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, George W. Cummings, III
Name of the Holding Company Director and Official

Chairman/President/CEO
Title of the Holding Company Director and Official

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

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

George W. Cummings
Signature of Holding Company Director and Official

5-3-19
Date of Signature

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

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

Reporter's Name, Street, and Mailing Address

Progressive Bancorp, Inc.
Legal Title of Holding Company

1411 North 19th Street
(Mailing Address of the Holding Company) Street / P.O. Box

Monroe	LA	71201
City	State	Zip Code

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Michele Thaxton	EVP/CFO
Name	Title

318-812-5226
Area Code / Phone Number / Extension

318-812-5250
Area Code / FAX Number

mthaxton@progressivebank.com
E-mail Address

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

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

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

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

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

For Federal Reserve Bank Use Only

RSSD ID
C.I.

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

For Use By Tiered Holding Companies

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

Legal Title of Subsidiary Holding Company

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

City State Zip Code

Physical Location (if different from mailing address)

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Progressive Bancorp, Inc. and Subsidiaries

Consolidated Financial Report
December 31, 2018

Contents

RSM US LLP

Independent Auditor's Report

To the Board of Directors
Progressive Bancorp, Inc. and Subsidiaries

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of Progressive Bancorp, Inc. and its Subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the related consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements (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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Progressive Bancorp, Inc. and Subsidiaries 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.

RSM US LLP

Dallas, Texas
March 27, 2019

Progressive Bancorp, Inc. and Subsidiaries

Consolidated Balance Sheets
December 31, 2018 and 2017
(Dollars in Thousands, Share Data)

	2018	2017
Assets		
Cash and due from banks	$ 8,155	$ 7,883
Interest-bearing deposits	4,610	10,854
Total cash and cash equivalents	12,765	18,737
Time deposits in other financial institutions	100	100
Securities available for sale	64,222	35,980
Securities held to maturity	5,693	6,622
Loans held for sale	1,088	447
Loans, net	442,683	428,882
Premises and equipment, net	18,676	15,928
Bank owned life insurance	10,157	9,950
Other real estate owned	162	202
Federal Home Loan Bank stock	1,987	1,943
Other assets	6,890	6,790
Total assets	$ 564,423	$ 525,581
Liabilities and Stockholders' Equity		
Deposits:		
Noninterest-bearing	$ 178,054	$ 180,710
Interest-bearing	291,335	253,112
Total deposits	469,389	433,822
Federal Home Loan Bank advances	25,237	24,358
Notes payable	1,820	5,510
ESOP debt commitment	110	234
Junior subordinated debentures	12,372	12,372
Other liabilities	5,331	4,057
Total liabilities	514,259	480,353
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Common stock; $5 par value; 20,000,000 shares authorized; 523,872 and 520,672 shares issued at December 31, 2018 and 2017, respectively	2,619	2,603
Paid-in capital	13,648	13,503
Retained earnings	37,763	33,959
Accumulated other comprehensive loss	(433)	(221)
Unearned ESOP shares	(110)	(234)
Treasury stock, at cost, 50,217 and 72,748 shares at December 31, 2018 and 2017, respectively	(3,323)	(4,382)
Total stockholders' equity	50,164	45,228
Total liabilities and stockholders' equity	$ 564,423	$ 525,581

See notes to consolidated financial statements.

Progressive Bancorp, Inc. and Subsidiaries

Consolidated Statements of Income
Years Ended December 31, 2018 and 2017
(In Thousands)

	2018	2017
Interest income:		
Loans, including fees	$ 22,393	$ 21,299
Securities:		
Taxable	953	463
Nontaxable	132	162
Interest-bearing deposits	655	180
Other	19	15
	24,152	22,119
Interest expense:		
Deposits	2,736	974
Federal Home Loan Bank advances, FNBB Note Payable and other	623	771
Junior subordinated debentures	630	509
	3,989	2,254
Net interest income	20.163	19,865
Provision for loan losses	346	144
Net interest income after provision for loan losses	19,817	19,721
Noninterest income:		
Service charges and fees	2,766	2,677
Trust and brokerage department	681	884
Earnings on life insurance policies	207	208
Insurance commissions	25	13
Gain on sale of other real estate owned	33	16
Gain on called security	6	-
Other	196	96
	3,914	3,894
Noninterest expense:		
Salaries and employee benefits	10,756	10,314
Occupancy	1,980	1,755
Furniture and equipment	651	640
Technology	1,268	1,206
Professional fees	1,237	1,168
Advertising and business development	1,237	717
ATM/debit card expense	517	443
Deposits insurance assessment	145	142
Loss on sale of assets	-	5
Other	1,290	1,045
	19,081	17,435
Income before income taxes	4,650	6,180
Income tax expense	847	2,742
Net income	$ 3,803	$ 3,438

See notes to consolidated financial statements.

Progressive Bancorp, Inc. and Subsidiaries

Consolidated Statements of Comprehensive Income
Years Ended December 31, 2018 and 2017
(In Thousands)

		2018		2017
Net income	$	3,803	$	3,438
Other comprehensive loss, before tax:				
Change in net unrealized loss on securities available for sale		(268)		(59)
Other comprehensive loss, before tax		(268)		(59)
Income tax benefit		56		20
Other comprehensive loss, net of tax		(212)		(39)
Comprehensive income	$	3,591	$	3,399

See notes to consolidated financial statements.

Progressive Bancorp, Inc. and Subsidiaries

Consolidated Statements of Changes in Stockholders' Equity
Years Ended December 31, 2018 and 2017
(Dollars in Thousands, Except Share Data)

	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Unearned ESOP Shares	Treasury Stock	Total
Balance, January 1, 2017	2,609	13,424	30,491	(146)	(357)	(4,066)	41,955
Net income	-	-	3,438	-	-	-	3,438
Other comprehensive loss, net of tax	-	-	-	(39)	-	-	(39)
ESOP shares released	-	-	-	-	123	-	123
Restricted stock awards issued, net of forfeitures (1,100 shares)	(6)	(50)	-	-	-	56	-
Stock options exercised, 3,500 shares	-	-	-	-	-	115	115
Purchase of 5,287 treasury shares	-	-	-	-	-	(487)	(487)
Stock compensation expense	-	129	-	-	-	-	129
Reclassification of tax effects resulting from 2017 Tax Legislation and other items	-	-	30	(36)	-	-	(6)
Balance, December 31, 2017	2,603	13,503	33,959	(221)	(234)	(4,382)	45,228
Net income	-	-	3,803	-	-	-	3,803
Other comprehensive loss, net of tax	-	-	-	(212)	-	-	(212)
ESOP shares released	-	-	-	-	124	-	124
Restricted stock award forfeitures, net of issues (3,200 shares)	16	(16)	-	-	-	-	-
Stock options exercised, 26,800 shares	-	-	-	-	-	1,447	1,447
Purchase of 4,269 treasury shares	-	-	-	-	-	(388)	(388)
Stock compensation expense	-	162	-	-	-	-	162
Balance, December 31, 2018	$ 2,619	$ 13,649	$ 37,762	$ (433)	$ (110)	$ (3,323)	$ 50,164

See notes to consolidated financial statements.

Progressive Bancorp, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended December 31, 2018 and 2017
(In Thousands)

	2018	2017
Cash flows from operating activities:		
Net income	$ 3,803	$ 3,438
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	868	849
Deferred income tax (benefit) expense	95	682
Stock compensation expense	162	129
Amortization (accretion) of securities, net	(74)	70
Provision for loan loss	346	144
Net decrease (increase) in loans held for sale	(641)	21
Loss on disposal of premises and equipment	-	5
Earnings on life insurance policies	(207)	(208)
Write-down of other real estate owned	40	35
Gain on sale of other real estate owned	(33)	(16)
Gain on called held to maturity security	(6)	-
Net change in other assets	(138)	702
Net change in other liabilities	1,274	(413)
Net cash provided by operating activities	5,489	5,438
Cash flows from investing activities:		
Purchases of securities available for sale	(42,301)	(14,988)
Proceeds from maturities, calls and paydowns of securities available for sale	13,877	10,548
Proceeds from maturities, calls and paydowns of securities held to maturity	923	2,074
Purchases of premises and equipment	(3,617)	(398)
Proceeds from the sale of premises and equipment	-	7
Net purchases of Federal Home Loan Bank stock	(44)	(1,293)
Net increase in loans	(14,350)	(9,083)
Net maturities of time deposits with other financial institutions	-	4,727
Proceeds from sale of other real estate owned	236	18
Net cash used in investing activities	(45,276)	(8,388)
Cash flows from financing activities:		
Net decrease (increase) in deposits	35,567	(8,506)
Net increase in FHLB advances	879	15,137
Net decrease in note payable	(3,690)	(890)
Purchase of treasury stock	(388)	(487)
Proceeds from exercise of common stock options	1,447	115
Net cash provided by financing activities	33,815	5,369
Net (decrease) increase in cash and cash equivalents	(5,972)	2,419
Cash and cash equivalents:		
Beginning of year	18,737	16,318
End of year	$ 12,765	$ 18,737

See notes to consolidated financial statements.

Note 1. Summary of Significant Accounting Policies

The accounting and reporting policies of Progressive Bancorp, Inc. (Bancorp) and Subsidiaries (collectively referred to as Company) conform to accounting principles generally accepted in the United States of America and to general practices within the banking industry.

Principles of consolidation: The accompanying consolidated financial statements include the accounts of Bancorp and its wholly-owned subsidiary, Progressive Bank (Bank) and the Bank's wholly owned subsidiary, Progressive Financial Advisors, LLC (PFA). All significant intercompany accounts and transactions have been eliminated in consolidation.

Nature of operations: The Company is engaged in traditional community banking activities, which include commercial and retail lending, deposit gathering, trust services and investment and liquidity management activities. The Company's primary deposit products are demand deposits, money market accounts and certificates of deposit, and its primary lending products are commercial business and real estate, real estate mortgage and consumer loans with customers located primarily in and around Winnsboro, Monroe, West Monroe, Bossier City and Shreveport, Louisiana, and the surrounding areas.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the period. Accordingly, actual results could differ significantly from those estimates.

A material estimate that is particularly susceptible to significant change in the near-term relates to the determination of the allowance for loan losses. A significant portion of the Company's loans are collateralized by real estate and related assets located in local markets. Accordingly, the ultimate collectability of the Company's loan portfolio is susceptible to changes in local market conditions.

Cash and cash equivalents: For purposes of reporting cash flows, cash and cash equivalents include cash on hand and amounts due from banks. The Company normally considers all highly liquid investments with an initial maturity of less than ninety days to be cash equivalents. Cash flows from loans and deposits are reported net.

The Company is required to maintain reserve balances in cash or on deposit with the Federal Reserve Bank to meet regulatory reserve and clearing requirements. The Company's required reserve was $0 at both December 31, 2018 and 2017. The Company's average balance held at the Federal Reserve Bank for the years ended December 31, 2018 and 2017 was approximately $34,544,000 and $14,300,000, respectively.

Time deposits in other financial institutions: Time deposits in other financial institutions mature within three years and are carried at cost.

Investment securities: Securities classified as available for sale are those that the Company intends to hold for an indefinite period of time, but not necessarily to maturity. Any decision to sell a security classified as available for sale would be based on various factors, including significant movements in interest rates, changes in the maturity mix of the Company's assets and liabilities, liquidity needs, regulatory capital considerations, and other similar factors.

Securities available for sale are reported at fair value with unrealized gains or losses reported as a separate component of other comprehensive income. The amortization of premiums and accretion of discounts, computed by the interest method over their contractual lives, are recognized in interest income.

Note 1. Summary of Significant Accounting Policies (Continued)

Debt securities for which the Company has the positive intent and ability to hold to maturity are reported at cost, adjusted for premiums and discounts that are recognized in interest income using the interest method over the period to maturity.

Realized gains or losses, determined on the basis of the cost of specific securities sold, are included in earnings.

In estimating other than temporary impairment losses, management considers (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 of the Company to retain its investment and whether it is more likely than not the Company will be required to sell its investment before its anticipated recovery in fair value. When the Company does not intend to sell the security, and it is more likely than not that it will not have to sell the security before recovery of its cost basis, it will recognize credit component of an other than temporary impairment of a debt security in earnings and the remaining portion in other comprehensive income.

Federal Home Loan Bank stock: As a member of the Federal Home Loan Bank of Dallas (FHLB), the Company is required to maintain an investment in capital stock of the FHLB. FHLB stock does not have a readily determinable fair value as ownership is restricted and it lacks a ready market. As a result, this stock is carried at cost and evaluated periodically by management for impairment. No impairment has been identified during 2018 or 2017.

Loans held for sale: Loans originated and intended for sale in the secondary market are carried at the lower of aggregate cost or fair value, as determined by aggregate outstanding commitments from investors or current investor yield requirements. Gains or losses on sales of mortgage loans are recognized based on the difference between the selling price and the carrying value of the related mortgage loans.

Loans: Loans that management has the intent and ability to hold for the foreseeable future or until maturity or pay-off are reported at their outstanding principal balance adjusted for an allowance for loan losses. Interest is accrued daily on the outstanding balances.

Fees and costs associated with originating loans are recognized in income generally in the period in which the fees were received and the costs were incurred. Under accounting principles generally accepted in the United States of America, such fees and costs should be deferred and recognized over the life of the loan as an adjustment of yield. For the years ended December 31, 2018 and 2017, management believes that not deferring such fees and costs, and amortizing them over the life of the related loans does not materially affect the financial position or results of operations of the Company.

The accrual of interest on impaired loans is discontinued when, in management's opinion, the borrower may be unable to meet payments as they become due. Past due status is based on the contractual terms of the loan. When interest accrual is discontinued, all unpaid accrued interest is reversed. Interest income is subsequently recognized only to the extent cash payments are received. Loans are returned to accrual status when all principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Note 1. Summary of Significant Accounting Policies (Continued)

Transfers of financial assets: Transfers of financial assets are accounted for as sales only when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when: (1) the assets have been isolated from the Company, (2) the transferee obtains the right to pledge or exchange the assets it received, and no condition both constrains the transferee from taking advantage of its right to pledge or exchange the assets it received, or provides more than a modest benefit to the transferor, and (3) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity or the ability to unilaterally cause the holder to return specific assets. In addition, for transfers of a portion of financial assets (for example, participations of loan receivables), the transfer must meet the definition of a 'participating interest' in order to account for the transfer as a sale. Following are the characteristics of a 'participating interest':

- Pro-rata ownership in an entire financial asset.
- From the date of the transfer, all cash flows received from the entire financial asset are divided proportionately among the participating interest holders in an amount equal to their share of ownership.
- The rights of each participating interest holder have the same priority, and no participating interest holder's interest is subordinated to the interest of another participating interest holder. That is, no participating interest holder is entitled to receive cash before any other participating interest holder under its contractual rights as a participating interest holder.

No party has the right to pledge or exchange the entire financial asset unless all participating interest holders agree to pledge or exchange the entire financial asset.

Allowance for loan losses: The allowance for loan losses is established through a provision for loan losses charged to expense. Loans are charged against the allowance for loan losses when management believes that collectability of the principal is unlikely. Subsequent recoveries, if any, are credited to the allowance.

The allowance is an amount that management believes will be adequate to absorb estimated losses on existing loans, based on an evaluation of the collectability of loans and prior loss experience. This evaluation also takes into consideration such factors as changes in the nature and volume of the loan portfolio, overall portfolio quality, review of specific problem loans, and current economic conditions that may affect the borrower's ability to pay. While management uses the best information available to make its evaluation, future adjustments to the allowance may be necessary if there are significant changes in economic conditions. In addition, regulatory agencies, as an integral part of their examination process, periodically review the Company's allowance for loan losses, and may require the Company to make adjustments to the allowance based on their judgment about information available to them at the time of their examinations.

A loan is considered impaired when it is probable, based upon current information and events, the Company will not be able to collect all contractual principal and interest payments due in accordance with the terms of the loan agreement. Impaired loans are accounted for at the net present value of expected future cash flows, discounted at the loan's effective interest rate, the observable market price of the loan or at the fair value of the collateral if the loan is collateral dependent. Modifications that result in troubled debt restructurings are also considered impaired.

Premises and equipment: Land is carried at cost. Buildings and improvements, furniture, fixtures, and equipment and vehicles are carried at cost, less accumulated depreciation and amortization which are computed principally by the straight-line method over the estimated useful lives of the assets.

Note 1. Summary of Significant Accounting Policies (Continued)

Other real estate owned: Real estate properties acquired through, or in lieu of, loan foreclosure are to be sold and are initially recorded at fair value less estimated selling costs at the date of foreclosure, establishing a new cost basis. After foreclosure, valuations are periodically performed by management and the real estate is subject to reevaluation based upon new estimates of fair value. Revenue and expenses from operations and changes in the valuation allowance are included in other noninterest expense.

Comprehensive income: Accounting principles generally require that recognized revenue, expenses, gains and losses be included in net income. Although certain changes in assets and liabilities, such as unrealized gains and losses on available for sale securities, are reported as a separate component of the equity section of the balance sheet, such items, along with net income, are components of comprehensive income. Gains and losses on available for sale securities are reclassified to net income as the gains or losses are realized upon sale of the securities. Other-than-temporary impairment charges are reclassified to net income at the time of the charge.

Share-based payment: Share-based payments to employees, including grants of employee stock options and restricted stock, are valued at fair value on the grant date and expensed over the applicable vesting period.

Income taxes: The Company files a consolidated income tax return with its subsidiaries. Income tax expense or benefit is allocated on a separate return basis.

Deferred taxes are provided using the liability method. Deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards if it is more likely than not, based on the technical merits, that the tax position will be realized or sustained upon examination. Deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

The Company files tax returns in all appropriate jurisdictions, which include a federal tax return and a Louisiana state tax return. When and if applicable, potential interest and penalty costs are accrued as incurred, with expenses recognized in interest expense and noninterest expense, respectively, in the statements of income.

For the years ended December 31, 2018 and 2017, management has determined there are no uncertain tax positions.

Fair value measurements: Accounting Standards Codification (ASC) Topic 820, Fair Value Measurements and Disclosures, defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and requires certain disclosures about fair value measurements. In general, fair values are based upon quoted market prices, where available. If such quoted market prices are not available, fair value is based upon internally developed models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that assets and liabilities are recorded at fair value. These adjustments may include amounts to reflect counterparty credit quality and the Company's creditworthiness, among other things, as well as unobservable parameters. Any such valuation adjustments are applied consistently over time.

Reclassification: Certain amounts previously reported have been reclassified to conform to current presentation. These reclassifications had no effect on previously reported stockholder's equity or net income.

Note 1. Summary of Significant Accounting Policies (Continued)

Subsequent events: In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through March 27, 2019, the date the consolidated financial statements were available to be issued.

Note 2. Recent Accounting Pronouncements

ASU 2014-09, *Revenue from Contracts with Customers (Topic 606), ASU 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date:* ASU 2014-09 amends existing guidance related to revenue from contracts with customers. The amendments state that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 affects entities that enter into contracts with customers to transfer goods or services or enter into contracts for the transfer of nonfinancial assets, unless those contracts are within the scope of other standards. The Company's revenue consists of net interest income on financial assets and financial liabilities, which is explicitly excluded from the scope of ASU 2014-09, and non-interest income. As required by ASU 2014-09, we will adopt the new standard effective January 1, 2019. However, we do not expect that the adoption of this guidance will result in any significant changes to our methodology of recognizing revenue or have a material impact on our internal controls over financial reporting.

ASU 2016-02, *Leases (Topic 842)* (ASU 2016-02). ASU 2016-02 establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available.

ASU 2018-11, Leases (Topic 842) Update to ASU 2016-02, Leases. This update provides another transition method in addition to the existing transition method by allowing entities to initially apply the new leases standard at the adoption date and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. The additional transition method changes only when an entity is required to initially apply the transition requirements of the new lease standard.

ASU 2018-20, Leases (Topic 842) Update to ASU 2016-02, Leases. The amendments in this update permit lessors, as an accounting policy election, to account for certain sales taxes and other similar taxes as lessee costs. Consequently, a lessor making this election will exclude from the consideration in the contract and from variable payments all collections from lessees of taxes within the scope of the election and will provide certain disclosures. The amendments require lessors to exclude from variable payments lessor costs paid by lessees directly to third parties. The amendments also require lessors to account for costs excluded from the consideration of a contract that are paid by the lessor and reimbursed by the lessee as variable payments. A lessor will record those reimbursed costs as revenue. The amendments require lessors to allocate, rather than recognize, certain variable payments to the lease and nonlease components when the changes in facts and circumstances on which the variable payment is based occur. This amendment affects Update ASU 2016-02 and has the same effective date. The Company does not expect ASU 2016-02 to have a material impact on the audited financial statements and related disclosures.

Note 2. Recent Accounting Pronouncements (continued)

ASU 2016-13, Financial Instruments-Credit Losses (Update to ASC 326). ASU 2016-13 amends existing standards for accounting for credit losses for financial assets. The update requires that the expected credit losses on the financial instruments held as of the end of the period being reported by measured based on historical experience, current conditions, and reasonable and supportable forecasts. The update also expands the required disclosures related to significant estimates and judgements used in estimating credit losses, as well as the credit quality and underwriting standards of an organization's financial assets. The update also amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. The update will be effective for the Company on January 1, 2022. The Company is evaluating the potential impact of the update on the Company's consolidated financial statements. ASU 2016-19 was issued November 2018 as an update to ASU 2016-13 to clarify that operating lease receivables are not within the scope of ASC Subtopic 326.

ASU 2018-02, Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income. The amendments in this update allow reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act which was signed into law on December 22, 2017. The amendments also require certain disclosures about stranded tax effects. This update will be effective beginning January 1, 2019, with early adoption permitted, and the guidance should be applied either in the period of adoption or retrospectively to each period impacted by the change in the U. S. federal corporate income tax rate from when the Tax Cuts and Job Acts is recognized. The Company has early adopted the new guidance as of December 31, 2017. This resulted in a cumulative effect adjustment to the consolidated balance sheet to reclass approximately $36 thousand of tax expense from accumulated other comprehensive loss to retained earnings.

ASU 2018-03, *Financial Instruments-Overall (Subtopic 825-10) (Update to ASU 2016-01): Recognition and Measurement of Financial Assets and Financial Liabilities.* The amendments in this Update clarify certain aspects of the guidance issued in ASU 2018-03, among other things, i) clarifies that an entity measuring equity security using the measurement alternative may change its measurement approach to a fair value method in accordance with Topic 820, Fair Value Measurement, through an irrevocable election. Once an entity makes this election, the entity should measure all future purchases of identical or similar investments of the same issuer using a fair value method in accordance with Topic 820, (ii) clarifies that the adjustments made under the measurement alternative are intended to reflect the fair value of the security as of the date that the observable transaction for a similar security took place, (iii) clarifies that remeasuring the entire value of forward contracts and purchased options is required when observable transactions occur on the underlying equity securities, (iv) clarifies that the prospective transition approach for equity securities without a readily determinable fair value is meant only for instances in which the measurement alternative is applied. This update will be effective for the Company on January 1, 2019 and is not expected to have a significant impact to the Company's financial statements.

ASU 2018-13, Fair Value Measurement (Topic 820). The amendments in this update remove four disclosure requirements: (i) The amount and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy; (ii) the policy for timing of transfers between levels; (iii) the valuation processes for Level 3 fair value measurements; and (iv) the changes in unrealized gains and losses for the period included in earnings for recurring Level 3 fair value measurements held at the end of the reporting period. The amendment modifies three disclosure requirements which includes transfers in and out of Level 3 of the fair value hierarchy and purchases and issues of Level 3 assets and liabilities in lieu of a rollforward of Level 3 fair value measurements. The amendments clarify that the measurement uncertainty disclosure is to communicate information about the uncertainty in measurement as of the reporting date. This update will be effective for the Company on January 1, 2019 and is not expected to have a significant impact to the Company's consolidated financial statements and disclosures.

Note 2. Recent Accounting Pronouncements (continued)

ASU 2018-14, Compensation-Retirement Benefits-Defined Benefit Plans (Subtopic 715-20). The amendments in this update modify the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. The amendments remove disclosures that no longer are considered cost beneficial, clarify the specific requirements of disclosures, and add disclosure requirements identified as relevant. This update will be effective for the Company on January 1, 2021 and is not expected to have a significant impact to the Company's consolidated financial statements and disclosures.

ASU 2018-15, Intangibles – Goodwill and Other-Internal Use Software (Subtopic 350-40). The amendments in this Update align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The update is effective for the Company on January 1, 2020. The adoption of the update is not expected to have a significant impact to the Company's consolidated financial statements.

Note 3. Statements of Cash Flows

The Company has chosen to report its cash flows by the indirect method. Supplemental information on cash flows and noncash investing and financing transactions for the years ended December 31, 2018 and 2017 is as follows (in thousands):

	2018	2017
Cash transactions:		
Federal income taxes paid	$ 380	$ 2,100
Interest expense paid	$ 3,638	$ 2,058

Note 4. Securities

Securities have been classified in the consolidated balance sheets according to management's intent. The amortized cost of securities and their approximate fair values at December 31, 2018 and 2017 are summarized as follows (in thousands):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available for Sale				
2018:				
U.S. treasury	$ 35,138	$ 9	$ (117)	$ 35,030
U.S. government agency obligations	15,003	-	(230)	14,773
Agency residential mortgage-backed securities[1]	9,706	13	(172)	9,547
Agency collateralized mortgage obligations[2]	4,922	3	(53)	4,872
	$ 64,769	$ 25	$ (572)	$ 64,222
2017:				
U.S. treasury	$ 7,475	$ -	$ (24)	$ 7,451
U.S. government agency obligations	21,061	-	(220)	20,841
Agency residential mortgage-backed securities[1]	6,246	28	(32)	6,242
Agency collateralized mortgage obligations[2]	1,478	-	(32)	1,446
	$ 36,260	$ 28	$ (308)	$ 35,980
Held to Maturity				
2018:				
State and local municipals	$ 5,616	$ 17	$ (123)	$ 5,510
Agency residential mortgage-backed securities[1]	77	-	-	77
	$ 5,693	$ 17	$ (123)	$ 5,587
2017:				
State and local municipals	$ 6,521	$ 55	$ (94)	$ 6,482
Agency residential mortgage-backed securities[1]	101	2	-	103
	$ 6,622	$ 57	$ (94)	$ 6,585

[1]Residential mortgage-backed securities issued and/or guaranteed by U.S. government agencies or U.S. government-sponsored enterprises.

[2]Collateralized mortgage obligations issued and/or guaranteed by U.S. government agencies or U.S. government-sponsored enterprises.

Note 4. Securities (Continued)

Unrealized losses and fair value, aggregated by length of time that individual securities have been in a continuous unrealized loss position, as of December 31, 2018 and 2017, are summarized as follows (in thousands):

	Value Impaired					
	Less Than 12 Months		12 Months or Longer		Total	
Description of Securities	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Available for Sale						
2018:						
U. S. treasury	$ 25,686	$ (87)	$ 3,466	$ (30)	$ 29,152	$ (117)
U.S. government agency obligations	1,966	(12)	12,807	(218)	14,773	(230)
Agency residential mortgage-backed securities[1]	3,856	(16)	4,593	(156)	8,449	(172)
Agency collateralized mortgage obligations[2]	2,823	(6)	1,068	(47)	3,891	(53)
	$ 34,331	$ (121)	$ 21,934	$ (451)	$ 56,265	$ (572)
2017:						
U. S. treasury	$ 6,450	$ (24)	$ -	$ -	$ 6,450	$ (24)
U.S. government agency obligations	11,933	(83)	8,907	(137)	20,840	(220)
Agency residential mortgage-backed securities[1]	3,711	(32)	-	-	3,711	(32)
Agency collateralized mortgage obligations[2]	-	-	1,426	(32)	1,426	(32)
	$ 22,094	$ (139)	$ 10,333	$ (169)	$ 32,427	$ (308)
Held to Maturity						
2018:						
Agency residential mortgage-backed securities[1]	$ 73	$ -	$ -	$ -	$ 73	$ -
State and local municipals	579	(20)	3,338	(103)	3,917	(123)
	$ 652	$ (20)	$ 3,338	$ (103)	$ 3,990	$ (123)
2017:						
State and local municipals	$ 1,690	$ (10)	$ 2,544	$ (84)	$ 4,234	$ (94)

[1]Residential mortgage-backed securities issued and/or guaranteed by U.S. government agencies or U.S. government-

For all of the above investment securities, the unrealized losses are generally due to changes in interest rates and, as such, are considered to be temporary by the Company.

There were no sales of securities during the years ended December 31, 2018 or 2017.

Investment securities with a carrying value of $23,699,000 and $21,786,000 at December 31, 2018 and 2017, respectively, were pledged to secure public deposits and for other purposes required or permitted by law.

Note 4. Securities (Continued)

The amortized cost and estimated fair value of investment securities at December 31, 2018, by contractual maturity, are shown below (in thousands). Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Residential mortgage-backed securities and collateralized mortgage obligations are shown separately since they are not due at a single maturity date.

	Available for Sale		Held to Maturity	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Due in one year or less	$ 20,922	$ 20,815	$ 552	$ 552
Due from one year through five years	29,219	28,988	2,320	2,304
Due from five to ten years	-	-	2,120	2,040
Due after ten years	-	-	624	615
	50,141	49,803	5,616	5,511
Residential mortgage-backed securities and collateralized mortgage obligations	14,628	14.419	77	76
	$ 64,769	$ 64,222	$ 5,693	$ 5,587

Note 5. Loans and Allowance for Loan Losses

To determine an appropriate allowance for loan losses, management separates loans into separate categories based on similar risk characteristics. These categories and their risk characteristics are described below:

- ***Commercial, financial and agricultural loans:*** This category consists of all business loans and leases secured by assets other than real estate. It also includes loans for agriculture crop production and recreational agriculture loans secured by the subject property and/or membership interest. A substantial majority of these loans are secured by equipment, accounts receivable and inventory. The primary risk involved with this category is that the loans and leases are typically secured by depreciable assets that may not provide an adequate source of repayment if the loan goes into default. However, management believes the Bank's conservative underwriting standards and credit culture help keep loan losses low.

- ***Commercial real estate*****:** This category consists of loans secured by both owner-occupied and non-owner occupied commercial real estate properties and represents the largest category of the Bank's total loan portfolio. A majority of the loans in this category are secured by non-owner occupied commercial properties such as hotels/motels, nursing homes, office buildings and retail strip centers. Loans secured by agricultural land are also included in this category. The remainder of this segment is secured by commercial real estate where the borrower occupies the real estate and uses it to conduct their business. The non-owner occupied portion of this category presents the most credit risk given the reliance on third-party rental income to service the regular payment but overall credit risk is considered low. A substantial majority of these loans have secondary sources of repayment through financially strong guarantors that are well known to the Bank. Loan losses in this category have been minimal.

Note 5. Loans and Allowance for Loan Losses (Continued)

- ***Residential real estate:*** This category consists of loans secured by some form of both owner-occupied and non-owner occupied residential real estate. The category includes loans for 1-4 family home construction, home improvement, home equity lines of credit and closed-end financing for 1-4 family properties. Mortgage loans held for sale on the secondary market are excluded from this category. Losses in this category, compared to the industry, have been relatively minimal. The Bank does not originate sub-prime mortgage loans. The higher risk area of this category is the non-owner occupied portion of these loans which are often reliant on rental income as the primary source of repayment.

- ***Construction and land development*:** This category consists of loans secured by vacant land, which includes developed commercial land, undeveloped commercial land, single family residential lots, and lot development loans. These loans can carry a higher degree of risk because vacant land can be harder to sell if it is foreclosed upon. These types of loans require larger cash investments to reduce the risk. Historically, the losses have been low due to the Bank's conservative underwriting standards.

- ***Multifamily residential properties*:** This category consists of loans secured by residential dwellings with more than four units. The loans are typically smaller apartment complexes or townhome projects, and are to borrowers that have an established history with the Bank. The primary risk in this category is that repayment is based on the occupancy level of the dwellings and the financial capacity of the tenants.

- ***Consumer loans and other:*** This category of loans consists of all other forms of consumer debt, including automobiles, recreational vehicles, debt consolidation, household or personal use, education, taxes, mobile homes, personal lines of credit and overdrafts. Overdrafts are deposit accounts that become unsecured loans when overdrawn by the deposit customer. Overdrafts are monitored by account officers on a daily basis and are often cleared within a very short period of time. It is bank policy to charge off any overdrafts that remain outstanding for more than 45 days.

Loans by portfolio segment and class consisted of the following at December 31, 2018 and 2017 (in thousands):

	2018	2017
Commercial, financial and agricultural:		
Commercial and industrial	$ 105,220	$ 99,937
Agricultural	3,353	3,698
Commercial real estate:		
Owner occupied nonfarm, nonresidential	24,472	34,162
Other nonfarm, nonresidential properties	132,889	123,717
Farmland	8,748	7,351
Residential real estate:		
1-4 family residential first liens	87,613	88,151
1-4 family residential second liens	1,447	1,558
Home equity lines of credit	17,147	14,708
Construction and land development	45,526	39,774
Multifamily	12,508	12,444
Consumer loans and other loans	8,656	8,287
	447,579	433,787
Allowance for loan losses	(4,896)	(4,905)
	$ 442,683	$ 428,882

Note 5. Loans and Allowance for Loan Losses (Continued)

The following table presents loans identified as impaired by class of loans as of December 31, 2018 and 2017 (in thousands):

	Unpaid Contractual Principal Balance	Recorded Investment With No Allowance	Recorded Investment With Allowance	Total Recorded Investment	Related Allowance	Average Recorded Investment
2018:						
Commercial, financial and agricultural:						
Commercial and industrial	$ -	$ -	$ -	$ -	$ -	$ -
Agricultural	5	5	-	5	-	6
Commercial real estate:						
Owner occupied nonfarm, nonresidenti	56	56	-	56	-	58
Farmland	-	-	-	-	-	-
Residential real estate:						
1-4 family residential first liens	1,491	1,491	-	1,491	-	1,790
1-4 family residential second liens	65	65	-	65	-	77
Home equity lines of credit	25	25	-	25	-	25
Construction and land development	87	87	-	87	-	243
Consumer loans and other loans	-	-	-	-	-	-
	$1,729	$1,729	$ -	$1,729	$ -	$2,199
2017:						
Commercial, financial and agricultural:						
Commercial and industrial	$ 82	$ 39	$ 43	$ 82	$ 13	$ 94
Agricultural	7	7	-	7	-	22
Commercial real estate:						
Owner occupied nonfarm, nonresidenti	58	58	-	58	-	70
Farmland	-	-	-	-	-	-
Residential real estate:						
1-4 family residential first liens	1,013	583	430	1,013	67	1,098
1-4 family residential second liens	59	59	-	59	-	65
Home equity lines of credit	-	-	-	-	-	-
Construction and land development	326	326	-	326	-	335
Consumer loans and other loans	-	-	-	-	-	-
	$1,545	$1,072	$ 473	$1,545	$ 80	$1,684

Interest income recognized on impaired loans was insignificant in 2018 and 2017. A loan is considered a troubled debt restructuring (TDR) if the Company, for economic or legal reasons related to a debtor's financial difficulties, grants a concession to the debtor that it would not otherwise consider. Concessions granted under a TDR typically involve a temporary or permanent reduction in the interest rate at less than a current market rate of interest or an extension of a loan's stated maturity date. Loans classified as TDR's are designated as impaired. Impaired loans totaling approximately $970,275 and $1,127,933 were accounted for as troubled debt restructurings as of December 31, 2018 and 2017, respectively. There were no TDR's that defaulted during the years 2018 and 2017.

Note 5. Loans and Allowance for Loan Losses (Continued)

The following table presents the past due aging of the recorded investment in loans and loans on nonaccrual as of December 31, 2018 and 2017 (in thousands):

	Current Loans	Loans 30-89 Days Past Due	Loans 90 or More Days Past Due	Total Past Due Loans	Loans 90 or More Days and Accruing	Nonaccrual Loans	Total Loans
2018:							
Commercial, financial and agricultural:							
Commercial and industrial	$ 105,220	$ -	$ -	$ -	$ -	$ -	$ 105,220
Agricultural	3,353	-	-	-	-	-	3,353
Commercial real estate:							
Owner occupied nonfarm, nonresidential	24,415	-	56	56	-	56	24,472
Other nonfarm, nonresidential properties	132,889	-	-	-	-	-	132,889
Farmland	8,748	-	-	-	-	-	8,748
Residential real estate:							
1-4 family residential first liens	87,174	108	331	439	-	404	87,613
1-4 family residential second liens	1,414	-	33	33	-	60	1,447
Home equity lines of credit	17,073	74	-	74	-	-	17,147
Construction and land development	45,526	-	-	-	-	-	45,526
Multifamily	12,508	-	-	-	-	-	12,508
Consumer loans and other loans	8,642	15	-	15	-	-	8,656
	$ 446,962	$ 197	$ 420	$ 617	$ -	$ 520	$ 447,579
2017:							
Commercial, financial and agricultural:							
Commercial and industrial	$ 99,759	$ 53	$ 22	$ 75	$ 22	$ 81	$ 99,937
Agricultural	3,698	-	-	-	-	-	3,698
Commercial real estate:							
Owner occupied nonfarm, nonresidential	34,046	58	-	58	-	58	34,162
Other nonfarm, nonresidential properties	123,717	-	-	-	-	-	123,717
Farmland	7,351	-	-	-	-	-	7,351
Residential real estate:							
1-4 family residential first liens	87,811	8	-	8	-	332	88,151
1-4 family residential second liens	1,558	-	-	-	-	-	1,558
Home equity lines of credit	14,708	-	-	-	-	-	14,708
Construction and land development	39,774	-	-	-	-	-	39,774
Multifamily	12,444	-	-	-	-	-	12,444
Consumer loans and other loans	8,287	-	-	-	-	-	8,287
	$ 433,153	$ 119	$ 22	$ 141	$ 22	$ 471	$ 433,787

Credit quality indicators: The Company categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Company analyzes loans individually by classifying the loans as to credit risk. Loans classified, internally or by regulatory authorities, as substandard, special mention or pass watch and past due loans are reviewed regularly by the Company to determine if appropriately classified or to determine if the loan is impaired. The Company's loan portfolio is reviewed for credit quality on an annual basis, with samples being selected based on loan size, credit grades, etc., to ensure that the Company's management is properly applying credit risk management processes.

Note 5. Loans and Allowance for Loan Losses (Continued)

Loans excluded from the scope of the annual review process are generally classified as pass credits until: (a) they become past due; (b) management becomes aware of deterioration in the credit worthiness of the borrower; or (c) the customer contacts the Company for a modification. In these circumstances, the customer relationship is specifically evaluated for potential classification as to special mention, substandard or doubtful, or could even be considered for charge-off. The Company uses the following definitions for risk ratings:

- ***Pass***: Loans included in this category are performing as agreed with reliable, current financial information on the borrower. Pass loans are fully secured per policy guidelines or unsecured to a high net worth individual with strong liquidity. Generally, loans in this category do not have material policy exceptions, have slight to moderate leverage and are lacking in notable weakness.

- ***Pass watch***: Loans included in this category may be showing some signs of financial deterioration or apparent negative trends. Overdrafts or past due payments that are not mitigated or explainable may result in a rating change from "pass" to "pass watch." Loans that become 30 days delinquent may be placed in this category. Other examples of loans that may be graded as "pass watch" include: apparent weakness in management, loans restructured to accommodate customer cash flow, loans with a collateral shortfall which were not underwritten as unsecured, and agricultural loans with a one year carry-over.

- ***Special mention***: Loans included in this category are currently protected but are potentially weak. These loans constitute an undue and unwarranted credit risk but do not presently expose the Bank to a sufficient degree of risk to warrant adverse classification. Close management attention is required. New loans should not be made which will immediately be identified in this category. As a general rule, for the purpose of calculating a loan loss reserve, loans in this category will have the historical loss reserve percentage applied and will remain in a pool with loans that are considered acceptable or better when determining the general valuation reserves. Loans classified as special mention have potential weaknesses that may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date. Characteristics of loans in this category may include: loans with marginal debt service coverage without mitigating factors, loans with technical, unmitigated default, loans that become 60 days delinquent, loans to a company where there is concern the company may fail, loans with unmitigated collateral short-fall.

- ***Substandard***: Substandard loans are inadequately protected by the current net worth and financial capacity of the borrower or of the collateral pledged, if any. Loans so classified must have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the Bank will sustain some loss if the deficiencies are not corrected. Loss potential, while existing in the aggregate amount of substandard assets, does not have to exist in individual assets classified as substandard. Loans in this category are evaluated individually as outlined in the Bank's loan policy when determining the general valuation reserve. Examples of substandard loans may include loans with debt service coverage below 1:1 without mitigating factors, loans in default, work out loans, non-accrual loans, most loans that are 90 days delinquent and agricultural loans with more than one-year carry-over unless fully secured and documented with an independent source of repayment.

- ***Doubtful***: Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full highly questionable or improbable, based on currently existing facts, conditions, and values.

Note 5. Loans and Allowance for Loan Losses (Continued)

The following table presents the recorded investment in loans receivable (in thousands) by credit quality indicator as of December 31, 2018 and 2017:

	Pass (Rating 1-5)	Pass/Watch	Special Mention	Substandard	Doubtful	Total
2018:						
Commercial, financial and agricultural:						
Commercial and industrial	$ 103,071	$ 1,826	$ -	$ 323	$ -	$ 105,220
Agricultural	3,353	-	-	-	-	3,353
Commercial real estate:						
Owner occupied nonfarm, nonresidential	22,639	1,707	-	126	-	24,472
Other nonfarm, nonresidential properties	131,206	1,683	-	-	-	132,889
Farmland	8,748	-	-	-	-	8,748
Residential real estate:						
1-4 family residential first liens	81,969	4,118	-	1,526	-	87,613
1-4 family residential second liens	1,361	-	-	86	-	1,447
Home equity lines of credit	16,640	320	104	83	-	17,147
Construction and land development	44,592	428	-	506	-	45,526
Multifamily	12,508	-	-	-	-	12,508
Consumer loans and other loans	8,536	2	-	118	-	8,656
	$ 434,623	$ 10,084	$ 104	$ 2,768	$ -	$ 447,579
2017:						
Commercial, financial and agricultural:						
Commercial and industrial	$ 98,281	$ 1,575	$ -	$ 81	$ -	$ 99,937
Agricultural	3,231	467	-	-	-	3,698
Commercial real estate:						
Owner occupied nonfarm, nonresidential	32,714	1,156	-	292	-	34,162
Other nonfarm, nonresidential properties	122,318	1,399	-	-	-	123,717
Farmland	7,351	-	-	-	-	7,351
Residential real estate:						
1-4 family residential first liens	83,127	3,236	-	1,788	-	88,151
1-4 family residential second liens	1,304	87	-	167	-	1,558
Home equity lines of credit	14,454	148	-	106	-	14,708
Construction and land development	38,752	284	-	738	-	39,774
Multifamily	12,444	-	-	-	-	12,444
Consumer loans and other loans	8,155	41	-	91	-	8,287
	$ 422,131	$ 8,393	$ -	$ 3,263	$ -	$ 433,787

Note 5. Loans and Allowance for Loan Losses (Continued)

The Company's activity in the allowance for loan losses for the years ended December 31, 2018 and 2017 by portfolio segment and disaggregated on the basis of the Company's impairment methodology is as follows (in thousands):

	Commercial Financial & Agricultural	Commercial Real Estate	Residential Real Estate	Construction & Land Development	Multifamily	Consumer Loans & Other Loans	Total
2018:							
Balance at the beginning of the year	$ 226	$ 1,796	$ 2,248	$ 433	$ 70	$ 132	$ 4,905
Provision charged to earnings	16	127	159	31	5	9	347
Loans charged to the allowance	(111)	(8)	(180)	(5)	-	(102)	(406)
Recoveries on loans previously charged-off	4	-	21	-	-	25	50
Balance at the end of the year	$ 135	$ 1,915	$ 2,248	$ 459	$ 75	$ 64	$ 4,896
Period-ended amount allocated to:							
Individually evaluated for impairment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Collectively evaluated for impairment	135	1,915	2,248	459	75	64	4,896
Ending balance	$ 135	$ 1,915	$ 2,248	$ 459	$ 75	$ 64	$ 4,896
Loans:							
Individually evaluated for impairment	$ 5	$ 56	$ 1,581	$ 87	$ -	$ -	$ 1,729
Collectively evaluated for impairment	108,568	166,053	104,626	45,439	12,508	8,656	445,850
Ending balance	$ 108,573	$ 166,109	$ 106,207	$ 45,526	$ 12,508	$ 8,656	$ 447,579
2017:							
Balance at the beginning of the year	$ 278	$ 1,782	$ 2,263	$ 426	$ 68	$ 169	$ 4,986
Provision charged to earnings	7	52	66	12	2	5	144
Loans charged to the allowance	(59)	(40)	(126)	(5)	-	(80)	(310)
Recoveries on loans previously charged-off	-	2	45	-	-	38	85
Balance at the end of the year	$ 226	$ 1,796	$ 2,248	$ 433	$ 70	$ 132	$ 4,905
Period-ended amount allocated to:							
Individually evaluated for impairment	$ 13	$ -	$ 67	$ -	$ -	$ -	$ 80
Collectively evaluated for impairment	213	1,796	2,181	433	70	132	4,825
Ending balance	$ 226	$ 1,796	$ 2,248	$ 433	$ 70	$ 132	$ 4,905
Loans:							
Individually evaluated for impairment	$ 89	$ 58	$ 1,396	$ 326	$ -	$ -	$ 1,869
Collectively evaluated for impairment	103,546	165,172	103,021	39,448	12,444	8,287	431,918
Ending balance	$ 103,635	$ 165,230	$ 104,417	$ 39,774	$ 12,444	$ 8,287	$ 433,787

Note 6. Premises and Equipment

Premises and equipment at December 31, 2018 and 2017 consisted of the following (in thousands):

	2018	2017
Land	$ 7,563	$ 4,749
Buildings and improvements	14,487	14,487
Furniture, fixtures and equipment	8,378	7,878
Vehicles	350	222
Construction in progress	200	190
	30,978	27,526
Less accumulated depreciation	(12,302)	(11,598)
	$ 18,676	$ 15,928

Note 7. Deposits

Deposits at December 31, 2018 and 2017 consisted of the following (in thousands):

	2018		2017	
	Amount	Percent	Amount	Percent
Noninterest-bearing demand accounts	$ 178,054	37.9%	$ 180,710	41.7%
Interest-bearing checking accounts	54,119	11.5%	38,226	8.8%
Savings and limited access money market accounts	143,670	30.6%	135,603	31.3%
Certificates of deposit less than $250,000	49,340	10.5%	35,730	8.2%
Certificates of deposit $250,000 and greater	39,910	8.5%	39,917	9.2%
Individual retirement accounts less than $250,000	3,599	0.8%	2,958	0.7%
Individual retirement accounts $250,000 and greater	697	0.1%	678	0.2%
	$ 469,389	100.0%	$ 433,822	100.0%

At December 31, 2018, the scheduled maturities of certificates of deposit and individual retirement accounts were as follows (in thousands):

2019	$ 78,856
2020	12,804
2021	1,221
2022	299
2023	366
	$ 93,546

At December 31, 2018 and 2017, brokered time deposits totaled approximately $5,000,000 and $0, respectively.

Note 8. Federal Home Loan Bank Advances

The Bank receives advances from the FHLB of Dallas under note payable arrangements with original maturities ranging from two to fifteen years. Payments on these notes are made monthly. The weighted average interest rate of all notes was 2.39% and 1.92% at December 31, 2018 and 2017, respectively. Scheduled maturities of the notes at December 31, 2018 are as follows (in thousands):

2019	$	23,712
2020		1,038
2021		323
2022		164
	$	25,237

Along with the pledge of the Company's investment in FHLB of Dallas stock, a blanket floating lien on certain loans of the Company is pledged as additional collateral on the advances. The amount available for additional advances under the Company's borrowing arrangement with the Federal Home Loan Bank was approximately $171,677,000 at December 31, 2018.

Note 9. Other Borrowings

The Company has a federal funds line of credit with one unaffiliated financial institution in the amount of $20,000,000. This line of credit matures on June 30, 2019 and is provided on an unsecured basis; however, the lending institution may require the line to be fully secured after a stated number of days. The Company also has a line of credit with another unaffiliated financial institution which is collateralized by consumer loans totaling approximately $6,086,000 at December 31, 2018. The borrowing capacity under this line is approximately 90% of the outstanding loan balances, or approximately $5,470,000 at December 31, 2018. This line of credit has no stated maturity date; however, it may be canceled at the sole discretion of the lending institution. There were no outstanding borrowings under these lines at December 31, 2018 or 2017.

Note 10. Notes Payable

On January 19, 2016, the Company borrowed $7,000,000 from the First National Bankers Bank secured by 100% of the outstanding common stock of Progressive Bank. The note is payable in monthly installments of principal and interest, bears interest at the Wall Street Journal Prime Rate (5.50% at December 31, 2018), and matures in January 2026. The Company may and has made additional principal payments. The proceeds of the note were used to assist with the redemption of Preferred Stock issued to the U.S. Treasury's Small Business Lending Fund. The Company must satisfy certain financial covenants, none of which are expected to adversely impact the operations of the Company. Financial covenants cover, among other things, the maintenance of minimum levels for regulatory capital ratios, a maximum ratio of nonperforming loans to total loans and a maximum ratio of nonperforming assets to primary capital.

Note 10. Notes Payable (Continued)

The Company was in compliance with all covenants as of December 31, 2018. The outstanding balance of the note was $1,820,000 as of December 31, 2018. Scheduled maturities of the note are as follows (in thousands):

2019	$	840
2020		840
2021		140
	$	1,820

Note 11. Junior Subordinated Debentures

Junior subordinated debentures are due to Progressive Statutory Trust I (Trust I) and Progressive Statutory Trust II (Trust II), 100% owned non-consolidated subsidiaries of Bancorp. The debentures were issued in conjunction with the Trusts' issuance of Company Obligated Mandatorily Redeemable Trust Preferred Securities. With certain exceptions, the amount of the principal and any accrued and unpaid interest on the Debentures are subordinated in right of payment to the prior payment in full of all senior indebtedness of the Company. The interest is deferrable on a cumulative basis for up to 20 consecutive quarters. The debentures bear the same interest rate and terms as the trust preferred securities discussed below.

On July 31, 2001, Bancorp, through a private placement, issued $8,000,000 (8,000 shares with a liquidation amount of $1,000 per security) of Variable Rate Cumulative Trust Preferred Securities (TruPS) through a newly formed, wholly-owned subsidiary, Progressive Statutory Trust I (Trust I). Bancorp made a required equity contribution of $248,000 to form Trust I. Trust I invested the total proceeds from the equity contribution and the securities sale in Variable Rate Junior Subordinated Debentures (the Debentures) issued by Bancorp. The net proceeds from the sale of the Debentures were used to contribute capital to the Bank and for general corporate purposes. The terms of the TruPS are such that they qualify as Tier I capital under the Federal Reserve Board's regulatory capital guidelines applicable to bank holding companies on a consolidated basis.

With certain exceptions, the amount of the principal and any accrued and unpaid interest on the Debentures are subordinated in right of payment to the prior payment in full of all senior and subordinated indebtedness of Bancorp. Interest on the Debentures is payable quarterly commencing October 31, 2001 at a rate equal to the three-month LIBOR rate plus 3.58% (6.11% and 5.35% at December 31, 2018 and 2017, respectively). The interest is deferrable on a cumulative basis for up to 20 consecutive quarters. No principal payments are due until maturity on July 31, 2031.

On July 31, 2006, the Debentures became redeemable, in whole or in part, at the option of Bancorp. None of the Debentures have been redeemed. In the event the Debentures are redeemed, a like amount of TruPS will be redeemed at the redemption price of $10, plus accrued interest to the date of redemption. Trust I's obligations under the TruPS are fully and unconditionally guaranteed by Bancorp. Any redemption is subject to Bancorp obtaining the prior approval of the Federal Reserve. The debentures balance related to Trust I is $8,248,000 at December 31, 2018 and 2017. Under ASC Topic 810, Trust I does not meet the criteria for consolidation.

Note 11. Junior Subordinated Debentures (continued)

On September 20, 2007, Bancorp, through a private placement, issued $4,000,000 (4,000 shares with a liquidation amount of $1,000 per security) of Fixed/Floating Rate Cumulative Trust Preferred Securities (TruPS II) through a newly formed, wholly-owned subsidiary, Progressive Statutory Trust II (Trust II). Bancorp made a required equity contribution of $124,000 to form Trust II. Trust II invested the total proceeds from the equity contribution and the securities sale in Fixed/Floating Rate Junior Subordinated Debentures (the Debentures II) issued by Bancorp. The net proceeds from the sale of the Debentures II were used to contribute capital to the Bank and for general corporate purposes. The terms of the TruPS II are such that they qualify as Tier I capital under the Federal Reserve Board's regulatory capital guidelines applicable to bank holding companies on a consolidated basis.

With certain exceptions, the amount of the principal and any accrued and unpaid interest on the Debentures is subordinated in right of payment to the prior payment in full of all senior and subordinated indebtedness of Bancorp. Interest on the Debentures is payable quarterly commencing December 15, 2007 at a rate equal to 6.338% through December 15, 2012 and then at a rate equal to the three-month LIBOR rate plus 1.45% (4.24% at December 31, 2018) through maturity. The interest is deferrable on a cumulative basis for up to 20 consecutive quarters. No principal payments are due until maturity on December 15, 2037.

Bancorp may redeem the Debentures II, in whole or in part, on or after December 15, 2012 at an amount equal to the principal amount of the debt securities being redeemed plus accrued and unpaid interest on such securities to the redemption date. Trust II's obligations under the TruPS II are fully and unconditionally guaranteed by Bancorp. Any redemption is subject to Bancorp obtaining the prior approval of the Federal Reserve. The debentures balance related to Trust II is $4,124,000 at December 31, 2018 and 2017. Under ASC Topic 810, Trust II does not meet the criteria for consolidation.

Note 12. Federal Income Taxes

Federal income tax expense for the years ended December 31, 2018 and 2017 consisted of the following (in thousands):

	2018	2017
Current income tax expense	$ 886	$ 2,042
Deferred income tax benefit	(39)	(197)
Deferred income tax expense related to remeasurement of deferred taxes	-	897
	$ 847	$ 2,742

Note 12. Federal Income Taxes (Continued)

Income taxes differed from the amounts computed by applying the U.S. federal income tax rate of 21% in 2018 and 34% in 2017 to earnings before income taxes as a result of the following (in thousands):

	2018	2017
Computed "expected" income tax expense	$ 977	$ 2,102
Tax-exempt municipal income, net of disallowed interest expense	(26)	(54)
Earnings on life insurance policies	(43)	(71)
Tax rate change (computed at 21% and 34%, respectively)	-	897
Other	(61)	(132)
	$ 847	$ 2,742

As a result of the enactment of the Tax Cut and Jobs Act in December 2017, the Company revalued it deferred tax assets and liabilities arising from temporary differences and unrealized gains and losses on available for sale securities using the new corporate tax rate of 21% that takes effect on January 1, 2018. The effect of this revaluation was a one-time charge to income tax expense of $897,000 for the year ended December 31, 2017.

On February 14, 2018, ASU No. 2018-02 was issued, allowing for a one-time reclassification of certain deferred tax items that had been stranded in accumulated other comprehensive income or loss as a result of tax adjustments made in connection with the enactment of the TCJA. The ASU allowed early adoption of its provisions for those companies which had not yet issued their 2017 financial statements. Accordingly, the Company early adopted its provisions and recorded a reclassification of $36,384 which decreased retained earnings and decreased accumulated other comprehensive loss as of December 31, 2017. Deferred income taxes reflect the net tax effects of temporary differences between the recorded amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and are included with other assets on the balance sheet. Significant components of the Company's deferred tax assets and liabilities as of December 31, 2018 and 2017 are as follows (in thousands):

	2018	2017
Deferred tax assets:		
Allowance for loan losses	$ 1,028	$ 974
Stock options	74	85
Deferred compensation	749	698
Unrealized loss on securities available for sale	115	59
Other	84	60
Total deferred tax assets	2,050	1,876
Deferred tax liabilities:		
Premises and equipment	462	396
FHLB stock dividends	20	10
Other	23	20
Total deferred tax liabilities	505	426
Net deferred tax asset	$ 1,545	$ 1,450

Note 13. Financial Instruments with Off-Balance Sheet Risk

The Company is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and standby letters of credit. Those instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the balance sheet. At December 31, 2018 and 2017, the approximate amounts of these financial instruments were as follows (in thousands):

	2018	2017
Financial instruments whose contract amounts represent credit risk:		
Commitments to extend credit	$ 110,473	$ 117,058
Standby letters of credit	3,442	2,955
	$ 113,915	$ 120,013

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

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Company evaluates each customer's credit worthiness on a case-by-case basis. The amount of collateral obtained if deemed necessary by the Company upon extension of credit is based on management's credit evaluation of the counterparty. Collateral held varies but may include accounts receivable, inventory, property, plant and equipment and income-producing commercial properties.

Standby letters of credit are written conditional commitments issued by the Company to guarantee the performance of a customer to a third party. The Company's policies generally require that letter of credit arrangements contain security and debt covenants similar to those contained in loan arrangements. In the event the customer does not perform in accordance with the terms of the agreement with the third party, the Company would be required to fund the commitment. The maximum potential amount of future payments the Company could be required to make is represented by the contractual amount shown in the table above. If the commitment is funded, the Company would be entitled to seek recovery from the customer. As of December 31, 2018 and 2017, no amounts have been recorded as liabilities for the Company's potential obligations under these guarantees.

Note 14. Fair Value Measurements

Accounting guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability. The price in the principal (or most advantageous) market used to measure the fair value of the asset or liability shall not be adjusted for transaction costs. An orderly transaction is a transaction that assumes exposure to the market for a period prior to the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets and liabilities; it is not a forced transaction. Market participants are buyers and sellers in the principal market that are (i) independent, (ii) knowledgeable, (iii) able to transact and (iv) willing to transact.

Note 14. Fair Value Measurements (continued)

The guidance requires the use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The income approach uses valuation techniques to convert future amounts, such as cash flows or earnings, to a single present amount on a discounted basis. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset (replacement cost). Valuation techniques should be consistently applied. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. In that regard, the guidance establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

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

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

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

A description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below. During 2018 there have been no changes in valuation methodologies compared to 2017 and no transfers between levels.

Note 14. Fair Value Measurements (continued)

The following table represents assets and liabilities reported on the consolidated balance sheets at their fair value on a recurring basis as of December 31, 2018 and 2017 by level within the fair value measurement hierarchy:

		Fair Value Measurements at Reporting Date Using (Dollars in Thousands)		
	Assets/ Liabilities Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2018:				
Measured on a recurring basis:				
Assets:				
Investment securities available for sale:				
U.S. treasury	35,030	$ 35,030	$ -	$ -
U.S. government agency obligations	14,773	-	14,773	-
Residential mortgage-backed securities	9,547	-	9,547	-
Collateralized mortgage obligations	4,872	-	4,872	-
2017:				
Measured on a recurring basis:				
Assets:				
Investment securities available for sale:				
U.S. treasury	$ 7,451	$ 7,451	$ -	$ -
U.S. government agency obligations	20,841	-	20,841	-
Residential mortgage-backed securities	6,242	-	6,242	-
Collateralized mortgage obligations	1,446	-	1,446	-

Level 1 securities include actively-traded government bonds, such as certain United States Treasury and other United States government securities. All other securities available for sale are classified within Level 2 of the valuation hierarchy. The Company obtains fair value measurements for investment securities from an independent pricing service. The fair value measurements consider observable data that may include dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, live trading levels, trade execution data, market consensus prepayment spreads, credit information and the bond's terms and conditions, among other things.

The Company has no nonfinancial assets or nonfinancial liabilities measured at fair value on a recurring basis.

Note 14. Fair Value Measurements (Continued)

The following table presents the assets carried on the consolidated balance sheet, by caption and by level in the fair value hierarchy at December 31, 2018 and 2017, for which a nonrecurring change in fair value has been recorded:

	Assets/ Liabilities Measured at Fair Value	Fair Value Measurements at Reporting Date Using (Dollars in Thousands) Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2018:				
Measured on a nonrecurring basis:				
Assets:				
Impaired loans	1,729	$ -	$ -	$ 1,729
Other real estate	162	-	-	162
2017:				
Measured on a nonrecurring basis:				
Assets:				
Impaired loans	$ 1,465	$ -	$ -	$ 1,465
Other real estate	202	-	-	202

Impaired loans are classified within Level 3 of the valuation hierarchy. The fair value of impaired loans is derived in accordance with ASC Topic 310, Receivables. The fair value of impaired loans is based on the fair value of the collateral discounted based on internal criteria. Impaired loans are primarily comprised of collateral-dependent commercial and real estate loans.

Other real estate owned is measured at fair value on a nonrecurring basis (upon initial recognition or subsequent impairment).

Other real estate owned is classified within Level 3 of the valuation hierarchy. When transferred from the loan portfolio, other real estate is adjusted to and subsequently carried at fair value less estimated selling costs. The fair value is determined using an external appraisal process, discounted based on internal criteria.

Note 14. Fair Value Measurements (Continued)

The estimated fair value of the Company's financial instruments is as follows at December 31, 2018 and 2017 (in thousands):

	2018		2017	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Financial assets:				
Cash and cash equivalents	$ 12,765	$ 12,765	$ 18,737	$ 18,737
Time deposits in other financial institutions	-	-	100	100
Securities available for sale	64,222	64,222	35,980	35,980
Securities held to maturity	5,693	5,587	6,622	6,585
Federal Home Loan Bank stock	1,987	1,987	1,943	1,943
Accrued interest receivable	2,204	2,204	2,030	2,030
Loans, net	442,683	437,880	428,882	427,833
Loans held for sale	1,088	1,088	447	447
Financial liabilities:				
Deposits liabilities	469,389	469,594	433,822	433,874
FHLB advances	25,237	25,172	24,358	24,248
Notes Payable	1,820	1,820	5,510	5,510
ESOP debt commitment	110	110	234	234
Junior subordinated debentures	12,372	12,372	12,372	12,372
Accrued interest payable	828	828	477	477

Note 15. Benefit Plans

401(k) plan: The Company has a defined contribution profit sharing plan for all employees that meet certain age and service requirements. Under the plan, employees may elect to defer up to 90% of their salary subject to the Internal Revenue Service limits. The Company may, at its discretion, contribute to the plan an amount determined annually by the Board of Directors. The Company's expense for the plan was $264,578 and $257,731 for the years ended December 31, 2018 and 2017, respectively.

Salary continuation plan: The Company has entered into salary continuation agreements with certain key employees to be paid over a period of ten to fifteen years after the employees' retirement. The Company has purchased single-premium life insurance policies on each of the individuals covered to fund the future obligation. The cash surrender value of these policies totaled approximately $10,157,000 and $9,950,000 at December 31, 2018 and 2017, respectively. Salary continuation payable totaled approximately $3,495,000 and $3,251,000 at December 31, 2018 and 2017, respectively and is included in other liabilities in the accompanying balance sheet. One participant reached retirement age and received a lump sum payment under the plan in 2017. Two participants reached retirement age in 2017 and received payments under the plan in 2017 and 2018. The expenses incurred of $320,000 and $529,000 are included in salaries and employee benefits in the accompanying income statement for the years ended December 31, 2018 and 2017, respectively.

Note 15. Benefit Plans (Continued)

Employee stock ownership plan (ESOP): Effective in 1998, the Company established the ESOP. Under this Plan, there is an Employee Stock Ownership trust which holds the investments of the Plan. The Company was designated as the Plan Sponsor and the Bank was designated as an Employer of the Plan. The Plan covers substantially all employees who qualify as to age and length of service. Contributions to the Plan are generally invested by the Plan in the common stock of the Company. Contributions to the Plan by the Bank are at the discretion of the Board of Directors of the Company and the Bank; however, contributions must be sufficient to pay any current obligations of the Plan.

During 2009, the Plan borrowed $1,000,000 from an unaffiliated bank to purchase 19,841 shares of Company stock. The 2009 note is payable in monthly installments consisting of principal payments of $8,333 plus accrued interest, bears interest at the Wall Street Journal Prime Rate (5.50% at December 31, 2018), and matures in September 2019.

During 2010, the Plan borrowed $235,000 from an unaffiliated bank to acquire 5,000 shares of Company stock. The 2010 note is payable in monthly installments consisting of principal payments of $1,958 plus accrued interest, bears interest at the Wall Street Journal Prime Rate (5.50% at December 31, 2018), and matures in June 2020.

At December 31, 2018 and 2017, the Plan had approximately $110,000 and $234,000, respectively, outstanding related to the notes, which are guaranteed by the Company and collateralized by the Company's common stock.

In accordance with ASC Topic 718-40, Employee Stock Ownership Plans, the Company has recorded the loans as obligations of the Company, with the amounts outstanding in the balance sheets classified as ESOP debt commitment, and the issued shares held by the lender as collateral classified in a contra-equity account, unearned ESOP shares. During 2018 and 2017, 2,484 and 2,484, respectively, were released as principal payments were made. The remaining 2,237 shares are considered suspense shares held by the Plan. The fair value of the unearned ESOP shares at December 31, 2018 was $270,702 or $121.00 per share, which was based on a third-party valuation as of December 31, 2017. This was the most current valuation performed. The Company's contributions to the ESOP consist of debt service payments to the trust and any additional voluntary payments made. During 2018 and 2017, the Company made contributions of approximately $132,000 and $138,000, respectively, to the ESOP for debt service payments. The contributions for each year will be divided among the eligible participants employed on December 31 in the proportion that each such participant's compensation, as defined in the Plan, for that year which bears to the compensation for all such participants in the Plan.

Following are principal maturities for the notes payable as of December 31, 2018 (in thousands):

2019	$ 98
2020	12
	$ 110

Note 16. Stock Compensation

Stock options: Stock options are periodically granted by the Company to key employees with an exercise price equal to the stock's estimated fair market value at the date of grant. The stock options have varying terms and vest and become fully exercisable during various years from the date of grant.

The following is a summary of the status of the Plan during 2018 and 2017:

	2018					2017		
	Number of Shares		Weighted Average Exercise Price		Aggregate Intrinsic Value	Number of Shares		Weighted Average Exercise Price
Outstanding, beginning of year	59,336	$	51.39			64,836	$	50.03
Granted during the year	-		-			-		-
Exercised during the year	(26,800)		54.00			(3,500)		32.53
Forfeited during the year	-		-			(200)		53.00
Expired during the year	(800)		53.00			(1,800)		51.33
Outstanding, end of year	31,736	$	49.10	$	1,996,207	59,336	$	51.37
Exercisable, at end of year	31,736	$	49.10			59,336	$	51.39

The options outstanding at December 31, 2018 have exercise prices ranging from $35 to $55. At December 31, 2018, the weighted average remaining contractual life of 10,100 options outstanding and exercisable is 1.6 years. The remaining 21,636 options outstanding and exercisable can be exercised up to 91 days after employment is terminated.

The intrinsic value of options exercised during 2018 and 2017 was approximately $1,554,000 and $148,660, respectively.

Total compensation expense for options recognized during 2017 was $370. No future compensation expense related to options was recognized in 2018.

Note 16. Stock Compensation (Continued)

Restricted stock: The Company has granted restricted stock awards to certain employees of the Company. The stock awards have varying terms and vest over four or five years from the date of grant. The shares become free of restrictions on the vesting date if the grantee remains a full-time employee of the Company. The shares become free of restrictions prior to the vesting date upon early involuntary termination, other than termination for cause, death, or disability, or at the discretion of the Chief Executive Officer of the Company. The following table summarizes the activity in nonvested shares for the year ended December 31, 2018:

	Number of Shares	Weighted Average Grant Date Fair Value
Nonvested restricted stock, December 31, 2017	5,385	$ 59.73
Granted during the year	3,200	110.03
Vested during the year	(1,765)	77.04
Forfeited during the year	-	-
Nonvested restricted stock, December 31, 2018	6,820	$ 96.32

Total compensation expense related to restricted stock awards was $162,000 and $129,000 during 2018 and 2017, respectively. At December 31, 2018, future compensation expense related to restricted stock awards is approximately $647,070 and will be recognized over a remaining period of five years.

Note 17. Commitments and Contingencies

The Company is involved in certain legal actions arising from normal business activities. Management believes that the outcome of such proceedings will not materially affect the financial position, results of operations or cash flows of the Company.

Note 18. Related Party Transactions

In the ordinary course of business, the Bank has and expects to continue to have transactions including borrowings with its employees, directors and their affiliates. In the opinion of management, such transactions are on the same terms, including interest rates and collateral requirements, as those prevailing at the time for comparable transactions with unaffiliated persons. The aggregate amount of such loans was approximately $10,828,000 and $8,657,000 at December 31, 2018 and 2017, respectively. Additionally, at December 31, 2018 and 2017, the Bank had unfunded commitments for such loans of approximately $4,629,000 and $4,006,000, respectively. The approximate amount of payments, including interest, received on these loans was $4,973,000 and the approximate amount of new loans funded was $3,325,000 in 2018.

Note 19. Significant Group Concentrations

Most of the Company's business activity is with customers located within Louisiana. Such customers are normally also depositors of the Company. The concentrations of credit by type of loan are set forth in Note 5. Generally, the Company's loans are collateralized and are expected to be repaid from cash flow or proceeds from the sales of selected assets of the borrowers.

The distribution of commitments to extend credit approximates the distribution of loans outstanding. Commercial and standby letters of credit are granted primarily to commercial borrowers.

Note 20. Regulatory Matters

The Bank is subject to various regulatory capital requirements administered by 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 financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

In July 2013, the FDIC and other regulatory bodies issued final rules consisting of minimum requirements that increase both the quantity and quality of capital held by banking organizations. The final rules are a result of the implementation of the BASEL III capital reforms and various Dodd-Frank Act related capital provisions and impact all U.S. banking organizations with more than $500 million in assets. Consistent with the Basel international framework, the new rule includes a new minimum ratio of Common Equity Tier 1 (CET1) to risk-weighted assets of 4.5 percent and a Common Equity Tier 1 capital conservation buffer of 2.5 percent of risk-weighted assets. The rule also raised the minimum ratio of Tier 1 capital to risk-weighted assets from 4 percent to 6 percent and includes a minimum Leverage ratio of 4 percent for all banking organizations. Regarding the quality of capital, the new rule emphasizes Common Equity Tier 1 capital and implements strict eligibility criteria for regulatory capital instruments. The new rule also improves the methodology for calculating risk-weighted assets to enhance risk sensitivity. The new rule is subject to a four-year phase in period for mandatory compliance beginning on January 1, 2015. As of January 1, 2019, the new capital standards have been fully implemented and the Bank remains classified as "well-capitalized."

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the table below) of Total, CET1 and Tier I capital (as defined in the regulations) to risk weighted assets (as defined), and of Tier I capital (as defined) to average assets (as defined). Management believes, as of December 31, 2018, that the Bank meets all capital adequacy requirements to which it is subject.

As of December 31, 2018, the Bank's capital ratios exceeded those levels necessary to be categorized as "well capitalized" under the regulatory framework for prompt corrective action. To be categorized as "well capitalized," the Bank must maintain minimum total risk-based, CET1, Tier I risk-based and Tier I leverage ratios as set forth in the table below. There are no conditions or events since December 31, 2018 that management believes have changed the Bank's category.

Note 20. Regulatory Matters (Continued)

A comparison of the Bank's actual capital amounts and ratios to required capital amounts and ratios is presented in the following table (in thousands):

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
2018:						
Total capital to risk weighted assets	$ 66,152	13.30%	$ 49,105	9.88%	$ 49,726	10.00%
Tier I capital to risk weighted assets	61,256	12.32%	39,159	7.88%	39,781	8.00%
CET1 capital to risk weighted assets	61,256	12.32%	31,700	6.38%	32,322	6.50%
Tier I capital to average assets	61,256	10.62%	23,079	4.00%	28,849	5.00%
2017:						
Total capital to risk weighted assets	$ 64,887	13.53%	$ 44,597	9.30%	$ 47,954	10.00%
Tier I capital to risk weighted assets	59,982	12.51%	35,006	7.30%	38,363	8.00%
CET1 capital to risk weighted assets	59,982	12.51%	27,813	5.80%	31,170	6.50%
Tier I capital to average assets	59,982	11.12%	21,579	4.00%	26,974	5.00%

RSM

RSM US LLP

Independent Auditor's Report on the Supplementary Information

The Board of Directors
Progressive Bancorp, Inc. and Subsidiaries

We have audited the consolidated financial statements of Progressive Bancorp, Inc. and Subsidiaries as of and for the years ended December 31, 2018 and 2017 and have issued our report thereon which contains an unqualified opinion on those financial statements. See page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position, results of operations and cash flows of the individual companies and is not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

RSM US LLP

Dallas, Texas
March 27, 2019

Progressive Bancorp, Inc. and Subsidiaries

Schedule 1 - Consolidating Balance Sheet
December 31, 2018
(In Thousands)

	Progressive Bank and Subsidiary	Progressive Bancorp, Inc.	Eliminations		Consolidated Total
Assets					
Cash and due from banks	$ 8,155	$ 2,675	$ (2,675)	a	$ 8,155
Interest-bearing deposits	4,610	-	-		4,610
Time deposits in other financial institutions	100	-	-		100
Securities available for sale	64,222	-	-		64,222
Securities held to maturity	5,693	-	-		5,693
Investment in subsidiaries	-	60,967	(60,967)	b	-
Loans held for sale	1,088	-	-		1,088
Loans, net	443,190	-	(507)	c	442,683
Premises and equipment, net	17,759	917	-		18,676
Bank owned life insurance	10,157	-	-		10,157
Other real estate owned	162	-	-		162
Federal Home Loan Bank stock	1,987	-	-		1,987
Other assets	6,276	614	-		6,890
Total assets	$ 563,399	$ 65,173	$ (64,149)		$ 564,423
Liabilities and Stockholders' Equity					
Deposits:					
Noninterest-bearing	$ 180,729	$ -	$ (2,675)	a	$ 178,054
Interest-bearing	291,335	-	-		291,335
Total deposits	472,064	-	(2,675)		469,389
Federal Home Loan Bank advances	25,237	-	-		25,237
Notes payable	-	2,327	(507)	c	1,820
ESOP debt commitment	-	110	-		110
Junior subordinated debentures	-	12,372	-		12,372
Other liabilities	5,131	200	-		5,331
Total liabilities	502,432	15,009	(3,182)		514,259
Stockholders' equity:					
Preferred stock	-	-	-		-
Common stock	790	2,619	(790)	b	2,619
Paid-in capital	25,407	13,648	(25,407)	b	13,648
Retained earnings	35,203	37,763	(35,203)	b	37,763
Accumulated other comprehensive income	(433)	(433)	433	b	(433)
Unearned ESOP shares	-	(110)	-		(110)
Treasury stock	-	(3,323)	-		(3,323)
Total stockholders' equity	60,967	50,164	(60,967)		50,164
Total liabilities and stockholders' equity	$ 563,399	$ 65,173	$ (64,149)		$ 564,423

See independent auditor's report on the supplementary information.

Progressive Bancorp, Inc. and Subsidiaries

Schedule 2 - Consolidating Statement of Income
Year Ended December 31, 2018
(In Thousands)

	Progressive Bank and Subsidiary	Progressive Bancorp, Inc.	Eliminations		Consolidated Total
Interest income:					
Loans, including fees	$ 22,420	$ -	$ (27)	e	$ 22,393
Securities:					
Taxable	953	-	-		953
Nontaxable	132	-	-		132
Interest-bearing deposits	655	-	-		655
Other	-	19	-		19
	24,160	19	(27)		24,152
Interest expense:					
Deposits	2,736	-	-		2,736
FHLB advances, FNBB Note Payable and other	461	189	(27)	e	623
Junior subordinated debentures	-	630	-		630
	3,197	819	(27)		3,989
Net interest income	20,963	(800)	-		20,163
Provision for loan losses	346	-	-		346
Net interest income after provision for loan losses	20,617	(800)	-		19,817
Noninterest income:					
Equity in earnings of subsidiary	-	4,657	(4,657)	d	-
Service charges and fees	2,766	-	-		2,766
Trust and brokerage department	681	-	-		681
Earnings on life insurance policies	207	-	-		207
Insurance commissions	25	-	-		25
Gain on sale of other real estate owned	33	-	-		33
Gain on called security	6	-	-		6
Other	196	99	(99)	e	196
	3,914	4,756	(4,756)		3,914
Noninterest expenses:					
Salaries and employee benefits	10,756	-	-		10,756
Occupancy	1,995	84	(99)	e	1,980
Furniture and equipment	651	-	-		651
Technology	1,268	-	-		1,268
Professional fees	1,060	177	-		1,237
Advertising and business development	1,237	-	-		1,237
ATM/debit card expense	517	-	-		517
Deposits insurance assessment	145	-	-		145
Loss on sale of assets	-	-	-		-
Other	1,278	12	-		1,290
	18,907	273	(99)		19,081
Income before income taxes	5,624	3,683	(4,657)		4,650
Income tax expense	967	(120)	-		847
Net income	$ 4,657	$ 3,803	$ (4,657)		$ 3,803

Description of Eliminating Entries
Year Ended December 31, 2018

a. To eliminate intercompany cash and deposits.

b. To eliminate investment accounts against the stockholders' equity of the consolidated subsidiaries.

c. To eliminate intercompany payables and receivables.

d. To eliminate equity in earnings of subsidiaries.

e. To eliminate intercompany income and expense.

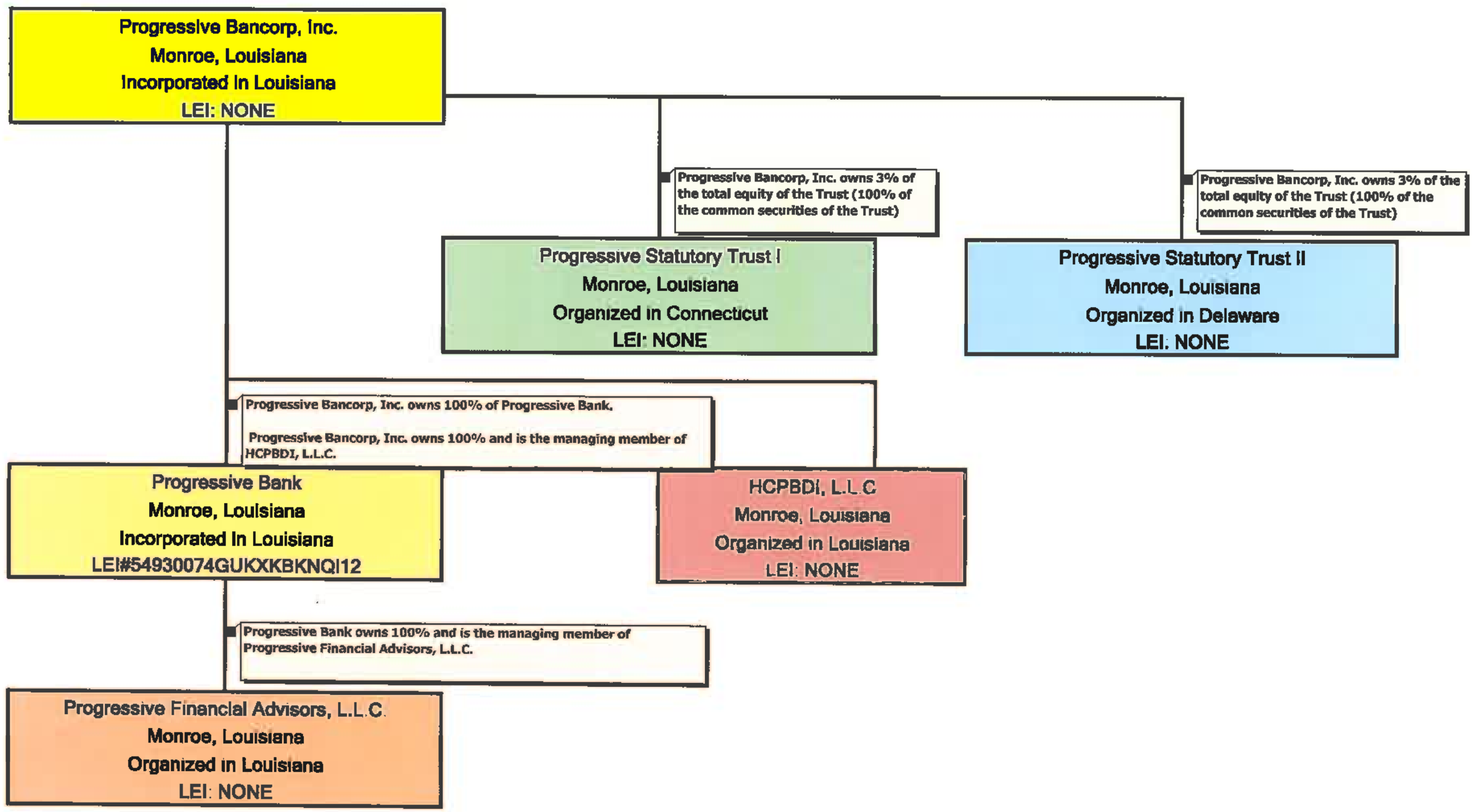
Form FR Y-6

Progressive Bancorp, Inc.
Monroe, Louisiana
Fiscal Year Ending December 31, 2018

Report Item

1: The bank holding company prepares an annual report for its shareholders.
Two copies of the audited annual report issued by RSM US, L.L.P. are included.

2: Organization Chart



:s for your depository institution: PROGRESSIVE BANK (ID_RSSD: 1007154).
n is held by PROGRESSIVE BANCORP, INC. (1108659) of MONROE, LA.
/2018. Data reflects information that was received and processed through 01/06/2019.

ication Steps

umn of each branch row, enter one or more of the actions specified below
date in the **Effective Date** column

ation is correct, enter 'OK' in the **Data Action** column.
formation 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.
was sold or closed, enter 'Close' in the **Data Action** column and the sale or closure date in the **Effective Date** column.
was never owned by this depository institution, enter 'Delete' in the **Data Action** column.
ch 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.

ay need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

end a saved copy to your FRB contact. See the detailed instructions on this site for more information.
o your FRB contact, put your institution name, city and state in the subject line of the e-mail.

orting requirements, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a **Data Action** of Change, Close, Delete, or Add.
e submitted in a hardcopy format or via the FR Y-10 Online application - https://y10online.federalreserve.gov.

umber, and ID_RSSD columns are for reference only. Verification of these values is not required.

ate	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_
	Full Service (Head Office)	1007154	PROGRESSIVE BANK	1411 NORTH 19TH STREET	MONROE	LA	71201	OUACHITA	UNITED STATES	Not Required	Not Required	PROGRESSIVE BANK	1
	Full Service	3802746	AIRLINE FINANCIAL CENTER BRANCH	2600 BEENE BOULEVARD	BOSSIER CITY	LA	71111	BOSSIER	UNITED STATES	Not Required	Not Required	PROGRESSIVE BANK	1
	Full Service	3394812	LAMY LANE FINANCIAL CENTER BRANCH	1398 LAMY LN	MONROE	LA	71201	OUACHITA	UNITED STATES	Not Required	Not Required	PROGRESSIVE BANK	1
	Full Service	4161507	SHREVEPORT FINANCIAL CENTER	8550 FERN AVENUE	SHREVEPORT	LA	71105	CADDO	UNITED STATES	Not Required	Not Required	PROGRESSIVE BANK	1
	Full Service	3394821	CYPRESS STREET FINANCIAL CENTER BRANCH	3421 CYPRESS ST	WEST MONROE	LA	71291	OUACHITA	UNITED STATES	Not Required	Not Required	PROGRESSIVE BANK	1
	Full Service	3394830	TRENTON STREET FINANCIAL CENTER BRANCH	701 TRENTON ST	WEST MONROE	LA	71291	OUACHITA	UNITED STATES	Not Required	Not Required	PROGRESSIVE BANK	1
	Full Service	2612359	FAIR AVENUE FINANCIAL CENTER BRANCH	301 FAIR AVENUE	WINNSBORO	LA	71295	FRANKLIN	UNITED STATES	Not Required	Not Required	PROGRESSIVE BANK	1

Form FR Y-6
Progressive Bancorp, Inc.
Fiscal Year Ending December 31, 2018

Report Item 3: Shareholders
(1)(a)(b)(c) and (2)(a)(b)(c)

Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12/31/2018			Current Shareholders not listed in 3(1)(a) through 3(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12/31/2018		
(1)(a) Name & Address (City, State, Country)	(1)(b) Country of Citizenship or Incorporation	(1)(c) Number and Percentage of Each Class of Voting Securities	(2)(a) Name & Address (City, State, Country)	(2)(b) Country of Citizenship or Incorporation	(2)(c) Number and Percentage of Each Class of Voting Securities
*Cummings Family Control Group Monroe, Louisiana ***See attached Schedule**	USA	83,085 - 16.94% Common Stock	N/A	N/A	N/A
J. Stewart Gentry Monroe, Louisiana	USA	27,945 - 5.90% Common Stock			
Morris F. Mintz Monroe, Louisiana	USA	26,825 - 5.66% Common Stock			
Progressive Bancorp, Inc. ESOP Monroe, Louisiana	USA	36,038 - 7.61% Common Stock Power to vote shares: Michele W. Thaxton, CFO & Cashier of Progressive Bank			

Form FR Y-6
Progressive Bancorp, Inc.
Fiscal Year Ending December 31, 2018

Report Item 4: Insiders
(1), (2), (3)(a)(b)(c) and (4)(a)(b)(c)

(1) Names & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
George W. Cummings, III & Nanette Cummings Monroe, Louisiana	George W. Cummings, III - Banker	George W. Cummings, III - Director, Chairman, and Chief Executive Officer, Nanette Cummings - Principal Securities Holder	George W. Cummings, III - Director, Chairman and Chief Executive Officer, Trust Officer (Progressive Bank); Nanette Cummings - N/A		10.50%	None	NA
			George Cummings, III - Chairman & Chief Executive Officer (Progressive Financial Advisors, L.L.C.); Nanette Cummings - N/A	N/A			
			George W. Cummings. III - Manager (HCPBDI, LLC.); Nanette Cummings - N/A	N/A			
				Director - Community Financial Insurance Center, LLC Partner - Twist Monroe, LP			
	Nanette Cummings - Business Executive	Principal Securities Holder	N/A	Nanette Cummings - Executive Officer, Director of Operations Intermountain Management, LLC Co-Trustee - Betty Jane Dodds Revocable Trust Trustee - Weaver Children's Trusts, A, B, C & D. Trust A - Colby F. Weaver; Trust B - Dewey F. Weaver, III; Trust C - William Graham Weaver; Trust D - Lydia Claire Weaver Trustee - Weaver Irrevocable Insurance Trust	0.12%	None	NA

Form FR Y-6
Progressive Bancorp, Inc.
Fiscal Year Ending December 31, 2018

Report Item 4: Insiders
(1), (2), (3)(a)(b)(c) and (4)(a)(b)(c)

(1) Names & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
				Trustee - The Dewey F. Weaver, Jr. 2018 Grantor Trust			
George W. Cummings, Jr. Monroe, Louisiana	Retired Banker	Principal Securities Holder	N/A	N/A	1.05%	None	NA
Randy Twist (2) Dallas, TX	Real Estate Developer	Principal Securities Holder	N/A		0.12%	None	
				Randy Twist - President/Partner - 157 Frankford, LP			100% 157 Frankford, LP
				Randy Twist - President/Partner Member - Boulevard Marketplace, LP			
				Randy Twist - Partner/Member - Boulevard Marketplace GP, LLC			60% Boulevard Marketplace GP, LLC
				Randy Twist - President/Partner - Gallatin TR, LP			33% Gallatin TR, LP
				Randy Twist - President/Partner - Gallatin TR Investors, LP			90% Gallatin TR investors, LP
				Randy Twist - President/Partner - TM&J, LP			100% TM&J, LP
				Randy Twist - President/Partner - Twist Family, LP			59.61% Twist Family, LP
				Randy Twist - President/Partner - Twist First, LP			100% Twist First, LP
				Randy Twist - President/Partner - Twist Monroe, LP			60% Twist Monroe, LP

Form FR Y-6
Progressive Bancorp, Inc.
Fiscal Year Ending December 31, 2018

Report Item 4: Insiders
(1), (2), (3)(a)(b)(c) and (4)(a)(b)(c)

(1) Names & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
				Randy Twist - President/Partner - Twist Realty, LP			100% Twist Realty, LP
				Randy Twist - President/Partner - Youree Park, LP			59.61% Youree Park, LP
				Randy Twist - President/Partner - Landmark TR, LP			100% Landmark TR, LP
				Randy Twist - President/Partner - Twist Cheyenne, LP			100% Twist Cheyenne, LP
Diane Twist (2) Dallas, TX	Homemaker	Principal Securities Holder	N/A		0.12%	None	
				Diane Twist - Trustee Betty Jane Dodds Revocable Trust			
Dewey F. Weaver, Jr. Monroe, Louisiana	Developer and owner/operator of various hotel and motel properties	Director	Director (Progressive Bank)	See Attached Schedule	4.84%	None	See Attached Schedule
Lydia Weaver Monroe, Louisiana	student	Principal Securities Holder	N/A	N/A	0.12%	None	NA
William G. Weaver Monroe, Louisiana	businessman	Principal Securities Holder	N/A	N/A	0.15%	None	NA
Dewey F. Weaver, III Monroe, Louisiana	manual labor	Principal Securities Holder	N/A	N/A	0.20%	None	NA
Colby Frances Weaver Monroe, Louisiana	businesswoman	Principal Securities Holder	N/A	N/A	0.20%	None	NA
R. Stewart Ewing, Jr. Monroe, Louisiana	businessman	Director	Director (Progressive Bank)	Partner - Palm Investments, LLC; Partner - Palm Investments 2, LLC Partner - Palm Investments 3, LLC	1.36%	None	100% 100% 100%

Form FR Y-6
Progressive Bancorp, Inc.
Fiscal Year Ending December 31, 2018

Report Item 4: Insiders
(1), (2), (3)(a)(b)(c) and (4)(a)(b)(c)

(1) Names & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
John Stewart Gentry Monroe, Louisiana	businessman	Director	Director (Progressive Bank)		5.90%	None	
				President - New York Hardware & Furniture Co., Inc.			43% New York Hardware & Furniture Co., Inc.
				Partner - Albany Finance, LLC			42% Albany Finance, LLC
				President - Nehemiah Housing, Inc.			33.33% Nehemiah Housing, Inc.
				Partner - Bayside Investments, LLC			71% Bayside Investments, LLC
				Partner - Richland Farm Partnership			75% Richland Farm Partnership
				Partner - New York Leasing, LLC			50% New York Leasing, LLC
				Partner - Pelican Point Beach Club, LLC			50% Pelican Point Beach Club, LLC
Harvey L. Hales, Jr Monroe, Louisiana	Agent - Shelter Insurance Corporation	Director	Director (Progressive Bank)		0.94%	None	
				Manager & Member - Harvey Hales Insurance Agency, LLC			100% Harvey Hales Insurance Agency, LLC
F. Morris Mintz Monroe, Louisiana	businessman	Director; Secretary	Director; Secretary (Progressive Bank)	See Attached Schedule	5.66%	None	See Attached Schedule
James H. Murphy Monroe, Louisiana	N/A	Director	Director (Progressive Bank)	N/A	2.26%	None	
				Partner - Murphy Family Limited Partnership			40% Murphy Family Limited Partnership
				Trustee - Hickman Family Trust			100% Hickman Family Trust
				Partner - Atlantic Crossings, LLC			50% Atlantic Crossings, LLC
				Partner - Murco Properties, LLC			100% Murco Properties, LLC
Dale O. Williams Monroe, Louisiana	N/A	Director, Vice Chairman and Assistant Secretary	Director & Assistant Secretary (Progressive Bank)	N/A	2.70%	None	NA
David Hampton Monroe, Louisiana	banker	President, Chief Operating Officer, Assistant Secretary	President, Chief Operating Officer, and Director (Progressive Bank) President (Progressive Financial Advisors, LLC)		2.58%	None	N/A

Report Item 4: Insiders
(1), (2), (3)(a)(b)(c) and (4)(a)(b)(c)

(1) Names & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
			Manager - HCPBDI, LLC				
				Director/President - Cross Slough Hunting Club, Inc.			100% Cross Slough Hunting Club, Inc.
				Member - Tiger Bayou Land, LLC Trustee - University of Louisiana at Monroe Foundation Board of Trustees			50% Tiger Bayou Land, LLC
Michele W. Thaxton Monroe, Louisiana	banker	Executive Vice President & Chief Financial Officer	Executive Vice President, Chief Financial Officer, Cashier, Director of Bank Operations, Chief Information Security Officer & BSA Oversight Officer (Progressive Bank) Chief Financial Officer (Progressive Financial Advisors, L.L.C.) Manager - HCPBDI, LLC	N/A	1.68%	None	NA

(1) Included in the Cummings Family Control Group. See attached list of the Cummings Family Control Group.
(2) Shares are in the name of the Twist Family LP

Cummings Family Control Group				
Progressive Bancorp, Inc. - As of December 31, 2018 for FR Y-6 Report				
Full Name of Each Acquirer or Transferee	Number of Shares Per Class of Securities Now Owned, Controlled, or Held	Number of Shares Per Class of Securities to be Purchased by or Transferred to the Acquirer or Transferee	Number of Shares Per Class of Securities after Completion of Acquisition	
George W. Cummings, Jr.* (Winnsboro, LA)	4,990			1.05%
George & Nanette Cummings incl IRAs (Monroe, LA)	34,743			10.50%
Twist Family LP** (Dallas, TX)	550			0.12%
Dewey F. Weaver Jr. (Monroe, LA)	22,929			4.84%
Lydia Weaver (Monroe, LA)	571			0.12%
William G Weaver (Monroe, LA)	700			0.15%
Dewey F. Weaver III (Monroe, LA)	940			0.20%
Colby Weaver Walker (Monroe, LA)	926			0.20%
SUBTOTAL:	66,349			
Vested Options for George W. Cummings, III	16,736			
Unvested Options for George W. Cummings III	-			
TOTAL:	83,085			
Total as % of Shares Outstanding Per Class of Securities	16.94%			
(calculation of percentage - 83085/(473655 + 16736)	16.94%			

Total of # of Shares Owned and Options divided by Total of Outstanding Shares and Options

473655
16736
490391

05/03 - GWCIII Options of 15,000 - 10,000, 4,504 & 496 to GWCIII;
05/08 - GWCIII - 4,504 - 2,252 to GWCIII & to Mr. Weaver

***George W. Cummings, III has voting power over the shares held by his father, George W. Cummings, Jr. pursuant to a Statutory Power of Attorney**

****Randy Twist is the sole member of Twist Family Management, LLC, the general partner of Twist Family, LP, and thus has voting power over the shares held by the Twist Family, LP**

Nanette Cummings (reflected individually on FR Y6)	**590**	**0.12%**

Morris F. Mintz – 2018 FR Y6 Response

(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Member via LLC – Belforest Apartments, LLC	N/A
POA of Partners - Bourbon & St. Louis Realty Company (A General Partnership)	100% (Power of Attorney)
Limited Partner via LLC - Brickhaven Apartments, LP	N/A
Manager and Member via LLC – CMS Apartments, LLC	100% via LLC and Trusts
Manager and Member via LLC - CMS PE Fund I, LLC	100% via LLC and Trusts
Manager and Member via LLC - CMS PE Fund II, LLC	100% via LLC and Trusts
Manager and Member via LLC - CMS PE Fund III, LLC	100% via LLC and Trusts
Manager and Member via LLC - CMS PE Fund IV, LLC	100% via LLC and Trusts
Member via LLC - Collaborative Capital, LLC (Classes D-11 and D-21)	N/A
Member and Manager - Colorado Development Partners, L.L.C.	31.6%
Member - Cross Bayou, LLC	N/A
Shareholder via LLC - Cyber Reef Solutions, Inc.	N/A
Limited Partner via LLC - DD Bossier, LP	N/A
Control the Member and Manager - Ferndock, LLC	100% via LLC
Limited Partner via IRA – Gulliver One Limited Partnership	N/A
Limited Partner via IRA - Gulliver Structured Credit L.P.	N/A
(Director of SCM, which holds a controlling interest) - Gramin, LLC	N/A
Director, Member and Officer - Gulf Inland, LLC	26.533% via individual and Trustee
Director, Member and Officer - Gulf South Warehouse, LLC	36% Individual and via POA
POA of Partners - Hurwitz Mintz Realty Company (A General Partnership)	100% (Power of Attorney)
Director, Member and Officer - Jean and Saul A. Mintz Foundation	N/A
Director, Member and Officer - Jean and Saul A. Mintz Family Foundation	N/A
Manager - KMM Northshore, LLC	85% via LLC
Limited Partner and Manager of General Partner - Londonderry, LP	33% LP Interest
Director and Officer - Loucon, LLC	N/A
Director - Louisiana Companies	N/A
Limited Partner via LLC - Louisiana Fund II, LP	N/A
Director, Secretary, Custodian of Records – Louisianians' for American Security Political Action Committee (LASPAC)	N/A
Partner via LLC - LSMD, LP	74% LP Interest via LLC; 1% Interest GP via LLC
Director, Member and Officer - MCS Two, LLC	33.0%
Control the Manager - MFM Apartment Homes I, LLC	100% via LLC and Trusts

(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Manager - MFM Apartment Homes II, LLC	40%
Member - MFM Investment Management, LLC	95%
Director and Officer - Mintz Group, LLC	100% as POA
Director and Officer via MMK Management Corp and Member via LLC – Mintz Holdings, LLC	48.75% individually, through various entities, as POA and Trustee
Director and Officer via MMK Management Corp and Member via LLC - Mintz PE Fund I, LLC	74.25% through various entities, as POA and Trustee
Director and Officer via MMK Management Corp and Member via LLC - Mintz PE Fund II, LLC	71.46% through various entities, as POA and Trustee
Director and Officer via MMK Management Corp and Member via LLC - Mintz PE Fund III, LLC	72.02% through various entities, as POA and Trustee
Director and Officer via MMK Management Corp and Member via LLC - Mintz PE Fund IV, LLC	71.25% through various entities, as POA and Trustee
Director and Officer via MMK Management Corp and Member via LLC - Mintz PE Fund V, LLC	71.25% through various entities, as POA and Trustee
Director and Officer via MMK Management Corp and Member via LLC - Mintz PE Fund VI, LLC	53.57% through various entities, as POA and Trustee
Director and Officer via MMK Management Corp and Member via LLC - Mintz PE Fund VII, LLC	60.68 % through various entities, as POA and Trustee
Director and Officer via MMK Management Corp and Member via LLC - Mintz PE Fund VIII, LLC	55.31% through various entities, as POA and Trustee
Director and Officer via MMK Management Corp and Member via LLC – Mintz PE Fund IX, LLC	57.45% through various entities, as POA and Trustee
Limited Partner - Middle Kingdom Investments, SPC (Middle Kingdom Value Fund, SP)	N/A
Series A Preferred Member via LLC – Mirata Pharmaceuticals, LLC	N/A
Director, Shareholder and Officer - MMK Management Corp	33.3%
Member – Series A Preferred – MobileQubes, Inc.	N/A
Manager - MOGO Bourbon & St. Louis, LLC	N/A
Manager - MOGO, LLC	N/A
Member via LLC and Manager - Nifty Angel Partners, LLC	63.33% via LLC, POA and Trustee
Director - NO/LA Angel Network, LLC (not-for profit)	N/A
Director, Member and Officer - Northgate Development, LLC	33.34% Individual and Trustee
Director, Member and Officer – Panther II, LLC	52.12% Individual, Trusts and POA
Director, Member and Officer - PTWO, LLC	60% Individual and via POA
Member via LLC – The Retreat at Westlake, LLC	N/A
Member via LLC – The Retreat at Westlake II, LLC	N/A
Member via LLC – Salarius Pharmaceuticals, LLC	N/A

(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Member by POA - SA Mintz, LLC	100% by POA
Member - Sally Properties, LLC	50.0%
Director, Member and Officer - SCM, LLC	58.9%
Member - Scottsdale Inns, LLC	25.0%
Member - SDR&R Partners, LLC	34.9%
Member - Sealy Ashley Ridge, LLC	N/A
Member - Sealy Heart of Bossier, LLC	47.0%
Limited Partner - Sealy Heatherwilde, LP	41.9%
Limited Partner - Sealy Strategic Equity Partners, LP	N/A
Member - Sealy Sunflower, LLC	N/A
Shareholder via LLC - Servato Corporation	N/A
Limited Partner via LLC - SFA Boston 2016, LP	N/A
Limited Partner via LLC – SFA Boston 2017, LP	N/A
Limited Partner via LLC - Sharpstown Apartments, Ltd.	N/A
Series A Preferred Shareholder via LLC – Siotex Corporation	N/A
Series A and AA Member via LLC - SmartPak, LLC	N/A
Member via LLC - Solis Holdings, LLC	50.0%
Shareholder via LLC - SmartStopMove, Inc. (d/b/a WalletFi)	N/A
Managing Director and POA for sole member - Strauss Interests, LLC	100% as POA
Director and Officer - Strauss Properties, LLC	N/A
Director and Officer - Strauss Tallulah, LLC	N/A
Partner - Tommo Partnership	57.0%
Member - Totomo, LLC	46.3%
Member via LLC - West Woods Haven, LLC	N/A
Member via LLC - West Woods Haven II, LLC	N/A
Co-Trustee - Alexandra Rose Mann Trust	50%
Co-Trustee - Isabelle Nicole Mann Trust	50%
Co-Trustee - The Georgia Caryn Mann Trust	50%
Co-Trustee - The Strauss Edward Mann Trust	50%
Co-Trustee – Sally Mintz Mann 1995 Family Trusts	50%
Co-Trustee - Carolyn Mintz Kaplan 1995 Family Trusts	50%
Trustee - Clifford Strauss Mintz Grantor Trust	100%
Co-Trustee - Glynn Rose Kaplan 1991 Trust	50%
Co-Trustee - Jack Mintz Kaplan 1996 Trust	50%
Co-Trustee - Layne Michal Kaplan 1991 Trust	50%
Trustee - Mark A Mintz Grantor Trust	100%
Trustee and Primary Beneficiary - MFM 2012 STIRS Trust	100% as Trustee

(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Trustee and Primary Beneficiary - Morris F. Mintz 2012 Family Trust (created under the Saul Mintz and Jean Mintz 2012 Family Trust Agreement)	100% as Trustee
Trustee and Primary Beneficiary - Morris F. Mintz 2014 Family Trust (created under the Saul Mintz and Jean Mintz 2012 Family Trust Agreement and Resolution dated January 1, 2014)	100% as Trustee
Co-Trustee - Sally Mintz Mann Children's Class Trust	50%
Trustee - Sarah Gail Mintz 2014 Grantor Trust	100%
Co-Trustee - Saul A. Mintz Children's Trust	50%
Co-Trustee - Saul A. Mintz Children's Trust No.2	50%
Co-Trustee - SMM-AEM 2010 Trust	50%
Co-Trustee - The Carolyn Kaplan 2008 Family Trust	50%
Co-Trustee - The Carolyn M. Kaplan Children's Class Trust	50%

Response to (4)(c):
List names of other companies (include partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)

☐ **NO** - I do not own, control, or hold with the power to vote 25% or more of the voting securities in any Company (including options, warrants or other securities or rights that can be converted into or exercised for voting securities), or proportionate interest in a partnership.

☒ **YES** – See below supplemental list

(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Managing Member - Airport, LLC	25.00%
Managing Member - Albuquerque Hospitality, LLC	45.00%
Managing Member - Alexandria Lodging, LLC	25.00%
Managing Member - Armond Warehouse, LLC	100.00%
Managing Member - Billings Hospitality, LLC	58.66%
Managing Member - Brazos Hotel Management, LLC	33.33%
Managing Partner - Brazos Hotel Partners, LTD	33.30%
Managing Member - BW Hotels, LLC	99.00%
Managing Member - Casa Grand Hospitality, L.L.C	95.00%
Managing Member - Chandler Hospitality, L.L.C	95.00%
Managing Member - Columbia Hospitality, LLC	66.66%
Managing Member - D&G Enterprises of Ouachita Parish, LLC	100.00%
Managing Member - Develotel Omaha, LLC	50.00%
Managing Member - District Hotel Group, LLC	35.00%**
Managing Member - Eagle-Meridian Lodging, LLC	31.68%
Managing Member - East Houston Hospitality, LLC	50.00%
Managing Member - Forbes Hotels, LLC	85.00%
Managing Member - Fremaux Hospitality, LLC	16.665%
Managing Member - FWB Partners, LLC	40.00%
Managing Member - Greenwood County, LLC	100.00%
Managing Member - Harmony Mezz, LLC	33.33%
Managing Member - Harvard, LLC	100.00%
Managing Member - Highland Ranch Hospitality, LLC	31.66%
Managing Member - IMM-ICH, LLC	100.00%
Managing Member - IMM PAYROLL, L.L.C	100.00%
Managing Member - InterCoastal Hospitality, LLC	99.00%
Managing Member - InterMountain Management, LLC	100.00%
Managing Member - Issaquah Hospitality, LLC	40.00%

(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Managing Member - Jasmine C-I, LLC	99.00%
Managing Member - Julyn, LLC	50.00%
Managing Member - Lafayette Lodging, LLC	99.00%
Managing Member - Lake Charles Hotel Resort Group, LLC	37.50%
Managing Member - Lakeland Lodging, LLC	31.66%
Managing Member - Lakewood Hospitality, LLC	95.00%
Managing Member - Lawton Hotels, LLC	99.00%
Managing Member - Lawton Lodging, LLC	100.00%
Managing Member - Legacy Lodging Beverage Company, LLC	99.00%
Managing Member - Legacy Lodging, LLC	95.00%
Managing Member - Lexington Hospitality, LLC	45.00%
Managing Member - LJ Hotels, LLC	50.00%
Managing Member - Loveland Hospitality, LLC	47.50%
Managing Member - Madison Lodging, LLC	25.00%
Managing Member - Miramar Beach Lodging, LLC	18.33%**
Managing Member - Moore Hotels, LLC	50.00%
Managing Member - MTW Hotels, LLC	33.00%
Managing Member - MW Hotels, LLC	50.00%
Managing Member - Nampa Hospitality, LLC	45.00%
Managing Member - Olympia Lodging, LLC	99.00%
Managing Member - Orlando Condo, LLC	100.00%
Managing Member - Palm Desert Mezz, LLC	50.00%
Managing Member - Panama City Condo, LLC	100.00%
Managing Member - PCB Partners, LLC	35.00%**
Managing Member - Prien Lake Hospitality, LLC	33.33%
Managing Member - Pullman Lodging, LLC	45.00%
Managing Member - Reno Airport Mezz, LLC	33.33%
Managing Member - Reno Hospitality Mezz, LLC	33.33%
Managing Member - Richland Hospitality, LLC	47.50%
Managing Member - St. Louis Partners, LLC	82.86%
Managing Member - San Luis Obispo Hospitality, LLC	30.00%**
Managing Member - Scottsdale Inns, LLC	25.00%
Managing Member - Seacrest Beach Home, LLC	100.00%
Managing Member - Selman Hangar, LLC	50.00%
Managing Member - SLO Lodging, LLC	45.00%
Managing Member - Sonterra Hotel Investors, LLC	99.00%
Managing Member - Stemmons Hospitality, LLC	40.00%
Managing Member - Sunnyvale Hospitality, LLC	35.50%**

(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Managing Member - Tampa Hospitality, LLC	45.00%
Managing Member -Tower Hospitality, LLC	99.00%
Managing member - TPS Fandango, LLC	45.00%
President - TPS Fayetteville, Inc.	100.00%
Managing Member - Tukwila Hospitality, LLC	57.49%***
Managing Member - University Hospitality, LLC	33.33%
Managing Member - WIM-FWB Investors, LLLC	50.00%
Managing Member - WIM-FWB Investors #2, LLC	50.00%
Managing Member - WIM-FWB RI, LLC	50.00%
Managing Member - WIM-SLT CY, LLC	50.00%
Managing Member - WIM-SWV CY, LLC	50.00%
Managing Member - WIM-SWV RI, LLC	50.00%
Managing Member - WIM-WDM Investors, LLC	45.00%
Managing Member - Yellowstone Hotels, LLC	99.00%
Notes: Ownership shown represents Mr. Weaver's direct ownership in each entity. In several instances Mr. Weaver is also the Manager of related entities owned by Trusts benefitting Weaver Children. An additional 15% of those entities marked by ** are owned by Weaver-managed Trust entities. An additional 30% of those entities marked by *** are owned by Weaver-managed Trust entities.	

I, Dewey F. Weaver, Jr., the below signed Progressive Bancorp, Inc. Director, Executive Officer or Principal Securities Holder, do hereby certify that the above listed information is true and complete as of the date set forth below. I further acknowledge that the above information may be used both internally for internal and/or compliance auditing purposes and will be made available for federal and/or state regulatory review.

I acknowledge my responsibility to keep the Holding Company informed, on a timely basis, of any new relationships, changes in relationships or cessation of relationships which may affect the above provided information before I execute a future worksheet.

Signature

3/5/19

Date