American National Bank & Trust ”

Trust, it's our last name.

2015 *Annual Report*

PRESIDENTS MESSAGE

American National Bank & Trust

Dwight Berry, President & CEO

To Our Shareholders,

"Trust", it's our last name. It is our mission to continue to deserve your trust and operate your bank in such a manner that is not only profitable to you as a shareholder, but is a true representation of financial strength and an organization that represents the highest standards of business ethics.

HIGHLIGHTS OF 2015

Bank net income increased 10% in 2015 to a total of $4,570,294. This profitability level represents a 1.00% return on assets and 7.46% return on equity capital. Capital levels have reached exemplary levels of 13.31% Tier One and 19.76% Risk-based.

As described in our overall capital plan, two $.25/per share dividends were paid to our stockholders during the year. Recent stock transfers have been executed at $29.50 per share and demand for stock remains constant. Efforts continue to increase the bank's capital position to elevated levels to provide a secure investment for you in such a challenging global economic environment, plus maintain required reserves to expand into new areas of opportunity should they become available.

Total assets for the bank increased 9.88% during the year and as of February 29,2016, totaled over $500million. This is a historic level for our institution and the future appears very promising for growth. During 2015 net loans and leases increased 11.34%, deposits 9.33%, and tier one capital 20.46%. All of these growth benchmarks are very positive and compare favorably with banking peers.

Loan losses remain negligible at less than .01% of total loans. Loan loss reserves remain strong at 1.81% therefore no allocations were required during the year. Classified credit levels are extremely low and credit underwriting procedures have proven effective.

Ancillary departments of the bank continue to operate very efficiently. Our Trust department continues to provide a significant amount of income to the income stream, as well as our Mortgage loan department, and our Leasing company.

MERGER ACTIVITY

I am extremely pleased to announce the completion of our merger with the First National Bank of Chillicothe in August of 2015. With the merger we were able to extend our footprint further west with a branch in Chillicothe, and Quanah, Texas. Officers and employees of our respective companies have blended together very well to work as one organization. With the merger came nineteen new employees to the American National family, and we welcome them all. Mike Baustert, President of the Chillicothe and Quanah branches, joined the Board of Directors of Ameribancshares, Inc. He is a valued addition to the Board and brings a high level of experience to the management of the bank.

HERE WE GROW AGAIN

In addition to the benefit of a successful merger three key commercial loan officers were hired during the year. D. J. Dickey joined the Wichita Falls main branch as a commercial lender. D. J. brings many years of banking experience to our already talented lending staff and gives us a true advantage in pursuing new loans in a very competitive environment. Ann Morris has joined Michael Winfrey in our Fort Worth loan production office. Ann, a seasoned banker in Fort Worth, brings a very impressive resume of success in generating commercial loan growth in the metro-plex market. Finally, Paul Scheurer, trained as a commercial correspondent banker with a predominant correspondent bank in Dallas, joined us to represent our bank in otherTexas markets reaching as far south as Houston and as far west as Lubbock. With the bank offering such a wide array of services including commercial loans, mortgage, trust, and leasing, Paul is hard at work securing correspondent relationships with banks and bankers throughout the state.

Eric Reed, a seasoned financial advisor, also joined us this year in our Cetera investment area.

Plans for our new location at the corner of Summit and 7th Street in downtown Fort Worth are nearing completion and construction is scheduled to begin in late spring. The Fort Worth banking market is crowded and competitive, but we have two very talented bankers that are already proving to be very successful in securing new business there, and we feel completely confident that moving into the area was spot on. Excited is an understatement as we continue to grow the bank in Fort Worth. Our Flower Mound office, under the leadership of Sam Wilson, continues to be a very profitable branch and has proven that there is still a need for "good ole common sense banking", even in the metropolitan areas.

OUR GREAT LOSS

In June we lost one of our great leaders with the death of Dr. George Ritchie. George began his tenure on our board in 1980 and served as our Chairman for eleven years. He was the ultimate cheerleader for the bank and his constant support of all officers and employees was a great catalyst for the positive movement of the organization. George was elected Chairman Emeritus in April of 2015. He is, and always will be, greatly missed.

Dr. George Ritchie

NEW CHAIRMAN AND VICE-CHAIRMAN

Julie Hanes was named Chairman of the Board of Directors in the Spring of 2015. Julie has served on the Board since shortly after the bank was formed. She brings a high level of business understanding to the organization and provides a very professional and well organized approach to leadership of the board. Hank Anderson was appointed to Vice Chairman of the Board. Hank is a retired attorney who has many years of business experience and provides a very important legal presence on the board.

Julie Hanes, Chairman of the Board

Hank Anderson, Vice Chairman

RETIREMENTS

W.O. (Bill) Franklin, Executive Vice President in Mortgage Loans, retired this year after twenty six years of service. Bill started the mortgage division in 1990 and built it into one of the most profitable areas in the bank. As he expanded the bank's presence in the mortgage area he also orchestrated the purchase and expansion of three title companies. ArcherTitle, which provides title services in both Archer and Wichita Counties, plus Clay County Abstract and Henrietta Abstract, both in Henrietta. Additionally, he was instrumental in the process of the bank opening a full service branch in Flower Mound.

Timothy G. (Tim) Connolly, Executive Vice President in Trust also retired this year after twenty years of service. Tim was instrumental in establishing the bank's trust department and did an outstanding job of working with his team to build the department to the superior level that it is today. He was also very helpful as the bank has expanded into the Fort Worth market.

Bill Franklin, Executive Vice President
Mortgage Department

Timothy G. Connolly, Executive Vice President
Trust Department

The service of both of these guys has really helped to shape the culture and profitability of the bank. We wish both of them the best in their retirements.

We look forward to 2016 as another year of opportunities. American National Bank&Trust is a great bank, with a supportive and active Board of Directors, a fantastic staff, is well-capitalized, highly profitable, and perfectly positioned to move forward into the future. "Trust", it's our last name. We thank you for yours.

Dwight Berry
President & CEO

FINANCIAL HIGHLIGHTS

	YEAR ENDED DECEMBER 31, 2015	YEAR ENDED DECEMBER31, 2014	% CHANGE
Demand Deposits	25,555,367	23,696,378	7.8%
Total Deposits	414,236,341	378,783,688	9.4%
Total Assets	489,579,227	445,754,397	9.8%
Total Loans (net)	280,734,826	253,747,876	10.6%
Reserve for Loan Losses	5,204,726	5,241,006	-0.7%
Return on Earning Assets	3.52%	3.42%	2.9%
Cost of Funds	0.30%	0.33%	-9.1%
Average Net Spread	3.22%	3.09%	4.2%
Growth in Capital	9,541,095	3,200,124	198.1%
Total Capital Beginning	50,299,648	47,099,524	
Total Capital Ending	59,840,743	50,299,648	19.0%

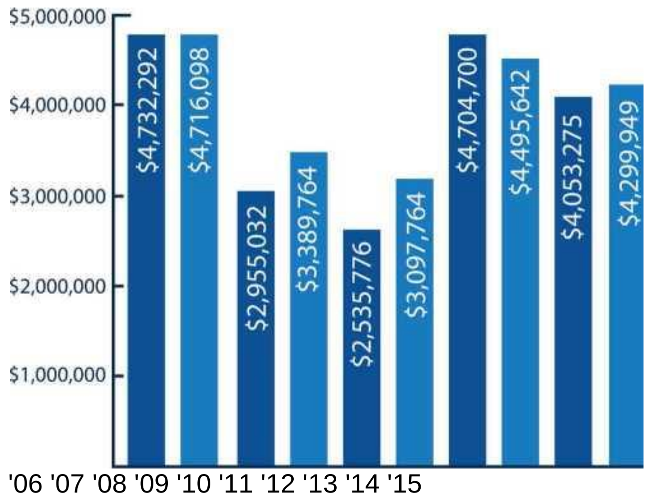
Interest Income	15,870,224	14,613,982	8.6%
Interest Expense	955,631	996,689	-4.1%
Net Interest Income	14,914,593	13,617,293	9.5%
Non-Interest Income	10,736,384	9,740,252	10.1%
Non-Interest Expense	19,841,377	17,955,082	10.4%
Profit Before Provision for income taxes	5,809,600	5,402,463	7.5%
Provision for Loan Losses	-	-	
Income Taxes	1,509,651	1,349,188	11.9%
Net Income	4,299,949	4,053,275	6.1%

Earnings Per Share	1.99	1.96	-3.6%
Dividends Paid	0.50	0.50	0.0%
Book Value	26.33	24.35	8.1%

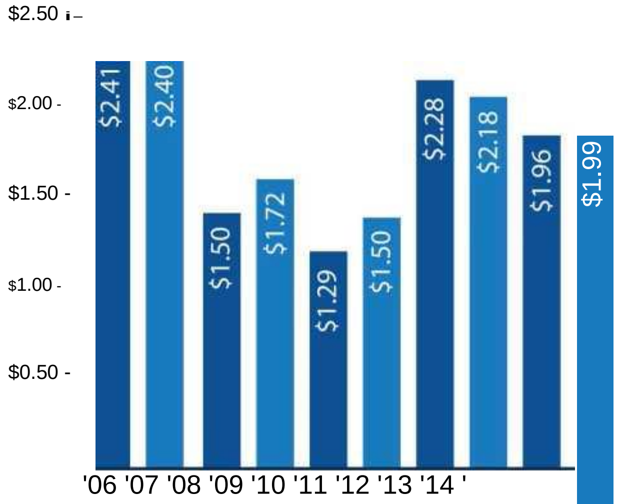
Return on Average Assets	0.93%	0.93%	0.0%
Return on Average Equity	7.79%	8.30%	-6.1%

YEAR END STATISTICS

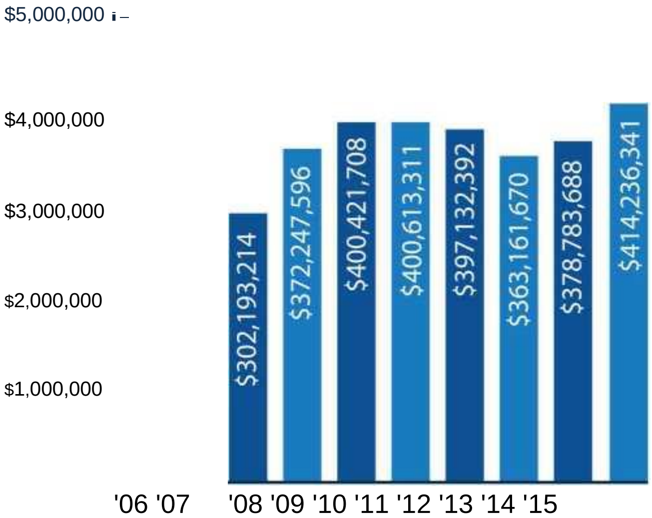
CONSOLIDATED NET INCOME



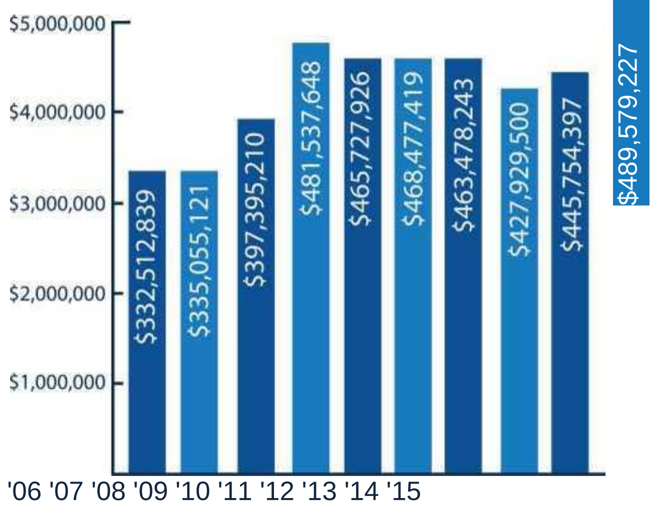
EARNINGS PER SHARE



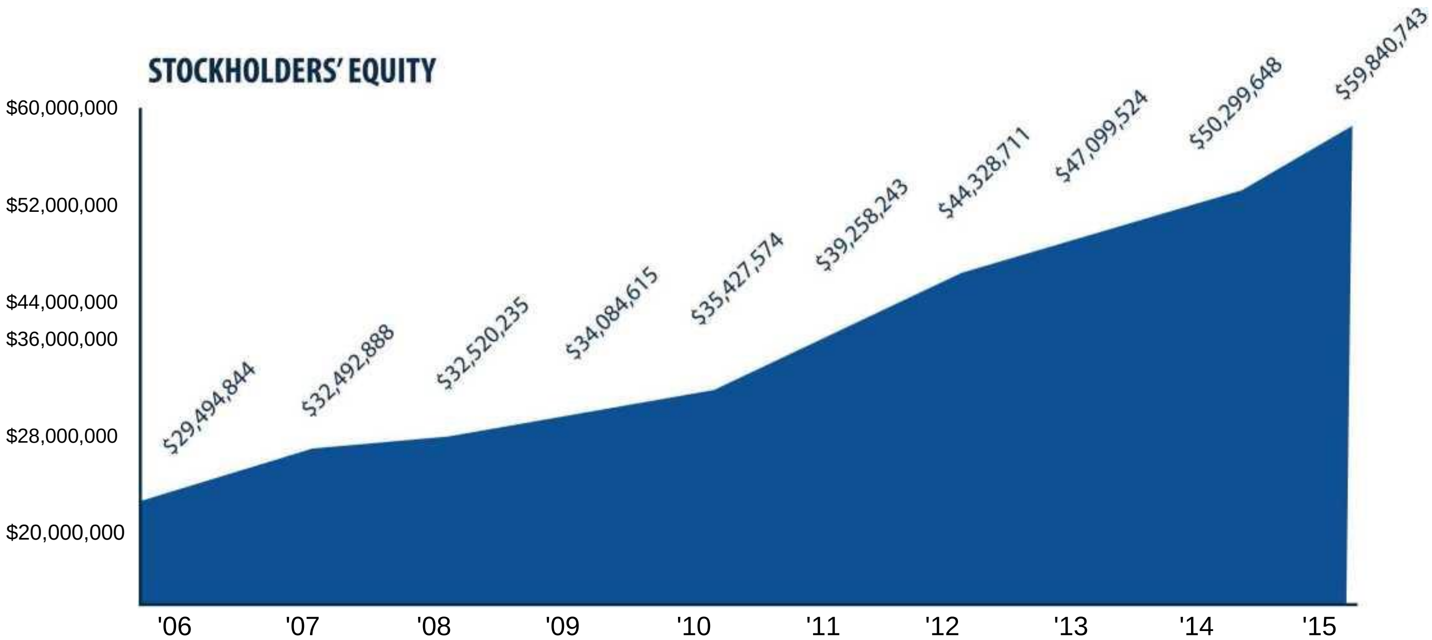
YEAR END DEPOSITS



YEAR END TOTAL ASSETS



STOCKHOLDERS' EQUITY



INDEPENDENT AUDITOR'S REPORT

The Board of Directors AmeriBancShares, Inc. and Subsidiaries Wichita Falls, Texas

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of AmeriBancShares, Inc. and Subsidiaries (Company) which comprise the consolidated balance sheets as of December 31, 2015 and 2014 and the related consolidated statements of income and comprehensive income, changes in stockholders' eguity and cash flows for the years then ended and the related notes to the consolidated 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 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 upon our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards reguire 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 of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of AmeriBancShares, Inc. and Subsidiaries as of December 31,2015 and 2014, 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.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The additional information contained on the schedules of: consolidating balance sheet, consolidating statement of income and comprehensive income, and consolidating statement of cash flows is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Payne, & Smith, JP.JP.G

March 1,2016

CONSOLIDATED BALANCE SHEETS

December 31,2015 and 2014

ASSETS	2015	2014
Cash and due from banks	$ 10,257,125	$ 10,491,044
Interest bearing deposits in banks	14,833,427	42,467,000
Total cash and equivalents	25,090,552	52,958,044
Securities available for sale	136,433,825	97,018,933
Securities to be held to maturity (approximate market value of $748,992 in 2014)		
Other securities	-	725,000
(approximate market value of $1,33 7,661 in 2015 and $677,050 in 2014)	1,337,661	677,050
Total investments	137,771,486	98,420,983
Mortgage loans heldforsale	2,091,459	468,704
Loans	286,902,883	259,927,731
Unearned discount	(963,331)	(938,849)
Allowance for loan losses	(5,204,726)	(5,241,006)
Net loans	280,734,826	253,747,876
Premises and equipment, net	18,502,190	15,646,286
Accrued interest receivable	1,787,377	1,299,556
Goodwill	4,220,475	4,219,975
Other assets	19,380,862	18,992,973
Total assets	$ 489,579,227	$ 445,754,397

LIABILITIES AND STOCKHOLDERS' EQUITY		
Demand deposits	$ 25,555,367	$ 23,696,378
Savings deposits	215,520,354	191,942,419
Money market and NOW accounts	86,899,478	86,432,593
Time certificates of deposit	86,261,142	76,712,298
Total deposits	414,236,341	378,783,688
Repurchase agreements	919,660	1,916,872
Other borrowed funds	-	488,311
Junior subordinated debentures	7,217,000	7,217,000
Accrued interest payable	45,333	45,504
Other liabilities	7,320,150	7,003,374
Total liabilities	429,738,484	395,454,749
Stockholders' Equity		
Common Stock (par value $2.50; 5,000,000 shares authorized, 2,321,360 issued and 2,272,360 outstanding at 2015 and 2,114,430 issued and 2,065,430 outstanding at 2014)	5,803,400	5,286,075
Surplus	18,442,024	13,038,891
Undivided profits	36,232,006	33,016,505
Treasury stock, at cost (49,000 shares)	(882,000)	(882,000)
Unearned KSOP stock	(216,970)	(434,142)
Accumulated other comprehensive income		
Net unrealized appreciation on securities available for sale,net oftax of$238,146in2015 and $141,316 in2014	462,283	274,319
Total stockholders' equity	59,840,743	50,299,648
Total liabilitiesand stockholders' equity	$ 489,579,227	$ 445,754,397

The accompanying Notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY *for the years ended December 31,2015 and 2014*

	2015	2014
INTEREST INCOME:		
Interest and fees on loans	$ 13,753,626	$ 13,038,349
Interest on investment securities	2,025,036	1,439,868
Interest on interest bearing deposits in banks	91,562	135,765
Total interest income	15,870,224	14,613,982
INTEREST EXPENSE:		
Interest on deposits	805,073	845,800
Interest on federal funds purchased	72	
Interest on repurchase agreements	1,888	2,776
Interest on other borrowed funds	722	1,500
Interest on junior subordinated debentures	147,876	146,613
Total interest expense	955,631	996,689
Net interest income	14,914,593	13,617,293
Provision for loan losses		
Net interest income after provision for loan losses	14,914,593	13,617,293
OTHER OPERATING INCOME:		
Service charges on deposit accounts	776,206	559,511
Trust fee income	5,131,157	4,707,572
Gain on sale of mortgage loans	1,006,181	1,083,443
Gain on sale of other real estate owned	62,450	12,767
Gain on sale of securities	35,394	110,814
Rent income	862,627	794,860
Other, net	2,862,369	2,471,285
Total other operating income	10,736,384	9,740,252
OTHER OPERATING EXPENSES:		
Salaries and employee benefits	11,595,049	1 0,550,494
Premises and equipment	1,951,213	1,846,615
Data processing expense	1,224,259	887,128
Other operating expenses	5,070,856	4,670,845
Total other operating expenses	19,841,377	17,955,082
Income before income taxes	5,809,600	5,402,463
Provision for income taxes	1,509,651	1,349,188
Net income	4,299,949	4,053,275
OTHER COMPREHENSIVE INCOME (LOSS):		
Change in net unrealized gain/loss on securities available for sale, net of taxes	21 1,324	20,283
Less reclassification adjustment for gains on sales of securities available for sale, net of taxes	(23,360)	(73,137)
	187,964	(52,854)
Total other comprehensive income	187,964	(52,854)
Total comprehensive income	$ 4,487,913	$4,000,421
Earnings per share	$ 1.99	$ 1.96

The accompanying Notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME
AND COMPREHENSIVE INCOME *for the yean ended December 31,2015 and 2014*

	COMMON STOCK NUMBER OF SHARES	COMMON STOCK AMOUNT	SURPLUS	UNDIVIDED PROFITS	TREASURY STOCK	UNEARNED KSOP STOCK	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	TOTAL STOCKHOLDERS' EQUITY
Balance January 1,2014	2,114,430	$ 5,286,075	$ 13,023,645	$ 29,995,945	$ (882,000)	$ (651,314)	$ 327,173	$ 47,099,524
Net income	-	-	-	4,053,275	-	-	-	4,053,275
Other comprehensive loss	-	-	-	-	-	-	(52,854)	(52,854)
Unearned KSOP share released	-	-	15,246	-	-	217,172	-	232,418
Cash dividends, $.50 per common share				(1,032,715)				(1,032,715)
Balance December 31,2014	2,114,430	5,286,075	13,038,891	33,016,505	(882,000)	(434,142)	274,319	50,299,648
Net income	-	-	-	4,299,949	-	-	-	4,299,949
Other comprehensive income	-	-	-	-	-	-	187,964	187,964
Unearned KSOP share released	-	-	22,953	-	-	217,172	-	240,125
Stock issued	206,930	517,325	5,380,180	-	-	-	-	5,897,505
Cash dividends, $.50 per common share				(1,084,448)				(1,084,448)
Balance December 31,2015	2,321,360	$ 5,803,400	$ 18,442,024	$ 36,232,006	$ (882,000)	$ (216,970)	$ 462,283	$ 59,840,743

The accompanying Notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

for the years ended December 31,2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 4,299,949	$ 4,053,275
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation	1,470,096	1,435,989
Provision for other real estate owned losses	117,437	600
Benefit from deferred taxes	(84,900)	(179,498)
Gain on sale of securities available for sale	(35,394)	(110,814)
Gain on sale of mortgage loans	(1,006,181)	(1,083,443)
Gain on sale of other real estate owned	(62,450)	(12,767)
Gain on sale of premises and equipment	(9,386)	(12,528)
Amortization ofpremium on investment securities	566,241	583,520
Accretion ofdiscount on investment securities	(24,001)	(9,174)
Proceeds from sales of mortgage loans	50,076,988	56,999,963
Mortgage loans funded	(50,690,000)	(54,416,000)
(Increase) decrease in:		
Prepaid expenses	17,512	(10,037)
Accrued interest receivable	(398,109)	(80)
Income taxes receivable	(67,211)	(128,487)
Miscellaneous other assets	629,764	(312,639)
Increase (decrease) in:		
Accrued interest payable	(6,019)	(4,120)
Other taxes payable	(8,900)	(42,835)
Other accrued expenses	(1,363,721)	599,395
Net cash provided by operating activities	3,421,715	7,350,320
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from maturing securities available for sale	41,808,233	14,370,009
Proceeds from sale of securities available for sale	15,111,443	10,272,115
Proceeds from maturing securities held to maturity	725,000	50,000
Proceeds from sale of other securities	22,500	610,900
Purchase of securities available for sale	(72,286,058)	(15,022,425)
Purchase of other securities	(683,110)	(562,500)
Purchase of cash value life insurance	(742,957)	(303,852)
Net increase in loans	(9,080,476)	(13,741,152)
Purchase of premises and equipment	(4,831,707)	(2,800,109)
Proceeds from sale of premises and equipment	836,700	1,052,461
Proceeds from sale of other real estate owned	1,523,415	283,083
Net cash received from acquisition	1,639,892	-
Net cash used in investing activities	(25,957,125)	(5,791,470)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net (decrease) increase in deposits	(3,250,422)	15,622,018
Net decrease in repurchase agreements	(997,212)	(1,317,262)
Dividends paid	(1,084,448)	(1,032,715)
Net cash (used in) provided by financing activities	(5,332,082)	13,272,041
Net (decrease) increase in cash and cash equivalents	(27,867,492)	14,830,891
Cash and cash equivalents at beginning of period	52,958,044	38,127,153
Cash and cash equivalents at end of period	$ 25,090,552	$ 52,958,044

The accompanying Notes are an integral part of these consolidated financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

The accounting and reporting policies of AmeriBancShares, Inc. and Subsidiaries ("the Company") conform to generally accepted accounting principles and prevailing practices within the banking industry. The Company carries its assets and liabilities principally on the historical cost basis and follows the accrual method of accounting.

NATURE OF OPERATIONS: The Company provides a variety of financial services to individual and business customers through its locations in Wichita Falls, Iowa Park, Chilicothe, Quanah, Archer City and Flower Mound, Texas. The Company's primary deposit products are demand deposits, savings deposits, and certificates of deposit, and the primary lending products are commercial, real estate mortgages, and installment loans. The Company also provides trust services, real estate title services and vehicle and equipment leasing services to individual and business customers through its locations in Wichita Falls, Texas and Flower Mound, Texas.

BASIS OF PRESENTATION: The accompanying consolidated financial statements include the accounts of AmeriBancShares, Inc. and its wholly-owned subsidiaries, ANB Realty Corp. and AmeriBancShares of Delaware, Inc. The financial statements also include American National Bank& Trust, which is a wholly-owned subsidiary of Ameri-BancShares of Delaware, Inc. and American National Leasing Company, Archer Title of Texas, Inc., and AmNat Insurance Services, Inc., which are wholly owned subsidiaries of Ameri-can National Bank & Trust (together referred to as "the Bank"). Additionally, for the period from July 10, 2015 to August 14, 2015, First National Bank of Chiilicothe was a wholly owned subsidiary of AmeriBancShares of Delaware, Inc. All significant intercompany transactions have been eliminated. The consolidated statements of income, changes in stockholders' equity, and cash flows include operations for the years ended December 31, 2015 and 2014.

As more fully explained in Note 18, the Company acquired Northern Bancshares, Inc. (NBI) and its wholly owned subsidiary, First National Bank of Chiilicothe (FNB), for a purchase price of $5,904,230 on July 10,2015. At the date of acquisition, NBI was merged into ABDI and FNB became wholly-owned by ABDI. Effective August 14, 2015, FNB was merged into the Bank. The operating results of FNB for the period from July 10, 2015 to August 14, 2015 have been included in the operating results of the Bank for the year ended December31,2015 in the accompanying consolidating statement of income (see Additional Information) in a manner similar to a pooling of interests.

USE OFESTIMATES:The preparation of financial statements in conformity with generally accepted accounting principles 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.

The determination of the adequacy of the allowance for loan losses is based on estimates that are particularly susceptible to significant changes in the economic environment and market conditions. In connection with the determination of the estimated losses on loans, management obtains independent appraisals for significant collateral.

The Company's loans are generally secured by specific items of collateral including real property, consumer assets and business assets. Although the Company has a diversified loan portfolio, a substantial portion of its debtors' ability to honor their contracts is dependent on local economic conditions in the real estate industry.

While management uses available information to recognize losses on loans, further reductions in the carrying amounts of loans may be necessary based on changes in local economic conditions. In addition, regulatory agencies, as an integral part of their examination process, periodically review the estimated losses on loans. Such agencies may require the Company to recognize additional losses based on their judgments about information available to them at the time of their examination.

CASH AND DUE FROM BANKS: Included in cash and due from banks are legal reserve requirements which must be maintained on an average basis in the form of cash and balances due from the Federal Reserve and other banks.

SECURITIES: Investment securities are classified into three categories: held-to-maturity (HTM), available-for-sale (AFS) and trading.
Securities classified as held-to-maturity, which are those the Company has the positive intent and ability to hold to maturity, are reported at amortized cost. Securities classified as available-for-sale may be sold in response to changes in interest rates, liquidity needs, and for other purposes. Available-for-sale securities are reported at fair value and include securities not classified as held-to- maturity or trading.

Trading securities are those held principally for the purpose of selling in the near future and are carried at fair value. The Company currently has no trading securities.

Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the securities. Unrealized holding gains and losses for available-for-sale securities are excluded from earnings and reported, net of any income tax effect, as a separate component of stockholders' equity. Realized gains and losses are reported in earnings based on the adjusted cost of the specific security sold.

MORTGAGE LOANS HELD FOR SALE: The mortgage loans held for sale are stated at the lower of cost or market. Such mortgage loans are aggregated by type for the purpose of valuation. Allowances which are necessary to reflect a reduction of the portfolio to the lower of cost or market are charged against income in the current period.

LOANS AND ALLOWANCE FOR LOAN LOSSES: Loans are stated at the amount of unpaid principal, reduced by unearned discount and an allowance for loan losses. Interest on loans is calculated by using the simple interest method on daily balances of the principal amount outstanding. Fees associated with originating loans, to the extent they exceed the direct origination costs are generally deferred and recognized over the life of the loan as an adjustment of yield.

Impaired loans are generally placed on nonaccrual when a loan is specifically determined to be impaired or when principal or interest is delinquent for 90 days or more. Any unpaid interest previously accrued on those loans is reversed from income. Interest income generally is not recognized on specific impaired loans unless the likelihood of further loss is remote. Interest payments received on such loans are applied as a reduction of the loan principal balance. Interest income on other impaired loans is recognized only to the extent of interest payments received and are accounted for on the cash- basis or cost-recovery method, until qualifying for return to accrual. A troubled debt restructured loan (TDR) is a loan which the Company, for reasons related to the borrower's financial difficulties, grants a concession to the borrower that the Company would not otherwise consider. The loan terms, which have been modified or restructured due to a borrower's financial difficulty, include, but are not limited to, a reduction in the stated interest rate; an extension of the maturity at an interest rate below current market; a reduction in the face amount of the debt; a reduction in the accrued interest; or reaging, extensions, deferrals, renewals, and rewrites. A TDR loan would generally be considered impaired in the year of modification and will be assessed periodically for further impairment.

The allowance for loan losses is established through a provision for loan losses charged to expense, which represents management's best estimate of probable losses that have been incurred within the existing portfolio of loans. The allowance, in the judgment of management, is necessary to provide for estimated loan losses inherent in the loan portfolio. The allowance for loan losses includes allowance allocations calculated in accordance with ASCTopic 310,"Receivables"and allowance allocations calculated in accordance with ASC Topic 450, "Contingencies". The level of the allowance reflects management's continuing evaluation of industry concentrations, specific credit risks, loan loss experience, current loan portfolio quality, present economic, political and regulatory conditions and unidentified losses inherent in the current loan portfolio, as well as trends in the foregoing. Portions of the allowance may be allocated for specific credits; however, the entire allowance is available for any credit that, in management's judgment, should be charged off. While management utilizes its best judgment and information available, the ultimate adequacy of the allowance is dependent upon a variety of factors beyond the Company's control, including the performance of the Company's loan portfolio, the economy, changes in interest rates and the view of the regulatory authorities toward loan classifications.

The Company's allowance for loan losses consists of three elements: (i) specific valuation allowances established for probable losses on specific loans; (ii) historical valuation allowances calculated based on historical loan loss experience for similar loans with similar characteristics and trends adjusted for general economic conditions and other qualitative risk factors both internal and external to the Company; and (iii) unallocated general valuation

SERVICING: Servicing assets are recognized as separate assets when rights are acquired through purchase or through sale of financial assets. Capitalized servicing rights are reported in other assets and are amortized into noninterest income in proportion to, and over the period of, the estimated.

GOODWILL: Goodwill represents the excess of the cost of businesses acquired over the fair value of the net assets acquired. At ieast annually or more frequently if circumstances dictate, management assesses qualitative factors to determine whether the existence of events and circumstances indicates that it is more likely than not that goodwill is impaired. If, after assessing the totality of events and circumstances, management concludes that it is not more likely than not that goodwill is impaired, then no further action is taken. If, however, management concludes otherwise, then the fair value of goodwill is determined and tested for impairment by comparing the fair value with the carrying amount in accordance with ASC Topic 350, Intangibles-Goodwill and Other.

DERIVATIVE FINANCIAL INSTRUMENTS: Derivative financial instruments are recognized as assets and liabilities on the consolidated balance sheet and measured at fair value.

Interest Rate Swap Agreements: From time to time, the Company uses interest rate swap agreements to hedge various exposures or to modify interest rate characteristics of various balance sheet accounts. Interest rate swaps are contracts in which a series of interest rate flows are exchanged over a prescribed period.The notational amount on which the interest payments are based is not exchanged. These swap agreements are derivative instruments and generally convert a portion of the Company's variable rate debt to a fixed rate (cash flow hedge). At December 31, 2015 and 2014, the Company had no outstanding interest rate swap agreements.

DERIVATIVE LOAN COMMITMENTS: Mortgage loan commitments that relate to the origination of a mortgage that will be held for sale upon funding are considered derivative instruments. Loan commitments that are derivatives are recognized at fair value on the consolidated balance sheet in other assets and other liabilities with changes in their fair values recorded in noninterest income. The fair values of those commitments was insignificant at December 31, 2015 and 2014.

NET INCOME PER COMMON SHARE: Net income per common share is based on the weighted average number of common shares outstanding during the period.

RECLASSIFICATION: For comparability, certain amounts in the 2014 financial statements have been reclassified, where appropriate, to conform with the financial presentation used in 2015.

CASH AND CASH EQUIVALENTS: For purposes of recording cash flows, cash and cash equivalents include cash on hand, amounts due from banks, interest-bearing deposits in banks and federal funds sold. Generally, federal funds are purchased and sold for one-day periods.

COMPREHENSIVE INCOME: Comprehensive income includes both net income and other comprehensive income (loss), which includes the change in unrealized gains and losses on securities available for sale and the change in fair value of derivatives used for cash flow hedges.

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

TRANSFERS OF FINANCIAL ASSETS: Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (i) the assets have been isolated from the Company, (ii) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and (iii) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

SUBSEQUENT EVENTS: The Company has evaluated subsequent events and transactions for potential recognition or disclosure through March 1, 2016, the date these financial statements were available to be issued.

NOTE 2: INVESTMENT SECURITIES

The amortized cost and estimated market values of investments in debt and equity securities are as follows:

DECEMBER31, 2015

Securities Available For Sale	AMORTIZED COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	ESTIMATED MARKETVALUE
United States Treasury securities	$ 10,079,637	$	($ 12,437)	$10,067,200
United States Agency securities	59,873,735	77,526	(232,947)	59,718,314
Municipal securities	62,723,687	984,573	(114,052)	63,594,208
Corporate bonds	-	-	-	-
Mortgage-backed securities	2,983,068	2,559	(4,793)	2,980,834
Equity securities	73,269	-	-	73,269
Totals	$135,733,396	$1,064,658	($ 364,229)	$136,433,825
Securities Held to Maturity				
Municipal securities	$-	$-	($ -)	$-
Totals	$-	$-	($ -)	$-
Other securities	$1,337,661	$-	$-	$1,337,661

DECEMBER31, 2014

Securities Available For Sale	AMORTIZED COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	ESTIMATED MARKETVALUE
United States Treasury securities	$ 20,052,000	$ 3,800	$(2,300)	$ 20,053,500
United States Agency securities	50,126,042	59,700	(420,496)	49,765,246
Municipal securities	20,916,125	789,224	(23,470)	21,681,879
Corporate bonds	2,516,825	1,900	-	2,518,725
Mortgage-backed securities	2,918,822	7,277	-	2,926,099
Equity securities	73,484	-	-	73,484
Totals	$ 96,603,298	$ 861,901	($ 446,266)	$ 97,018,933
Securities Held to Maturity				
Municipal securities	$ 725,000	$ 25,205	($ 1,213)	$ 748,992
Totals	$ 725,000	$ 25,205	($ 1,213)	$ 748,992
Other securities	$ 677,050	$-	$-	$ 677,050

Other securities consist of common stock in the Federal Reserve Bank, Federal Flome Loan Bank, Independent Bankers Financial Corporation, Bankers Bancorp and an investment in a Special Purpose Entity (see Note 9).

The amortized cost and estimated market value of debt and equity securities at December 31, 2015, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	SECURITIES AVAILABLE FOR SALE		SECURITIES TO BE HELD TO MATURITY	
	AMORTIZED COST	ESTIMATED MARKETVALUE	AMORTIZED COST	ESTIMATED MARKETVALUE
Due in one year or less	$ 4,108,410	$ 4,110,320	$-	$-
Due after one year through five years	91,483,971	91,466,998	-	-
Due after five years through ten years	25,043,665	25,482,025	-	-
Due after ten years	12,041,013	12,320,379	-	-
	132,677,059	133,379,722	-	-
Mortqaqe-backed securities	2,983,068	2,980,834	-	-
Equity securities	73,269	73,269	-	-
Totals	$135,733,396	$136,433,825	$-	$-

Proceeds from sales of available for sale securities for the years ended December 31, 2015 and 2014 were approximately $15,111,433 and $10,272,115, respectively. Gross gains of $35,394 and $110,814 were realized on sales of available for sale securities during 2015 and 2014, respectively. No gross losses were realized on sales of available for sale securities during 2015 or 2014.

Investment securities with a recorded value of approximately $86,311,209 and $79,701,159 at December 31,2015 and 2014, respectively, were pledged to secure deposits and for other purposes as required by law.

Unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, as of December 31,2015 and 2014 are summarized as follows:

DECEMBER31,2015	LESSTHAN 12 MONTHS		12 MONTHS OR MORE	
	FAIR VALUE	UNREALIZED LOSSES	FAIR VALUE	UNREALIZED LOSSES
SECURITIES AVAILABLE FOR SALE				
United States Treasury securities	$ 15,085,550	$ (12,437)	$	$
United States Aaencv securities	4,799,354	(232,947)	-	-
Municipal securities	1,582,418	(105,837)	1,797,477	(8,215)
Mortciacie-backed securities	488,051	(4,793)	-	-
	$21,955,373	$ (356,014)	$ 1,797,477	$ (8,215)
SECURITIES HELD TO MATURITY				
Municipal securities	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -

DECEMBER31,2014	LESSTHAN 12 MONTHS		12 MONTHS OR MORE	
	FAIR VALUE	UNREALIZED LOSSES	FAIR VALUE	UNREALIZED LOSSES
SECURITIES AVAILABLE FOR SALE				
United States Treasury securities	$ -	$ -	$ 15,040,250	$ (2,300)
United States Agency securities	4,799,354	($91,523)	24,711,750	(328,973)
Municipal securities	1,582,418	(5,296)	3,646,602	(18,174)
Corporate bonds	-	-	-	-
	$6,381,772	($96,819)	$ 43,398,602	($349,447)
SECURITIES HELD TO MATURITY				
Municipal securities	$ 7,844	$ (156)	$ 148,944	$ (1,057)
	$ 7,844	$ (156)	$ 148,944	$ (1,057)

Management evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Company to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. At December 31, 2015 and 2014, certain securities have unrealized losses with aggregate depreciation from the Company's amortized cost basis. These unrealized losses are generally due to changes in interest rates. In analyzing an issuer's financial condition, management considers whether the securities are issued by the federal government or its agencies, whether downgrades by bond rating agencies have occurred, and industry analysts' reports. As management has the intent and ability to hold debt securities until maturity, or for the foreseeable future if classified as available for sale, no declines are deemed to be other than temporary.

NOTE 3: LOANS AND ALLOWANCE FOR LOAN LOSSES

A summary of loan categories is as follows:

	DECEMBER31, 2015	DECEMBER 31,2014
Real estate		
1 -4 family construction	$ 6,123,448	$ 4,274,933
Construction, land development and other land	11,888,577	15,877,328
Revolving 1-4 family residential	608,410	687,970
1-4 family residential	46,109,847	42,451,154
Multi-family residential	6,507,951	11,610,354
Nonfarm nonresidential - owner occupied	54,459,210	48,184,469
Nonfarm nonresidential - nonowner occupied	67,217,024	71,490,507
Farmland	11,026,777	6,050,748
Agriculture	1,246,229	-
Commercial and industrial	33,649,266	21,161,356
Consumer	21,251,876	17,478,549
Municipal	1,676,679	-
All other loans	9,311,609	5,190,344
Lease financing receivable	15,765,128	15,431,643
Overdrafts	60,852	38,376
Total loans	286,902,883	259,927,731
Unearned discount	(963,331)	(938,849)
Allowance for loan losses	(5,204,726)	(5,241,006)
Net loans	$ 280,734,826	$ 253,747,876

At December 31, 2015 and 2014, the Company had total commercial real estate loans of $146,196,210 and $151,437,591, respectively. Included in these amounts, the Company had construction, land development, and other land loans representing 27% and 36%, respectively, of total risk based capital at December 31, 2015 and 2014. The Company had non-owner occupied commercial real estate loans representing 135% and 183%, respectively, of total risk based capital at December 31,2015 and 2014. Sound risk management practices and appropriate levels of capital are essential elements of a sound commercial real estate lending program (CRE). Concentrations of CRE exposures add a dimension of risk that compounds the risk inherent in individual loans. Interagency guidance on CRE concentrations describe sound risk management practices which include board and management oversight, portfolio management, management information systems, market analysis, portfolio stress testing and sensitivity analysis, credit underwriting standards, and credit risk review functions. Management believes it has implemented these practices in order to monitor its CRE. An institution which has reported loans for construction, land development, and other land loans representing 100% or more of total risk based capital, or total non-owner occupied commercial real estate loans representing 300% or more of the institutions total risk-based capital and the outstanding balance of commercial real estate loan portfolio has increased by 50% or more during the prior 36 months, may be identified for further supervisory analysis by regulators to assess the nature and risk posed by the concentration.

The Company extends commercial and consumer credit primarily to customers in the state of Texas. At December 31,2015 and 2014 the majority of the Company's loans were collateralized with real estate. The real estate collateral provides an alternate source of repayment in the event of default by the borrower, and may deteriorate in value during the time the credit is extended. The weakening of real estate markets may have an adverse effect on the Company's profitability and asset quality. If the Company were required to liquidate the collateral securing a loan to satisfy the debt during a period of reduced real estate values, earnings and capital could be adversely affected. Additionally, the Company has loans secured by inventory, accounts receivable, equipment, marketable securities, or other assets. The debtors'ability to honor their contracts on all loans is substantially dependent upon the general economic conditions of the region.

Mortgage loans serviced for others are not included in the accompanying consolidated balance sheets. The unpaid principal balances of mortgage loans serviced for others was $236,730,531 and $230,238,364 at December 31,2015 and 2014, respectively. Custodial escrow balances maintained in connection with the foregoing loan servicing, and included in demand deposits, were approximately $1,317,863 and $1,135,044 at December 31,2015 and 2014, respectively.

Originated mortgage servicing rights capitalized at December 31,2015 and 2014, are $1,870,825 and $1,811,215, respectively, and are included in other assets. The fair values of these rights were $2,169,399 and $2,082,046 at December 31, 2015 and 2014, respectively. The fair value of servicing rights was determined using a weighted average discount rate of 10.53% and 10.54% for 2015 and 2014, respectively, and a weighted average prepayment speed of 9.139% and 7.960% for 2015 and 2014, respectively.

A summary of the changes in servicing rights is as follows:

	2015	2014
Balance at beqinninq of year	$ 1,811,215	$ 1,721,924
Oriqination	313,043	317,562
Amortization	(253,433)	(228,271)
Impairments	-	-
Balance at end of year	$ 1,870,825	$ 1,811,215

Loan maturities and rate sensitivity of the loan portfolio at December 31,2015 and 2014, including mortgage loans held for resale less loans on nonaccrual, are as follows

	2015	2014
Fixed rate loans with a remaining maturity of:		
Three months or less	$ 12,053,211	$ 13,907,522
Over three months through twelve months	37,634,458	40,067,651
Over one year through five years	106,311,513	101,917,350
Over five years	65,883,297	66,699,409
Total fixed rate loans	$ 221,882,479	$ 222,591,932
Quarterly or more frequently	$ 54,419,322	$ 25,414,640
Annually or more frequently, but less frequently than quarterly	2,034,259	2,252,739
Every five years or more frequently, but less frequently than annually	7,862,335	3,955,872
Less frequently than every five years	934,496	1,660,000
Total variable rate loans	$ 65,250,412	$ 33,283,251

Variable rate loans with a repricing frequency of:

An analysis of the allowance for loan losses for the years ended December 31,2015 and 2014 is as follows:

DECEMBER 31,2015	BEGINNING BALANCE	PROVISIONS	CHARGE-OFFS	RECOVERIES	ENDING BALANCE
Real Estate					
1-4 family construction	$100,082	$ 56,786	$	$	$ 156,868
Construction, land development and other land	453,766	(92,683)	-	-	361,083
Revolving 1-4 family residential	2,408	26	-	-	2,434
1-4 family residential	505,911	29,358	(3,269)	32,271	564,271
Multi-family residential	104,493	(42,668)	-	-	61,825
Nonfarm nonresidential - owner occupied	591,490	116,480	.	_	707,970
Nonfarm nonresidential - nonowner occupied	1,735,882	(47,034)			1,688,848
Farmland	36,304	29,857	-	-	66,161
Agriculture	-	-	-	-	-
Commercial and industrial	282,416	178,624	-	100	461,140
Consumer	130,294	116,732	(78,678)	15,419	183,767
Municipal	-	-	-	-	-
All other loans	18,166	19,080	-	-	37,246
! ease financing receivable	105,666	(188)	(2,139)	16	103,355
Overdrafts	-	-	-	-	-
Unallocated	1,174,128	(364,370)	-	-	809,758
Balances for year ended December 31,2015	$5,241,006	$	$ (84,086)	$ 47,806	$ 5,204,726

DECEMBER 31,2014	BEGINNING BALANCE	PROVISIONS	CHARGE-OFFS	RECOVERIES	ENDING BALANCE
Real Estate					
1-4 family construction	$ 20,423	$ 79,659	$	$	$ 100,082
Construction, land development and other land	289,418	164,348	_	_	453,766
Revolvina 1-4 familv residential	3,103	(695)	-	-	2,408
1-4 family residential	603,365	(124,396)	(24,807)	51,749	505,911
Multi-family residential	30,313	74,180	-	-	104,493
Nonfarm nonresidential - owner occupied	670,171	(78,681)			591,490
Nonfarm nonresidential - nonowner occupied	2,114,583	(378,701)			1,735,882
Farmland	20,545	15,759	-	-	36,304
Commercial and industrial	228,381	62,796	(8,761)	-	282,416
Consumer	72,821	80,917	(34,911)	11,467	130,294
All other loans	12,966	5,200	-	-	18,166
Lease financina receivable	127,100	(21,293)	(141)	-	105,666
Overdrafts	-	-	-	-	-
Unallocated	1,053,221	120,907	-	-	1,174,128
Balances for year ended December31,2014	$ 5,246,410	$	$ (68,620)	$ 63,216	$ 5,241,006

The allocation ofa portion of the allowance for loan losses to one category does not preclude its availability to absorb losses in other categories.

Further information pertaining to the allowance for loan losses (ALLL) at December 31,2015 and 2014 follows:

DECEMBER 31, 2015	LOAN IMPAIRMENT EVALUATION			ALLL IMPAIRMENT ALLOCATIONS		
	INDIVIDUALLY	COLLECTIVELY	TOTAL	INDIVIDUALLY	COLLECTIVELY	TOTAL ALL
Real estate						
1-4 family construction	$	$ 6,123,448	$ 6,123,448	$	$ 156,868	$ 156,868
Construction, land development and other	174,734	11,713,843	11,888,577	-	361,083	361,083
Revolving 1-4 family	-	608,410	608,410	-	2,434	2,434
1 -4 family residential	1,679,815	44,430,032	46,109,847	50,398	513,873	564,271
Multi-family residential	-	6,507,951	6,507,951	-	61,825	61,825
Nonfarm nonresidential - owner occupied	-	54,459,210	54,459,210	-	707,970	707,970
Nonfarm nonresidential - nonowner occupied	987,680	66,229,344	67,217,024	-	1,688,848	1,688,848
Farmland	-	11,026,777	11,026,777	-	66,161	66,161
Agriculture	-	1,246,229	1,246,229	-	-	-
Commercial and industrial	14,796	33,634,470	33,649,266	3,921	457,219	461,140
Consumer	59,106	21,192,770	21,251,876	-	183,767	183,767
Municipal	-	1,676,679	1,676,679	-	-	-
All other loans	-	9,311,609	9,311,609	-	37,246	37,246
Lease financing receivable	-	15,765,128	15,765,128	-	103,355	103,355
Overdrafts	-	60,852	60,852	-	-	-
Unallocated	-	-	-	-	809,758	809,758
	$ 2,916,131	$283,986,752	$ 286,902,883	$ 54,319	$5,150,407	$5,204,726

DECEMBER 31, 2014	LOAN IMPAIRMENT EVALUATION			ALLL IMPAIRMENT ALLOCATIONS		
	INDIVIDUALLY	COLLECTIVELY	TOTAL	INDIVIDUALLY	COLLECTIVELY	TOTAL
Real estate						
1-4 family construction	$	$ 4,274,933	$4,274,933	$	$ 100,082	$ 100,082
Construction, land development and other	1,090,259	14,787,069	15,877,328	5,343	448,423	453,766
Revolving 1-4 family	-	687,970	687,970	-	2,408	2,408
1-4family residential	1,496,892	40,954,262	42,451,154	29,416	476,495	505,911
Multi-family residential	-	11,610,354	11,610,354	-	104,493	104,493
Nonfarm nonresidential - owner occupied	865,302	47,319,167	48,184,469	-	591,490	591,490
Nonfarm nonresidential - nonowner occupied	2,160,515	69,329,992	71,490,507	2,632	1,733,250	1,735,882
Farmland	-	6,050,748	6,050,748	-	36,304	36,304
Commercial and industrial	22,072	21,139,284	21,161,356	22,072	260,344	282,416
Consumer	1,000	17,477,549	17,478,549	-	130,294	130,294
All other loans	-	5,190,344	5,190,344	-	18,166	18,166
Lease financing receivable	-	15,431,643	15,431,643	-	105,666	105,666
Overdrafts	-	38,376	38,376	-	-	-
Unallocated	-	-	-	-	1,174,128	1,174,128
	$ 5,636,040	$ 254,291,691	$259,927,731	$ 59,463	$5,181,543	$ 5,241,006

The Company's individual ALLL allocations are established for probable losses on specific loans. The Company's general ALLL allocations are established based upon historical loss experience for similar loans with similar characteristics and economic conditions and other qualitative risk factors both internal and external to the Company.

Past Due Loans

The following is a summary of past due and non-accrual loans at December 31,2015 and 2014:

DECEMBER 31, 2015		PAST DUE 90 DAYS OR MORE		
	30-89 DAYS PAST DUE	STILL ACCRUING	NON-ACCRUAL	TOTAL PAST DUE
Real estate				
1-4 family construction	$	$ -	$	$
Construction, land development and other land	-	-	174,734	174,734
Revolving 1-4 family	-	-	-	-
1 -4 family residential	1,214,106	-	1,612,815	2,826,921
Multi-family residential	-	-	-	-
Nonfarm nonresidential - owner occupied	-	-	-	
Nonfarm nonresidential - nonowner occupied	1,046,153	_	-	1,046,153
Farmland	-	-	-	-
Agriculture	-	-	-	-
Commercial and industrial	-	-	14,796	14,796
Consumer	1,091,440	-	59,106	1,150,546
Municipal	-	-	-	-
All other loans	-	-	-	-
Lease financing receivable	-	-	-	-
Overdrafts	-	-	-	-
	$ 3,351,699	$ -	$ 1,861,451	$ 5,213,150

DECEMBER31, 2014		PAST DUE 90 DAYS OR MORE		
	30-89 DAYS PAST DUE	STILL ACCRUING	NON-ACCRUAL	TOTAL PAST DUE
Real estate				
1 -4 family construction	$	$	$	$
Construction, land development and other	-	-	1,090,259	1,090,259
Revolving 1-4 family	-	-	-	-
1 -4 family residential	687,732	-	1,427,936	2,115,668
Multi-family residential	-	-	-	-
Nonfarm nonresidential - owner occupied	-	-	865,302	865,302
Nonfarm nonresidential - nonowner occupied	483,746	_	1,115,683	1,599,429
Farmland	-	-	-	-
Commercial and industrial	-	-	22,072	22,072
Consumer	934,527	130	-	934,657
All other loans	-	-	-	-
Lease financing receivable	2,481	-	-	2,481
Overdrafts	-	-	-	-
	$ 2,108,486	$ 130	$4,521,252	$ 6,629,868

Impaired Loans

The following is a summary of information pertaining to impaired loans at December 31,2015 and 2014 is as follows:

IMPAIRED LOAN

DECEMBER 31,2015	IMPAIRED LOAN WITH A VALUATION ALLOWANCE			WITHOUT A VALUATION ALLOWANCE		
	RECORDED INVESTMENT	UNPAID PRINCIPAL	RELATED ALLOWANCE	RECORDED INVESTMENT	UNPAID PRINCIPAL	RELATED ALLOWANCE
Real estate						
1 -4 family construction	$	$	$	$	$	$ -
Construction, land development and other				174,734	174,734	
Revolving 1-4 family	-	-	-	-	-	-
1-4 family residential	351,898	351,898	50,398	1,327,917	1,327,917	-
Multi-family residential	-	-	-	-	-	-
Nonfarm nonresidential - owner occupied						
Nonfarm nonresidential - nonowner occupied				987,680	987,680	
Farmland	-	-	-	-	-	-
Agriculture	-	-	-	-	-	-
Commercial and industrial	3,921	3,921	3,921	10,875	10,875	-
Consumer	-	-	-	59,106	59,106	-
Municipal	-	-	-		-	-
All other loans	-	-	-	-	-	-
Lease financing receivable	-	-	-	-	-	-
Overdrafts	-	-	-	-	-	-
Balance at December 31,2015	$ 355,819	$ 355,819	$ 54,319	$ 2,560,312	$2,560,312	$ -

DECEMBER 31,2014	IMPAIRED LOAN WITH A VALUATION ALLOWANCE			IMPAIRED LOAN WITHOUT A VALUATION ALLOWANCE		
	RECORDED INVESTMENT	UNPAID PRINCIPAL	RELATED ALLOWANCE	RECORDED INVESTMENT	UNPAID PRINCIPAL	RELATED ALLOWANCE
Real estate						
1 -4 family construction	$	$	$	$	$	$ -
Construction, land development and other	95,343	95,343	5,343	994,916	994,916	
Revolving 1-4 family	-	-	-	-	-	-
1 -4 family residential	200,416	200,416	29,416	1,296,476	1,296,476	
Multi-family residential	-	-	-	-	-	-
Nonfarm nonresidential - owner occupied				865,302	865,302	
Nonfarm nonresidential - nonowner occupied	1,044,832	1,044,832	2,632	1,115,683	1,115,683	
Farmland	-	-	-	-	-	-
Commercial and industrial	22,072	22,072	22,072	-	-	-
Consumer	-	-	-	1,000	1,000	-
All other loans	-	-	-	-	-	-
Lease financing receivable	-	-	-	-	-	-
Overdrafts	-	-	-	-	-	-
Balance at December 31,2014	$ 1,362,663	$ 1,362,663	$ 59,463	$ 4,273,377	$ 4,273,377	$ -

Additional information pertaining to impaired loans is as follows:	2015	2014
Average impaired loans	3,899,233	8,435,019
Interest income recognized on impaired loans	412,378	329,660
Additional interest income that would have been recognized if the loans had been on the accrual basis	98,371	198,993

Troubled Debt Restructuring

Impaired loans include loans modified in troubled debt restructurings where concessions have been granted to borrowers experiencing financial difficulties. The restructuring of a loan is considered a troubled debt restructuring if both the borrower is experiencing financial difficulties and the creditor has granted a concession. Concessions may include interest rate reductions or below market interest rates, principal forgiveness, restructuring amortization schedules and other actions intended to minimize potential losses. During 2015 and 2014, the Company had TDR's totaling $1,320,914 and $2,477,118 respectively, a significant portion of which were on nonaccrual status. During the years ended December 31, 2015 and 2014, the Company had approximately $30,892 and $167,000 in loans modified as TDR's. These restructurings did not significantly impact the Company's determination of the allowance for loan losses. During the years ended December 31, 2015 and 2014, the Company had no significant TDR's that subsequently defaulted within twelve months following their modification.

Credit Quality Information

The Company categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt, including: current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Company analyzes loans individually by classifying the loans as to credit risk. This analysis is performed on an ongoing basis. The Company uses the following definitions for risk ratings:

PASS: Loans classified as pass are loans with low to average risk.

SPECIAL MENTION: Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

SUBSTANDARD: Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

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

The risk category of loans by class of loans at December 31,2015 and 2014 is as follows:

DECEMBER31, 2015	PASS	SPECIAL MENTION	SUBSTANDARD	DOUBTFUL	TOTAL
Real estate					
1-4 family construction	$6,123,448	$	$	$ -	$6,123,448
Construction, land development and other land	11,713,843		174,734		11,888,577
Revolving 1-4 family	608,410	-	-		608,410
1 -4 family residential	43,885,681	63,404	2,160,762		46,109,847
Multi-family residential	6,507,951	-	-		6,507,951
Nonfarm nonresidential - owner occupied	54,459,210	.			54,459,210
Nonfarm nonresidential - nonowner occupied	66,229,344		987,680		67,217,024
Farmland	11,026,777	-	-		11,026,777
Agriculture	1,246,229	-	-		1,246,229
Commercial and industrial	33,634,470	-	14,796		33,649,266
Consumer	21,164,004	-	87,872		21,251,876
Municipal	1,676,679	-	-		1,676,679
All other loans	9,311,609	-	-		9,311,609
Lease financing receivable	15,765,128	-	-		15,765,128
Overdrafts	60,852	-	-		60,852
	$283,413,635	$63,404	$3,425,844		$286,902,883

DECEMBER31, 2014	PASS	SPECIAL MENTION	SUBSTANDARD	DOUBTFUL	TOTAL
Real estate					
1-4 family construction	$ 4,274,933	$	$	$ -	$ 4,274,933
Construction, land development and other land	14,787,069		1,090,259		15,877,328
Revolving 1-4 family	687,970	-	-	-	687,970
1-4 family residential	40,144,455	105,871	2,200,828	-	42,451,154
Multi-family residential	11,610,354	-	-	-	11,610,354
Nonfarm nonresidential - owner occupied	47,319,167	.	865,302	.	48,184,469
Nonfarm nonresidential - nonowner occupied	69,329,992		2,160,515		71,490,507
Farmland	6,050,748	-	-	-	6,050,748
Commercial and industrial	21,107,783	31,501	22,072	-	21,161,356
Consumer	17,429,508	-	49,041	-	17,478,549
All other loans	5,190,344	-	-	-	5,190,344
Lease financing receivable	15,431,643	-	-	-	15,431,643
Overdrafts	38,376	-	-	-	38,376
	$ 253,402,342	$ 137,372	$ 6,388,017	$ -	$259,927,731

NOTE 4: PREMISES AND EQUIPMENT

A summary of premises, equipment and land improvements and related accumulated depreciation is as follows:

	ESTIMATED USEFUL LIVES	DECEMBER31, 2015	DECEMBER31, 2014
Land		$ 4,737,487	$ 2,400,578
Premises	5-40 years	12,524,210	11,689,610
Furniture, Fixtures & Equip	3-1 Oyears	8,642,140	8,209,060
Land Improvements	5-20 years	486,330	486,330
Lease Equipment	3-5 years	4,572,573	4,635,029
		30,962,740	27,420,607
Less Accumulated Depreciation		12,460,550	11,774,321
Totals		$18,502,190	$15,646,286

Depreciation expense amounted to $1,470,096 and $1,435,989 in 2015 and 2014, respectively.

NOTE 5: GOODWILL

Goodwill in the amount of $4,220,475 and $4,219,975 at December 31,2015 and 2014, respectively, is included in the accompanying consolidated financial statements. At December 31, 2015 and 2014, management has determined that it is not more likely than not that goodwill is impaired.

Prior to the year ended December 31, 2002, goodwill was amortized over its estimated useful life. Accordingly, the amounts reflected for goodwill in the accompanying financial statements have been reduced by the relating accumulated amortization of $507,484.

NOTE 6: DEPOSITS

Included in time deposits are certificates of deposit in amounts of $100,000 or more. The aggregate amount of short-term jumbo certificates of deposit, each with a minimum denomination of $100,000, was $27,781,765 and $28,241,350 at December 31, 2015 and 2014, respectively.

At December 31, 2015 and 2014, the scheduled maturities of certificates of deposit are as follows:

	DECEMBER31, 2015	DECEMBER31, 2014
Less than three months	$18,948,058	$19,155,860
Fourto twelve months	37,114,430	33,171,713
One to five years	30,197,568	24,384,725
Over five years	1,086	-
Totals	$86,261,142	$76,712,298

During 2006, the Company entered into a program in which certain eligible transaction deposits could be reclassed to savings deposits for regulatory reporting purposes and therefore reduce its reserve requirement with the Federal Reserve Bank. At December31,2015 the Company has reclassed $100,177,039 demand deposits and $86,268,376 NOW and Money Market deposits to savings deposits for regulatory reporting in connection with this program. At December 31,2014 the Company has reclassed $96,270,777 demand deposits and $75,131,722 NOW and Money Market deposits to savings deposits.

NOTE 7: SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE

Securities sold under agreements to repurchase amounted to $919,660 and $1,916,872 at December 31, 2015 and 2014, respectively. The agreements are secured by U.S. Government Agency securities with a fair value of $939,225 at
2015 and $1,956,072 at 2014. The weighted average interest rate on these agreements was 0.10% and 0.10% at December 31, 2015 and 2014, respectively. The agreements of $919,660 at December 31, 2015 mature on January 4,
2016 and are renewed daily as necessary under normal operations.

NOTE 8: OTHER BORROWED FUNDS

Included in other borrowed funds at December 31,2015 and 2014, respectively, are the following:

	2015	2014
KSOP note payable	$ 0	$ 488,311
	$ 0	$ 488,311

KSOP Note Payable

At December 31, 2014, the Company's KSOP had a note payable in the amount of $488,311 with First National Bank of Chillicothe. The note was renewed on April 29, 2009 and bore interest at a rate of 5.50%, and called for seven annual payments of principal and interest in the amount of $267,496 beginning April 29,2010. The Note was secured by 45,000 shares of the Company's stock and matured on April 29,2016. The Note was purchased by the Company in connection with the acquisition of First National Bank of Chillicothe as more fully disclosed in note 18.

NOTE 9: JUNIOR SUBORDINATED DEBENTURES

The junior subordinated debentures of $7,217,000 at December 31, 2015 and 2014 represent amounts payable to a Special Purpose Entity (SPE) in conjunction with the Company's sponsorship of the SPE. The SPE has one issuance outstanding totaling $7,000,000 in trust preferred securities and $217,000 in common stock (wholly-owned by the Company) at December 31,2015 and 2014. Both the junior subordinated debentures and the related trust preferred securities yield an annual distribution rate of 3-month LIBOR plus1.80% (2.31% at December 31, 2015 and 2.03% at December 31,2014), are redeemable at various dates beginning in June, 2010 and mature in June, 2035.

The trust preferred securities are tax-advantaged issues that currently qualify as Tier I capital for the Company. Distributions on these securities are included as interest expense on other borrowed funds. The underlying trust is a statutory business trust organized for the sole purpose of issuing trust preferred securities and investing the proceeds thereof in junior subordinated debentures of the Company, the sole asset of the trust. The preferred trust securities of the trust represent preferred beneficial interests in the assets of the trust and are subject to mandatory redemption upon payment of the junior subordinated debentures held by the trust. The common securities of the trust are wholly-owned by the Company. The trust's ability to pay amounts due on the trust preferred securities is solely dependent upon the Company making payment on the related junior subordinated debentures. The Company's obligations under the junior subordinated debentures and other relevant trust agreements, in aggregate, constitute a full and unconditional guarantee by the Company of the trust's obligations under the trust preferred securities issued by the trust.

The Dodd-Frank Act eliminated the use of trust preferred securities issued after May 19, 2010 as a component of Tier 1 capital for depository institution holding companies, such as the Company. However, because the Company had less than $ 15 billion of consolidated assets as June 30, 2011, the Company will be permitted to include any trust preferred securities issued before May 19,2010 as an element of Tier 1 capital, but not be able to include any trust preferred securities issued after May 19, 2010 as a component of Tier 1 capital. Further, the Board of Governors of the Federal Reserve System (Board) has determined that trust preferred securities are restrictive core capital elements in computing Tier I capital of bank holding companies.The Board has limited restrictive core capital elements (as defined) to 25% of core capital elements. Accordingly, the Company is limited on the trust preferred securities which it can include in its Tier I capital.

NOTE 10: INCOME TAXES

The provision for income taxes consists of the following:

	DECEMBER31, 2015	DECEMBER31, 2014
Current income tax expense		
Federal and state	$ 1,594,551	$1,528,686
Deferred income tax expense (benefit) arising from:		
Excess of tax overfinancial accounting depreciation	(237,149)	(6,148)
Accounting for bad debt expense	722	48
Nonaccrual loan interest	112,767	(193,872)
Federal Flome Loan Bank stock dividends	(12,362)	374
Deferred compensation benefits	(139,598)	(145,832)
Deferred loan fee income	4,538	(7,967)
Goodwill amortization	105,373	105,373
Write down of other real estate owned	80,809	68,526
Net deferred income tax benefit	(84,900)	(179,498)
Total income tax expense	$ 1,509,651	$1,349,188

The difference between the consolidated financial statement income tax expense and amounts computed by applying the statutory federal income tax rate of 34% to consolidated income before taxes is primarily attributable to investments in tax-exempt securities, tax-exempt increases in cash surrender value of life insurance, and certain other transactions.

As of December 31, 2015 and 2014, there are no unused net operating losses or tax credits available for carryover to future periods for either financial reporting or tax reporting purposes.

A net deferred federal income tax asset of $1,111,282 and $1,123,212 at December 31,2015 and 2014 respectively, is included in other assets. The accumulated tax effects of each type of income and expense item that gave rise to deferred taxes are as follows:

	DECEMBER31, 2015	DECEMBER31, 2014
Deferred tax assets		
Excess of tax cost over financial cost for fixed assets	$ 114,406	$ 171,623
Allowance for loan losses	1,496,178	1,496,900
Deferred compensation benefits	2,197,054	2,057,456
Deferred loan fee income	51,970	56,508
Write down of other real estate owned	18,575	99,384
Nonaccrual loan interest	81,105	193,872
Total deferred tax assets	3,959,288	4,075,743
Deferred tax liabilities		
Depreciation	(1,084,635)	(1,379,001)
Federal Home Loan Bank stock dividends	(42,511)	(54,873)
Amortization	(1,482,714)	(1,377,341)
Net unrealized appreciation on securities available for sale	(238,146)	(141,316)
Total deferred tax liabilities	(2,848,006)	(2,952,531)
Total net deferred tax asset	$ 1,111,282	$ 1,123,212

Federal income taxes currently receivable of $217,744 and $150,540 at December 31,2015 and 2014, respectively, are included in other assets.

NOTE 11: EMPLOYEE BENEFITS

KSOP PLAN The Company maintains a leveraged employee stock ownership 401 (k) plan ("KSOP"). The KSOP periodically borrows from unrelated lenders to acquire stock for future allocation to KSOP participants. The KSOP provides for voluntary employee salary reduction contributions, voluntary employee after-tax contributions, discretionary employer salary reduction matching contributions, and additional discretionary employer contributions which the Company uses to pay interest on KSOP debt and KSOP debt principal reductions as the Company desires to release unallocated KSOP shares to the KSOP participants.

As shares are released from collateral, the Company reports compensation expense equal to the current market price of the shares. KSOP expense for 2015 and 2014 was $377,299 and $398,421, respectively. Employee salary reduction contributions of $487,759 and $529,535 were made in 2015 and 2014, respectively.

DEFERRED COMPENSATION PLANS The Company maintains individually designed supplemental income plan agreements ("agreements") with certain designated employees and directors. The agreements provide a deferred compensation benefit payable at retirement or death.

The liability under the agreements is recorded based upon the present value of the deferred compensation benefits. At December 31,2015 and 2014, the Company's accrued liability under the agreements was $6,421,681 and $6,044,823, respectively.

In connection with the funding of the agreements, the Company has purchased life insurance policies that it believes will fund the benefits payable pursuant to the agreements. The Company is owner and beneficiary of the life insurance policies. Other assets at December 31,2015 and 2014, respectively, include $11,160,582 and $10,499,724 in cash value of these life insurance policies.

NOTE 12: RELATED-PARTY TRANSACTIONS

At December 31,2015 and 2014, certain officers and directors, and companies in which they have a 10 percent or more beneficial ownership, were indebted to the Company in the aggregate amount of approximately $19,762,055 and $16,499,307, respectively. During 2015, $7,511,827 of new loans were originated and repayments totaled $4,249,079. All such loans were made in the ordinary course of business. All loans included in such transactions were made on substantially the same terms, including interest rates and collateral requirements, as those prevailing at the time for comparable transactions with other persons and did not involve more than the normal risk of loss or present other unfavorable features.

NOTE 13: COMMITMENTS AND CONTINGENT LIABILITIES

The Company's financial statements do not reflect various commitments and contingent liabilities which arise in the normal course of business and which involve elements of credit risk, interest rate risk and liquidity risk. These commitments and contingent liabilities are commitments to extend credit and standby letters of credit. A summary of the Company's commitments and contingent liabilities at December 31, 2015 and 2014, are as follows:

	DECEMBER31, 2015	DECEMBER31, 2014
Commitments to extend credit	$ 50,595,952	$ 36,169,480
Standby letters of credit	4,533,036	1,736,606
Total	$ 55,128,988	$ 37,906,086

Commitments to extend credit, and standby letters of credit all include exposure to some credit loss in the event of nonperformance of the customer. The Company evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained if deemed necessary by the Company upon extension of credit is based on management's credit evaluation. Collateral held varies but may include accounts receivable, inventory, property, plant and equipment, and income-producing commercial properties. Because these instruments have fixed maturity dates, and because many of them expire without being drawn upon, they do not generally present any significant liquidity risk to the Company. The Company has not incurred any significant losses on its commitments in either 2015 or 2014.

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

NOTE 14: CONCENTRATIONS OF CREDIT

Substantially all of the Company's loans, commitments, credit card arrangements and standby letters of credit have been granted to customers in the Company's market area. Most customers are depositors of the Company. Investments in state and municipal securities also involve governmental entities within the Company's market area. The concentrations of credit by type of loan are set forth in Note 3. The distribution of commitments to extend credit approximates the distribution of loans outstanding. Commercial and standby letters of credit were granted primarily to commercial borrowers.

The Company occasionally maintains deposits and federal funds sold in excess of federally insured limits.

At December 31,2015 and 2014, the Company had $9,159,825 and $5,694,906, respectively, in due from banks and federal funds sold in excess of federally insured amounts. The risk is managed by maintaining all deposits in high quality financial institutions.

At December 31, 2015 and 2014, total deposits include $50,398,648 and $45,651,882, respectively, from four customers. The customers'deposits are under no contractual obligation to the Company other than the maturity durations for various time certificates of deposit.

NOTE 15: FAIR VALUE DISCLOSURES

The fair value of an asset or liability is the price that would be received to sell that asset or paid to transfer that liability in an orderly transaction occurring in the principal market (or most advantageous market in the absence of a principal market) for such asset or liability. In estimating fair value, the Bank utilizes valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. Such valuation techniques are consistently applied. Inputs to valuation techniques include the assumptions that market participants would use in pricing an asset or liability. ASC Topic 820, "Fair Value Measurements and Disclosures," establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

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

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

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

In general, fair value is based upon quoted market prices, where available. If such quoted market prices are not available, fair value is based upon internally developed models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value.These adjustments may include amounts to reflect counterparty credit quality and the Bank's creditworthiness, among other things, as well as unobservable parameters. Any such valuation adjustments are applied consistently over time. The Bank's valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While management believes the Bank's valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. Furthermore, the reported fair value amounts have not been comprehensively revalued since the presentation dates, and therefore, estimates of fair value after the balance sheet date may differ significantly from the amounts presented herein.

Assets and liabilities measured at fair value on a recurring basis at December 31,2015 and 2014 were as follows:

DECEMBER31, 2015	LEVEL 1	LEVEL 2	LEVEL 3
Available for sale securities (1)	$ -	$136,433,825	$ -

DECEMBER31, 2014	LEVEL 1	LEVEL 2	LEVEL 3
Available for sale securities (1)	$ -	$ 97,018,933	$ -

(1) Securities are measured at fair value on a recurring basis, generally monthly.

Certain financial and non-financial assets are measured at fair value on a non-recurring basis; that is, the instruments are not measured at fair value on an ongoing basis, but are subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment).

The following table summarizes financial assets and non-financial assets, measured at fair value on a non-recurring basis as of December 31,2015 and 2014, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

DECEMBER31, 2015	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL FAIR VALUE
Financial assets - impaired loans	$ -	$ -	$ 2,861,812	$ 2,861,812
Other real estate owned	$ -	$ 1,223,909	$-	$ 1,223,909

DECEMBER31, 2014	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL FAIR VALUE
Financial assets - impaired loans	$ -	$ -	$ 5,576,577	$ 5,576,577
Other real estate owned	$ -	$ 1,825,006	$-	$ 1,825,006

During the years ended December 31,2015 and 2014, certain impaired loans were remeasured and reported at fair value through a specific valuation allowance allocation of the allowance for possible loan losses based upon the fair value of the underlying collateral. For the years ended December 31, 2015 and 2014, impaired loans with a carrying value of $2,916,131 and $5,636,040, respectively, were reduced by specific valuation allowance allocations totaling approximately $54,319 and $59,463, respectively, to a total reported fair value of approximately $2,861,812 and $5,576,577, respectively, based on collateral valuations utilizing Level 3 valuation inputs.

Foreclosed assets are valued at the time the loan is foreclosed upon and the asset is transferred to other real estate owned. The value is based primarily on third-party appraisals, less estimated costs to sell. Appraisals based upon comparable sales result in a Level 2 classification while appraisals based upon expected cash flows of the property result in a Level 3 classification. The appraisals are generally discounted based on management's historical knowledge, changes in market conditions from the time of valuation, and/or management's expertise and knowledge of the customer and customer's business. Other real estate owned is reviewed and evaluated on at least an annual basis for additional impairment and adjusted accordingly, based on the same factors identified above.

Those financial instruments not subject to the initial implementation of this guidance, are required to have their fair value disclosed, both assets and liabilities recognized and not recognized in the balance sheets, for which it is practicable to estimate fair value. Following is a table that summarizes the fair values of all financial instruments of the Bank at December 31, 2015 and 2014, followed by methods and assumptions that were used by the Bank in estimating the fair value of the classes of financial instruments not covered by FASB ASC Topic 820.

The estimated fair value amounts of financial instruments have been determined by the Bank using available market information and appropriate valuation methodologies. However, considerable judgment is required to interpret data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Bank could realize in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

The estimated fair values of the Bank's financial instruments at December 31,2015 and 2014 were as follows:

	DECEMBER31, 2015		DECEMBER31, 2014	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Financial Assets:				
Cash and cash equivalents	$ 25,090,552	$ 25,090,552	$ 52,958,044	$ 52,958,044
Securities available for sale	136,433,825	136,433,825	97,018,933	97,018,933
Securities to be held to maturity	-	-	725,000	748,992
Other securities	1,337,661	1,337,661	677,050	677,050
Mortgage loans held for sale	2,091,459	2,091,459	468,704	468,704
Loans, net of discount	285,939,552	281,392,000	258,988,882	249,690,000
Less allowance for loan losses	(5,204,726)	(5,204,726)	(5,241,006)	(5,241,006)
Loans, net of allowance	280,734,826	276,187,274	253,747,876	244,448,994
Mortgage servicing rights	1,870,825	2,169,399	1,811,215	2,082,046
Accrued interest receivable	1,787,377	1,787,377	1,299,556	1,299,556
Financial Liabilities:				
Deposits	414,236,341	414,691,000	378,783,688	377,723,000
Repurchase agreements	919,660	919,660	1,916,872	1,916,872
Other borrowed funds	-	-	488,311	488,311
Junior subordinated debentures	7,217,000	7,217,000	7,217,000	7,217,000
Accrued interest payable	45,333	45,333	45,504	45,504
On-Balance Sheet Derivative Financial Instruments:				
Assets	-	-	-	-
Liabilities	-	-	-	-
Off-Balance Sheet Credit Related Financial Instruments:				
Commitments to extend credit	-	-	-	-
Standby letters of credit	-	-	-	-

The following methods and assumptions were used to estimate the fair value of each class of financial instruments as disclosed herein. The values are for disclosure purposes only and have not affected the carrying values of the assets and liabilities on the balance sheet.

Cash and Short-Term Investments
For those short-term investments, the carrying amount is a reasonable estimate of fair value.

Investment Securities
For debt securities held as investments, fair value equals quoted market price, if available. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities.

Loan Receivables
For certain homogeneous categories of loans, such as some residential mortgages, credit card receivables, and other consumer loans, fair value is estimated using the quoted market prices for securities backed by similar loans, adjusted for differences in loan characteristics. The fair value of other types of loans is estimated by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities.

Deposit Liabilities
The fair value of demand deposits, savings accounts, and certain money market deposits is the amount payable on demand at the reporting date. The fair value of fixed maturity certificates of deposit is estimated

using the rates currently offered for deposits of similar remaining maturities.

Other Borrowed Funds
The fair value of federal funds purchased is the amount payable upon demand at the reporting date. The fair value of the Federal Home Loan Bank advance is estimated by discounting the future cash flows using the current rates at which similar advances would be made to banks with similar credit ratings for the same remaining maturities.

Mortgage Servicing Rights
Fair values of mortgage servicing rights are estimated based on their respective present values of future expected cash flows, which are projected using management's best estimate of certain key assumptions, such as credit losses, prepayment speeds, forward yield curves, and discount rates with the risks involved.

Accrued Interest
The carrying amounts of accrued interest approximates their fair values.

Commitments to Extend Credit, Standby Letters of Credit and Financial Guarantees Written
The fair value of commitments is estimated using the fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the present creditworthiness of the counterparties. For fixed-rate loan commitments, fair value also considers the difference between the current levels of interest rates and the committed rates. The fair value of guarantees and letters of credit is based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reporting date.

NOTE 16: STOCKHOLDERS' EQUITY AND REGULATORY MATTERS

The Bank is subject to regulatory capital requirements administered by federal banking agencies. Capital adequacy guidelines and prompt corrective action regulations, involve quantitative measures of assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. Capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors. Failure to meet capital requirements can initiate regulatory action.The final rules implementing Basel Committee on Banking Supervision's capital guidelines for U.S. banks (Basel III rules) became effective for the Bank on January 1,2015 with full compliance with all of the requirements being phased in over a multi-year schedule, and fully phased in by January 1,2019. The net unrealized gain or loss on available for sale securities is not included in computing regulatory capital. Management believes as of December 31,2015, the Bank meets all capital adequacy requirements to which it is subject.

Prompt corrective action regulations for banking institutions provide five classifications: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized, although these terms are not used to represent overall financial condition. If adequately capitalized, regulatory approval is required to accept brokered deposits. If undercapitalized, capital distributions are limited, as is asset growth and expansion, and capital restoration plans are required. At December 31, 2015, the most recent regulatory notifications categorized the Bank as well-capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since that notification that management believes have changed the Bank's category.

	ACTUAL		MINIMUM REQUIRED FOR CAPITOL ADEQUACY PURPOSES		MINIMUM TO BE WELL CAPITALIZED UNDER PROMPT CORRECTIVE ACTION PROVISIONS	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
December 31,2015:						
Total capital to risk weighted assets	$ 67,905,265	19.76%	$ 27,487,079	8.00%	$ 34,358,849	10.00%
Tier 1 (core) capital to risk weighted assets	63,599,052	18.51%	20,615,309	6.00%	27,487,079	8.00%
Common Tier 1 (CET1)	63,599,052	18.51%	15,461,482	4.50%	22,333,252	6.50%
Tier 1 (core) capital to average assets	63,599,052	13.31%	19,107,455	4.00%	23,884,318	5.00%

Actual and required capital amounts and ratios at December 31,2015 are presented below:

Actual and required capital amounts and ratios at December 31, 2014 (prior to the implementation of the Basel III Capital Rules) are presented below:

	ACTUAL		MINIMUM REQUIRED FOR CAPITOL ADEQUACY PURPOSES		MINIMUM TO BE WELL CAPITALIZED UNDER PROMPT CORRECTIVE ACTION PROVISIONS	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
December 31,2014:						
Total capital to risk weighted assets	$ 56,390,790	19.70%	$ 22,876,492	8.00%	$ 28,595,614	10.00%
Tier 1 capital to risk weighted assets	52,795,640	18.50%	11,438,246	4.00%	17,157,369	6.00%
Tier 1 capital to average assets	52,795,640	12.20%	17,298,083	4.00%	21,622,604	5.00%

NOTE 17: STATEMENT OF CASH FLOWS

The Company reports on a net basis its cash receipts and cash payments for time deposits accepted and repayments of those deposits, loans made to customers and principal collections on those loans.

The Company uses the indirect method to present cash flows from operating activities. Other supplemental cash flow information for the years ended December 31,2015 and 2014 is presented as follows:

	December 31,2015		December 31,2014	
Cash Transactions				
Interest expense paid	$	955,802	$	1,00,809
Federal income taxes paid	$	1,558,101	$	1,355,199
Noncash Transactions				
Net unrealized appreciation on securities available for sale	$	284,794	$	(80,082)
Acquisition (more fully discussed in Note 18):				
Recorded amounts of tangible assets acquired	$	44,576,799	$	
Liabilities assumed		40,398,320		-
Net fair value of tangble assets acquired over liabilities assumed		4,178,479		-
Common stock issued		5,897,505		-
Net cash received in acquisition		(1,639,892)		-
Consideration paid in excess of of the net fair value of tangible assets acquired	$	79,134	$	

NOTE 18: ACQUISITION

On July 10,2015, the Company acquired 100% ofthe outstanding common stock of Northern Bancshares, Inc. (NBI) and its wholly owned subsidiary, First National Bank of Chillicothe (FNB). In connection with the acquisition, the Company issued 206,390 shares of its common stock with an estimated fair value of $5,897,505 to the shareholders of NBI. Additionally, the Company paid $6,725 in cash for fractional shares of NBI. At the time ofthe acquisition, NBI was merged into American Bancshares of Delaware, Inc. (ABDI) and FNB became wholly-owned by ABDI. The transaction has been accounted for in accordance with ASC Topic 805, Business Combinations.

A summary of the recorded amounts of assets purchased and liabilities assumed by the Company is as follows:

Assets:		
Investment securities available for sale	$	24,270,562
Loans		19,260,573
Bank premises and equipment		280,810
Other assets		764,854
Tangible assets acquired		44,576,799
Liabilities:		
Deposits		38,703,075
Other liabilities		1,695,245
Total liabilities assumed		40,398,320
Net fair value of tangible assets acquired over liabilites assumed		4,178,479
Consideration paid, net of cash received:		
Cash paid for fractional shares		(6,725)
Cash received from NBI		1,646,617
Net cash received in the acquisition		1,639,892
Common stock issued in connection with the acquisition		(5,897,505)
Total consideration paid, net of cash received		(4,257,613)
Consideration paid in excess ofthe net fair value of tangible assets acquired	$	(79,134)

The consideration paid over the net fair value of tangible assets acquired was initially recorded as a core deposit intangible asset of approximately $79,134 and is being amortized on the straight line basis over ten years.

CONSOLIDATING BALANCE SHEET

AmeriBancShares, Inc. and Subsidiaries, December 31,20 i5

ASSETS	AMERICAN NATIONAL LEASING CO	ARCHER TITLE OF TEXAS	AMNAT INSURANCE SERVICES	AMERICAN NATIONAL BANK & TRUST
Cash and due from banks	$ 68,545	$ 198,719	$ 31,893	$ 10,254,868
Interest bearing deposits in banks	-	-	-	14,833,427
Total cash and equivalents	68,545	198,719	31,893	25,088,295
Securities available for sale				136,360,556
Securities to be held to maturity	-	-	-	-
Other securities	-	-	-	4,365,332
Total investments	-	-	-	140,725,888
Mortgage loans held for sale				2,091,459
Loans	15,765,128	-	-	285,340,943
Unearned discount	(963,331)	-	-	-
Allowance for loan losses	(115,947)	-	-	(5,088,779)
Net loans	14,685,850	-	-	280,252,164
Premises and equipment, net	3,537,482	1,296,556		13,668,152
Accrued interest receivable	-	-	-	3,862,653
Goodwill	-	20,615	-	4,199,860
Other assets	277,479	19,715	-	17,754,959
Total assets	$ 18,569,356	$ 1,535,605	$ 31,893	$ 487,643,430
LIABILITIES AND STOCKHOLDERS' EQUITY				
Demand deposits	$	$	$	$ 26,043,596
Savings deposits	-	-	-	215,520,354
Money market and NOW accounts	-	-	-	86,899,478
Time certificates of deposit	-	-	-	86,261,142
Total deposits	-	-	-	414,724,570
Repurchase agreements				919,660
Other borrowed funds	13,600,000	315,001	40,000	-
Junior subordinated debentures	-	-	-	-
Accrued interest payable	1,952,211	122,864	201	45,333
Other liabilities	838,065	23,841	-	5,154,770
Total liabilities	16,390,276	461,706	40,201	420,844,333
Stockholders' Equity				
Common Stock	1,000	1,000	1,000	1,680,000
Surplus	-	-	-	12,995,056
Undivided profits	2,178,080	1,072,899	(9,308)	51,661,758
Treasury stock	-	-	-	-
Unearned KSOP stock	-	-	-	-
Net unrealized appreciation on securities available for sale				462,283
Total stockholders'equity	2,179,080	1,073,899	(8,308)	66,799,097
Total liabilities and stockholders' equity	$ 18,569,356	$ 1,535,605	$ 31,893	$ 487,643,430

CONSOLIDATING BALANCE SHEET

AmeriBancShares, Inc. and Subsidiaries, December 31,2015

AMERIBANCSHARES OF DELAWARE, INC.	ANB REALTY CORP.	AMERIBANCSHARES, INC.	RECLASSIFICATION AND ELIMINATION ENTRIES	CONSOLIDATED
$ 2,257	$ 1,000	$ 188,072	$ (488,229)	$ 10,257,125
-	-	-	-	14,833,427
2,257	1,000	188,072	(488,229)	25,090,552
-	-	73,269	-	136,433,825
-	-	-	-	-
66,799,097	-	67,019,354	(136,846,122)	1,337,661
66,799,097	-	67,092,623	(136,846,122)	137,771,486
				2,091,459
-	-	-	(14,203,188)	286,902,883
-	-	-	-	(963,331)
-	-	-	-	(5,204,726)
-	-	-	(14,203,188)	280,734,826
-	-	-	-	18,502,190
-	-	-	(2,075,276)	1,787,377
-	-	-	-	4,220,475
-	-	25,235	1,303,474	19,380,862
$ 66,801,354	$ 1,000	$ 67,305,930	$ (152,309,341)	$ 489,579,227
$ - $	$	- $	(488,229)	$ 25,555,367
-	-	-	-	215,520,354
-	-	-	-	86,899,478
-	-	-	-	86,261,142
-	-	-	(488,229)	414,236,341
				919,660
-	-	248,187	(14,203,188)	-
-	-	7,217,000	-	7,217,000
-	-	-	(2,075,276)	45,333
-	-	-	1,303,474	7,320,150
-	-	7,465,187	(15,463,219)	429,738,484
7,500	1,000	5,803,400	(1,691,500)	5,803,400
26,815,115	256,373	18,442,024	(40,066,544)	18,442,024
39,516,456	(256,373)	36,232,006	(94,163,512)	36,232,006
-	-	(882,000)	-	(882,000)
-	-	(216,970)	-	(216,970)
462,283	_	462,283	(924,566)	462,283
66,801,354	1,000	59,840,743	(136,846,122)	59,840,743
$ 66,801,354	$ 1,000	$ 67,305,930	$ (152,309,341)	$ 489,579,227

CONSOLIDATING STATEMENT OF INCOME
AND COMPREHENSIVE INCOME *AmeriBancShares, Inc. and Subsidiaries, December 31,2015*

CONSOLIDATING BALANCE SHEET

AmeriBancShares, Inc. and Subsidiaries, December 31,2015

	AMERICAN NATIONAL LEASING CO	ARCHER TITLE OF TEXAS	AM NAT INSURANCE SERVICES	AMERICAN NATIONAL BANK & TRUST
INTEREST INCOME:				
Interest and fees on loans	519,959	-	-	13,275,884
Interest on investment securities	-	-	-	2,025,030
Interest on interest bearing deposits in banks	-	-	-	91,562
Total interest income	519,959	-	-	15,392,476
INTEREST EXPENSE:				
Interest on deposits	-	-	-	805,073
Interest on federal funds purchased	-	-	-	72
Interest on repurchase agreements	-	-	-	1,888
Interest on other borrowed funds	41,123	971	123	722
Interest on junior subordinated debentures	-	-	-	-
Total interest expense	41,123	971	123	807,755
Net interest income	478,836	(971)	(123)	14,584,721
Provision for loan losses	-	-	-	-
Net interest income after provision for loan losses	478,836	(971)	(123)	14,584,721
OTHER OPERATING INCOME				
Service charges on deposit accounts	-	-	-	776,206
Trust fee income	-	-	-	5,131,377
Gain on sale of mortgage loans	-	-	-	1,006,181
Gain on sale of other real estate owned	-	-	-	62,450
Gain on sale of securities	-	-	-	35,394
Rent income	862,627	-	-	-
Earnings from subsidiary	-	-	-	417,257
Other, net	33,866	1,199,025	16,777	1,678,701
Total other operating income	896,493	1,199,025	16,777	9,107,566
OTHER OPERATING EXPENSES:				
Salaries and employee benefits	350,295	527,752	-	10,717,002
Premises and equipment	19,337	76,706	-	1,921,170
Data processing expense	-	-	-	1,224,259
Other operating expenses	752,738	314,276	8,393	3,733,925
Total other operating expenses	1,122,370	918,734	8,393	17,596,356
Income before income taxes	252,959	279,320	8,261	6,095,931
Provision for income taxes	25,921	94,553	2,809	1,525,637
Net income	227,038	184,767	5,452	4,570,294
OTHER COMPREHENSIVE INCOME (LOSS):				
Change in net unrealized gain (loss) on securities available for sale, net of taxes				211,324
Less reclassification adjustment for gain on sales of securities available for sale, net of taxes				(23,360)
	-	-	-	187,964
Total other comprehensive (loss) income	-	-	-	187,964
Total comprehensive (loss) income	227,038	184,767	5,452	4,758,258

CONSOLIDATING STATEMENT OF INCOME
AND COMPREHENSIVE INCOME *AmeriBancShares, Inc. and Subsidiaries, December 31,2015*

ANB	AMERIBANCSHARES OF DELAWARE, INC.	REALTY CORP.	AMERIBANCSHARES, INC.	RECLASSIFICATION AND ELIMINATION ENTRIES	CONSOLIDATED
	-	-	-	(42,217)	13,753,626
	-	-	6	-	2,025,036
	-	-	-	-	91,562
	-	-	6	(42,217)	15,870,224
					805,073
	-	-	-	-	72
	-	-	-	-	1,888
	-	-	-	(42,217)	722
	-	-	147,876	-	147,876
	-	-	147,876	(42,217)	955,631
	-	-	(147,870)	-	14,914,593
	-	-	-	-	-
	-	-	(147,870)	-	14,914,593
					776,206
	-	-	-	(220)	5,131,157
	-	-	-	-	1,006,181
	-	-	-	-	62,450
	-		-		35,394
	-	-	-	-	862,627
	4,570,294	-	4,569,872	(9,557,423)	-
	-	-	-	(66,000)	2,862,369
	4,570,294	-	4,569,872	(9,623,643)	10,736,384
	-	-	-	-	11,595,049
	-	-	-	(66,000)	1,951,213
	-	-	-	-	1,224,259
	640	-	261,104	(220)	5,070,856
	640	-	261,104	(66,220)	19,841,377
	4,569,654		4,160,898	(9,557,423)	5,809,600
	(218)		(139,051)		1,509,651
	4,569,872		4,299,949	(9,557,423)	4,299,949
	211,324	-	211,324	(422,648)	211,324
	(23,360)		(23,360)	46,720	(23,360)
	187,964	-	187,964	(375,928)	187,964
	187,964	-	187,964	(375,928)	187,964
	4,757,836	-	4,487,913	(9,933,351)	4,487,913

CONSOLIDATING STATEMENT OF CASH FLOWS

AmeriBancShares, Inc. and Subsidiaries, December 31,2015

	AMERICAN NATIONAL LEASING CO	ARCHER TITLE OF TEXAS	AM NAT INSURANCE SERVICES	AMERICAN NATIONAL BANK & TRUST
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	$ 227,038	$ 184,767	$ 5,452	$ 4,570,294
Adjustments to reconcile net income to net cash provided by operations:				
Depreciation	698,306	7,041	-	764,749
Provision for other real estate owned losses	-	-	-	117,437
Provision for (benefit from) deferred taxes	(142,317)	(1,892)	-	59,309
Gain on sale of securities available for sale	-	-	-	(35,394)
Gain on sale of mortgage loans	-	-	-	(1,006,181)
Gain on sale of other real estate owned	-	*	-	(62,450)
Gain on sale of premises & equipment	(9,386)	-	-	-
Amortization of premium on investment securities	-	-	-	566,241
Accretion of discount on investment securities	-	-	-	(24,001)
Proceeds from sales of mortgage loans	-	-	-	50,076,988
Mortgage loans funded	-	-	-	(50,690,000)
Unconsolidated earnings from subsidiary	-	-	-	(417,257)
(Increase) decrease in:				
Prepaid expenses	6,395	(2,850)	-	13,967
Accrued interest receivable	-	-	-	(440,326)
Income taxes receivable	-	-	-	(41,658)
Miscellaneous other assets	(114,141)	(12,877)	7,550	748,917
Increase (decrease) in:				
Accrued interest payable	41,123	971	123	(6,019)
Other taxes payable	-	-		(8,900)
Other accrued expenses	(11,538)	2,849	-	(1,355,032)
Net cash provided by (used in) operating activities	695,480	178,009	13,125	2,830,684
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from maturing securities available for sale	-	-	-	41,808,233
Proceeds from sale of securities available for sale	-	-	-	15,111,228
Proceeds from maturing securities held to maturity	-	-	-	725,000
Proceeds from sale of other securities	-	-	-	22,500
Purchase of securities available for sale	-	-	-	(72,286,058)
Purchase of other securities	-	-	-	(683,110)
Purchase of cash value life insurance	-	*	-	(742,957)
Dividends received from subsidiaries		-	-	-
Net (increase) decrease in loans	(436,171)	-	-	(8,494,305)
Purchase of premises and equipment	(1,271,740)	(214,500)	-	(3,345,467)
Proceeds from sale of premises and equipment	836,700	-	-	-
Proceeds from sale of other real estate owned	-	-	-	1,523,415
Net cash received from acquisition	-	-	-	1,646,617
Net cash provided by (used in) investing activities	(871,211)	(214,500)	-	(24,714,904)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Net decrease in deposits	-	-	-	(3,651,190)
Net decrease in repurchase agreements	-	-	-	(997,212)
Net decrease in other borrowed funds	(150,000)	-	-	-
Dividends paid	-	-	-	(1,334,448)
Net cash provided by (used in) financing activities	(150,000)	-	-	(5,982,850)
Net (decrease) increase in cash and cash equivalents	(325,731)	(36,491)	13,125	(27,867,070)
Cash and cash equivalents at beginning of period	394,276	235,210	18,768	52,955,365
Cash and cash equivalents at end of period	$ 68,545	$ 198,719	$ 31,893	$ 25,088,295

CONSOLIDATING STATEMENT OF CASH FLOWS

AmeriBancShares, Inc. and Subsidiaries, December 31,2015

	AMERIBANCSHARES OF DELAWARE, INC.	ANB REALTY CORP.	AMERIBANCSHARES, INC.	RECLASSIFICATION AND ELIMINATION ENTRIES	CONSOLIDATED
	$ 4,569,872	$	$ 4,299,949	$ (9,557,423)	$ 4,299,949
	-	-	-	-	1,470,096
	-	-	-	-	117,437
	-	-	-	-	(84,900)
	-	-		-	(35,394)
	-	-	-	-	(1,006,181)
	-	-	-	-	(62,450)
	-	-	-	-	(9,386)
	-	-	-	-	566,241
	-	-	-	-	(24,001)
	-	-	-	-	50,076,988
	-	-	-	-	(50,690,000)
	(4,570,294)	-	(4,569,872)	9,557,423	-
	-	-	-	-	17,512
	-	-	-	42,217	(398,109)
	-	-	(25,553)	-	(67,211)
	-	-	315	-	629,764
	-	-	-	(42,217)	(6,019)
	-	-	-	-	(8,900)
	-	-	-	-	(1,363,721)
	(422)	-	(295,161)	-	3,421,715
	-	-	-	-	41,808,233
	-	-	215	-	15,111,443
	-	-	-	-	725,000
	-	-	-	-	22,500
	-	-	-	-	(72,286,058)
	-	-	-	-	(683,110)
	-	-	-	-	(742,957)
	1,334,448	-	1,334,448	(2,668,896)	-
	-	-	-	(150,000)	(9,080,476)
	-	-	-	-	(4,831,707)
	-	-	-	-	836,700
	-	-	-	-	1,523,415
			(6,725)	-	1,639,892
	1,334,448	-	1,327,938	(2,818,896)	(25,957,125)
	-	-	-	400,768	(3,250,422)
	-	-	-	-	(997,212)
	-	-	-	150,000	-
	(1,334,448)	-	(1,084,448)	2,668,896	(1,084,448)
	(1,334,448)	-	(1,084,448)	3,219,664	(5,332,082)
	(422)	-	(51,671)	400,768	(27,867,492)
	2,679	1,000	239,743	(888,997)	52,958,044
	$ 2,257	$ 1,000	$ 188,072	$ (488,229)	$ 25,090,552

OFFICERS AND DIRECTORS

OFFICERS

ADMINISTRATION

Dwight L. Berry
President & CEO

Meagan Swenson
Banking Officer/Merchant Services

LOAN DEPARTMENT

Don Whatley
Executive Vice President/Loans

Bob Elmore
Senior Vice President/Loans

Doris McGregor Steinberger
Senior Vice President/Loan Operations

Damon Whatley
Senior Vice President/Loans

D.J Dickey
Vice President/Loans

Linda Musgrave
Vice President/Loans

Lacey Slack
Vice President/Credit Officer Slade Hodges
Assistant Vice Predsident/Consumer Loans Rhona Kelton Banking Officer

Jennifer "Nikki" Morrison
Banking Officer

Toni Neal
Banking Officer

Vera Simons
Banking Officer

OPERATIONS / SUPPORT PERSONNEL

Blake Andrews Executive Vice President/CFO
Roy T. Olsen
Executive Vice President/Cashier/Human Resources

Nancy Vannucci
Senior Vice President/Internal Auditor

Candace Stroud
Vice President/Teller Services

Andrew Walmer
Vice President/information Technology Officer

Kimberly Box
Assistant Vice President/Internal Audit

Gloria Garcia
Assistant Vice President/Account Services Kenneth L. Haney Assistant Vice President/Calling Officer

Patrick Martin
Assistant Vice President/Operations Delores Scarber
Assistant Vice President/Data Processing

Camilo Canales
Information Technology Officer

Andrea Brinkman
BSA Officer

Karen Baker
Banking Officer

Amber Flores
Compliance Officer

Raquel Gutierrez
Banking Officer/Customer Service/HR Assistant

TRUST AND INVESTMENT SERVICE

Jeffrey Schultz, CFA, CTFA
Senior Vice President/Chief Investment Officer
Managing Director

Randy R. Martin, JD Senior Vice President
Director of Fiduciary Services Michael W. Boyle,CFIRS Senior Vice President
Director of Fiduciary Operations & Compliance

Kelly J. Smith, CTFA
Senior Vice President/Trust Officer

J. Scott Tucker, CTFA
Senior Vice President/Trust Officer

Linda Wilson
Senior Vice President/Trust Officer

Janice Adams
Vice President/Investment Services Kristin Morris, CTFA Vice President/Trust Officer

Kevin O'Connell
Vice President/Trust Officer

Paula Walmer
Vice President/Operations Manager

Eric M. Reed
Assistant Vice President/Investment Services

Belinda Blackwell
Trust Officer

Nancy Bukowski
Trust Officer

Carol Cox
Trust Officer

Melissa Miller
Trust Officer Connie Shaw Trust Officer

MORTGAGE LOAN DIVISION

ELMWOOD OFFICE

J. Bradley Davidson
Senior Vice President/Mortgage Lending

Donna Adair
Senior Vice President/Mortgage Lending

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Marva Pieratt
Assistant Vice President/Branch Manager Amy Collier Banking Officer

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Christy Potter
Banking Officer/Branch Manager

ARCHER CITY OFFICE

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Banking Officer

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Deborah Fiorenza
Mortgage Originator

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