OFFICE OF THE COMPTROLLER OF THE CURRENCY
Washington, D.C. 20549

FORM 10-Q

[X] Quarterly Report Pursuant To Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2018 **OR**

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _______________ to ______________________

OCC Certificate Number: 703360

Sidney Federal Savings and Loan Association
(Exact name of registrant as specified in its charter)

Federal	**47-0298080**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
1045 10th Avenue, Sidney, Nebraska	**69162**
(Address of Principal Executive Offices)	Zip Code
(308) 254-2401	**N/A**
(Registrant's telephone number)	(Former name or former address, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such requirements for the past 90 days.
YES__ NO X.

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
YES _ NO __.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer	_	Accelerated filer	_		
Non-accelerated filer	_	Smaller reporting company	X	Emerging growth company	X

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13 (a) of the Exchange Act. _

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ___ NO _X_

No shares of the Registrant's common stock were issued and outstanding as of June 28, 2018.

Sidney Federal Savings and Loan Association
FORM 10-Q

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SIDNEY FEDERAL SAVINGS AND LOAN ASSOCIATION
Part 1. Financial Information
Item 1. Condensed Financial Statements

Condensed Balance Sheets
March 31, 2018 (Unaudited) and December 31, 2017

	March 31, 2018	December 31, 2017
	(In thousands)	
Assets		
Cash	$ 125	$ 129
Interest-bearing deposits in other banks:		
Federal Home Loan Bank of Topeka ("FHLBT") demand account	287	465
FHLBT overnight deposit account	800	-
Cash and cash equivalents	1,212	594
Certificates of deposit	249	494
Securities available for sale, at market value (amortized cost of $2,463 and $2,189, respectively)	2,456	2,186
Stock in FHLBT and Midwest Independent Bank ("MIB")	99	99
Loans receivable, net of allowance for loan losses of $122 and $122, respectively	12,156	12,678
Premises and equipment, net	53	55
Accrued interest receivable:		
Securities and certificates of deposit	14	11
Loans receivable	34	36
Other assets	387	232
Total assets	$ 16,660	$ 16,385
Liabilities and Equity		
Deposits:		
Noninterest-bearing	$ 1,064	$ 834
Interest-bearing	14,327	14,221
Total deposits	15,391	15,055
Advances from borrowers for taxes and insurance	235	175
Other liabilities	91	107
Total liabilities	15,717	15,337
Commitments and contingencies		
Retained earnings - substantially restricted	949	1,051
Accumulated other comprehensive loss, net of taxes	(6)	(3)
Total equity	943	1,048
Total liabilities and equity	$ 16,660	$ 16,385

See accompanying notes to condensed financial statements.

SIDNEY FEDERAL SAVINGS AND LOAN ASSOCIATION

Condensed Statements of Operations
Three Months Ended March 31, 2018 and 2017 (Unaudited)

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
	(In thousands)	
Interest income:		
Loans receivable	$ 135	$ 134
Securities-taxable	11	13
Securities-nontaxable	3	3
Other interest-earning assets	5	4
Total interest income	154	154
Interest expense:		
Deposits	17	14
Advances from FHLBT	-	11
Total interest expense	17	25
Net interest income	137	129
Provision for loan losses	-	-
Net interest income after provision for loan losses	137	129
Noninterest income:		
Service charges on deposit accounts	3	4
Gain on sale of loans	6	2
Other	1	-
Total noninterest income	10	6
Noninterest expense:		
Compensation and benefits	130	102
Occupancy expense	5	6
Equipment and data processing expense	32	36
FDIC premium expense	4	3
Professional and regulatory fees	48	10
Insurance expense	5	6
Debit card expense, net	6	5
Correspondent bank service charges	3	3
Other	16	12
Total noninterest expense	249	183
Loss before income taxes	(102)	(48)
Income taxes	-	-
Net loss	$ (102)	$ (48)

See accompanying notes to condensed financial statements.

SIDNEY FEDERAL SAVINGS AND LOAN ASSOCIATION

Condensed Statements of Comprehensive Loss
Three Months Ended March 31, 2018 and 2017 (Unaudited)

	Three Months Ended March 31,	
	2018	2017
	(In thousands)	
Net loss	$ (102)	$ (48)
Other comprehensive (loss) gain, net of tax:		
Unrealized (losses) gains on securities available for sale during the period	(4)	4
Other comprehensive (loss) gain before taxes	(4)	4
Income tax benefit (expense)	1	(1)
Other comprehensive (loss) gain, net of tax	(3)	3
Comprehensive loss	$ (105)	$ (45)

See accompanying notes to condensed financial statements.

SIDNEY FEDERAL SAVINGS AND LOAN ASSOCIATION

Condensed Statements of Equity
Three Months Ended March 31, 2018 and 2017 (Unaudited)

	Retained Earnings	Accumulated Other Comprehensive Income (Loss), Net	Total Equity
		(In thousands)	
Balance at December 31, 2016	$ 1,291	$ 3	$ 1,294
Net loss	(48)	-	(48)
Net unrealized gains on securities, net of taxes	-	3	3
Balance at March 31, 2017	$ 1,243	$ 6	$ 1,249
Balance at December 31, 2017	$ 1,051	(3)	1,048
Net loss	(102)	-	(102)
Net unrealized losses on securities, net of taxes	-	(3)	(3)
Balance at March 31, 2018	$ 949	$ (6)	$ 943

See accompanying notes to condensed financial statements.

SIDNEY FEDERAL SAVINGS AND LOAN ASSOCIATION

Condensed Statements of Cash Flows
Three Months Ended March 31, 2018 and 2017 (Unaudited)

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
	(In thousands)	
Cash flows from operating activities:		
Net loss	$ (102)	$ (48)
Adjustments to reconcile net loss to net cash used for operating activities:		
Depreciation expense	4	4
Amortization of premiums, net	4	10
FHLBT stock dividends	(1)	(1)
Provision for loan losses	-	-
Gain on sale of loans	(6)	(2)
Loan originations for sale	(57)	(78)
Proceeds from sale of loans	63	80
Decrease (increase) in:		
Accrued interest receivable	(1)	-
Other assets	(154)	32
(Decrease) increase in other liabilities	(16)	1
Net cash (used for) operating activities	(266)	(2)
Cash flows from investing activities:		
Net decrease (increase) in loans receivable	522	(785)
Mortgage-backed securities ("MBSs") available for sale - collections	93	196
MBSs available for sale - purchases	(371)	-
Certificates of deposit - proceeds from maturity	245	-
Redemption of FHLBT stock	1	1
Purchases of premises and equipment	(2)	(5)
Net cash provided by (used for) investing activities	$ 488	$ (593)

(Continued)

SIDNEY FEDERAL SAVINGS AND LOAN ASSOCIATION

Condensed Statements of Cash Flows
Three Months Ended March 31, 2018 and 2017 (Unaudited)

(Continued)

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
	(In thousands)	
Cash flows from financing activities:		
Net increase in deposits	$ 336	$ 450
Net increase in advances from borrowers for taxes and insurance	60	66
Net cash provided by financing activities	396	516
Net increase (decrease) in cash and cash equivalents	618	(79)
Cash and cash equivalents at beginning of period	594	1,367
Cash and cash equivalents at end of period	$ 1,212	$ 1,288
Cash paid during the period for:		
Interest on deposits	$ 17	$ 14
Interest on advances from FHLBT	-	11

See accompanying notes to condensed financial statements.

SIDNEY FEDERAL SAVINGS AND LOAN ASSOCIATION

Notes to Condensed Financial Statements
March 31, 2018 (Unaudited) and December 31, 2017
Three Months Ended March 31, 2018 and 2017 (Unaudited)
(Dollars in thousands)

Note 1. Significant Accounting Policies

General

On October 17, 2017, the Association's Board of Directors adopted a Plan of Conversion to convert from a federally-chartered mutual savings association to a capital stock form of organization ("Conversion"). The transaction is subject to certain conditions, including the required regulatory approvals and approval of the Plan of Conversion by the Association.

Shares of the Association's common stock will be offered in a subscription offering pursuant to non-transferable subscription rights at a predetermined and uniform price in the following order of preference: (1) to the eligible account holders of record of the Association as of September 30, 2016; (2) if applicable, to supplemental eligible account holders of record as of the last day of the calendar quarter preceding regulatory approval of the Conversion; and (3) any person other than an eligible account holder or a supplemental eligible account holder, holding a qualifying deposit on the voting record date and borrowers of the Association as of January 16, 2018 who maintained such borrowings as of the voting record date. Concurrently with the subscription offering, shares not subscribed for in the subscription offering will be offered to the general public in a direct community offering with preference given first to natural persons residing in the State of Nebraska; and thereafter to other members of the general public.

Subsequent to the Conversion, voting rights will be held and exercised exclusively by the stockholders of the Association. Deposit account holders will continue to be insured by the FDIC. A liquidation account will be established in an amount equal to the Association's total equity as of the latest balance sheet date in the final offering circular used in the Conversion. Each eligible account holder or supplemental account holder will be entitled to a proportionate share of this account in the event of a complete liquidation of the Association, and only in such event. This share will be reduced if the eligible account holder's or supplemental account holder's deposit balance falls below the amounts on the date of record and will cease to exist if the account is closed. The liquidation account will never be increased despite any increase after Conversion in the related deposit balance.

Following completion of the Conversion, the Association may not pay a dividend on its capital stock, if the effect thereof would cause retained earnings to be reduced below the liquidation account amount or regulatory capital requirements. In addition, the stock holding company will be subject to certain regulations related to the repurchase of its capital stock.

Conversion costs will be deferred and reduce the proceeds from the shares sold in the Conversion. If the Conversion is not completed, all costs will be expensed. Conversion costs included in other assets as of March 31, 2018 amounted to $248.

The Conversion will be accounted for as a change in corporate form with the historic basis of the Association's assets, liabilities and equity unchanged as a result.

Basis of Presentation

The accompanying condensed balance sheet of the Association as of December 31, 2017, which has been derived from audited financial statements, and unaudited condensed financial statements of the Association as of March 31, 2018 and for the three months ended March 31, 2018 and 2017, were prepared in accordance with instructions for Form 10-Q and Article 8 of Regulation S-X and, therefore, do not include information or footnotes necessary for a complete presentation of financial position, results of operations and cash flows in conformity with accounting principles generally accepted in the United States of America. Accordingly, these condensed financial statements should be read in conjunction with the financial statements and notes thereto of the Association for the year ended December 31, 2017 included in the Registrant's Application. Reference is made to the accounting policies of the Association described in the Notes to Financial Statements contained in the Application.

In the opinion of management, all adjustments (consisting only of normal recurring adjustments) which are necessary for a fair presentation of the unaudited condensed financial statements have been included to present fairly the financial position as of March 31, 2018 and the results of operations and cash flows for the three months ended March 31, 2018 and 2017. All interim amounts have not been audited and the results of operations for the three months ended March 31, 2018, herein are not necessarily indicative of the results of operations to be expected for the entire year.

Use of Estimates

The preparation of condensed financial statements in conformity with U.S. 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 condensed financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for loan losses, fair values of financial instruments and valuation of deferred tax assets.

Loans receivable, net

Loans receivable, net are carried at unpaid principal balances, less allowance for loan losses and net deferred loan fees. Loan origination fees and certain direct loan origination costs are deferred and amortized to interest income over the contractual life of the loan using the interest method.

Allowance for Loan Losses

Allowance for loan losses are established for impaired loans for the difference between the loan amount and the present value of expected future cash flows discounted at the original contractual interest rate, or as a practical expedient if the loan is deemed collateral dependent, the fair value of collateral less estimated selling costs. The Association considers a loan to be impaired when, based on current information and events, it is probable that the Association will be unable to collect all amounts due according to the contractual terms of the loan agreement on a timely basis. The types of loans for which impairment is measured under FASB ASC 310-10-35, "Receivables," include nonaccrual real estate loans and troubled debt restructurings ("TDRs"), where concessions have been granted to borrowers experiencing financial difficulties. These concessions could include a reduction in the interest rate on the loan, payment extensions, forgiveness of principal, forbearance or other actions intended to maximize collection. Such loans are placed on nonaccrual status at the point deemed uncollectible. Impairment losses are recognized through an increase in the allowance for loan losses. A loan is considered delinquent when a payment has not been made by the contractual due date.

Allowances for loan losses are available to absorb losses incurred on loans receivable and represents additions charged to expense, less net charge-offs. Loans are charged-off in the period deemed uncollectible. Recoveries of loans previously charged-off are recorded when received. The allowance for loan losses consists of specific and general components. The specific component relates to loans that are individually classified as impaired, for which the carrying value of the loan exceeds the fair value of the collateral or the present value of expected future cash flows, or loans otherwise adversely classified. The general component covers non-impaired loans and is based on the historical loan loss experience, including adjustments to historical loss experience maintained to cover uncertainties that affect the Association's estimate of probable losses for each loan type. The Association's period of loan loss experience is three years. The adjustments to historical loss experience are based on evaluation of several factors, including primarily changes in lending policies and procedures; changes in collection, charge-off and recovery practices; changes in the nature and volume of the loan portfolio; changes in the volume and severity of nonperforming loans; the existence and effect of any concentrations of credit and changes in the level of such concentrations; and changes in current, national and local economic and business conditions.

Management believes that all known and inherent losses in the loan portfolio that are probable and reasonable to estimate have been recorded as of each balance sheet date.

Recent Accounting Pronouncements

The Association plans to qualify as an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933 (the "Securities Act"), as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). The Association will be eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies.

As a planned "emerging growth company," the Association has elected to use the extended transition period to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. Accordingly, the financial statements of the Association may not be comparable to the financial statements of public companies that comply with such new or revised accounting standards.

The impact of recent accounting pronouncements are summarized as follows:

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers." The provisions of ASU 2014-09 requires an entity to recognize revenue that depicts the transfer of promised goods or services in an amount that reflects the consideration the entity expects to be entitled in exchange for those goods or services. In August 2015, ASU 2015-14 delayed the effective date for emerging growth companies to annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. The adoption of this ASU is not expected to have a material impact on the Association's financial position and results of operations.

In January 2016, the FASB issued ASU 2016-01, "Recognition and Measurement of Financial Assets and Financial Liabilities." The provisions of ASU 2016-01 require certain equity investments to be measured at fair value with changes in fair value recognized in net income and simplify the impairment assessment of such investments; eliminate the requirement for public entities to disclose the methods and significant assumptions used to estimate fair value that is required to be disclosed for financial instruments measured at amortized cost; require public entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes; clarify that an entity should evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale securities in combination with the entity's other deferred tax assets and require separate presentation of financial assets and financial liabilities by measurement category and form of financial asset on the balance sheet or in the accompanying notes to the financial statements. For emerging growth companies, ASU 2016-01 is effective for fiscal years beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. ASU 2016-01 is not expected to have a material impact on the Association's financial statements.

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)." ASU 2016-02 was issued to increase transparency and comparability among entities by requiring lessees to recognize assets and liabilities on the balance sheet for the rights and obligations created by leases and disclosing key information about leasing arrangements. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019, and interim reporting periods within annual reporting periods beginning after December 15, 2020. The Association is currently evaluating the impact of ASU 2016-02 on its financial statements.

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments-Credit Losses (Topic 326)." ASU 2016-13 was issued to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments that are not accounted for at fair value through net income, including loans held for investment, held-to-maturity debt securities, trade and other receivables, net investment in leases and other commitments to extend credit held by a reporting entity at each reporting date. ASU 2016-13 requires that financial assets measured at amortized cost be presented at the net amount expected to be collected, through an allowance for credit losses that is deducted from the amortized cost basis. The amendments in ASU 2016-13 eliminate the probable initial recognition in current GAAP and reflect an entity's current estimate of all expected credit losses. The measurement of expected credit losses is based upon historical experience, current conditions, and reasonable and supportable forecasts that affect the collectibility of the financial assets.

For purchased financial assets with a more-than-insignificant amount of credit deterioration since origination ("PCD assets") that are measured at amortized cost, the initial allowance for credit losses is added to the purchase price rather than being reported as a credit loss expense. Subsequent changes in the allowance for credit losses on PCD assets are recognized through the statement of income as a credit loss expense.

Credit losses relating to available-for-sale debt securities will be recorded through an allowance for credit losses rather than as a direct write-down to the security.

Since the Association plans to qualify as an emerging growth company, ASU 2016-13 is effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. The Association is currently evaluating the impact of ASU 2016-13 on its financial statements.

SIDNEY FEDERAL SAVINGS AND LOAN ASSOCIATION

Notes to Condensed Financial Statements
March 31, 2018 (Unaudited) and December 31, 2017
Three Months Ended March 31, 2018 and 2017 (Unaudited)
(Dollars in thousands)

Note 2. Securities Available for Sale

Securities available for sale are summarized as follows:

	March 31, 2018			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Market Value
	(In thousands)			
Debt securities:				
MBS: Government-sponsored enterprise ("GSE") residential	$ 2,088	$ 10	(21)	2,077
Collateralized mortgage obligations	28	-	(1)	27
SBA pools	100	1	-	101
Municipal obligations maturing in 2022	247	4	-	251
Total	$ 2,463	$ 15	$ (22)	$ 2,456

	December 31, 2017			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Market Value
	(In thousands)			
Debt securities:				
MBS: Government-sponsored enterprise ("GSE") residential	$ 1,808	$ 12	(20)	1,800
Collateralized mortgage obligations	32	-	(1)	31
SBA pools	102	2	-	104
Municipal obligations maturing in 2022	247	4	-	251
Total	$ 2,189	$ 18	$ (21)	$ 2,186

At March 31, 2018, securities pledged for FHLBT advance purposes were $208.

Securities having a continuous unrealized loss position for less than twelve months and twelve months or longer at March 31, 2018 and December 31, 2017 are summarized as follows:

	Number	Less than 12 Months		12 Months or Longer		Total	
March 31, 2018	of Positions	Market Value	Unrealized loss	Market Value	Unrealized loss	Market Value	Unrealized loss
				(Dollars in thousands)			
MBS	28	$ 470	$ -	$ 1,048	$ 21	$ 1,518	$ 21
CMOs	1	-	-	27	1	27	1
SBA pools	-	-	-	-	-	-	-
	29	$ 470	$ -	$ 1,075	$ 22	$ 1,545	$ 22

	Number	Less than 12 Months		12 Months or Longer		Total	
December 31, 2017	of Positions	Market Value	Unrealized loss	Market Value	Unrealized loss	Market Value	Unrealized loss
				(Dollars in thousands)			
MBS	25	$ 63	$ -	$ 1,107	$ 20	$ 1,170	$ 20
CMOs	2	-	-	31	1	31	1
SBA pools	-	-	-	-	-	-	-
	27	$ 63	$ -	$ 1,138	$ 21	$ 1,201	$ 21

The unrealized losses on the securities were due to changes in market interest rates and not the credit quality of the issuer. The Association did not consider the unrealized losses on those securities to be other-than-temporarily impaired credit related losses at the above dates. Total fair value of these securities at March 31, 2018 and December 31, 2017, was $1,545 and $1,201, respectively, which is approximately 63% and 55%, respectively, of the Association's available for sale securities portfolio.

Note 3. Loans Receivable, Net

Loans receivable, net are summarized as follows:

	March 31, 2018	December 31, 2017
	(In thousands)	
Real estate loans:		
One-to-four family, owner occupied	$ 10,709	$ 11,177
One-to-four family, non-owner occupied	1,109	1,139
Commercial	268	278
Consumer loans	239	255
	12,325	12,849
Allowance for losses	(122)	(122)
Deferred loan fees, net	(47)	(49)
Total	$ 12,156	$ 12,678

At March 31, 2018, a blanket lien on certain loans totaling $11,490 exists for FHLBT advance equivalents of $9,307.

The risk characteristics of each loan portfolio segment are as follows:

<u>One-to-four family, owner occupied</u>

One-to-four family loans are underwritten based on the applicant's employment and credit history and the appraised value of the property. Repayment of these loans is primarily dependent on the personal income of the borrowers, which can be impacted by economic conditions in their market areas, such as unemployment levels. Repayment can also be impacted by changes in property values on residential properties. Risk is mitigated by the fact that the loans are of smaller individual amounts and spread over a large number of borrowers.

<u>One-to-four family, non-owner occupied</u>

One-to-four family, non-owner occupied loans carry greater inherent risks than one-to-four family, owner occupied loans, since the repayment ability of the borrower is generally reliant on the success of the income generated from the property.

<u>Commercial real estate</u>

Commercial real estate loans are secured primarily by various income-producing properties. Commercial real estate loans are underwritten based on the economic viability of the property and creditworthiness of the borrower, with emphasis given to projected cash flow as a percentage of debt service requirements. These loans carry increased risks as they involve larger balances concentrated with single borrowers or groups of related borrowers. Repayment of loans secured by income-producing properties depends on the successful operation of the real estate and the economy.

<u>Consumer</u>

Consumer loans include automobile and other consumer loans. Potential credit risks include rapidly depreciable assets, such as automobiles, which could adversely affect the value of the collateral.

Notes to Condensed Financial Statements
March 31, 2018 (Unaudited) and December 31, 2017
Three Months Ended March 31, 2018 and 2017 (Unaudited)
(Dollars in thousands)

The following presents by portfolio segment, the activity in the allowance for loan losses:

	Allowance for Loan Losses				
	Beginning Balance	Provision for Losses	Charge-offs	Recoveries	Ending Balance
Three Months Ended March 31, 2018:			(In thousands)		
Real estate loans:					
One-to-four family, owner occupied	$ 104	$ 2	$ -	$ -	$ 106
One-to-four family, non-owner occupied	12	-	-	-	12
Commercial	3	(1)	-	-	2
Consumer loans	3	(1)	-	-	2
	$ 122	$ -	$ -	$ -	$ 122

	Allowance for Loan Losses				
	Beginning Balance	Provision for Losses	Charge-offs	Recoveries	Ending Balance
Three Months Ended March 31, 2017:			(In thousands)		
Real estate loans:					
One-to-four family, owner occupied	$ 100	$ 2	$ -	$ -	$ 102
One-to-four family, non-owner occupied	12	(1)	-	-	11
Commercial	3	-	-	-	3
Consumer loans	3	(1)	-	-	2
	$ 118	$ -	$ -	$ -	$ 118

The following presents by portfolio segment, the recorded investment in loans and impairment method:

	Allowance for Loan Losses			Loans		
	Individually Evaluated for Impairment	Collectively Evaluated for Impairment	Total	Individually Evaluated for Impairment	Collectively Evaluated for Impairment	Total
At March 31, 2018:				(In thousands)		
Real estate loans:						
One-to-four family, owner occupied	$ -	$ 106	$ 106	$ 67	$ 10,642	$ 10,709
One-to-four family, non-owner occupied	-	12	12	-	1,109	1,109
Commercial	-	2	2	-	268	268
Consumer loans	-	2	2	-	239	239
	$ -	$ 122	$ 122	$ 67	$ 12,258	$ 12,325

	Allowance for Loan Losses			Loans		
	Individually Evaluated for Impairment	Collectively Evaluated for Impairment	Total	Individually Evaluated for Impairment	Collectively Evaluated for Impairment	Total
At December 31, 2017:				(In thousands)		
Real estate loans:						
One-to-four family, owner occupied	$ -	$ 104	$ 104	$ 68	$ 11,109	$ 11,177
One-to-four family, non-owner occupied	-	12	12	-	1,139	1,139
Commercial	-	3	3	-	278	278
Consumer loans	-	3	3	-	255	255
	$ -	$ 122	$ 122	$ 68	$ 12,781	$ 12,849

The following tables present impaired loans and allowance for loan losses and nonperforming loans based on class level:

	Impaired Loans				
	With Allowance for Loan Losses	With no Allowance for Loan Losses	Total	Unpaid Principal Balance	Allowance for Loan Losses
			(In thousands)		
At March 31, 2018:					
Real estate loans:					
One-to-four family, owner occupied	$ -	$ 67	$ 67	$ 67	$ -
One-to-four family, non-owner occupied	-	-	-	-	-
Commercial	-	-	-	-	-
Consumer loans	-	-	-	-	-
	$ -	$ 67	$ 67	$ 67	$ -

	Nonperforming Loans			
	Nonaccrual	Past Due 90 Days and More Still Accruing	Accruing Troubled Debt Restructurings	Total
		(In thousands)		
At March 31, 2018:				
Real estate loans:				
One-to-four family, owner occupied	$ 23	$ 44	$ -	$ 67
One-to-four family, non-owner occupied	-	-	-	-
Commercial	-	-	-	-
Consumer loans	-	-	-	-
	$ 23	$ 44	$ -	$ 67

	Impaired Loans				
	With Allowance for Loan Losses	With no Allowance for Loan Losses	Total	Unpaid Principal Balance	Allowance for Loan Losses
At December 31, 2017:					
Real estate loans:					
One-to-four family, owner occupied	$ -	$ 68	$ 68	$ 68	$ -
One-to-four family, non-owner occupied	-	-	-	-	-
Commercial	-	-	-	-	-
Consumer loans	-	-	-	-	-
	$ -	$ 68	$ 68	$ 68	$ -

	Nonperforming Loans			
	Nonaccrual	Past Due 90 Days and More Still Accruing	Accruing Troubled Debt Restructurings	Total
		(In thousands)		
At December 31, 2017:				
Real estate loans:				
One-to-four family, owner occupied	$ 68	$ 17	$ -	$ 85
One-to-four family, non-owner occupied	-	-	-	-
Commercial	-	-	-	-
Consumer loans	-	-	-	-
	$ 68	$ 17	$ -	$ 85

Notes to Condensed Financial Statements
March 31, 2018 (Unaudited) and December 31, 2017
Three Months Ended March 31, 2018 and 2017 (Unaudited)
(Dollars in thousands)

The average recorded investment in impaired loans for the three months ended March 31, 2018 and 2017 as follows:

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
	(In thousands)	
Real estate loans:		
One-to-four family, owner occupied	$ 68	$ 47
One-to-four family, non-owner occupied	-	-
Commercial	-	-
Consumer loans	-	-
	$ 68	$ 47

Interest income recognized on impaired loans for the three months ended March 31, 2018 and 2017 was $1 and $1, respectively.

There were no loans modified as troubled debt restructurings during the three months ended March 31, 2018 or March 31, 2017.

The Association does not have any commitments to lend additional funds to borrowers whose loans are on nonaccrual.

There were no troubled debt restructurings at March 31, 2018 and December 31, 2017.

At March 31, 2018 and December 31, 2017, there were no residential real estate loans in the process of foreclosure.

The following table presents the Association's loan portfolio aging analysis:

	Days Past Due 30-59	Days Past Due 60-89	Days Past Due 90 or more	Current	Total
At March 31, 2018:			(In thousands)		
Real estate loans:					
One-to-four family, owner occupied	$ 82	$ -	$ 67	$ 10,560	$ 10,709
One-to-four family, non-owner occupied	-	-	-	1,109	1,109
Commercial	-	-	-	268	268
Consumer loans	-	16	-	223	239
	$ 82	$ 16	$ 67	$ 12,160	$ 12,325

	Days Past Due 30-59	Days Past Due 60-89	Days Past Due 90 or more	Current	Total
At December 31, 2017:			(In thousands)		
Real estate loans:					
One-to-four family, owner occupied	$ 115	$ -	$ 85	$ 10,977	$ 11,177
One-to-four family, non-owner occupied	-	-	-	1,139	1,139
Commercial	-	-	-	278	278
Consumer loans	10	-	-	245	255
	$ 125	$ -	$ 85	$ 12,639	$ 12,849

The Association classifies loans into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. Generally, smaller dollar consumer loans are excluded from this process and are reflected in the Pass category. The delinquency trends of these consumer loans are monitored on a homogeneous basis.

The Association uses the following definitions for risk ratings:

The Pass asset quality rating encompasses assets that have generally performed as expected. With the exception of some smaller consumer and residential loans, these assets generally do not have delinquency. Loans assigned this rating include loans to borrowers possessing solid credit quality with acceptable risk.

The Special Mention asset quality rating encompasses assets that have potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan. Special mention assets are not adversely classified and do not expose an institution to sufficient risk to warrant adverse classification. This grade is intended to include loans to borrowers whose credit quality has clearly deteriorated and where risk of further decline is possible unless active measures are taken to correct the situation.

The Substandard asset quality rating encompasses assets that are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any; assets having a well-defined weakness based upon objective evidence; assets characterized by the distinct possibility that the Association will sustain some loss if the deficiencies are not corrected; or the possibility that liquidation will not be timely. Loans categorized in this grade possess a well-defined credit weakness and the likelihood of repayment from the primary source is uncertain. Significant financial deterioration has occurred and very close attention is warranted to ensure the full repayment without loss. Collateral coverage may be marginal.

Doubtful asset quality rating encompasses assets that have all of the weaknesses of those classified as substandard. In addition, these weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions and values, highly questionable and improbable.

The Loss asset quality rating encompasses assets that are considered uncollectible and of such little value that their continuance as assets is not warranted. A loss classification does not mean that an asset has no recovery or salvage value; instead, it means that it is not practical or desirable to defer writing off or reserving all or a portion of a basically worthless asset, even though partial recovery may be realized in the future.

The following tables present the credit risk profile of the Association's loan portfolio based on rating category and payment activity:

	Credit Quality Indicator-Credit Risk Profile by Grade or Classification					
	Special Mention	Substandard	Doubtful	Loss	Pass	Total
			(In thousands)			
At March 31, 2018:						
Real estate loans:						
One-to-four family, owner occupied	$ -	$ 67	$ -	$ -	$ 10,642	$ 10,709
One-to-four family, non-owner occupied	-	-	-	-	1,109	1,109
Commercial	-	-	-	-	268	268
Consumer loans	-	-	-	-	239	239
	$ -	$ 67	$ -	$ -	$ 12,258	$ 12,325

	Credit Quality Indicator-Credit Risk Profile by Grade or Classification					
	Special Mention	Substandard	Doubtful	Loss	Pass	Total
			(In thousands)			
At December 31, 2017:						
Real estate loans:						
One-to-four family, owner occupied	$ -	$ 85	$ -	$ -	$ 11,092	$ 11,177
One-to-four family, non-owner occupied	-	-	-	-	1,139	1,139
Commercial	-	-	-	-	278	278
Consumer loans	-	-	-	-	255	255
	$ -	$ 85	$ -	$ -	$ 12,764	$ 12,849

Note 4. Equity and Regulatory Capital

The Association is subject to various regulatory capital requirements administered by the Federal banking agencies. Failure to meet minimum capital requirements can result in certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Association's financial statements. Under capital adequacy guidelines, the Association must meet specific guidelines that involve quantitative measures of assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices.

Minimum capital level requirements applicable to the Association are: (i) a common equity Tier 1 capital ratio of 4.5%; (ii) a Tier 1 capital to risk-weighted assets ratio of 6% (iii) a total capital to risk-weighted assets ratio of 8% and (iv) a Tier 1 leverage ratio of 4%. The rules also establish a "capital conservation buffer" of 2.5% above the regulatory minimum capital ratios, and resulting in the following ratios: (i) a common equity Tier 1 capital ratio of 7.0%, (ii) a Tier 1 capital to risk-weighted assets ratio of 8.5%; (iii) a total capital to risk-weighted assets ratio of 10.5%; and, a Tier 1 leverage ratio of 6.5%. The new capital conservation buffer requirement was phased in beginning in January 2016 at 0.625% of risk-weighted assets and will increase each year until fully implemented in January 2019. An institution will be subject to further limitations on paying dividends, engaging in share repurchases, and paying discretionary bonuses if its capital level falls below the buffer amount. These limitations will establish a maximum percentage of eligible retained income that could be utilized for such actions.

The Association's capital amounts and classifications are also subject to judgments by the regulators about components, risk-weightings and other factors. At March 31, 2018 and December 31, 2017, the Association believes all capital adequacy requirements were met.

The Association is also subject to the regulatory framework for prompt corrective action. On July 20, 2017, the OCC established minimum capital ratios for the Association that are higher than existing banking regulations. The Association is required to achieve and maintain a higher Tier 1 leverage capital ratio at December 31, 2017, June 30, 2018 and December 31, 2018 of 7.5%, 8.0% and 8.5%, respectively, and a total risk-based capital ratio of 12.0%. The requirements to have and maintain specific capital levels prevent the Association from being classified as well-capitalized. Accordingly, the Association was categorized as adequately capitalized under the regulatory framework for prompt corrective action at March 31, 2018 and December 31, 2017. As summarized in the following tables at March 31, 2018 and December 31, 2017, the Association’s reported Tier 1 leverage capital ratios of 5.7% and 6.6%, respectively, are less than the higher imposed capital requirement of 7.5%, while the total risk-based capital ratios of 13.8% and 15.2%, respectively, exceeds the higher imposed capital requirement of 12.0%. The Association expects to increase its regulatory capital ratios and exceed all such higher imposed capital requirements as a result of the conversion from a mutual savings association to a stock savings association. See note 1.

The Association's actual and required capital amounts and ratios at March 31, 2018 are as follows:

	Actual		Minimum Required for Capital Adequacy		Minimum Required to be "Well Capitalized"	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
	(Dollars in Thousands)					
Equity	$ 943					
Unrealized loss on securities AFS, net	6					
Tangible capital	949					
General valuation allowance - limited	94					
Total capital to risk-weighted assets	$ 1,043	13.8%	$ 602	8.0%	$ 753	10.0%
Tier 1 capital to risk-weighted assets	$ 949	12.6%	$ 452	6.0%	$ 602	8.0%
Common equity Tier 1 capital to risk-weighted assets	$ 949	12.6%	$ 339	4.5%	$ 490	6.5%
Tier 1 capital to total assets	$ 949	5.7%	$ 663	4.0%	$ 829	5.0%

The general valuation allowance is limited to 1.25% of risk-weighted assets.

The Association's actual and required capital amounts and ratios at December 31, 2017 are as follows:

	Actual		Minimum Required for Capital Adequacy		Minimum Required to be "Well Capitalized"	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
	(Dollars in Thousands)					
Equity	$ 1,048					
Unrealized loss on securities AFS, net	3					
Tangible capital	1,051					
General valuation allowance - limited	94					
Total capital to risk-weighted assets	$ 1,145	15.2%	$ 603	8.0%	$ 754	10.0%
Tier 1 capital to risk-weighted assets	$ 1,051	13.9%	$ 453	6.0%	$ 603	8.0%
Common equity Tier 1 capital to risk-weighted assets	$ 1,051	13.9%	$ 339	4.5%	$ 490	6.5%
Tier 1 capital to total assets	$ 1,051	6.6%	$ 641	4.0%	$ 802	5.0%

The general valuation allowance is limited to 1.25% of risk-weighted assets.

Note 5. Financial Instruments with Off-Balance Sheet Risk

The Association is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments generally include commitments to originate mortgage loans. Those instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the balance sheet. The maximum exposure to credit loss in the event of nonperformance by the borrower is represented by the contractual amount and related accrued interest receivable of those instruments.

The Association minimizes this risk by evaluating each borrower's creditworthiness on a case-by-case basis. Collateral held by the Association consists of a first or second mortgage on the borrower's property. The amount of collateral obtained is based upon an appraisal of the property.

Commitments to originate mortgage loans are legally binding agreements to lend to the Association's customers. Commitments at March 31, 2018 and December 31, 2017 to originate fixed-rate loans were $296 and $302, respectively. Interest rates for such loans ranged from 4.25% to 15.00% and 4.25% to 15.00% at March 31, 2018 and December 31, 2017, respectively.

Note 6. Fair Value Measurements and Fair Value of Financial Instruments

Fair Value Measurements

The fair value hierarchy prioritizes the assumptions that market participants would use in pricing the assets or liabilities (the "inputs") into three broad levels.

The fair value hierarchy gives the highest priority (Level 1) to quoted prices in active markets for identical assets and liabilities and the lowest priority (Level 3) to unobservable inputs in which little, if any, market activity exists, requiring entities to develop their own assumptions and data.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in market areas 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 and default rates) or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Valuation Techniques

Available for sale securities are carried at fair value utilizing Level 2 inputs. For debt securities, the Association obtains fair value measurements from an independent pricing service. Debt securities include MBSs, CMOs, SBA pools and municipal obligations. The fair value measurements consider observable data that may include dealer quotes, live trading levels, trade execution data, cash flows, market consensus prepayment speeds, market spreads, credit information and the U.S. Treasury yield curve.

Impaired loans are carried at fair value utilizing Level 3 inputs, consisting of appraisals of underlying collateral (collateral method) adjusted for selling costs (unobservable input), which generally approximate 6% of the sales prices and discounted cash flow analysis. See note 3.

SIDNEY FEDERAL SAVINGS AND LOAN ASSOCIATION

Notes to Condensed Financial Statements
March 31, 2018 (Unaudited) and December 31, 2017
Three Months Ended March 31, 2018 and 2017 (Unaudited)
(Dollars in thousands)

Measured at Fair Value on a Recurring Basis

The following table summarizes financial assets measured at fair value on a recurring basis at March 31, 2018 and December 31, 2017, segregated by the level of the inputs within the hierarchy used to measure fair value:

Assets	Level 1	Level 2	Level 3	Total Fair Value
		(In thousands)		
March 31, 2018:				
MBS: GSE residential	$ -	$ 2,077	$ -	$ 2,077
Collateralized mortgage obligations	-	27	-	27
SBA pools	-	101	-	101
Municipals	-	251	-	251
	$ -	$ 2,456	$ -	$ 2,456
December 31, 2017:				
MBS: GSE residential	$ -	$ 1,800	$ -	$ 1,800
Collateralized mortgage obligations	-	31	-	31
SBA pools	-	104	-	104
Municipals	-	251	-	251
	$ -	$ 2,186	$ -	$ 2,186

There were no transfers between Level 1 and Level 2 categorizations for the periods presented.

Assets Measured at Fair Value on a Nonrecurring Basis

Assets measured at fair value on a non-recurring basis include impaired loans. At March 31, 2018 and December 31, 2017, impaired loans of $0 and $0, respectively, were adjusted to fair value utilizing Level 3 inputs during such periods. The impaired loans are collateral dependent. Fair value adjustments, consisting of charge-offs, on impaired loans during the three months ended March 31, 2018 and March 31, 2017 amounted to $0 and $0, respectively.

SIDNEY FEDERAL SAVINGS AND LOAN ASSOCIATION

Notes to Condensed Financial Statements
March 31, 2018 (Unaudited) and December 31, 2017
Three Months Ended March 31, 2018 and 2017 (Unaudited)
(Dollars in thousands)

Fair Value of Financial Instruments

Fair values of financial instruments have been estimated by the Association based on available market information with the assistance of an independent consultant:

	Carrying Amount	Fair Value	Fair Value Measurements Using Level 1	Level 2	Level 3
March 31, 2018:			(In thousands)		
Cash and cash equivalents	$ 1,212	$ 1,212	$ 1,212	$ -	$ -
Certificates of deposit	249	249	-	249	
Securities available for sale	2,456	2,456	-	2,456	-
Stock in FHLBT and MIB	99	99	-	99	-
Loans receivable, net	12,156	12,225	-	-	12,225
Accrued interest receivable	48	48	-	48	-
Deposits	15,391	15,296	8,511	6,785	-
Accrued interest payable	-	-	-	-	-
December 31, 2017:					
Cash and cash equivalents	$ 594	$ 594	$ 594	$ -	$ -
Certificates of deposit	494	494	-	494	-
Securities available for sale	2,186	2,186	-	2,186	-
Stock in FHLBT and MIB	99	99	-	99	-
Loans receivable, net	12,678	13,000	-	-	13,000
Accrued interest receivable	47	47	-	47	-
Deposits	15,055	14,996	8,198	6,798	-
Accrued interest payable	-	-	-	-	-

The following methods and assumptions were used in estimating the fair values shown above:

Cash and cash equivalents and certificates of deposit are valued at their carrying amounts due to the relatively short period to maturity of the instruments.

Stock in FHLBT and MIB is valued at cost, which represents redemption value and approximates fair value.

Fair values are computed for each loan category using interest rates currently being offered for loans with similar terms to borrowers of similar credit quality.

The carrying amounts of accrued interest receivable and accrued interest payable approximate fair value.

Deposits with no defined maturities, such as checking accounts, savings accounts and money market deposit accounts are, by definition, equal to the amount payable on demand at the balance sheet date.

The fair values of certificate accounts are computed using interest rates currently being offered to deposit customers.

Off-balance sheet assets include the commitments to extend credit for which fair values were estimated based on interest rates and fees currently charged for similar transactions. Due to the short-term nature of the outstanding commitments, the fair values of fees on those commitments approximates the amount collected and the Association's has not assigned a value to such instruments for purposes of this disclosure.

The methods and assumptions used in estimating fair values for investment securities are indicated above under the caption, "Valuation Techniques."

Note 7. Other Noninterest Expense

Other noninterest expense in the Statements of Operations is summarized as follows:

	Three Months Ended March 31,	
	2018	2017
	(In thousands)	
Contract services	$ 3	$ 3
Advertising	3	1
Office supplies	1	1
Telephone expense	2	2
Dues and subscriptions	3	4
Other	4	1
	$ 16	$ 12

Note 8. Regulatory Agreement

On June 7, 2017, the Association entered into a Memorandum of Understanding ("MOU") with the OCC. Under the MOU, the Association agreed to develop and implement a three-year strategic and capital plan; improve its interest rate risk position and limit asset and liability concentrations. The Board of Directors and management are currently taking action to comply with the MOU.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's discussion and analysis of financial condition and results of operations at March 31, 2018 and for the three months ended March 31, 2018 and 2017 is intended to assist in understanding the financial condition and results of operations of the Association. The information contained in this section should be read in conjunction with the Unaudited Condensed Financial Statements and the notes thereto, appearing in Part 1, Item 1 of this report.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Form 10-Q contains forward-looking statements, which can be identified by the use of words such as "estimate," "project," "believe," "intend," "anticipate," "plan," "seek," "expect," "will," "may" and words of similar meaning. These forward-looking statements include, but are not limited to:

- statements of our goals, intentions and expectations;
- statements regarding our business plans, prospects, growth and operating strategies;
- statements regarding the asset quality of our loan and investment portfolios; and
- estimates of our risks and future costs and benefits.

These forward-looking statements are based on our current beliefs and expectations and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. We do not take any obligation to update any forward-looking statements after the date of this Form 10-Q, except as required by law.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements:

- general economic conditions, either nationally or in our market areas, that are worse than expected;
- competition among depository and other financial institutions;
- changes in the interest rate environment that reduce our margins or reduce the fair value of financial instruments;
- adverse changes in the securities markets;
- changes in laws or government regulations or policies affecting financial institutions, including changes in regulatory fees and capital requirements;
- our ability to enter new markets successfully and capitalize on growth opportunities;
- changes in consumer spending, borrowing and savings habits;

- changes in accounting policies and practices, as may be adopted by the Securities and Exchange Commission, the Financial Accounting Standards Board and the Public Company Accounting Oversight Board;

- changes in our organization, compensation and benefit plans;

- changes in our financial condition or results of operations that reduce capital; and

- changes in the financial condition or future prospects of issuers of securities that we own.

Additional factors that may affect our results are discussed in Sidney Federal Savings and Loan Association's Offering Circular dated May 15, 2018 as filed with the Office of the Comptroller of the Currency, including under the section titled "Risk Factors". These factors and the other factors listed above should be considered in evaluating the forward-looking statements, and undue reliance should not be placed on such statements.

Overview

Our profitability is highly dependent on our net interest income, which is the difference between our interest income on interest-earning assets, such as loans and securities, and our interest expense on interest-bearing liabilities, such as deposits and borrowed funds. Our principal business is accepting deposits from individuals and businesses in the communities surrounding our office, and using such deposits to fund loans. We focus on providing our products and services to two segments of customers: individuals and small businesses.

We experienced net losses of $102,000 and $48,000 for the three months ended March 31, 2018 and 2017, respectively. Our profitability has suffered due primarily to our continued elevated noninterest expense. The two largest components of our noninterest expense are generally our equipment and data processing expense and our compensation and benefits expense, which were $32,000 and $130,000, respectively, for the three months ended March 31, 2018 and $36,000 and $102,000, respectively, for the three months ended March 31, 2017. We have been unable to meaningfully reduce our noninterest expense due to our lack of size, our increasing costs of compliance with banking and other regulations and our high data processing fixed costs. Additionally, the decline in our average balance of interest-earning assets for the three months ended March 31, 2018, as compared to the three months ended March 31, 2017, also contributed to our net loss for the three months ended March 31, 2018, as we shrank our average balance sheet to try to meet our increased capital requirements with the OCC.

Critical Accounting Policies

The discussion and analysis of the financial condition and results of operations are based on our financial statements, which are prepared in conformity with U.S. GAAP. The preparation of these financial statements requires management to make estimates and assumptions affecting the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of income and expenses. We consider the accounting policies discussed below to be critical accounting policies. The estimates and assumptions that we use are based on historical experience and various other factors and are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions, resulting in a change that could have a material impact on the carrying value of our assets and liabilities and our results of operations.

The JOBS Act contains provisions that, among other things, reduce certain reporting requirements for qualifying public companies. As an “emerging growth company” we may delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. We intend to take advantage of the benefits of this extended transition period. Accordingly, our financial statements may not be comparable to companies that comply with such new or revised accounting standards.

The following represent our critical accounting policies:

Allowance for Loan Losses. We consider the allowance for loan losses to be a critical accounting policy. The allowance for loan losses is the amount estimated by management as necessary to cover probable losses inherent in the loan portfolio at the balance sheet date. The allowance is established through the provision for loan losses, which is charged to operations. Determining the amount of the allowance for loan losses involves a high degree of judgment. Among the material estimates required to establish the allowance are: loss exposure at default; the amount and timing of future cash flows on impacted loans; value of collateral; and determination of loss factors to be applied to the various elements of the portfolio. All of these estimates are susceptible to significant change. Management reviews the level of the allowance at least quarterly and establishes the provision for loan losses based upon an evaluation of the portfolio, past loss experience, current economic conditions and other factors related to the collectability of the loan portfolio. Although we believe that we use the best information available to establish the allowance for loan losses, future adjustments to the allowance may be necessary if economic conditions differ substantially from the assumptions used in making the evaluation. In addition, the OCC, as an integral part of its examination process, periodically reviews our allowance for loan losses. Such agency may require us to recognize adjustments to the allowance based on its judgments about information available to it at the time of its examination. A large loss could deplete the allowance and require increased provisions to replenish the allowance, which would adversely affect results of operations.

Income Taxes. Income taxes are provided for the tax effects of certain transactions reported in the financial statements. Income taxes consist of taxes currently due plus deferred taxes related primarily to temporary differences between the financial reporting and income tax basis of the allowance for loan losses, premises and equipment, certain state tax credits, operating losses, and deferred loan origination costs. The deferred tax assets and liabilities represent the future tax return consequences of the temporary differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion of the deferred tax assets will not be realized. Deferred tax assets and liabilities are reflected at income tax rates applicable to the period in which the deferred tax assets and liabilities are expected to be realized or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes.

On December 22, 2017, the Tax Cuts and Jobs Act was enacted into law, and includes among other items, a reduction in the federal corporate income tax structure to a flat rate of 21%, effective January 1, 2018. As a result, the Association’s net deferred tax asset at December 31, 2017 was remeasured at the new tax rate.

Estimation of Fair Values. Securities classified as available for sale are reported at fair value, with unrealized gains and losses excluded from operations and reported as a separate component of equity. The Association does not purchase securities for trading purposes. The cost of securities sold is determined by specific identification. Declines in fair value of securities available for sale that are deemed to be other-than-temporary are charged to operations as a realized loss. In estimating other-than-temporary impairment losses, management of the Association considers the length of time and the extent to which the fair value has been less than cost, the financial condition and near-term prospects of the issuer, the Association's intent to sell the security or whether it is more likely than not that it will be required to sell the security before the anticipated recovery of its remaining amortized cost basis and evaluation of cash flows to determine if the securities have been adversely affected.

Comparison of Financial Condition at March 31, 2018 and December 31, 2017

	March 31, 2018	December 31, 2017	Increase (Decrease)	% Change
	(Dollars in thousands)			
Total assets	$ 16,660	$ 16,385	$ 275	1.7 %
Cash and cash equivalents	1,212	594	618	104.0
Certificates of deposit	249	494	(245)	(49.6)
Securities available for sale	2,456	2,186	270	12.4
Stock in FHLB of Topeka and MIB	99	99	-	0.0
Loans receivable, net	12,156	12,678	(522)	(4.1)
Premises and equipment, net	53	55	(2)	(3.6)
Other assets (1)	435	279	156	55.9
Deposits	15,391	15,055	336	2.2
Advances from borrowers for taxes and insurance	235	175	60	34.3
Other liabilities	91	107	(16)	(15.0)
Total equity	943	1,048	(105)	(10.0)

(1) Includes accrued interest receivable, prepaid income taxes, deferred tax asset, deferred conversion costs and other assets.

Total Assets. Total assets increased $275,000, or 1.7%, to $16.7 million at March 31, 2018 from $16.4 million at December 31, 2017. The increase in total assets was due primarily to increases in cash and cash equivalents, securities, and other assets, partially offset by decreases in loans receivable and certificates of deposit.

Loans Receivable, Net. Net loans decreased $522,000, or 4.1%, to $12.2 million at March 31, 2018 from $12.7 million at December 31, 2017, due primarily to no significant new loan originations. Loans originated for portfolio and sale during the three months ended March 31, 2018 and March 31, 2017 were $342,000 and $1.5 million, respectively. The one-to-four-family owner-occupied real estate loan portfolio decreased $468,000, or 4.2%, to $10.7 million at March 31, 2018 from $11.2 million at December 31, 2017 due to principal repayments and new loan originations were sold. There were modest changes in the other loan segments.

Securities. At March 31, 2018 and December 31, 2017, all securities were classified as available for sale and included primarily mortgage-backed securities. Securities increased $270,000, or 12.4%, to $2.5 million at March 31, 2018 from $2.2 million at December 31, 2017 due to the purchase of $371,000 of mortgage-backed securities and principal collections of $93,000.

Cash and Cash Equivalents. Cash and cash equivalents increased $618,000, or 104.0%, to $1.2 million at March 31, 2018 from $594,000 at December 31, 2017.

Other Assets. Other assets increased principally as a result of the deferral of $248,000 in costs related to the conversion at March 31, 2018, compared to $79,000 at December 31, 2017.

Deposits. Deposits increased $336,000, or 2.2%, to $15.4 million at March 31, 2018 from $15.1 million at December 31, 2017. The majority of the increase in deposits was in checking and savings accounts. The Association's core deposits, which include non-interest-bearing checking, interest bearing checking, savings and money market accounts, increased $313,000. The Association intends to increase its core deposits, in particular, checking and money market accounts, through its existing and new loan customers and aggressive marketing efforts.

Equity. Total equity decreased $105,000 to $943,000 at March 31, 2018 from $1.0 million at December 31, 2017, primarily as a result of a net loss of $102,000 for the three months ended March 31, 2018.

Comparison of Operating Results for the Three months Ended March 31, 2018 and 2017

General. The Association had a net loss of $102,000 for the three months ended March 31, 2018, compared to a net loss of $48,000 for the three months ended March 31, 2017. The Association's net loss for the three months ended March 31, 2018 was slightly higher due to a higher level of noninterest expense.

	Three Months Ended March 31,		Increase	
	2018	2017	(Decrease)	% Change
	(Dollars in thousands)			
Interest income:				
Loans receivable	$ 135	$ 134	$ 1	0.7 %
Securities-taxable	11	13	(2)	(15.4)
Securities-nontaxable	3	3	-	-
Other interest-earning assets	5	4	1	25.0
Total interest income	154	154	-	-
Interest expense:				
Checking and money market accounts	1	1	-	-
Savings accounts	1	1	-	-
Certificates of deposit	15	12	3	25.0
Total deposits	17	14	3	21.4
Advances from FHLBT	-	11	(11)	(100.0)
Total interest expense	17	25	(8)	(32.0)
Net interest income	$ 137	$ 129	$ 8	6.2 %

Interest Income. Interest income was $154,000 for both the first three months of 2018 and 2017.

The average yield on loans decreased to 4.35% for the three months ended March 31, 2018 from 4.37% for the three months ended March 31, 2017. The average balance of loans increased to $12.6 million for the three months ended March 31, 2018 from $12.4 million for the three months ended March 31, 2017. In contrast, the average balance of securities decreased to $2.3 million for the three months ended March 31, 2018 from $3.7 million for the three months ended March 31, 2017, as the Association sold securities of $742,000 in the second quarter of 2017.

Interest Expense. Interest expense decreased $8,000, or 32.0%, to $17,000 for the three months ended March 31, 2018 from $25,000 for the three months ended March 31, 2017 primarily as a result of a lower average balance on FHLB of Topeka advances, partially offset by higher average rates paid on certificates of deposit. The average balance of FHLB of Topeka advances decreased to $0 for the three months ended March 31, 2018 from $1.0 million for the three months ended March 31, 2017. During May 2017, the Association repaid a $1.0 million FHLB of Topeka term advance. The average rate paid on certificates of deposit increased to 0.89% for the three months ended March 31, 2018 from 0.65% for the three months ended March 31, 2017 due to higher market interest rates.

Net Interest Income. Net interest income increased $8,000, or 6.2%, to $137,000 for the three months ended March 31, 2018 from $129,000 for the three months ended March 31, 2017. The modest increase in net interest income was mostly attributable to a higher net interest rate spread, partially offset by a decrease in interest-earning assets.

The net interest rate spread increased to 3.37% for the three months ended March 31, 2018 from 2.80% for the three months ended March 31, 2017 as the average yield on average interest-earning assets increased by 41 basis points and the average cost of average interest-bearing liabilities decreased by 16 basis points. Despite a decrease in the average yield on loans, the average yield on interest-earning assets increased due to a higher composition of interest-earning assets in loans. The average balance of loans represented 77.5% of the total average balance of interest-earning assets during the three months ended March 31, 2018, compared to 68.6% during the three months ended March 31, 2017.

Provision for Loan Losses. There were no provisions for loan losses for the three months ended March 31, 2018 and March 31, 2017.

	Three Months Ended March 31,		Increase	
	2018	2017	(Decrease)	% Change
	(Dollars in thousands)			
Noninterest income:				
Service charges on deposit accounts	$ 3	$ 4	$ (1)	(25.0) %
Gain on sale of loans	6	2	4	200.0
Other	1	-	1	NM
Total noninterest income	$ 10	$ 6	$ 4	66.7 %

NM Not meaningful.

Noninterest Income. Noninterest income increased $4,000, or 66.7%, to $10,000 for the three months ended March 31, 2018 from $6,000 for the three months ended March 31, 2017. The increase is due primarily to the increase in gain on sale of loans during the three months ended March 31, 2018.

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017	Increase (Decrease)	% Change
	(Dollars in thousands)			
Noninterest expense:				
Compensation and benefits	$ 130	$ 102	$ 28	27.5 %
Occupancy expense	5	6	(1)	(16.7)
Equipment and data processing expense	32	36	(4)	(11.1)
FDIC premium expense	4	3	1	33.3
Professional and regulatory fees	48	10	38	380.0
Insurance expense	5	6	(1)	(16.7)
Debit card expense, net	6	5	1	20.0
Correspondent bank service charges	3	3	-	-
Other	16	12	4	33.3
Total noninterest expense	$ 249	$ 183	$ 66	36.1 %

Noninterest Expense. Noninterest expense increased $66,000, or 36.1%, to $249,000 for the three months ended March 31, 2018 from $183,000 for the three months ended March 31, 2017 due primarily to higher compensation and benefits and professional and regulatory fees, partially offset by lower equipment and data processing expense.

Compensation and benefits increased $28,000, or 27.5%, to $130,000 for the three months ended March 31, 2018 from $102,000 for the three months ended March 31, 2017 due primarily to higher salary levels and an increase in the number of full time employees. Professional and regulatory fees increased $38,000, or 380.0%, to $48,000 for the three months ended March 31, 2018, compared to $10,000 for the three months ended March 31, 2017. The increase was primarily related to the Association's first full-scope audits performed in the three months ended March 31, 2018 for the years ended December 31, 2017 and 2016.

Equipment and data processing expense decreased $4,000, or 11.1%, to $32,000 for the three months ended March 31, 2018, compared to $36,000 for the three months ended March 31, 2017 due primarily to a lower level of data processing costs as a result of a renegotiated contract in 2017.

Income Tax Expense. There was no provision for income taxes for the three months ended March 31, 2018 and 2017. A valuation allowance has been recorded against all components of the net deferred tax asset, except for the net unrealized loss on available for sale securities.

Average Balances and Yields

The following table sets forth average balance sheets, average yields and costs, and certain other information at and for the periods indicated. No tax-equivalent yield adjustments were made, as the effect thereof was not material. All average balances are daily average balances. Non-accrual loans were included in the computation of average balances, but have been reflected in the table as loans carrying a zero yield. The yields set forth below include the effect of deferred fees, discounts and premiums that are amortized or accreted to interest income or interest expense.

	For The Three Months Ended March 31,					
	2018			2017		
	Average Outstanding Balance	Interest	Yield/ Rate	Average Outstanding Balance	Interest	Yield/ Rate
	(Dollars in Thousands)					
Interest-earning assets:						
Loans receivable	$ 12,575	$ 135	4.35 %	$ 12,443	$ 134	4.37 %
Securities, taxable	2,024	11	2.20	3,418	13	1.54
Securities, non-taxable	250	3	4.87	250	3	4.87
Other interest-earning assets	1,368	5	1.48	2,036	4	0.80
Total interest-earning assets	16,217	154	3.85	18,147	154	3.44
Noninterest-earning assets	363			250		
Total assets	$ 16,580	$		$ 18,397	$	
Interest-bearing liabilities:						
Checking and MMDA accounts	$ 2,589	$ 1	0.16	$ 3,040	$ 1	0.13
Savings accounts	4,871	1	0.08	4,418	1	0.09
Certificates of deposit	6,872	15	0.89	7,498	12	0.65
Total deposits	14,332	17	0.48	14,956	14	0.38
Advances from FHLB of Topeka	-	-	-	1,000	11	4.46
Total interest-bearing liabilities	14,332	17	0.48	15,956	25	0.64
Non-interest bearing checking accounts	935			877		
Non-interest bearing liabilities	311			281		
Equity	1,002			1,283		
Total liabilities and equity	$ 16,580	$		$ 18,397	$	
Net interest income		$ 137			$ 129	
Net interest spread (1)			3.37 %			2.80 %
Net interest-earning assets (2)	$ 1,885			$ 2,191		
Net interest margin (3)			3.43 %			2.88 %
Average interest-earning assets to average interest-bearing liabilities			113.15 %			113.73 %

(1) Net interest spread represents the difference between the weighted average yield on average interest-earning assets and the weighted average cost of average interest-bearing liabilities.

(2) Net interest-earning assets represents total interest-earning assets less total interest-bearing liabilities.

(3) Net interest margin represents net interest income divided by average total interest-earning assets.

Liquidity and Capital Resources

Liquidity Management. Liquidity describes our ability to meet the financial obligations that arise in the ordinary course of business. Liquidity is primarily needed to meet the borrowing and deposit withdrawal requirements of our customers and to fund current and planned expenditures. Our primary sources of funds are deposits, principal and interest payments on loans and securities, and proceeds from sales, maturities and calls of securities. We also have the ability to borrow from the FHLB of Topeka. As of March 31, 2018, Sidney Federal did not have any FHLB of Topeka advances with unused borrowing capacity of $9.5 million.

The board of directors is responsible for establishing and monitoring our liquidity targets and strategies in order to ensure that sufficient liquidity exists for meeting the borrowing needs and deposit withdrawals of our customers as well as unanticipated contingencies. We believe that we have enough sources of liquidity to satisfy our short- and long-term liquidity needs as of March 31, 2018.

We monitor and adjust our investments in liquid assets based upon our assessment of: (1) expected loan demand; (2) expected deposit flows; (3) yields available on interest-earning deposits and securities; and (4) the objectives of our asset/liability management program. Excess liquid assets are invested generally in interest-earning deposits and short-and intermediate-term securities.

While maturities and scheduled amortization of loans and securities are predictable sources of funds, deposit flows and loan prepayments are greatly influenced by general interest rates, economic conditions, and competition. Our most liquid assets are cash and cash equivalents, which include federal funds sold and interest-bearing deposits in other banks. The levels of these assets are dependent on our operating, financing, lending and investing activities during any given period. At March 31, 2018, cash and cash equivalents totaled $1.2 million. Securities classified as available-for-sale, which provide additional sources of liquidity, totaled $2.5 million at March 31, 2018.

Our cash flows are comprised of three primary classifications: cash flows from operating activities, investing activities, and financing activities. Net cash used for operating activities was $266,000 and $2,000 for the three months ended March 31, 2018 and 2017, respectively. Net cash provided by investing activities was $488,000 for the three months ended March 31, 2018 and net cash used for investing activities was $593,000 for the three months ended March 31, 2017. Net cash provided by financing activities was $396,000 and $516,000 for the three months ended March 31, 2018 and 2017, respectively.

We are committed to maintaining a strong liquidity position. We monitor our liquidity position on a daily basis. We anticipate that we will have sufficient funds to meet our current funding commitments. Certificates of deposit due within one year of March 31, 2018, totaled $5.5 million, or 35.6%, of total deposits. If these deposits do not remain with us, we will be required to seek other sources of funds, such as other deposits and FHLB of Topeka advances. Depending on market conditions, we may be required to pay higher rates on such deposits or borrowings than we currently pay. We believe, however, based on past experience that a significant portion of such deposits will remain with us. We have the ability to attract and retain deposits by adjusting the interest rates offered.

Capital Management. The Association is subject to various regulatory capital requirements, including a risk-based capital measure. The risk-based capital guidelines include both a definition of capital and a framework for calculating risk-weighted assets by assigning balance sheet assets and off-balance sheet items to broad risk categories. See Note 4 of the Notes to the Condensed Financial Statements.

Off-Balance Sheet Arrangements and Aggregate Contractual Obligations

Commitments. As a financial services provider, we routinely are a party to various financial instruments with off-balance-sheet risks, such as commitments to extend credit and unused lines of credit. While these contractual obligations represent our future cash requirements, a significant portion of commitments to extend credit may expire without being drawn upon. Such commitments are subject to the same credit policies and approval process accorded to loans we make. At March 31, 2018, we had outstanding commitments to originate loans of $296,000. We anticipate that we will have sufficient funds available to meet our current lending commitments.

Contractual Obligations. In the ordinary course of our operations, we enter into certain contractual obligations. Such obligations include data processing services, operating leases for premises and equipment, agreements with respect to borrowed funds and deposit liabilities.

Impact of Inflation and Changing Price

The financial statements and related data presented herein have been prepared in accordance with generally accepted accounting principles in the United States of America, which require the measurement of financial position and operating results in terms of historical dollars without considering changes in the relative purchasing power of money over time due to inflation. The primary impact of inflation on our operations is reflected in increased operating costs. Unlike most industrial companies, virtually all of the assets and liabilities of a financial institution are monetary in nature. As a result, interest rates generally have a more significant impact on a financial institution's performance than does inflation. Interest rates do not necessarily move in the same direction or to the same extent as the prices of goods and services.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not applicable, as the Registrant is a smaller reporting company.

Item 4. Controls and Procedures

An evaluation was performed under the supervision and with the participation of the Company's management, including the President and Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of the Association's disclosure controls and procedures (as defined in Rule 13a-15(e) promulgated under the Securities and Exchange Act of 1934, as amended) as of March 31, 2018. Based on that evaluation, the Association's management, including the President and Chief Executive Officer and the Chief Financial Officer, concluded that the Registrant's disclosure controls and procedures were effective.

During the quarter ended March 31, 2018, there have been no changes in the Association's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Association's internal control over financial reporting.

Part II – Other Information

Item 1. Legal Proceedings

The Association is subject to various legal actions arising in the normal course of business. In the opinion of management, the resolution of these legal actions is not expected to have a material adverse effect on the Association's financial condition or results of operations.

Item 1A. Risk Factors

Not required for smaller reporting companies.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) Not applicable.

(b) Not applicable.

(c) Not applicable.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1 Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Sidney Federal Savings and Loan Association

Date: June 28, 2018

/s/ Steve Smith
Steve Smith
President and Chief Executive Officer

Date: June 28, 2018

/s/ George Crews
George Crews
Chief Financial Officer

Exhibit 31.1

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Steve Smith, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sidney Federal Savings and Loan Association;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s Board of Directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: June 28, 2018

/s/ Steve Smith
Steve Smith
President and Chief Executive Officer

Exhibit 31.2

Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, George Crews, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sidney Federal Savings and Loan Association;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 28, 2018

/s/ George Crews
George Crews
Chief Financial Officer

Exhibit 32.1

Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Steve Smith, President and Chief Executive Officer of Sidney Federal Savings and Loan Association, (the "Association") and George Crews, Chief Financial Officer of the Association, each certify in his capacity as an officer of the Association that they have reviewed the quarterly report on Form 10-Q for the quarter ended March 31, 2018 (the "Report") and that to the best of their knowledge:

1. the Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Association.

Date: June 28, 2018 /s/ Steve Smith
Steve Smith
President and Chief Executive Officer

Date: June 28, 2018 /s/ George Crews
George Crews
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Association and will be retained by the Association and furnished to the Office of the Comptroller of the Currency or its staff upon request.