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, Ronnie L. Darden
Name of the Holding Company Director and Official

President & CEO
Title of the Holding Company Director and Official

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

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

X Ronnie L Darden
Signature of Holding Company Director and Official

03/27/2018
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, 2017
Month / Day / Year

549300DOQN3O7NL3CA31
Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address

Homeland Bancshares, Inc.
Legal Title of Holding Company

P O Box 250
(Mailing Address of the Holding Company) Street / P.O. Box

City	State	Zip Code
Columbia	LA	71418

7840 Hwy 165 S, Columbia, LA
Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Name	Title
Julie Darden	CFO

318-649-6124
Area Code / Phone Number / Extension

318-649-6167
Area Code / FAX Number

jdarden@homelandfsbank.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.

For Use By Tiered Holding Companies

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

N/A
Legal Title of Subsidiary Holding Company

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

City State Zip Code

Physical Location (if different from mailing address)

N/A
Legal Title of Subsidiary Holding Company

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

City State Zip Code

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City State Zip Code

Physical Location (if different from mailing address)

Form FR Y-6

Homeland Bancshares, Inc.

Columbia, LA

Fiscal Year Ending December 31, 2017

Report Item

1: The savings and loan holding company prepares an annual report for its stockholders and is not registered with the SEC. A copy of the Annual Report is enclosed.

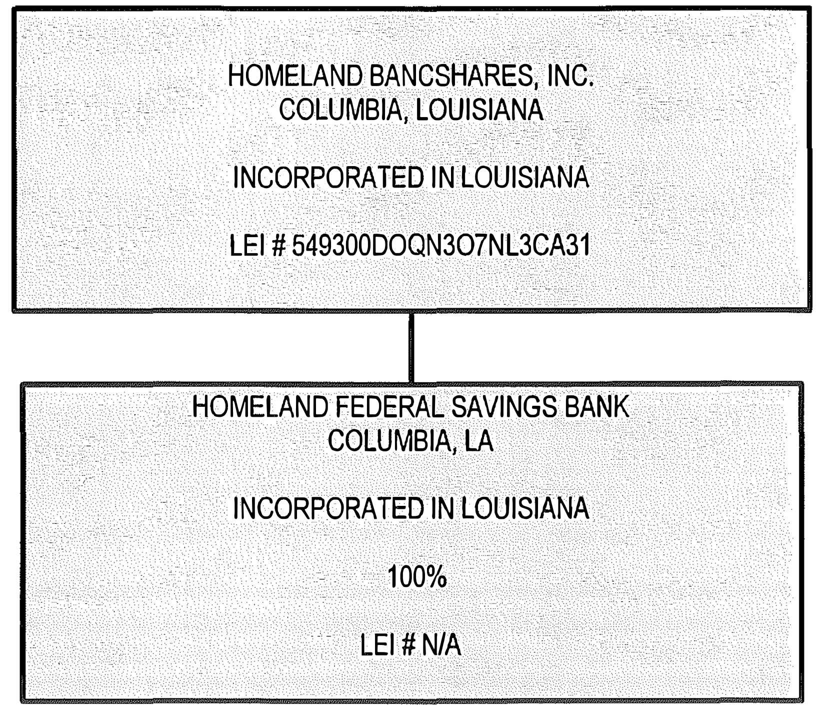
2a: Organizational Chart is attached.

2b: Domestic branch listing is attached.

3: List of Security Holders Attached

4: List of Insiders Attached

Organizational Chart Structure



Results: A list of branches for your holding company: HOMELAND BANCSHARES, INC. (3816547) of COLUMBIA, LA.
The data are as of 12/31/2017. Data reflects information that was received and processed through 01/04/2018.

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)	251978	HOMELAND FEDERAL SAVINGS BANK	7840 U.S. HIGHWAY 165	COLUMBIA	LA	71418	CALDWELL	UNITED STATES	Not Required	Not Required	HOMELAND FEDERAL SAVINGS BANK	251978	
OK		Full Service	4164973	JENA BRANCH	3491 SOUTH FIRST STREET	JENA	LA	71342	LA SALLE	UNITED STATES	Not Required	Not Required	HOMELAND FEDERAL SAVINGS BANK	251978	
OK		Full Service	5006548	MONROE TOWER DRIVE BRANCH	2591 TOWER DRIVE	MONROE	LA	71201	OUACHITA	UNITED STATES	Not Required	Not Required	HOMELAND FEDERAL SAVINGS BANK	251978	
OK		Full Service	5140853	WEST MONROE LA BRANCH	2103 NORTH 7TH STREET	WEST MONROE	LA	71291	OUACHITA	UNITED STATES	Not Required	Not Required	HOMELAND FEDERAL SAVINGS BANK	251978	

Form FR Y-6

HOMELAND BANCSHARES, INC.

Fiscal Year Ending December 31, 2017

Report Item 3: Security holders

Current shareholders with ownership, control or holdings of 5% or more with power to vote as of the fiscal year ending 12-31-2017.

(1)(a) Name City, State, Country	(1)(b) Country of Citizenship or Incorporation	(1)(c) Number and Percentage of Each Class of Voting Shares
Robert Causey Monroe, LA USA	USA	19,435 – 11% Common Stock
Ronnie Darden Columbia, LA USA	USA	12,500 – 8% Common Stock
Randy Hatten Columbia, LA USA	USA	15,567 – 9% Common stock
Merton Elgin McFadden Columbia, LA USA	USA	11,415 – 7% Common Stock
Paul Wilkins Columbia, LA USA	USA	8,681 – 5% Common Stock

Report Item 3(2): Shareholders not listed in Item 3(1) who owned or controlled 5% or more of any class of voting securities in the holding company during the fiscal year.

N/A

Form FR Y-6

HOMELAND BANCSHARES, INC.

Fiscal Year Ending December 31, 2017

Report Item 4: Insiders

(1) Name, City State, Country	(2) Principal Occupation if other than with Holding Co	(3)(a) Title & Position with Holding Company	(3)(b) Title & Position with Subsidiaries (Include names of Subsidiaries)	(3)(c) Title & Polition with other Businesses (include names of other businesses)	(4)(a) Percent age of Voting Shares in Holding Co.	(4)(b) Percentage of Voting Shares in Subsidiaries (include names of Subsidiaries)	(4)(c) List names of other companies if 25% or more of voting securities are held
Lelon Kenney Columbia, LA USA	Farming	Director & Chairman	Chairman of the Board of Subsidiary, Homeland Federal Savings Bank	N/A	2%	N/A	N/A
Ronnie Darden Columbia, LA USA	N/A	Director & President	President& CEO of Subsidiary, Homeland Federal Savings Bank	N/A	8%	N/A	N/A
Robert Causey Monroe, LA USA	Nursing Home Owner	Director	Director of Subsidiary, Homeland Federal Savings Bank	N/A	11%	N/A	N/A
Julie Darden Columbia, LA USA	N/A	Secretary & Treasurer	Treasurer & CFO, Homeland Federal Savings Bank	N/A	None	N/A	N/A

2017 ANNUAL REPORT

HOMELAND BANK

Building our Family, one customer at a time.

WWW.HOMELANDFSBANK.COM

HOMELAND FEDERAL SAVINGS BANK

A WHOLLY-OWNED SUBSIDIARY OF

HOMELAND BANCSHARES, INC.

Columbia, Louisiana

FDIC

EQUAL HOUSING LENDER

HOMELAND BANK

March 19, 2018

Dear Stockholder:

On behalf of the Board of Directors of Homeland Bank and Homeland Bancshares, Inc., I am pleased to take this opportunity to communicate with each of you. It remains an honor to be able to work with the bank, its board and staff. Without you, the stockholders, none of this would have been possible. Thank you for your continued support.

Last year was another big year for the bank. The West Monroe branch is fully operational and serving that community. This gives the bank four strategic locations throughout our market. As your chairman, I am proud to report another year of great growth and strong earnings. The bank has some great staff at all locations serving our community.

The bank continues to hold to its community bank roots with an emphasis on excellent customer service. We ask that you continue to use our bank services and facilities. With your continued support we know that 2018 will be another great year for Homeland Bank. God bless each one of you this year.

Sincerely,
Lelon Kenney
Chairman

P.O. Box 250 - Columbia, Louisiana 71418 - (318) 649-6124 - Fax (318) 649-6167

A MESSAGE form RONNIE DARDEN, PRESIDENT

The economy in 2017 has shown some signs of improvement. Employment is at a 30 year low and the national economy has shown some growth. Interest rates have started to rise in 2017 and the markets are expecting three more rate increases in 2018. The local economy has been driven by a strong real estate market in the Monroe and West Monroe area. The oil prices have appeared to stabilize in the $60.00 per barrel range. Most effected oil field workers have gone back to work in the industry. The states budgetary concerns still loom large over our state.

The bank had another strong year in 2017. We opened our West Monroe branch and are very excited about our opportunities in that community. Loan growth increased and the bank saw a 16% increase in asset growth over the previous year. Due to the extended low rate environment, margins have continued to tighten for banks. As we see this turning, the bank is well positioned to take advantage of a rising rate environment going forward. The bank has continued to see strong earnings even with all the growth we have generated.

Banks still face many challenges. Regulation continues to be one of the most costly concerns we face. Washington appears to be ready to face this problem this year and roll back some of the Dodd Frank regulation. Cyber security is another costly issue facing banks. Banks are attacked daily from all over the world. Advancing technologies and employee training have helped us face these challenges and make sure that customer information is secure.

Our current financial position is strong and healthy. We continue to rank high compared to our peers both locally and national. Homeland Bank's board and management are proud of this record of success. With your continued support and prudent management the bank is looking forward to a very successful 2018.

Ronnie L. Darden, President

HOMELAND BANCSHARES, INC. AND SUBSIDIARY

Financial Statements
December 31, 2017 and 2016

CAMERON, HINES & COMPANY, (A Professional Accounting Corporation) West Monroe, Louisiana
Certified Public Accountants

HOMELAND BANCSHARES, INC. AND SUBSIDIARY

DECEMBER 31, 2017 AND 2016

INDEX

ADDITIONAL INFORMATION

CAMERON, HINES & COMPANY
(A Professional Accounting Corporation)
Certified Public Accountants
104 Regency Place
West Monroe, Louisiana 71291

Mailing Address:
P. O. Box 2474
West Monroe, LA 71294-2474

Phone (318) 323-1717
Fax (318) 322-5121

INDEPENDENT AUDITORS' REPORT

Board of Directors
Homeland Bancshares, Inc.
Columbia, Louisiana

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Homeland Bancshares, Inc. and Subsidiary, which comprise the consolidated balance sheets as of December 31, 2017 and 2016, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose for 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 the accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Board of Directors
Homeland Bancshares, Inc.
Columbia, Louisiana
Page 2

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Homeland Bancshares, Inc. and Subsidiary, as of December 31, 2017 and 2016, 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.

Report on Consolidating Information in Schedules I and II and Supplemental Data

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information in Schedules 1 and 2 and the Supplemental Data are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and it 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 consolidating information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
March 12, 2018

HOMELAND BANCSHARES, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

	December 31, 2017	December 31, 2016
ASSETS		
Cash and Cash Equivalents (Note 2)	$ 9,162,696	$ 9,942,302
Time Deposits in Banks	3,178,258	3,173,134
Investment Securities Available for Sale (Note 3)	2,805,665	2,184,191
Investment Securities Held to Maturity (Note 3)	11,659,783	8,299,205
Mortgage-Backed and Related Securities Available for Sale (Note 4)	117,501	152,691
Mortgage-Backed and Related Securities Held to Maturity (Note 4)	307,693	409,873
Loans Receivable, Net (Note 5)	200,781,380	166,907,231
Accrued Interest Receivable (Note 6)	1,086,010	1,053,672
Foreclosed Real Estate	1,194,532	900,990
Premises and Equipment (Note 7)	9,160,557	8,522,532
Federal Home Loan Bank Stock	1,248,300	1,228,400
First National Bankers Bank Stock	500,000	500,000
Bankers Insurance Center, LLC	405,362	404,582
Cash Value - Life Insurance	4,054,269	3,958,341
Other Assets	349,226	270,201
TOTAL ASSETS	$ 246,011,232	$ 207,907,345
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Deposits (Note 8)	$ 187,219,661	$ 154,664,592
Borrowed Funds (Note 20)	26,500,000	25,000,000
Other Liabilities	7,113,399	5,039,847
Total Liabilities	220,833,060	184,704,439
Stockholders' Equity		
Common Stock ($1 par value; 1,000,000 shares authorized; 188,129 shares issued and 163,330 shares outstanding)	188,129	188,129
Additional Paid-In Capital	6,840,448	6,840,448
Retained Earnings	21,261,310	19,269,498
Treasury Stock at Cost	(3,103,788)	(3,103,788)
Accumulated Other Comprehensive Income (Loss)	(7,927)	8,619
Total Stockholders' Equity	25,178,172	23,202,906
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 246,011,232	$ 207,907,345

The accompanying notes are an integral part of these consolidated statements.

HOMELAND BANCSHARES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
Interest Income		
Loans Receivable:		
First Mortgage Loans	$ 7,627,379	$ 6,487,325
Consumer and Other Loans	3,267,147	3,150,050
Investment Securities	415,960	367,675
Mortgage-Backed and Related Securities	13,460	15,923
Other Interest Earning Assets	103,564	69,729
Total Interest Income	11,427,510	10,090,702
Interest Expense		
Deposits (Note 8)	1,491,459	1,196,490
Other Borrowings	299,704	177,671
Total Interest Expense	1,791,163	1,374,161
Net Interest Income	9,636,347	8,716,541
Provision for Loan Losses	100,000	460,000
Net Interest Income after Provision for Loan Losses	9,536,347	8,256,541
Noninterest Income		
Loan Origination and Commitment Fees	1,017,777	828,607
Service Charges on NOW Accounts and MMDA's	1,447,717	1,210,125
Other (Note 10)	1,166,279	1,235,124
Total Noninterest Income	3,631,773	3,273,856
Noninterest Expense		
General and Administrative Expenses:		
Salaries and Fringe Benefits	5,235,118	4,582,642
Office Operating Expenses	1,521,955	1,303,068
Outside Services	1,081,176	757,635
Insurance Expense	194,643	211,153
Depreciation	414,175	327,433
Advertising	386,229	200,434
Bank Service Charge	35,802	35,224
Other (Note 10)	788,988	537,575
Real Estate Owned Expenses, Net	66,368	81,501
Total Noninterest Expense	9,724,454	8,036,665
NET INCOME	$ 3,443,666	$ 3,493,732
Net Income Per Share of Common Stock	$ 21.08	$ 21.39
Average Shares Outstanding	163,330	163,358

The accompanying notes are an integral part of these consolidated statements.

HOMELAND BANCSHARES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
Net Income	$ 3,443,666	$ 3,493,732
Other Comprehensive Income:		
Unrealized gains on securities available for sale:		
Unrealized holding gains (losses) arising during the period	(16,546)	(9,267)
Total Comprehensive Income	$ 3,427,120	$ 3,484,465

The accompanying notes are an integral part of these consolidated statements.

HOMELAND BANCSHARES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	Total Stockholders' Equity	Comprehensive Income	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Common Stock	Additional Paid-In Capital	Treasury Stock
Balance - December 31, 2015	$ 21,186,582		$ 17,212,657	$ 17,886	$ 188,129	$ 6,840,448	$ (3,072,538)
Treasury Stock Purchase	(31,250)	-	-	-	-	-	(31,250)
Comprehensive Income							
Net Income	3,493,732	3,493,732	3,493,732	-	-	-	-
Other Comprehensive Income, Unrealized Gain (Loss) on Securities Available for Sale	(9,267)	(9,267)	-	-	-	-	-
Less: Reclassification Adjustment	-	-	-	-	-	-	-
Other Comprehensive Income	-	(9,267)	-	(9,267)	-	-	-
Total Comprehensive Income	-	$ 3,484,465					
Distributions Paid	(1,436,891)		(1,436,891)	-	-	-	-
Balances - December 31, 2016	23,202,906		19,269,498	8,619	188,129	6,840,448	(3,103,788)
Treasury Stock Transactions	-	-	-	-	-	-	-
Comprehensive Income:							
Net Income	3,443,666	3,443,666	3,443,666	-	-	-	-
Other Comprehensive Income, Unrealized Gain (Loss) on Securities Available for Sale	(16,546)	(16,546)	-	-	-	-	-
Less: Reclassification Adjustment	-	-	-	-	-	-	-
Other Comprehensive Income	-	(16,546)	-	(16,546)	-	-	-
Total Comprehensive Income	-	$ 3,427,120					
Distributions Paid	(1,451,854)		(1,451,854)	-	-	-	-
Balances - December 31, 2017	$ 25,178,172		$ 21,261,310	$ (7,927)	$ 188,129	$ 6,840,448	$ (3,103,788)

The accompanying notes are an integral part of these consolidated statements.

HOMELAND BANCSHARES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

		2017		2016
Cash Flows From Operating Activities				
Net Income	$	3,443,666	$	3,493,732
Adjustments to Reconcile Net Income				
to Net Cash Provided by Operating Activities:				
Provisions for Possible Loan Losses		100,000		460,000
Depreciation		414,175		327,433
Amortization of Premium and Discounts				
on Mortgage-Backed Securities and				
Investment Securities		42,626		36,278
FHLB Stock Dividends		(19,900)		(9,700)
Increase in Accrued Interest Receivable		(32,338)		(196,695)
Increase (Decrease) in Other Liabilities		2,073,552		(534,366)
Increase in Life Insurance Value		(95,928)		(105,260)
Increase in Other Assets		(79,025)		(49,346)
Total Adjustments		2,403,162		(71,656)
Net Cash Provided by Operating Activities		5,846,828		3,422,076
Cash Flows From Investing Activities				
Principal Received on Mortgage-Backed Securities		131,147		157,319
Purchases of Mortgage-Backed Securities		-		-
Maturities of Investment Securities		1,870,099		6,176,461
Purchases of Investment Securities		(5,905,100)		(4,859,700)
Increase of Foreclosed Real Estate		(293,542)		(280,237)
Increase in Bankers Insurance Center, LLC		(780)		(11,771)
Increase in Loans Receivable, Net		(33,974,149)		(23,620,489)
Increase in Time Deposits in Banks		(5,124)		(442,084)
Expenditures for Premises and Equipment		(1,052,200)		(2,234,879)
Net Cash Used by Investing Activities		(39,229,649)		(25,115,380)
Cash Flows From Financing Activities				
Net Increase in Deposits		32,555,069		10,825,461
Increase in Borrowings		1,500,000		14,000,000
Treasury Stock Purchases		-		(31,250)
Distributions Paid		(1,451,854)		(1,436,891)
Net Cash Provided by Financing Activities		32,603,215		23,357,320
Net Increase (Decrease) in Cash and Cash Equivalents		(779,606)		1,664,016
Cash and Cash Equivalents at Beginning of Year		9,942,302		8,278,286
CASH AND CASH EQUIVALENTS AT END OF YEAR	$	9,162,696	$	9,942,302

The accompanying notes are an integral part of these consolidated statements.

Note 1 - Summary of Significant Accounting Policies

A. Nature of Operations

Homeland Bancshares, Inc. (the Company) through its wholly-owned subsidiary Homeland Federal Savings Bank, (the Bank) provides a variety of banking services to individuals and businesses. Its primary deposit products are demand deposits and certificates of deposit, and its primary lending products are commercial business, real estate mortgage, and installment loans.

B. 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. Cash Equivalents

Cash equivalents consist of certificates of deposit and funds due from banks. For purposes of the statements of cash flows, the Company considers all highly liquid debt instruments with original maturities of three months or less when purchased to be cash equivalents.

D. Investment Securities

Investment securities are accounted for under the provisions of FASB Accounting Standards Codification No. 320, *Accounting for Certain Investments in Debt and Equity Securities*. This statement addresses the accounting and reporting for investments in equity securities that have readily determinable fair values and for all investments in debt securities.

(1) Securities Held to Maturity

Bonds, notes, and debentures for which the Bank has 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.

(2) Securities Available for Sale

Available-for-sale securities consist of bonds, notes, debentures, and certain equity securities not classified as trading securities nor as held-to-maturity securities.

Unrealized gains and losses, net of tax, on available-for-sale securities are reported as a net amount in a separate component of shareholders' equity until realized.

Gains and losses on the sale of available-for-sale securities are determined using the specific-identification method.

E. Mortgage-Backed and Related Securities

Mortgage-backed and related securities classified as held-to-maturity are stated at unpaid principal balances, adjusted for amortization of premiums and accretion of discounts by the interest method over the estimated remaining life.

Note 1 - Summary of Significant Accounting Policies (Continued)

Mortgage-backed and related securities classified as available-for-sale are accounted for in the same manner as the available-for-sale investment securities described in Note 1D.

F. Loans Held for Sale

Mortgage loans originated and intended for sale in the secondary market are carried at cost. Loans that are sold in the secondary market are assigned to the mortgage company at closing at an agreed upon price, which is the Bank's par value.

G. Loans Receivable

Loans receivable that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at their outstanding unpaid principal balances reduced by allowance for loan losses.

Uncollectible interest on loans that are contractually past due is charged off by a charge to interest income equal to all interest previously accrued, and income is subsequently recognized only to the extent that cash payments are received until, in management's judgment, the borrower's ability to make periodic interest and principal payments is back to normal, in which case the loan is returned to accrual status.

H. Allowance for Loan Losses

The allowance for loan losses is increased by charges to income and decreased by charge-offs (net of recoveries). Management's periodic evaluation of the adequacy of the allowance is based on the Bank's past loan loss experience, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay, the estimated value of any underlying collateral, and current economic conditions.

The allowance for loan losses reflects management's judgment of probable loan losses inherent in the portfolio at the balance sheet date. The Bank uses a disciplined process and methodology to establish the allowance for loan losses each quarter. To determine the total allowance for loan losses, management estimates the reserves needed for each segment of the portfolio, including loans analyzed individually and loans analyzed on a pooled basis. The allowance for loan losses consists of amounts applicable to the auto secured portfolio, the real estate portfolio, the consumer portfolio and the commercial portfolio.

To determine the balance of the allowance account, loans are pooled by portfolio segment and losses are modeled using historical experience and quantitative and other mathematical techniques over the loss emergence period. Management exercises significant judgment in determining the estimation method that fits the credit risk characteristics of each portfolio segment. The Bank uses both internally-developed and vendor-supplied models in this process. Management must use judgment in establishing additional input metrics for the modeling processes.

The establishment of the allowance for loan losses relies on a consistent process that requires multiple layers of management review and judgment and responds to changes in economic conditions, customer behavior, and collateral value, among other influences. From time to time, events or economic factors may affect the loan portfolio, causing management to provide additional amounts to or release balances from the allowance for loan losses. The Bank's allowance for loan losses is sensitive to risk ratings assigned to individually evaluated loans and economic assumptions and delinquency trends. Individual loan risk ratings are evaluated based on each situation by senior credit officers.

Note 1 - Summary of Significant Accounting Policies (Continued)

H. Allowance for Loan Losses (Continued)

Management monitors differences between estimated and actual incurred loan losses. This monitoring process includes periodic assessments by senior management of loan portfolios and the models used to estimate incurred losses in those portfolios. Additions to the allowance for loan losses are made by charges to the provision for loan losses. Credit exposures deemed to be uncollectible are charged against the allowance for loan losses. Recoveries of previously charged off amounts are credited to the allowance for loan losses.

I. Loan Charge-offs

For consumer loans, the Bank generally fully or partially charges down to the fair value of collateral securing the asset when management judges the asset to be uncollectible, repayment is deemed to be protracted beyond reasonable time frames, the asset has been classified as a loss by either the Bank's internal loan review process or external examiners, or the customer has filed bankruptcy and the loss becomes evident due to the lack of assets.

For each segment of the loan portfolio, the Bank's charge-off policies are to review all pertinent information related to the loan such as the borrower's ability to make the required periodic payments with or without a reduction of those periodic payments, the estimated value of any underlying collateral, and if it is an economic condition that is either improving or deteriorating. Management will also review for any bankruptcy filings as well.

J. Troubled Debt Restructurings

In situations where, for economic or legal reasons related to a customer's financial difficulties, the Bank grants a concession for other than an insignificant period of time to the customer that the Bank would not otherwise consider, the related loan is classified as a troubled debt restructuring (TDR). The Bank strives to identify customers in financial difficulty early and work with them to modify to more affordable terms before their loan reaches nonaccrual status. These modified items may include rate reductions, principal forgiveness, payment forbearance and other actions intended to minimize the economic loss and to avoid foreclosure or repossession of the collateral. In cases where the Bank grants a customer new terms that provide for a reduction of either interest or principal, the Bank measures any impairment on the restructuring as previously noted for impaired loans.

The Bank develops a separate allowance for loans that are identified as impaired through a TDR. After a period of time, if the loan is performing under the restructured payment amount, and after review, the Bank believes the status will continue, the loan is moved back into the respective segment or class.

K. Loan-Origination Fees, Commitment Fees, and Related Costs

Loan fees are recognized as current income to the extent that they represent a reimbursement of loan underwriting costs, which are recognized as an expense when incurred. Although, this method is not in accordance with accounting principles generally accepted in the United States of America the difference resulting from this departure is not material to the Bank's financial statements.

Note 1 - Summary of Significant Accounting Policies (Continued)

L. Foreclosed Real Estate and Other Assets Acquired in Settlement of Loans

Real Estate properties and other assets acquired through, or in lieu of, loan foreclosure are initially recorded at the basis in the loan or at estimated fair value, whichever is less, at the date of foreclosure. Costs relating to improvement of the property are capitalized, whereas costs relating to the holding of property are expensed. Valuations are periodically performed by management, and an allowance for losses is established by a charge to operations if the carrying value of a property exceeds its current fair value, less selling costs.

M. Premises and Equipment

Land is carried at cost. Building, land improvements, and furniture, fixtures and equipment are carried at cost less accumulated depreciation. Building, land improvements, and furniture, fixtures and equipment are depreciated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives used to compute depreciation are as follows:

Building	40 Years
Land Improvements	25 Years
Furniture, Fixtures and Equipment	5-12 Years

Expenditures for repairs and maintenance are expensed as incurred; significant betterments are capitalized.

N. Compensated Absences

The policy of Homeland Federal Savings Bank is that employees earn two weeks vacation after one year of service; however, vacation time cannot be accumulated and carried to the next year. Sick leave is accrued at a rate of ten working days per year. It is the Bank's policy not to pay for any unused sick leave upon termination of employment; accordingly, no liability for compensated absences is reflected in the financial statements. At December 31, 2017 and 2016, all employees were directly employed by the Bank.

O. Income Taxes

For the years ending December 31, 2010 and prior, income taxes were provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of available-for-sale securities, premises and equipment and allowance for loan losses for financial and income tax reporting. The deferred tax assets and liabilities represented the future tax return consequences of those differences, which became taxable upon conversion to a subchapter S Corporation.

The Company, with the consent of its shareholders, elected under the Internal Revenue Code to be an S corporation effective January 1, 2011. In lieu of corporation income taxes, the shareholders of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for income taxes has been included in the financial statements. The earliest income tax year that is subject to examination is 2014.

P. Earnings Per Share

Earnings per share have been computed on the basis of the weighted average number of shares of common stock outstanding. The weighted average number of shares outstanding was 163,330 and 163,358 for the years ended December 31, 2017 and 2016, respectively.

Note 1 - Summary of Significant Accounting Policies (Continued)

Q. Fair Value of Financial Instruments

FASB Accounting Standards Codification No. 820, *Disclosures About Fair Value of Financial Instruments,* requires disclosure of fair value information about financial instruments, whether or not recognized in the statement of financial condition. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows.

In that regard, the derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases, could not be realized in immediate settlement of the instruments. Codification No. 820 excludes certain financial instruments and all non-financial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Bank.

The following methods and assumptions were used by the Bank in estimating its fair value disclosures for financial instruments:

(1) Cash and Cash Equivalents

The carrying amounts reported in the balance sheets for cash and cash equivalents approximate their fair value.

(2) Time Deposits

Fair values for time deposits are estimated using a discounted cash flow analysis that applies interest rates currently being offered on certificates to a schedule of aggregated contractual maturities on such time deposits.

(3) Investment Securities (Including Mortgage-Backed Securities)

Fair values for investment securities are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments.

4) Loans

For variable-rate loans that reprice frequently and with no significant change in credit risk, fair values are based on carrying amounts. The fair values for other loans (for example, fixed rate commercial real estate and rental property mortgage loans and commercial and industrial loans) are estimated using discounted cash flow analysis, based on interest rates currently being offered for loans with similar terms to borrowers of similar credit quality. Loan fair value estimates include judgments regarding future expected loss experience and risk characteristics. The carrying amount of accrued interest receivable approximates its fair value.

Note 1 - Summary of Significant Accounting Policies (Continued)

(5) Deposits

The fair values disclosed for demand deposits (for example, interest-bearing checking accounts and passbook accounts) are, by definition, equal to the amount payable on demand at the reporting date (that is, their carrying amounts). The fair values for certificates of deposit are estimated using a discounted cash flow calculation that applies interest rates currently being offered on certificates to a schedule of aggregated contractual maturities on such time deposits. The carrying amount of accrued interest payable approximates fair value.

(6) Borrowed Funds

The carrying amounts of borrowed funds approximate their fair values.

(7) Other Liabilities

The carrying amounts reported in the balance sheets for other liabilities approximate their fair values.

(8) Off-Balance-Sheet Instruments

Fair values for off-balance-sheet lending commitments are based on fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the counterparties' credit standing.

R. 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.

S. Financial Statement Presentation

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. The accompanying financial statements include the accounts of the Company and its subsidiary. Significant intercompany accounts and transactions have been eliminated in consolidation.

T. Advertising Costs

Advertising costs are expensed as incurred.

U. Treasury Stock

Common stock shares repurchased are recorded as treasury stock at cost.

Note 2 - Cash and Cash Equivalents

Cash and cash equivalents consisted of the following at December 31, 2017 and 2016:

	December 31, 2017	December 31, 2016
Cash on Hand and Noninterest-Bearing Deposits	$ 9,162,696	$ 9,942,302
Other Interest-Bearing Deposits	-	-
TOTAL CASH AND CASH EQUIVALENTS	$ 9,162,696	$ 9,942,302

Note 3 - Investment Securities

Investment securities have been classified in the financial statements according to management's intent. The carrying amount of securities and their approximate fair values at December 31 were as follows:

	Amortized Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-Sale Securities - December 31, 2017:				
State and Municipal Securities	$ -	$ -	$ -	$ -
U.S. Government and Agency Securities	2,819,701	-	14,036	2,805,665
	$ 2,819,701	$ -	$ 14,036	$ 2,805,665
Held-to-Maturity Securities - December 31, 2017:				
State and Municipal Securities	$ 4,217,237	$ 43,975	$ -	$ 4,261,212
U.S. Government and Agency Securities	7,442,546	-	39,719	7,402,827
	$ 11,659,783	$ 43,975	$ 39,719	$ 11,664,039

Note 3 - Investment Securities (Continued)

	Amortized Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-Sale Securities - December 31, 2016:				
State and Municipal Securities	$ 445,000	$ 2,394	$ -	$ 447,394
U.S. Government and Agency Securities	1,740,763	-	3,966	1,736,797
	$ 2,185,763	$ 2,394	$ 3,966	$ 2,184,191
Held-to-Maturity Securities - December 31, 2016:				
State and Municipal Securities	$ 4,596,067	$ 71,711	$ -	$ 4,667,778
U.S. Government and Agency Securities	3,703,138	-	5,570	3,697,568
	$ 8,299,205	$ 77,711	$ 5,570	$ 8,365,346

There were no realized gains or losses on sales of available-for-sale securities during the years ended December 31, 2017 or 2016.

The scheduled maturities of investment securities held-to-maturity and securities available-for-sale at December 31, 2017, were as follows:

	Held-to-Maturity Securities		Available-for-Sale Securities	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in One Year or Less	$ 2,838,429	$ 2,834,319	$1,062,624	$1,061,219
Due From One Year to Five Years	5,822,847	5,800,741	1,757,077	1,744,446
Due From Five to Ten Years	1,655,018	1,671,040	-	-
Due After Ten Years	1,343,489	1,357,939	-	-
	$ 11,659,783	$ 11,664,039	$2,819,701	$2,805,665

Assets, principally U.S. Government securities, carried at approximately $11,528,288 at December 31, 2017, were pledged to secure public deposits.

Note 4 - Mortgage-Backed and Related Securities

Mortgage-backed and related securities have been classified in the financial statements according to management's intent. The carrying amount of securities and their approximate fair values at December 31 were as follows:

	Available-for-Sale Securities December 31, 2017				
	Principal Balance	Unamortized Premium	Unearned Discount	Carrying Value	Fair Value
GNMA Certificates	$ 62,311	$ -	$ 146	$ 62,165	$ 65,947
FHLMC Certificates	47,669	32	-	47,701	49,996
FNMA Certificates	1,491	-	-	1,491	1,558
	$ 111,471	$ 32	$ 146	$ 111,357	$ 117,501

	Available-for-Sale Securities December 31, 2016				
	Principal Balance	Unamortized Premium	Unearned Discount	Carrying Value	Fair Value
GNMA Certificates	$ 73,372	$ -	$ 181	$ 73,191	$ 78,243
FHLMC Certificates	67,372	74	-	67,446	72,496
FNMA Certificates	1,863	-	-	1,863	1,952
	$ 142,607	$ 74	$ 181	$ 142,500	$ 152,691

	Held-to-Maturity Securities December 31, 2017				
	Principal Balance	Unamortized Premium	Unearned Discount	Carrying Value	Fair Value
GNMA Certificates	$ 90,003	$ 954	$ -	$ 90,957	$ 93,912
FHLMC Certificates	77,637	481	-	78,118	81,084
FNMA Certificates	137,627	991	-	138,618	137,207
	$ 305,267	$ 2,426	$ -	$ 307,693	$ 312,203

Note 4 - Mortgage-Backed and Related Securities (Continued)

Held-to-Maturity Securities
December 31, 2016

	Principal Balance	Unamortized Premium	Unearned Discount	Carrying Value	Fair Value
GNMA Certificates	$ 110,059	$ 1,424	$ -	$ 111,483	$ 113,850
FHLMC Certificates	99,908	881	-	100,789	105,136
FNMA Certificates	195,310	2,291	-	197,601	197,301
	$ 405,277	$ 4,596	$ -	$ 409,873	$ 416,287

The following disclosures required under FASB Accounting Standards Codification No. 320, "Accounting for Certain Investments in Debt and Equity Securities" are presented for the year ended December 31, 2017 and 2016.

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-Sale Securities - December 31, 2017:				
GNMA Certificates	$ 62,165	$ 3,782	$ -	$ 65,947
FHLMC Certificates	47,701	2,295	-	49,996
FNMA Certificates	1,491	67	-	1,558
	$ 111,357	$ 6,144	$ -	$ 117,501
Available-for-Sale Securities - December 31, 2016:				
GNMA Certificates	$ 73,191	$ 5,052	$ -	$ 78,243
FHLMC Certificates	67,446	5,050	-	72,496
FNMA Certificates	1,863	89	-	1,952
	$ 142,500	$ 10,191	$ -	$ 152,691
Held-to Maturity Securities - December 31, 2017:				
GNMA Certificates	$ 90,957	$ 2,955	$ -	$ 93,912
FHLMC Certificates	78,118	2,966	-	81,084
FNMA Certificates	138,618	-	1,411	137,207
	$ 307,693	$ 5,921	$ 1,411	$ 312,203
Held-to Maturity Securities - December 31, 2016:				
GNMA Certificates	$ 111,483	$ 2,367	$ -	$ 113,850
FHLMC Certificates	100,789	4,347	-	105,136
FNMA Certificates	197,601	-	300	197,301
	$ 409,873	$ 6,714	$ 300	$ 416,287

Note 4 - Mortgage-Backed and Related Securities (Continued)

The scheduled maturities of mortgage-backed and related securities held-to-maturity and securities available-for-sale at December 31, 2017, were as follows:

	Held-to-Maturity Securities		Available-for-Sale Securities	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in One Year or Less	$ -	$ -	$ -	$ -
Due From One Year to Five Years	307,693	312,203	111,357	117,501
Due From Five Years to Ten Years	-	-	-	-
Due After Ten Years	-	-	-	-
Totals	$ 307,693	$ 312,203	$ 111,357	$ 117,501

Assets, principally U.S. Government securities, carried at approximately $429,668, at December 31, 2017 were pledged to secure public deposits.

Note 5 - Loans Receivable

Loans receivable at December 31, 2017 and 2016 are summarized as follows:

	December 31, 2017	December 31, 2016
First Mortgage Loans (Principally Conventional):		
Principal Balances:		
Secured by One-to-Four-Family Residences	$ 73,169,600	$ 57,462,197
Secured by Other Properties	68,252,979	57,077,534
Land	9,290,907	6,499,384
Total First Mortgage Loans	150,713,486	121,039,115
Consumer and Other Loans:		
Commercial Loans	25,527,738	21,977,005
Auto Loans	4,603,945	3,949,379
Loans Secured by Savings Accounts	4,161,585	4,441,657
Personal Loans	12,474,573	11,347,698
Mobile Home Loans	5,334,718	6,634,333
Overdrawn Demand Accounts	396,439	457,891
Total Consumer and Other Loans	52,498,998	48,807,963
Total	203,212,484	169,847,078
Less: Allowance for Loan Losses	(2,431,104)	(2,939,847)
NET LOANS RECEIVABLE	$ 200,781,380	$166,907,231

Included in first mortgage loans were $0 of loans held for sale at December 31, 2017 and 2016. Activity in the allowance for loan losses is summarized as follows for the years ended December 31, 2017 and 2016.

Note 5 - Loans Receivable (Continued)

	2017	2016
Balance at Beginning of the Period	$ 2,939,847	$ 2,662,585
Provision Charged to Income	100,000	460,000
Charge-Offs and Recoveries, Net	(608,743)	(182,738)
BALANCE AT END OF THE YEAR	$ 2,431,104	$ 2,939,847

The Bank has established methodology to determine the adequacy of the allowances for loan losses that assesses the risks and losses inherent in the Bank's portfolio. The total allowance reflects management's estimate of loan losses inherent in the loan portfolio at the balance sheet date. The Bank considers the allowance for loan losses of $2,431,104 adequate to cover loan losses inherent in the loan portfolio at December 31, 2017. The following table presents the portfolio segment, the changes in the allowance for loan losses and the recorded investment in loans:

Allowance for Loan Losses and Recorded Investments in Loans

For the Year Ended December 31, 2017

	Auto	1st Mortgage	Commercial	Consumer & Other	Total
Provision for Loan Losses:					
Beginning Balance	$ 261,391	$ 1,665,860	$ 536,447	$ 476,149	$ 2,939,847
Charge-Offs	(47,993)	(247,553)	(332,533)	(348,502)	(976,581)
Recoveries	58,143	108,783	164,712	36,200	367,838
Provision	4,950	25,350	34,000	35,700	100,000
Ending Balance	$ 276,491	$ 1,552,440	$ 402,626	$ 199,547	$ 2,431,104
Ending Balance – individually evaluated for impairment	$ -	$ 20,750	$ -	$ -	$ 20,750
Ending Balance – collectively evaluated for impairment	$ 276,491	$ 1,531,690	$ 402,626	$ 199,547	$ 2,410,354
Financing Receivables:					
Ending Balance – individually evaluated for impairment	$ -	$ 186,319	$ -	$ 33,098	$ 219,417
Ending Balance – collectively evaluated for impairment	$ 4,603,945	$ 150,527,167	$ 25,527,738	$ 22,334,217	$202,993,067
Ending Balance	$ 4,603,945	$ 150,713,486	$ 25,527,738	$ 22,367,315	$203,212,484

Note 5 - Loans Receivable (Continued)

For the Year Ended December 31, 2016

	Auto	1st Mortgage	Commercial	Consumer & Other	Total
Provision for Loan Losses:					
Beginning Balance	$ 170,006	$ 1,537,179	$ 566,915	$ 388,485	$2,662,585
Charge-Offs	(47,998)	(143,642)	(433,860)	(142,215)	(767,715)
Recoveries	110,633	186,073	143,392	144,879	584,977
Provision	28,750	86,250	260,000	85,000	460,000
Ending Balance	$ 261,391	$ 1,665,860	$ 536,447	$ 476,149	$ 2,939,847
Ending Balance – individually evaluated for impairment	$ 0	$ 28,356	$ 84,448	$ 3,842	$ 116,646
Ending Balance – collectively evaluated for impairment	$ 261,391	$ 1,637,504	$ 451,999	$ 472,307	$ 2,823,201
Financing Receivables:					
Ending Balance – individually evaluated for impairment	$ 0	$ 194,377	$ 514,413	$ 49,023	$ 757,813
Ending Balance – collectively evaluated for impairment	$ 3,949,379	$120,844,738	$21,462,592	$22,832,556	$169,089,265
Ending Balance	$ 3,949,379	$121,039,115	$21,977,005	$22,881,579	$169,847,078

Credit quality indicators as of December 31, 2017 and 2016 are as follows:
Internally assigned grade:

Pass – loans in this category have strong asset quality and liquidity along with a multi-year track record of profitability.

Special Mention – loans in this category are currently protected but are potentially weak. The credit risk may be relatively minor, yet constitute an increased risk in light of the circumstances surrounding a specific loan.

Substandard – loans in this category show signs of continuing negative financial trends and unprofitability at various times, and therefore, are inadequately protected by the current sound worth and paying capacity of the obligor or of the collecteral pledged, if any.

Doubtful – loans in this category are illiquid and highly leveraged, have negative net worth, cash flow, and continuing trend serious losses. The possibility of loss is extremely high, but because of certain important and reasonably specific pending factors which may work to the advantage and strengthening of the asset, its classifications as loss is deferred until its more exact status may be determined.

Note 5 - Loans Receivable (Continued)

Loss – loans in this category are considered uncollectible and of such little value that their continuance as bankable loans is not warranted. This classification does not mean that the loan has no recovery value, but it is not practival to defer writing it off, even though partial recovery may be affected in the future. Such credits should be recommended for charge-off. The information for each of the credit quality indicators is updated on a quarterly basis in conjuction with the determination of the adequacy of the allowance for loan losses.

For the Year Ended December 31, 2017

Credit quality indicators:	Auto	1st Mortgage	Commercial	Consumer & Other	Total
Pass	$ 209,457	$ 34,723,659	$ 2,083,079	$ 4,154,890	$41,171,085
Special Mention	2,622	31,322	-	94,572	128,516
Substandard	39,254	1,768,904	-	1,025,395	2,833,553
Unknown	4,352,612	114,189,601	23,444,659	17,092,458	159,079,330
Ending Balance	$ 4,603,945	$150,713,486	$ 25,527,738	$ 22,367,315	$203,212,484

For the Year Ended December 31, 2016

Credit quality indicators:	Auto	1st Mortgage	Commercial	Consumer & Other	Total
Pass	$ 705,697	$ 46,720,827	$ 3,670,958	$ 7,135,371	$58,232,853
Special Mention	-	134,333	-	159,050	293,383
Substandard	117,096	2,084,441	2,375,891	1,430,313	6,007,741
Unknown	3,126,586	72,099,514	15,930,156	14,156,845	105,313,101
Ending Balance	$ 3,949,379	$121,039,115	$ 21,977,005	$22,881,579	$169,847,078

Impaired Loans

The Bank considers a loan to be impaired when, based on current information and events, the Bank determines that the Bank will not be able to collect all amounts due according to the loan contract, including scheduled interest payments. Determination of impairment is treated the same across all classes of loans. When the Bank identifies a loan as impaired, the Bank measures the impairment based on the present value of expected future cash flows, discounted at the loan's effective interest rates, except when the sole (remaining) source of repayment for the loan is the operation or liquidation of the collateral. In these cases, the Bank uses the current fair value of the collateral, less selling costs when foreclosure is probable, instead of discounted cash flows. If the Bank determines that the value of the impaired loan is less than the recorded investment in the loan (net of previous charge-offs, deferred loan fees or costs and unamortized premium or discount), the Bank recognizes impairment through an allowance estimate or a charge-off to the allowance. The Bank determines impairment based on loans classified as TDRs.

Note 5 - Loans Receivable (Continued)

When the ultimate collectability of the total principal of an impaired loan is in doubt and the loan is on nonaccrual status, all payments are applied to principal, under the cost recovery method. When the ultimate collectability of the total principal of an impaired loan is not in doubt and then loan in on nonaccrual status, contractual interest is credited to interest income when received, under the cash basis method.

The following table includes the recorded investment and unpaid principal balances of impaired financing receivables with the associated allowance amount, if applicable. The Bank determined the specific allowance based on the present value of expected future cash flows, discounted at the loan's effective interest rate, except when the remaining source of repayment for the loan is the operation or liquidation of the collateral. In those cases, the current fair value of the collateral, less selling costs was used to determine the specific allowance recorded.

Impaired Loans By Class

For Year Ended December 31, 2017

	Recorded Investment	Unpaid Principal	Associated Allowance	Interest Income Recognized
Auto	$ 98,412	$ 60,349	$ 15,087	$ -
1st Mortgage	252,061	200,053	50,013	-
Commercial	-	-	-	-
Consumer & Other	143,930	103,845	25,961	-
	$ 494,403	$ 364,247	$ 91,061	$ -

For Year Ended December 31, 2016

	Recorded Investment	Unpaid Principal	Associated Allowance	Interest Income Recognized
Auto	$ 132,270	$ 86,522	$ 21,631	$ -
1st Mortgage	1,135,691	968,042	242,011	-
Commercial	1,069,819	859,268	214,817	-
Consumer & Other	678,509	385,550	96,387	-
	$ 3,016,289	$2,299,382	$ 574,846	$ -

Troubled Debt Restructuring

For Year Ended December 31, 2017

	Performing	Non-Performing	Total
First Mortgage	$ 1,061,272	$ -	$1,061,272
Consumer & Other	7,999	-	7,999
	$ 1,069,271	$ -	$1,069,271

Note 5 - Loans Receivable (Continued)

For Year Ended December 31, 2016

	Performing	Non-Performing	Total
First Mortgage	$ 515,756	$ -	$ 515,756
Consumer & Other	9,748	-	9,748
	$ 525,504	$ -	$ 525,504

Nonaccrual Loans

The Bank generally places loans on nonaccrual status when the full and timely collection of interest and principal becomes uncertain, part of the principal balance has been charged off and no restructuring has occurred or the loans reach a certain number of days past due.

When the Bank places a loan on nonaccrual status, the Bank reverses the accrued unpaid interest receivable against interest income and account for the loan on the cash or cost recovery method, until it qualifies for return to accrual status. Generally, the bank returns a loan to accrual status when (a) all delinquent interest and principal become current under the terms of the loan agreement or (b) the loan is both well-secured and in the process of collection and collectability is no longer doubtful.

The Bank has determined that the entire balance of a loan is contractually delinquent for all classes if the minimum payment is not received by the specified due date. Interest and fees continue to accrue on past due loans until the date the loan goes into nonaccrual status, if applicable.

The following table presents the loans on nonaccrual status as of December 31, 2017 and 2016. The balances are presented by class of loans.

	2017	2016
Auto	$ 58,584	$ 28,193
1st Mortgage	192,624	1,779,891
Commercial	-	44,465
Consumer & Other	98,987	677,245
Total	$ 350,195	$ 2,529,794

Age Analysis of Past Due Financing Receivables by Class

Following is a table which includes an aging analysis of the recorded investment of past due financing receivables as of December 31, 2017 and 2016, along with loans that are 90 days or more past due as to interest and principal and still accruing:

Note 5 - Loans Receivable (Continued)

For Year Ended December 31, 2017

	31-89 Days Past Due	Greater Than 90 Days Past Due	Total Past Due	Current	Total Financing Receivables	Recorded Investment Greater than 90 Days and Accruing
Auto	$ 149,554	$ 46,450	$ 196,004	$ 4,407,941	$ 4,603,945	$ -
1st Mortgage	753,306	80,030	833,336	149,880,150	150,713,486	-
Commercial	260,579	-	260,579	25,267,159	25,527,738	-
Consumer & Other	264,635	64,091	328,726	22,038,589	22,367,315	-
	$ 1,428,074	$ 190,571	$ 1,618,645	$201,593,839	$203,212,484	$ -

For Year Ended December 31, 2016

	31-89 Days Past Due	Greater Than 90 Days Past Due	Total Past Due	Current	Total Financing Receivables	Recorded Investment Greater than 90 Days and Accruing
Auto	$ 55,649	$ 41,110	$ 96,759	$ 3,852,620	$ 3,949,379	$ -
1st Mortgage	715,058	681,904	1,396,962	119,642,153	121,039,115	-
Commercial	254,084	-	254,084	21,722,921	21,977,005	-
Consumer & Other	305,304	434,068	739,372	22,142,207	22,881,579	-
	$ 1,330,095	$1,157,082	$ 2,487,177	$167,359,901	$169,847,078	$ -

Loans to Officers, Employees, Directors, and Affiliates

The Bank, from time to time, makes loans to its officers, employees, directors, affiliates, and companies with which they are associated and expects to continue doing so in the future. Loans to these individuals and their related companies were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons. The aggregate amount of loans outstanding to these individuals and their related companies was $7,618,116 and $6,406,324 at December 31, 2017 and 2016, respectively.

Note 6 - Accrued Interest Receivable

Accrued interest receivable at December 31, 2017 and 2016 is summarized as follows:

	2017	2016
Investment Securities	$ 86,926	$ 82,587
Mortgage-Backed and Related Securities	1,152	1,464
Loans Receivable	997,932	969,621
TOTAL ACCRUED INTEREST RECEIVABLE	$ 1,086,010	$ 1,053,672

Note 7 - Premises and Equipment

Premises and equipment at December 31, 2017 and 2016 are summarized as follows:

	2017	2016
Cost:		
Land	$ 2,063,811	$ 2,278,196
Construction in Process	-	20,983
Land Improvements	209,169	209,169
Bank Buildings	7,689,247	6,736,592
Furniture, Fixtures, and Equipment	2,336,497	2,001,584
Automobile	64,549	108,057
Total	12,363,273	11,354,581
Less: Accumulated Depreciation	(3,202,716)	(2,832,049)
NET PREMISES AND EQUIPMENT	$ 9,160,557	$ 8,522,532

Depreciation expense totaled $414,175 and $327,433 for the years ended December 31, 2017 and 2016, respectively.

Note 8 - Deposits

Deposits at December 31, 2017 and 2016 are summarized as follows:

	2017	2016
Demand and NOW Accounts	$ 42,560,220	$ 37,879,338
Money Market Accounts	14,417,138	11,835,009
Regular Savings	20,162,105	17,880,310
Certificates of Deposit	110,080,198	87,069,935
TOTAL DEPOSITS	$ 187,219,661	$154,664,592

The aggregate amount of certificates each with a minimum denomination of $100,000 was approximately $81,660,403 and $58,613,183 at December 31, 2017 and 2016, respectively.

Congress had temporarily increased the FDIC Insurance to unlimited for non-interest bearing accounts and $250,000 for all others with the Dodd-Frank Wall Street Reform and Consumer Protection Act. The increase was fixed through December 31, 2012. The act was extended and modified as of January 1, 2013, so that FDIC Insurance covers the first $250,000 of all accounts combined thus eliminating the unlimited coverage for non-interest bearing accounts.

At December 31, 2017, scheduled maturities of certificates of deposit are as follows:

Year Ending December 31,	Amount
2018	$ 72,161,123
2019-2020	33,615,431
2021-2022	4,299,573
> 2023	4,071
Total	$ 110,080,198

Note 8 - Deposits (Continued)

Interest expense on deposits for the years ended December 31, 2017 and 2016 is summarized as follows:

	2017	2016
Demand, NOW and Money Market Accounts	$ 94,563	$ 67,304
Regular Savings	29,880	26,724
Certificates of Deposit, Net of Early Withdrawal Penalties of $22,191 and $14,538 in 2017 and 2016.	1,367,016	1,102,462
TOTAL	$ 1,491,459	$ 1,196,490

The Bank receives deposits from its officers, employees, directors, affiliates, and companies with which they are associated. Any interest rates on these deposits are substantially the same as those prevailing at the time for comparable transactions with other persons. The aggregate amount of deposits outstanding from these individuals and their related companies was $7,046,194 and $5,253,861 at December 31, 2017 and 2016, respectively.

Note 9 - Regulatory Matters

The Bank is subject to various regulatory capital requirements administered by its primary federal regulator, the Office of Comptroller of the Currency (OCC). Failure to meet the minimum regulatory capital requirements can initiate certain mandatory and possible additional discretionary actions by regulators, which if undertaken, could have a direct material affect on the Bank and the financial statements. Under the regulatory capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines involving quantitative measures of the Bank's assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classification under the prompt corrective action guidelines are also subject to qualitative judgements by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios of: total risk-based capital and Tier I capital to risk-weighted assets (as defined in the regulations), Tier 1 capital to adjusted total assets (as defined), and tangible capital to adjusted total assets (as defined). As reflected below, as of December 31, 2017, the Bank meets all of the capital adequacy requirements to which it is subject.

As of December 31, 2017, the most recent notification from the OCC, the Bank was 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, Tier I risk-based, and Tier I leverage ratios as disclosed in the table below. There are no conditions or events since the most recent notification that management believes have changed the Bank's prompt corrective action category.

Note 9 - Regulatory Matters (Continued)

	Actual Amount (dollars in thousands)	Actual Ratio	For Capital Adequacy Purposes: Amount (dollars in thousands)	For Capital Adequacy Purposes: Ratio	To Be Well Capitalized Under Prompt Corrective Action Provisions: Amount (dollars in thousands)	To Be Well Capitalized Under Prompt Corrective Action Provisions: Ratio
As of December 31, 2017:			Greater Than or Equal To:			
Total Risk-Based Capital (to Risk-Weighted Assets)	$ 28,401	14.96%	$ 15,189	8.0%	$18,986	10.0%
Tier I Capital (to Risk-Weighted Assets)	$ 26,027	13.71%	$ 11,392	6.0%	$15,189	8.0%
Common Equity Tier 1 Capital (to Risk Weighted Assets)	$ 26,027	13.71%	$ 8,544	4.5%	$12,341	6.5%
Tier I Capital (to Adjusted Total Assets)	$ 26,027	10.98%	$ 9,482	4.0%	$11,852	5.0%
Tangible Capital (to Adjusted Total Assets)	$ 26,027	10.98%	$ 3,556	1.5%	$ 3,556	1.5%
As of December 31, 2016:			Greater Than or Equal To:			
Total Risk-Based Capital (to Risk-Weighted Assets)	$ 22,546	13.67%	$ 13,199	8.0%	$ 16,498	10.0%
Tier I Capital (to Risk-Weighted Assets)	$ 20,473	12.41%	$ 9,899	6.0%	$ 13,199	8.0%
Common Equity Tier 1 Capital (to Risk Weighted Assets)	$ 20,473	12.41%	$ 7,424	4.5%	$ 10,724	6.5%
Tier I Capital (to Adjusted Total Assets)	$ 20,473	10.04%	$ 8,154	4.0%	$ 10,192	5.0%
Tangible Capital (to Adjusted Total Assets)	$ 20,473	10.04%	$ 3,058	1.5%	$ 3,058	1.5%

Note 10 - Other Non-interest Income and Expense

Other non-interest income and expense for the years ended December 31, 2017 and 2016:

	2017	2016
Other Non-interest Income:		
Credit Life and Accident and Health	$ 149,049	$ 136,069
Loan Late Charges	140,407	125,299
ATM Income	571,512	480,712
Grant Income	-	265,496
Gain/Loss Disposal of Assets	45,349	142,672
Other	259,962	84,876
TOTAL	$ 1,166,279	$ 1,235,124

Note 10 - Other Non-interest Income and Expense (Continued)

Other Non-interest Expense:		
Dues and Subscriptions	$ 30,937	$ 27,426
Travel and Conference	57,567	39,031
DDA Expenses	183,649	107,665
Education/Training	72,825	56,786
Miscellaneous	123,259	82,808
Committee Meeting	8,496	8,601
Business Development	150,173	110,986
Courier Service	21,098	15,269
Charitable Contributions	60,335	41,423
Charge-Offs	24,733	40,170
Automobile	55,916	7,410
TOTAL	$ 788,988	$ 537,575

Note 11 - Commitments and Contingencies

In the ordinary course of business, the Bank has various outstanding commitments and contingent liabilities that are not reflected in the accompanying financial statements. The principal commitments of the Bank are as follows:

Loan Commitments

At December 31, 2017 and 2016, the Bank had $34,260,032 and $21,570,162 in outstanding loan commitments, respectively.

Letters of Credit

The Bank had outstanding letters of credit totaling $247,434 and $258,782 at December 31, 2017 and 2016, respectively.

Note 12 - Significant Concentrations of Credit Risk

Homeland Federal Savings Bank grants residential, consumer, commercial, and agribusiness loans to customers located primarily in Caldwell, LaSalle, and Ouachita Parishes in Louisiana. Although the Bank's loan portfolio is diversified, a substantial portion of the debtors' ability to honor their contracts is dependent upon the agribusiness and timber economic sectors. The Bank has various checking, certificate, and time deposits at other federally insured financial institutions. At December 31, 2017 the balances in those banks totaled $7,164,990 of which $4,276,755 was federally insured. The Federal Deposit Insurance Corporation insures deposits up to $250,000 per institution.

Note 13 - Supplemental Cash Flow Disclosures

The following provides additional cash flow information not presented elsewhere in the financial statements for the year ended December 31, 2017 and 2016:

Cash Paid for:	2017	2016
Interest on Deposits and Advances	$ 1,447,466	$ 1,188,260
Increase (Decrease) in Valuation Allowance on Investment Securities	$ (16,546)	$ (9,267)

Note 14 - Financial Instruments With Off-Balance-Sheet Risks

The Bank 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, standby letters of credit and financial guarantees. Those instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the balance sheet. The contract or notional amounts of those instruments reflect the extent of the Bank's involvement in particular classes of financial instruments.

The Bank's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit, standby letters of credit, and financial guarantees written is represented by the contractual notional amount of those instruments. The Bank uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments. Unless noted otherwise, the Bank does not require collateral or other security to support financial instruments with credit risk.

	Contract or Notional Amount
Financial Instruments the Contract Amounts of Which Represent Credit Risk:	
Commitments to Extend Credit	$ 34,260,032
Standby Letters of Credit and Financial Guarantees Written	$ 247,434

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Bank evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if it is deemed necessary by the Bank upon extension of credit, is based on management's credit evaluation of the counterparty.

Standby letters of credit and financial guarantees written are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party. Those guarantees are primarily issued to support private borrowing arrangements. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers.

Note 15 - Fair Values of Financial Instruments

The estimated fair values of the Bank's financial instruments were as follows:

	December 31, 2017		December 31, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets:				
Cash and Cash Equivalents	$ 9,162,696	$ 9,162,696	$ 9,942,302	$ 9,942,302
Time Deposits	$ 3,178,258	$ 3,186,053	$ 3,173,134	$ 3,180,327
Investment Securities - Available-for-Sale	$ 2,805,665	$ 2,805,665	$ 2,184,191	$ 2,184,191
Investment Securities - Held-to-Maturity	$ 11,659,783	$ 11,664,039	$ 8,299,205	$ 8,365,346
Mortgage-Backed and Related Securities Available-for-Sale	$ 117,501	$ 117,501	$ 152,691	$ 152,691
Mortgage-Backed and Related Securities Held-to-Maturity	$ 307,693	$ 312,203	$ 409,873	$ 416,287
Loans Receivable -				
First Mortgage Loans	$150,713,486	$151,934,265	$121,039,115	$122,431,065
Consumer and Other	$ 52,276,111	$ 52,539,622	$ 48,547,861	$ 48,920,622
Accrued Interest Receivable	$ 1,086,010	$ 1,086,010	$ 1,053,672	$ 1,053,672
Financial Liabilities:				
Demand Deposits and Savings Accounts	$ 76,742,990	$ 76,742,990	$ 67,136,743	$ 67,136,743
Time Deposits	$110,080,198	$110,181,467	$ 87,069,935	$ 87,398,081
Off-Balance-Sheet Instruments:				
Commitments to Extend Credit	$ 34,260,032	$ 34,260,032	$ 21,570,162	$ 21,570,162
Letters of Credit	$ 247,434	$ 247,434	$ 258,752	$ 258,752

The carrying amounts in the above table are included in the balance sheets and the applicable notes to financial statements.

Note 16 - Profit Sharing Plan

Effective August 1, 1997, the Bank established a 401(K) Profit Sharing Plan on behalf of its employees. Eligible employees must complete one year of eligibility service with at least 1,000 hours of service to be eligible to participate in the Plan. The Bank, at its option, may make discretionary matching contributions on behalf of all participants who make elective deferrals. The Bank contributed $58,418 and $47,151 for 2017 and 2016 on behalf of the Profit Sharing Plan.

Note 17 - Cash Value of Life Insurance

The Bank maintains keyman life insurance policies on certain of its officers. The Bank receives the cash surrender value if a policy is terminated, and upon the death of an insured officer, receives the death benefits.

Note 18 - Deferred Compensation Arrangements

The Bank has a non-qualified deferred compensation arrangement with key employees under which future defined benefits are funded principally by individual life insurance policies. An actuarially determined charge, which is included in other operating expense, is made each year based on the future benefits to be paid to the employee (or beneficiary) under the plan. Total amounts paid or accrued under such arrangements, which are not deductible by the Bank for tax purposes until distributions are made to participants, amounted to $112,617 and $109,606 in 2017 and 2016.

Note 19- Fair Value Measurements

Fair values of assets and liabilities measured on a recurring basis at December 31, 2017 and 2016 are as follows:

		Fair Value Measurements at Reporting Date Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2017				
Investment securities:				
Available-for-sale	$ 2,805,665	$ 2,805,665	-	-
Held-to-maturity	$11,664,039	$11,664,039	-	-
Mortgage backed and related securities:				
Available-for-sale	$ 117,501	$ 117,501	-	-
Held-to-maturity	$ 312,203	$ 312,203	-	-
Foreclosed Real Estate, net	$ 1,194,532	-	$ 1,194,532	-

		Fair Value Measurements at Reporting Date Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2016				
Investment securities:				
Available-for-sale	$ 2,184,191	$ 2,184,191	-	-
Held-to-maturity	$ 8,365,346	$ 8,365,346	-	-
Mortgage backed and related securities:				
Available-for-sale	$ 152,691	$ 152,691	-	-
Held-to-maturity	$ 416,287	$ 416,287	-	-
Foreclosed Real Estate, net	$ 900,990	-	$ 900,990	-

Note 20 - Borrowed Funds

Borrowed funds consisted of the following at December 31, 2017 and 2016:

	2017		2016	
	Interest Rate	Balance	Interest Rate	Balance
Advances from FHLB, Due on Demand	1.297%	$ 15,000,000	.69%	$ 6,000,000
	1.437%	8,000,000	.70%	8,000,000
	1.893%	3,500,000	.95%	11,000,000
		$ 26,500,000		$ 25,000,000

Additionally, the Bank has a letter of credit with FHLB in the amount of $5 million as of December 31, 2017.

Note 21 - Subsequent Events

Subsequent events have been evaluated through March 12, 2018, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred.

Additional Information

HOMELAND BANCSHARES, INC. AND SUBSIDIARY
CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2017

Schedule 1

ASSETS	Homeland Bancshares, Inc. (Parent Only)	Homeland Federal Savings Bank	Consolidating Eliminations	Homeland Bancshares, Inc. (Consolidated)
Cash and Cash Equivalents (Note 2)	$ 1,637,128	$ 7,525,568	$ -	$ 9,162,696
Time Deposits in Banks	-	3,178,258	-	3,178,258
Investment Securities Available for Sale (Note 3)	-	2,805,665	-	2,805,665
Investment Securities Held to Maturity (Note 3)	-	11,659,783	-	11,659,783
Mortgage-Backed and Related Securities Available for Sale (Note 4)	-	117,501	-	117,501
Mortgage-Backed and Related Securities Held to Maturity (Note 4)	-	307,693	-	307,693
Loans Receivable, Net (Note 5)	-	200,781,380	-	200,781,380
Accrued Interest Receivable (Note 6)	-	1,086,010	-	1,086,010
Dividends Receivable	-	-	-	-
Foreclosed Real Estate	-	1,194,532	-	1,194,532
Premises and Equipment (Note 7)	-	9,160,557	-	9,160,557
Federal Home Loan Bank Stock	-	1,248,300	-	1,248,300
First National Bankers Bank Stock	-	500,000	-	500,000
Bankers Insurance Center, LLC	-	405,362	-	405,362
Cash Value - Life Insurance	-	4,054,269	-	4,054,269
Other Assets	21,665	327,561	-	349,226
Investment in Subsidiary	26,019,379	-	(26,019,379)	-
TOTAL ASSETS	$ 27,678,172	$ 244,352,439	$ (26,019,379)	$ 246,011,232
LIABILITIES AND STOCKHOLDERS' EQUITY				
Liabilities				
Deposits (Note 8)	-	187,219,661	-	187,219,661
Borrowed Fund (Note 9)	-	26,500,000	-	26,500,000
Other Liabilities	2,500,000	4,613,399	-	7,113,399
Total Liabilities	2,500,000	218,333,060	-	220,833,060
Stockholders' Equity				
Common Stock ($1 par value; 1,000,000 shares authorized; 188,129 shares issued and 163,330 outstanding	188,129	1,703,032	(1,703,032)	188,129
Additional Paid-In Capital	6,840,448	4,478,978	(4,478,978)	6,840,448
Retained Earnings	21,261,310	21,074,039	(21,074,039)	21,261,310
Treasury Stock (at cost)	(3,103,788)	(1,228,743)	1,228,743	(3,103,788)
Accumulated Other Comprehensive Income (Loss)	(7,927)	(7,927)	7,927	(7,927)
Total Stockholders' Equity	25,178,172	26,019,379	(26,019,379)	25,178,172
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 27,678,172	$ 244,352,439	$ (26,019,379)	$ 246,011,232

See accompanying notes to consolidating financial statements.

HOMELAND BANCSHARES, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF INCOME
FOR YEAR ENDED DECEMBER 31, 2017

Schedule 2

	Homeland Bancshares, Inc. (Parent Only)	Homeland Federal Savings Bank	Consolidating Eliminations	Homeland Bancshares, Inc. (Consolidated)
Interest Income				
Loans Receivable:				
First Mortgage Loans	$ -	$ 7,627,379	$ -	$ 7,627,379
Consumer and Other Loans	-	3,267,147	-	3,267,147
Investment Securities	-	415,960	-	415,960
Mortgage-Backed and Related Securities	-	13,460	-	13,460
Other Interest Earning Assets	7,615	95,949	-	103,564
Total Interest Income	7,615	11,419,895	-	11,427,510
Interest Expense				
Deposits (Note 8)	-	1,491,459	-	1,491,459
Other Borrowings	32,018	267,686	-	299,704
Total Interest Expense	32,018	1,759,145	-	1,791,163
Net Interest Income	(24,403)	9,660,750	-	9,636,347
Provision for Loan Losses	-	100,000	-	100,000
Net Interest Income after Provision for Loan Losses	(24,403)	9,560,750	-	9,536,347
Noninterest Income				
Loan Origination and Commitment Fees	-	1,017,777	-	1,017,777
Service Charges on NOW Accounts and MMDA's	-	1,447,717	-	1,447,717
Other (Note 10)	-	1,166,279	-	1,166,279
Equity in Earnings of Subsidiary	3,504,527	-	(3,504,527)	-
Total Noninterest Income	3,504,527	3,631,773	(3,504,527)	3,631,773
Noninterest Expense				
General and Administrative Expenses:				
Salaries and Fringe Benefits	-	5,235,118	-	5,235,118
Office Operating Expenses	3,150	1,518,805	-	1,521,955
Outside Services	-	1,081,176	-	1,081,176
Insurance Expense	-	194,643	-	194,643
Depreciation	-	414,175	-	414,175
Advertising	-	386,229	-	386,229
Bank Service Charge	-	35,802	-	35,802
Other (Note 10)	33,308	755,680	-	788,988
Real Estate Owned Expenses, Net	-	66,368	-	66,368
Total Noninterest Expense	36,458	9,687,996	-	9,724,454
NET INCOME	$ 3,443,666	$ 3,504,527	$ (3,504,527)	$ 3,443,666

See accompanying notes to consolidating financial statement.

(a) The accounts of individual components of the consolidated group includes various amounts arising from intercompany transfers of assets and liabilities and allocations of revenues and expenses deemed appropriate by the Company.

(b) Consolidating eliminations represent the elimination of intercompany receivables and payables, investments in the consolidated subsidiary and intercompany income and expenses, if any.

SUPPLEMENTAL DATA
Homeland Federal Savings Bank
(A Wholly-Owned Subsidiary of
Homeland Bancshares, Inc.)
(Dollars in Thousands Except Per Share Data)

	2017		2016	
	Amount	Percent	Amount	Percent
ASSETS				
Loans	$ 203,212	83.10 %	$ 169,847	83.10 %
Investments and Stock	16,619	6.17	12,616	6.17
Mortgage-Backed Securities	425	0.27	563	0.27
Interest Bearing Deposits	3,178	1.55	3,173	1.55
Total Earning Assets	223,434	91.09	186,199	91.09
Reserve for Possible Loan Losses	(2,431)	(1.43)	(2,940)	(1.43)
Nonearning Assets	23,349	10.34	21,127	10.34
TOTAL ASSETS	$ 244,352	100.00 %	$ 204,386	100.00 %
LIABILITIES AND STOCKHOLDERS' EQUITY				
NOW Accounts and MMDA's	$ 56,977	24.32 %	$ 49,715	24.32 %
Passbook Savings	20,162	8.75	17,880	8.75
Certificates of Deposit	110,080	42.60	87,070	42.60
Total NOW Accounts and Interest-Bearing Liabilities	187,219	75.67	154,665	75.67
Borrowed Funds	26,500	12.23	25,000	12.23
Other Liabilities	4,614	2.08	4,240	2.08
Stockholders' Equity	26,019	10.02	20,481	10.02
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 244,352	100.00 %	$ 204,386	100.00 %
INCOME				
Interest Income	$ 11,420		$ 10,083	
Interest Expense	(1,759)		(1,338)	
Net Interest Income	9,661		8,745	
Provision for Loan Losses	(100)		(460)	
Noninterest Income	3,632		3,270	
Noninterest Expense	(9,688)		(8,022)	
Income Before Income Taxes	3,505		3,533	
Applicable Income Taxes	-		-	
NET INCOME	$ 3,505		$ 3,533	
PER SHARE DATA				
Net Income	$ 21.46		$ 21.63	
Book Value (End of Period)	$ 159.33		$ 125.40	

BOARD OF DIRECTORS
HOMELAND BANCSHARES, INC.

Lelon L. Kenney
Chairman of the Board
Farmer

Ronnie L. Darden
President and Chief Executive Officer
Homeland Federal Savings Bank

Robert H. Causey
Owner
Haven Nursing Center, Inc.
Haven Rehabilitation Center, Inc.

Randy L. Hatten
Owner
Hatten Tire Company

M. Elgin McFadden
Pharmacist
Retired

Robert O. McIlwain
Real Estate and Timber

Paul B. Wilkins
Attorney-At-Law

Robert S. Wallace
President
CKL Enterprises, Inc. dba Spotted Dog Sporting Goods

Drew Keahey
Keahey Flying Service

GENERAL INFORMATION

Homeland Federal Savings Bank is a federally chartered stock savings bank, whose main office is located at 7840 U.S. Hwy. 165 Columbia, Louisiana. The mailing address is P.O. Box 250, Columbia, LA 71418-0250 and the telephone number is (318) 649-6124. The Bank has a branch located in Jena, Louisiana, at 3491 South 1st Street. Its telephone number is (318) 992-0405. A new branch location opened in Monroe in 2016 and in West Monroe in 2017. The Monroe branch is located at 2591 Tower Drive and its phone number is (318) 570-6700. The West Monroe branch is located at 2103 N. 7th Street and its phone number is (318) 570-6259.

The principal business of Homeland is to accept savings and checking deposits from the general public, to make mortgage loans and, to a lesser extent, commercial and consumer loans. Its income is derived primarily from the interest and fees charged in connection with such loans, and the investment of excess funds. Its principal expenses are the interest paid on deposits and operating expenses.

Homeland is regulated by The Office of the Comptroller of the Currency and deposits are insured by the Federal Deposit Insurance Corporation to a maximum of $250,000 per depositor per banking institution.

COMMON STOCK

At the present time, management does not intend to seek to have the common stock of Homeland Bancshares, Inc. listed on an exchange or quoted on the NASDAQ (National Association of Securities Dealers' Automated Quotation) system. Management cannot predict whether an active market in the common stock will develop or the prices at which trading might occur if a market should develop.

ANNUAL MEETING

The annual meeting of stockholders of Homeland Bancshares, Inc. will be held on April 17, 2018 at 5:30 p.m. in the Bank's offices at 7840 U.S. Hwy. 165 Columbia, Louisiana.