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, 616, 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.

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.

John Gilliam
Name of the Holding Company Director and Official
President / Director
Title of the Holding Company Director and Official

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

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

__________________________
Signature of Holding Company Director and Official
03/30/2018
Date of Signature

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

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

For Federal Reserve Bank Use Only

RSSD ID: ____________________________
C.I.: ____________________________

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.

Date of Report (top-tier holding company's fiscal year-end):
December 31, 2017
Month / Day / Year

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

N/A
Report's Name, Street, and Mailing Address

Valley Mills Financial Corporation
Legal Title of Holding Company

P. O. Box 278
(Mailing Address of the Holding Company) Street / P.O. Box

Valley Mills
City
TX
State
76689
Zip Code

418 Avenue C, Valley Mills, TX 76689
Physical Location (If different from mailing address)

Person to whom questions about this report should be directed.

Name
Jerry White
Title
Secretary

254-932-5345
Area Code / Phone Number / Extension

254-932-5208
Area Code / Fax Number

jerry@fnbbosque.com
E-mail Address

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

Is confidential treatment requested for any portion of this report submission? ____________________________

☐ Yes ☐ No

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

1. a letter justifying this request is being provided along with the report ____________________________

☐ Yes ☐ No

2. a letter justifying this request has been provided separately ____________________________

☐ Yes ☐ No

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 1.5 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.

03/2018
Valley Mills Financial Corporation  
P.O. Box 278  
Valley Mills, Texas 76689 

Federal Reserve Bank  
FR Y-6 Report 

December 31, 2017 

Report Item – 1:  
None 

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

100% ownership in the following 

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

No LEI is available for either organization 

Report Item – 2b:  
E-Mailed & Attached 

Report Item – 3:  
Attached 

Report Item – 4:  
Attached 

Valley Mills Financial Corporation 

[Signature] 

John Gilliam, President / Director
## Valley Mills Financial Corporation

418 Avenue C  
Valley Mills, Texas 76689

Form FR Y-6  
Fiscal Year Ending December 31, 2017

### Report Item 3: Securities Holders

<table>
<thead>
<tr>
<th>Current Securities Holders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12-31-20XX</th>
<th>Securities Holders not listed in 3(1)(a) through (3)(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12-31-20XX</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)(a) Name &amp; Address (City, State, Country)</td>
<td>(1)(b) Country of Citizenship or Incorporation</td>
</tr>
</tbody>
</table>
| John Gilliam  
Valley Mills, Texas 76689 | US | 26,058 shares 69.69% | N/A | |
| Micah Boles  
Valley Mills, Texas 76689 | US | 2,758 shares 7.37% | | |
| Jennifer Boles  
Valley Mills, Texas 76689 | US | 2,758 shares 7.37% | | |
### Valley Mills Financial Corporation
418 Avenue C
Valley Mills, Texas 76689

**Form FR Y-6**
Fiscal Year Ending December 31, 2017

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

<table>
<thead>
<tr>
<th>Names &amp; Address (City, State, Country)</th>
<th>Principal Occupation if other than with holding company</th>
<th>Title &amp; Position with Subsidiaries (include names of subsidiaries)</th>
<th>Title &amp; Position with Other Businesses (include names of other businesses)</th>
<th>Percentage of Voting Securities in holding company</th>
<th>Percentage of Voting Securities in Subsidiaries (include names of voting securities held)</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Gilliam</td>
<td>Banking</td>
<td>President</td>
<td>First National Bank of Bosque County Vice Chairman Director</td>
<td>None</td>
<td>69.69%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Director</td>
<td></td>
<td></td>
<td>None</td>
</tr>
<tr>
<td>Allison Gilliam</td>
<td>N/A</td>
<td>Director</td>
<td>First National Bank of Bosque County Director</td>
<td>None</td>
<td>2.67%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>None</td>
</tr>
<tr>
<td>Micah Boles</td>
<td>Banking</td>
<td>Director</td>
<td>First National Bank of Bosque County President / CEO Director</td>
<td>None</td>
<td>7.37%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>None</td>
</tr>
<tr>
<td>Jennifer Boles</td>
<td>Banking</td>
<td>Director</td>
<td>First National Bank of Bosque County Vice President Director</td>
<td>None</td>
<td>7.37%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>None</td>
</tr>
<tr>
<td>Mark Gibson</td>
<td>Banking</td>
<td>Director</td>
<td>First National Bank of Bosque County Chairman Director</td>
<td>None</td>
<td>1.34%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>None</td>
</tr>
</tbody>
</table>
Results: A list of branches for your depository institution: FIRST NATIONAL BANK OF BOISQUE COUNTY (ID: IDSSO: 198951).
The depository institution is held by VALLEYS MILLS FINANCIAL CORPORATION: (ID: IDSSO: 198951) of VALLEYS MILLS, TX.
The data are as of 06/30/2017. Data reflects information that was received and processed through 01/04/2018.

Reconciliation and Verification Steps:
1. In the Date 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, reenter the correct information in the Data Action column and the date when this information becomes 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 nonexistent 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.

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 email.

Note:
To satisfy the FR 19-10 reporting requirements, you must also submit FR 19-10 Domestic Branch Schedules for each branch with a Data Action of Change, Close, Delete, or Add.
The FR 19-10 report may be submitted in a hardcopy format or via the FR 19-10 Online application: https://FRBOnLinelr.FederalReserve.gov.

* FID/UNIT/Office Number, and ID: IDSSO columns are for reference only. Verification of these values is not required.

<table>
<thead>
<tr>
<th>Data Action</th>
<th>Effective Date</th>
<th>Branch Service Type</th>
<th>Branch ID: IDSSO</th>
<th>Popular Name</th>
<th>Street Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>County</th>
<th>Country</th>
<th>FDIC UNIT/Office Number</th>
<th>Office Number</th>
<th>Head Office</th>
<th>Head Office ID: IDSSO</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Service</td>
<td>2018-01-01</td>
<td>Full Service</td>
<td>1258 NORTH AVENUE C</td>
<td>Valley Mills</td>
<td>TX</td>
<td>76689</td>
<td>Bosque</td>
<td>United States</td>
<td>Not Required</td>
<td>Not Required</td>
<td>FIRST NATIONAL BANK OF BOISQUE COUNTY</td>
<td></td>
<td>198951</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>