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, Richard M. Sims
Name of the Holding Company Director and Official

President and Director
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.

Richard M Sims
Signature of Holding Company Director and Official

3-19-19
Date of Signature

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

- [x] is included with the FR Y-6 report
- [ ] will be sent under separate cover
- [ ] is not prepared

For Federal Reserve Bank Use Only

RSSD ID ____
C.I. ____

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

WSB Bancshares, INC
Legal Title of Holding Company

P.O Box 1032
(Mailing Address of the Holding Company) Street / P.O. Box

Wellington	TX	79095
City	State	Zip Code

1000 8th Street
Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Bonnie Clark	COO
Name	Title

806-447-2551
Area Code / Phone Number / Extension

806-447-2230
Area Code / FAX Number

bclark@wellingtonsb.com
E-mail Address

NONE
Address (URL) for the Holding Company's web page

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

In accordance with the General Instructions for this report (check only one),

1. a letter justifying this request is being provided along with the report .... [ ]
2. a letter justifying this request has been provided separately ... [ ]

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

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)

Legal Title of Subsidiary Holding Company

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

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City | State | Zip Code

Physical Location (if different from mailing address)

WSB BANCSHARES, INC. AND SUBSIDIARY

WELLINGTON, TEXAS

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

AND

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

LUBBOCK, TEXAS

WSB BANCSHARES, INC. AND SUBSIDIARY

WELLINGTON, TEXAS

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

AND

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

WSB BANCSHARES, INC. AND SUBSIDIARY
WELLINGTON, TEXAS

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

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BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
PHONE: (806) 747-3806
FAX: (806) 747-3815
8215 NASHVILLE AVENUE
LUBBOCK, TEXAS 79423-1954

Independent Auditor's Report

To the Board of Directors and Stockholders
WSB Bancshares, Inc. and Subsidiary
Wellington, Texas

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of WSB Bancshares, Inc. and Subsidiary (the Company), which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the related consolidated statements of income and comprehensive income, and consolidated statements of cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation to 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of WSB Bancshares, Inc. and Subsidiary as of December 31, 2018 and 2017, and the results of its' operations and its' cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

February 28, 2019

CONSOLIDATED FINANCIAL STATEMENTS

WSB BANCSHARES, INC. AND SUBSIDIARY

Exhibit A

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2018 AND 2017

	December 31, 2018	December 31, 2017
ASSETS		
Cash and Cash Equivalents	$ 26,112,849	$ 21,187,605
Federal Funds Sold	8,000,000	13,000,000
Investment Securities (Held-to-Maturity)	1,819	2,889
Investment Securities (Available-for-Sale)	103,407,158	103,430,828
Restricted Investments	2,148,190	2,099,882
Other Investments		252,734
Loans Receivable (Net of Allowance for Loan Losses)	227,368,827	227,859,987
Accrued Interest Receivable	3,363,190	3,345,647
Premises and Equipment (Net of Accumulated Depreciation)	13,604,317	12,872,241
Prepaid Expenses	1,818,583	1,206,536
Cash Surrender Value of Life Insurance	9,531,479	8,863,023
Goodwill (Net of Accumulated Amortization)	2,247,218	2,247,218
Intangibles	182,487	377,525
	$ 397,786,117	$ 396,746,115
LIABILITIES		
Deposits		
Non-Interest Bearing	$ 108,024,945	$ 108,300,564
Interest Bearing	238,044,408	238,657,218
Other Debt	4,890,000	5,600,000
Accounts Payable	827,575	620,515
Accrued Interest Payable	348,070	159,273
Deferred Compensation	4,502,018	3,710,985
	$ 356,637,016	$ 357,048,555
STOCKHOLDERS' EQUITY		
Capital Stock - Common: Par Value $1; 1,000,000 Shares Authorized, 98,809 Shares Issued and 98,624 Shares Outstanding for 2018; and 1,000,000 Shares Authorized, 98,809 Shares Issued and Outstanding for 2017	$ 98,809	$ 98,809
Surplus	20,381,921	20,381,921
Retained Earnings	22,473,534	19,731,706
Treasury Stock - 185 Shares in 2018 and 0 Shares in 2017	(91,575)	
Accumulated Other Comprehensive Loss	(1,713,588)	(514,876)
	$ 41,149,101	$ 39,697,560
	$ 397,786,117	$ 396,746,115

The accompanying notes are an integral part of the consolidated financial statements.

WSB BANCSHARES, INC. AND SUBSIDIARY

Exhibit B

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	December 31, 2018	December 31, 2017
Interest Income		
Interest and Fees on Loans	$ 13,037,727	$ 12,867,756
Interest and Dividends on Cash and Investments	3,010,618	2,212,611
Interest on Fed Funds Sold	114,837	157,930
	$ 16,163,182	$ 15,238,297
Interest Expense		
Interest on Deposits	$ 966,345	$ 714,965
Interest on Borrowed Funds	264,901	292,196
	$ 1,231,246	$ 1,007,161
Net Interest Income	$ 14,931,936	$ 14,231,136
Less: Provision for Loan Losses	365,000	840,247
Net Interest Income After Provision for Loan Losses	$ 14,566,936	$ 13,390,889
Non-Interest Income		
Service Charges on Deposit Accounts	$ 1,057,205	$ 1,045,973
Gain (Loss) on Sale of Assets	41,500	(10,204)
Gain (Loss) on Sale of Securities	(87,458)	57,304
Bargain Purchase Gain		915,000
Other Income	1,053,525	348,706
	$ 2,064,772	$ 2,356,779
Non-Interest Expense		
Compensation and Benefits	$ 7,909,405	$ 7,318,472
Operating Expenses	2,580,258	2,444,829
Occupancy and Equipment	1,599,508	1,574,396
Loan Servicing	42,168	40,117
Professional Services	267,313	286,336
Advertising	348,522	409,514
Other Expenses	232,706	322,232
	$ 12,979,880	$ 12,395,896
Net Income	$ 3,651,828	$ 3,351,772
Other Comprehensive Income (Loss)		
Unrealized Loss on Available-for-Sale Securities	(1,286,170)	(11,284)
Reclassification Adjustment for (Gains) Losses Realized	87,458	(57,304)
Total Comprehensive Income	$ 2,453,116	$ 3,283,184

The accompanying notes are an integral part of the consolidated financial statements.

WSB BANCSHARES, INC. AND SUBSIDIARY

Exhibit C

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	Capital Stock	Surplus	Retained Earnings	Treasury Stock	Accum. Other Comp. Loss	Total
Balance - January 1, 2017	$ 98,809	$ 20,381,921	$ 16,780,272	$	$ (446,289)	$ 36,814,713
Comprehensive Income: Net Income	$	$	$ 3,351,772	$	$	$ 3,351,772
Net Change in Unrealized Gain on Available-for-Sale Securities					(68,587)	(68,587)
Total Comprehensive Income	$ 0	$ 0	$ 3,351,772	$ 0	$ (68,587)	$ 3,283,185
Shareholder Distributions			(400,338)			(400,338)
Balance - December 31, 2017	$ 98,809	$ 20,381,921	$ 19,731,706	$ 0	$ (514,876)	$ 39,697,560
Comprehensive Income: Net Income	$	$	$ 3,651,828	$	$	$ 3,651,828
Net Change in Unrealized Gain on Available-for-Sale Securities					(1,198,712)	(1,198,712)
Total Comprehensive Income	$ 0	$ 0	$ 3,651,828	$ 0	$ (1,198,712)	$ 2,453,116
Shareholder Distributions			(910,000)			(910,000)
Treasury Stock Purchase (185 Shares)				(91,575)		(91,575)
Balance - December 31, 2018	$ 98,809	$ 20,381,921	$ 22,473,534	$ (91,575)	$ (1,713,588)	$ 41,149,101

The accompanying notes are an integral part of the consolidated financial statements.

WSB BANCSHARES, INC. AND SUBSIDIARY

Exhibit D

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	December 31, 2018	December 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 3,651,828	$ 3,351,772
Adjustment to Reconcile Net Income to Net Cash From Operating Activities		
Depreciation and Amortization	1,015,343	1,058,227
Provision for Loan Losses	365,000	840,247
Net Premium Amortization on Investment Securities	1,190,096	1,173,694
Amortization of Loan Discounts	323,514	729,997
Gain on Sale of Investments	87,458	(57,304)
Loss on Sale of Fixed Aseets	(41,500)	10,204
Proceeds from Loans Held for Sale		25,000
Accrued Interest Receivable	(17,543)	182,450
Cash Surrender Value of Officer's Life Insurance	(668,456)	(219,342)
Prepaid Expenses and Other Assets	(612,047)	199,412
Accounts Payable and Other Liabilities	1,186,891	399,824
Net Change in Cash From Operating Activities	$ 6,480,584	$ 7,694,181
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales of Debt Securities Available-for-Sale	$ 11,057,052	$ 4,241,887
Purchases of Debt Securities Available-for-Sale	(36,169,750)	(45,663,103)
Maturities, Calls and Prepayments of Debt Securities Available-for-Sale	22,660,102	18,216,640
Maturities, Calls and Prepayments of Debt Securities Held-to-Maturity	1,070	857
Maturities of Other Investments	252,734	1,241,477
Net Change in Restricted Investments	(48,308)	(278,937)
Net Change in Loans	(241,067)	13,643,962
Proceeds from Sale of Fixed Assets	41,500	
Recoveries on Charged-off Loans	43,713	78,260
Purchases of Property and Equipment	(1,552,382)	(333,668)
Net Change in Cash From Investing Activities	$ (3,955,336)	$ (8,852,625)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in Deposits	$ (888,429)	$ (17,908,798)
Distributions Paid to Shareholders	(910,000)	(400,338)
Purchase of Treasury Stock	(91,575)	
Payments on Other Debt	(710,000)	(1,500,000)
Net Change in Cash From Financing Activities	$ (2,600,004)	$ (19,809,136)
CHANGE IN CASH AND CASH EQUIVALENTS	$ (74,756)	$ (20,967,580)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	34,187,605	55,155,185
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 34,112,849	$ 34,187,605
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for:		
Interest	$ 1,042,449	$ 971,073
Dividends	$ 910,000	$ 400,338

The accompanying notes are an integral part of the consolidated financial statements.

1. Summary of Significant Accounting Policies

Consolidation

The accompanying consolidated financial statements include the accounts of WSB Bancshares, Inc. and wholly-owned subsidiary, Wellington State Bank (the Bank), (collectively, the Company). All significant intercompany balances and transactions have been eliminated in consolidation.

Nature of Operations

The Company provides a variety of financial services to individuals and corporate customers through its location in Wellington, Texas, and its branches in Wheeler, Childress, Memphis, Lubbock, Littlefield, Bowie, Olton, Dalhart and Canadian, Texas. The Company's primary deposit products are demand deposit accounts, savings accounts and certificates of deposit. Its primary lending products are commercial business loans, real estate loans, agriculture loans and consumer loans. Company customers are located primarily in the Texas Panhandle.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for loan losses, the valuation of available-for-sale securities and the valuation of goodwill.

Significant Group Concentrations of Credit Risk

Most of the Company's activities are with customers located within the Texas Panhandle and the surrounding areas. Note 4 discusses the types of securities in which the Company invests. Note 5 discusses the types of lending in which the Company engages. Although the Company has a diversified loan portfolio, the Company may be exposed to credit risk from a regional economic standpoint, as some borrower's ability to repay loans may be affected by the economic climate of the overall geographic region in which they reside.

Acquisition Accounting

Mergers and acquisition are accounted for under the acquisition method of accounting. Purchased assets, including identifiable intangible assets, and assumed liabilities are recorded at their respective acquisition date fair values. If the consideration given exceeds the fair value of net assets received, goodwill is recognized.

Interest-Bearing Deposits in Banks

Interest-bearing deposits in banks are carried at cost.

Securities

Debt securities that management has the positive intent and ability to hold to maturity are classed as held-to-maturity and recorded at amortized cost. Securities not classified as held-to-maturity or trading, including equity securities with readily determinable fair values, are classified as available-for-sale and recorded at fair value, with unrealized gains and losses excluded from earnings and reported in other comprehensive income. During the years ended December 31, 2018 and 2017, the Company had no securities classified as trading securities.

Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the securities. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific-identification method.

Declines in the fair value of held-to-maturity and available-for-sale securities are evaluated to determine whether declines in fair value below their amortized cost are other than temporary. In estimating other-than-temporary impairment losses on debt securities, management considers a number of factors including, but not limited to (1) the length of time and the extent to which the fair value has been less than the amortized cost, (2) the financial condition and near-term prospects of the issuer, (3) the current market conditions and (4) the intent and ability of the Company to not sell the security or whether it is more likely than not the Company will be required to sell the security before its anticipated recovery.

Restricted Investment Securities

Restricted investment securities consist primarily of Federal Home Loan Bank stock, Federal Reserve Bank stock, The Independent Bankers Bank stock and The Bankers Bank stock, which are carried at cost on the consolidated balance sheets. These equity securities are restricted in that they can only be sold back to the respective institution or another member institution at par. Therefore, they are less liquid than other marketable equity securities. The Company views its investment in restricted stock as a long-term investment. Accordingly, when evaluating for impairment, the value is determined based on the ultimate recovery of the par value, rather than recognizing temporary declines in value. No other-than-temporary write-downs have been reordered on these securities. There has been no impairment to date.

Loans

The Company grants real estate, commercial, agriculture and consumer loans to customers. A substantial portion of the loan portfolio is represented by commercial and agriculture loans throughout the Texas Panhandle. The ability of the Company's debtors to honor their contracts is dependent upon general economic conditions in this area.

Loans that management has the intent and ability to hold for the foreseeable future, or until maturity or payoff, are reported at their outstanding principal adjusted for any charge-offs and the allowance for loan losses. Interest income is accrued on the unpaid principal balance.

Loan origination fees are recognized as income and loan origination costs are expensed as incurred, as management has determined that capitalization of these items would be immaterial to the consolidated financial statements.

A loan is considered delinquent when principal and/or interest amounts are not current, in accordance with the contractual loan agreement.

The accrual of interest on real estate and commercial loans is discontinued at the time the loan is 90 days delinquent unless the credit is well secured and in process of collection. Consumer loans are typically charged off no later than 120 days past due. In all cases, loans are placed on nonaccrual status or charged off at an earlier date if collection of principal or interest is considered doubtful.

All interest accrued, but not collected, for loans that are placed on nonaccrual status or charged off is reversed against interest income. The interest on these loans is accounted for on the cash basis or cost-recovery method, until qualifying for return to accrual status. Loans are returned to accrual status when all principal and interest amounts contractually due are brought current and future payments are reasonably assured.

A loan is considered impaired when, based on current information and events, it is probable that the Company will be unable to collect the scheduled payments of principal or interest when due, according to contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record and the amount of shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis by either the present value of expected future cash flows discounted at the loan's effected interest rate, the loan's obtainable market price of the fair value of the collateral, if the loan is collateral-dependent.

Loans are fully or partially charged down to the fair value of the collateral securing the loan when management determines the asset to be uncollectible, repayment is deemed to be delayed or doubtful beyond reasonable time frames, the borrower has declared bankruptcy or the loan is past due for an unreasonable time period. Such charge-offs are charged against the allowance for loan losses. Recoveries of previous loan charge-offs are credited to the allowance for loan losses only when the Company receives cash or other collateral in repayment of the loan.

In situations related to a borrower's financial difficulties, the Company may grant a concession to the borrower for other than an insignificant period of time that would not otherwise be considered. In such instances, the loan will be classified as a troubled debt restructuring. These concessions may include interest rate reductions, payment forbearance or other actions intended to minimize the economic loss and avoid foreclosure of the collateral. In cases where borrowers are granted new terms that provide for a reduction of either interest or principal, the Company measures an impairment loss on the restructuring, as noted above for impaired loans.

Acquired Loans

Loans acquired in a business combination are recorded at estimated fair value on their purchase date without a carryover of the related allowance for loan losses. Acquired loans were segregated between those considered to be credit impaired and those without credit impairment at acquisition. To make this determination, management considered such factors as past-due status, nonaccrual status and credit risk ratings. The fair value of acquired performing loans was determined by discounting expected cash flows, both principal and interest, at prevailing market interest rates. The difference between the fair value and principal balances due at the acquisition date, the fair value discount, is accreted into income over the estimated average life of the loan.

Purchased credit impaired (PCI) loans are acquired loans with evidence of deterioration of credit quality since origination and it is probable, at the acquisition date, that the Company will not be able to collect all contractually required amounts. PCI loans acquired are accounted for on an individual loan basis. The fair value was initially based on an estimate of cash flows, both principal and interest, expected to be collected, discounted at prevailing market rates of interest. Management estimated cash flows using key assumptions such as default rates, loss severity rates assuming default and estimated collateral values. The excess of cash flows expected to be collected from a loan over its estimated fair value at acquisition is referred to as the accretable yield and is recognized in interest income using the effective-yield method over the remaining life of the loan. When the timing and/or amounts of expected cash flows on such loans are not reasonably estimable, the fair value discount is not accreted into income.

Allowance for Loan Losses

The Company maintains an allowance for loans losses as a reserve established through a provision for possible loan losses charged to expense, which represents management's best estimate of probable losses that have incurred within the existing portfolio of loans. The allowance, in the opinion of management, is necessary to reserve for estimated loan losses and risks inherent in the loan portfolio. The Company's methodology for the allowance for loan losses includes allowance allocations calculated in accordance with the *FASB Accounting Standards Codification* (ASC), Receivables, and ASC, Contingencies. Accordingly, the methodology is based on historical loss experience by type of credit and internal risk grade, specific homogeneous risk pools and specific loss allocations, with adjustment for current events and conditions.

The Company's process for determining the appropriate level of the allowance for loan losses is designed to account for credit deterioration as it occurs. Factors that influence the determination include quantifiable aspects, such as loan volume, loan concentrations and loan quality trends, including trends in nonaccrual, past-due and classified loans; current period loan charge-offs and recoveries. The determination also includes qualitative aspects, such as changes in local, regional or national economies or markets, and other factors. Such qualitative factors are highly judgmental and require constant refinement.

The Company's allowance for loan losses consists primarily of two elements: (1) a specific valuation allowance determined in accordance with the ASC based on probable losses on specific, individual loans and (2) a general valuation allowance determined in accordance with the ASC based on historical loan loss experience for pools of similar loans, which is then adjusted to reflect the impact of current trends and conditions.

Premises and Equipment

Land is carried at cost. Premises and equipment are stated at cost, net of accumulated depreciation. Depreciation is recognized on straight-line and accelerated methods over the estimated useful lives of the assets. The estimated useful lives range from one to 30 years.

Long-Lived Assets

Long-lived assets, including property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. An impairment loss would be recognized when estimated undiscounted future cash flows from operations of the asset are less than the carrying value of the asset. The cash flows used for this analysis are those directly associated with and that are expected to arise as a direct result of the use and eventual disposition of the asset. An impairment loss would be measured by the amount by which the carrying value of the asset exceeds its fair value.

Goodwill and Core Deposit Intangible Assets

Goodwill represents the excess of the purchase price over the fair value of net assets acquired in business combinations accounted for as purchases. Under ASC Topic 350, goodwill is not amortized but is tested for impairment on an annual basis, or between annual tests if an event occurs or circumstances change that would reduce the fair value of the reporting unit below its carrying amount. Goodwill of $2,247,218 is included in the accompanying consolidated balance sheets as of December 31, 2018 and 2017. For the years ended December 31, 2018 and 2017, the Company performed a qualitative assessment and determined no impairment of goodwill had occurred.

Core deposit intangible assets represent the value assigned to the existing deposits as part of the Company's acquisitions. As of December 31, 2018, the core deposit intangible balance was $189,977, which is net of accumulated amortization of $465,023 and is included in the accompanying consolidated balance sheets ($378,000, net of accumulated amortization of $277,000 in 2017). The core deposit intangibles have finite lives and are being amortized on a declining balance basis over seven years.

Bank-Owned Life Insurance

The Company owns life insurance policies on certain officers and carries the investment at the policies' cash surrender values. The Company pay premiums, owns the cash value and is the primary beneficiary on the policies.

Foreclosed Assets

Assets acquired through, or in lieu of, loan foreclosures are held for sale and are initially recorded at fair value less cost to sell at the date of foreclosure, establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less the cost to sell. Revenue and expenses from operations and changes in the valuation allowance are included in other expenses.

Off-Balance-Sheet Credit-Related Financial Instruments

In the ordinary course of business, the Company has entered into off-balance-sheet financial instruments consisting of commitments to extend credit, commercial letters of credit and standby letters of credit. Such financial instruments are recorded in the consolidated financial statements when they are funded or related fees are incurred or received.

Transfers of Financial Assets

Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed surrendered when (1) the assets have been isolated from the Company, (2) the transferee obtains the right (free of condition that constrain it from taking advantage of that right) to pledge or exchange the transferred assets and (3) the Company does not maintain effective control over the transferred assets through an agreement to repurchased them before their maturity.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, cash and cash equivalents include cash, balances due from banks and federal funds sold. The Company maintains cash in deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts.

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 on the balance sheet, such items, along with net income, are components of comprehensive income.

Income Taxes

The Company, with the consent of its stockholders, has elected under the Internal Revenue Codes to be taxed as an S corporation. The stockholders of an S corporation are taxed on their proportionate share of the entity's taxable income. Therefore, no provision or liability for federal income taxes has been included in the consolidated financial statements. Certain specific deductions and credits flow through the Company to its stockholders. The Company is subject to the Texas gross margin tax.

The Company accounts for uncertainty in income taxes in accordance with the provisions of ASC Topic 740, Accounting for Uncertainty in Income Taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Company may recognize the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be sustained on examination by taking authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such a positon are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes and accounting in interim periods.

Revenue Recognition

Interest income and expense is recognized on the accrual method based on the respectively outstanding balance. Other revenue is recognized at the time the service is rendered or transactions occur.

Advertising

Advertising costs are expensed as incurred.

401(k)-Employee Stock Ownership Plan

The Company has a 401(k) with employee stock ownership provisions for the benefit of substantially all employees. Under the plan, participants are permitted to contribute to the plan a minimum of 2% of their compensation up to the maximum amount allowed by law. The Company matches 100% of participant's plan contributions for the year up to 6%.

Subsequent Events

The Company has evaluated subsequent events through February 28, 2019, the date the consolidated financial statements were available to be issued.

Reclassification

Certain amounts have been classified from prior presentation at December 31, 2017, to conform to classifications at December 31, 2018. There is no effect on previously reported net income or retained earnings.

2. Fair Value Measurements

The Company follows the provisions of ASC, Fair Value Measurements and Disclosures. The disclosures required about fair value measurements include, among other things, (1) the amounts and reasons for certain significant transfers among the three hierarchy levels of inputs; (2) the gross, rather than net, basis for certain Level 3 roll forward information; (3) use of class basis rather than a major category basis for assets and liabilities and (4) valuation techniques and inputs used to estimate Level 2 and Level 3 fair value measurements. The ASC defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The ASC guidance establishes a fair value hierarchy for valuation inputs that prioritizes the inputs used in valuation methodologies into the following three levels:

Level 1 – Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access as of the measurement date.

Level 2 – Observable inputs, other than Level 1, including quoted prices for similar assets or liabilities, quoted prices in less active markets or other observable inputs that can be corroborated by observable market data.

Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies or similar techniques, as well as instruments for which the determination of fair value requires significant management judgement or estimation.

The Company uses fair value to measure certain assets and liabilities on a recurring basis when fair value is the primary measure of accounting. This is done primarily for available-for-sale securities. Fair value is used on a nonrecurring basis to measure certain assets when applying lower of cost or market accounting or when adjusting carrying values, such as impaired loans and other real estate owned.

Fair value is also used when evaluating impairment on certain assets, including held-to-maturity and available-for-sale securities, goodwill, core deposits and other intangibles, long-lived assets and for disclosures of certain financial instruments.

There were no significant transfers among the three hierarchy levels of input.

A description of valuation methodologies used for instruments measured at fair value on a recurring basis, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

Securities Available for Sale

Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities would include actively traded government bonds, such as certain United States Treasury and other United States government and agency securities and exchange-traded equities. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Level 2 securities generally include certain United States government and agency securities, corporate debt securities and certain derivatives. In certain cases where there is limited activity or less transparency around inputs to the valuation, securities are classified with Level 3 of the valuation hierarchy.

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

	Total Fair Value Measurement at December 31, 2018			
	Level 1	Level 2	Level 3	Total
Assets:				
United States Government Agency Securities	$	$ 3,121,903	$	$ 3,121,903
State and Municipal Securities		33,926,944		33,926,944
Mortgage-Backed Securities		66,358,311		66,358,311
	$ 0	$ 103,407,158	$ 0	$ 103,407,158

	Total Fair Value Measurement at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Assets:				
United States Government Agency Securities	$	$ 6,981,740	$	$ 6,981,740
State and Municipal Securities		43,232,810		43,232,810
Mortgage-Backed Securities		53,216,278		53,216,278
	$ 0	$ 103,430,828	$ 0	$ 103,430,828

A description of the valuation methodologies used for instruments measured at fair value on a nonrecurring basis, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

Impaired Loans

The specific reserves for collateral-dependent impaired loans are determined based on the fair value of collateral method in accordance with ASC Topic 310. Under the fair value of collateral method, the specific reserve is equal to the difference between the carrying value of the loan and the fair value of the collateral less estimated selling costs. When a specific reserve is required for an impaired loan, the impaired loan is essentially measured at fair value. The fair value of collateral was determined based on appraisals, with further adjustments made to the appraised values due to various factors, including the age of the appraisal, age of comparables included in the appraisal and known changes in the market and in the collateral. The resulting fair value measurement is disclosed in the nonrecurring hierarchy table. Where adjustments made to appraisals are based on assumptions not observable in the marketplace and where estimates of fair values used for other collateral supporting commercial loans are based on assumptions not observable in the marketplace, such valuations have been classified as Level 3.

Other Real Estate Owned

Other real estate owned, upon initial recognition, is measure and reported at fair value less estimated costs of disposal through a charge-off to the allowance for loan losses based upon the fair value of the other real estate acquired. The fair value of other real estate owned is estimated based on appraisals with further adjustments made to the appraised values due to various factors, including age of the appraisal, age of comparables included in the appraisal and known changes in the market and on the collateral. Because the assumptions used to estimate the fair value of other real estate owned are not observable in the market place, such valuations have been classified as Level 3.

The following table summarizes assets as of December 31, 2018 and 2017 that are measured at fair value by class on a nonrecurring basis, are as follows:

	Total Fair Value Measurement at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Impaired Loans	$	$	$	$ 0
Other Real Estate Owned				0
	$ 0	$ 0	$ 0	$ 0

	Total Fair Value Measurement at December 31, 2016			
	Level 1	Level 2	Level 3	Total
Impaired Loans	$	$	$ 206	$ 206
Other Real Estate Owned				0
	$ 0	$ 0	$ 206	$ 206

3. Restrictions on Cash and Amounts Due from Banks

The Company is required to maintain average balances on hand or with the Federal Reserve Bank. As of December 31, 2018 and 2017, these reserve balances totaled $5.1 million and $2.3 million, respectively.

4. Investments Securities

The amortized cost and fair value of securities, with gross unrealized gains and losses, were as follows:

	Securities Available for Sale at December 31, 2018			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Fair Value
United States Government Agency Securities	$ 3,157,970	$	$ 36,067	$ 3,121,903
State and Municipal Securities	34,077,311	79,568	229,935	33,926,944
Mortgage-Backed Securities	67,885,665	117	1,527,471	66,358,311
	$ 105,120,946	$ 79,685	$ 1,793,473	$ 103,407,158

	Securities Available for Sale at December 31, 2017			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Fair Value
United States Government Agency Securities	$ 6,999,086	$ 19,032	$ 36,378	$ 6,981,740
State and Municipal Securities	43,086,646	277,752	131,588	43,232,810
Mortgage-Backed Securities	53,859,972	49,237	692,931	53,216,278
	$ 103,945,704	$ 346,021	$ 860,897	$ 103,430,828

	Securities Held to Maturity at December 31, 2018			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Fair Value
Mortgage-Backed Securities	$ 1,819	$ 20	$ 1	$ 1,838
	$ 1,819	$ 20	$ 1	$ 1,838

	Securities Held to Maturity at December 31, 2017			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Fair Value
Mortgage-Backed Securities	$ 2,889	$ 58	$ 1	$ 2,946
	$ 2,889	$ 58	$ 1	$ 2,946

As of December 31, 2018, the Company had investment securities carried at approximately $86.9 million ($82.9 million as of December 31, 2017) pledged to secure public funds and for their purposes required or permitted by law.

The amortized cost and fair value of available-for-sale securities and held-to-maturity securities by contractual maturity at December 31, 2018, were as follows:

	Amortized Cost	Fair Value
Securities Available for Sale:		
Within One Year	$ 3,380,380	$ 3,383,900
After One Year Through Five Years	45,417,154	44,777,943
After Five Years Through 10 Years	22,171,829	21,855,512
Over 10 Years	2,167,446	2,157,470
	$ 73,136,809	$ 72,174,825
Mortgage-Backed Securities	31,984,136	31,232,333
	$ 105,120,945	$ 103,407,158
Securities Held to Maturity:		
Within One Year	$	$
After One Year Through Five Years		
After Five Years Through 10 Years		
	$ 0	$ 0
Mortgage-Backed Securities	1,819	1,838
	$ 1,819	$ 1,838

For the year ended December 31, 2018, proceeds from the sale of available-for-sale securities totals $11,057,052. Gross realized gains totaled $9,927, and gross realized loss totaled $105,525. For the year ended December 31, 2017, proceeds from the available-for-sale securities totals $4,241,877. Gross realized gains totaled $65,338, and gross realized losses totaled $40,298.

Information pertaining to securities with gross unrealized losses at December 31, 2018 and 2017, aggregated by investment category and length of time that individual securities have been in continuous loss position, is as follows:

	Securities Available for Sale at December 31, 2018					
	Less Than 12 Months		12 Months or More		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
United States Government Agency Securities	$ 977,019	$ 3,395	$ 2,144,884	$ 32,672	$ 3,121,903	$ 36,067
State and Municipal Securities	12,083,878	106,135	11,016,228	123,800	23,100,106	229,935
Mortgage-Backed Securities	29,390,842	361,255	36,963,249	1,166,215	66,354,091	1,527,470
	$ 42,451,739	$ 470,785	$ 50,124,361	$ 1,322,687	$ 92,576,100	$ 1,793,472

	Securities Available for Sale at December 31, 2017					
	Less Than 12 Months		12 Months or More		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
United States Government Agency Securities	$ 2,160,946	$ 13,297	$ 1,817,974	$ 23,081	$ 3,978,920	$ 36,378
State and Municipal Securities	16,826,584	101,646	2,123,960	29,942	18,950,544	131,588
Mortgage-Backed Securities	37,429,952	452,079	9,582,356	241,053	47,012,308	693,132
	$ 56,417,482	$ 567,022	$ 13,524,290	294,076	$ 69,941,772	$ 861,098

As of December 31, 2018, there were 165 securities with unrealized losses (139 securities in 2017). Based upon an evaluation of the available evidence, including recent changes in market rates and credit rating information, management believes the decline in fair value of these debt securities is temporary. In addition, the Company does not have the intent to sell these debt securities prior to their anticipated recovery.

Management evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than amortized cost; (2) the financial condition and near-term prospects of the issuer; (3) the current market conditions and (4) the intent and ability of the Company to not sell the security or whether it is more likely than not the Company will be required to sell the security before its anticipated recovery. Declines in the fair value of held-to-maturity and available-for-sale securities below their amortized cost basis that are deemed to be other than temporary are carried at fair value. Any portion of a decline in value associated with credit loss is recognized in earnings as realized losses.

5. Loan and Allowance for Loan Losses

The components of loans in the consolidated balance sheets were as follows:

	December 31, 2018	December 31, 2017
Real Estate	$ 43,418,923	$ 43,428,674
Commercial	79,868,926	82,221,099
Agriculture	98,318,152	94,458,486
Consumer	8,570,396	10,451,674
	$ 230,176,397	$ 230,559,933
Less: Allowance for Loan Losses	2,807,570	2,699,946
	$ 227,368,827	$ 227,859,987

Included in consumer loans are overdrafts of $103,864 at December 31, 2018 ($141,023 in 2017).

The Company has lending policies and procedures in place to grant loans to borrowers only after a full evaluation of the credit history and repayment abilities of the borrower. The Company's extension of credit is governed by the individual loan policies that were established to control the quality of the Company's loans. These policies and procedures are reviewed and approved by the Board of Directors on a regular basis. Specific loan terms vary as to interest rate, repayment and collateral requirements based on the type of loan requested and the creditworthiness of the prospective borrower. Credit risk tends to be geographically concentrated in that a majority of the loan customers are located in the markets serviced by the Company.

Real Estate Loans

Real Estate Loans include commercial and residential real estate loans.

Commercial Real Estate Loans

The Company's goal is to create high-quality portfolio of commercial real estate loans with customers who meet the quality and relationship profitability objectives of the Company. Commercial real estate loans are subject to underwriting standards and are made primarily on the historical and projected cash flow of the borrower and secondarily on the underlying collateral provided by the borrower. These loans are analyzed using projected cash flows, and the repayment of these loans is largely dependent on the successful operation of the property. Loan performance may be adversely affected by factors impacting the general economy or conditions specific to the real estate market, such as geographic location and property type.

Residential Real Estate Loans

The Company originates loans secured by one-to-four family residential property that is located in its market area. The underwriting process consists of a credit analysis, employment history and an analysis of the secured real estate property. The repayment and collectability of real estate loans may be adversely affected by conditions specific to the real estate market, such as geographic location and property type.

Commercial Loans

Commercial operating and term loans are originated in the Company's primary service area. These loans are made to individuals, partnerships and corporations for the purpose of assisting in the development of a business enterprise. Commercial loans are underwritten after evaluating and understanding the borrower's ability to operate profitably. Such evaluations involve reviews of historical and cash flow projections and valuations of collateral provided by the borrower. Most commercial loans are secured by the assets being financed or other available business assets and may also include a personal guarantee by the principal owners; however, some commercial loans may be made on an unsecured basis. The repayment of commercial loans is substantially dependent on the ability of borrowers to operate their businesses profitable and collect amounts due from their customers. The cash flow of borrowers may not perform as forecasted, and collateral securing the loans may fluctuate in value due to economic or individual performance factors, minimum standards and underwriting guidelines have been established for all commercial loan types.

Agriculture Loans (Including Real Estate)

Agriculture operating and term loans are originated in the Company's primary service area and are generally used to purchase agricultural equipment, livestock or crop inputs. These loans are primarily secured by the related agricultural real estate, equipment, livestock or crops. Agricultural term and operating loans are made primarily on the historical and projected cash flow of the borrower and secondarily on the underlying collateral provided by the borrower. The cash flow of borrowers, however, may not perform as forecasted, and collateral securing loans may fluctuate in value due to economic or individual performance factors. Minimum standards and underwriting guidelines have been established for all agricultural loan types.

The Company originates loans secured by agricultural real estate in its service area. Agricultural land in the Company's service area is considered to be prime agricultural land. These loans are underwritten using both a cash flow analysis and appraised values.

Consumer Loans

The Company originates direct consumer loans, including vehicle loans and other personal loans, using criteria established by the Company's credit policy. Each loan type has separate specified factors upon which credit decisions are based. These factors include credit history, repayment ability of the borrower based on current personal income and collateral type and value. The repayment of consumer loans can be adversely affected by economic conditions and other factors that impact the borrower's income.

As of the years ended December 31, 2018 and 2017, the Company had purchased loan participations from nonrelated banks totaling \$13,117,320 and \$7,066,019, respectively, and sold loan participations to nonrelated banks amounting to \$1,545,182 and \$2,619,867, respectively.

As part of its on-going monitoring of the credit quality of the Company's loan portfolio, management assigns risk grades to loans as follows:

Pass: Pass loans are to borrowers with acceptable credit quality and risk.

Other Assets Especially Mentioned (OAEM): OAEM loans are to borrowers whose credit quality may have deteriorated since origination and are at risk of further decline unless measures are taken to correct the situation.

Substandard: Substandard loans are to borrowers with well-defined credit quality weaknesses, which make payment default or principal exposure possible, but not yet certain. Such loans are individually evaluated for a specific valuation allowance.

Doubtful: Doubtful loans are to borrowers in which payment default or principal exposure is probable. Such loans are individually evaluated for a specific valuation allowance.

As of December 31, 2018 and 2017, the Company's loan portfolio risk grades by loan segment were as follows:

	December 31, 2018				
	Pass	OAEM	Substandard	Doubtful	Total Loans
Real Estate	$ 41,383,857	$ 640,979	$ 1,394,087	$	$ 43,418,923
Commercial	77,495,741	1,830,346	498,141	44,698	79,868,926
Agriculture	81,021,511	3,613,869	13,517,507	165,265	98,318,152
Consumer	8,051,716	25,992	490,047	2,641	8,570,396
	$ 207,952,825	$ 6,111,186	$ 15,899,782	$ 212,604	$ 230,176,397
	December 31, 2017				
	Pass	OAEM	Substandard	Doubtful	Total Loans
Real Estate	$ 41,244,874	$ 685,536	$ 1,498,264	$	$ 43,428,674
Commercial	78,838,482	592,231	2,790,386		82,221,099
Agriculture	88,100,441	1,888,673	4,294,529	179,843	94,463,486
Consumer	10,128,012	10,157	313,505		10,451,674
	$ 218,311,809	$ 3,176,597	$ 8,896,684	$ 179,843	$ 230,564,933

An aged analysis of past-due loans, segregated by class of loans, as of December 31, 2018 and 2017 was as follows:

	December 31, 2018					
	Loans 30-89 Days Past Due	Loans 90 or More Days Past Due	Total Past-Due Loans	Current Loans	Total Loans	Accruing Loans 90 Days or More Past Due
Real Estate	$ 401,385	$ 88,869	$ 490,254	$ 42,928,669	$ 43,418,923	$
Commercial	1,471,412	1,009,698	2,481,110	77,387,816	79,868,926	
Agriculture	310,563		310,563	98,007,589	98,318,152	
Consumer	322,763	3,596	326,359	8,244,037	8,570,396	
	$ 2,506,123	$ 1,102,163	$ 3,608,286	$ 226,568,111	$ 230,176,397	$ 0

	December 31, 2017					
	Loans 30-89 Days Past Due	Loans 90 or More Days Past Due	Total Past-Due Loans	Current Loans	Total Loans	Accruing Loans 90 Days or More Past Due
Real Estate	$ 742,054	$ 312,548	$ 1,054,602	$ 42,374,072	$ 43,428,674	$ 217,555
Commercial	1,358,688	1,288,907	2,647,595	79,573,504	82,221,099	
Agriculture	132,518		132,518	94,325,968	94,458,486	
Consumer	470,350	7,778	478,128	9,973,546	10,451,674	
	$ 2,703,610	$ 1,609,233	$ 4,312,843	$ 226,247,090	$ 230,559,933	$ 217,555

Loans are considered impaired and placed on nonaccrual status when, based on current information and events, it is probable the Company will be unable to collect all amounts due in accordance with the original contractual terms of the loan agreement. Loans may be placed on impaired and nonaccrual status regardless of whether or not such loans are considered past due. An analysis of impaired and nonaccrual loans, segregated by class of loans, as of December 31, 2018 and 2017, is as follows:

	December 31, 2018				
	Recorded Investment With No Allowance	Recorded Investment With Allowance	Total Recorded Investment and Unpaid Balance	Related Allowance	Average Recorded Investment
Real Estate	$	$	$ 0	$	$
Commercial			0		
Agriculture	164,265		164,265		184,907
Consumer			0		
	$ 164,265	$ 0	$ 164,265	$ 0	$ 184,907

	December 31, 2017				
	Recorded Investment With No Allowance	Recorded Investment With Allowance	Total Recorded Investment and Unpaid Balance	Related Allowance	Average Recorded Investment
Real Estate	$	$	$	$	$
Commercial					
Agriculture	205,548		205,548		226,190
Consumer					
	$ 205,548	$ 0	$ 205,548	$ 0	$ 226,190

During the years ended December 31, 2018 and 2017, the Company did not recognize any significant interest income on impaired and nonaccrual loans.

As of December 31, 2018 and 2017, there were no loans that have been modified into a troubled debt restructuring.

Changes in allowance for loan losses, by portfolio segment, for the years ended December 31, 2018 and 2017, were as follows:

	Year Ended December 31, 2018				
	Real Estate	Commercial	Agriculture	Consumer	Total
Balance at Beginning of Year	$ 379,691	$ 642,693	$ 651,167	$ 1,026,395	$ 2,699,946
Provision for Loan Losses	800,172	37,906	(104,681)	(368,397)	365,000
Charge-Offs		(222,862)	(2,305)	(75,922)	(301,089)
Recoveries	285	16,529	3,050	23,849	43,713
Net Charge-Offs	$ 285	$ (206,333)	$ 745	$ (52,073)	$ (257,376)
Balance at End of Year	$ 1,180,148	$ 474,266	$ 547,231	$ 605,925	$ 2,807,570
Allocation:					
Individually Evaluated for Impairment	$	$	$ 164,265	$	$ 164,265
Collectively Evaluated for Impairment	1,180,148	474,265	382,966	605,925	2,643,304

	Year Ended December 31, 2017				
	Real Estate	Commercial	Agriculture	Consumer	Total
Balance at Beginning of Year	$ 629,000	$ 665,000	$ 380,000	$ 477,000	$ 2,151,000
Provision for Loan Losses	(221,220)	172,283	255,539	633,683	840,285
Charge-Offs	(28,089)	(244,321)		(97,188)	(369,598)
Recoveries		49,731	15,628	12,900	78,259
Net Charge-Offs	$ (28,089)	$ (194,590)	$ 15,628	$ (84,288)	$ (291,339)
Balance at End of Year	$ 379,691	$ 642,693	$ 651,167	$ 1,026,395	$ 2,699,946
Allocation:					
Individually Evaluated for Impairment	$	$	$ 205,548	$	$ 205,548
Collectively Evaluated for Impairment	379,691	642,693	445,619	1,026,395	2,494,398

The Company's record investment in loans as of December 31, 2018 and 2017, related to each balance in the allowance for loan losses by portfolio segment and disaggregated on the basis of the Company's impairment methodology was as follows:

	Year Ended December 31, 2018				
	Real Estate	Commercial	Agriculture	Consumer	Total
Loans Individually Evaluated for Impairment	$	$	$ 164,265	$	$ 164,265
Loans Collectively Evaluated for Charge-Offs	43,418,923	79,868,926	98,153,887	8,570,396	230,012,132
	$ 43,418,923	$ 79,868,926	$ 98,318,152	$ 8,570,396	$ 230,176,397

	Year Ended December 31, 2017				
	Real Estate	Commercial	Agriculture	Consumer	Total
Loans Individually Evaluated for Impairment	$	$	$ 205,548	$	$ 205,548
Loans Collectively Evaluated for Charge-Offs	43,428,933	82,221,000	94,252,452	10,452,000	230,354,385
	$ 43,428,933	$ 82,221,000	$ 94,458,000	$ 10,452,000	$ 230,559,933

During the year ended December 31, 2018, the Company did not implement any significant changes to its allowance for loan loss methodology.

6. Premises and Equipment

Components of premises and equipment included in the consolidated balance sheets were as follows:

	December 31,	
	2018	2017
Land	$ 2,506,921	$ 2,506,921
Buildings	12,957,030	11,733,706
Equipment & Furniture	3,807,785	3,478,728
Bank-Owned Vehicles	338,128	411,573
	$ 19,609,864	$ 18,130,928
Less: Accumulated Depreciation	6,005,547	5,258,687
Total	$ 13,604,317	$ 12,872,241

Depreciation expense for the years ended December 31, 2018 and 2017, totaled $820,305 and $780,553, respectively.

7. Deposits

Deposits consist of the following:

	December 31, 2018	December 31, 2017
Non-Interest Bearing Demand	$ 108,024,945	$ 108,300,564
Savings Deposits	63,759,149	60,750,889
Certificates of Deposit & IRA Deposits	76,364,438	68,766,483
Interest Bearing Demand Accounts	97,920,821	109,139,846
	$ 346,069,353	$ 346,957,782

The aggregate amount of certificates of deposit (CDs) in denominations of $250,000 or more, totaled $21,793,890 and $18,848,025 at December 31, 2018 and 2017, respectively.

As of December 31, 2018, the scheduled maturities of CDs and IRAs are as follows:

Maturing Within One Year	$ 67,209,512
Maturing From One to Three Years	6,968,176
Maturing After Three Years	2,186,750
	$ 76,364,438

8. Federal Home Loan Bank (FHLB) Borrowings

FHLB borrowings are secured by a blanket lien on certain real estate loans. As of December 31, 2018 and 2017, there were no outstanding FHLB borrowings. The available line of credit on borrowings was $84,576,736 as of December 31, 2018 ($86,797,188 in 2017).

9. Note Payable

On October 28, 2016, the Company entered into a note agreement with an unrelated bank for $9,000,000 and advanced $7,100,000. The maturity date of the note is October 28, 2027, and the interest rate is the greater of the Wall Street Journal prime rate or 3.50 percent. Accrued and unpaid interest shall be paid quarterly commencing on January 28, 2017, and continuing January 28, April 28, July 28 and October 28 of each calendar year thereafter. Principal is due in 10 annual installments commencing on April 28, 2018 and continuing on the same date of each calendar year thereafter until the maturity date. The note is collateralized by the common stock of WSB Bancshares, Inc. The balance as of December 31, 2018 and 2017 was $4,890,000 and $5,600,000, respectively.

Aggregate maturities required on note payable at December 31, 2018, are as follows:

Year Ending December 31:		
2019	$	710,000
2020		710,000
2021		710,000
2022		710,000
2023		2,050,000
	$	4,890,000

10. Off-Balance Sheet Activities

Credit-Related Financial Instruments

The Company is a party to credit-related 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. Such commitments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated balance sheets.

The Company's exposure to credit loss is represented by the contractual amount of these commitments. The Company follows the same credit policies in making commitments as it does for on-the-balance-sheet instruments.

The following financial instruments, whose contract amounts represent credit risk, were outstanding:

	December 31,	
	2018	2017
Unfunded Commitments Under Lines of Credit	$ 51,104,000	$ 48,142,000
Standby Letters of Credit	1,292,000	1,065,000

Unfunded commitments under lines of credit include revolving credit lines, straight-credit lines and interim construction loans, which are commitments for possible future extensions of credit to existing customers. These lines of credit may be drawn upon to the total extent to which the Company is committed.

To reduce credit risk related to the use of credit-related financial instruments, the Company might deem it necessary to obtain collateral. The amount and nature of the collateral obtained are based on the Company's credit evaluation of the customer. Collateral held varies, but may include cash; securities; accounts receivable; inventory; property, plant and equipment; and real estate.

Standby letters of credit are conditional commitments issued by the Company to guarantee the performance of a customer to a third party. Those letters of credit are primarily issued to support public and private borrowing arrangements. Essentially all letters of credit issued have expiration dates within one year. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. The Company generally holds collateral supporting those commitments, if deemed necessary.

11. Legal Contingencies

The Company may, from time to time, be involved in litigation and claims arising in the normal course of business. Management, after consultation with legal counsel, believes that the liabilities, if any, arising from such litigations and claims will not be material to the Company's consolidated financial position.

12. Related-Party Transactions

In the ordinary course of business, the Company has granted loans to principal officers and directors and their affiliates. The aggregate balance of loans to related parties at December 31, 2018, totaled $4,402,491 ($4,543,546 in 2017).

Deposits from related parties held by the Company at December 31, 2018 and 2017, totals $3,685,815 and $2,410,234, respectively.

13. Employee Benefits

The Company has a 401(k) with employee stock ownership provisions (KSOP) for the benefit of substantially all employees. Under the plan, participants are permitted to contribute to the plan a minimum of 2% of their compensation up to the maximum amount allowed by law. The Company matches 100% of the participant's plan contributions for the year up to 6%. Shares of stock purchased and cash dividends received on those shares during the year are allocated at year-end to the participants. Total contributions made by the Company for the 401(k) were $217,360 for year December 31, 2018 ($221,675 in 2017). As of December 31, 2018 and 2017, the KSOP owned 6,969 shares of the Company's common stock. There were no dividends paid to the KSOP during the year ended December 31, 2018.

The Company has nonqualified deferred compensation plans, which provide death and retirement benefits for certain officers and one director. Benefits under the plans are payable over a 15-year period following death or retirement. Deferred compensation expense of $728,203 was recorded in 2018 ($96,945 in 2017) and is included in salaries and employee benefits on the consolidated statements of income. Deferred compensation payable totaled $4,502,018 at December 31, 2018 ($3,710,985 in 2017). The Company has purchased life insurance policies to fund future plan obligations. These policies had an aggregate cash surrender value of $9,531,479 at December 31, 2018 ($8,863,023 in 2017).

14. Capital and Regulatory Matters

The Company is subject to various regulatory capital requirements administered by the federal banking agencies. Capital adequacy and prompt corrective action regulations involve quantitative measures of assets, liabilities and certain off-balance-sheet items calculated under regulatory accounting practices. Capital amounts and classification are also subject to qualitative judgments by regulators about component classification, risk weighting and other factors.

The Basel III capital rules become effective for the Company on January 1, 2015 subject to a four-year phase-in period. Quantitative measures established by the Basel III capital rules to ensure capital adequacy require the maintenance of minimum amounts and rations (set forth in the table below) of Common Equity Tier 1 Capital, Tier 1 Capital, and Total Capital to Risk-Weighted Assets, and of Tier 1 Capital to Average Assets. In connection with the adoption of the Basel III capital rules, the Company elected to opt-out of the requirement to include most components of accumulated other comprehensive income in Common Equity Tier 1 Capital.

Management believes, as of December 31, 2018 and 2017, that the Company met all capital adequacy requirements to which it is subject. As of December 31, 2017 the most recent notification from the regulators categorized the Company as well capitalized under the regulatory framework for prompt corrective action.

The following tables present actual and required capital ratios as of December 31, 2018 and 2017, for the Company under the Basel III capital rules. The minimum required capital amounts present the minimum required levels as of December 31, 2018 and 2017, based on the phase-in of the Basel III capital rules and the minimum required as of January 1, 2019, when the phase-in is complete. Capital levels to be considered well capitalized under prompt corrective action regulations are also presented.

	December 31, 2018					
	Actual		Minimum Required Basel III Full Phase-In		Minimum Required to be Well Capitalized Under Prompt	
	Amount	Ratio	Amount	Ratio	Amount	Ration
Common Equity Tier 1 Capital to Risk-Weighted Assets	$ 45,308,523	15.53%	$ 20,421,800	7.00%	$ 18,963,100	6.50%
Tier 1 Capital to Risk-Weighted Assets	45,308,523	15.53%	24,797,900	8.50%	23,339,200	8.00%
Total Capital to Risk-Weighted Assets	48,116,092	16.49%	30,632,700	10.50%	29,174,000	10.00%
Tier 1 Capital to Average Assets	45,308,523	11.56%	17,639,541	4.50%	19,599,490	5.00%

	December 31, 2017					
	Actual		Minimum Required Basel III Full Phase-In		Minimum Required to be Well Capitalized Under Prompt Corrective	
	Amount	Ratio	Amount	Ratio	Amount	Ration
Common Equity Tier 1 Capital to Risk-Weighted Assets	$ 43,263,012	14.83%	$ 20,423,000	7.00%	$ 18,964,000	6.50%
Tier 1 Capital to Risk-Weighted Assets	43,263,012	14.83%	24,799,000	8.50%	23,341,000	8.00%
Total Capital to Risk-Weighted Assets	45,962,959	15.75%	30,635,000	10.50%	29,176,000	10.00%
Tier 1 Capital to Average Assets	43,263,012	11.06%	17,608,000	4.50%	19,565,000	5.00%

15. Recently Issued Accounting Standards

In January, 2016, the FASB issued ASU No. 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities (Topic 825-10).* The ASU applies to all entities that hold financial assets or owe financial liabilities and represents the finalization of just one component of the FASB's broader financial instruments project. The most far-reaching ramification of the ASU is the elimination of the available –for-sale classification for equity securities and a new requirement to carry those equity securities with readily determinable fair values a fair value through net income. Other notable changes brought about by the ASU involve: (a) applying a practicability exception from fair value accounting to equity securities that do not have a readily determinable fair value, (b) assessing the need for a valuation allowance related to an available-for-sale debt security, (c) applying the fair value option liabilities and the treatment of changes in fair value attributable to instrument-specific credit risk and (d) adding disclosures and eliminating certain disclosures. This ASU if effective for fiscal years beginning after December 15, 2018, and the Company is currently evaluating the effect that the standard will have on the consolidated financial statements.

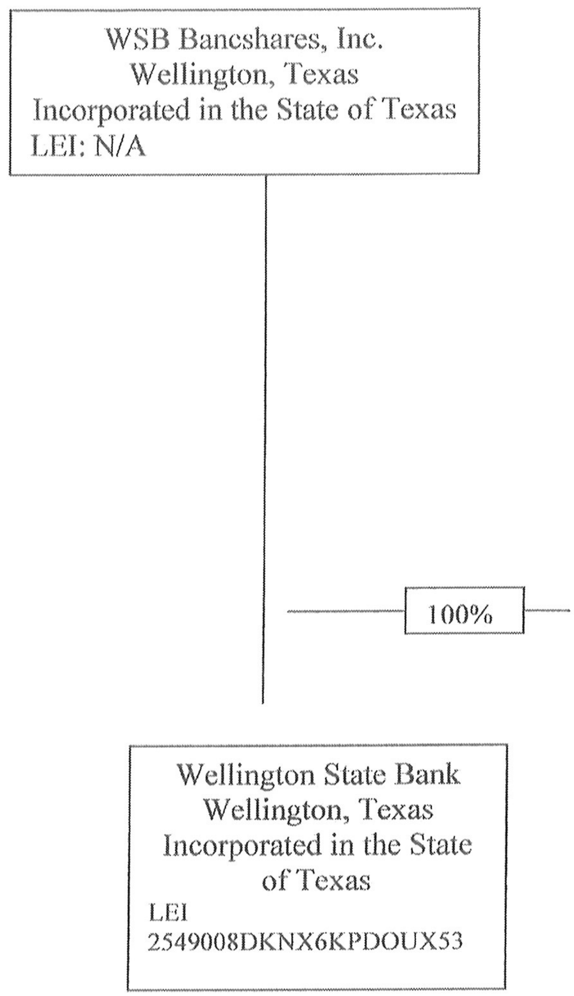
In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments,* which creates a new credit impairment standard for financial instruments. The existing incurred loss model will be replaced with a current expected credit loss (CECL) model for both originated and acquired financial instruments carried at amortized cost and off-balance-sheet credit exposures, including loans, loan commitments, held-to-maturity debt securities, financial guarantees, net investment in leases and most receivables. Recognized amortized cost financial assets will be presented at the net amount expected to be collected through an allowance for credit losses. Expected credit losses on off-balance-sheet credit exposures will be recognized through a liability. Expected credit losses on available-for-sale debt securities will also be recognized through an allowance of; however, the allowance for an individual available-for-sale debt security will be limited to the amount by which fair value is below amortized cost. Unlike current guidance, which requires certain favorable changes in expected cash flows to be accreted into interest income, both favorable and unfavorable changes in expected credit losses (and therefore the allowance) will be recognized through credit loss expense as they occur. With the exception of purchased financial assets with a more than insignificant amount of credit deterioration since origination, for which the initial allowance will be added to the purchase price of the assets, the initial allowance on financial assets subject to the scope (whether originated or acquired) will be recognized through credit loss expense.

Expanded disclosures will also be required. Transition will generally be on a modified retrospective basis, with certain prospective application transition provisions for securities for which other-than-temporary impairment had previously been recognized and for assets that had previously been accounted for in accordance with Subtopic 310-30, *Receivables-Loans and Debt Securities Acquired with Deteriorated Credit Quality.* This ASU is effective for the Company in fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. Early adoption is permitted for fiscal years beginning after December 15, 2018. The Company is currently evaluating the impact of adopting this new guidance on the consolidated financial statements.

2a.

WSB Bancshares, Inc.
FR Y-6
2018

Organizational Chart



2b.

Results: A list of branches for your depository institution: WELLINGTON STATE BANK (ID_RSSD: 371362).
This depository institution is held by WSB BANCSHARES, INC. (2007218) of WELLINGTON, TX.
The data are as of 12/31/2018. Data reflects information that was received and processed through 01/06/2019.

Reconciliation and Verification Steps

1. In the **Data Action** column of each branch row, enter one or more of the actions specified below
2. If required, enter the date in the **Effective Date** column

Actions

OK: If the branch information is correct, enter 'OK' in the **Data Action** column.
Change: If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the **Data Action** column and the date when this information first became valid in the **Effective Date** column.
Close: If a branch listed was sold or closed, enter 'Close' in the **Data Action** column and the sale or closure date in the **Effective Date** column.
Delete: If a branch listed was never owned by this depository institution, enter 'Delete' in the **Data Action** column.
Add: If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the **Data Action** column and the opening or acquisition date in the **Effective Date** column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

Submission Procedure

When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information.
If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

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

* FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

Data Action	Effective Date	Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
OK		Full Service (Head Office)	371362	WELLINGTON STATE BANK	1000 8TH STREET	WELLINGTON	TX	79095-2702	COLLINGSWORTH	UNITED STATES	Not Required	Not Required	WELLINGTON STATE BANK	371362	
OK		Full Service	3694398	BOWIE BRANCH	1301 HIGHWAY 59 NORTH	BOWIE	TX	76230	MONTAGUE	UNITED STATES	Not Required	Not Required	WELLINGTON STATE BANK	371362	
OK		Full Service	2559061	CANADIAN BRANCH	301 MAIN	CANADIAN	TX	79014	HEMPHILL	UNITED STATES	Not Required	Not Required	WELLINGTON STATE BANK	371362	
OK		Full Service	2014140	CHILDRESS BRANCH	2003 AVENUE F NORTHWEST	CHILDRESS	TX	79201	CHILDRESS	UNITED STATES	Not Required	Not Required	WELLINGTON STATE BANK	371362	
OK		Full Service	903558	DALHART BRANCH	302 DENROCK AVE.	DALHART	TX	79022	DALLAM	UNITED STATES	Not Required	Not Required	WELLINGTON STATE BANK	371362	
OK		Full Service	569253	LITTLEFIELD BRANCH	501 PHELPS AVENUE	LITTLEFIELD	TX	79339-3345	LAMB	UNITED STATES	Not Required	Not Required	WELLINGTON STATE BANK	371362	
OK		Full Service	3399282	LUBBOCK BRANCH	7801 QUAKER AVENUE	LUBBOCK	TX	79424-3363	LUBBOCK	UNITED STATES	Not Required	Not Required	WELLINGTON STATE BANK	371362	
OK		Full Service	2014131	MEMPHIS BRANCH	119 S 6TH ST	MEMPHIS	TX	79245	HALL	UNITED STATES	Not Required	Not Required	WELLINGTON STATE BANK	371362	
OK		Full Service	1886863	OLTON BRANCH	816 MAIN STREET	OLTON	TX	79064	LAMB	UNITED STATES	Not Required	Not Required	WELLINGTON STATE BANK	371362	
OK		Full Service	295066	WHEELER BANKING CENTER	405 ALAN L. BEAN BOULEVARD	WHEELER	TX	79096	WHEELER	UNITED STATES	Not Required	Not Required	WELLINGTON STATE BANK	371362	

Report Item #3	City , State	Country of Citizenship	Shares/%
John E. Holton Jr.	Wellington, TX	USA	25403/25.76%
Linda Holton Mitchell	Wellington, TX	USA	9733/9.87%
Carter Holdings Trust Nancy Carter, Trustee	Omaha, TX	USA	9751/9.89%
Mickey Wiley Carter Jr	Omaha, TX	USA	10/.01%
Keitha Ann Nilsson	Daingerfield, TX	USA	31/.03%
Joyce Mauldin, Trustee of the Joyce Mauldin Amended, Revised and restated 2003 Revocable Trust under Agreement dated 01-11-2010	Oklahoma City, OK	USA	10091/10.23%
Jaime Lyn Mauldin	Bixby, OK	USA	31/.04%
Jeff Mauldin	Albuquerque, NM	USA	11/.01%
TOTAL HOLTON FAMILY			**55061/55.84%**
*Richard Sims	Wellington, TX	USA	10109/10.25%
Randall Sims	Amarillo, TX	USA	1500/1.52%
Scott Sims	Ft. Worth, TX	USA	250/0.25%
Mark Sims	Wellington, TX	USA	250/0.25%
Donna Sims Souder	Childress, TX	USA	250/0.25%
Susan Sims Smith	Bixby, OK	USA	250/0.25%
TOTAL SIMS FAMILY			**12609/12.77%**

*Total for Richard Sims includes 6969 shares and 7.07% of the WSB 401k KSOP that Richard Sims controls as the Trustee.

Report Item # 3(2)
None

4.

WSB Bancshares, INC.
Form FR Y-6
December 31, 2018

Report Item 4: Insiders

(1) Name & Address	(2) Principal Occupation	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries (includes names of subsidiaries)	(3)(c) Title & Position with Other Businesses (includes names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (includes name of subsidiaries)	(4)(c) List names of other companies (List names and percentage of voting securities held
John E. Holton, Jr Wellington, TX USA	Conoco Dealer	Chairman & Director	Wellington State Bank Chairman & Director	J.H. & Sons, Inc Owner Host Film Productions I, LLC Partner	25.76%	N/A	N/A
Dannie Morris Wellington, TX USA	Farmer	Director	Wellington State Bank Director	Morris Farms Partner Dannie Morris & Son's Inc. Owner	0.51%	N/A	N/A
Richard M. Sims Wellington, TX USA	Banker	Director and President	Wellington State Bank Director and President	Sims Ranch Owner	10.25%	N/A	N/A
Richard Fourmentin Wellington, TX USA	Retired Farmer	Director	Wellington State Bank Director	N/A	2.03%	N/A	N/A
Danny Martin Wellington, TX USA	Retail Sales	Director	Wellington State Bank Director	O.K Cattle Partner	0.81%	N/A	N/A
Gary Forrest Lloyd Wellington, TX USA	Banker	Director	Wellington State Bank Director and Vice President	N/A	0.25%	N/A	N/A
Scot Renick Dalhart, TX USA	Banker	Director	Wellington State Bank Director and Branch President	Renick Family, Ltd Limited partner Renick Investments, Inc Director and President TXP Capital Partners, LLC Manager/Member	0.39%	N/A	Renick Family, Ltd 40% Renick Investments 48.5% TXP Capital Partners 66%
Phil Davis Dalhart, TX USA	Banker	Director	Wellington State Bank Director and Vice President	N/A	0.89%	N/A	N/A
Linda Holton Mitchell Wellington, TX USA	Housewife	Principle Securities Holder	NONE	N/A	9.87%	N/A	N/A
Carter Holdings Trust Nancy Carter, Trustee Omaha, TX USA	Housewife	Principle Securities Holder	NONE	N/A	9.89%	N/A	N/A
Joyce Mauldin, Trustee of the Joyce Mauldin Amended, Revised and Restated 2003 Revocable Trust under Agreement dated 01-11-2010 Oklahoma City, OK USA	Housewife	Principle Securities Holder	NONE	N/A	10.23%	N/A	N/A
Jaime Lyn Mauldin Bixby, OK USA	Cosmotologist	Principle Securities Holder	NONE	N/A	0.04%	N/A	N/A
Jeff Mauldin Albuquerque, NM USA	FBI Agent	Principle Securities Holder	NONE	N/A	0.01%	N/A	N/A
Randall Sims Amarillo, TX USA	District Attorney	Principle Securities Holder	NONE	N/A	1.52%	N/A	N/A
Donna Sims Souder Childress, TX USA	Housewife	Principle Securities Holder	NONE	N/A	0.25%	N/A	N/A
Susan Sims Smith Bixby, OK USA	Speech Pathologist	Principle Securities Holder	NONE	N/A	0.25%	N/A	N/A
Scott Sims Fort Worth, TX USA	Mechanical Engineer	Principle Securities Holder	NONE	N/A	0.25%	N/A	N/A
Mark Sawyer Sims Wellington, TX USA	Line Foreman	Principle Securities Holder	NONE	N/A	0.25%	N/A	N/A
Mickey Wiley Carter, Jr. Omaha, TX USA	Rancher	Principle Securities Holder	NONE	N/A	0.01%	N/A	N/A
Keitha Ann Nilsson Daingerfield, TX	Banker	Principle Securities Holder	NONE	N/A	0.03%	N/A	N/A