

Annual Disclosure Statement

DECEMBER 2022

for FFIEC 051 Bank Freedom Bank

This statement has not been reviewed or confirmed for accuracy or relevance by the Federal Deposit Insurance Corporation.
Federal Deposit Insurance Corporation Format (FFIEC 051)

Balance Sheet

(Dollar Amounts in Thousands)

ASSETS

	December 31,	
	2022	2021
Cash and balances due from depository institutions:		
Noninterest-bearing balances and currency and coin	6,178	2,235
Interest-bearing balances	29,337	43,316
Securities:		
Held-to-maturity securities	0	0
Available-for-sale debt securities	0	0
Equity securities with readily determinable fair values not held for trading	0	0
Federal funds sold and securities purchased under agreements to resell:		
Federal funds sold	500	500
Securities purchased under agreements to resell	0	0
Loans and lease financing receivables:		
Loans and leases held for sale	0	0
Loans and leases held for investment	104,934	94,385
LESS: Allowance for loan and lease losses	1,479	1,312
Loans and leases held for investment, net of allowance	103,455	93,073
Trading assets	0	0
Premises and fixed assets (including capitalized leases)	1,646	1,725
Other real estate owned	0	0
Investments in unconsolidated subsidiaries and associated companies	0	0
Direct and indirect investments in real estate ventures	0	0
Other intangible assets (from Schedule RC-M)	0	0
Other assets	829	741
Total assets	141,945	141,590

continued.....

Balance Sheet

(Dollar Amounts in Thousands)

December 31,

LIABILITIES

2022

2021

	2022	2021
Deposits:		
In domestic offices	128,133	127,444
Noninterest-bearing	35,925	34,808
Interest-bearing	92,208	92,636
Federal funds purchased and securities sold under agreements to repurchase:		
Federal funds purchased	0	0
Securities sold under agreements to repurchase	0	0
Trading liabilities	0	0
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)	0	2,000
Subordinated notes and debentures	0	0
Other liabilities	80	114
Total liabilities	128,213	129,558

EQUITY CAPITAL

Perpetual preferred stock and related surplus	0	0
Common stock	1,000	1,000
Surplus (exclude all surplus related to preferred stock)	9,500	9,500
Retained earnings	3,232	1,532
Accumulated other comprehensive income	0	0
Other equity capital components	0	0
Total Bank equity capital	13,732	12,032
Noncontrolling (minority) interests in consolidated subsidiaries	0	0
Total equity capital	13,732	12,032
Total liabilities and equity capital	141,945	141,590

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Income Statement

(Dollar Amounts in Thousands)

December 31,

Interest Income:	2022	2021
Interest and fee income on loans:		
Loans secured by real estate:		
Loans secured by 1-4 family residential properties	1,192	1,189
All other loans secured by real estate	2,177	1,581
Commercial and industrial loans	2,703	2,403
Loans to individuals for household, family, and other personal expenditures:		
Credit cards	0	0
Other (includes revolving credit plans other than credit cards, automobile loans, and other consumer loans)	99	98
All other loans	149	498
Total interest and fee income on loans	6,320	5,769
Income from lease financing receivables	0	0
Interest income on balances due from depository institutions	631	42
Interest and dividend income on securities:		
U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities)	0	0
Mortgage-backed securities	0	0
All other securities (includes securities issued by states and political subdivisions in the U.S.)	0	0
Interest income on federal funds sold and securities purchased under agreements to resell	10	0
Other interest income	7	10
Total interest income	6,968	5,821
Interest expense:		
Interest on deposits:		
Transaction accounts (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	10	9
Nontransaction accounts:		
Savings deposits (includes MMDAs)	569	255
Time deposits of \$250,000 or less	115	166
Time deposits of more than \$250,000	92	112
Expense of federal funds purchased and securities sold under agreements to repurchase	0	0
Other interest expense	2	29
Total interest expense	788	571
Net interest income	6,180	5,250
Provision for loan and lease losses	150	0

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Income Statement

(Dollar Amounts in Thousands)
December 31,

	2022	2021
Noninterest income:		
Income from fiduciary activities	0	0
Service charges on deposit accounts	81	65
Fees and commissions from securities brokerage, investment banking, advisory, and underwriting activities	0	0
Income from insurance activities	0	0
Net servicing fees	0	0
Net gains (losses) on sales of loans and leases	0	0
Net gains (losses) on sales of other real estate owned	0	0
Net gains (losses) on sales of other assets	0	0
Other noninterest income	265	214
Total noninterest income	346	279
Realized gains (losses) on held-to-maturity securities	0	0
Realized gains (losses) on available-for-sale debt securities	0	0
Noninterest expense:		
Salaries and employee benefits	2,130	1,772
Expenses of premises and fixed assets (net of rental income) (excluding salaries and employee benefits and mortgage interest)	359	378
Goodwill impairment losses	0	0
Amortization expense and impairment losses for other intangible assets	0	0
Other noninterest expense	968	1,293
Total noninterest expense	3,457	3,443
Income (loss) before change in net unrealized holding gains (losses) on equity securities not held for trading, applicable income taxes, and discontinued operations	2,919	2,086
Change in net unrealized holding gains (losses) on equity securities not held for trading	0	0
Income (loss) before applicable income taxes and discontinued operations	2,919	2,086
Applicable income taxes	769	556
Income (loss) before discontinued operations	2,150	1,530
Discontinued operations, net of applicable income taxes	0	0
Net income (loss) attributable to bank and noncontrolling (minority) interests	2,150	1,530
LESS: Net income (loss) attributable to noncontrolling (minority) interests	0	0
Net income (loss) attributable to bank	2,150	1,530

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Income Statement

(Dollar Amounts in Thousands)

MEMORANDA:

December 31,
2022 **2021**

Income on tax-exempt loans and leases to states and political subdivisions in the U.S. _____	29	32
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Income on tax-exempt securities issued by states and political subdivisions in the U.S. _____	0	0
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Number of full-time equivalent employees at end of current period _____	27	23
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The following item is to be completed by:

- banks with \$300 million or more in total assets, and
- banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers exceeding five percent of total loans.

Interest and fee income on loans to finance agricultural production and other loans to farmers _____	N/A	0
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Does the reporting bank have a Subchapter S election in effect for federal income tax purposes for the current tax year? _____	YES / NO NO	YES / NO NO
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Memorandum item 12 is to be completed by banks that are required to complete Schedule RC-C, Part I, Memorandum items 8.b and 8.c, and is to be completed annually in the December report only.

Noncash income from negative amortization on closed-end loans secured by 1-4 family residential properties (included in Schedule RI, item 1.a.(1)) _____	N/A	0
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Other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities recognized in earnings (included in Schedule RI, items 6.a and 6.b) _____	0	0
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Memorandum item 15 is to be completed annually in the December report only by institutions with \$1 billion or more in total assets(1) that answered "Yes" to Schedule RC-E, Memorandum item 5.

Components of service charges on deposit accounts:

Consumer overdraft-related service charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use _____	N/A	0
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Consumer account periodic maintenance charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use _____	N/A	0
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Consumer customer automated teller machine (ATM) fees levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use _____	N/A	0
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All other service charges on deposit accounts _____	N/A	0
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Changes in Equity Capital

(Dollar Amounts in Thousands)
December 31,

	2022	2021
Total bank equity capital most recently reported at the end of the prior year		
Reports of Condition and Income	12,032	10,115
Cumulative effect of changes in accounting principles and corrections of material accounting errors	0	0
Balance end of previous calendar year as restated	12,032	10,115
Net income (loss) attributable to bank	2,150	1,530
Sale, conversion, acquisition, or retirement of capital stock, net (excluding treasury stock transactions)	0	1,000
Treasury stock transactions, net	0	0
Changes incident to business combinations, net	0	0
LESS: Cash dividends declared on preferred stock	0	0
LESS: Cash dividends declared on common stock	450	613
Other comprehensive income	0	0
Other transactions with stockholders (including a parent holding company)	0	0
Total bank equity capital end of current period	13,732	12,032

Changes in Allowances for Credit Losses

Loans and Leases Held for Investment

Balance most recently reported at the end of the prior year		
Reports of Condition and Income	1,312	1,309
Recoveries	23	14
LESS: Charge-offs	6	11
LESS: Write-downs arising from transfers of financial assets	0	0
Provisions for credit losses	150	0
Adjustments	0	0
Balance end of current period	1,479	1,312

Held-to-Maturity Debt Securities

Balance most recently reported at the end of the prior year		
Reports of Condition and Income	N/A	0
Recoveries	N/A	0
LESS: Charge-offs	N/A	0
LESS: Write-downs arising from transfers of financial assets	N/A	0
Provisions for credit losses	N/A	0
Adjustments	N/A	0
Balance end of current period	N/A	0

Available-for-Sale Debt Securities

Balance most recently reported at the end of the prior year		
Reports of Condition and Income	N/A	0
Recoveries	N/A	0
LESS: Charge-offs	N/A	0
LESS: Write-downs arising from transfers of financial assets	N/A	0
Provisions for credit losses	N/A	0
Adjustments	N/A	0
Balance end of current period	N/A	0

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Past Due and Nonaccrual Loans, Leases, and Other Assets

(Dollar Amounts in Thousands)

Past Due 90 days or more and still accruing:

December 31,
2022 2021

Loans secured by real estate:

Construction, land development, and other land loans:		
1-4 family residential construction loans	0	0
Other construction loans and all land development and other land loans	0	0
Secured by farmland	0	0
Secured by 1-4 family residential properties:		
Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	0	0
Closed-end loans secured by 1-4 family residential properties		
Secured by first liens	0	0
Secured by junior liens	0	0
Secured by multifamily (5 or more) residential properties	0	0
Secured by nonfarm nonresidential properties:		
Loans secured by owner-occupied nonfarm nonresidential properties	0	0
Loans secured by other nonfarm nonresidential properties	0	0
Loans to depository institutions and acceptances of other banks	0	0
Commercial and industrial loans	0	0
Loans to individuals for household, family, and other personal expenditures:		
Credit cards	0	0
Automobile loans	0	0
Other (includes revolving credit plans other than credit cards and other consumer loans)	0	0
All other loans	0	0
Lease financing receivables	0	0
Total loans and leases	0	0
Debt securities and other assets (exclude other real estate owned and other repossessed assets)	0	0
Loans and leases reported above which are wholly or partially guaranteed by the U.S. Government, excluding loans and leases covered by loss-sharing agreements with the FDIC	0	0
Guaranteed portion of loans and leases included above (exclude rebooked "GNMA loans")	0	0
Rebooked "GNMA loans" that have been repurchased or are eligible for repurchase included above	0	0

continued.....

Past Due 90 days or more and still accruing:

MEMORANDA:

Loans restructured in troubled debt restructurings included in Schedule RC-N, items above

Construction, land development, and other land loans:

1-4 family residential construction loans	0	0
Other construction loans and all land development and other land loans	0	0
Loans secured by 1-4 family residential properties	0	0
Secured by multifamily (5 or more) residential properties	0	0
Secured by nonfarm nonresidential properties:		
Loans secured by owner-occupied nonfarm nonresidential properties	0	0
Loans secured by other nonfarm nonresidential properties	0	0
Commercial and industrial loans	0	0
All other loans (Include loans to individuals for household, family, and other personal expenditures)	0	0
Loans secured by farmland	0	0
Loans to individuals for household, family, and other personal expenditures:		
Credit cards	0	0
Automobile loans	0	0
Other consumer loans (includes revolving credit plans other than credit cards and other consumer loans)	0	0

The following item is to be completed by:

- Banks with \$300 million or more in total assets
- Banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers exceeding five percent of total loans

Loans to finance agricultural production and other loans to farmers	N/A	0
Total loans restructured in troubled debt restructurings	0	0

continued.....

Freedom Bank

(Dollar Amounts in Thousands)

Past Due 90 days or more and still accruing:

December 31,
2022 **2021**

Loans to finance commercial real estate, construction, and land development activities (not secured by real estate)	0	0
<i>The following item is to be completed by:</i>		
• banks with \$300 million or more in total assets		
• banks with less than \$300 million or more in total assets that have loans to finance agricultural production and other loans to farmers exceeding five percent of total loans:		
Loans to finance agricultural production and other loans to farmers	N/A	0
<i>The following item is to be completed semiannually in the June and December reports only.</i>		
Loans and leases held for sale	0	0
Purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3):		
Outstanding balance	0	0
Amount included in Schedule RC-N, items 1 through 7, above	0	0

continued.....

Past Due and Nonaccrual Loans, Leases, and Other Assets

(Dollar Amounts in Thousands)

Nonaccrual:

December 31,

2022**2021**

Loans secured by real estate:

Construction, land development, and other land loans:		
1-4 family residential construction loans	0	0
Other construction loans and all land development and other land loans	0	0
Secured by farmland	0	0
Secured by 1-4 family residential properties:		
Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	0	0
Closed-end loans secured by 1-4 family residential properties		
Secured by first liens	0	24
Secured by junior liens	0	0
Secured by multifamily (5 or more) residential properties	0	0
Secured by nonfarm nonresidential properties:		
Loans secured by owner-occupied nonfarm nonresidential properties	200	262
Loans secured by other nonfarm nonresidential properties	0	0
Loans to depository institutions and acceptances of other banks	0	0
Commercial and industrial loans	573	652
Loans to individuals for household, family, and other personal expenditures:		
Credit cards	0	0
Automobile loans	0	0
Other (includes revolving credit plans other than credit cards and other consumer loans)	0	0
All other loans	0	0
Lease financing receivables	0	0
Total loans and leases	773	938
Debt securities and other assets (exclude other real estate owned and other repossessed assets)	0	0
Loans and leases reported above which are wholly or partially guaranteed by the U.S. Government, excluding loans and leases covered by loss-sharing agreements with the FDIC	0	0
Guaranteed portion of loans and leases included above (exclude rebooked "GNMA loans")	0	0
Rebooked "GNMA loans" that have been repurchased or are eligible for repurchase included above	0	0

continued.....

Freedom Bank

(Dollar Amounts in Thousands)

Nonaccrual:

December 31,
2022 **2021**

MEMORANDA:

Loans restructured in troubled debt restructurings included in Schedule RC-N, items above

Construction, land development, and other land loans:		
1-4 family residential construction loans	0	0
Other construction loans and all land development and other land loans	0	0
Loans secured by 1-4 family residential properties	0	0
Secured by multifamily (5 or more) residential properties	0	0
Secured by nonfarm nonresidential properties:		
Loans secured by owner-occupied nonfarm nonresidential properties	0	0
Loans secured by other nonfarm nonresidential properties	0	0
Commercial and industrial loans:	0	0
All other loans (Include loans to individuals for household, family, and other personal expenditures)	0	0
Loans secured by farmland	0	0
Loans to individuals for household, family, and other personal expenditures:		
Credit cards	0	0
Automobile loans	0	0
Other consumer loans (includes revolving credit plans other than credit cards and other consumer loans)	0	0
<i>The following item is to be completed by:</i>		
• Banks with \$300 million or more in total assets		
• Banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers exceeding five percent of total loans		
Loans to finance agricultural production and other loans to farmers	N/A	0
Total loans restructured in troubled debt restructurings included above	0	0

continued.....

Nonaccrual:

December 31,
2022 2021

Loans to finance commercial real estate, construction, and land development activities (not secured by real estate)	0	0
<i>The following item is to be completed by:</i>		
• banks with \$300 million or more in total assets		
• banks with less than \$300 million or more in total assets that have loans to finance agricultural production and other loans to farmers exceeding five percent of total loans:		
Loans to finance agricultural production and other loans to farmers	N/A	0
<i>The following item is to be completed semiannually in the June and December reports only.</i>		
Loans and leases held for sale	0	0
Additions to nonaccrual assets during the previous six months	0	0
Nonaccrual assets sold during the previous six months	0	0
Purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3):		
Outstanding balance	0	0
Amount included in Schedule RC-N, items 1 through 7, above	0	0

I do hereby attest that this Disclosure Statement has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true and correct in the best of my knowledge and belief.


President
1/6/2023

Officer's Signature
Officer's Title
Date