Board of Governors of the Federal Reserve System

Annual Report of Holding Companies—FR Y-6

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844(c)(1)(A)); sections 8(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3108(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); and sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(c)(1), and 5468(b)(1)). Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank holding companies, top-tier savings and loan holding companies, and U.S. intermediate holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

NOTE: The *Annual Report of Holding Companies* must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report. If the holding company is an ESOP/ESOT formed as a corporation or is an LLC, see the General Instructions for the authorized individual who must sign the report.

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

Chairman/CEO
Title of the Holding Company Director and Official

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

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

George W Cummings III
Signature of Holding Company Director and Official

3-31-2021
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, 2020
Month / Day / Year

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

Reporter's Name, Street, and Mailing Address

Progressive Bancorp, Inc.
Legal Title of Holding Company

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

City	State	Zip Code
Monroe	LA	71201

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Name	Title
Michele Thaxton	EVP/CFO

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

318-812-5250
Area Code / FAX Number

mthaxton@progressivebank.com
E-mail Address

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

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."

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

Progressive Bancorp, Inc. and Subsidiaries

Consolidated Financial Report
December 31, 2020

Contents

RSM US LLP

Independent Auditor's Report

Board of Directors
Progressive Bancorp, Inc. and Subsidiaries

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Progressive Bancorp, Inc. and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2020 and 2019, the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Progressive Bancorp, Inc. and Subsidiaries as of December 31, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

RSM US LLP

Dallas, Texas
March 30, 2021

Progressive Bancorp, Inc. and Subsidiaries

Consolidated Balance Sheets
December 31, 2020 and 2019
(Dollars in Thousands, Share Data)

	2020	2019
Assets		
Cash and due from banks	$ 8,867	$ 8,916
Interest-bearing deposits	75,592	33,151
Total cash and cash equivalents	84,459	42,067
Time deposits in other financial institutions	7,573	4,092
Securities available for sale	53,408	52,452
Securities held to maturity	5,619	5,079
Loans held for sale	859	193
Loans, net	537,251	441,569
Premises and equipment, net	20,724	21,949
Bank owned life insurance	10,563	10,364
Other real estate owned	955	129
Federal Home Loan Bank stock	2,064	2,041
Other assets	7,170	6,430
Total assets	$ 730,645	$ 586,365
Liabilities and Stockholders' Equity		
Deposits:		
Noninterest-bearing	$ 227,111	$ 157,622
Interest-bearing	358,074	337,403
Total deposits	585,185	495,025
Federal Home Loan Bank advances	14,108	19,788
Paycheck Protection Program Lending Facility	56,979	-
ESOP debt commitment	-	12
Junior subordinated debentures	12,372	12,372
Other liabilities	6,692	6,000
Total liabilities	675,336	533,197
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Common stock; $5 par value; 20,000,000 shares authorized; 526,872 and 522,872 shares issued at December 31, 2020 and 2019, respectively	2,634	2,614
Paid-in capital	13,931	13,786
Retained earnings	42,567	40,953
Accumulated other comprehensive income	551	201
Unearned ESOP shares	-	(12)
Treasury stock, at cost, 58,216 and 58,914 shares at December 31, 2020 and 2019, respectively	(4,374)	(4,374)
Total stockholders' equity	55,309	53,168
Total liabilities and stockholders' equity	$ 730,645	$ 586,365

See notes to consolidated financial statements.

Progressive Bancorp, Inc. and Subsidiaries

Consolidated Statements of Income
Years Ended December 31, 2020 and 2019
(In Thousands)

	2020	2019
Interest income:		
Loans, including fees	$ 25,223	$ 23,475
Securities:		
Taxable	998	1,300
Nontaxable	91	117
Interest-bearing deposits	262	532
Other	14	20
	26,588	25,444
Interest expense:		
Deposits	2,513	4,432
Federal Home Loan Bank advances and other	262	438
Junior subordinated debentures	466	665
	3,241	5,535
Net interest income	23,347	19,909
Provision for loan losses	3,960	421
Net interest income after provision for loan losses	19,387	19,488
Noninterest income:		
Service charges and fees	2,736	2,742
Brokerage department	702	739
Earnings on life insurance policies	200	206
Insurance commissions	26	42
Other	95	144
	3,759	3,873
Noninterest expense:		
Salaries and employee benefits	12,585	11,365
Occupancy	2,145	1,949
Furniture and equipment	1,022	844
Technology	1,566	1,339
Professional fees	1,167	1,227
Advertising and business development	730	894
ATM/debit card expense	776	614
Deposits insurance assessment	141	72
Loss on sale of assets	29	3
Other	1,019	1,125
	21,180	19,432
Income before income taxes	1,966	3,929
Income tax expense	352	738
Net income	$ 1,614	$ 3,191

See notes to consolidated financial statements.

Progressive Bancorp, Inc. and Subsidiaries

Consolidated Statements of Comprehensive Income
Years Ended December 31, 2020 and 2019
(In Thousands)

		2020		2019
Net income	$	**1,614**	$	3,191
Other comprehensive income, before tax:				
Change in net unrealized gain on securities available for sale		**443**		802
Other comprehensive income, before tax		**443**		802
Income tax expense		**93**		168
Other comprehensive Income, net of tax		**350**		634
Comprehensive income	**$**	**1,964**	$	3,825

See notes to consolidated financial statements.

Progressive Bancorp, Inc. and Subsidiaries

Consolidated Statements of Changes in Stockholders' Equity
Years Ended December 31, 2020 and 2019
(Dollars in Thousands, Except Share Data)

	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Unearned ESOP Shares	Treasury Stock	Total
Balance, January 1, 2019	2,619	13,649	37,762	(433)	(110)	(3,323)	50,164
Net income	-	-	3,191	-	-	-	3,191
Other comprehensive income, net of tax	-	-	-	634	-	-	634
ESOP shares released	-	-	-	-	98	-	98
Restricted stock awards issued, net of forfeitures (1,000 shares)	(5)	(20)	-	-	-	28	3
Stock options exercised, 4,500 shares	-	-	-	-	-	225	225
Purchase of 13,197 treasury shares	-	-	-	-	-	(1,304)	(1,304)
Stock compensation expense	-	157	-	-	-	-	157
Balance, December 31, 2019	2,614	13,786	40,953	201	(12)	(4,374)	53,168
Net income	-	-	1,614	-	-	-	1,614
Other comprehensive income, net of tax	-	-	-	350	-	-	350
ESOP shares released	-	-	-	-	12	-	12
Restricted stock awards issued (4,000 shares)	20	(20)	-	-	-	-	-
Stock options exercised, 1,500 shares	-	-	-	-	-	70	70
Purchase of 802 treasury shares	-	-	-	-	-	(70)	(70)
Stock compensation expense	-	165	-	-	-	-	165
Balance, December 31, 2020	**$ 2,634**	**$ 13,931**	**$ 42,567**	**$ 551**	**$ -**	**$ (4,374)**	**$ 55,309**

See notes to consolidated financial statements.

Progressive Bancorp, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended December 31, 2020 and 2019
(In Thousands)

	2020	2019
Cash flows from operating activities:		
Net income	$ 1,614	$ 3,191
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,217	994
Deferred income tax expense	(538)	323
Stock compensation expense	165	157
Amortization (Accretion) of securities, net	30	(216)
Provision for loan loss	3,960	421
Net (increase) decrease in loans held for sale	(666)	895
Loss on disposal of premises and equipment	29	3
Earnings on life insurance policies	(199)	(206)
Write-down of other real estate owned	34	34
Net change in other assets	52	(26)
Net change in other liabilities	340	669
Net cash provided by operating activities	6,038	6,239
Cash flows from investing activities:		
Securities held to maturity:		
Purchases of securities held to maturity	(2,039)	-
Proceeds from maturities, calls and paydowns of securities held to maturity	1,483	608
Securities available for sale:		
Purchases of securities available for sale	(33,142)	(11,298)
Proceeds from maturities, calls and paydowns of securities available for sale	32,616	24,091
Purchases of premises and equipment	(877)	(4,273)
Net purchases of Federal Home Loan Bank stock	(23)	(54)
Net (increase) decrease in loans	(99,642)	693
Net purchase of time deposits with other financial institutions	(3,481)	(3,992)
Net cash (used in) provided by investing activities	(105,105)	5,775
Cash flows from financing activities:		
Net increase in deposits	90,160	25,636
Net (decrease) in FHLB advances	(5,680)	(5,449)
Net increase in Paycheck Protection Program Liquidity Facility	56,979	-
Net decrease in note payable	-	(1,820)
Purchase of treasury stock	(70)	(1,304)
Proceeds from exercise of common stock options	70	225
Net cash provided by financing activities	141,459	17,288
Net increase in cash and cash equivalents	42,392	29,302
Cash and cash equivalents:		
Beginning of year	42,067	12,765
End of year	$ 84,459	$ 42,067

See notes to consolidated financial statements.

Note 1. Summary of Significant Accounting Policies

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

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

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

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

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

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

The Company is required to maintain reserve balances in cash or on deposit with the Federal Reserve Bank to meet regulatory reserve and clearing requirements. The Company's required reserve was $0 at both December 31, 2020 and 2019. The Company's average balance held at the Federal Reserve Bank for the years ended December 31, 2020 and 2019 was approximately $56,884,000 and $24,011,000, respectively.

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

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

In estimating other than temporary impairment losses, management considers (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent of the Company to retain its investment and whether it is more likely than not the Company will be required to sell its investment before its anticipated recovery in fair value. When the Company does not intend to sell the security, and it is more likely than not that it will not have to sell the security before recovery of its cost basis, it will recognize credit component of an other than temporary impairment of a debt security in earnings and the remaining portion in other comprehensive income.

Federal Home Loan Bank stock: As a member of the Federal Home Loan Bank of Dallas (FHLB), the Company is required to maintain an investment in capital stock of the FHLB. FHLB stock does not have a readily determinable fair value as ownership is restricted and it lacks a ready market. As a result, this stock is carried at cost and evaluated periodically by management for impairment. No impairment has been identified during 2020 or 2019.

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

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

Fees and costs associated with originating loans are recognized in income generally in the period in which the fees were received and the costs were incurred. However, fees, net of direct costs, originated under the Paycheck Protection Program are deferred and recognized over the life of the loan. Under accounting principles generally accepted in the United States of America, such fees and costs should be deferred and recognized over the life of the loan as an adjustment of yield. For the years ended December 31, 2020 and 2019, management believes that not deferring all fees and costs, and amortizing them over the life of the related loans does not materially affect the financial position or results of operations of the Company.

Note 1. Summary of Significant Accounting Policies (Continued)

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

COVID-19 Loan Deferments: To help mitigate the adverse effects of COVID-19, loan customers may apply for a deferral of payments, or portions thereof, for up to 180 days. After the deferral period, customers may apply for an additional deferral. A small proportion of our customers have requested such an additional deferral. In the absence of other intervening factors, such short-term modifications made on a good faith basis are not categorized as troubled debt restructurings, nor are loans granted payment deferrals related to COVID-19 reported as past due or placed on non-accrual status (provided the loans were not past due or on non-accrual status prior to the deferral). At December 31, 2020, there were 23 loans in COVID-19 related deferment with an aggregate outstanding balance of approximately $8.9 million. We do not anticipate any material losses from these loans.

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

- Pro-rata ownership in an entire financial asset.

- From the date of the transfer, all cash flows received from the entire financial asset are divided proportionately among the participating interest holders in an amount equal to their share of ownership.

- The rights of each participating interest holder have the same priority, and no participating interest holder's interest is subordinated to the interest of another participating interest holder. That is, no participating interest holder is entitled to receive cash before any other participating interest holder under its contractual rights as a participating interest holder.

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

For the years ended December 31, 2020 and 2019, management has determined there are no uncertain tax positions.

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

COVID: Risks and uncertainties: The situation surrounding the COVID-19 global health pandemic, which was declared in March 2020, remains uncertain and has driven the implementation of significant, government-imposed measures to prevent or reduce its spread, including travel restrictions, testing regimes, closing of borders, "stay at home" orders and business closures. The Company continues to adapt to the changing dynamics of the COVID-19 pandemic's impact on its customers and employees. The ultimate extent of the impact to the Company's business and financial condition will depend on future developments, including duration of the pandemic and distribution of vaccines, which are highly uncertain and cannot be predicted.

Note 1. Summary of Significant Accounting Policies (Continued)

The Company is continuing to monitor the pandemic, its economic impact and related risks. Primary areas of potential future impact to the Company may include decreases in interest and fee income, increased provision for loan losses and deterioration in loan credit quality.

Note 2. Recent Accounting Pronouncements

ASU 2016-02, *Leases (Topic 842)* (ASU 2016-02). In February 2016, the FASB issued new guidance that requires lessees to put certain operating leases on their balance sheet but recognize expenses on their income statement consistent with existing accounting requirements. Subsequently, the FASB issued ASU 2018-10: Codification Improvements to Topic 842, Leases, ASU 2018-11: Leases (Topic 842) – Targeted Improvement and ASU 2018-20: Leases (Topic 842): Narrow-scope Improvements for Lessors ASU 2019-01: Leases (Topic 842): Codification Improvements, which further clarified the new standard. These ASUs are effective for fiscal years beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company does not expect ASU 2016-02 to have a material impact on the audited financial statements and related disclosures.

ASU 2016-13, Financial Instruments-Credit Losses (Update to ASC 326). ASU 2016-13 amends existing standards for accounting for credit losses for financial assets. The update requires that the expected credit losses on the financial instruments held as of the end of the period being reported by measured based on historical experience, current conditions, and reasonable and supportable forecasts. The update also expands the required disclosures related to significant estimates and judgements used in estimating credit losses, as well as the credit quality and underwriting standards of an organization's financial assets. The update also amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. An update to Topic 326 was published

in November 2019 revising the effective date for the Company to January 1, 2023. The Company is evaluating the potential impact of the update on the Company's consolidated financial statements. ASU 2016-19 was issued November 2018 as an update to ASU 2016-13 to clarify that operating lease receivables are not within the scope of ASC Subtopic 326. Codification Improvements to Topic 326, Financial Instruments – Credit Losses were subsequently issued in April 2019 and November 2019.

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

Note 2. Recent Accounting Pronouncements (continued)

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

ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes. ASU 2019-12 simplifies the accounting for income taxes by eliminating certain exceptions related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis difference. The ASU also simplifies aspects of accounting for franchise taxes and enacted changes in tax laws or rates and clarifies accounting for transactions that result in a step-up in the tax basis of goodwill. ASU 2019-12 is effective for the Company January 1, 2022 is not expected to have a material impact on the Company's financial statements.

ASU 2020-04, Reference Rate Reform (Topic 848). ASU 2020-04 provides optional expedients and exceptions for applying U.S. GAAP to contract modifications and hedging relationships that reference LIBOR or another reference rate expected to be discontinued, subject to meeting certain criteria. Under the new guidance, an entity can elect by accounting topic or industry subtopic to account for the modification of a contract affected by reference rate reform as a continuation of the existing contract, if certain conditions are met. In addition, the new guidance allows an entity to elect on a hedge-by-hedge basis to continue to apply hedge accounting for hedging relationships in which the critical terms change due to reference rate reform, if certain conditions are met. A one-time election to sell and/or transfer held-to-maturity debt securities that reference a rate affected by reference rate reform is also allowed. ASU 2020-04 became effective for all entities as of March 12, 2020 and will apply to all LIBOR reference rate modifications through December 31, 2022. Thus far, this has not had a significant impact on the Company's consolidated financial statements.

ASU 2020-08, Codification Improvements to Subtopic 310-20, Receivables – Nonrefundable Fees and Other Costs. ASU 2020-08 clarifies the accounting for the amortization of purchase premiums for callable debt securities with multiple call dates. ASU 2020-08 will be effective for the Company on January 1, 2021 and is not expected to have a significant impact on the financial statements.

Note 3. Statements of Cash Flows

The Company has chosen to report its cash flows by the indirect method. Supplemental information on cash flows and noncash investing and financing transactions for the years ended December 31, 2020 and 2019 is as follows (in thousands):

	2020	2019
Cash transactions:		
Federal income taxes paid	$ 130	$ 600
Interest expense paid	$ 4,017	$ 5,211

Note 4. Securities

Securities have been classified in the consolidated balance sheets according to management's intent. The amortized cost of securities and their approximate fair values at December 31, 2020 and 2019 are summarized as follows (in thousands):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available for Sale				
2020:				
U.S. treasury	$ 21,137	$ 232	$ -	$ 21,369
U.S. government agency obligations	21,467	33	(2)	21,498
Agency residential mortgage-backed securities[1]	5,644	289	-	5,933
Agency collateralized mortgage obligations[2]	4,462	146	-	4,608
	$ 52,710	$ 700	$ (2)	$ 53,408
2019:				
U.S. treasury	$ 27,982	$ 107	$ (17)	$ 28,072
U.S. government agency obligations	8,496	19	(17)	8,498
Agency residential mortgage-backed securities[1]	7,699	127	-	7,826
Agency collateralized mortgage obligations[2]	8,021	55	(20)	8,056
	$ 52,198	$ 308	$ (54)	$ 52,452
Held to Maturity				
2020:				
State and local municipals	$ 4,058	$ 136	$ -	$ 4,194
Agency residential mortgage-backed securities[1]	1,561	36	-	1,597
	$ 5,619	$ 172	$ -	$ 5,791
2019:				
State and local municipals	$ 5,021	$ 38	$ -	$ 5,059
Agency residential mortgage-backed securities[1]	58	1	-	59
	$ 5,079	$ 39	$ -	$ 5,118

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

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

Note 4. Securities (Continued)

Unrealized losses and fair value, aggregated by length of time that individual securities have been in a continuous unrealized loss position, as of December 31, 2020 and 2019, are summarized as follows (in thousands):

	Value Impaired					
	Less Than 12 Months		12 Months or Longer		Total	
Description of Securities	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Available for Sale						
2020:						
U. S. treasury	$ 1,998	$ -	$ -	$ -	$ 1,998	$ -
U.S. government agency obligations	1,995	(2)	-	-	1,995	(2)
Agency residential mortgage-backed securities[1]	10	-	-	-	10	-
Agency collateralized mortgage obligations[2]	-	-	-	-	-	-
	$ 4,003	$ (2)	$ -	$ -	$ 4,003	$ (2)
2019:						
U. S. treasury	$ 7,068	$ (17)	$ -	$ -	$ 7,068	$ (17)
U.S. government agency obligations	-	-	6,491	(17)	6,491	(17)
Agency residential mortgage-backed securities1	-	-	-	-	-	-
Agency collateralized mortgage obligations2	4,162	(13)	865	(7)	5,027	(20)
	$ 11,230	$ (30)	$ 7,356	$ (24)	$ 18,586	$ (54)
Held to Maturity						
2020:						
Agency residential mortgage-backed securities[1]	$ -	$ -	$ -	$ -	$ -	$ -
State and local municipals	-	-	-	-	-	-
	$ -	$ -	$ -	$ -	$ -	$ -
2019:						
Agency residential mortgage-backed securities1	-	-	-	-	-	-
State and local municipals	$ 160	$ -	$ -	$ -	$ 160	$ -
	160	-	-	-	160	-

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

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

Note 4. Securities (Continued)

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

There were no sales of securities during the years ended December 31, 2020 or 2019.

Investment securities with a carrying value of $18,490,000 and $20,123,000 at December 31, 2020 and 2019, respectively, were pledged to secure public deposits and for other purposes required or permitted by law.

The amortized cost and estimated fair value of investment securities at December 31, 2020, by contractual maturity, are shown below (in thousands). Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Residential mortgage-backed securities and collateralized mortgage obligations are shown separately since they are not due at a single maturity date.

	Available for Sale		Held to Maturity	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Due in one year or less	$ 8,025	$ 8,090	$ 550	$ 551
Due from one year through five years	34,579	34,777	2,560	2,667
Due from five to ten years	-	-	573	600
Due after ten years	-	-	375	376
	42,604	42,867	4,058	4,194
Residential mortgage-backed securities and collateralized mortgage obligations	10,106	10,541	1,561	1,597
	$ 52,710	$ 53,408	$ 5,619	$ 5,791

Note 5. Loans and Allowance for Loan Losses

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

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

- ***Paycheck Protection Program loans***: Loans to qualified small businesses under the Paycheck Protection Program (PPP) administered by the SBA under the provisions of the CARES Act group health care benefit costs and qualifying mortgage, rent and utility payments.

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

- The remaining loans covered by the PPP may be eligible for loan forgiveness for certain costs incurred related to payroll, balance after forgiveness of any amounts is still fully guaranteed by the SBA. Terms of the PPP loans include (i) maximum amount limited to the lesser of $10 million or an amount calculated using a payroll-based formula, (ii) maximum loan term of five years, (iii) interest rate of 1%, (iv) no collateral or personal guarantees are required, (v) no payments are required until the date on which the forgiveness amount relating to the loan is remitted to the lender and (vi) loan forgiveness up to the full principal amount of the loan and any accrued interest, subject to certain requirements including that no more than 40% of the loan forgiveness amount may be attributable to non-payroll costs. In return for processing and booking a PPP loan, the SBA paid lenders a processing fee tiered by the size of the loan (5% for loans of not more than $350 thousand; 3% for loans of more than $350 thousand and less than $2 million; and 1% for loans of at least $2 million). In April 2020, the Bank began originating loans to qualified small businesses under the PPP. During 2020, the Bank originated $64.6 million in PPP loans of which $11.8 million were paid off by December 31, 2020. Fee income associated with these loans of $2.4 million was received from the SBA, $1.3 million recognized in 2020.

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

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

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

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

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

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

Loans by portfolio segment and class consisted of the following at December 31, 2020 and 2019 (in thousands):

	2020	2019
Commercial, financial and agricultural:		
Commercial and industrial	$ 86,188	$ 96,086
Agricultural	5,033	3,498
Paycheck Protection Program	52,854	-
Commercial real estate:		
Owner occupied nonfarm, nonresidential	31,633	24,541
Other nonfarm, nonresidential properties	136,208	140,120
Farmland	7,713	4,759
Residential real estate:		
1-4 family residential first liens	103,046	87,165
1-4 family residential second liens	609	1,014
Home equity lines of credit	14,918	16,076
Construction and land development	66,636	44,700
Multifamily	22,543	12,761
Consumer loans and other loans	17,198	15,939
	544,579	446,659
Allowance for loan losses	(7,328)	(5,090)
	$ 537,251	$ 441,569

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

The following table presents loans identified as impaired by class of loans as of December 31, 2020 and 2019 (in thousands):

	Unpaid Contractual Principal Balance	Recorded Investment With No Allowance	Recorded Investment With Allowance	Total Recorded Investment	Related Allowance	Average Recorded Investment
2020:						
Commercial, financial and agricultural:						
Commercial and industrial	$ 895	$ 895	$ -	$ 895	$ -	$ 2,263
Agricultural	-	-	-	-	-	-
Paycheck Protection Program	-	-	-	-	-	-
Commercial real estate:						
Owner occupied nonfarm, nonresidential	-	-	-	-	-	-
Farmland	-	-	-	-	-	-
Residential real estate:	-					
1-4 family residential first liens	78	78	-	78	-	85
1-4 family residential second liens	12	12	-	12	-	16
Home equity lines of credit	43	43	-	43	-	45
Construction and land development	52	52	-	52	-	57
Consumer loans and other loans	-	-	-	-	-	-
	$ 1,080	$ 1,080	$ -	$ 1,080	$ -	$ 2,466
2019:						
Commercial, financial and agricultural:						
Commercial and industrial	$ -	$ -	$ -	$ -	$ -	$ -
Agricultural	3	3	-	3	-	3
Commercial real estate:						
Owner occupied nonfarm, nonresidential	158	158	-	158	-	222
Farmland	-	-	-	-	-	-
Residential real estate:	-					
1-4 family residential first liens	660	660	-	660	-	710
1-4 family residential second liens	20	20	-	20	-	25
Home equity lines of credit	46	46	-	46	-	48
Construction and land development	67	67	-	67	-	76
Consumer loans and other loans	-	-	-	-	-	-
	$ 954	$ 954	$ -	$ 954	$ -	$ 1,084

Interest income recognized on impaired loans was insignificant in 2020 and 2019. A loan is considered a troubled debt restructuring (TDR) if the Company, for economic or legal reasons related to a debtor's financial difficulties, grants a concession to the debtor that it would not otherwise consider. Concessions granted under a TDR typically involve a temporary or permanent reduction in the interest rate at less than a current market rate of interest or an extension of a loan's stated maturity date. Loans classified as TDR's are designated as impaired. Impaired loans totaling approximately $12,056 and $588,471 were accounted for as troubled debt restructurings as of December 31, 2020 and 2019, respectively. There were no TDR's that defaulted during the years 2020 and 2019.

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

The following table presents the past due aging of the recorded investment in loans and loans on nonaccrual as of December 31, 2020 and 2019 (in thousands):

	Current Loans	Loans 30-89 Days Past Due	Loans 90 or More Days Past Due	Total Past Due Loans	Loans 90 or More Days and Accruing	Nonaccrual Loans	Total Loans
2020:							
Commercial, financial and agricultural:							
Commercial and industrial	$ 85,276	$ 17	$ -	$ 17	$ -	$ 895	$ 86,188
Agricultural	5,033	-	-	-	-	-	5,033
Paycheck Protection Program	52,854	-	-	-	-	-	52,854
Commercial real estate:							
Owner occupied nonfarm, nonresidential	31,538	95	-	95	-	-	31,633
Other nonfarm, nonresidential properties	136,208	-	-	-	-	-	136,208
Farmland	7,713	-	-	-	-	-	7,713
Residential real estate:							
1-4 family residential first liens	102,968	78	-	78	-	-	103,046
1-4 family residential second liens	597	-	-	-	-	12	609
Home equity lines of credit	14,874	-	-	-	-	44	14,918
Construction and land development	66,636	-	-	-	-	-	66,636
Multifamily	22,543	-	-	-	-	-	22,543
Consumer loans and other loans	17,198	-	-	-	-	-	17,198
	$ 543,438	$ 190	$ -	$ 190	$ -	$ 951	$ 544,579
2019:							
Commercial, financial and agricultural:							
Commercial and industrial	$ 96,086	$ -	$ -	$ -	$ -	$ -	$ 96,086
Agricultural	3,495	3	-	3	-	-	3,498
Commercial real estate:				-			
Owner occupied nonfarm, nonresidential	24,383	-	-	-	-	158	24,541
Other nonfarm, nonresidential properties	140,120	-	-	-	-	-	140,120
Farmland	4,759	-	-	-	-	-	4,759
Residential real estate:							
1-4 family residential first liens	86,303	294	-	294	-	568	87,165
1-4 family residential second liens	977	17	-	17	-	20	1,014
Home equity lines of credit	16,029	-	-	-	-	47	16,076
Construction and land development	44,700	-	-	-	-	-	44,700
Multifamily	12,761	-	-	-	-	-	12,761
Consumer loans and other loans	15,929	10	-	10	-	-	15,939
	$ 445,542	$ 324	$ -	$ 324	$ -	$ 793	$ 446,659

Credit quality indicators: The Company categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Company analyzes loans individually by classifying the loans as to credit risk. Loans classified, internally or by regulatory authorities, as substandard, special mention or pass watch and past due loans are reviewed regularly by the Company to determine if appropriately classified or to determine if the loan is impaired.

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

The Company's loan portfolio is reviewed for credit quality on an annual basis, with samples being selected based on loan size, credit grades, etc., to ensure that the Company's management is properly applying credit risk management processes. Loans excluded from the scope of the annual review process are generally classified as pass credits until: (a) they become past due; (b) management becomes aware of deterioration in the credit worthiness of the borrower; or (c) the customer contacts the Company for a modification. In these circumstances, the customer relationship is specifically evaluated for potential classification as to special mention, substandard or doubtful, or could even be considered for charge-off. The Company uses the following definitions for risk ratings:

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

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

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

- ***Substandard***: Substandard loans are inadequately protected by the current net worth and financial capacity of the borrower or of the collateral pledged, if any. Loans so classified must have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the Bank will sustain some loss if the deficiencies are not corrected.

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

Loss potential, while existing in the aggregate amount of substandard assets, does not have to exist in individual assets classified as substandard. Loans in this category are evaluated individually as outlined in the Bank's loan policy when determining the general valuation reserve. Examples of substandard loans may include loans with debt service coverage below 1:1 without mitigating factors, loans in default, work out loans, non-accrual loans, most loans that are 90 days delinquent and agricultural loans with more than one-year carry-over unless fully secured and documented with an independent source of repayment.

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

The following table presents the recorded investment in loans receivable (in thousands) by credit quality indicator as of December 31, 2020 and 2019:

	Pass (Rating 1-5)	Pass/Watch	Special Mention	Substandard	Doubtful	Total
2020:						
Commercial, financial and agricultural:						
Commercial and industrial	$ 81,711	$ 3,261	$ -	$ 1,216	$ -	$ 86,188
Agricultural	5,033	-	-	-	-	5,033
Paycheck Protection Program	52,854	-	-	-	-	52,854
Commercial real estate:						
Owner occupied nonfarm, nonresidential	31,289	6	-	338	-	31,633
Other nonfarm, nonresidential properties	134,964	1,244	-	-	-	136,208
Farmland	7,713	-	-	-	-	7,713
Residential real estate:						
1-4 family residential first liens	100,432	1,954	-	660	-	103,046
1-4 family residential second liens	481	-	-	128	-	609
Home equity lines of credit	14,754	120	-	44	-	14,918
Construction and land development	65,568	683	-	385	-	66,636
Multifamily	22,543	-	-	-	-	22,543
Consumer loans and other loans	17,113	-	-	85	-	17,198
	$534,455	$ 7,268	$ -	$ 2,856	$ -	$544,579
2019:						
Commercial, financial and agricultural:						
Commercial and industrial	$ 91,369	$ 3,775	$ -	$ 943	$ -	$ 96,086
Agricultural	3,495	-	-	3	-	3,498
Commercial real estate:						
Owner occupied nonfarm, nonresidential	24,014	855	-	158	-	24,541
Other nonfarm, nonresidential properties	139,187	933	-	-	-	140,120
Farmland	4,759	-	-	-	-	4,759
Residential real estate:						
1-4 family residential first liens	82,134	3,330	-	1,701	-	87,165
1-4 family residential second liens	977	-	-	37	-	1,014
Home equity lines of credit	15,633	339	-	104	-	16,076
Construction and land development	43,930	262	-	508	-	44,700
Multifamily	12,761	-	-	-	-	12,761
Consumer loans and other loans	15,764	-	-	120	-	15,939
	$434,023	$ 9,494	$ -	$ 3,574	$ -	$446,659

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

The Company's activity in the allowance for loan losses for the years ended December 31, 2020 and 2019 by portfolio segment and disaggregated on the basis of the Company's impairment methodology is as follows (in thousands). No allowance for credit losses has been recognized for PPP loans as such loans are fully guaranteed by the SBA.

	Commercial Financial & Agricultural	Commercial Real Estate	Residential Real Estate	Construction & Land Development	Multifamily	Consumer Loans & Other Loans	Total
2020:							
Balance at the beginning of the year	$ 153	$ 1,941	$ 2,348	$ 459	$ 75	$ 114	$ 5,090
Provision charged to earnings	3,638	10	77	-	-	235	3,960
Loans charged to the allowance	(1,789)	(5)	(38)	-	-	(115)	(1,947)
Recoveries on loans previously charged-off	10	146	28	-	-	41	225
Balance at the end of the year	$ 2,012	$ 2,092	$ 2,415	$ 459	$ 75	$ 275	$ 7,328
Period-ended amount allocated to:							
Individually evaluated for impairment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Collectively evaluated for impairmen	2,012	2,092	2,415	459	75	275	7,328
Ending balance	$ 2,012	$ 2,092	$ 2,415	$ 459	$ 75	$ 275	$ 7,328
Loans:							
Individually evaluated for impairment	$ 895	$ -	$ 134	$ 52	$ -	$ -	$ 1,081
Collectively evaluated for impairmen	143,180	175,554	118,439	66,584	22,543	17,198	543,498
Ending balance	$ 144,075	$ 175,554	$ 118,573	$ 66,636	$22,543	$17,198	$ 544,579
2019:							
Balance at the beginning of the year	$ 135	$ 1,915	$ 2,248	$ 459	$ 75	$ 64	$ 4,896
Provision charged to earnings	58	161	49	-	-	153	421
Loans charged to the allowance	(52)	(143)	(43)	-	-	(136)	(374)
Recoveries on loans previously charged-off	12	8	94	-	-	33	147
Balance at the end of the year	$ 153	$ 1,941	$ 2,348	$ 459	$ 75	$ 114	$ 5,090
Period-ended amount allocated to:							
Individually evaluated for impairment	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Collectively evaluated for impairmen	153	1,941	2,348	459	75	114	5,090
Ending balance	$ 153	$ 1,941	$ 2,348	$ 459	$ 75	$ 114	$ 5,090
Loans:							
Individually evaluated for impairment	$ 3	$ 158	$ 726	$ 67	$ -	$ -	$ 954
Collectively evaluated for impairmen	99,581	169,748	103,528	44,633	12,761	15,884	445,705
Ending balance	$ 99,584	$ 169,420	$ 104,255	$ 44,700	$12,761	$15,939	$ 446,659

Note 6. Premises and Equipment

Premises and equipment at December 31, 2020 and 2019 consisted of the following (in thousands):

	2020	2019
Land	$ 6,788	$ 7,648
Buildings and improvements	17,317	16,997
Furniture, fixtures and equipment	10,032	9,507
Vehicles	352	352
Construction in progress	-	96
	34,489	34,600
Less accumulated depreciation	(13,765)	(12,651)
	$ 20,724	$ 21,949

Note 7. Deposits

Deposits at December 31, 2020 and 2019 consisted of the following (in thousands):

	2020		2019	
	Amount	Percent	Amount	Percent
Noninterest-bearing demand accounts	$ 227,111	38.8%	$ 157,622	31.8%
Interest-bearing checking accounts	69,039	11.8%	51,843	10.5%
Savings and limited access money market accounts	224,179	38.3%	179,371	36.2%
Certificates of deposit less than $250,000	33,342	5.7%	49,811	10.1%
Certificates of deposit $250,000 and greater	26,661	4.6%	51,447	10.4%
Individual retirement accounts less than $250,000	4,126	0.7%	4,474	0.9%
Individual retirement accounts $250,000 and greater	727	0.1%	457	0.1%
	$ 585,185	100.0%	$ 495,025	100.0%

At December 31, 2020, the scheduled maturities of certificates of deposit and individual retirement accounts were as follows (in thousands):

2021	$ 60,012
2022	3,541
2023	894
2024	240
2025	169
	$ 64,856

Note 8. Federal Home Loan Bank Advances

The Bank receives advances from the FHLB of Dallas under note payable arrangements with original maturities ranging from one to ten years. Payments on these notes are made monthly. The weighted average interest rate of all notes was .81% and 1.85% at December 31, 2020 and 2019, respectively. Scheduled maturities of the notes at December 31, 2020 are as follows (in thousands):

2021	$	6,467
2022		1,316
2023		1,161
2024		1,170
2025 and thereafter		3,994
	$	14,108

Along with the pledge of the Company's investment in FHLB of Dallas stock, a blanket floating lien on certain loans of the Company is pledged as additional collateral on the advances. The amount available for additional advances under the Company's borrowing arrangement with the Federal Home Loan Bank was approximately $204,352,000 at December 31, 2020.

Note 9. Paycheck Protection Program Liquidity Facility

The Bank participates in the Federal Reserve Bank's Paycheck Protection Program Liquidity Facility which allows the bank to receive advances from the Federal Reserve Bank secured by pledges of the Bank's Paycheck Protection Program (PPP) loans. The structure of the advance is consistent with the principal amount and the term of the PPP loans pledged at an interest rate of .35%. All payments received on the PPP loans are used to reduce the advance. Federal bank regulatory agencies have issued an interim final rule that permits banks to neutralize the regulatory capital effects of participating in the Paycheck Protection Program Liquidity Facility and clarify that the PPP loans have a zero percent risk weight under applicable risk-based capital rules.

Note 10. Other Borrowings

The Company has a federal funds line of credit with one unaffiliated financial institution in the amount of $24,300,000. This line of credit matures on June 30, 2021 and is provided on an unsecured basis; however, the lending institution may require the line to be fully secured after a stated number of days. The Company also has a line of credit with another unaffiliated financial institution which is collateralized by consumer loans totaling approximately $5,322,000 at December 31, 2020. The borrowing capacity under this line is approximately 90% of the outstanding loan balances, or approximately $5,974,000 at December 31, 2020. This line of credit has no stated maturity date; however, it may be canceled at the sole discretion of the lending institution. There were no outstanding borrowings under these lines at December 31, 2020 or 2019.

Note 11. Junior Subordinated Debentures

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

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

With certain exceptions, the amount of the principal and any accrued and unpaid interest on the Debentures are subordinated in right of payment to the prior payment in full of all senior and subordinated indebtedness of Bancorp. Interest on the Debentures is payable quarterly commencing October 31, 2001 at a rate equal to the three-month LIBOR rate plus 3.58% (3.79% and 5.84% at December 31, 2020 and 2019, respectively). The interest is deferrable on a cumulative basis for up to 20 consecutive quarters. No principal payments are due until maturity on July 31, 2031.

On July 31, 2006, the Debentures became redeemable, in whole or in part, at the option of Bancorp. None of the Debentures have been redeemed. In the event the Debentures are redeemed, a like amount of TruPS will be redeemed at the redemption price of $10, plus accrued interest to the date of redemption. Trust I's obligations under the TruPS are fully and unconditionally guaranteed by Bancorp. Any redemption is subject to Bancorp obtaining the prior approval of the Federal Reserve. The debentures balance related to Trust I is $8,248,000 at December 31, 2020 and 2019. Under ASC Topic 810, Trust I does not meet the criteria for consolidation.

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

Note 11. Junior Subordinated Debentures (continued)

With certain exceptions, the amount of the principal and any accrued and unpaid interest on the Debentures is subordinated in right of payment to the prior payment in full of all senior and subordinated indebtedness of Bancorp. Interest on the Debentures is payable quarterly commencing December 15, 2007 at a rate equal to 6.338% through December 15, 2012 and then at a rate equal to the three-month LIBOR rate plus 1.45% (1.67% and 3.34% at December 31, 2020 and 2019, respectively) through maturity. The interest is deferrable on a cumulative basis for up to 20 consecutive quarters. No principal payments are due until maturity on December 15, 2037.

Bancorp may redeem the Debentures II, in whole or in part, on or after December 15, 2012 at an amount equal to the principal amount of the debt securities being redeemed plus accrued and unpaid interest on such securities to the redemption date. Trust II's obligations under the TruPS II are fully and unconditionally guaranteed by Bancorp. Any redemption is subject to Bancorp obtaining the prior approval of the Federal Reserve. The debentures balance related to Trust II is $4,124,000 at December 31, 2020 and 2019. Under ASC Topic 810, Trust II does not meet the criteria for consolidation.

Note 12. Federal Income Taxes

Federal income tax expense for the years ended December 31, 2020 and 2019 consisted of the following (in thousands):

	2020	2019
Current income tax expense	$ 890	$ 415
Deferred income tax liability (benefit)	(538)	323
	$ 352	$ 738

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

	2020	2019
Computed "expected" income tax expense	$ 413	$ 826
Tax-exempt municipal income, net of disallowed interest expense	(19)	(22)
Earnings on life insurance policies	(42)	(43)
Other	-	(23)
	$ 352	$ 738

Note 12. Federal Income Taxes (continued)

	2020	2019
Deferred tax assets:		
Allowance for loan losses	$ 1,539	$ 1,069
Deferred compensation	832	808
Stock options	55	66
Other	253	146
Total deferred tax assets	2,679	2,050
Deferred tax liabilities:		
Premises and equipment	974	928
Unrealized gain on securities available for sale	116	53
FHLB stock dividends	36	31
Other	24	24
Total deferred tax liabilities	1,150	1,036
Net deferred tax asset	$ 1,529	$ 1,053

Note 13. Financial Instruments with Off-Balance Sheet Risk

The Company is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and standby letters of credit. Those instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the balance sheet. At December 31, 2020 and 2019, the approximate amounts of these financial instruments were as follows (in thousands):

	2020	2019
Financial instruments whose contract amounts represent credit risk:		
Commitments to extend credit	$ 137,067	$ 129,215
Standby letters of credit	1,344	2,332
	$ 138,411	$ 131,547

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

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee.

Note 13. Financial Instruments with Off-Balance Sheet Risk (continued)

Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Company evaluates each customer's credit worthiness on a case-by-case basis. The amount of collateral obtained if deemed necessary by the Company upon extension of credit is based on management's credit evaluation of the counterparty. Collateral held varies but may include accounts receivable, inventory, property, plant and equipment and income-producing commercial properties.

Standby letters of credit are written conditional commitments issued by the Company to guarantee the performance of a customer to a third party. The Company's policies generally require that letter of credit arrangements contain security and debt covenants similar to those contained in loan arrangements. In the event the customer does not perform in accordance with the terms of the agreement with the third party, the Company would be required to fund the commitment. The maximum potential amount of future payments the Company could be required to make is represented by the contractual amount shown in the table above. If the commitment is funded, the Company would be entitled to seek recovery from the customer. As of December 31, 2020 and 2019, no amounts have been recorded as liabilities for the Company's potential obligations under these guarantees.

Note 14. Fair Value Measurements

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

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

Note 14. Fair Value Measurements (continued)

the guidance establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

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

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

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

A description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below. During 2020 there have been no changes in valuation methodologies compared to 2019 and no transfers between levels.

The following table represents assets and liabilities reported on the consolidated balance sheets at their fair value on a recurring basis as of December 31, 2020 and 2019 by level within the fair value measurement hierarchy:

Note 14. Fair Value Measurements (continued)

	Assets/ Liabilities Measured at Fair Value	Fair Value Measurements at Reporting Date Using (Dollars in Thousands) Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2020:				
Measured on a recurring basis:				
Assets:				
Investment securities available for sale:				
U.S. treasury	21,369	$ 21,369	$ -	$ -
U.S. government agency obligations	21,498	-	21,498	-
Residential mortgage-backed securities	5,933	-	5,933	-
Collateralized mortgage obligations	4,608	-	4,608	-
2019:				
Measured on a recurring basis:				
Assets:				
Investment securities available for sale:				
U.S. treasury	$ 28,072	$ 28,072	$ -	$ -
U.S. government agency obligations	8,498	-	8,498	-
Residential mortgage-backed securities	7,826	-	7,826	-
Collateralized mortgage obligations	8,056	-	8,056	-

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

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

The following table presents the assets carried on the consolidated balance sheet, by caption and by level in the fair value hierarchy at December 31, 2020 and 2019, for which a nonrecurring change in fair value has been recorded:

Note 14. Fair Value Measurements (continued)

	Assets/ Liabilities Measured at Fair Value	Fair Value Measurements at Reporting Date Using (Dollars in Thousands) Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2020:				
Measured on a nonrecurring basis:				
Assets:				
Impaired loans	1,081	$ -	$ -	$ 1,081
Other real estate	955	-	-	955
2019:				
Measured on a nonrecurring basis:				
Assets:				
Impaired loans	$ 954	$ -	$ -	$ 954
Other real estate	129	-	-	129

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

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

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

Note 15. Benefit Plans

401(k) plan: The Company has a defined contribution profit sharing plan for all employees that meet certain age and service requirements. Under the plan, employees may elect to defer up to 100% of their salary subject to the Internal Revenue Service limits. The Company may, at its discretion, contribute to the plan an amount determined annually by the Board of Directors. The Company's expense for the plan was $310,496 and $271,502 for the years ended December 31, 2020 and 2019, respectively.

Salary continuation plan: The Company has entered into salary continuation agreements with certain key employees to be paid over a period of ten to fifteen years after the employees' retirement. The Company has purchased single-premium life insurance policies on each of the individuals covered to fund the future obligation. The cash surrender value of these policies totaled approximately $10,563,000 and $10,363,000 at December 31, 2020 and 2019, respectively. Salary continuation payable totaled approximately $3,962,000 and $3,771,000 at December 31, 2020 and 2019, respectively and is included in other liabilities in the accompanying balance sheet. One participant reached retirement age and received a lump sum payment under the plan in 2017. Two participants reached retirement age in 2017 and received payments under the plan in years 2017 through 2020. The expenses incurred of $191,000 and $353,000 are included in salaries and employee benefits in the accompanying income statement for the years ended December 31, 2020 and 2019, respectively.

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

During 2009, the Plan borrowed $1,000,000 from an unaffiliated bank to purchase 19,841 shares of Company stock. The 2009 note is payable in monthly installments consisting of principal payments of $8,333 plus accrued interest, bears interest at the Wall Street Journal Prime Rate. The note matured and was paid in full September 2019.

During 2010, the Plan borrowed $235,000 from an unaffiliated bank to acquire 5,000 shares of Company stock. The 2010 note is payable in monthly installments consisting of principal payments of $1,958 plus accrued interest, bears interest at the Wall Street Journal Prime Rate (3.25% at December 31, 2020), and was paid in full June 2020.

At December 31, 2020 and 2019, the Plan had approximately $0 and $12,000, respectively, outstanding related to the notes, which are guaranteed by the Company and collateralized by the Company's common stock.

Note 15. Benefit Plans (continued)

In accordance with ASC Topic 718-40, Employee Stock Ownership Plans, the Company has recorded the loans as obligations of the Company, with the amounts outstanding in the balance sheets classified as ESOP debt commitment, and the issued shares held by the lender as collateral classified in a contra-equity account, unearned ESOP shares. During 2020 and 2019, 250 and 1,987, respectively, were released as principal payments were made. The Company's contributions to the ESOP consist of debt service payments to the trust and any additional voluntary payments made. During 2020 and 2019, the Company made contributions of approximately $12,000 and $98,000, respectively, to the ESOP for debt service payments. The contributions for each year will be divided among the eligible participants employed on December 31st in the proportion that each such participant's compensation, as defined in the Plan, for that year which bears to the compensation for all such participants in the Plan.

Note 16. Stock Compensation

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

The following is a summary of the status of the Plan during 2020 and 2019:

	2020			2019	
	Number of Shares	Weighted Average Exercise Price	Aggregate Intrinsic Value	Number of Shares	Weighted Average Exercise Price
Outstanding, beginning of year	26,236	$ 48.89		31,736	$ 49.10
Granted during the year	-	-		-	-
Exercised during the year	(1,500)	47.05		(4,500)	50.00
Forfeited during the year	-	-		(1,000)	50.45
Expired during the year	-	-		-	-
Outstanding, end of year	24,736	$ 49.01	$ 1,335,608	26,236	$ 48.89
Exercisable, at end of year	24,736	$ 49.01		26,236	$ 48.89

The options outstanding at December 31, 2020 have exercise prices ranging from $35 to $55. At December 31, 2020, the weighted average remaining contractual life of 3,100 options outstanding and exercisable is .6 years. The remaining 21,636 options outstanding and exercisable can be exercised up to 91 days after employment is terminated.

The intrinsic value of options exercised during 2020 and 2019 was approximately $83,925 and $256,500, respectively.

No compensation expense related to options was recognized in 2020 and 2019.

Note 16. Stock Compensation (Continued)

Restricted stock: The Company has granted restricted stock awards to certain employees of the Company. The stock awards have varying terms and vest over four or five years from the date of grant. The shares become free of restrictions on the vesting date if the grantee remains a full-time employee of the Company. The shares become free of restrictions prior to the vesting date upon early involuntary termination, other than termination for cause, death, or disability, or at the discretion of the Chief Executive Officer of the Company. The following table summarizes the activity in nonvested shares for the year ended December 31, 2020:

	Number of Shares	Weighted Average Grant Date Fair Value
Nonvested restricted stock, December 31, 2019	4,230	$ 97.73
Granted during the year	4,000	103.50
Vested during the year	(1,750)	90.25
Forfeited during the year	-	-
Nonvested restricted stock, December 31, 2020	6,480	$ 103.44

Total compensation expense related to restricted stock awards was $165,000 and $157,000 during 2020 and 2019, respectively. At December 31, 2020, future compensation expense related to restricted stock awards is approximately $670,000 and will be recognized over a remaining period of five years.

Note 17. Commitments and Contingencies

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

Note 18. Related Party Transactions

In the ordinary course of business, the Bank has and expects to continue to have transactions including borrowings with its employees, directors and their affiliates. In the opinion of management, such transactions are on the same terms, including interest rates and collateral requirements, as those prevailing at the time for comparable transactions with unaffiliated persons. The aggregate amount of such loans was approximately $3,531,000 and $9,380,000 at December 31, 2020 and 2019, respectively. Additionally, at December 31, 2020 and 2019, the Bank had unfunded commitments for such loans of approximately $3,544,000 and $6,385,000, respectively. The approximate amount of payments, including interest, received on these loans was $3,473,000 and the approximate amount of new loans funded was $2,900,000 in 2020.

Note 19. Significant Group Concentrations

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

Note 20. Regulatory Matters

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

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

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the table below) of Total, CET1 and Tier I capital (as defined in the regulations) to risk weighted assets (as defined), and of Tier I capital (as defined) to average assets (as defined). Management believes, as of December 31, 2020, that the Bank meets all capital adequacy requirements to which it is subject.

In April 2020, the Company began originating loans to qualified small businesses under the Paycheck Protection Program (PPP) administered by the SBA. Federal bank regulatory agencies have issued an interim final rule that permits banks to neutralize the regulatory capital effects by participating in the Paycheck Protection Program Lending Facility and clarify that PPP loans have a zero percent risk weight under applicable risk-based capital rules.

Note 20. Regulatory Matters (continued)

The Company utilized the PPP Lending Facility and has excluded all PPP loans pledged as collateral to the PPP Facility from the average total consolidated assets for the purposes of calculating the leverage ratio.

As of December 31, 2020, the Bank's capital ratios exceeded those levels necessary to be categorized as "well capitalized" under the regulatory framework for prompt corrective action. To be categorized as "well capitalized," the Bank must maintain minimum total risk-based, CET1, Tier I risk-based and Tier I leverage ratios as set forth in the table below. There are no conditions or events since December 31, 2020 that management believes have changed the Bank's category.

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

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
2020:						
Total capital to risk weighted assets	$ 69,825	12.53%	$ 58,507	10.50%	$ 55,721	10.00%
Tier I capital to risk weighted assets	62,856	11.28%	47,362	8.50%	44,576	8.00%
CET1 capital to risk weighted assets	62,856	11.28%	39,004	7.00%	36,218	6.50%
Tier I capital to average assets	62,856	9.29%	27,060	4.00%	33,825	5.00%
2019:						
Total capital to risk weighted assets	$ 65,762	13.05%	$ 52,941	10.50%	$ 50,420	10.00%
Tier I capital to risk weighted assets	60,672	12.04%	42,857	8.50%	40,336	8.00%
CET1 capital to risk weighted assets	60,672	12.04%	35,294	7.00%	32,773	6.50%
Tier I capital to average assets	60,672	10.50%	23,125	4.00%	28,907	5.00%

Note 21. Subsequent Events

The Company evaluated its December 31, 2020 consolidated financial statements for subsequent events through the date the consolidated financial statements were issued.

RSM

RSM US LLP

Independent Auditor's Report on the Supplementary Information

Board of Directors
Progressive Bancorp, Inc. and Subsidiaries

We have audited the consolidated financial statements of Progressive Bancorp, Inc. and Subsidiaries as of and for the years ended December 31, 2020 and 2019, and have issued our report thereon, which contains an unmodified opinion on those consolidated financial statements. See Page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual companies and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements, or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

RSM US LLP

Dallas, Texas
March 30, 2021

Progressive Bancorp, Inc. and Subsidiaries

Schedule 1 - Consolidating Balance Sheet
December 31, 2020
(In Thousands)

	Progressive Bank and Subsidiary	Progressive Bancorp, Inc.	Eliminations		Consolidated Total
Assets					
Cash and due from banks	$ 8,867	$ 2,996	$ (2,996)	a	$ 8,867
Interest-bearing deposits	75,592	-	-		75,592
Time deposits in other financial institutions	7,573	-	-		7,573
Securities available for sale	53,408	-	-		53,408
Securities held to maturity	5,619	-	-		5,619
Investment in subsidiaries	-	63,407	(63,407)	b	-
Loans held for sale	859	-	-		859
Loans, net	537,709	-	(458)	c	537,251
Premises and equipment, net	19,756	968	-		20,724
Bank owned life insurance	10,563	-	-		10,563
Other real estate owned	955	-	-		955
Federal Home Loan Bank stock	2,064	-	-		2,064
Other assets	6,777	936	(543)	c	7,170
Total assets	$ 729,742	$ 68,307	$ (67,404)		$ 730,645
Liabilities and Stockholders' Equity					
Deposits:					
Noninterest-bearing	$ 230,107	$ -	$ (2,996)	a	$ 227,111
Interest-bearing	358,074	-	-		358,074
Total deposits	588,181	-	(2,996)		585,185
Federal Home Loan Bank advances	14,108	-	-		14,108
Paycheck Protection Program Liquidity Facility	56,979				56,979
Notes payable	-	458	(458)	c	-
ESOP debt commitment	-	-	-		-
Junior subordinated debentures	-	12,372	-		12,372
Other liabilities	7,067	168	(543)	c	6,692
Total liabilities	666,335	12,998	(3,997)		675,336
Stockholders' equity:					
Preferred stock	-	-	-		-
Common stock	790	2,634	(790)	b	2,634
Paid-in capital	25,407	13,931	(25,407)	b	13,931
Retained earnings	36,659	42,567	(36,659)	b	42,567
Accumulated other comprehensive income	551	551	(551)	b	551
Unearned ESOP shares	-	-	-		-
Treasury stock	-	(4,374)	-		(4,374)
Total stockholders' equity	63,407	55,309	(63,407)		55,309
Total liabilities and stockholders' equity	$ 729,742	$ 68,307	$ (67,404)		$ 730,645

See independent auditor's report on the supplementary information.

Progressive Bancorp, Inc. and Subsidiaries

Schedule 2 - Consolidating Statement of Income
Year Ended December 31, 2020
(In Thousands)

	Progressive Bank and Subsidiary	Progressive Bancorp, Inc.	Eliminations		Consolidated Total
Interest income:					
Loans, including fees	$ 25,247	$ -	$ (24)	e	$ 25,223
Securities:					
Taxable	998	-	-		998
Nontaxable	91	-	-		91
Interest-bearing deposits	262	-	-		262
Other	-	14	-		14
	26,598	14	(24)		26,588
Interest expense:					
Deposits	2,513	-	-		2,513
FHLB advances, FNBB Note Payable and other	262	24	(24)	e	262
Junior subordinated debentures	-	466	-		466
	2,775	490	(24)		3,241
Net interest income	23,823	(476)	-		23,347
Provision for loan losses	3,960	-	-		3,960
Net interest income after provision for loan losses	19,863	(476)	-		19,387
Noninterest income:					
Equity in earnings of subsidiary	-	2,165	(2,165)	d	-
Service charges and fees	2,736	-	-		2,736
Trust and brokerage department	702	-	-		702
Earnings on life insurance policies	200	-	-		200
Insurance commissions	26	-	-		26
Other	95	99	(99)	e	95
	3,759	2,264	(2,264)		3,759
Noninterest expenses:					
Salaries and employee benefits	12,585	-	-		12,585
Occupancy	2,165	79	(99)	e	2,145
Furniture and equipment	1,022	-	-		1,022
Technology	1,566	-	-		1,566
Professional fees	932	235	-		1,167
Advertising and business development	730	-	-		730
ATM/debit card expense	776	-	-		776
Deposits insurance assessment	141	-	-		141
Loss on sale of assets	29	-	-		29
Other	1,013	6	-		1,019
	20,959	320	(99)		21,180
Income before income taxes	2,663	1,468	(2,165)		1,966
Income tax expense	498	(146)	-		352
Net income	$ 2,165	$ 1,614	$ (2,165)		$ 1,614

See independent auditor's report on the supplementary information.

Description of Eliminating Entries

Year Ended December 31, 2020

a. To eliminate intercompany cash and deposits.

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

c. To eliminate intercompany payables and receivables.

d. To eliminate equity in earnings of subsidiaries.

e. To eliminate intercompany income and expense.

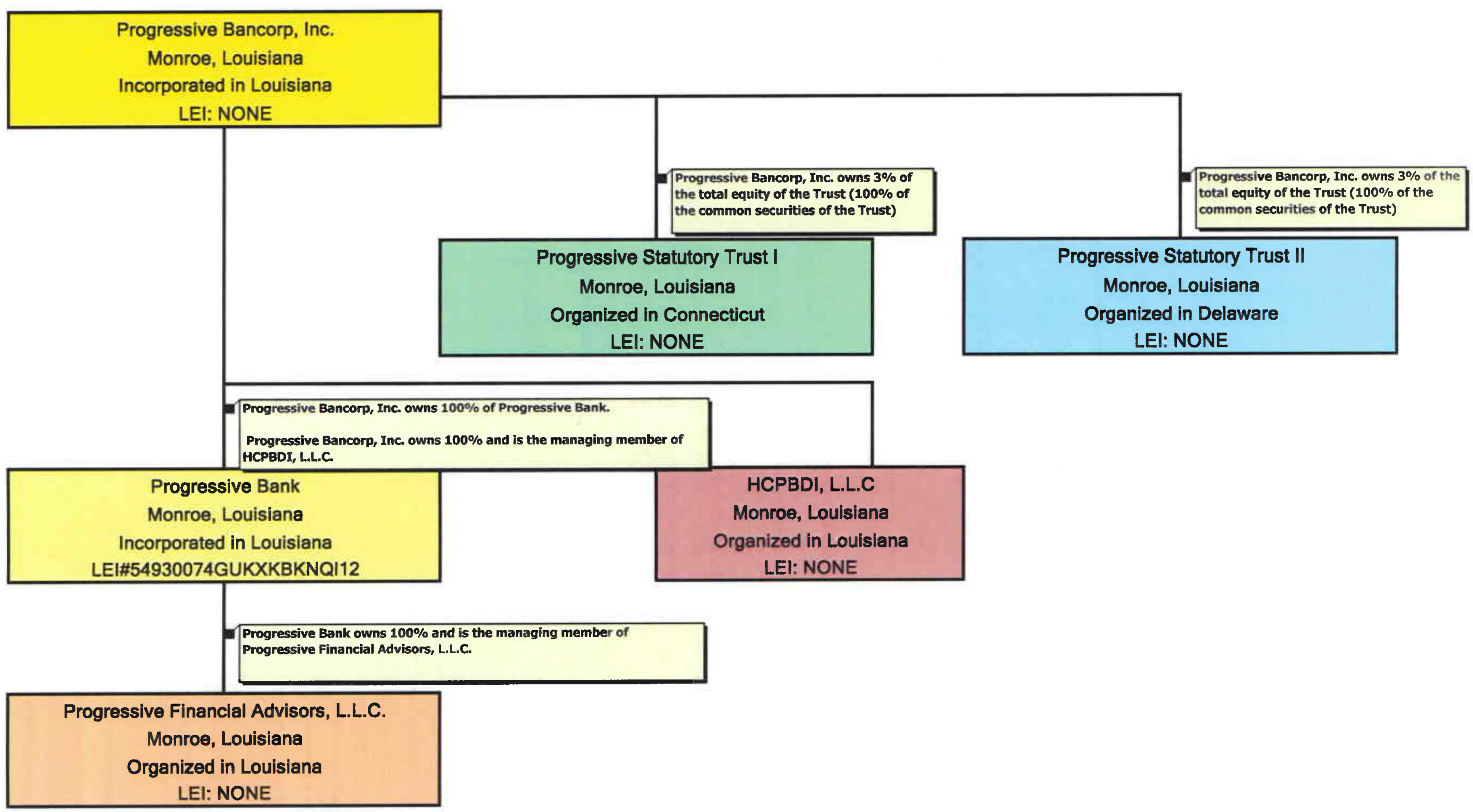
Form FR Y-6

Progressive Bancorp, Inc.
Monroe, Louisiana
Fiscal Year Ending December 31, 2020

Report Item

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

2: Organization Chart



Results: A list of branches for your holding company: PROGRESSIVE BANCORP, INC. (1108659) of MONROE, LA.
The data are as of 12/31/2020. Data reflects information that was received and processed through 01/05/2021.

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)	1007154	PROGRESSIVE BANK	1411 NORTH 19TH STREET	MONROE	LA	71201	OUACHITA	UNITED STATES	Not Required	Not Required	PROGRESSIVE BANK	1007154	
OK		Full Service	3802746	AIRLINE FINANCIAL CENTER BRANCH	2600 BEENE BOULEVARD	BOSSIER CITY	LA	71111	BOSSIER	UNITED STATES	Not Required	Not Required	PROGRESSIVE BANK	1007154	
OK		Full Service	3394812	LAMY LANE FINANCIAL CENTER BRANCH	1398 LAMY LN	MONROE	LA	71201	OUACHITA	UNITED STATES	Not Required	Not Required	PROGRESSIVE BANK	1007154	
OK		Full Service	5448568	ELLERBE ROAD FINANCIAL CENTER	9405 ELLERBE ROAD	SHREVEPORT	LA	71106	CADDO	UNITED STATES	Not Required	Not Required	PROGRESSIVE BANK	1007154	
OK		Full Service	4161507	SHREVEPORT FINANCIAL CENTER	8550 FERN AVENUE	SHREVEPORT	LA	71105	CADDO	UNITED STATES	Not Required	Not Required	PROGRESSIVE BANK	1007154	
Delete		Full Service	5425149	YOUREE DRIVE BRANCH	4523 YOUREE DRIVE	SHREVEPORT	LA	71105	CADDO	UNITED STATES	Not Required	Not Required	PROGRESSIVE BANK	1007154	
OK		Full Service	5448577	YOUREE DRIVE FINANCIAL CENTER	4523 YOUREE DRIVE	SHREVEPORT	LA	71105	CADDO	UNITED STATES	Not Required	Not Required	PROGRESSIVE BANK	1007154	
OK		Full Service	3394821	CYPRESS STREET FINANCIAL CENTER BRANCH	3421 CYPRESS ST	WEST MONROE	LA	71291	OUACHITA	UNITED STATES	Not Required	Not Required	PROGRESSIVE BANK	1007154	
OK		Full Service	3394830	TRENTON STREET FINANCIAL CENTER BRANCH	701 TRENTON ST	WEST MONROE	LA	71291	OUACHITA	UNITED STATES	Not Required	Not Required	PROGRESSIVE BANK	1007154	
OK		Full Service	2612359	FAIR AVENUE FINANCIAL CENTER BRANCH	301 FAIR AVENUE	WINNSBORO	LA	71295	FRANKLIN	UNITED STATES	Not Required	Not Required	PROGRESSIVE BANK	1007154	

Form FR Y-6
Progressive Bancorp, Inc.
Fiscal Year Ending December 31, 2020

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

Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12/31/2018			Current Shareholders not listed in 3(1)(a) through 3(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12/31/2018		
(1)(a) Name & Address (City, State, Country)	(1)(b) Country of Citizenship or Incorporation	(1)(c) Number and Percentage of Each Class of Voting Securities	(2)(a) Name & Address (City, State, Country)	(2)(b) Country of Citizenship or Incorporation	(2)(c) Number and Percentage of Each Class of Voting Securities
*Cummings Family Control Group Monroe, Louisiana ***See attached Schedule**	USA	79,560 - 16.39% Common Stock	N/A	N/A	N/A
J. Stewart Gentry Monroe, Louisiana	USA	27,945 - 5.96% Common Stock			
Morris F. Mintz Monroe, Louisiana	USA	26,825 - 5.72% Common Stock			
Progressive Bancorp, Inc. ESOP Monroe, Louisiana	USA	34,025 - 7.26% Common Stock Power to vote shares: Michele W. Thaxton, CFO & Cashier of Progressive Bank			

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

(1) Names & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
George W. Cummings, III & Nanette Cummings **Monroe, Louisiana**	George W. Cummings, III - Banker	George W. Cummings, III - Director, Chairman, and Chief Executive Officer, Nanette Cummings - Principal Securities Holder	George W. Cummings, III - Director, Chairman and Chief Executive Officer; Nanette Cummings - N/A		10.72%	None	NA
			George Cummings, III - Chairman & Chief Executive Officer (Progressive Financial Advisors, L.L.C.); Nanette Cummings - N/A	N/A			
			George W. Cummings, III - Manager (HCPBDI, LLC.); Nanette Cummings - N/A	N/A			
				Director - Community Financial Insurance Center, LLC Partner - Twist Monroe, LP			
	Nanette Cummings - Business woman	Principal Securities Holder	N/A	Nanette Cummings - Chief Operating Officer Intermountain Management, LLC Co-Trustee - Betty Jane Dodds Revocable Trust Trustee - Weaver Children's Trusts, A, B, C & D. Trust A - Colby F. Weaver; Trust B - Dewey F. Weaver, III; Trust C - William Graham Weaver; Trust D - Lydia Claire Weaver Trustee - Weaver Irrevocable Insurance Trust Trustee - The Dewey F. Weaver, Jr. 2018 Grantor Trust	0.13%	None	NA

Form FR Y-6
Progressive Bancorp, Inc.
Fiscal Year Ending December 31, 2020

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

(1) Names & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Sue Ellen Cascio Monroe, LA	Homemaker	Principal Securities Holder	N/A	N/A	0.19%	None	NA
Randy Twist (2) Dallas, TX	Real Estate Developer	Principal Securities Holder	N/A		0.12%	None	
				Randy Twist - President/Partner - 157 Frankford, LP			100% 157 Frankford, LP
				Randy Twist - President/Partner - Gallatin TR Investors, LP			90% Gallatin TR investors, LP
				Randy Twist - President/Partner - TM&J, LP			100% TM&J, LP
				Randy Twist - President/Partner - Twist Family, LP			59.61% Twist Family, LP
				Randy Twist - President/Partner - Twist First, LP			100% Twist First, LP
				Randy Twist - President/Partner - Twist Monroe, LP			60% Twist Monroe, LP
				Randy Twist - President/Partner - Twist Realty, LP			100% Twist Realty, LP
				Randy Twist - President/Partner - Youree Park, LP			59.61% Youree Park, LP
				Randy Twist - President/Partner - Landmark TR, LP			100% Landmark TR, LP
				Randy Twist - President/Partner - Twist Cheyenne, LP			100% Twist Cheyenne, LP

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

(1) Names & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Diane Twist (2) Dallas, TX	Homemaker	Principal Securities Holder	N/A	Diane Twist - Trustee Betty Jane Dodds Revocable Trust	0.12%	None	N/A
Dewey F. Weaver, Jr. Monroe, Louisiana	Developer and owner/operator of various hotel and motel properties	Director	Director (Progressive Bank)	See Attached Schedule	4.89%	None	See Attached Schedule
Lydia Weaver Monroe, Louisiana	student	Principal Securities Holder	N/A	N/A	0.12%	None	NA
William G. Weaver Monroe, Louisiana	businessman	Principal Securities Holder	N/A	N/A	0.15%	None	NA
Dewey F. Weaver, III Monroe, Louisiana	manual labor	Principal Securities Holder	N/A	N/A	0.20%	None	NA
Colby Frances Weaver Monroe, Louisiana	businesswoman	Principal Securities Holder	N/A	N/A	0.20%	None	NA
R. Stewart Ewing, Jr. Monroe, Louisiana	businessman	Director	Director (Progressive Bank)	Chief Financial Officer - Intermountain Management, LLC Partner - Palm Investments, LLC; Partner - Palm Investments 2, LLC Partner - Palm Investments 3, LLC Director - Ribbon Communications	1.37%	None	100% 100% 100%
John Stewart Gentry Monroe, Louisiana	businessman	Director	Director (Progressive Bank)	President - New York Hardware & Furniture Co., Inc. Partner - New York Leasing, LLC Partner - Albany Finance, LLC Partner - Richland Farm Partnership President - Nehemiah Housing, Inc.	5.96%	None	43% New York Hardware & Furniture Co., Inc. 50% New York Leasing, LLC 25% Albany Finance, LLC 75% Richland Farm Partnership 33.33% Nehemiah Housing, Inc.

Form FR Y-6
Progressive Bancorp, Inc.
Fiscal Year Ending December 31, 2020

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

(1) Names & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
				Partner - Bayside Investments, LLC			71% Bayside Investments, LLC
				Partner - Pelican Point Beach Club, LLC			50% Pelican Point Beach Club, LLC
Harvey L. Hales, Jr Monroe, Louisiana	Agent - Shelter Insurance Corporation	Director	Director (Progressive Bank)		0.95%	None	
				Manager & Member - Harvey Hales Insurance Agency, LLC			100% Harvey Hales Insurance Agency, LLC
F. Morris Mintz Monroe, Louisiana	businessman	Director; Secretary	Director; Secretary (Progressive Bank)	See Attached Schedule	5.72%	None	See Attached Schedule
James H. Murphy Monroe, Louisiana	N/A	Director	Director (Progressive Bank)	N/A	2.28%	None	
				Partner - Murphy Family Limited Partnership			40% Murphy Family Limited Partnership
				Trustee - Hickman Family Trust			100% Hickman Family Trust
				Partner - Atlantic Crossings, LLC			50% Atlantic Crossings, LLC
				Partner - Murco Properties, LLC			100% Murco Properties, LLC
Dale O. Williams Monroe, Louisiana	N/A	Director, Vice Chairman	Director, Vice Chairman (Progressive Bank)	N/A	2.73%	None	NA
David Hampton Monroe, Louisiana	banker	President, Chief Operating Officer, Assistant Secretary	President, Chief Operating Officer, Assistant Secretary, and Director (Progressive Bank)		2.61%	None	N/A
			President (Progressive Financial Advisors, LLC)				
			Manager - HCPBDI, LLC				
				Director/President - Cross Slough Hunting Club, Inc.			100% Cross Slough Hunting Club, Inc.
				Member - Tiger Bayou Land, LLC			50% Tiger Bayou Land, LLC
				Trustee - University of Louisiana at Monroe Foundation Board of Trustees			

Form FR Y-6
Progressive Bancorp, Inc.
Fiscal Year Ending December 31, 2020

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

(1) Names & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Michele W. Thaxton Monroe, Louisiana	banker	Executive Vice President & Chief Financial Officer	Executive Vice President, Chief Financial Officer, Cashier, Director of Bank Operations, Chief Information Security Officer & BSA Oversight Officer (Progressive Bank) Chief Financial Officer (Progressive Financial Advisors, L.L.C.) Manager - HCPBDI, LLC	N/A	1.63%	None	NA

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

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

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

☒ **YES** – See below supplemental list

DEWEY F. WEAVER, JR.

(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Managing Member - Airport, LLC	25.00%
Managing Member - Albuquerque Hospitality, LLC	45.00%
Managing Member - Alexandria Lodging, LLC	25.00%
Managing Member - Armand Warehouse, LLC	100.00%
Managing Member - Billings Hospitality, LLC	58.66%
Managing Member - Brazos Hotel Management, LLC	33.33%
Managing Partner - Brazos Hotel Partners, LTD	33.30%
Managing Member - BW Hotels, LLC	99.00%
Managing Member - Casa Grande Hospitality, L.L.C	95.00%
Managing Member - Chandler Hospitality, L.L.C	95.00%
Managing Member - Columbia Hospitality, LLC	66.66%
Managing Member - D&G Enterprises of Ouachita Parish, LLC	100.00%
Managing Member - Develotel Omaha, LLC	50.00%
Managing Member - District Hotel Group, LLC	35.00%
Managing Member - Eagle-Meridian Lodging, LLC	31.68%
Managing Member - East Houston Hospitality, LLC	50.00%
Member - El Centro Hospitality #2, LLC	30.00%
Managing Member - Forbes Hotels, LLC	85.00%
Managing Member - FWB Partners, LLC	40.00%
Managing Member - Greenwood County, LLC	100.00%
Managing Member - Harmony Mezz, LLC	33.33%
Managing Member - Harvard, LLC	100.00%
Managing Member - Highland Ranch Hospitality, LLC	31.66%
Managing Member - IMM-ICH, LLC	100.00%
Managing Member - IMM PAYROLL, L.L.C	99.00%
Managing Member - InterMountain Management, LLC	100.00%
Managing Member - Issaquah Hospitality, LLC	40.00%

(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Managing Member - Jasmine C-I, LLC	99.00%
Managing Member - Julyn, LLC	50.00%
Managing Member - Lafayette Lodging, LLC	99.00%
Managing Member - Lake Charles Hotel Resort Group, LLC	37.50%
Managing Member - Lakeland Lodging, LLC	31.66%
Managing Member - Lakewood Hospitality, LLC	95.00%
Managing Member - Lakewood Hospitality #2, LLC	95.00%
Managing Member - Lawton Hotels, LLC	99.00%
Managing Member - Lawton Lodging, LLC	100.00%
Managing Member - Legacy Lodging Beverage Company, LLC	99.00%
Managing Member - Legacy Lodging, LLC	95.00%
Managing Member - Lexington Hospitality, LLC	45.00%
Managing Member - LJ Hotels, LLC	50.00%
Managing Member - Loveland Hospitality, LLC	47.50%
Managing Member - Madison Lodging, LLC	50.00%
Managing Member - Montrose Interests, LLC	100.00%
Managing Member - Moore Hotels, LLC	50.00%
Managing Member - MTW Hotels, LLC	33.00%
Managing Member - MW Hotels, LLC	50.00%
Managing Member - Nampa Hospitality, LLC	45.00%
Managing Member - Olympia Lodging, LLC	99.00%
Managing Member - Orlando Condo, LLC	100.00%
Managing Member - Palm Desert Mezz, LLC	25.00%
Managing Member - Panama City Condo, LLC	100.00%
Managing Member - PCB Partners, LLC	35.00%
Managing Member - Prien Lake Hospitality, LLC	33.33%
Managing Member - Pullman Lodging, LLC	45.00%
Managing Member - Reno Airport Mezz, LLC	33.33%
Managing Member - Reno Hospitality Mezz, LLC	33.33%
Managing Member - Richland Hospitality, LLC	47.50%
Managing Member - St. Louis Partners, LLC	82.86%
Managing Member - San Luis Obispo Hospitality, LLC	30.00%
Managing Member - Scottsdale Inns, LLC	25.00%
Managing Member - Seacrest Beach Home, LLC	100.00%
Managing Member - SLO Lodging, LLC	45.00%
Managing Member - Sonterra Hotel Investors, LLC	99.00%
Managing Member - Stemmons Hospitality, LLC	40.00%
Managing Member - Sunnyvale Hospitality, LLC	32.50%

(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Managing Member - Tampa Hospitality, LLC	45.00%
Managing Member - Tower Hotels, LLC	99.00%
Managing Member -Tower Hospitality, LLC	99.00%
Managing Member - TPS Fandango, LLC	45.00%
President - TPS Fayetteville, Inc.	100.00%
Managing Member - Tukwila Hospitality, LLC	57.49%
Managing Member - University Hospitality, LLC	33.33%
Managing Member - WIM-FWB Investors, LLC	50.00%
Managing Member - WIM-FWB Investors #2, LLC	50.00%
Managing Member - WIM-SLT CY, LLC	50.00%
Managing Member - WIM-SWV CY, LLC	50.00%
Managing Member - WIM-SWV RI, LLC	50.00%
Managing Member - WIM-WDM Investors, LLC	45.00%
Managing Member - Yellowstone Hotels, LLC	99.00%

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

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

Signature

3/29/21
Date

Response to (4)(c):

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

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

☒ **YES** – See below supplemental list

MORRIS F. MINTZ	
3(c) Title& Position with Other Businesses (include names of other businesses)	(4)(c) List names of other companies (includes partnerships but not LLC's) if 25% or more of voting securities are held (List names of companies and percentage of voting securites held)
Limited Partner 4618 World Pkwy, LTd	NA
Limited Partner Bellaire Bissonenet, Ltd	NA
Manager and POA of Partners Bourbon & St. Louis Realty Company (A General Partnership)	100% (Power of Attorney)
Partner via LLC Brickhaven Apartments, LP	NA
Manager and Member via LLC CMS Apartments, LLC	100% via LLC and Trusts
Manager and Member via LLC CMS PE Fund I, LLC	100% via LLC and Trusts
Manager and Member via LLC CMS PE Fund II, LLC	100% via LLC and Trusts
Manager and Member via LLC CMS PE Fund III, LLC	100% via LLC and Trusts
Manager and Member via LLC CMS PE Fund IV, LLC	100% via LLC and Trusts
Member and Manager Colorado Development Partners, L.L.C.	32%
Limited Partner via LLC DD Bossier, LP	NA
Control the Member and Manager Ferndock, LLC	100% via LLC
Limited Partner Fry & Clay Venture (Ptnershp)	NA
(Director of SCM, which holds a controlling interest) Gramin, LLC	NA
Director, Member and Officer Gulf Inland, LLC	24% via individual and Trustee
Director, Member and Officer Gulf South Warehouse, LLC	36% Individual and as Trustee
Limited Partner via IRA Gulliver Structured Credit L.P.	NA
Limited Partner via IRA GulliverOne Limited Partnership	NA
POA of Partners Hurwitz Mintz Realty Company (A General Partnership)	100% (Power of Attorney)
Limited Partner Hwy 6 Venture 2019 (Ptnshp)	NA
Director, Member and Officer Jean and Saul A. Mintz Family Foundation	NA
Director, Member and Officer Jean and Saul A. Mintz Foundation	NA
Manager KMM Northshore, LLC	85%
Limited Partner and Manager of General Partner Londonderry, LP	33% LP Interest

Director and Officer Loucon, LLC	NA
Director Louisiana Companies	NA
Limited Partner via LLC Louisiana Fund II, LP	NA
Director, Secretary, Custodian of Records Louisianians for American Security Political Action Committee (LASPAC)	NA
Director, Member and Officer MCS Two, LLC	33%
Manager MFM Apartment Homes II, LLC	40%
Sole Member and Manager MFM Holdings I, LLC	100%
Member MFM Investment Management, LLC	100%
Partner MG2 Partnership (A General Partnership)	74% Individually, through various entities, Trustee
Director Mintz-Free Gulliver, LLC	50% as Director of and Trustee for sole owner of Strauss Interests, LLC
Manager and Officer Mintz Group, LLC	100% Trustee and Manager
Member and Director via MMK Mgt. Corp. Mintz Holdings, LLC	51% Individually, through various entities, Trustee
Member and Director via MMK Mgt. Corp. Mintz PE Fund I, LLC	74.25% through various entities, Trustee and POA
Member and Director via MMK Mgt. Corp. Mintz PE Fund II, LLC	71.46%through various entities, Trustee and POA
Member and Director via MMK Mgt. Corp. Mintz PE Fund III, LLC	72.02% through various entities, Trustee and POA
Member and Director via MMK Mgt. Corp. Mintz PE Fund IV, LLC	71.25% through various entities, Trustee and POA
Member and Director via MMK Mgt. Corp. Mintz PE Fund IX, LLC	57.45% through various entities, Trustee and POA
Member and Director via MMK Mgt. Corp. Mintz PE Fund V, LLC	71.25%through various entities, Trustee and POA
Member and Director via MMK Mgt. Corp. Mintz PE Fund VI, LLC	53.57 through various entities, Trustee and POA
Member and Director via MMK Mgt. Corp. Mintz PE Fund VII, LLC	60.68% through various entities, Trustee and POA
Member and Director via MMK Mgt. Corp. Mintz PE Fund VIII, LLC	55.31%through various entities, Trustee and POA
Member and Director via MMK Mgt. Corp. Mintz PE Fund X, LLC	38% through various entities, Trustee and POA
Director, Shareholder and Officer MMK Management Corp	33%
Manager MOGO Bourbon & St. Louis, LLC	NA
Manager MOGO, LLC	NA
Director and Vice Chair Museum of the Southern Jewish Experience	33% of Authorized Executive Committee
Limited Partner MWM Fund II, LTD	37%
Limited Partner MWM Fund III, LTD	31%
Limited Partner MWM Fund IV, LTD	30%
Limited Partner MWM Fund V, LTD	31%
Limited Partner MWM Fund VI, LTD	36%
Limited Partner MWM Fund VII, LTD	39%
Member via LLC and Manager Nifty Angel Partners, LLC	63.33% via LLC, POA and Trustee

Director, Member and Officer Northgate Development, LLC	33.34 Individual and Trustee
Director, Member and Officer Panther II, LLC	52% Individual, and Trustee
Director, Member and Officer PTWO, LLC	60% Invididual and via POA
Member as Trustee for JSMintz Rev. Living Trust SA Mintz, LLC	100% as Trustee
Member Sally Properties, LLC	50%
Director, Member and Officer SCM, LLC	59% Individually and a Trustee
Member Scottsdale Inns, LLC	25%
Member Sealy Ashley Ridge, LLC	NA
Member Individually and as Director of SCM Sealy Heart of Bossier, LLC	47% Individually and as Director of SCM
Limited Partner Sealy Heatherwilde, LP	42% Individually, via LLC and as Trustee
Limited Partner via LLC Sealy Industrial Partners, LP	NA
Limited Partner Sealy Strategic Equity Partners, LP	NA
Limited Partner via LLC SFA Boston 2016, LP	NA
Limited Partner via LLC SFA Boston 2017, LP	NA
Member via LLC Solis Holdings, LLC	50%
Managing Director and Trustee for sole member Strauss Interests, LLC	100% as Trustee
Director and Officer Strauss Properties, LLC	NA
Director and Officer Strauss Tallulah, LLC	NA
Partner Tommo Partnership	57%
Member Totomo, LLC	46%
Co-Trustee Alexandra Rose Mann Trust	50% as Trustee
Co-Trustee Carolyn Mintz Kaplan 1995 Family Trusts	50% as Trustee
Trustee Clifford Strauss Mintz Grantor Trust	100% as Trustee
Co-Trustee Glynn Rose Kaplan 1991 Trust	50% as Trustee
Co-Trustee Isabelle Nicole Mann Trust	50% as Trustee
Co-Trustee Jack Mintz Kaplan 1996 Trust	50% as Trustee
Trustee Jean Strauss Mintz Revocable Living Trust	100% as Trustee
Co-Trustee Layne Michal Kaplan 1991 Trust	50% as Trustee
Trustee Mark A Mintz Grantor Trust	100% as Trustee
Trustee and Primary Beneficiary MFM 2012 STIRS Trust	100% as Trustee
Trustee and Primary Beneficiary Morris F. Mintz 2012 Family Trust	100% as Trustee
Trustee and Primary Beneficiary Morris F. Mintz 2014Family Trust	100% as Trustee
Co-Trustee Sally Mintz Mann 1995 Family Trusts	50% as Trustee
Co-Trustee Sally Mintz Mann Children's Class Trust	50% as Trustee
Trustee Sarah Gail Mintz 2014 Grantor Trust	100% as Trustee
Co-Trustee Saul A. Mintz Children's Trust No.2	50% as Trustee
Co-Trustee Saul A. Mintz Children's Trust	50% as Trustee
Co-Trustee SMM-AEM 2010 Trust	50% as Trustee
Co-Trustee The Carolyn Kaplan 2008 Family Trust	50% as Trustee
Co-Trustee The Carolyn M. Kaplan Children's Class Trust	50% as Trustee
Co-Trustee The Carolyn M. Kaplan Children's Class Trust	50% as Trustee
Co-Trustee The Georgia Caryn Mann Trust	50% as Trustee
Co-Trustee The Strauss Edward Mann Trust	50% as Trustee

Cummings Family Control Group

Progressive Bancorp, Inc. - As of December 31, 2020 for FR Y-6 Report

Full Name of Each Acquirer or Transferee	Number of Shares Per Class of Securities Now Owned, Controlled, or Held	Number of Shares Per Class of Securities to be Purchased by or Transferred to the Acquirer or Transferee	Number of Shares Per Class of Securities after Completion of Acquisition	
George & Nanette Cummings incl IRAs (Monroe, LA)	35,300			10.72%
Twist Family LP** (Dallas, TX)	550			0.12%
Dewey F. Weaver Jr. (Monroe, LA)	22,929			4.89%
Lydia Weaver (Monroe, LA)	571			0.12%
William G Weaver (Monroe, LA)	700			0.15%
Dewey F. Weaver III (Monroe, LA)	940			0.20%
Colby Weaver Walker (Monroe, LA)	926			0.20%
Sue Ellen Cummings Cascio	908			0.19%
SUBTOTAL:	**62,824**			
Vested Options for George W. Cummings, III	16,736			
Unvested Options for George W. Cummings III	-			
TOTAL:	**79,560**			
Total as % of Shares Outstanding Per Class of Securities	**16.39%**			
(calculation of percentage - 79560/(468656 +16736)	16.39%			

Mr. George W. Cummings, Jr. passed May 19, 2019

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