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. §§ 246(a)(1), 602, and 611a); and sections 113, 165, 312, 619, and 909 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 number of copies specified.

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 an LLC, see the General Instructions for the authorized individual who must sign the report.

I, John Gilliam

Name of the Holding Company Director and Official

President / 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.

Signature of Holding Company Director and Official

Date of Signature

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

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

For Federal Reserve Bank Use Only

RSSD ID

C.I.

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

December 31, 2019

Month / Day / Year

N/A

Date of Signature

Report's Legal Entity Identifier (LEI) (20-character LEI code)

Report's Name, Street, and Mailing Address

Valley Mills Financial Corporation

P.O. Box 278

Valley Mills TX 76689

418 Avenue C, Valley Mills, TX 76689

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Jerry White

Secretary

Name

Title

254-932-5345

Area Code / Phone Number / Extension

254-932-5208

Area Code / FAX Number

jerry@fnbbosque.com

E-mail Address

N/A

Address (URL) for the Holding Company’s website

Is confidential treatment requested for any portion of this report submission? ☐ Yes ☐ No

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."
Valley Mills Financial Corporation
P.O. Box 278
Valley Mills, Texas 76689

Federal Reserve Bank
FR Y-6 Report

December 31, 2019

Report Item – 1:
None

Report Item – 2a:
Valley Mills Financial Corporation
Valley Mills, Texas
Incorporated in Texas

100% ownership in the following

First National Bank of Bosque County
Valley Mills, Texas
Incorporated in Texas

No LEI is available for either organization

Report Item – 2b:
Attached

Report Item – 3:
Attached

Report Item – 4:
Attached

Valley Mills Financial Corporation

John Gilliam, President / Director
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**
- **G** - If the branch information is correct, enter "G" in the Data Action column.
- **C** - If the branch information is changed or corrected, enter "C" in the Data Action column and the date when this information first became valid in the Effective Date column.
- **D** - If a branch listed was deleted or removed by your depository institution, enter "D" in the Data Action column.
- **A** - If a reported branch is missing, insert a new row, add the branch data, and enter "A" 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 signed copy to your FRB contact. See the detailed instructions on this site for more information.

If you are emailing 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-9C reporting requirements, you must also submit FR Y-9C Domestic Schedule for each branch with a Data Action of Change, Delete, or Add.
The FR Y-9C report may be submitted in a hardcopy format or via the FR Y-9C Online application. [https://myonline.federalreserve.gov](https://myonline.federalreserve.gov)

<table>
<thead>
<tr>
<th>Data Action</th>
<th>Effective Date</th>
<th>Branch Service Type</th>
<th>Branch ID (RSSN)</th>
<th>Popular Name</th>
<th>Street Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>County</th>
<th>Country</th>
<th>FDIC UNNAM*</th>
<th>Office Number*</th>
<th>Head Office</th>
<th>Head Office ID, RSSN</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>1989601</td>
<td>FIRST NATIONAL BANK OF BOOSQUE COUNTY</td>
<td>128 AVENUE E</td>
<td>KILROY, TX</td>
<td>76699</td>
<td>BOOSQUE</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>FIRST NATIONAL BANK OF BOOSQUE COUNTY</td>
<td>1588501</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>1544809</td>
<td>CLEFON OFFICE</td>
<td>1203 NORTH HIGHWAY 6</td>
<td>KILROY, TX</td>
<td>76699</td>
<td>BOOSQUE</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>FIRST NATIONAL BANK OF BOOSQUE COUNTY</td>
<td>1588501</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>1997701</td>
<td>MERIDIAN BRANCH</td>
<td>115 E NORT ST</td>
<td>MERIDIAN, TX</td>
<td>76699</td>
<td>MERIDIAN</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>FIRST NATIONAL BANK OF BOOSQUE COUNTY</td>
<td>1588501</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>2508022</td>
<td>MAYSVILLE BRANCH</td>
<td>155 NORTH HIGHWAY 6</td>
<td>TAYLOR, TX</td>
<td>76699</td>
<td>MAYSVILLE</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>FIRST NATIONAL BANK OF BOOSQUE COUNTY</td>
<td>1588501</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1)(a)</td>
<td>(1)(b)</td>
<td>(1)(c)</td>
<td>(2)(a)</td>
<td>(2)(b)</td>
<td>(2)(c)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name &amp; Address (City, State, Country)</td>
<td>Country of Citizenship or Incorporation</td>
<td>Number and Percentage of Each Class of Voting Securities</td>
<td>Name &amp; Address (City, State, Country)</td>
<td>Country of Citizenship or Incorporation</td>
<td>Number and Percentage of Each Class of Voting Securities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>John Gilliam Valley Mills, Texas</td>
<td>US</td>
<td>25,748 shares 70.93%</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allison Gilliam Valley Mills, Texas</td>
<td>US</td>
<td>1,000 shares 2.75%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micah Boles Valley Mills, Texas</td>
<td>US</td>
<td>2,758 shares 7.60%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jennifer Boles Valley Mills, Texas</td>
<td>US</td>
<td>2,758 shares 7.60%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phil Gilliam Valley Mills, Texas</td>
<td>US</td>
<td>2,756 shares 7.60%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Valley Mills Financial Corporation
418 Avenue C
Valley Mills, Texas 76889

Form FR Y-5
Fiscal Year Ending December 31, 2019

Report Item 3: Securities Holders

Current Securities Holders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12-31-2019

Securities Holders not listed in 3(1)(a) through (3)(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12-31-2019
<table>
<thead>
<tr>
<th>Names &amp; Address (City, State, Country)</th>
<th>Principal Occupation if other than with holding company</th>
<th>Title &amp; Position with holding company</th>
<th>Title &amp; Position with Subsidiaries (include names of subsidiaries)</th>
<th>Title &amp; Position with Other Businesses (include names of other businesses)</th>
<th>Percentage of Voting Securities in holding company</th>
<th>Percentage of Voting Securities in Subsidiaries (include names of subsidiaries)</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Gilliam Valley Mills, Texas</td>
<td>Banking</td>
<td>President Director</td>
<td>First National Bank of Bosque County</td>
<td>Vice Chairman Director</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allison Gilliam Valley Mills, Texas</td>
<td>N/A</td>
<td>Director</td>
<td>First National Bank of Bosque County</td>
<td>Director</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phil Gilliam Valley Mills, TX</td>
<td>N/A</td>
<td>Principal Shareholder</td>
<td>First National Bank of Bosque County</td>
<td>Shareholder</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micah Boles Valley Mills, Texas</td>
<td>Banking</td>
<td>Director</td>
<td>First National Bank of Bosque County</td>
<td>President / CEO Director</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jennifer Boles Valley Mills, Texas</td>
<td>Banking</td>
<td>Director</td>
<td>First National Bank of Bosque County</td>
<td>Vice President Director</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mark Gibson Waco, Texas</td>
<td>Banking</td>
<td>Director</td>
<td>First National Bank of Bosque County</td>
<td>Chairman Director</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>