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, Tom Hutchinson
Name of the Holding Company Director and Official

Chairman of the Board
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.

Thomas H. Hutchinson
Signature of Holding Company Director and Official

15 MAR 19
Date of Signature

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

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

For Federal Reserve Bank Use Only

RSSD ID ______
C.I. ______

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

December 31, 2018
Month / Day / Year

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

Reporter's Name, Street, and Mailing Address

Amador Banchshares, inc.
Legal Title of Holding Company

P.O. Box 2108
(Mailing Address of the Holding Company) Street / P.O. Box

City	State	Zip Code
Las Cruces	NM	88004

505 S. Main, Las Cruces, NM 88001
Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Name	Title
Ruth Christopher	CFO & EVP

575-647-4114
Area Code / Phone Number / Extension

575-647-4181
Area Code / FAX Number

rchris@citizenslc.com
E-mail Address

www.citizenslc.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 | 1

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.

N/A

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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AMADOR BANCSHARES, INC.
REPORT ITEM 1
ANNUAL REPORT TO SHAREHOLDERS
December 31, 2018

1a. Amador Bancshares, Inc. is not registered with the SEC.

1b. A copy of the annual report for 2018 is attached.

CONTENTS

Amador Bancshares, Inc. Board of Directors

Tom Hutchinson	*Chairman of the Board*
John R. Curry	*President*
Don Beasley	*Secretary*
Jed Fanning	*Member*
David Ikard	*Member*
George Ruth	*Member*

Citizens Bank of Las Cruces Board of Directors

Tom Hutchinson	*Owner, La Posta de Mesilla Restaurant* *Chairman of the Board*
John R. Curry	*President, John Curry Construction and Real Estate* *Vice Chairman of the Board*
Don Beasley	*Partner, Beasley, Mitchell & Co.* *Secretary of the Board*
Jed Fanning	*President and CEO*
Brad Beasley	*Partner, Beasley, Mitchell & Co.*
Ruth Christopher	*Chief Financial Officer, Executive Vice President*
Claiborne Gallagher	Partner/*Broker, RJL Real Estate*
David Ikard	*Broker, NAI 1st Valley Realty*
Kari Mitchell	*CEO/Owner Las Cruces Machine* *Manufacturing & Engineering*
George Ruth	*Executive Vice President*

Letter from the Chairman of the Board

I am once again extremely pleased to report that Amador Bancshares Inc. and its subsidiary, Citizens Bank of Las Cruces, enjoyed another very successful year. EVERY significant category that we use to gauge our success and performance either trended higher or established new records…from the size of our Bank, to book value per share, to record net income. Jed explains in more detail, these exceptional results in his Letter to Shareholders on the following page.

Last year, 2018, also saw the end of George Ruth's tenure as President/CEO of Citizens Bank of Las Cruces. Under his leadership, all George accomplished in less than five years was grow our Bank in assets by 24%, increase book value per share by 27%, and grow net income before taxes by 36%, all while expanding into and establishing a credible presence in the El Paso market. This is just the numbers. The manner in which he led and directed a seasoned team of professionals to perform at the highest levels day in and day out may well be his legacy. Although George will continue his business development and branch management activities for us for a few more months, we wish him and Sandy only the very best as they "attempt", and deservingly so, to be a little more selfish with their time.

Leadership transitions can be tricky...don't always go well...not always seamless…not always collaborative. Not the case here. It was seamless…it was collaborative…and to no surprise…in his relatively short tenure with the Bank, Jed has earned the respect of the Board, staff, customers, and community...and in his new role as our President/CEO, he has simply hit the ground, not just running…but sprinting! I know I speak for the Board when I state we could not be more pleased with George and Jed's execution of the leadership transition and very much look forward to Jed's leadership as our President/CEO.

In closing, I ask you to be ever mindful of the economic and regulatory challenges facing Community Banks. We remain vigilant yet cautiously opportunistic about our future. And as we strive to maintain our status as one of our industry's highest performing institutions in our peer group, we remain keenly aware of what drives our efforts every day…the importance of staying true to our core lending and business principles, providing only the finest customer service experience, and our commitment and fiduciary responsibility to you, our shareholders.

Tom Hutchinson

Tom Hutchinson
Chairman of the Board

Citizens Bank Officers

Jed Fanning	*President and CEO*
George Ruth	*Executive Vice President*
Ruth Christopher, CPA, CGMA	*Executive Vice President, Chief Financial Officer*
Tim Hargrove	*Executive Vice President, Chief Credit Officer*
James A. Easley	*Market President, El Paso Branch*
Tres Libby	*Senior Vice President, Business Banking*
Nate Olsen	*Senior Vice President, Business Banking*
Celeste Bernal, CPA	*Vice President, Risk Management/Process Improvement Officer*
Charles W. Bose, III	*Vice President, Credit Analyst*
Dina Cruz	*Vice President, Picacho Branch Manager*
Eddie DeArmond	*Vice President, Mortgage Banking Manager*
Lilly C. Haines	*Vice President, Human Resources Officer*
Lori A. Martin, CPA	*Vice President, Controller*
Maria Mauricio	*Vice President, Roadrunner Branch Manager*
Mikko Noopila	*Vice President, University Branch Manager*
Rhena Phillips	*Vice President, Marketing/Business Relationship Officer*
Jessie J. Sanchez	*Vice President, Branch Administration/Personal Banking Manager*
Lee Ann Tooley	*Vice President, Truth or Consequences Branch Manager*
Stuart Young	*Vice President, Business Banking*
Diana C. Rivas	*Assistant Vice President, Support Services Manager*
Berna Tirre	*Assistant Vice President, Country Club Branch Manager*
Rebecca Grant	*Mortgage Operations Officer*

Letter from the President

Citizens Bank of Las Cruces had another year of very strong performance by many measures in 2018. Our tried and true business model once again served us well. The record results were due in large part to a well-designed plan fueled by quality loan growth, low cost core deposit growth, strong volumes of home mortgage loan originations, and disciplined expense control. This proven plan was executed by our entire team of exceptional bankers. I want to thank Ruth Christopher, our EVP and Chief Financial Officer, and Tim Hargrove, our EVP and Chief Credit Officer, for helping our team successfully navigate the multiple challenges we faced throughout the year. Although technology has become increasingly important, this is still very much a people business, and we are fortunate to have top-shelf teams of good people in our three markets of Las Cruces, Truth or Consequences, and El Paso.

George Ruth is always the first to remind us that our high performance comes as a result of our high performing staff, and I agree wholeheartedly. Additionally, as Tom so eloquently expressed in his letter, the leadership that George provided as our President and CEO in 2018 was critical to our success. It is my pleasure to communicate to you the highlights of 2018, but this message is very much on behalf of George as the results were generated, as we say, ‘on his watch’. I can’t thank him enough for his guidance and support through our transition period. He consistently models our core values of Respect, Integrity, Professionalism, Teamwork, Performance, and Communication. We recently helped George celebrate his 10 year anniversary with Citizens Bank, and it reminded us of his consistent positive impact on our employees, our customers, our shareholders, and our communities. George Ruth is a true ‘Class Act’, and we are fortunate to have him continue as part of our Executive Management Team and as a Board member in 2019.

Our primary goal of increasing shareholder value was achieved again in 2018 as the bank’s balance sheet was strengthened with a solid combination of capital and reserve for loan loss. Additionally, the bank had record earnings and returns on assets and equity. The bank’s core capital measure of 10.24% was the highest in several years, and the reserve for loan loss was maintained at 1.78%. The record net income before taxes of $12,842,000 translated into the strongest Return on Average Assets in many years of 2.33%. Our employees and you, our shareholders, can be proud that this Return on Average Assets was the highest of all 36 community banks in the state of New Mexico! These stellar results came through a combination of continued safe and sound loan growth and a Loan-to-Asset ratio near 80% at year end, plus mortgage loan volume that exceeded $120 million for the year, plus a continued low cost core deposit growth with a cost of funds well below our peer group. All the while, expense control continued to be a focus which kept our Efficiency Ratio at a better than acceptable level of 55.5%.

Our philosophy on growth last year, as in years past, was one of quality rather than simply growth for growth’s sake. We will continue with this approach. Even with this conservative strategy, the bank grew to all-time highs in total assets of just under $560 million, in total loans of just shy of $400 million, and in total deposits of nearly $500 million. Likewise, the bank’s shareholder equity reached a new high point of more than $55 million. By every measure, Citizens Bank of Las Cruces and Amador Bancshares had a strong and impressive year.

It is my honor and privilege to serve as your bank’s President and CEO, and you have my commitment to honor our Mission Statement and our Core Values. As the bank’s team has done in the past, we will continue to look for ways to ‘up our game’, but I also want to make sure we preserve what has made this bank so successful in the past. With our exceptional employees, our loyal customers, and our solid reputation, the ingredients are in place for us to continue generating the results that you, our shareholders, expect and deserve.

We are excited about 2019, and look forward to another year of success!

Jed Fanning

Jed Fanning
President and CEO
Citizens Bank of Las Cruces

"To provide and deliver the
best financial services
the first time, every time."

Statement of Management's Responsibilities

The management of Amador Bancshares Inc. is responsible for preparing the Company's annual financial statements in accordance with accounting principles generally accepted in the United States of America; for establishing and maintaining an adequate internal control structure and procedures for financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the Consolidated Reports of Condition and Income; and for complying with the federal laws and regulations pertaining to insider loans and the federal and, if applicable, state laws and regulations pertaining to dividend restrictions. The following subsidiary institutions of the Company that are subject to Part 363 are included in this statement of management's responsibilities: Citizens Bank of Las Cruces.

Management's Assessment of Compliance with Designated Laws and Regulations

The management of Amador Bancshares Inc. has assessed the Company's compliance with the federal laws and regulations pertaining to insider loans and the federal and, if applicable, state laws and regulations pertaining to dividend restrictions during the fiscal year that ended on December 31, 2018. Based upon its assessment, management has concluded that the Company complied with the federal laws and regulations pertaining to insider loans and the federal and, if applicable, state laws and regulations pertaining to dividend restrictions during the fiscal year that ended on December 31, 2018. The following subsidiary institutions of the Company that are subject to Part 363 are included in this assessment of compliance with these designated laws and regulations: Citizens Bank of Las Cruces.

Jed Fanning
Chief Executive Officer
March 6, 2019

Ruth Christopher, CPA
Chief Financial Officer
March 6, 2019

LAUTERBACH
BORSCHOW
CERTIFIED PUBLIC ACCOUNTANTS

4130 Rio Bravo Street
El Paso, Texas 79902
T (915) 544-6950 | F (915) 544-1303
www.lb-cpa.com

Independent Auditor's Report

Board of Directors and Shareholders
Amador Bancshares, Inc.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Amador Bancshares, Inc. (a New Mexico Corporation) and its subsidiary, Citizens Bank of Las Cruces (the Company), which comprise the consolidated statement of condition as of December 31, 2018, and 2017, the related consolidated statements comprehensive of income, changes in shareholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 financial statements based on our audit. We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Independent Auditor's Report (Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Amador Bancshares, Inc. and its 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.

Other Matter- Supplementary Information

The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information, pertaining to the years ended December 31, 2018 and 2017, has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Lauterbach Borschow & Company

El Paso, Texas
March 6, 2019

STATEMENTS OF CONDITION

December 31, 2018 and 2017

	CONSOLIDATED		SUBSIDIARY	
ASSETS	2018	2017	2018	2017
Cash and due from banks	$ 9,139,791	$ 6,035,786	$ 9,139,791	$ 6,035,786
Interest bearing deposits with banks	12,674,606	1,228,899	12,674,606	1,228,899
Investment securities (market value of $120,855,827 and $144,157,207 respectively) (Note 2)	120,855,806	144,157,170	120,855,806	144,157,170
Loans, net of allowance for credit losses (Note 3)	386,859,467	355,265,008	386,859,467	355,265,008
Mortgage loans held for sale (Note 3)	5,345,177	5,830,830	5,345,177	5,830,830
Properties and equipment (Note 4)	13,045,537	13,439,836	13,045,537	13,439,836
Cash surrender value of life insurance	8,627,083	8,457,161	8,627,083	8,457,161
Accrued income and other assets (Note 5)	3,317,694	3,642,101	3,316,520	3,640,926
Total assets	$ 559,865,161	$ 538,056,791	$ 559,863,987	$ 538,055,616
LIABILITIES AND SHAREHOLDERS' EQUITY				
Liabilities:				
Deposits				
Demand deposits	$ 163,286,184	$ 138,755,728	$ 165,561,577	$ 141,163,312
Savings/money market deposits	181,930,224	167,972,234	181,930,224	167,972,234
NOW deposits	95,147,385	97,214,179	95,147,385	97,214,179
Time deposits, $100,000 and over (Note 6)	31,561,685	33,501,129	31,561,685	33,501,129
Other time deposits (Note 6)	24,792,656	28,052,462	24,792,656	28,052,462
Total deposits	496,718,134	465,495,732	498,993,527	467,903,316
Federal funds purchased (Note 10)	-0-	13,309,000	-0-	13,309,000
Accrued interest and other liabilities (Note 7)	7,338,923	5,980,032	5,573,031	4,234,181
Total liabilities	504,057,057	484,784,764	504,566,558	485,446,497
Commitments and contingent liabilities (Note 13)				
Shareholders' Equity:				
Common stock, $2 and $10 par value respectively; 10,000,000 shares authorized, 441,473 shares issued and outstanding for 2018 and 436,463 shares issued and outstanding for 2017	882,946	872,926	-0-	-0-
111,140 shares authorized and issued	-0-	-0-	1,111,400	1,111,400
Surplus	2,504,961	1,717,212	6,900,000	6,900,000
Retained earnings	54,491,955	50,930,054	49,357,787	44,845,884
Accumulated other comprehensive income	(2,071,758)	(248,165)	(2,071,758)	(248,165)
Total shareholders' equity	55,808,104	53,272,027	55,297,429	52,609,119
Total liabilities and shareholders' equity	$ 559,865,161	$ 538,056,791	$ 559,863,987	$ 538,055,616

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

Years Ended December 31, 2018 and 2017

	CONSOLIDATED		SUBSIDIARY	
	2018	2017	2018	2017
Interest Income:				
Interest and fees on loans	$ 25,585,774	$ 21,951,176	$ 25,585,774	$ 21,951,176
Interest on investment securities:				
Taxable	2,302,942	2,930,202	2,302,942	2,930,202
Exempt from income tax	533,377	586,979	533,377	586,979
Interest on deposits with banks	157,347	81,289	157,347	81,289
Total interest income	28,579,440	25,549,646	28,579,440	25,549,646
Interest Expense:				
Interest on deposits	1,264,985	1,001,497	1,264,985	1,001,497
Federal funds purchased	59,757	78,381	59,757	78,381
Interest on short-term debt	37,280	3,468	37,280	3,468
Total interest expense	1,362,022	1,083,346	1,362,022	1,083,346
Net interest income	27,217,418	24,466,300	27,217,418	24,466,300
Provision for credit losses (Note 3)	720,000	595,000	720,000	595,000
Net interest income after provision for credit losses	26,497,418	23,871,300	26,497,418	23,871,300
Other Income:				
Service charges on deposit accounts	1,116,351	1,128,086	1,116,351	1,128,086
ATM and debit card fees	1,646,373	1,560,497	1,646,373	1,560,497
Earnings on life insurance	163,689	154,010	163,689	154,010
Other income	140,818	551,512	140,818	551,512
Total other income	3,067,231	3,394,105	3,067,231	3,394,105
Other Expense:				
Salaries and employee benefits (Note 8)	10,262,492	9,683,846	10,262,492	9,683,846
Occupancy expense	890,204	866,856	890,204	866,856
Equipment expense	1,038,918	1,104,039	1,038,918	1,104,039
Other operating expense (Note 9)	4,571,201	4,431,082	4,531,189	4,408,302
Total other expense	16,762,815	16,085,823	16,722,803	16,063,043
Income before income taxes	12,801,834	11,179,582	12,841,846	11,202,362
Income taxes (Note 12)	-0-	-0-	-0-	-0-
Net income	$ 12,801,834	$ 11,179,582	$ 12,841,846	$ 11,202,362
Changes in net unrealized losses on securities available-for-sale	$ (1,823,593)	$ (122,445)	$ (1,823,593)	$ (122,445)
Total comprehensive income	$ 10,978,241	$ 11,057,137	$ 11,018,253	$ 11,079,917
Net income per share of common stock	$ 29.24	$ 25.75	$ 115.55	$ 100.80
Average shares outstanding	437,850	434,193	111,140	111,140
Fully diluted net income per share of common stock (Note 8)	$ 28.23	$ 24.76	$ 115.55	$ 100.80
Weighted average fully diluted shares outstanding (Note 8)	453,529	451,577	111,140	111,140

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Years Ended December 31, 2018 and 2017

Consolidated	Shares	Par Value	Surplus	Retained Earnings
	COMMON STOCK			
Balance at December 31, 2016	433,649	$ 869,722	$ 1,470,854	$ 48,251,652
Comprehensive Income:				
Net income	-0-	-0-	-0-	11,179,582
Net unrealized loss on securities available-for-sale	-0-	-0-	-0-	-0-
Total comprehensive income	-0-	-0-	-0-	11,179,582
Distributions declared at $19.50 per share	-0-	-0-	-0-	(8,501,180)
Additional shares issued	1,602	3,204	246,358	-0-
Sale of treasury stock	1,212	-0-	-0-	-0-
Balance at December 31, 2017	436,463	872,926	1,717,212	50,930,054
Comprehensive Income:				
Net income	-0-	-0-	-0-	12,801,834
Net unrealized loss on securities available-for-sale	-0-	-0-	-0-	-0-
Total comprehensive income	-0-	-0-	-0-	12,801,834
Distributions declared at $21.00 per share	-0-	-0-	-0-	(9,239,933)
Additional shares issued	5,010	10,020	787,749	-0-
Balance at December 31, 2018	441,473	$ 882,946	$ 2,504,961	$ 54,491,955

Subsidiary	Shares	Par Value	Surplus	Retained Earnings
Balance at December 31, 2016	111,140	$ 1,111,400	$ 6,900,000	$ 39,044,926
Comprehensive Income:				
Net income	-0-	-0-	-0-	11,202,362
Net unrealized loss on securities available-for-sale	-0-	-0-	-0-	-0-
Total comprehensive income	-0-	-0-	-0-	11,202,362
Distributions declared at $48.60 per share	-0-	-0-	-0-	(5,401,404)
Balance at December 31, 2017	111,140	1,111,400	6,900,000	44,845,884
Comprehensive Income:				
Net income	-0-	-0-	-0-	12,841,846
Net unrealized loss on securities available-for-sale	-0-	-0-	-0-	-0-
Total comprehensive income	-0-	-0-	-0-	12,841,846
Distributions declared at $74.95 per share	-0-	-0-	-0-	(8,329,943)
Balance at December 31, 2018	111,140	$ 1,111,400	$ 6,900,000	$ 49,357,787

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Years Ended December 31, 2018 and 2017

COMMON STOCK

Consolidated	Common Treasury Stock	Accumulated Other Comprehensive Income	Total Shareholders' Equity
Balance at December 31, 2016	$ (177,604)	$ (125,720)	$ 50,288,904
Comprehensive Income:			
Net income	-0-	-0-	11,179,582
Net unrealized loss on securities available-for-sale	-0-	(122,445)	(122,445)
Total comprehensive income	-0-	(122,445)	11,057,137
Distributions declared at $19.50 per share	-0-	-0-	(8,501,180)
Additional shares issued	-0-	-0-	249,562
Sale of treasury stock	177,604	-0-	177,604
Balance at December 31, 2017	-0-	(248,165)	53,272,027
Comprehensive Income:			
Net income	-0-	-0-	12,801,834
Net unrealized loss on securities available-for-sale	-0-	(1,823,593)	(1,823,593)
Total comprehensive income	-0-	(1,823,593)	10,978,241
Distributions declared at $21.00 per share	-0-	-0-	(9,239,933)
Additional shares issued	-0-	-0-	797,769
Balance at December 31, 2018	$ -0-	$ (2,071,758)	$ 55,808,104

Subsidiary	Common Treasury Stock	Accumulated Other Comprehensive Income	Total Shareholders' Equity
Balance at December 31, 2016	$ -0-	$ (125,720)	$ 46,930,606
Comprehensive Income:			
Net income	-0-	-0-	11,202,362
Net unrealized loss on securities available-for-sale	-0-	(122,445)	(122,445)
Total comprehensive income	-0-	(122,445)	11,079,917
Distributions declared at $48.60 per share	-0-	-0-	(5,401,404)
Balance at December 31, 2017	-0-	(248,165)	52,609,119
Comprehensive Income:			
Net income	-0-	-0-	12,841,846
Net unrealized loss on securities available-for-sale	-0-	(1,823,593)	(1,823,593)
Total comprehensive income	-0-	(1,823,593)	11,018,253
Distributions declared at $74.95 per share	-0-	-0-	(8,329,943)
Balance at December 31, 2018	$ -0-	$ (2,071,758)	$ 55,297,429

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2018 and 2017

	CONSOLIDATED		SUBSIDIARY	
Cash Flows from Operating Activities:	**2018**	**2017**	**2018**	**2017**
Net Income	$ 12,801,834	$ 11,179,582	$ 12,841,846	$ 11,202,362
Adjustments to reconcile net income to net cash provided by operations:				
Provision for loans losses	720,000	595,000	720,000	595,000
Depreciation and amortization	967,085	940,650	967,085	940,650
Decrease/(increase) in accrued income and other assets	154,484	(91,060)	154,484	(91,061)
Increase in accrued interest and other liabilities	1,358,892	728,459	1,338,850	500,380
Total Adjustments	3,200,461	2,173,049	3,180,419	1,944,969
Net cash provided by operating activities	16,002,295	13,352,631	16,022,265	13,147,331
Cash Flows from Investing Activities:				
Net (increase)/decrease in interest bearing deposits with banks	(11,445,707)	23,005,997	(11,445,707)	23,005,997
Proceeds from maturities of available-for-sale and held-to-maturity securities	21,477,771	68,994,805	21,477,771	68,994,805
Purchases of securities available-for-sale	-0-	(43,629,749)	-0-	(43,629,749)
Net increase in loans	(31,828,806)	(64,758,854)	(31,828,806)	(64,758,854)
Purchases of properties and equipment	(572,786)	(1,116,060)	(572,786)	(1,116,059)
Net cash used in investing activities	(22,369,528)	(17,503,861)	(22,369,528)	(17,503,860)
Cash Flows from Financing Activities:				
Net increase/(decrease) in non-interest bearing demand, savings and NOW deposit accounts	36,421,652	(53,925)	36,289,461	(2,521,235)
Net (decrease)/increase in federal funds purchased	(13,309,000)	13,309,000	(13,309,000)	13,309,000
Net decrease in time deposits	(5,199,250)	(2,041,076)	(5,199,250)	(2,041,076)
Distributions paid	(9,239,933)	(8,501,180)	(8,329,943)	(5,401,404)
Increase in common stock	10,020	3,204	-0-	-0-
Increase in surplus	787,749	246,359	-0-	-0-
Sale of treasury stock	-0-	177,604	-0-	-0-
Net cash provided by financing activities	9,471,238	3,139,986	9,451,268	3,345,285
Net increase/(decrease) in cash and due from banks	3,104,005	(1,011,244)	3,104,005	(1,011,244)
Cash and due from banks at beginning of year	6,035,786	7,047,030	6,035,786	7,047,030
Cash and due from banks at end of year	$ 9,139,791	$ 6,035,786	$ 9,139,791	$ 6,035,786
Interest paid	$ 1,371,316	$ 1,090,307	$ 1,371,316	$ 1,090,307
Income taxes paid	$ -0-	$ -0-	$ -0-	$ -0-

The accompanying notes are an integral part of these financial statements.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies follows:

Principles of Consolidation

The accompanying financial statements include the accounts of the Company (Amador Bancshares, Inc.) and its bank subsidiary (100% interest in Citizens Bank of Las Cruces). Significant intercompany transactions and amounts have been eliminated.

Basic Accounting Policy

The accounting and reporting policies of the Company and its Subsidiary conform to generally accepted accounting principles and to general practice within the banking industry.

Nature of Operations

The Company operates a main office and six branch locations in Southern New Mexico and West Texas. Most of the Bank's customers are retail customers and small to medium sized businesses.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investment Securities

The Bank's investments in securities are classified in two categories, as the bank has no securities that are held for trading; and accounted for as follows.

- Securities to be Held-to-Maturity. Bonds, notes and debentures for which the Bank has the positive intent and ability to hold to maturity are reported at cost, adjusted for amortization of premiums, and accretion of discounts which are recognized in interest income using the interest method over the period to maturity.

- Securities Available-for-Sale. Securities available-for-sale consist of bonds, notes, debentures, and certain equity securities not classified as trading securities or as securities to be held-to-maturity.

Unrealized holding gains and losses on securities available-for-sale are reported as a net amount in a separate component of shareholders' equity until realized.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Gains and losses on the sale of securities available-for-sale are determined using the specific-identification method. Premiums and discounts are amortized into interest income using a level yield method.

Loans and Allowance for Credit Losses
Loans are stated at the amount of unpaid principal, reduced by the allowance for credit losses. Interest on loans is calculated using the simple interest method on daily balances of the principal amount outstanding.

The allowance for credit losses is established through a provision for credit losses charged to expenses. The allowance represents an amount which, in management's judgment, will be adequate to absorb probable losses on existing loans that may become uncollectible. Management's judgment in determining the adequacy of the allowance is based on evaluations of the collectibility of loans. These evaluations take into consideration such factors as changes in the nature and volume of the loan portfolio, current economic conditions that may affect the borrowers' ability to pay, overall portfolio quality, and review of specific problem loans.

Loans are placed on nonaccrual status when management believes that the borrower's financial condition, after giving consideration to economic and business conditions and collection efforts, is such that collection of interest is doubtful (see Note 3). Loans are charged against the allowance for credit losses when management believes that the collectibility of the principal is unlikely.

The determination of the adequacy of the allowance for loan losses is based on estimates that are particularly susceptible to significant changes in the economic environment and market conditions. In connection with the determination of the estimated losses on loans, management obtains independent appraisals for significant collateral.

The Company's loans are generally secured by specific items of collateral including real property, consumer assets, and business assets. Although the Company has a diversified loan portfolio, a substantial portion of its debtors' ability to honor their contracts is dependent on local economic conditions in the retail industry.

While management uses available information to recognize losses on loans, further reductions in the carrying amounts of loans may be necessary based on changes in local economic conditions. In addition, regulatory agencies, as an integral part of their examination process, periodically review the estimated losses on loans. Such agencies may require the Company to recognize additional losses based on their judgments about information available to them at the time of their examination. Because of these factors, it is reasonably possible that the estimated losses on loans may change materially in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

Interest Income on Loans
Interest on loans is accrued and credited to income based on the principal amount outstanding. The accrual of interest on loans is discontinued when, in the opinion of management, there is an indication that the borrower may be unable to meet payments as they become due. Upon such discontinuance, all unpaid accrued interest is reversed.

Loan Origination Fees and Costs
Loan origination fees and certain direct origination costs are capitalized and recognized as an adjustment of the yield on the related loan.

Properties and Equipment
Office equipment, buildings, and leasehold improvements are stated at cost less accumulated depreciation computed using both the straight-line and accelerated methods over the estimated useful lives of the respective assets.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes
The Company elected Subchapter S status effective January 1, 1998. The election of Subchapter S status means that the Company is no longer a tax paying entity and all income and deductions are taxed at the shareholder level.

Net Income per Share of Common Stock
Net income per share of common stock is computed by dividing net income by the weighted average and fully diluted number of shares of common stock outstanding during the period.

Stock Based Compensation
The Company uses the intrinsic value method to account for its stock option plan in accordance with Accounting Standards Codification ASC 718 "Compensation–Stock Compensation". Under this method, compensation expense is only recognized by the amount which fair value of the underlying stock exceeds the exercise price of an option at grant (or other measurement date, if later).

Financial Instruments
The Bank accounts for various financial instruments to which it is a party in the following manner -- Other Off-Balance-Sheet Financial Instruments. In the ordinary course of business the Bank has entered into off-balance-sheet financial instruments consisting of commitments to extend credit, commitments under credit card arrangements, commercial letters of credit and standby letters of credit. Such financial instruments are recorded in the financial statements when they are funded or related fees are incurred or received. Fair Values of Financial Instruments. The following methods and assumptions were used by the Bank in estimating fair values of financial instruments as disclosed herein:

Cash and cash equivalents **-** The carrying amounts of cash and short-term instruments approximate their fair value.

Securities to be held-to-maturity and securities available-for-sale **-** Fair values for investment securities, excluding restricted equity securities, are based on quoted market prices. The carrying values of restricted equity securities approximate fair values.

Loans receivable **-** For variable-rate loans that reprice frequently and have no significant change in credit risk, fair values are based on carrying values. Fair values for certain mortgage loans (e.g., one-to-four family residential), credit card loans, and other consumer loans are based on quoted market prices of similar loans sold in conjunction with securitization transactions, adjusted for differences in loan characteristics. Fair values for commercial real estate and commercial loans are estimated using discounted cash flow analyses, using interest rates currently being offered for loans with similar terms to borrowers of similar credit quality. Fair values for impaired loans are estimated using discounted cash flow analyses or underlying collateral values, where applicable.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deposit liabilities - The fair values disclosed for demand deposits are, by definition, equal to the amount payable on demand at the reporting date (that is, their carrying amounts). The carrying amounts of variable rate, fixed-term money market accounts and time deposits approximate their fair values at the reporting date. Fair values for fixed-rate certificates of deposit are estimated using a discounted cash flow calculation that applies interest rates currently being offered on certificates to a schedule of aggregated expected monthly maturities on time deposits.

Short-term borrowings - The carrying amounts of federal funds purchased, borrowings under repurchase agreements, and other short-term borrowings maturing within 90 days approximate their fair values. Fair values of other short-term borrowings are estimated using discounted cash flow analyses based on the Bank's current incremental borrowing rates for similar types of borrowing arrangements.

Long-term debt - The fair values of the Bank's long-term debt are estimated using discounted cash flow analyses based on the Bank's current incremental borrowing rates for similar types of borrowing arrangements.

Accrued interest - The carrying amounts of accrued interest approximate their fair values.

Off-balance-sheet instruments - Fair values for off-balance-sheet lending commitments are based on fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the counterparties' credit standing.

Cash and Cash Equivalents

For the purpose of presentation in the Statements of Cash Flows, cash and cash equivalents are defined as those amounts included in the balance sheet caption, "Cash and Due from Banks."

Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update No. 2014-9, Revenue from Contracts with Customers (Topic 606). This guidance is a comprehensive new revenue recognition standard that will supersede substantially all existing revenue recognition guidance. The new standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. In doing so, companies will need to use more judgment and make more estimates than under existing guidance. These may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. On July 9, 2015, the FASB agreed to delay the effective date of the standard by one year. Therefore, the new standard will be effective in the first quarter of 2019 and is not expected to have a significant impact to the Bank's financial statements.

FASB issued Accounting Standard Update (ASU) No. 2016-2, Leases (Topic 842). ASU 2016-2, among other things, requires lessees to recognize most leases on-balance sheet, increasing reported assets and liabilities. Lessor accounting remains substantially similar to current U.S. GAAP. ASU 2016-2 will be effective for the Company on January 1, 2019, utilizing the modified retrospective transition approach. The Company is currently evaluating the impact of adopting ASU 2016-2 on the Company's consolidated financial statements.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FASB issued ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326): ASU 2016-13 is the final guidance on the new current expected credit loss ("CECL") model. ASU 2016-13, among other things, requires the incurred loss impairment methodology in current GAAP be replaced with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to estimate future credit loss estimates. As CECL encompasses all financial assets carried at amortized cost, the requirement that reserves be established based on an organization's reasonable and supportable estimate of expected credit losses extends to held-to-maturity ("HTM") debt securities. ASU 2016-13 amends the accounting for credit losses on available-for-sale securities ("AFS"), whereby credit losses will be presented as an allowance as opposed to a write-down. In addition, CECL will modify the accounting for purchased loans with credit deterioration since organization, so that reserves are established at the date of acquisition for purchased loans. Lastly, ASU 2016-13 requires enhanced disclosures on the significant estimates and judgments used to estimate credit losses, as well as on the credit quality and underwriting standards of an organization's portfolio. These disclosures require organizations to present the currently required credit quality disclosures disaggregated by the year of origination or vintage. ASU 2016-13 allows for a modified retrospective approach with a cumulative effect adjustment to the balance sheet upon adoption (charge to retained earnings instead of income statement). ASU 2016-13 will be effective for the Company on January 1, 2020, and early adoption is permitted. The Company is currently evaluating the impact of adopting ASU 2016-13 on the Company's consolidated financial statements.

Date of Management's Review of Subsequent Events

Management has evaluated subsequent events through March 6, 2019, which is the date the financial statements were available to be issued, and concluded that there were no subsequent events that required adjustment or disclosure to the financial statements.

Note 2. INVESTMENT SECURITIES (CONSOLIDATED AND SUBSIDIARY)

The carrying amounts of investment securities and their approximate market values at December 31, 2018 and 2017 were as follows:

2018	Amortized Cost	Net Unrealized Gains/ (Losses)	Market Value
Securities available-for-sale:			
Equity / Other	$ 1,803,385	$ -0-	$ 1,803,385
U.S. government and agency	92,701,929	(1,802,947)	90,898,982
State and municipal	28,399,571	(269,280)	28,130,291
Mortgage-backed securities	20,991	469	21,460
	$ 122,925,876	$ (2,071,758)	$ 120,854,118
Securities to be held-to-maturity:			
Mortgage-backed securities	$ 1,688	$ 20	$ 1,708
	$ 1,688	$ 20	$ 1,708

2017	Amortized Cost	Net Unrealized Gains/ (Losses)	Market Value
Securities available-for-sale:			
Equity / Other	$ 1,775,385	$ -0-	$ 1,775,385
U.S. government and agency	111,652,066	(229,314)	111,422,752
State and municipal	30,848,637	(21,396)	30,827,241
Mortgage-backed securities	127,400	2,545	129,945
	$ 144,403,488	$ (248,165)	$ 144,155,323
Securities to be held-to-maturity:			
Mortgage-backed securities	$ 1,847	$ 37	$ 1,884
	$ 1,847	$ 37	$ 1,884

During 2018 and 2017, the bank sold securities available-for-sale for total proceeds of $4,110,718 and $47,771,740 respectively. The gross realized gains were $(2,187) and $350,903.

Note 2. INVESTMENT SECURITIES (Continued)

The scheduled maturities of securities to be held-to-maturity and securities available-for-sale at December 31, 2018 and 2017 were as follows:

	Securities to be held-to-maturity		Securities to be available-for-sale	
2018	**Amortized Cost**	**Market Value**	**Amortized Cost**	**Market Value**
Due in one year or less	$ -0-	$ -0-	$ 15,264,167	$ 15,219,725
Due from one year to five years	1,688	1,708	67,411,937	66,413,844
Due from five years to ten years	-0-	-0-	40,249,772	39,220,549
Due after ten years	-0-	-0-	-0-	-0-
	$ 1,688	$ 1,708	$ 122,925,876	$ 120,854,118

	Securities to be held-to-maturity		Securities to be available-for-sale	
2017	**Amortized Cost**	**Market Value**	**Amortized Cost**	**Market Value**
Due in one year or less	$ -0-	$ -0-	$ 18,759,139	$ 18,738,552
Due from one year to five years	1,847	1,884	68,097,342	68,157,111
Due from five years to ten years	-0-	-0-	55,521,873	55,200,028
Due after ten years	-0-	-0-	2,025,134	2,059,632
	$ 1,847	$ 1,884	$ 144,403,488	$ 144,155,323

The methodology for allocating callable securities is the lowest yield method. If a callable security is currently at a premium, it is categorized based on its call date. If it is at a discount, maturity date is used.

Investment securities with a carrying value of $37,452,539 and $29,813,473 at December 31, 2018 and 2017 respectively, were pledged to secure public deposits and for other purposes as required or permitted by law. Equity securities at December 31, 2018 and 2017 include $1,653,400 and $1,625,400 carried at cost of Federal Home Loan Bank stock, which is a required investment to be a member of the Federal Home Loan Bank. This stock serves as collateral for Federal Home Loan Bank advances.

Note 2. INVESTMENT SECURITIES (Continued)

Investments in an unrealized loss position that are not other-than-temporarily impaired:

	Less than 12 months		More than 12 months		Total	
2018	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**
Direct obligations of U.S. government agencies	$ 40,002,794	$ (452,678)	$ 50,896,188	$ (1,350,270)	$ 90,898,982	$ (1,802,948)
Municipals	$ 6,118,705	$ (24,954)	$14,473,697	$ (291,661)	$ 20,592,402	$ (316,615)

	Less than 12 months		More than 12 months		Total	
2017	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**
Direct obligations of U.S. government agencies	$ 52,430,167	$ (343,844)	$ 10,243,972	$ (189,735)	$ 62,674,139	$ (533,579)
Municipals	$ 13,034,761	$ (98,908)	$ 2,755,113	$ (91,394)	$ 15,789,874	$ (190,302)

Management evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Bank to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

The unrealized losses above relate principally to current interest rates for similar types of securities. In analyzing an issuer's financial condition, management considers whether the securities are issued by the federal government, its agencies, or other governments, whether downgrades by bond rating agencies have occurred, and the results of reviews of the issuer's financial condition. As management has the ability to hold debt securities until maturity, or for the foreseeable future in classified as available for sale, no declines are deemed to be other-than-temporary.

Note 3. LOANS AND ALLOWANCE FOR LOAN LOSSES (CONSOLIDATED AND SUBSIDIARY)

The composition of recorded investment in loans by segment is as follows:

	2018	**2017**
Real estate	$ 259,145,590	$ 230,242,922
Commercial	72,091,280	71,235,343
Real estate construction	64,469,935	61,957,476
Consumer	3,596,660	4,098,609
Total loans	399,303,465	367,534,350
Less:		
Allowance for credit losses	7,098,821	6,438,512
Loans, net	$ 392,204,644	$ 361,095,838

Mortgage Loans Held for Sale: The Bank originates mortgage loans for the intention to sell in the secondary market. The loans are recorded at book value which approximates fair value as the loans are held for less than 30 days. These loans are normally sold with servicing released. Net unrealized losses, if any, are recognized through a valuation allowance by charges to income. Sales in the secondary market are recognized when full acceptance and funding has been received. Gains and losses from the sale are recorded within operations and amounted to $3,524,499 and $3,624,972 for the years ending December 31, 2018 and 2017. Loans held for sale at December 31, 2018 and 2017 were, $5,345,177 and $5,830,830, respectively.

Note 3. LOANS AND ALLOWANCE FOR LOAN LOSSES (Continued)

The following table summarizes the activity in the allowance for loan losses, and ending balances of loans, net of unearned fees as of December 31, 2018 and 2017:

2018	Real Estate	Construction	Commercial	Consumer	Total
Beginning Balance:	$ 4,178,556	$ 1,039,536	$ 1,162,426	$ 57,994	$ 6,438,512
Charge offs	(48,203)	-0-	(17,484)	(13,151)	(78,838)
Recoveries	9,922	-0-	6,115	3,110	19,147
Provision	467,276	116,248	129,991	6,485	720,000
Ending Balance:	$ 4,607,551	$ 1,155,784	$ 1,281,048	$ 54,438	$ 7,098,821
Ending Balance:					
Individually evaluated for impairment	$ 100,675	$ -0-	$ -0-	$ -0-	$ 100,675
Collectively evaluated for impairment	$ 4,506,876	$ 1,155,784	$ 1,281,048	$ 54,438	$ 6,998,146
Acquired with deteriorated credit quality	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-
Ending Balance Total Loans:					
Individually evaluated for impairment	$ 5,207,839	$ 8,349,339	$ 2,518,690	$ 1,340	$ 16,077,208
Collectively evaluated for impairment	$ 253,937,751	$ 56,120,596	$ 69,572,590	$ 3,595,320	$ 383,226,257
Acquired with deteriorated credit quality	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-

2017	Real Estate	Construction	Commercial	Consumer	Total
Beginning Balance:	$ 3,871,383	$ 1,041,774	$ 1,197,775	$ 68,915	$ 6,179,847
Charge offs	(299,744)	-0-	(33,462)	(8,708)	(341,914)
Recoveries	-0-	-0-	4,400	1,179	5,579
Provision	372,739	100,303	115,323	6,635	595,000
Ending Balance:	$ 3,944,378	$ 1,142,077	$ 1,284,036	$ 68,021	$ 6,438,512
Ending Balance:					
Individually evaluated for impairment	$ 128,290	$ -0-	$ 12,226	$ 24,322	$ 164,838
Collectively evaluated for impairment	$ 3,816,088	$ 1,142,077	$ 1,271,810	$ 43,699	$ 6,273,674
Acquired with deteriorated credit quality	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-
Ending Balance Total Loans:					
Individually evaluated for impairment	$ 5,685,728	$ 210,512	$ 1,723,131	$ 25,731	$ 7,645,102
Collectively evaluated for impairment	$ 224,557,194	$ 61,746,964	$ 69,512,212	$ 4,072,878	$ 359,889,248
Acquired with deteriorated credit quality	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-

As part of the on-going monitoring of the credit quality of the Bank's loan portfolio, management tracks certain credit quality indicators including, but not limited to, trends relating to (i) the level of criticized and classified loans, (ii) net charge-offs, (iii) non-performing loans, and (iv) delinquency within the portfolio.

The Bank utilizes a risk grading system to assign a risk grade to each of its loans. Loans are graded on a scale ranging from Pass to Loss. A description of the general characteristics of the risk grades are as follows:

Note 3. LOANS AND ALLOWANCE FOR LOAN LOSSES (Continued)

Pass - This grade represents loans ranging from acceptable to very little or no credit risk. These loans typically meet most if not all policy standards in regard to: loan amount as a percentage of collateral value, debt service coverage, profitability, leverage, and working capital.

Pass/Watch - These assets have weaknesses, generally in documentation, that prevent the assignment of a "Pass" grade. Assets in this category are not considered criticized assets; however, failure to immediately address the documentation or quality deficiencies may lead to further deterioration and the assignment of a more adverse grade.

Special Mention - This grade represents "Other Assets Especially Mentioned" in accordance with regulatory guidelines and includes loans that display some potential weaknesses, which, if left unaddressed, may result in deterioration of the repayment prospects for the asset or may inadequately protect the Bank's position in the future. These loans warrant more than normal supervision and attention.

Substandard - This grade represents "Substandard" loans in accordance with regulatory guidelines. Loans with this rating typically exhibit weaknesses that are well defined to the point that repayment is jeopardized. Loss potential is, however, not necessarily evident. The underlying collateral supporting the credit appears to have sufficient value to protect the Bank from loss of principal and accrued interest, or the loan has been written down to the point where that is true. There is a definite need for a well defined workout/rehabilitation program.

Doubtful - This grade represents "Doubtful" loans in accordance with regulatory guidelines. An asset classified as doubtful has all the weaknesses inherent in a loan classified Substandard with the added characteristics that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions and values, highly questionable and improbable. Pending factors include proposed merger, acquisition, or liquidation procedures, capital injection, perfecting liens on additional collateral and financing plans.

Loss - This grade represents "Loss" loans in accordance with regulatory guidelines. A loan classified as Loss is considered uncollectible and of such little value that its continuance as a bankable asset is not warranted. This classification does not mean that the loan has absolutely no recovery or salvage value, but rather that it is not practical or desirable to defer writing off the loan, even though some recovery may be effected in the future. The portion of the loan that is graded Loss should be charged off no later than the end of the quarter in which the loss is identified.

The following table presents ending loan balances by loan category and risk grade as of December 31, 2018 and 2017:

2018	Real Estate	Construction	Commercial	Consumer	Total
Pass	$ 115,099,083	$ 8,333,035	$ 19,504,857	$ 3,003,503	$ 145,940,478
Pass/Watch	138,838,669	47,787,561	50,067,732	591,817	237,285,779
Special Mention	345,342	8,146,944	374,926	-0-	8,867,212
Substandard	4,822,795	202,395	2,143,765	1,340	7,170,295
Doubtful	39,701	-0-	-0-	-0-	39,701
Total Loans:	$ 259,145,590	$ 64,469,935	$ 72,091,280	$ 3,596,660	$ 399,303,465

2017	Real Estate	Construction	Commercial	Consumer	Total
Pass	$ 116,560,839	$ 4,740,240	$ 21,417,943	$ 2,949,230	$ 145,668,252
Pass/Watch	107,996,354	57,006,724	48,094,268	1,123,649	214,220,995
Special Mention	3,341,306	-0-	1,698,681	2,200	5,042,187
Substandard	2,292,729	210,512	24,451	-0-	2,527,692
Doubtful	51,694	-0-	-0-	23,530	75,224
Total Loans:	$ 230,242,922	$ 61,957,476	$ 71,235,343	$ 4,098,609	$ 367,534,350

Note 3. LOANS AND ALLOWANCE FOR LOAN LOSSES (Continued)

Consumer loans, whether unsecured or secured by real estate, automobiles, or other personal property, are primarily susceptible to three primary risks: non-payment due to income loss, over-extension of credit and when the borrower is unable to pay shortfall in collateral value. Typically, non-payment is due to loss of job and will follow general economic trends in the marketplace, driven primarily by rises in the unemployment rate. Loss of collateral value can be due to market demand shifts, damage to collateral itself or a combination of the two.

Problem consumer loans are generally identified by payment history of the borrower (delinquency). The Bank manages its consumer loan portfolios by monitoring delinquency and contacting borrowers to encourage repayment, suggest modifications if appropriate, and when continued scheduled payments become unrealistic, initiate repossession or foreclosure through appropriate channels. Collateral values may be determined by appraisals obtained through Bank approved, licensed appraisers, qualified independent third parties, public value information (blue book values for autos), sales invoices, or other appropriate means. Appropriate valuations are obtained at initiation of the credit and periodically (every 3-12 months depending on collateral type) once repayment is questionable and the loan has been classified.

Commercial real estate loans generally fall into two categories, owner-occupied and non-owner occupied. Loans secured by owner-occupied real estate are primarily susceptible to changes in the business conditions of the related business. This may be driven by, among other things, industry changes, geographic business changes, changes in the individual fortunes of the business owner, and general economic conditions and changes in business cycles. These same risks apply to commercial loans whether secured by equipment or other personal property or unsecured. Losses on loans secured by owner-occupied real estate, equipment, or other personal property generally are dictated by the value of underlying collateral at the time of default and liquidation of the collateral. When default is driven by issues related specifically to the business owner, collateral values tend to provide better repayment support and may result in little or no loss. Alternatively, when default is driven by more general economic conditions, underlying collateral generally has devalued more and results in larger losses due to default. Loans secured by non-owner occupied real estate are primarily susceptible to risks associated with swings in occupancy or vacancy and related shifts in lease rates, rental rates or room rates. Most often these shifts are a result of changes in general economic or market conditions or over-building and resultant over-supply. Losses are dependent on the value of underlying collateral at the time of default. Values are generally driven by these same factors and influenced by interest rates and required rates of return, as well as changes in occupancy costs.

Construction loans, whether owner-occupied or non-owner occupied commercial real estate loans or residential development loans, are not only susceptible to the related risks described above but the added risks of construction itself, including cost overruns, mismanagement of the project, or lack of demand or market changes experienced at time of completion. Again, losses are primarily related to underlying collateral value and changes therein as described above.

Problem commercial loans are generally identified by periodic review of financial information which may include financial statements, tax returns, rent rolls and payment history of the borrower (delinquency). Based on this information, the Bank may decide to take any of several courses of action including demand for repayment, additional collateral or guarantors, and when repayment becomes unlikely through borrower's income and cash flow, repossession or foreclosure of the underlying collateral.

Collateral values may be determined by appraisals obtained through Bank approved, licensed appraisers, qualified independent third parties, public value information (blue book values for autos), sales invoices, or other appropriate means. Appropriate valuations are obtained at initiation of the credit and periodically (every 3-12 months depending on collateral type) once repayment is questionable and the loan has been classified.

Once a loan becomes delinquent and repayment becomes questionable, a Bank collection officer will address collateral shortfalls with the borrower and attempt to obtain additional collateral. If this is not forthcoming and payment in full is unlikely, the Bank will estimate its probable loss, using a recent valuation as appropriate to the underlying collateral less estimated costs of sale, and charge the loan down to the estimated net realizable amount. Depending on the length of time until ultimate collection, the Bank may revalue the underlying collateral and take additional charge-offs as warranted. Revaluations may occur as often as every 3-12 months depending on the underlying collateral and volatility of values. Final charge-offs or recoveries are taken when collateral is liquidated and actual loss is known. Unpaid balances on loans after or during collection and liquidation may also be pursued through lawsuit and attachment of wages or judgment liens on borrower's other assets.

Note 3. LOANS AND ALLOWANCE FOR LOAN LOSSES (Continued)

The following table shows the ending balance of current, past due and nonaccrual loans by category as of December 31, 2018 and 2017:

2018	Real Estate	Construction	Commercial	Consumer	Total
Past due:					
30-89 days	$ 36,483	$ -0-	$ -0-	$ 15,867	$ 52,350
>90 days still accruing	-0-	-0-	-0-	-0-	-0-
Nonaccrual	141,167	-0-	-0-	-0-	141,167
Total past due	177,650	-0-	-0-	15,867	193,517
Current	258,967,940	64,469,935	72,091,280	3,580,793	399,109,948
Total loans	$ 259,145,590	$ 64,469,935	$ 72,091,280	$ 3,596,660	$ 399,303,465

2017	Real Estate	Construction	Commercial	Consumer	Total
Past due:					
30-89 days	$ 239,719	$ -0-	$ -0-	$ 124,422	$ 364,141
>90 days still accruing	-0-	-0-	-0-	3,318	3,318
Nonaccrual	203,559	-0-	24,451	-0-	228,010
Total past due	443,278	-0-	24,451	127,740	595,469
Current	229,799,644	61,957,476	71,210,892	3,970,869	366,938,881
Total loans	$ 230,242,922	$ 61,957,476	$ 71,235,343	$ 4,098,609	$ 367,534,350

Impaired loans are those where management has concluded that it is probable that the borrower will be unable to pay all amounts due under the contractual terms.

The following table shows the recorded investment (financial statement balance), unpaid principal balance, average recorded investment, and interest income recognized for impaired loans, segregated by those with no related allowance recorded and those with an allowance recorded as of December 31, 2018 and 2017:

2018	Real Estate	Construction	Commercial	Consumer	Total
No related allowance:					
Recorded investment	$ 4,649,169	$ 8,349,959	$ 2,523,023	$ 1,348	$ 15,523,499
Unpaid principal	4,643,662	8,349,339	2,518,690	1,340	15,513,031
Average recorded investment	4,646,416	8,349,649	2,520,857	1,344	15,518,266
Interest income recognized	325,230	413,300	117,466	177	856,173
Allowance recorded					
Recorded investment	564,670	-0-	-0-	-0-	564,670
Unpaid principal	564,177	-0-	-0-	-0-	564,177
Related allowance	100,675	-0-	-0-	-0-	100,675
Average recorded investment	514,086	-0-	-0-	-0-	514,086
Interest income recognized	32,020	-0-	-0-	-0-	32,020

2017	Real Estate	Construction	Commercial	Consumer	Total
No related allowance:					
Recorded investment	$ 6,807,670	$ 211,156	$ -0-	$ -0-	$ 7,018,826
Unpaid principal	6,795,410	210,512	-0-	-0-	7,005,922
Average recorded investment	6,801,540	210,834	-0-	-0-	7,012,374
Interest income recognized	377,450	11,395	-0-	-0-	388,845
Allowance recorded					
Recorded investment	591,708	-0-	24,451	23,690	639,849
Unpaid principal	591,199	-0-	24,451	23,530	639,180
Related allowance	128,290	-0-	12,226	24,322	164,838
Average recorded investment	527,309	-0-	18,338	11,449	557,096
Interest income recognized	31,243	-0-	463	1,269	32,975

Note 4. PROPERTIES AND EQUIPMENT (CONSOLIDATED AND SUBSIDIARY)

Components of properties and equipment included in the balance sheet at December 31, 2018 and 2017 were as follows:

	2018	2017
Cost:		
Land	$ 4,400,646	$ 4,400,646
Bank premises	13,899,049	13,744,849
Furniture and equipment	6,273,341	5,987,306
Total cost	24,573,036	24,132,801
Less accumulated depreciation	11,527,499	10,692,965
Net book value	$ 13,045,537	$ 13,439,836

Certain bank facilities and equipment are leased under various operating leases. Rental expense for 2018 and 2017 was $94,354 and $87,210, respectively. Future minimum rental commitments under non-cancellable leases are:

2019	$ 57,825
2020	-0-
2021	-0-
2022	-0-
2023	-0-
Thereafter	-0-
	$ 57,825

Note 5. OTHER ASSETS

Accrued income and other assets consist of the following:

	CONSOLIDATED		SUBSIDIARY	
	2018	2017	2018	2017
Interest receivable - loans	$ 1,039,187	$ 940,770	$ 1,039,187	940,770
Interest receivable - securities	745,081	947,491	745,081	947,491
Prepaid expenses	484,302	537,319	484,302	537,319
Other real estate owned	217,505	362,426	217,505	362,426
Late charges receivable	16,788	15,014	16,788	15,014
Other	814,831	839,081	813,657	837,906
	$ 3,317,694	$ 3,642,101	$ 3,316,520	$ 3,640,926

Note 6. TIME DEPOSITS (CONSOLIDATED AND SUBSIDIARY)

The scheduled maturities of time deposits as of December 31, 2018 and 2017 were as follows:

	2018	2017
Less than one year	$ 34,574,870	$ 27,954,529
One year to two years	17,706,220	26,991,772
Two years to three years	2,824,861	4,707,275
Three years to five years	1,248,390	1,900,015
Over five years	-0-	-0-
	$ 56,354,341	$ 61,553,591

Note 7. ACCRUED INTEREST AND OTHER LIABILITIES

A summary of accrued interest and other liabilities follows:

	CONSOLIDATED		SUBSIDIARY	
	2018	2017	2018	2017
Accrued salaries and benefits	$ 3,952,150	$ 3,562,444	$ 3,952,150	$ 3,562,444
Distribution payable	1,765,892	1,745,851	-0-	-0-
Accrued other expenses	1,265,591	340,320	1,265,591	340,320
Accrued interest	162,530	171,823	162,530	171,823
Accrued other taxes	103,046	96,760	103,046	96,760
Other liabilities	89,714	62,834	89,714	62,834
	$ 7,338,923	$ 5,980,032	$ 5,573,031	$ 4,234,181

Note 8. EMPLOYEE BENEFIT PLANS

Profit Sharing / 401(k) / Employee Stock Purchase Plan

As part of employee benefits, all eligible employees of the Bank participate in an employee stock ownership, 401(k) and profit sharing plan. Contributions under the defined contribution plan are made at the discretion of the Board of Directors. The Bank approved contributions of $1,334,449 for 2018 and $1,157,083 for 2017.

Employee Stock Incentive Plans

On March 31, 2008, the Company adopted the Citizens Bank of Las Cruces Stock Appreciation Rights Plan. The plan permits the grant of stock appreciation rights to certain employees of the Company. The liability accrued for the stock appreciation rights plan at December 31, 2018 was $567,589 and December 31, 2017 was $463,313. This balance is a component of the accrued salaries and benefits disclosure.

On May 21, 2015, the Company adopted the Amador Bancshares and Citizens Bank of Las Cruces Incentive Stock Option Plan of 2015, an incentive stock option plan covering key employees. This plan is shareholder-approved and permits the grant of share options and shares to its key employees for up to 40,000 shares of common stock. The Company believes that such awards better align the interests of its employees with those of its shareholders. Option awards are granted with an exercise price equal to the market price of the Company's stock at the date of grant; those option awards generally vest over eight years and have ten-year contractual terms. Certain option and share awards provide for accelerated vesting if there is a change in control (as defined by the Plan).

The fair value of each option award is set on the date of grant using the stock price multiplier of book value as of the most recent quarter-end. The stock price multiplier is established by the shareholders annually.

A summary of option activity under the Plan as of December 31, 2018 and 2017, and changes during the years then ended is presented below:

Options	Shares (000)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Outstanding at January 1, 2017	18,324	$ 149.32	
Granted	-0-	-0-	
Exercised	(1,814)	147.91	
Forfeited or expired	-0-	-0-	
Outstanding at December 31, 2017	16,510	$ 149.48	5.8
Granted	-0-	-0-	
Exercised	(2,510)	147.93	
Forfeited or expired	-0-	-0-	
Outstanding at December 31, 2018	14,000	$ 149.76	4.8

Vested and expected to vest was 4,750 at December 31, 2018 and 4,760 at December 31, 2017.

Note 9. OTHER OPERATING EXPENSE

A summary of other operating expense follows:

	CONSOLIDATED		SUBSIDIARY	
	2018	2017	2018	2017
ATM/Debit card	$ 760,505	$ 735,228	$ 760,505	$ 735,228
Office expense	681,411	675,443	681,411	675,443
Advertising	469,667	493,892	469,667	493,892
Director and committee fees	380,700	361,100	380,700	361,100
Loan expense	342,651	416,098	342,651	416,098
Consulting	133,503	182,387	133,503	182,387
Other operating expense	1,802,764	1,566,934	1,762,752	1,544,154
	$ 4,571,201	$ 4,431,082	$ 4,531,189	$ 4,408,302

Note 10. SHORT AND LONG-TERM DEBT (CONSOLIDATED AND SUBSIDIARY)

Short-term debt consisted of the following at December 31st:

	2018	2017
The Bank borrowed overnight Federal Funds from the Federal Home Loan Bank of Dallas, TX at a rate of 1.43% and a maturity of January 2, 2018. The Bank's existing residential real estate portfolio constitutes collateral on this borrowing.	$ -0-	$ 13,309,000

There is no long-term debt as of December 31, 2018 or 2017.

The Bank has committed unused lines of credit at correspondent banks in the amount of $186 million at December 31, 2018 and $163 million at December 31, 2017. There are financial covenants associated with the indebtedness to which the bank is in compliance.

Note 11. RELATED PARTY TRANSACTIONS

The Bank has entered into transactions with its directors, significant shareholders and their affiliates (related parties). Such transactions were made in the ordinary course of business on substantially the same terms and conditions, including interest rates and collateral, as those prevailing at the same time for comparable transactions with other customers, and did not, in the opinion of management, involve more than normal credit risk or present other unfavorable features.

As of December 31, 2018:

Outstanding loans at January 1, 2018	$ 18,839,235
New loans and advances	1,233,077
Payments and adjustments	1,668,113
Ending balance as of December 31, 2018	$ 18,404,199

The aggregate amount of loans committed and deposit balances to such related parties was $20,077,627 and $9,694,000 respectively.

As of December 31, 2017:

Outstanding loans at January 1, 2017	$ 14,669,357
New loans and advances	4,873,582
Payments and adjustments	703,704
Ending balance as of December 31, 2017	$ 18,839,235

The aggregate amount of loans committed and deposit balances to such related parties was $21,115,075 and $8,858,515 respectively.

Note 12. INCOME TAXES

The Company elected Subchapter S status effective January 1, 1998. The election of Subchapter S status means that the Company is no longer a tax paying entity and all income and deductions are taxed at the shareholder level.

Note 13. CONTINGENT LIABILITIES AND COMMITMENTS

The Bank's consolidated financial statements do not reflect various commitments and contingent liabilities which arise in the normal course of business and which involve elements of credit risk, interest rate risk and liquidity risk. These commitments and contingent liabilities are described in Note 15, Financial Instruments.

The Bank is party to litigation and claims arising in the normal course of business. Management, after consultation with legal counsel, believes that the liabilities, if any, arising from such litigation and claims will not be material to the Bank's financial position.

Note 14. CONCENTRATIONS

All of the Bank's loans, commitments and standby letters of credit have been granted to customers in the Bank's market area. The majority of such customers are depositors of the Bank. The concentrations of credit by type of loan are set forth in Note 3. The distribution of commitments to extend credit approximates the distribution of loans outstanding. Standby letters of credit were granted primarily to commercial borrowers. The Bank, as a matter of policy, does not extend credit to any single borrower or group of related borrowers in excess of $10,000,000.

The Bank has a concentration of deposits from governmental entities. These accounts are on-going transactions and are not considered volatile.

Note 15. FINANCIAL INSTRUMENTS

The Bank 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 and to reduce its own exposure to fluctuations in interest rates. These financial instruments include commitments to extend credit and standby letters of credit. Those instruments involve, to varying degrees, elements of credit and interest-rate risk in excess of the amount recognized in the statement of financial position. The contract or notional amounts of those instruments reflect the extent of the Bank's involvement in particular classes of financial instruments.

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

Commitments to Extend Credit and Financial Guarantees

At December 31, 2018, the Bank was exposed to credit risk on commitments to extend credit having contract amounts of $116,200,109, credit card arrangements of $5,389,265 and letters of credit written of $3,343,166. At December 31, 2017, the Bank was exposed to credit risk on commitments to extend credit having contract amounts of $131,451,386, credit card arrangements of $5,216,085 and letters of credit written of $4,646,411. 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.

Note 15. FINANCIAL INSTRUMENTS (Continued)

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 Bank's experience has been that approximately 41% of loan commitments are drawn upon by customers. The Bank evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if it is deemed necessary by the Bank upon extension of credit, is based on management's credit evaluation of the counterparty. Collateral held varies, and may include accounts receivable; inventory; property, plant, and equipment; and income-producing commercial properties.

Letters of credit written are a conditional commitment issued by the Bank to guarantee the performance of a customer to a third party. Those guarantees are primarily issued to support public and private borrowing arrangements. Guarantees are generally extended for periods of one year. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. The Bank holds collateral supporting those commitments for which collateral is deemed necessary.

The Bank has not been required to perform on any financial guarantees during the past year.

The Bank has not incurred any losses on its commitments in 2018 or 2017.

Fair Value of Financial Instruments

FASB ASC 820, Fair Value Measurements and Disclosures, clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between willing market participants. Under this guidance, fair value measurements are not adjusted for transaction costs. This guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under this guidance are described below.

- Level 1 - Valuations for assets and liabilities traded in active exchange markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

- Level 2 - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or comparable assets or liabilities which use observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. A financial instrument's level with the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Note 15. FINANCIAL INSTUMENTS (Continued)

The estimated fair value of the Bank's financial instruments were as follows:

2018	**CONSOLIDATED**		**SUBSIDIARY**	
Financial Assets:	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Cash due from banks and interest-bearing deposits with banks	$ 21,814,397	$ 21,814,397	$ 21,814,397	$ 21,814,397
Securities available-for-sale	120,854,119	120,854,119	120,854,119	120,854,119
Securities to be held-to-maturity	1,688	1,708	1,688	1,708
Loans receivable	399,303,465	397,294,821	399,303,465	397,294,821
Accrued interest receivable	1,810,268	1,810,268	1,810,268	1,810,268
Financial Liabilities:				
Deposit liabilities	496,718,134	439,326,122	498,993,527	441,601,515

2017	**CONSOLIDATED**		**SUBSIDIARY**	
Financial Assets:	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Cash due from banks and interest-bearing deposits with banks	$ 7,264,685	$ 7,264,685	$ 7,264,685	$ 7,264,685
Securities available-for-sale	144,155,323	144,155,323	144,155,323	144,155,323
Securities to be held-to-maturity	1,847	1,884	1,847	1,884
Loans receivable	367,534,350	365,522,512	367,534,350	365,522,512
Accrued interest receivable	1,917,261	1,917,261	1,917,261	1,917,261
Financial Liabilities:				
Federal funds purchased	13,309,000	13,309,000	13,309,000	13,309,000
Deposit liabilities	465,495,732	428,280,396	467,903,316	430,687,982

Fair values of assets and liabilities measured on a recurring basis at December 31, 2018 and 2017 are as follows:

		Fair Value Measurements at Reporting Date Using		
2018	**Fair Value**	**Quoted Prices in Active Market for Identical Assets/Liabilities (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Available-for-sale securities	$ 119,050,734	$ -0-	$ 119,050,734	$ -0-
Total Assets	$ 119,050,734	$ -0-	$ 119,050,734	$ -0-

		Fair Value Measurements at Reporting Date Using		
2017	**Fair Value**	**Quoted Prices in Active Market for Identical Assets/Liabilities (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Available-for-sale securities	$ 142,379,938	$ -0-	$ 142,379,938	$ -0-
Total Assets	$ 142,379,938	$ -0-	$ 142,379,938	$ -0-

Note 15. FINANCIAL INSTRUMENTS (Continued)

Gains and losses (realized and unrealized) included in earnings for December 31, 2018 and 2017 are reported in other income/(loss) as follows:

2018	2017
$ (2,187)	$ 363,903

Fair values of assets and liabilities measured on a nonrecurring basis at December 31, 2018 and 2017 are as follows:

2018		Fair Value Measurements at Reporting Date Using		
Description	Fair Value	Quoted Prices in Active Market for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Foreclosed real estate, net	$ 217,505	$ -0-	$ -0-	$ 217,505
Impaired loans	564,177	-0-	-0-	564,177
Total	$ 781,682	$ -0-	$ -0-	$ 781,682

2017		Fair Value Measurements at Reporting Date Using		
Description	Fair Value	Quoted Prices in Active Market for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Foreclosed real estate, net	$ 362,425	$ -0-	$ -0-	$ 362,425
Impaired loans	639,180	-0-	-0-	639,180
Total	$ 1,001,605	$ -0-	$ -0-	$ 1,001,605

Note 16. REGULATORY MATTERS

The Company is subject to various regulatory capital requirements administered by federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory, and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company must meet specific capital guidelines that involve quantitative measures of the Company's assets, liabilities and certain off-balance-sheet items as calculated under regulatory accounting practices. The Company's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Company to maintain minimum amounts and ratios (set forth in the table below) of total, Tier I, and common equity Tier I capital to risk-weighted assets, and of Tier I capital to average assets. Management believes, as of December 31, 2018 and 2017, the Company meets all capital requirements to which it is subject.

The following tables present actual and required capital ratios as of December 31, 2018 and 2017 for the Company and the Bank under Basel III Capital Rules. The minimum capital amounts presented include the minimum required capital levels as of December 31, 2018 and 2017 based on the phased-in provisions of the Basel III Capital Rules, and the minimum required capital levels as of January 1, 2019 when the Basel III Capital Rules have been fully phased-in. Capital levels required to be considered well capitalized are based upon prompt corrective action regulations, as amended to reflect the changes under the BASEL III Capital rules.

Note 16. REGULATORY MATTERS (Continued)

As of December 31, 2018 (in thousands)	Actual		Minimum Capital		BASEL III Fully Phased In Minimum Capital		Required to be Well Capitalized	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total Capital (to Risk Weighted Assets)								
Consolidated	$63,680	13.76%	≥ $37,017	≥ 8.0%	≥ $48,585	≥ 10.5%	≥ $46,272	≥ 10.0%
Subsidiary	$63,169	13.65%	≥ $37,017	≥ 8.0%	≥ $48,585	≥ 10.5%	≥ $46,272	≥ 10.0%
Tier 1 Capital (to Risk Weighted Assets)								
Consolidated	$57,880	12.51%	≥ $27,763	≥ 6.0%	≥ $39,331	≥ 8.5%	≥ $37,017	≥ 8.0%
Subsidiary	$57,369	12.40%	≥ $27,763	≥ 6.0%	≥ $39,331	≥ 8.5%	≥ $37,017	≥ 8.0%
Common Equity Tier 1 Capital (to Risk Weighted Assets)								
Consolidated	$57,880	12.51%	≥ $20,822	≥ 4.5%	≥ $32,390	≥ 7.0%	≥ $30,077	≥ 6.5%
Subsidiary	$57,369	12.40%	≥ $20,822	≥ 4.5%	≥ $32,390	≥ 7.0%	≥ $30,076	≥ 6.5%
Tier 1 Capital (to Average Assets)								
Consolidated	$57,880	10.33%	≥ $22,419	≥ 4.0%	≥ $22,419	≥ 4.0%	≥ $28,024	≥ 5.0%
Subsidiary	$57,369	10.24%	≥ $22,419	≥ 4.0%	≥ $22,419	≥ 4.0%	≥ $28,024	≥ 5.0%

As of December 31, 2017 (in thousands)	Actual		Minimum Capital		BASEL III Fully Phased In Minimum Capital		Required to be Well Capitalized	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total Capital (to Risk Weighted Assets)								
Consolidated	$58,909	13.70%	≥ $34,407	≥ 8.0%	≥ $45,159	≥ 10.5%	≥ $43,009	≥ 10.0%
Subsidiary	$58,246	13.54%	≥ $34,407	≥ 8.0%	≥ $45,159	≥ 10.5%	≥ $43,009	≥ 10.0%
Tier 1 Capital (to Risk Weighted Assets)								
Consolidated	$53,520	12.44%	≥ $25,805	≥ 6.0%	≥ $36,557	≥ 8.5%	≥ $34,407	≥ 8.0%
Subsidiary	$52,857	12.29%	≥ $25,805	≥ 6.0%	≥ $36,557	≥ 8.5%	≥ $34,407	≥ 8.0%
Common Equity Tier 1 Capital (to Risk Weighted Assets)								
Consolidated	$53,520	12.44%	≥ $19,354	≥ 4.5%	≥ $30,106	≥ 7.0%	≥ $27,956	≥ 6.5%
Subsidiary	$52,857	12.29%	≥ $19,354	≥ 4.5%	≥ $30,106	≥ 7.0%	≥ $27,956	≥ 6.5%
Tier 1 Capital (to Average Assets)								
Consolidated	$53,520	9.88%	≥ $21,663	≥ 4.0%	≥ $21,663	≥ 4.0%	≥ $27,079	≥ 5.0%
Subsidiary	$52,857	9.76%	≥ $21,663	≥ 4.0%	≥ $21,663	≥ 4.0%	≥ $27,079	≥ 5.0%

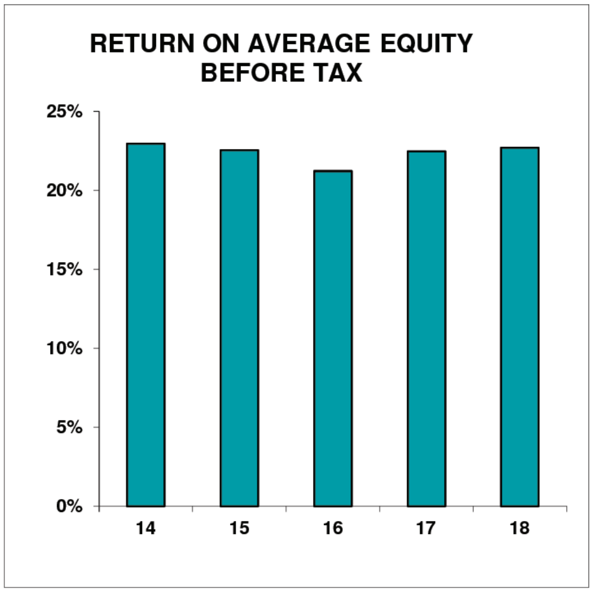
FINANCIAL HIGHLIGHTS

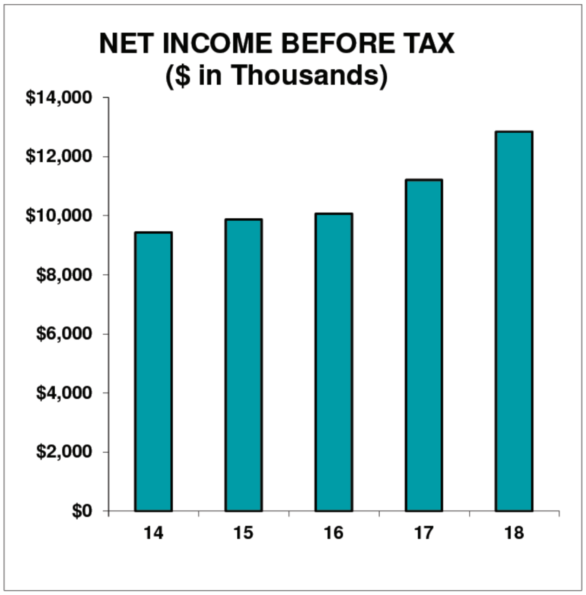
Citizens Bank of Las Cruces

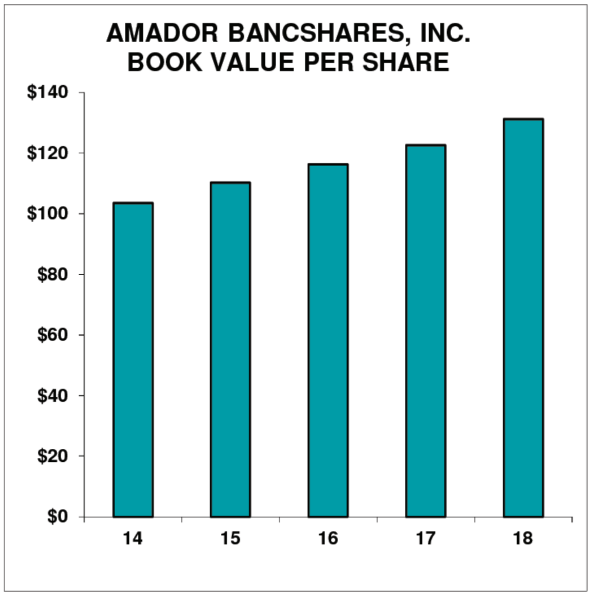
(Five Year Summary) (in thousands, except per share data and ratios)

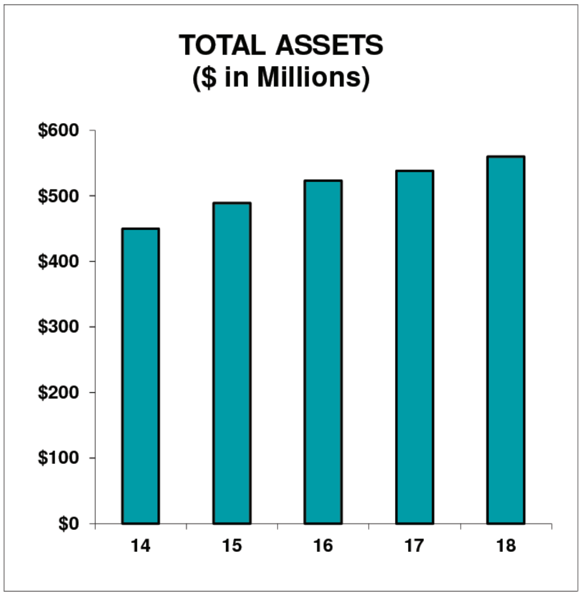
	12-31 2014	12-31 2015	12-31 2016	12-31 2017	12-31 2018
BALANCE SHEET					
Investments	$ 180,352	$ 189,895	$ 169,645	$ 144,157	$ 120,856
Loans (Gross)	241,284	272,462	303,112	367,534	399,303
Reserve for Credit Losses	5,297	5,813	6,180	6,439	7,099
Total Assets	450,081	489,246	523,130	538,056	559,864
Noninterest-Bearing Deposits	99,451	110,746	134,361	141,916	166,158
Interest-Bearing Deposits	280,611	306,944	338,105	325,987	332,836
Total Deposits	380,062	417,690	472,466	467,903	498,994
Shareholders' Equity	41,447	44,368	47,056	52,857	57,369
Shareholders' Equity (Net of Accumulated Comprehensive Income)	42,996	46,158	46,981	52,609	55,297
SELECTED RATIOS					
Return on Average Assets (before tax)	2.12%	2.05%	1.99%	2.09%	2.33%
Return on Average Shareholders' Equity (before tax)	22.97%	22.55%	21.42%	22.48%	22.69%
Net Interest Margin	4.10%	3.94%	3.92%	4.09%	4.45%
Non Interest Income to Average Assets	1.14%	1.30%	1.26%	1.26%	1.26%
Non Interest Expense to Average Assets	2.63%	2.76%	2.83%	3.00%	3.03%
Loan to Deposit	62.09%	63.84%	62.85%	77.17%	78.60%
Allowance for Credit Loss as % of Total Loans	2.20%	2.13%	2.04%	1.75%	1.78%
Core Capital (Tier 1)	9.16%	9.14%	9.19%	9.76%	10.24%
Earnings Per Common Share	$ 84.76	$ 88.76	$ 90.50	$ 100.80	$ 115.55
Book Value Per Share for Amador Bancshares, Inc.	$ 103.48	$ 110.15	$ 116.26	$ 122.62	$ 131.11

FINANCIAL HIGHLIGHTS
Citizens Bank of Las Cruces









Board of Councilors

Gricel Chavez
SWAT

Eli Estrada
Pat Campbell Insurance

Greg Groves
Picture Frame Factory Outlet

Brennen Jeffers
Big Star ACE Hardware & Farm Supply

Josh Lyon
Insta-Copy

Paul Malooly
El Paso Paper Box

Jim Mattocks
J & J Supply

Virgil Medina
La Clinica de Familia

Patty Olson
Exit Realty

Kim Reagan
Priority One Property Management

Jennifer Sandoval
R. Hines Construction

Eric Walton
Spence Asset Management

Notes:

Notes:

FORM FR Y-6

Report Item 2a.
AMADOR BANCSHARES, INC.
LAS CRUCES, NM
Fiscal Year Ending December 31, 2018

AMADOR BANCSHARES, INC.
LEI: None
LAS CRUCES, NM
Incorporated in New Mexico

100% Ownership

CITIZENS BANK OF LAS CRUCES
(LEI 549300L5PE7ZGYRW5Q15)
LAS CRUCES, NM
Incorporated in New Mexico

Results: A list of branches for your depository institution: CITIZENS BANK OF LAS CRUCES (ID_RSSD: 1016857).
This depository institution is held by AMADOR BANCSHARES, INC. (1105078) of LAS CRUCES, NM.
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*
OK		Full Service (Head Office)	1016857	CITIZENS BANK OF LAS CRUCES	505 S. MAIN STREET, LORETTO CENTER #5	LAS CRUCES	NM	88001	DONA ANA	UNITED STATES	Not Required	Not Required	CITIZENS BANK OF LAS CRUCES	1016857
OK		Full Service	227759	COUNTRY CLUB BRANCH	2841 NORTH MAIN STREET	LAS CRUCES	NM	88001	DONA ANA	UNITED STATES	Not Required	Not Required	CITIZENS BANK OF LAS CRUCES	1016857
OK		Full Service	3922215	PICACHO BRANCH	3030 WEST PICACHO AVENUE	LAS CRUCES	NM	88007	DONA ANA	UNITED STATES	Not Required	Not Required	CITIZENS BANK OF LAS CRUCES	1016857
OK		Full Service	3538157	ROADRUNNER BRANCH	3991 EAST LOHMAN AVENUE	LAS CRUCES	NM	88011	DONA ANA	UNITED STATES	Not Required	Not Required	CITIZENS BANK OF LAS CRUCES	1016857
OK		Full Service	4270409	UNIVERSITY BRANCH	3065 EAST UNIVERSITY	LAS CRUCES	NM	88011	DONA ANA	UNITED STATES	Not Required	Not Required	CITIZENS BANK OF LAS CRUCES	1016857
OK		Full Service	3922224	TRUTH OR CONSEQUENCES BRANCH	1702 NORTH DATE	TRUTH OR CONSEQUENCES	NM	87901	SIERRA	UNITED STATES	Not Required	Not Required	CITIZENS BANK OF LAS CRUCES	1016857
ADD		Full Service	5352441	EL PASO BRANCH	2500 N. MESA, STE A	EL PASO	TX	79902	EL PASO	UNITED STATES	Not Required	Not Required	CITIZENS BANK OF LAS CRUCES	1016857

Form FR Y-6

AMADOR BANCSHARES, INC.

Las Cruces, NM — Revised 8/23/2019

Fiscal Year Ending 12/31/2018

Report Item 3: Securities Holders (Public)

Current Securities Holders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12/31/2018			Securities Holders not listed in 3(1)(a) through (3)(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12/31/18 (but not at fiscal year-end)		
(1)(a)	(1)(b)	(1)(c)	(2)(a)	(2)(b)	(2)(c)
Name & Address (City, State, Country)	Country of Citizenship or Incorporation	Number and Percentage of Each Class of Voting Securities	Name & Address (City, State, Country)	Country of Citizenship or Incorporation	Number and Percentage of Each Class of Voting Securities
Gloria Ikard, Co-Trustee and Donald A. Beasley, Co-Trustee of the James L. Ikard Trust B QSST under the James L. & Gloria Ikard Revocable Trust U/A dated 06/12/1992, Las Cruces, NM USA	USA	15,262 3.457%	N/A		
Gloria Ikard, Co-Trustee and Donald A. Beasley, Co-Trustee of the James L. Ikard Trust A-2 QTIP QSST under the James L. & Gloria Ikard Revocable Trust U/A dated 06/12/1992, Las Cruces, NM USA	USA	18,205 4.124%	N/A		

Gloria Ikard, Co-Trustee and Donald A. Beasley, Co-Trustee of the James L. Ikard Trust A-2 QTIP QSST GST under the James L. & Gloria Ikard Revocable Trust U/A dated 06/12/1992, Las Cruces, NM USA	USA	4,131	.936%			N/A		
Gloria Ikard, Co-Trustee and Donald A. Beasley, Co-Trustee of the Gloria J. Ikard Survivor's Trust A-1 under the James L. and Gloria Ikard Revocable Trust U/A dated 06/12/1992, Las Cruces, NM USA	USA	21,096	4.778%			N/A		
Total Gloria Ikard Related Trusts		**58,694**	**13.295%**					
Donald A. Beasley (as Co-Trustee for Gloria Ikard related trusts) individual shares	USA	**3,000**	**0.680%**			N/A	**Note: Other Shareholders' information is located in the Confidential Section**	
Donald A. Beasley (as Co-Trustee for Gloria Ikard related trusts and his individual shares)	USA	**61,694**	**13.975%**				**Note: Other Shareholders' information is located in the Confidential Section**	

Tom Salopek, GST QSST FBO Mary W. Salopek UTA dtd 06/25/1992; Mary W. Salopek and Thomas R. Salopek, Co-Trustees Las Cruces, NM USA	USA	9,360	2.120%			N/A		
Thomas and Mary Winifred Salopek Revocable trust; Mary W. Salopek and Thomas R. Salopek, Co-Trustees Las Cruces, NM USA	USA	7,238	1.640%			N/A		
Thomas R. Salopek (as Co-Trustee for Mary Salopek related trusts) individual shares	USA	9,081	2.057%			N/A	**Note: Other Shareholders' information is located in the Confidential Section**	
Total Mary Salopek Related Trusts		25,679	5.817%					

Form FR Y-6

AMADOR BANCSHARES, INC.
Las Cruces, NM **Revised 8/23/2019**
Fiscal Year Ending 12/31/2018

Report Item 4: Insiders (Public)

(1) Name & Address (City, State, Country)	(2) Principal Occupation, if other than with holding company	(3)(a) Title/Position with holding company	(3)(b) Title/Position with Subsidiaries (including subsidiary name)	(3)(c) Title/Position with Other Businesses (including business name)	(4)(a) Percentage of Voting Securities in holding company	(4)(b) Percentage of Voting Securities in Subsidiaries (including subsidiary name)	(4)(c) Percentage of Voting Securities in any other co. (including co. name) if ≥ 25%
Gloria Ikard Las Cruces, NM USA	Homemaker	Principal Securities Holder	None	None	13.295%	None	None
Donald A. Beasley Las Cruces, NM USA	Certified Public Accountant	Principal Securities Holder, Secretary	None	Provided in Confidential Section	13.975%	None	Provided in Confidential Section
John M. and Donna Ikard Las Cruces, NM USA	Retired	Principal Securities Holder	None	None	Provided in Confidential Section	None	None
Mary W. Salopek Las Cruces, NM USA	Retired	Principal Securities Holder	None	None	3.76%	None	None
Thomas R. Salopek Las Cruces, NM USA	Farmer	Principal Securities Holder	None	Provided in Confidentail Section	2.057%	None	Provided in Confidential Section
Catherine A. Stuart Las Cruces, NM USA	Retired	Principal Securities Holder	None	None	Provided in Confidential Section	None	Provided in Confidential Section

Richard Ikard Las Cruces, NM USA	Retired	Principal Securities Holder	None	None	Provided in Confidential Section	None	Provided in Confidential Section
James Luke Ikard Las Cruces, NM USA	Real Estate Broker	Principal Securities Holder	None	Provided in Confidential Section	Provided in Confidential Section	None	Provided in Confidential Section
Matthew J. Ikard Buda, TX USA	Real Estate Investor	Principal Securities Holder	None	Provided in Confidential Section	Provided in Confidential Section	None	Provided in Confidential Section
Paul H. Ikard Las Cruces, NM USA	Real Estate Investor	Principal Securities Holder	None	Provided in Confidential Section	Provided in Confidential Section	None	Provided in Confidential Section
Suzanne Ikard Yaeger Dallas, TX USA	Homemaker	Principal Securities Holder	None	Provided in Confidential Section	Provided in Confidential Section	None	Provided in Confidential Section
Robert W. or Suzanne Ikard Dallas, TX USA	Attorney & Homemaker	Principal Securities Holder	None	Provided in Confidential Section	Provided in Confidential Section	None	Provided in Confidential Section
Tom Hutchinson Las Cruces, NM USA	Restaurant Owner	Chairman of the Board	Chairman, Citizens Bank of Las Cruces	Provided in Confidential Section	Provided in Confidential Section	None	Provided in Confidential Section
John R. Curry Las Cruces, NM USA	Land Developer, Realtor, Builder	President	Vice Chairman, Citizens Bank of Las Cruces	Provided in Confidential Section	Provided in Confidential Section	None	Provided in Confidential Section
David G. Ikard Las Cruces, NM USA	Real Estate Broker, Developer	Principal Securities Holder, Director	Director, Citizens Bank of Las Cruces	Provided in Confidential Section	Provided in Confidential Section	None	Provided in Confidential Section

George Ruth Las Cruces, NM USA	President, Citizens Bank of Las Cruces	Director	Director, President of Citizens Bank of Las Cruces	None	None	None	None
Jed Fanning Las Cruces, NM USA	EVP, Citizens Bank of Las Cruces	Director	Director, EVP of Citizens Bank of Las Cruces	Provided in Confidential Section	Provided in Confidential Section	None	Provided in Confidential Section