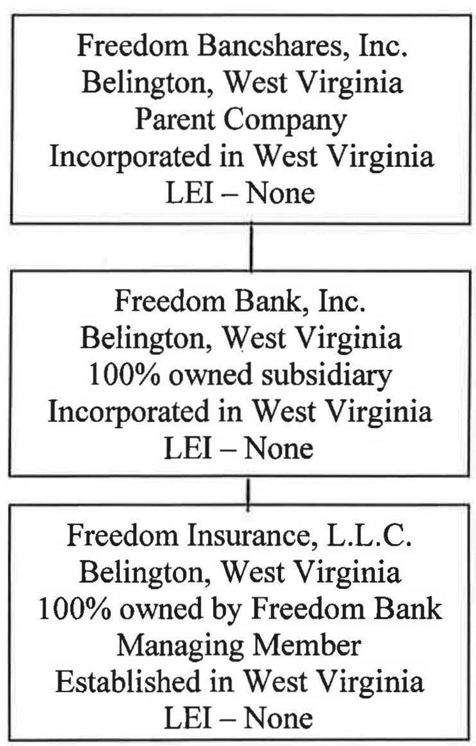
REPORT ITEM 1a: FORM 10-K FILED WITH THE SECURITIES AND EXCHANGE COMMISSION

Freedom Bancshares, Inc. is not currently subject to filing with the Securities and Exchange Commission. No Form 10-K is due for 2019.

REPORT ITEM 1b: ANNUAL REPORTS TO SHAREHOLDERS

The Annual Report to Shareholders as of and for the year ended December 31, 2019 is included as Attachment A.

REPORT ITEM 2: ORGANIZATIONAL CHART



ANNUAL REPORT OF BANK HOLDING COMPANIES – FR Y-6
FREEDOM BANCSHARES, INC.
DECEMBER 31, 2019

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, 2019.

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, 2019

CONTENTS

BROWN EDWARDS
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, 2019 and 2018, 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.

1715 Pratt Drive, Suite 2700 • Blacksburg, VA 24060 • 540-443-3606 • Fax: 540-443-3610 • www.BEcpas.com

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, 2019 and 2018, 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 4, 2020

FREEDOM BANCSHARES, INC.
AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2019 and 2018

	2019	2018
ASSETS		
Cash and amounts due from banks	$ 2,590,947	$ 2,726,254
Interest bearing deposits in other banks	5,152,138	6,389,209
Federal funds sold	370,219	372,038
Total cash and cash equivalents	8,113,304	9,487,501
Certificates of deposit in other financial institutions	6,180,000	100,000
Investment securities (Note 3)		
Securities held-to-maturity	447,980	745,206
Securities available-for-sale at approximate market value	13,035,508	10,950,298
Total investment securities	13,483,488	11,695,504
Loans (Note 4)	130,389,024	132,005,322
Less allowance for loan losses (Note 4)	1,687,887	1,588,848
Net loans	128,701,137	130,416,474
Bank premises, furniture, and equipment	2,924,907	2,842,018
Deferred income taxes	865,241	896,813
Bank owned life insurance	3,366,826	3,298,124
Other real estate owned and repossessions	1,625,600	1,793,150
Restricted equity securities	102,000	276,700
Accrued interest receivable and other assets	704,510	749,218
Total other assets	9,589,084	9,856,023
Total assets	$ 166,067,013	$ 161,555,502
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits		
Interest bearing	$ 99,291,454	$ 94,773,595
Non-interest bearing	45,987,271	42,440,731
Total deposits	145,278,725	137,214,326
Borrowings	789,583	6,392,639
Accrued interest payable and other liabilities	2,375,162	2,116,924
Total other liabilities	3,164,745	8,509,563
Total liabilities	148,443,470	145,723,889
STOCKHOLDERS' EQUITY		
Common stock, $1 par value, 1,000,000 shares authorized, 181,370 shares issued and 178,381 shares outstanding for 2019 and 2018	181,370	181,370
Surplus	3,502,636	3,502,636
Retained earnings	13,974,751	12,614,839
Treasury stock, at cost (2,989 shares for 2019 and 2018)	(162,370)	(162,370)
Accumulated other comprehensive loss	127,156	(304,862)
Total stockholders' equity	17,623,543	15,831,613
Total liabilities and stockholders' equity	$ 166,067,013	$ 161,555,502

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, 2019 and 2018

	2019	2018
INTEREST INCOME		
Interest and fees on loans	$ 6,340,444	$ 5,870,597
Investment securities:		
Taxable	196,561	132,053
Tax-exempt	206,310	135,084
Interest on deposits in other banks	101,709	47,857
	6,845,024	6,185,591
INTEREST EXPENSE		
Interest on deposits and borrowed funds	661,917	541,236
Net interest income	6,183,107	5,644,355
Provision for loan losses	350,000	240,000
Net interest income after provision for loan losses	5,833,107	5,404,355
OTHER INCOME		
Service charges on deposit accounts	466,043	496,639
Visa check card fees	573,693	544,022
Other service charges, commissions and fees	104,127	93,597
Earnings on bank-owned life insurance	68,702	68,752
Gains (losses) and writedowns on foreclosed assets	(39,652)	289,491
Other operating income	222,950	139,917
Total other income	1,395,863	1,632,418
OTHER EXPENSES		
Salaries and employee benefits	2,532,854	2,410,735
Premises and fixed assets	662,033	610,192
Data processing	517,253	534,936
Postage and courier	82,199	84,285
Debit card/ATM fees	369,724	312,800
FDIC and WV Assessment	89,700	97,700
Professional fees	120,346	126,834
Other-than-temporary impairment losses	297,226	140,697
Other operating expenses	819,992	1,015,833
Total other expenses	5,491,327	5,334,012
Income before income taxes	1,737,643	1,702,761
Income taxes (Note 8)	350,943	398,806
Net income	$ 1,386,700	$ 1,303,955
Basic and fully diluted net income per common share	$ 7.77	$ 7.31

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, 2019 and 2018

	2019	2018
NET INCOME	$ 1,386,700	$ 1,303,955
OTHER COMPREHENSIVE INCOME (LOSS)		
Changes in unrealized income (loss) on securities available-for-sale, net of tax of $(159,787) and $44,901 for 2019 and 2018, respectively	432,018	(121,399)
OTHER COMPREHENSIVE INCOME (LOSS)	432,018	(121,399)
COMPREHENSIVE INCOME	$ 1,818,718	$ 1,182,556

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, 2019 and 2018

	Common Stock	Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (loss)	Total Stockholders' Equity
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 income	-	-	-	-	(121,399)	(121,399)
BALANCE, December 31, 2018	181,370	3,502,636	12,614,839	(162,370)	(304,862)	15,831,613
Net income	-	-	1,386,700	-	-	1,386,700
Dividends paid	-	-	(26,788)	-	-	(26,788)
Other comprehensive loss	-	-	-	-	432,018	432,018
BALANCE, December 31, 2019	$ 181,370	$ 3,502,636	$ 13,974,751	$ (162,370)	$ 127,156	$ 17,623,543

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, 2019 and 2018

	2019	2018
OPERATING ACTIVITIES		
Net income	$ 1,386,700	$ 1,303,955
Adjustments to reconcile net income to net cash provided by operating activities		
Provision for loan losses	350,000	240,000
Depreciation, amortization and accretion	302,724	325,292
Deferred income tax expense (benefit)	(128,217)	45,441
Gain on sale of foreclosures and repossessions	(10,348)	(504,491)
Valuation writedowns on foreclosures and repossessions	67,301	216,000
Loss (gain) on sales of investment securities	-	-
OTTI loss on HTM securities	297,226	140,697
Decrease in interest receivable and other assets	(23,992)	(58,050)
Increase (decrease) in interest payable and other liabilities	258,238	(35,517)
Net cash provided by operating activities	2,499,632	1,673,327
INVESTING ACTIVITIES		
Securities held-to-maturity:		
Proceeds from maturities and calls	-	37,417
Securities available-for-sale:		
Proceeds from sales, maturities, calls, and paydowns	794,886	948,636
Payments for purchases	(2,451,364)	(2,193,591)
Purchase of CDs with other financial institutions	(6,080,000)	-
Maturities of CDs from other financial institutions	-	490,000
Purchases of premises and equipment	(222,540)	(134,331)
Redemption (purchase) of FHLB stock	174,700	(80,800)
Net (increase) decrease in loans	1,315,337	(2,442,576)
Proceeds from sale of foreclosures and repossessions	160,597	497,722
Net cash provided by (used in) investing activities	(6,308,384)	(2,877,523)
FINANCING ACTIVITIES		
Net increase (decrease) in deposits	8,064,399	(1,785,838)
Cash dividends	(26,788)	(19,640)
Proceeds from (payments on) borrowings	(5,603,056)	1,680,625
Purchase of common stock	-	(6,150)
Net cash provided by (used in) financing activities	2,434,555	(131,003)
Increase (decrease) in cash and cash equivalents	(1,374,197)	(1,335,199)
CASH, Beginning	9,487,501	10,822,700
CASH, Ending	$ 8,113,304	$ 9,487,501

(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, 2019 and 2018

	2019	2018
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest paid in cash	$ 664,834	$ 544,153
Income taxes paid in cash	$ 243,000	$ 500,000
SUPPLEMENTAL DISCLOSURES OF NON-CASH FLOW INFORMATION		
Loans transferred to foreclosures and repossessions	$ 50,000	$ 210,000
Bank financed sales of foreclosures and repossessions	$ -	$ 752,714

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.

Adoption of new accounting standards

During the first quarter of 2019, the Company adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, and all subsequent amendments to the ASU (collectively "ASC 606"), which (1) creates a single framework for recognizing revenue from contracts with customers that fall within its scope and (2) revises when it is appropriate to recognize a gain (loss) from the transfer of nonfinancial assets, such as other real estate owned (OREO). The majority of the Company's revenue is from interest income, including loans and securities, that are outside the scope of the standard. The services that fall within the scope of the standard are presented within noninterest income on the consolidated statements of income and are recognized as revenue as the Company satisfies its obligations to the customer. The revenue that falls within the scope of ASC 606 is primarily related to service charges on deposit accounts, other service charges and fees, sales of OREO, insurance commissions and miscellaneous fees. ASC 606 did not result in a change to the accounting for any in-scope revenue streams; as such, no cumulative effect adjustment was recorded.

The Company earns fees from its deposit customers for overdraft and account maintenance services. Overdraft fees are recognized when the overdraft occurs. Account maintenance fees, which relate primarily to monthly maintenance, are earned over the course of a month, representing the period over which the Company satisfies the performance obligation. The Company also earns fees from its customers for transaction-based services. Such services include safe deposit box, ATM, stop payment, and wire transfer fees. In each case, these service charges and fees are recognized as income at the time or within the same period that the Company's performance obligation is satisfied.

(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Adoption of new accounting standards (Continued)

In January 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, which among other things, (i) requires equity investments, with certain exceptions, to be measured at fair value with changes in fair value recognized in net income, (ii) simplifies the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment, (iii) eliminates the requirement for public business entities to disclose the methods and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet, (iv) requires public business entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes, (v) requires an entity to present separately in other comprehensive income the portion of the total change in the fair values of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option for financial instruments, (vi) requires separate presentation of financial assets and financial liabilities by measurement category and form of financial asset on the balance sheet or the accompanying notes to the financial statements, and (vii) clarifies that an entity should evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale securities. The Company adopted this standard in 2019, there was no impact on the consolidated financial statements.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

Allowance for loan losses (Continued)

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.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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, 2019 and 2018; 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 4, 2020, the date the consolidated financial statements were available to be issued.

Note 2. Restrictions on Cash and Due from Banks

At December 31, 2019 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 $1,327,000 and $1,267,000 as of December 31, 2019 and 2018, 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, 2019				
Subordinated debt security	$ 447,980	$ -	$ -	$ 447,980
	$ 447,980	$ -	$ -	$ 447,980

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

(Continued)

Note 3. Investment Securities (Continued)

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, 2019				
Government-sponsored enterprises	$ 3,518,392	$ 38,774	$ (88,303)	$ 3,468,863
State and municipal securities	8,324,924	228,442	(14,881)	8,538,485
US treasury & agency securities	1,000,000	10,095	-	1,010,095
Mortgage-backed securities	9,766	59	-	9,825
	12,853,082	277,370	(103,184)	13,027,268
Equity securities	8,240	-	-	8,240
	$ 12,861,322	$ 277,370	$ (103,184)	$ 13,035,508

	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Market 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

(Continued)

Note 3. Investment Securities (Continued)

Maturities of investment securities held-to-maturity and available-for-sale at December 31, 2019 are as follows:

	Held-to-Maturity	
	Amortized Cost	Approximate Value
Due in one year or less	$ -	$ -
Due after one year through five years	447,980	447,980
Due after five years through ten years	-	-
Due after ten years	-	-
	$ 447,980	$ 447,980

	Available-for-Sale	
	Amortized Cost	Approximate Value
Due in one year or less	$ 46,974	$ 46,974
Due after one year through five years	7,971	7,980
Due after five years through ten years	2,867,186	2,860,971
Due after ten years	9,930,951	10,111,343
	$ 12,853,802	$ 13,027,268

The Company had Federal Home Loan Bank stock of $102,000 and $276,700 at December 31, 2019 and 2018, respectively. These amounts are included in the balance sheet caption "Restricted Equity Securities."

Investment securities with a carrying amount of $719,208 and $4,156,084 at December 31, 2019 and 2018, respectively, were pledged to secure public deposits and for other purposes required or permitted by law.

Note 3. Investment Securities (Continued)

The unrealized loss and approximate fair value of securities that were in a loss position at December 31, 2019 and 2018 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
2019						
Government sponsored enterprises	$ -	$ -	$ 2,405,422	$ (88,303)	$ $2,405,422	$ (88,303)
State and municipals	843,511	(2,342)	391,344	(12,539)	1,234,855	(14,881)
	$ 843,511	$ (2,342)	$ 2,796,766	$ (100,842)	$ 3,640,277	$ (103,184)

	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)

At December 31, 2019 and 2018, the available-for-sale portfolio included 38 and 24, 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, 2019 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.

In 2019 and 2018, the Company recognized other-than-temporary losses of $297,226 and $140,697, respectively, on held-to-maturity securities. There were no gains or losses recorded in 2019 and 2018 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, 2019 and 2018:

	2019	2018
Residential loans	$ 71,418,549	$ 74,600,245
Commercial real estate loans	22,969,934	24,871,781
Multi-family	465,344	226,110
Consumer loans	15,432,382	14,757,519
Commercial business loans	16,110,968	13,862,194
Other	3,991,847	3,687,473
	$ 130,389,024	$ 132,005,322

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, 2019 and 2018:

	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, 2019						
Residential loans	$ 133,113	$ 57,000	$ 313,447	$ 446,560	$ 446,560	$ 57,000
Commercial real estate loans	254,133	110,000	2,316,474	2,570,607	2,570,607	110,000
Commercial business loans	1,355,753	511,000	-	1,355,753	1,355,753	511,000
Consumer loans	-	-	30,240	30,240	30,240	-
Other	-	-	29,430	29,430	29,430	-
Total impaired loans	$ 1,742,999	$ 678,000	$ 2,689,591	$ 4,432,590	$ 4,432,590	$ 678,000

	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, 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

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, 2019 and 2018 according to the loan policy:

	Average Investment in Impaired Loans	Interest Income Recognized on a Cash Basis
December 31, 2019		
Residential loans	$ 492,690	$ 14,745
Commercial real estate loans	2,652,682	1,841
Commercial business loans	1,460,955	55,310
Other	74,749	-
	$ 4,681,076	$ 71,896

	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

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, 2019 and 2018:

	Pass	Special Mention	Substandard	Total
December 31, 2019				
Commercial business	$ 14,628,984	$ 452,279	$ 1,029,705	$ 16,110,968
Commercial real estate	19,453,305	946,022	2,570,607	22,969,934
Multi-family	465,344	-	-	465,344
Other	3,530,216	432,201	29,430	3,991,847
	$ 38,077,849	$ 1,830,502	$ 3,629,742	$ 43,538,093

	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

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

No loans were classified as doubtful or loss as of December 31, 2019 and 2018.

The following tables present the classes of the loan portfolio for which loan performance was the primary credit quality indicator as of December 31, 2019 and 2018:

	Residential Loans	Consumer Loans	Total
December 31, 2019			
Performing loans	$ 70,176,968	$ 15,294,999	$ 85,471,967
Non-performing loans	1,241,581	137,383	1,378,964
	$ 71,418,549	$ 15,432,382	$ 86,850,931

	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

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, 2019 and 2018:

	Current	30 – 89 Days Past Due	90+ Days Past Due	Total Past Due	Total Loans
December 31, 2019					
Residential loans	$ 70,176,968	$ 873,139	$ 368,442	$ 1,241,581	$ 71,418,549
Commercial real estate loans	19,797,646	865,785	2,306,503	3,172,288	22,969,934
Multi-family	465,344	-	-	-	465,344
Consumer loans	15,294,999	137,383	-	137,383	15,432,382
Commercial business loans	14,952,794	107,491	1,050,683	1,158,174	16,110,968
Other	3,991,847	-	-	-	3,991,847
	$ 124,679,598	$ 1,983,798	$ 3,725,628	$ 5,709,426	$ 130,389,024

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, 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

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, 2019 and 2018:

	90 Days + Past Due and Accruing	Non-Accrual
December 31, 2019		
Residential loans	$ 204,986	$ 368,153
Commercial real estate loans	-	2,570,606
Consumer loans	-	17,612
Commercial business loans	20,978	1,042,332
Other	-	29,429
	$ 225,964	$ 4,028,132

	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

(Continued)

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.

(Continued)

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, 2019 and 2018. Activity in the allowance is presented for the 12 months ended December 31, 2019 and 2018:

	Residential Loans	Commercial Real Estate Loans	Consumer Loans	Commercial Business Loans	Other	Unallocated	Total
ALLL balance at December 31, 2018	$ 281,000	$ 582,000	$ 86,000	$ 500,001	$ 11,000	$ 128,847	$ 1,588,848
Charge-offs	(20,000)	(1,000)	(119,000)	(141,522)	-	-	(281,522)
Recoveries	-	2,000	28,564	-	-	-	30,561
Provision	(14,000)	(364,000)	161,434	501,522	-	65,041	350,000
ALLL balance at December 31, 2019	$ 247,000	$ 219,000	$ 156,998	$ 860,001	$ 11,000	$ 193,888	$ 1,687,887
Ending ALLL for loans Individually evaluated for impairment	$ 57,000	$ 110,000	$ -	$ 511,000	$ -	$ -	$ 678,000
Collectively evaluated for impairment	$ 190,000	$ 109,000	$ 157,000	$ 349,001	$ 11,000	193,888	$ 1,009,889
Individually evaluated for impairment	$ 446,560	$ 2,570,607	$ 30,240	$ 1,355,753	$ 29,430	$ -	$ 4,432,590
Collectively evaluated for impairment	$ 70,971,989	$ 20,864,671	$ 15,402,142	$ 14,755,215	$ 3,962,417	$ -	$ 125,956,434

	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

(Continued)

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, 2019, the balance of these purchased loans was $6,622,993 and the premium was fully amortized.

The Company conducts its business through five offices located in north central West Virginia. At December 31, 2019 and 2018, 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 was one loan modification that was considered a TDR completed during the year ended December 31, 2019 for a pre and post modification balance of $29,429. There were no loan modifications that were considered TDRs completed during the year ended December 31, 2018. During 2019 and 2018, no loans modified in the previous 12 months as a TDR defaulted.

Residential real estate included in other real estate owned consisted of one property totaling $50,000 at December 31, 2019 and 2 properties totaling $153,150 at December 31, 2018.

At December 31, 2019 and 2018, there were no loans secured by residential real estate property for which the foreclosure process had begun but had yet to be completed.

Note 5. Company Premises, Furniture, and Equipment

Company premises, furniture, and equipment at December 31, 2019 and 2018 were as follows:

	2019	2018
Bank premises	$ 4,540,960	$ 4,540,960
Equipment, furniture, and fixtures	2,304,467	2,119,973
	6,845,427	6,660,933
Less allowance for depreciation	(3,920,520)	(3,818,915)
	$ 2,924,907	$ 2,842,018

Depreciation expense for 2019 and 2018 was $139,651 and $142,186, respectively.

Note 6. Deposits

Deposits at December 31, 2019 and 2018 were as follows:

	2019	2018
Demand deposits of individuals, partnerships, and corporations:		
Interest bearing	$ 14,434,117	$ 13,738,732
Non-interest bearing	44,373,723	41,174,100
Time and savings deposits of individuals, partnerships, and corporations:	77,508,115	73,909,918
Deposits of U.S. government	102,838	3,400
Deposits of state and political subdivisions	7,433,774	7,591,513
All other deposits	559,347	41,240
Certified and official checks	866,811	755,423
	$ 145,278,725	$ 137,214,326
Time deposits of over $250,000 included above	$ 4,493,003	$ 2,741,598

Scheduled maturities of certificates of deposit at December 31, 2019, were as follows:

2020	$ 19,991,734
2021	6,756,016
2022	2,928,940
2023	2,209,745
2024 and thereafter	1,099,760
	$ 32,986,195

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.

(Continued)

Note 7. Financial Instruments (Continued)

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.

Total contractual amounts of the commitments as of December 31, 2019 and 2018 are as follows:

	2019	2018
Available on lines of credit	$ 7,674,763	$ 7,084,780
Standby letter of credit	140,328	195,328
Other loan commitments	1,013,000	731,100
	$ 8,828,091	$ 8,011,208

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 2019 and 2018 consisted of the following:

	2019	2018
Current	$ 479,160	$ 444,248
Deferred taxes	(128,217)	(45,442)
	$ 350,943	$ 398,806

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:

	2019	2018
Provision for loan loss	$ 294,025	$ 238,284
Net operating losses	-	82,433
Deferred compensation	306,230	275,253
Non-accrual interest	163,676	126,300
Valuation on OREO reserve	75,708	58,320
OTTI loss on debenture security	142,351	62,100
Net unrealized loss on available-for-sale securities	-	112,757
Other items	16,200	16,200
Gross deferred tax assets	998,190	971,647
Net unrealized gain on available-for-sale securities	(47,030)	-
Depreciation	(85,919)	(74,834)
Gross deferred liabilities	(132,949)	(74,834)
	$ 865,241	$ 896,813

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, 2019	$ 2,148,601	$ 472,572	$ (582,030)	$ 2,039,143
December 31, 2018	$ 2,263,735	$ 641,020	$ (756,154)	$ 2,148,601

Note 9. Related Party Transactions (Continued)

Deposits

The Company held related party deposits of approximately $1,034,449 and $1,123,666 at December 31, 2019 and 2018, 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, 2019 and 2018 was $48,239 and $46,226, 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, 2019 and 2018 was $1,134,187 and $1,019,455, respectively. During the years ended December 31, 2019 and 2018, the Company recorded retirement plan expenses of $141,740 and $112,353, respectively.

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.

(Continued)

Note 12. Regulatory Matters (Continued)

The capital conservation buffer 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 2019 was 2.50% and for 2018 was 1.875%. The net unrealized gain or loss on available-for-sale securities is not included in computing regulatory capital. Management believes as of December 31, 2019 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 2019 and 2018, 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.

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, 2019						
Total capital (to risk-weighted assets)	$ 19,540	17.34%	$ 9,017	8.00%	$ 11,272	10.00%
Tier 1 capital (to risk-weighted assets)	18,127	16.08	6,763	6.00	9,017	8.00
Tier I capital (to average assets)	18,127	10.86	6,674	4.00	8,342	5.00
Common equity Tier 1 (to risk-weighted assets)	18,127	16.08	5,072	4.50	7,327	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, 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

(Continued)

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, 2019 of $59,054,550 available from the Federal Home Loan Bank of Pittsburgh, which are secured by loans. At December 31, 2019, the Company did not have an outstanding loan balance. At December 31, 2018, the company had an outstanding loan balance of $5,000,000. This matured on January 1, 2019.

The Company had additional federal funds lines of credit totaling $4,500,000 as of December 31, 2019.

The Company issued $2,500,000 of debentures in 2012 at a 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. The Company paid off $603,056 of these debentures in 2019 and $319,375 in 2018. The balance of these debentures was $789,583 at December 31, 2019 and $1,392,639 at December 31, 2018. The interest rate is 6% with interest payable quarterly. Interest payable as of December 31, 2019 was $12,239. Interest expense for 2019 and 2018 was $56,978 and $94,300, respectively.

Note 14. Benefit of Split-Dollar Life Insurance

The Company currently has endorsement split-dollar life insurance agreements with six 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, 2019 and 2018, the estimated split-dollar benefit liability was $187,662 and $184,166, respectively, related to these policies. The total liability is included in "accrued interest payable and other liabilities." During the years ended December 31, 2019 and 2018, the Company recorded an expense of $3,496 and $4,960, 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.

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.

<u>Recurring – investment securities available for sale</u>

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.

<u>Non-recurring – impaired loans</u>

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.

(Continued)

Note 15. Fair Value Measurements (Continued)

Non-recurring – impaired loans (continued)

At December 31, 2019, 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.

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, 2019 and 2018, segregated by the level of the valuation inputs within the fair value hierarchy:

Note 15. Fair Value Measurements (Continued)

	2019			
	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	$ 3,468,863	$ -	$ 3,468,863	$ -
State and municipal securities	8,538,484	-	8,538,484	-
US treasury & agency securities	1,010,095		1,010,095	
Mortgage-backed securities	9,825	-	9,825	-
Equities	8,240	8,240	-	-
	$ 13,035,507	$ 8,240	$ 13,027,267	$ -
Assets and liabilities measured on a non-recurring basis:				
Impaired loans	$ 4,432,590	$ -	$ -	$ 4,432,590
Other real estate owned and repossessions	1,625,600	-	-	1,625,600
Held-to-maturity investment	447,980	-	-	447,980
	$ 5,828,170	$ -	$ -	$ 5,828,170

Note 15. Fair Value Measurements (Continued)

	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

The following tables show the unobservable inputs used for Level 3 assets as of December 31, 2019 and 2018:

	Fair Value December 31, 2019	Valuation Technique	Significant Unobservable Inputs	Range
Other real estate owned	$ 1,625,600	Discounted appraised value	Discounted for selling costs and age of appraisals	15% – 55%
Impaired loans	$ 3,754,590	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	$ 447,980	Discounted valuation	Discounted for projected cash flow	55%

Note 15. Fair Value Measurements (Continued)

	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%

Note 16. Recent Accounting Pronouncements and Changes

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, 2021. Early application is permitted for all organizations for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022. 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.

In August 2018, the FASB issued ASU No. 2018-13, *Changes to the Disclosure Requirements for Fair Value Measurement*. The amendments remove, modify, and add certain fair value disclosure requirements based on the concepts in the FASB *Concepts Statement, Conceptual Framework for Financial Reporting, Notes to Financial Statements*. The amendments are effective for fiscal years beginning after December 15, 2019. Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.

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 12/31/2019. Data reflects information that was received and processed through 03/05/2020.

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, 2019

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.
December 31, 2019
Belington, WV 26250

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	None	None	
				Exec. Officer Team			
*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