FORM 10-K

Annual report pursuant to section 13 and 15(d)

Filing Date: **1999-03-26** | Period of Report: **1998-12-31**
SEC Accession No. 0000950144-99-003244

(HTML Version on secdatabase.com)

FILER

WILSON BANK HOLDING CO
CIK:**885275**| IRS No.: **621497076** | State of Incorp.:**TN** | Fiscal Year End: **1231**
Type: **10-K** | Act: **34** | File No.: **000-20402** | Film No.: **99574008**
SIC: **6021** National commercial banks

Mailing Address
623 W MAIN STREET
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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1998
Commission file number 0-10402

WILSON BANK HOLDING COMPANY
(Exact name of registrant as specified in its charter)

Tennessee	62-1497076
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
623 West Main Street Lebanon, Tennessee	37087
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code:
(615) 444-2265
Securities registered pursuant to Section 12(b) of the Act:
None

Securities registered pursuant to Section 12(g) of the Act:

COMMON STOCK, $2.00 PAR VALUE PER SHARE

(Title of class)

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 filing requirements for the past 90 days.

Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The aggregate market value of the voting stock held by non-affiliates of the registrant on March 15, 1999, was approximately $47,755,593. The market value calculation was determined using $38.50 per share.

Shares of common stock, $2.00 par value per share, outstanding on March 15, 1999, were 1,455,289.

DOCUMENTS INCORPORATED BY REFERENCE

Part of Form 10-K	Documents from which portions are incorporated by reference
Part II	Portions of the Registrant's Annual Report to Shareholders for the fiscal year ended December 31, 1998 are incorporated by reference into Items 5, 6, 7, and 8.
Part III	Portions of the Registrant's Proxy Statement relating to the Registrant's Annual Meeting of Shareholders to be held on April 13, 1999 are incorporated by reference into Items 10, 11, 12 and 13.

PART I

ITEM 1. DESCRIPTION OF BUSINESS.

GENERAL

Wilson Bank Holding Company (the "Company") was incorporated on March 17, 1992 under the laws of the State of Tennessee. The purpose of the Company was to acquire all of the issued and outstanding capital stock of Wilson Bank and Trust (the "Bank") and act as a one bank holding company. On November 17, 1992, the Company acquired 100% of the capital stock of the Bank pursuant to the terms of a plan of share exchange and agreement.

All of the Company's banking business is conducted through the Bank, a state chartered bank organized under the laws of the State of Tennessee, the Bank's wholly-owned subsidiary Hometown Finance, Inc., DeKalb Community Bank ("DCB") and Community Bank of Smith County ("CBSC"). The Bank on December 31, 1998 had eight full service banking offices located in Wilson County, Tennessee and one full service banking facility in Trousdale County, Tennessee. Hometown Finance, Inc., a finance company organized under the Tennessee Industrial Loan and Thrift Companies Act (the "Finance Company") had one office in Lebanon (Wilson County). DCB had two full service banking offices in DeKalb County (one office located in Smithville, Tennessee and one office located in Alexandria, Tennessee). CBSC had one office located in Carthage, Tennessee (Smith County). The Finance Company began operations in September 1994, DCB in April 1996 and CBSC in December 1996. As of December 31, 1998, revenues and expenses of DCB, CBSC, and the Finance Company have not had a material effect on the earnings of the Company.

The Company's principal executive office is located at 623 West Main Street, Lebanon, Tennessee, which is also the principal location of the Bank. The Bank's branch offices are located at 1444 Baddour Parkway, Lebanon, Tennessee; 200 Tennessee Boulevard, Lebanon, Tennessee; Public Square, Watertown, Tennessee; 8875 Stewart's Ferry Pike, Gladeville, Tennessee; 1476 North Mt. Juliet Road, Mt. Juliet, Tennessee; 127 McMurry Boulevard, Hartsville, Tennessee (which opened on March 8, 1998); 1130 Castle Heights Avenue North, Lebanon, Tennessee (which opened on December 5, 1998); and the Wal-Mart Super Center, Lebanon, Tennessee. The Finance Company is located at 502 West Main Street, Lebanon, Tennessee 37087. Management believes that Wilson County and Trousdale County offer an environment for continued banking growth in the Company's target market, which consists of local consumers, professionals and small businesses. The Bank offers a wide range of banking services, including checking, savings, and money market deposit accounts, certificates of deposit and loans for consumer, commercial and real estate purposes. The Bank also offers custodial, trust and discount brokerage services to its customers. The Bank does not have a concentration of deposits obtained from a single person or entity or a small group of persons or entities, the loss of which would have a material adverse affect on the business of the Bank. Furthermore, no concentration of loans exists within a single industry or group of related industries.

The Bank was organized in 1987 to provide Wilson County a locally owned, locally managed commercial bank. Since its opening, the Bank has experienced a steady growth in deposits and loans as a result of providing personal, service oriented banking services to its targeted market. For the year ended December 31, 1998, the Company reported net earnings of approximately $4.5 million and had total assets of approximately $432.0 million.

DeKalb County Bank was organized and began operations as a de novo state chartered bank in 1996. DCB is 50% owned by the Company and 50% owned by residents of DeKalb County. DCB operates two full service branches, one in Smithville and one in Alexandria, Tennessee. DCB is considered a subsidiary of the Company for purposes of the Bank Holding Company Act of 1956.

Management believes that DeKalb County offers an environment for continued growth since it is geographically close to Wilson County and two locally-owned banks in DeKalb County recently were acquired by larger banks. DCB offers a wide range of banking services, including checking, savings, and money market deposit accounts, certificates of deposit and loans for consumer, commercial and real estate purposes. DCB does not have a concentration of deposits obtained from a single person or entity or a small group of persons or entities, the loss of which would have a material adverse affect on the business of DCB. Furthermore, no concentration of loans exists within a single industry or group of related industries.

Community Bank of Smith County was organized as a de novo state chartered bank in 1996. CBSC is 50% owned by the Company and 50% owned by residents of Smith

County. CBSC is considered a subsidiary of the Company for purposes of the Bank Holding Company Act of 1956. Management believes that Smith County offers an environment for continued growth since it is contiguous to Wilson County and has only three other financial institutions. CBSC offers a wide range of banking services, including checking, savings, and money market deposit accounts, certificates of deposit and loans for consumer, commercial and real estate purposes. CBSC does not have a concentration of deposits obtained from a single person or entity or a small group of persons or entities, the loss of which would have a material adverse affect on the business of CBSC. Furthermore, no concentration of loans exists within a single industry or group of related industries.

FINANCIAL AND STATISTICAL INFORMATION

The Company's audited financial statements, selected financial data and Management's Discussion and Analysis of Financial Condition and Results of Operation contained in the Company's Annual Report to Shareholders for the year ended December 31, 1998 filed as Exhibit 13 to this Form 10-K (the "1998 Annual Report"), are incorporated herein by reference.

REGULATION AND SUPERVISION

In addition to the information set forth herein, Management's Discussion and Analysis of Financial Condition and Results of Operations, incorporated by reference in Item 7 hereof, further discusses recent banking legislation and regulation and should be reviewed in conjunction herewith.

The Company, the Bank, DCB, CBSC and the Finance Company are subject to extensive regulation under state and federal statutes and regulations. The discussion in this section, which briefly summarizes certain of such statutes, does not purport to be complete, and is qualified in its entirety by reference to such statutes. Other state and federal legislation and regulations directly and indirectly affecting banks are likely to be enacted or implemented in the future; however, such legislation and regulations and their effect on the business of the Company and its subsidiaries cannot be predicted.

The Company is a bank holding company within the meaning of the Bank Holding Company Act of 1956 (the "Act") and is registered with the Board of Governors of the Federal Reserve System (the "Board"). The Company is required to file annual reports with, and is subject to examination by, the Board. The Bank, DCB, CBSC and the Finance Company are chartered under the laws of the state of Tennessee and are subject to the supervision of, and are regularly examined by, the Tennessee Department of Financial Institutions. The Bank, DCB and CBSC are also regularly examined by the Federal Deposit Insurance Corporation.

Under the Act, a bank holding company may not directly or indirectly acquire ownership or control or more than five percent of the voting shares or substantially all of the assets of any company, including a bank, without the prior approval of the Board. In addition, bank holding companies are generally prohibited under the Act from engaging in non-banking activities, subject to certain exceptions. Under the Act, the Board is authorized to approve the ownership by a bank holding company of shares of any company whose activities have been determined by the Board to be so closely related to banking or to managing or controlling banks as to be a proper incident thereto.

Under the Tennessee Bank Structure Act, a bank holding company which controls 30% or more of the total deposits in all federally insured financial institutions in Tennessee is prohibited from acquiring any bank in Tennessee. Furthermore, no bank holding company may acquire any bank in Tennessee that has been in operation less than five years or organize a new bank in Tennessee, except in the case of certain interim bank mergers and acquisitions of banks in financial difficulty. State banks and national banks in Tennessee, however, may establish branches anywhere in the state.

The Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (the "IBBEA") authorizes interstate acquisitions of banks and bank holding companies without geographic limitation beginning on June 1, 1997. In addition, the IBBEA authorizes a bank to merge with a bank in another state as long as neither of the states has opted out of interstate branching between the date of enactment of the IBBEA and May 1, 1997. Tennessee enacted interstate branching laws in response to the federal law which prohibit the establishment or acquisition in Tennessee by any bank of a branch office, branch bank or other branch facility in Tennessee except (i) a Tennessee-Chartered Bank, (ii) a national bank which has its main office in Tennessee or (iii) a bank which merges or consolidates with a Tennessee-Chartered bank or national bank with its main office in Tennessee.

The Company, Bank, DCB and CBSC are subject to certain restrictions imposed by the Federal Reserve Act and the Federal Deposit Insurance Act, respectively, on any extensions of credit to the bank holding company or its subsidiaries, on investments in the stock or other securities of the bank holding company or its subsidiary, and on taking such stock or other securities as collateral for loans of any borrower.

The Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA") covers a wide expanse of banking regulatory issues. FDICIA deals with recapitalization of the Bank Insurance Fund, with deposit insurance reform, including requiring the FDIC to establish a risk- based premium assessment system, and with a number of other regulatory and supervisory matters.

The Financial Reform, Recovery and Enforcement Act of 1989 ("FIRREA") provides that a holding company's controlled insured depository institutions are liable for any loss incurred by the FDIC in connection with the default of, or any FDIC-assisted transaction involving, an affiliated insured bank or savings association.

The maximum permissible rates of interest on most commercial and consumer loans made by the Bank and the Finance Company are governed by Tennessee's general usury law and the Tennessee Industrial Loan and Thrift Companies Act ("Industrial Loan Act"). Certain other usury laws affect limited classes of loans, but the laws referenced above are by far the most significant. Tennessee's general usury law authorizes a floating rate of 4% per annum over the average prime or base commercial loan rate, as published by the Federal Reserve Board from time to time, subject to an absolute 24% per annum limit. The Industrial Loan Act, which is applicable to the Finance Company and also is generally applicable to most of the loans made by the Bank in Tennessee, authorizes an interest rate of up to 24% per annum and also allows certain loan charges, generally on a more liberal basis than does the general usury law.

COMPETITION

The banking industry is highly competitive. The Company, through its subsidiaries, competes with national and state banks for deposits, loans, and trust and other services.

The Bank competes with much larger commercial banks in Wilson County, including three banks owned by regional multi-bank holding companies headquartered out of Tennessee and four banks owned by Tennessee multi-bank holding companies. These institutions enjoy existing depositor relationships and greater financial resources than the Company and can be expected to offer a wider range of banking services. In addition the Bank competes with one commercial bank headquartered in Wilson County and one headquartered in an adjacent county. Two credit unions provide additional competition.

DCB competes with much larger commercial banks in DeKalb County, including two banks owned by Tennessee multi-bank holding companies. While these institutions enjoy existing depositor relationships and greater financial resources than DCB and can be expected to offer a wider range of banking services, DCB can expect to attract customers since it is locally owned and most loan and management decisions will be made at the local level. In addition the Bank competes with one commercial bank headquartered in DeKalb County.

CBSC competes with three commercial banks in or near Smith County, including two banks based in Smith County and one based in an adjacent county. These institutions enjoy existing depositor relationships; however, the Company can be expected to offer a wider range of banking services at CBSC through its financial resources as well as programs offered by other subsidiaries of the Company.

Given the competitive marketplace, the Company makes no predictions as to how its relative position will change in the future.

MONETARY POLICIES

The results of operations of the Bank and the Company are affected by the policies of certain regulatory authorities, particularly the Board. An important function of the Board is to regulate the national supply of bank credit in order to combat recession and curb inflation. Among the instruments used to attain these objectives are open market operations in U.S. government securities, changes in the discount rate on bank borrowings and changes in reserve requirements relating to member bank deposits. These instruments are used in varying combinations to influence overall growth and distribution of bank loans, investments and deposits, and their use may also affect interest rates charged on loans and paid for deposits. Policies of the regulatory agencies have had a significant effect on the operating results of commercial banks in the past and are expected to do so in the future. The effect of such policies upon the future business and results of operations of the Company, Bank, DCB and CBSC cannot be predicted with accuracy.

EMPLOYMENT

As of March 1, 1999, the Company and its subsidiaries collectively employed 176 full-time equivalent employees and 27 part-time employees. Additional personnel will be hired as needed to meet future growth.

YEAR 2000

As with other companies, advances and changes in technology can have a significant impact on business and operations. Many computer programs were originally designed to recognize calendar fields by their last two digits. Calculations performed using these truncated fields will not work properly with dates from the Year 2000 and beyond. This "Year 2000" problem can create risks for a company from unforeseen problems in its own computer systems and from the systems of the company's vendors and customers.

The Company has implemented a plan in order to avoid any problems related to the Year 2000 computer issue. Based upon current information, management presently believes that specific costs related to the Company's Year 2000 systems issues will not have a material impact on the operations, cash flows or financial condition of the Company. For further information on Year 2000, please refer to "Year 2000 Issues" under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 18 and 19 of the Company's 1998 Annual Report, which is incorporated herein by reference.

STATISTICAL INFORMATION REQUIRED BY GUIDE 3

The statistical information required to be displayed under Item 1 pursuant to Guide 3, "Statistical Disclosure by Bank Holding Companies," of the Exchange Act Industry Guides is incorporated herein by reference to the Consolidated Financial Statements and the notes thereto and the Management's Discussion and Analysis sections in the Company's 1998 Annual Report. Certain information not contained in the Company's 1998 Annual Report, but required by Guide 3, is contained in the tables immediately following:

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WILSON BANK HOLDING COMPANY

Form 10-K

December 31, 1998

I. Distribution of Assets, Liabilities and Stockholders' Equity: Interest Rate and Interest Differential

The Schedule which follows indicates the average balances for each major balance sheet item, an analysis of net interest income and the change in interest income and interest expense attributable to changes in volume and changes in rates.

The difference between interest income on interest-earning assets and interest expense on interest-bearing liabilities is net interest income, which is the Company's gross margin. Analysis of net interest income is more meaningful when income from tax-exempt earning assets is adjusted to a tax equivalent basis. Accordingly, the following schedule includes a tax-equivalent adjustment of tax-exempt earning assets, assuming a weighted average Federal income tax rate of 34%.

In this Schedule "change due to volume" is the change in volume multiplied by the interest rate for the prior year. "Change due to rate" is the change in interest rate multiplied by the volume for the current year. Changes in interest income and expense not due solely to volume or rate changes are included in the "change due to rate" category.

Non-accrual loans have been included in the loan category. Loan fees of $488,000, $271,000 and $150,000 for 1998, 1997 and 1996, respectively, are included in loan income and represent an adjustment of the yield on these loans.

WILSON BANK HOLDING COMPANY

Form 10-K

December 31, 1998

<TABLE>
<CAPTION>

IN THOUSANDS, EXCEPT INTEREST RATES

	1998			1997			1998/1997 CHANGE		
	Average Balance	Interest Rate	Income/ Expense	Average Balance	Interest Rate	Income/ Expense	Due to Volume	Due to Rate	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Loans, net of unearned interest	$263,605	9.40%	24,790	$215,073	9.52%	20,466	4,620	(296)	4,324
Investment securities - taxable	52,371	6.64	3,480	38,609	6.36	2,457	875	148	1,023
Investment securities - tax exempt	20,356	5.53	1,126	20,346	5.73	1,166	1	(41)	(40)
Taxable equivalent adjustment	--	2.85	580	--	2.95	600	--	(20)	(20)
Total tax-exempt investment securities	20,356	8.38	1,706	20,346	8.68	1,766	1	(61)	(60)
Total investment securities	72,727	7.13	5,186	58,955	7.16	4,223	986	(23)	963
Loans held for sale	3,534	6.20	219	2,062	5.38	111	79	29	108
Federal funds sold	26,113	5.11	1,335	18,356	5.13	941	398	(4)	394
Total earning assets	365,979	8.62	31,530	294,446	8.74	25,741	6,252	(463)	5,789
Cash and due from banks	11,041			8,943					
Allowance for possible loan losses	(3,170)			(2,730)					
Bank premises and equipment	13,110			10,855					
Other assets	4,856			4,113					
Total assets	$391,816			$315,627					

</TABLE>

WILSON BANK HOLDING COMPANY

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December 31, 1998

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IN THOUSANDS, EXCEPT INTEREST RATES

	1998			1997			1998/1997 CHANGE		
	Average Balance	Interest Rate	Income/ Expense	Average Balance	Interest Rate	Income/ Expense	Due to Volume	Due to Rate	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Deposits:									
Negotiable order of withdrawal accounts	$ 21,821	1.94%	423	$ 23,232	2.22%	515	(31)	(61)	(92)
Money market demand accounts	72,828	3.79	2,758	54,222	3.82	2,069	711	22	689
Individual retirement accounts	16,530	5.68	939	13,765	5.72	787	159	7	152

Other savings deposits	18,225	4.57	833	12,766	4.57	583	250	--	250
Certificates of deposit, $100,000 and over	66,993	5.82	3,902	51,315	5.76	2,957	903	42	945
Certificates of deposit under $100,000	117,296	5.76	6,760	95,813	5.65	5,411	1,214	135	1,349
Total interest-bearing deposits	313,693	4.98	15,615	251,113	4.91	12,322	3,073	220	3,293
Demand	36,513	--	--	28,865	--	--			--
Total deposits	350,206	4.46	15,615	279,978	4.40	12,322	3,090	203	3,293
Securities sold under repurchase agreements	8,503	4.54	386	7,326	4.82	353	57	(24)	33
Federal funds purchased	54	3.70	2	--	--	--	2	--	2
Total deposits and borrowed funds	358,763	4.46	16,003	287,304	4.41	12,675	3,151	177	3,328
Other liabilities	6,118			5,458					
Stockholders' equity	26,935			22,865					
Total liabilities and stockholders' equity	$391,816			$315,627					
Net interest income			15,527			13,066			
Net yield on earning assets		4.24%			4.44%				
Net interest spread		4.16%			4.33%				

</TABLE>

WILSON BANK HOLDING COMPANY

Form 10-K

December 31, 1998

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	IN THOUSANDS, EXCEPT INTEREST RATES								
	1997			1996			1997/1996 CHANGE		
	Average Balance	Interest Rate	Income/ Expense	Average Balance	Interest Rate	Income/ Expense	Due to Volume	Due to Rate	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Loans, net of unearned interest	$215,073	9.52%	20,466	165,807	9.48%	15,725	4,670	71	4,741
Investment securities - taxable	38,609	6.36	2,457	32,805	5.90	1,934	342	181	523
Investment securities - tax exempt	20,346	5.73	1,166	19,499	5.95	1,161	50	(45)	5
Taxable equivalent adjustment	--	2.95	600	--	3.07	598	26	(24)	2
Total tax-exempt investment securities	20,346	8.68	1,766	19,499	9.02	1,759	76	(69)	7
Total investment securities	58,955	7.16	4,223	52,304	7.06	3,693	470	60	530
Loans held for sale	2,062	5.38	111	1,823	5.81	106	14	(9)	5
Federal funds sold	18,356	5.13	941	9,710	5.32	517	460	(36)	424
Interest-bearing deposits in banks	--	--	--	60	8.33	5	(5)	--	(5)
Total earning assets	294,446	8.74	25,741	229,704	8.73	20,046	5,652	43	5,695
Cash and due from banks	8,943			7,644					
Allowance for possible loan losses	(2,730)			(2,165)					
Bank premises and equipment	10,855			7,664					

Other assets	4,113	2,297
Total assets	$315,627	245,144

</TABLE>

WILSON BANK HOLDING COMPANY

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December 31, 1998

<TABLE>
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IN THOUSANDS, EXCEPT INTEREST RATES

	1997			1996			1997/1996 CHANGE		
	Average Balance	Interest Rate	Income/ Expense	Average Balance	Interest Rate	Income/ Expense	Due to Volume	Due to Rate	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Deposits:									
Negotiable order of withdrawal accounts	$ 23,232	2.22%	515	20,102	2.38%	479	75	(39)	36
Money market demand accounts	54,222	3.82	2,069	41,627	3.62	1,508	455	106	561
Individual retirement accounts	13,765	5.72	787	11,224	5.77	648	147	(8)	139
Other savings deposits	12,766	4.57	583	8,638	4.36	377	180	26	206
Certificates of deposit, $100,000 and over	51,315	5.76	2,957	33,476	5.79	1,938	1,033	(14)	1,019
Certificates of deposit under $100,000	95,813	5.65	5,411	78,354	5.65	4,425	986	--	986
Total interest-bearing deposits	251,113	4.91	12,322	193,421	4.85	9,375	2,798	149	2,947
Demand	28,865	--	--	21,807	--	--			--
Total deposits	279,978	4.40	12,322	215,228	4.36	9,375	2,823	124	2,947
Securities sold under repurchase agreements	7,326	4.82	353	8,226	5.13	422	46	(115)	(69)
Total deposits and borrowed funds	287,304	4.41	12,675	223,454	4.38	9,797	2,797	81	2,878
Other liabilities	5,458			3,271					
Stockholders' equity	22,865			18,419					
Total liabilities and stockholders' equity	$315,627			245,144					
Net interest income			13,066			10,249			
Net yield on earning assets		4.44%			4.46%				
Net interest spread		4.33%			4.35%				

</TABLE>

WILSON BANK HOLDING COMPANY

Form 10-K

II. Investment Portfolio

A. Securities at December 31, 1998 consist of the following:

<TABLE>
<CAPTION>

SECURITIES HELD-TO-MATURITY (In Thousands)

<S>	Amortized Cost <C>	Gross Unrealized Gains <C>	Gross Unrealized Losses <C>	Estimated Market Value <C>
U.S. Treasury and other U.S. Government agencies and corporations	$ 1,097	7	--	1,104
Obligations of state and political subdivisions	15,202	479	--	15,681
Mortgage-backed securities	4,109	15	39	4,085
	$20,408	501	39	20,870

</TABLE>

<TABLE>
<CAPTION>

SECURITIES AVAILABLE-FOR-SALE (In Thousands)

<S>	Amortized Cost <C>	Gross Unrealized Gains <C>	Gross Unrealized Losses <C>	Estimated Market Value <C>
U.S. Treasury and other U.S. Government agencies and corporations	$49,189	283	43	49,429
Obligations of state and political subdivisions	2,732	91	--	2,823
Mortgage-backed securities	922	7	1	928
	$52,843	381	44	53,180

</TABLE>

II. Investment Portfolio, Continued

A. Continued

Investment securities at December 31, 1997 consist of the following:

<TABLE>
<CAPTION>

SECURITIES HELD-TO-MATURITY (In Thousands)

Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value

U.S. Treasury and other U.S. Government agencies and corporations	$ 1,197	16	--	1,213
Obligations of state and political subdivisions	16,989	332	7	17,314
Mortgage-backed securities	6,065	12	57	6,020
	$24,251	360	64	24,547

SECURITIES AVAILABLE-FOR-SALE

(In Thousands)

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
U.S. Treasury and other U.S. Government agencies and corporations	$30,977	82	20	31,039
Obligations of state and political subdivisions	4,781	123	1	4,903
Mortgage-backed securities	1,294	19	9	1,304
	$37,052	224	30	37,246

II. Investment Portfolio, Continued

B. The following schedule details the estimated maturities and weighted average yields of investment securities (including mortgage backed securities) of the Company at December 31, 1998.

Available-For-Sale Securities	Amortized Cost	Estimated Market Value (In Thousands)	Weighted Average Yields
Obligations of U.S. Treasury and other U.S. Government agencies and corporations, including mortgage-backed securities:			
Less than one year	$ 950	956	5.75
One to five years	6,375	6,486	6.12
Five to ten years	35,480	35,589	6.54
More than ten years	6,294	6,314	6.91
Total securities of U.S. Treasury and other U.S. Government agencies and corporations	49,099	49,345	6.52
Obligations of states and political subdivisions*:			

Less than one year	496	503	11.61
One to five years	1,420	1,465	8.83
Five to ten years	517	538	8.91
More than ten years	299	317	8.61
Total obligations of states and political subdivisions	2,732	2,823	9.33
Other:			
Federal Home Loan Bank stock	1,012	1,012	7.10
Total investment securities	$52,843	53,180	6.67

</TABLE>

* Weighted average yield is stated on a tax-equivalent basis, assuming a weighted average Federal income tax rate of 34%.

WILSON BANK HOLDING COMPANY

Form 10-K

December 31, 1998

II. Investment Portfolio, Continued

B. Continued

<TABLE>
<CAPTION>

Held-to-Maturity Securities	Amortized Cost	Estimated Market Value	Weighted Average Yields
		(In Thousands)	
<S>	<C>	<C>	<C>
Obligations of U.S. Treasury and other U.S. Government agencies and corporations, including mortgage-backed securities:			
Less than one year	$ 254	255	6.03
One to five years	1,543	1,551	8.39
Five to ten years	2,637	2,610	4.99
More than ten years	772	773	7.06
Total securities of U.S. Treasury and other U.S. Government agencies and corporations	5,206	5,189	6.36
Obligations of states and political subdivisions*:			
Less than one year	2,204	2,212	7.76
One to five years	4,081	4,183	8.08
Five to ten years	5,089	5,308	7.97
More than ten years	3,828	3,978	8.10
Total obligations of states and political subdivisions	15,202	15,681	8.00
Total investment securities	$20,408	20,870	7.58

</TABLE>

* Weighted average yield is stated on a tax-equivalent basis, assuming a weighted average Federal income tax rate of 34%.

III. Loan Portfolio:

A. Loan Types

The following schedule details the loans of the Company at December 31, 1998 and 1997.

<TABLE>
<CAPTION>

<S>	In Thousands 1998 <C>	1997 <C>
Commercial, financial and agricultural	$ 100,217	82,515
Real estate - construction	21,809	18,159
Real estate - mortgage	130,927	103,155
Installment	44,299	38,423
Total loans	297,252	242,252
Less unearned interest	(1,322)	(1,696)
Total loans, net of unearned interest	295,930	240,556
Less allowance for possible loan losses	(3,244)	(2,890)
Net loans	$ 292,686	237,666

</TABLE>

III. Loan Portfolio, Continued:

B. Maturities and Sensitivities of Loans to Changes in Interest Rates

The following schedule details maturities and sensitivity to interest rates changes for commercial loans of the Company at December 31, 1998.

<TABLE>
<CAPTION>

<S>	Less Than 1 Year <C>	1 Year to Less Than 5 Years <C>	After 5 Years <C>	Total <C>
Maturity Distribution:				
Commercial, financial and agricultural	$60,761	20,780	18,676	100,217
Real estate - construction	20,566	240	1,003	21,809
	$81,327	21,020	19,679	122,026
Interest-Rate Sensitivity:				
Fixed interest rates	$71,334	15,207	7,616	94,157

Floating or adjustable interest rates	9,993	5,813	12,063	27,869
Total commercial, financial and agricultural loans plus real estate - construction loans	$81,327	21,020	19,679	122,026

</TABLE>

* Includes demand loans, bankers acceptances, commercial paper and deposit notes.

WILSON BANK HOLDING COMPANY

Form 10-K

December 31, 1998

III. Loan Portfolio, Continued

C. Risk Elements

The following schedule details selected information as to non-performing loans of the Company at December 31, 1998 and 1997.

<TABLE>
<CAPTION>

	In Thousands 1998	In Thousands 1997
<S>	<C>	<C>
Non-accrual loans:		
Commercial, financial and agricultural	$ --	1
Real estate - construction	--	--
Real estate - mortgage	25	6
Installment	198	153
Lease financing receivable	--	--
Total non-accrual	$ 223	160
Loans 90 days past due:		
Commercial, financial and agricultural	--	30
Real estate - construction	--	--
Real estate - mortgage	118	66
Installment	438	1,123
Lease financing receivable	--	--
Total loans 90 days past due	$ 556	1,219
Renegotiated loans:		
Commercial, financial and agricultural	$ --	--
Real estate - construction	--	--
Real estate - mortgage	--	--
Installment	--	--
Lease financing receivable	--	--
Total renegotiated loans past due	$ --	--
Loans current - considered uncollectible	$ --	--
Total non-performing loans	$ 779	1,379
Total loans, net of unearned interest	$295,930	240,556
Percent of total loans outstanding, net of unearned interest	0.26%	0.57%
Other real estate	$ 138	63

</TABLE>

III. Loan Portfolio, Continued:

C. Risk Elements, Continued:

The accrual of interest income is discontinued when it is determined that collection of interest is less than probable or the collection of any amount of principal is doubtful. The decision to place a loan on a non-accrual status is based on an evaluation of the borrower's financial condition, collateral liquidation value, economic and business conditions and other factors that affect the borrower's ability to pay. At the time a loan is placed on a non-accrual status, the accrued but unpaid interest is also evaluated as to collectibility. If collectibility is doubtful, the unpaid interest is charged off. Thereafter, interest on non-accrual loans is recognized only as received. Non-accrual loans totaled $223,000 at December 31, 1998, $160,000 at December 31, 1997 and $260,000 at December 31, 1996. Gross interest income on non-accrual loans, that would have been recorded for the year ended December 31, 1998 if the loans had been current totaled $16,000 as compared to $11,000 in 1997 and $12,000 in 1996. The amount of interest income recognized on total loans during 1998 totaled $24,790,000 as compared to $20,466,000 in 1997 and $15,725,000 in 1996.

At December 31, 1998, loans, which include the above, totaling $1,603,000 were included in the Company's internal classified loan list. Of these loans $1,186,000 are real estate and $417,000 are various other types of loans. The collateral values securing these loans total approximately $2,140,000, ($1,941,000 related to real property and $199,000 related to the various other types of loans). Such loans are listed as classified when information obtained about possible credit problems of the borrower has prompted management to question the ability of the borrower to comply with the repayment terms of the loan agreement. The loan classifications do not represent or result from trends or uncertainties which management expects will materially impact future operating results, liquidity or capital resources.

At December 31, 1998 there were no loan concentrations that exceeded ten percent of total loans other than as included in the preceding table of types of loans. Loan concentrations are amounts loaned to a multiple number of borrowers engaged in similar activities which would cause them to be similarly impacted by economic or other conditions.

At December 31, 1998 and 1997 other real estate totaled $138,000 and $63,000, respectively.

III. Loan Portfolio, Continued:

C. Risk Elements, Continued:

There were no material amounts of other interest-bearing assets (interest-bearing deposits with other banks, municipal bonds, etc.) at

December 31, 1998 which would be required to be disclosed as past due, non-accrual, restructured or potential problem loans, if such interest-bearing assets were loans.

IV. Summary of Loan Loss Experience

The following schedule details selected information related to the allowance for possible loan loss account of the Company at December 31, 1998 and 1997 and the years then ended.

<TABLE>
<CAPTION>

	In Thousands Except Percentages	
	1998	1997
<S>	<C>	<C>
Allowance for loan losses at beginning of period	$ 2,890	2,452
Less: net loan charge-offs:		
Charge-offs:		
Commercial, financial and agricultural	--	--
Real estate construction	--	--
Real estate - mortgage	(100)	(9)
Installment	(605)	(477)
Lease financing	--	--
	(705)	(486)
Recoveries:		
Commercial, financial and agricultural	--	--
Real estate construction	--	--
Real estate - mortgage	2	--
Installment	47	96
Lease financing	--	--
	49	96
Net loan charge-offs	(656)	(390)
Provision for loan losses charged to expense	1,010	828
Allowance for loan losses at end of period	$ 3,244	2,890
Total loans, net of unearned interest, at end of year	$ 295,930	240,556
Average total loans outstanding, net of unearned interest, during year	$ 263,605	215,073
Net charge-offs as a percentage of average total loans outstanding, net of unearned interest, during year	0.25%	0.18%
Ending allowance for loan losses as a percentage of total loans outstanding net of unearned interest, at end of year	1.10%	1.20%

</TABLE>

IV. Summary of Loan Loss Experience, Continued

The allowance for possible loan losses is an amount that management believes will be adequate to absorb possible losses on existing loans that may become uncollectible. The provision for possible loan losses charged to operating expense is based on past loan loss experience and other factors which, in management's judgment, deserve current recognition in estimating possible loan losses. Such other factors considered by management include growth and composition of the loan portfolio, review of specific loan problems, the relationship of the allowance for possible loan losses to outstanding loans, adverse situations that may affect the borrower's ability to repay, the estimated value of any underlying collateral and current economic conditions that may affect the borrower's ability to pay.

Management conducts a continuous review of all loans that are delinquent, previously charged down or loans which are determined to be potentially uncollectible. Loan classifications are reviewed periodically by a person independent of the lending function. The Board of Directors periodically reviews the adequacy of the allowance for possible loan losses.

The following detail provides a breakdown of the allocation of the allowance for possible loan losses:

<TABLE>
<CAPTION>

	December 31, 1998		December 31, 1997	
	In Thousands	Percent of Loans In Each Category To Total Loans	In Thousands	Percent of Loans In Each Category To Total Loans
<S>	<C>	<C>	<C>	<C>
Commercial, financial and agricultural	$ 396	33.7%	483	34.1
Real estate construction	184	7.3	249	7.5
Real estate mortgage	1,785	44.1	1,552	42.6
Installment	879	14.9	606	15.8
	$3,244	100.0	2,890	100.0

</TABLE>

V. Deposits

The average amounts and average interest rates for deposits for 1998 and 1997 are detailed in the following schedule:

<TABLE>
<CAPTION>

	1998		1997	
	Average Balance In Thousands	Average Rate	Average Balance In Thousands	Average Rate
<S>	<C>	<C>	<C>	<C>
Non-interest bearing deposits	$ 36,513	--%	28,865	--%

Negotiable order of withdrawal accounts	21,821	1.94%	23,232	2.22%
Money market demand accounts	72,828	3.79%	54,222	3.82%
Individual retirement accounts	16,530	5.68%	13,765	5.72%
Other savings	18,225	4.57%	12,766	4.57%
Certificates of deposit $100,000 and over	66,993	5.82%	51,315	5.76%
Certificates of deposit under $100,000	117,296	5.76%	95,813	5.65%
	$350,206	4.46%	279,978	4.40%

</TABLE>

The following schedule details the maturities of certificates of deposit and individual retirement accounts of $100,000 and over at December 31, 1998.

<TABLE>
<CAPTION>

	In Thousands		
	Certificates of Deposit	Individual Retirement Accounts	Total
Less than three months	$23,525	--	23,525
Three to six months	15,113	578	15,691
Six to twelve months	18,312	1,255	19,567
More than twelve months	17,646	2,786	20,432
	$74,596	4,619	79,215

</TABLE>

VI. Return on Equity and Assets

The following schedule details selected key ratios of the Company at December 31, 1998, 1997, and 1996.

<TABLE>
<CAPTION>

	1998	1997	1996
Return on assets (Net income divided by average total assets)	1.15%	1.16%	1.27%
Return on equity (net income divided by average equity)	16.72%	16.02%	16.87%
Dividend payout ratio (Dividends declared per share divided by net income per share)	26.98%	28.63%	30.84%
Equity to assets ratio (Average equity divided by average total assets)	6.87%	7.24%	7.51%
Leverage capital ratio (Equity divided by fourth quarter average total assets, excluding the net unrealized loss on available-for-sale securities and including minority interest)	7.78%	8.21%	9.24%

</TABLE>

The minimum leverage capital ratio required by the regulatory agencies is 4%.

Beginning January 1, 1991, new risk-based capital guidelines were adopted by regulatory agencies. Under these guidelines, a credit risk is assigned to various categories of assets and commitments ranging from 0% to 100% based on the risk associated with the asset.

VI. Return on Equity and Assets, Continued

The following schedule details the Company's risk-based capital at December 31, 1998 excluding the net unrealized loss on available-for-sale securities which is shown as an addition to stockholders' equity in the consolidated financial statements:

<TABLE>
<CAPTION>

<S>	<C> In Thousands
Tier I capital:	
Stockholders' equity, excluding the net unrealized gain on available-for-sale securities	$ 29,070
Add: Minority interest (limited to 25% of Tier I capital)	3,587
Total Tier I capital	32,657
Total capital:	
Allowable allowance for loan losses (limited to 1.25% of risk-weighted assets)	3,244
Total capital	$ 35,901
Risk-weighted assets	$291,556
Risk-based capital ratios:	
Tier I capital ratio	11.20%
Total risk-based capital ratio	12.31%

</TABLE>

VI. Return on Equity and Assets, Continued

The Company is required to maintain a Total capital to risk-weighted asset ratio of 8% and a Tier I capital to risk-weighted asset ratio of

4%. At December 31, 1998, the Company and its subsidiary banks were in compliance with these requirements.

The following schedule details the Company's interest rate sensitivity at December 31, 1998:

<TABLE>
<CAPTION>

(In Thousands)	Repricing Within					
	Total	0-30 Days	31-90 Days	91-180 Days	181-365 Days	Over 1 Year
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Earning assets:						
Loans, net of unearned interest	$ 295,930	89,847	25,310	28,516	39,909	112,348
Securities	73,588	1,212	1,823	879	1,016	68,658
Loans held for sale	3,881	3,881	--	--	--	--
Federal funds sold	24,976	23,832	1,144	--	--	--
Total earning assets	398,375	118,772	28,277	29,395	40,925	181,006
Interest-bearing liabilities:						
Negotiable order of withdrawal accounts	25,581	25,581	--	--	--	--
Money market demand accounts	81,638	81,638	--	--	--	--
Individual retirement accounts	17,800	6,468	768	836	3,137	6,591
Other savings	19,471	19,471	--	--	--	--
Certificates of deposit, $100,000 and over	74,596	7,148	15,929	15,562	18,312	17,645
Certificates of deposit, under $100,000	126,674	8,558	13,879	20,208	41,349	42,680
Securities sold under repurchase agreements	7,258	7,258	--	--	--	--
	353,018	156,122	30,576	36,606	62,798	66,916
Interest-sensitivity gap	$ 45,357	(37,350)	(2,299)	(7,211)	(21,873)	114,090
Cumulative gap		(37,350)	(39,649)	(46,860)	(68,733)	45,357
Interest-sensitivity gap as % of total assets		(8.65)	(0.53)	(1.67)	(5.06)	26.41
Cumulative gap as % of total assets		(8.65)	(9.18)	(10.85)	(15.91)	10.50

</TABLE>

The Company presently maintains a liability sensitive position over the next twelve months. However, management expects that liabilities of a demand nature will renew and that it will not be necessary to replace them with significantly higher cost funds.

ITEM 2. DESCRIPTION OF PROPERTY

The Company's main office is owned by the Company and consists of approximately four acres at 623 West Main Street, Lebanon, Tennessee. The building is a two story, brick building, with approximately 35,000 square feet. The lot has approximately 350 feet of road frontage on West Main Street. In addition thereto, the Bank has nine branch locations located at 1444 Baddour Parkway, Lebanon, Tennessee; 200 Tennessee Boulevard, Lebanon, Tennessee; 8875 Stewart's Ferry Pike, Gladeville, Tennessee; Public Square, Watertown, Tennessee; 1476 North Mt. Juliet Road, Mt. Juliet, Tennessee; 1130 Castle Heights Avenue North, Lebanon, Tennessee; 127 McMurry Blvd., Hartsville, Tennessee; and the Wal-Mart Supercenter, Lebanon, Tennessee.

The Mt. Juliet office contains approximately 16,000 square feet of space; the new Castle Heights Office contains 2,400 square feet of space and the new Hartsville Office contains 8,000 square feet of space. The Gladeville branch expanded its office building with new office space opening December 6, 1998. The Gladeville branch now contains approximately 3,400 square feet of space. The

Lebanon facility at Tennessee Boulevard was expanded in 1997 to 2,200 square feet of space. Each of the branch facilities of the Bank not otherwise described above contains approximately 1,000 square feet of space. The Bank owns all of its branch facilities except for the Lebanon facility at Tennessee Boulevard and its space in the Wal-mart Supercenter, which are leased. The Finance Company's principal place of business is at 502 West Main Street, Lebanon, Tennessee in a building of approximately 1,000 square feet, which the Bank leases. The Bank also leases space at four locations within Wilson County where it maintains and operates automatic teller machines.

DCB has a bank facility at 576 West Broad Street in Smithville, Tennessee containing approximately 6,800 square feet of space and a bank facility at 306 Brush Creek Road in Alexandria, Tennessee which occupies approximately 2,400 square feet of space. DCB owns both facilities. This serves as the main office for DCB. CBSC recently replaced its one and only banking facility with a new office building it owns at 1300 Main Street North, Carthage, Tennessee. CBSC's new facility contains approximately 8,000 square feet of space.

A new full service branch facility of the Bank is under construction at 4736 Andrew Jackson Parkway in Hermitage, Tennessee. This Hermitage branch facility is in Davidson County near the Wilson County border and, when open, will contain approximately 8,000 square feet of space, a size and appearance similar to the Bank's Hartsville branch office. The Hermitage branch office is expected to open in the fall of 1999.

Management believes that each of the branch facilities for the Company's subsidiaries described above is of a size and design that sufficiently meets the need of employees, customers, and prospective customers of a full service banking business at the locations identified.

ITEM 3. LEGAL PROCEEDINGS

There were no material legal proceedings pending at December 31, 1998, against the Company, the Bank, DCB, CBSC or the Finance Company.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders in the fourth quarter of 1998.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

Information required by this item is contained under the heading "Wilson Bank Holding Company Common Stock Market Information" on page 55 of the Company's 1998 Annual Report and is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

Information required by this item is contained under the heading "Wilson Bank Holding Company Financial Highlights (Unaudited)" on page 7 of the Company's 1998 Annual Report and is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Information required by this item is contained under the heading as set forth for this item on pages 8 through 19 of the Company's 1998 Annual Report and is incorporated herein by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's primary component of market risk is interest rate volatility. Fluctuations in interest rates will ultimately impact both the level of income and expense recorded on a large portion of the Company's assets and liabilities, and the market value of all interest-earning assets and interest-bearing liabilities, other than those which possess a short term to maturity. Based upon the nature of the Company's operations, the Company is not subject to foreign currency exchange or commodity price risk.

Interest rate risk (sensitivity) management focuses on the earnings risk associated with changing interest rates. Management seeks to maintain profitability in both immediate and long term earnings through funds management/interest rate risk management. The Company's rate sensitivity position has an important impact on earnings. Senior Management of the Company meets monthly to analyze the rate sensitivity position. These meetings focus on the spread between the cost of funds and interest yields generated primarily through loans and investments.

The following table provides information about the Company's financial instruments that are sensitive to changes in interest rates as of December 31, 1998. These market risk sensitive instruments have been entered into by the Company for purposes other than trading. The Company does not hold market risk sensitive instruments for trading purposes. The information provided by this table should be read in connection with the Company's audited consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operation contained in the 1998 Annual Report.

(Dollars in Thousands)	1999	2000	2001	2002	2003	THEREAFTER	TOTAL	FAIR VALUE
	EXPECTED MATURITY DATE - YEAR ENDING DECEMBER 31,							
EARNING ASSETS:								
Loans, net of unearned interest:								
Variable rate	$ 65,330	8,752	13,107	8,130	8,144	2,429	105,892	105,892
Average interest rate	8.68%	8.83%	8.51%	8.83%	8.83%	7.75%	8.72%	
Fixed rate	117,847	11,381	16,915	13,479	13,415	17,001	190,038	190,460
Average interest rate	9.06%	10.48%	10.15%	10.16%	10.16%	7.74%	9.10%	
Securities	3,910	5,674	1,880	3,354	1,909	56,861	73,588	74,050
Average interest rate	8.07%	7.05%	7.39%	6.86%	7.52%	6.87%	6.86%	
Loans held for sale	3,881	-	-	-	-	-	3,881	3,881
Average interest rate	6.20%	-	-	-	-	-	6.20%	
Federal funds sold	24,976	-	-	-	-	-	24,976	24,976
Average interest rate	5.11%	-	-	-	-	-	5.11%	
Interest-bearing deposits	266,373	68,653	9,812	336	408	178	345,760	348,375
Average interest rate	4.98%	5.80%	5.79%	6.02%	5.97%	5.73%	5.23%	
Short-term borrowings	7,258	-	-	-	-	-	7,258	7,258
Average interest rate	4.54%	-	-	-	-	-	4.82%	

(1) Loan amounts and weighted average interest rates for loans net out any undisbursed loan proceeds, make no assumptions about loan prepayments, and do not include any net deferred loan fees or the allowance for loan losses.

(2) Amounts described above do not take into account possible loan, security, or interest bearing deposit renewals or repricing for such renewals.

(3) Securities include the Company's investment in Federal Home Loan Bank stock and in obligations of certain political subdivisions within the State of Tennessee. Average interest rates have not been adjusted for any federal, state, or municipal tax liability that the Company may incur.

ITEM 8. FINANCIAL STATEMENTS

The consolidated financial statements and the independent auditors report of Maggart & Associates, P.C. required by this item are contained in pages 20 through 54 and on page 20, respectively, of the Company's 1998 Annual Report and are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by this item with respect to directors is incorporated by reference herein by reference to "Election of Directors" in the Company's Proxy Statement. The information required by this item with respect to executive officers is set forth below:

James Randall Clemons (46) - Mr. Clemons is President and Chief Executive Officer of the Company and the Bank. Mr. Clemons also serves on the Board of Directors of the Company and the Bank. He has held such positions with the Company since its formation in March 1992 and has held his Bank positions since the Bank commenced operations in May

1987. Prior to that time, Mr. Clemons served as Senior Vice President and Cashier for Peoples Bank, Lebanon, Tennessee.

Becky Taylor (54) - Ms. Taylor is the principal accounting officer of the Company and a Senior Vice-President and Cashier of the Bank. She has served as Vice President and Cashier of the Bank since May 1987 and as the principal accounting officer of the Company since its formation in March 1992. She has held her positions with the Bank since it commenced operations. From 1963 to 1987, Ms. Taylor was employed by Lebanon Bank, Lebanon, Tennessee, where her duties included Data Processing Coordinator, Auditor, Security Officer and Compliance Officer. Ms. Taylor held the title of Vice President and Cashier of Lebanon Bank.

Elmer Richerson (46) - Mr. Richerson joined the Bank in February 1989. Prior to such time, Mr. Richerson was the manager of the Lebanon branch of Heritage Federal Savings and Loan Association from March 1988 to February 1989. From September 1986 until March 1988, Mr. Richerson was a liquidation assistant for the Federal Deposit Insurance Corporation. Mr. Richerson serves as an Executive Vice President and Senior Loan Officer of the Bank and oversees the branch administration for the Bank. Mr. Richerson also serves on the Board of Directors of the Bank and in 1998 was appointed to serve on the Board of Directors of the Company as well.

Larry Squires (46) - Mr. Squires joined the Bank in 1989 and is currently Senior Vice President and Investment Officer. Prior to that time Mr. Squires was Vice President of Liberty State Bank in Lebanon. His principal duty is overseeing the Bank's investment and brokerage center.

Gary Whitaker (41) - Mr. Whitaker joined the Bank in May 1996. Prior to that time Mr. Whitaker was employed with NationsBank of Tennessee, N.A. in Nashville (and its predecessors) from 1979. He has held positions in collections, as branch manager, in construction lending, retail marketing, automobile lending, loan administration, operations analyst, as Vice President and most recently Senior Vice President. His principal duties include overseeing the Bank's lending function and loan operations.

All officers serve at the pleasure of the Board of Directors. No officers are involved in any legal proceedings which are material to an evaluation of their ability and integrity.

ITEM 11. EXECUTIVE COMPENSATION

Information required by this item is contained under the caption "Executive Compensation" in the Company's Proxy Statement and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information required by this item is contained under the caption "Security Ownership of Certain Beneficial Owners and Management" in the Company's Proxy Statement and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information required by this item is contained under the caption "Certain Relationships and Related Transactions" in the Company's Proxy Statement and is incorporated herein by reference.

ITEM 14. EXHIBITS AND REPORTS ON FORM 8-K

(a)(1) Financial Statements. See Item 8.

(a)(2) Financial Statement Schedules. Inapplicable.

(a)(3) Exhibits. See Index to Exhibits.

(b) Reports on Form 8-K

None.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WILSON BANK HOLDING COMPANY

By: /s/ J. Randall Clemons
J. Randall Clemons
President and Chief Executive Officer

Date: March 24, 1999

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<TABLE>
<CAPTION>

Signature	Title	Date
<S>	<C>	<C>
/s/ J. Randall Clemons J. Randall Clemons	President, Chief Executive Officer and Director	March 24, 1999
/s/ Becky Taylor Becky Taylor	Principal Accounting Officer and Chief Financial Officer	March 24, 1999
/s/ Elmer Richerson Elmer Richerson	Executive Vice President & Director	March 24, 1999
/s/ Charles Bell Charles Bell	Director	March 24, 1999
/s/ Jack W. Bell Jack W. Bell	Director	March 24, 1999
/s/ Mackey Bentley Mackey Bentley	Director	March 24, 1999
/s/ James F. Comer James F. Comer	Director	March 24, 1999
/s/ Jerry L. Franklin Jerry L. Franklin	Director	March 24, 1999
/s/ John B. Freeman John B. Freeman	Director	March 24, 1999

</TABLE>

<TABLE>
<CAPTION>

Signature	Title	Date

<S> <C> <C>

/s/ Marshall Griffith ------------------------------ Marshall Griffith	Director	March 24, 1999
/s/ Harold R. Patton --------------------- Harold R. Patton	Director	March 24, 1999
/s/ James Anthony Patton ------------------------- James Anthony Patton	Director	March 24, 1999
/s/ John R. Trice ------------------ John R. Trice	Director	March 24, 1999
/s/ Robert T. VanHooser, Jr. ----------------------------- Robert T. VanHooser, Jr.	Director	March 24, 1999

</TABLE>

INDEX TO EXHIBITS

3.1 Charter (previously filed as Exhibit 3(a) to the Company's Registration Statement on Form S-4 dated March 18, 1992 (Registration No. 33-46469) and incorporated herein by reference).

3.2 Bylaws (previously filed as Exhibit 3(a) to the Company's Registration Statement on Form S-4 dated March 18, 1992 (Registration No. 33-46469) and incorporated herein by reference).

13.1 Selected Portions of the Wilson Bank Holding Company Annual Report to Shareholders for the year ended December 31, 1998, incorporated by reference into items 5, 6, 7 and 8.

21.1 Subsidiaries of the Company.

27 Financial Data Schedules (for SEC use only).

EXHIBIT 13.1

WILSON BANK HOLDING COMPANY
COMMON STOCK MARKET INFORMATION

The common stock of Wilson Bank Holding Company is not traded on an exchange nor is there a known active trading market. The number of stockholders of record at December 31, 1998 was 1,193. Based solely on information made available to the Company from limited numbers of buyers and sellers, the Company believes that the following table sets forth the quarterly range of sale prices for the Company's stock during the years 1998 and 1997.

<TABLE>
<CAPTION>

STOCK PRICES

1997	HIGH	LOW
<S>	<C>	<C>
First Quarter	$30.25	$29.50
Second Quarter	31.00	30.25
Third Quarter	31.75	31.00
Fourth Quarter	32.50	31.75
1998		
First Quarter	$32.50	$32.50
Second Quarter	33.25	32.50
Third Quarter	34.75	33.25
Fourth Quarter	35.50	34.75

</TABLE>

On January 1, 1998 a $.40 per share cash dividend was declared and on July 1, 1998 a $.45 per share cash dividend was declared and paid to shareholders of record on those dates. On January 1, 1997 a $.35 per share cash dividend was declared and on July 1, 1997 a $.40 per share cash dividend was declared and paid to shareholders of record on those dates. Future dividends will be dependent upon the Company's profitability, its capital needs, overall financial condition and economic and regulatory consideration.

WILSON BANK HOLDING COMPANY FINANCIAL HIGHLIGHTS (UNAUDITED)

<TABLE>
<CAPTION>

IN THOUSANDS, EXCEPT PER SHARE INFORMATION
AS OF DECEMBER 31,

	1998	1997	1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>
CONSOLIDATED BALANCE SHEETS:					
Total assets end of year	$431,975	351,709	275,304	226,689	192,406
Loans, net	$292,686	237,666	183,642	146,738	123,177
Securities	$ 73,588	61,497	55,545	52,023	43,128
Deposits	$389,105	316,641	243,250	200,037	171,517
Stockholders' equity	$ 29,265	24,817	21,252	18,398	15,618

Years Ended December 31

1998	1997	1996	1995	1994

CONSOLIDATED STATEMENT OF EARNINGS:					
Interest income	$ 30,950	25,141	19,448	16,366	12,470
Interest expense	16,003	12,675	9,797	8,425	5,604
Net interest income	14,947	12,466	9,651	7,941	6,866
Provision for possible loan losses	1,010	828	665	527	298
Net interest income after provision for possible loan losses	13,937	11,638	8,986	7,414	6,568
Non-interest income	4,200	3,410	2,781	1,874	1,497
Non-interest expense	11,376	9,618	7,254	5,871	5,287
Earnings before income taxes	6,761	5,430	4,513	3,417	2,778
Income taxes	2,257	1,766	1,406	996	678
Net earnings	$ 4,504	3,664	3,107	2,421	2,100
Comprehensive earnings	$ 4,586	3,702	3,007	2,940	1,161
Cash dividends declared	$ 1,203	1,039	950	929	651
PER SHARE DATA:					
Net earnings	$ 3.15	2.62	2.27	1.81	1.60
Cash dividends	$ 0.85	0.75	0.70	0.70	0.50
Book value	$ 20.34	17.63	15.42	13.63	11.84
RATIOS:					
Return on average stockholders' equity	16.72%	16.02%	16.87%	14.33%	14.09%
Return on average assets	1.15%	1.16%	1.27%	1.16%	1.18%
Capital to assets	6.78%	7.06%	7.72%	8.12%	8.12%
Dividends declared as percentage of earnings	26.98%	28.63%	30.84%	38.67%	31.25%

</TABLE>

WILSON BANK HOLDING COMPANY
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

GENERAL

Wilson Bank Holding Company (the "Company") is a registered bank holding company that owns 100% of the common stock of Wilson Bank and Trust, a state bank headquartered in Lebanon, Tennessee. The Company was formed in 1992.

During 1996, the Company and other organizers consisting primarily of residents of DeKalb and Smith Counties, Tennessee formed DeKalb Community Bank and Community Bank of Smith County. The Company acquired 50% of the common stock of each bank. Each of the banks were capitalized with $3,500,000; and accordingly, the Company's investment in each bank was $1,750,000. DeKalb Community Bank and Community Bank of Smith County are accounted for as consolidated subsidiaries of the Company and their accounts are included in the consolidated financial statements. The equity and earnings applicable to the minority stockholders are shown as minority interest in the consolidated financial statements.

The Company's subsidiary banks are community banks headquartered in Lebanon, Smithville and Carthage, Tennessee, respectively, serving Wilson County, DeKalb County, Smith County and Trousdale County, Tennessee as their primary market areas. The subsidiary banks have twelve locations including their three main offices. DeKalb, Smith and Trousdale Counties adjoin Wilson County. Management believes that these counties offer an environment for continued growth, and the Company's target market is local consumers, professionals and small businesses. The banks offer a wide range of banking services, including checking, savings, and money market deposit accounts, certificates of deposit and loans for consumer, commercial and real estate purposes. The Company also offers custodial and trust services and an investment center which offers a full line of investment services to its customers.

During 1998, Wilson Bank and Trust opened an additional branch facility in Lebanon, Wilson County, Tennessee. During 1997, Wilson Bank and Trust opened a branch facility in Hartsville, Trousdale County, Tennessee which also adjoins Wilson County. DeKalb Community Bank opened a branch in Alexandria, DeKalb County, Tennessee.

The following discussion and analysis is designed to assist readers in their analysis of the Company's consolidated financial statements and must be read in conjunction with such consolidated financial statements.

RESULTS OF OPERATIONS

Net earnings for the year ended December 31, 1998 were $4,504,000 an increase of $840,000 or 22.9% over 1997. Net earnings for the year ended December 31, 1997 totaled $3,664,000 which was an increase of $557,000 or 17.9% from $3,107,000 for 1996. On a per share basis, net income equaled $3.15 in 1998, $2.62 in 1997 and $2.27 in 1996.

NET INTEREST INCOME

Net interest income represents the amount by which interest earned on various earning assets exceeds interest paid on deposits and other interest-bearing liabilities and is the most significant component of the Company's earnings. Total interest income in 1998 was $30,950,000 compared with $25,141,000 in 1997 and $19,448,000 in 1996. The increase in total interest income in 1998 was primarily due to a $71.5 million or 24.3% increase in average earning assets over 1997. Average earning assets increased $64.7 million from December 31, 1996 to December 31, 1997. The average interest rate earned on earning assets was 8.62% in 1998 compared with 8.74% in 1997 and 8.73% in 1996.

Interest earned on earning assets does not include any interest income which would have been recognized on non-accrual loans if such loans were performing. The amount of interest not recognized on nonaccrual loans totaled $16,000 in 1998, $11,000 in 1997 and $12,000 in 1996.

Total interest expense for 1998 was $16,003,000, an increase of $3,328,000 or 26.3%, compared to total interest expense of $12,675,000 in 1997. The increase in total interest expense was due

to an increase in average interest bearing deposits of approximately $62,580,000 and a slight increase in the weighted average cost of funds from 4.41% to 4.46%. Interest expense increased from $9,797,000 in 1996 to $12,675,000 in 1997 or an increase of $2,878,000 or 29.4%. The increase in 1997 was due to a $56,792,000 increase in average interest bearing deposits and an increase in the weighted average cost of funds from 4.38% to 4.41%.

Net interest income for 1998 totaled $14,947,000 as compared to $12,466,000 and $9,651,000 in 1997 and 1996, respectively. The net interest spread, defined as the effective yield on earning assets less the effective cost of deposits and borrowed funds (calculated on a fully taxable equivalent basis), decreased to 4.16% for 1998 as compared to 4.33% in 1997, primarily as a result of the decrease in the yield on earning assets. The net interest spread was 4.35% in 1996. The net interest yield, which is net interest income expressed as a percentage of average earning assets, decreased to 4.24% for 1998 compared to 4.44% in 1997 and 4.46% in 1996. Interest rates declined slightly during 1998 and are expected to remain stable or increase slightly in 1999. The Company is in a position to reprice its liabilities faster than the assets are repricing. Accordingly, management expects the projected stable interest rates to have an insignificant impact on the net interest yield and net interest income. A significant increase in interest rates could have an adverse impact on net interest yields and earnings.

PROVISION FOR POSSIBLE LOAN LOSSES

The provision for loan losses represents a charge to earnings necessary to establish an allowance for possible loan losses that, in management's evaluation, is adequate to provide coverage for estimated losses on outstanding loans and to provide for uncertainties in the economy. The 1998 provision for loan losses was $1,010,000, an increase of $182,000 from the provision of $828,000 in 1997. The increase in the provision was primarily a result of increases in the loans and increased net charge-offs. The provision for loan losses was $665,000 in 1996. Net charge-offs increased to $656,000 in 1998 from $390,000 in 1997. Net charge-offs in 1996 totaled $157,000. The ratio of net charge-offs to average total outstanding loans in 1998 was .25% and in 1997 was .18%. The provision for loan losses in 1998 exceeded net charge-offs by $354,000 compared to $438,000 in 1997 and $508,000 in 1996.

The provision for loan losses raised the allowance for possible loan losses (net of charge-offs and recoveries) to $3,244,000 at December 31, 1998 from $2,890,000 and $2,452,000 at December 31, 1997 and 1996, respectively. This represents a 12.2% increase in the allowance at December 31, 1998 over December 31, 1997. The allowance for possible loan losses was 1.10% of total loans outstanding at December 31, 1998 compared to 1.20% at December 31, 1997 and 1.32% at December 31, 1996. Additionally, as a percentage of nonperforming loans at year end 1998, 1997 and 1996, the allowance for loan losses represented 416%, 210% and 233%, respectively.

The level of the allowance and the amount of the provision involve evaluation of uncertainties and matters of judgment. Management believes the allowance for possible loan losses at December 31, 1998 to be adequate.

NON-INTEREST INCOME

The components of the Company's non-interest income include service charges on deposit accounts, other fees, gains on sale of loans, net gains on sale of fixed assets and minority interest in net losses of subsidiaries. Total non-interest income for 1998 was $4,200,000 compared with $3,410,000 in 1997 and $2,781,000 in 1996. The 23.2% increase over 1997 was primarily due to increases in service charges on deposit accounts (which increased $290,000), other fees (which increased $142,000) and net gains on sales of loans (which increased $350,000). Management projects that gains on sales of loans will increase in 1999 due to increases in loan demand in the existing market, improved marketing plans and expansion into a broader market area. Management intends to continue to aggressively market the services of the trust department; however, trust income is not expected to have a significant impact on earnings in the immediate future. The Company has recently entered into a commission participation arrangement with a local insurance

agency to sell insurance products. Management does not anticipate that this arrangement will materially impact 1999 non-interest income.

NON-INTEREST EXPENSES

Non-interest expenses consist primarily of employee costs, occupancy expenses, furniture and equipment expenses, loss on sale of other real estate, FDIC insurance, Directors' fees and other operating expenses. Total non-interest expenses for 1998 increased 18.3% to $11,376,000 from $9,618,000 in 1997. The 1997 non-interest expense was up 32.6% over 1996 which totaled $7,254,000. The increases in non-interest expenses resulted primarily from increases in employee salaries and related benefits. This increase was principally due to an increase in the number of employees necessary to support the Company's expanded operations, including the new branch which was opened in 1998. Other operating expenses increased to $2,921,000 in 1998 from $2,781,000 in 1997. These expenses included data processing, supplies and general operating expenses, which increased as a result of continued growth of the Company and expansion into new market areas.

INCOME TAXES

The Company's income tax expense was $2,257,000 for 1998 an increase of $491,000 from 1997. The percentage of income tax expense to earnings before taxes increased to 33.4% in 1998 from 32.5% in 1997. The percentage was 31.2% in

1996. The percentage for 1998 as compared to 1997 increased primarily as a result of a decrease in the percentage of interest income exempt from Federal income taxes to earnings before taxes from 21.5% in 1997 to 16.7% in 1998. The increase from 1996 to 1997 is due to a decrease in the percentage of interest income exempt from Federal income taxes from 25.7% in 1996 to 21.5% in 1997.

FINANCIAL CONDITION

BALANCE SHEET SUMMARY. The Company's total assets increased $80,266,000 or 22.8% to $431,975,000 at December 31, 1998, after increasing 27.8% in 1997 to $351,709,000 at December 31, 1997. Loans, net of allowance for possible loan losses, totaled $292,686,000 at December 31, 1998, a 23.2% increase compared to December 31, 1997. Investment securities increased in 1998, primarily as a result of increased deposits. At year end 1998 securities totaled $73,588,000, an increase of 19.7% from $61,497,000 at December 31, 1997. The increase in securities in 1998 includes a $143,000 increase in unrealized gains on securities available-for-sale.

Total liabilities increased $75,818,000 at December 31, 1998 to $402,710,000 compared to $326,892,000 at December 31, 1997. This increase was composed primarily of the $72,464,000 increase in total deposits to $389,105,000 (a 22.9% increase). Securities sold under repurchase agreements increased to $7,258,000 from $4,560,000 at the respective year ends 1998 and 1997.

Stockholders' equity increased $4,448,000 or 17.9% due to net earnings and sales of stock pursuant to the Company's Dividend Reinvestment Plan, net of dividends paid on the Company's common stock and a $82,000 increase in net unrealized gains on available-for-sale securities. A more detailed discussion of assets, liabilities and capital follows.

LOANS:
Loan categories are as follows:

<TABLE>
<CAPTION>

	1998		1997	
	AMOUNT	PERCENTAGE	AMOUNT	PERCENTAGE
<S>	<C>	<C>	<C>	<C>
(In Thousands)				
Commercial, financial, and agricultural	$100,217	33.7%	$ 82,515	34.1%
Installment	44,299	14.9	38,423	15.8
Real estate - mortgage	130,927	44.1	103,155	42.6
Real estate - construction	21,809	7.3	18,159	7.5
TOTAL	$297,252	100.0%	$242,252	100.0%

</TABLE>

Loans are the largest component of the Company's assets and are its primary source of income. The Company's loan portfolio, net of allowance for loan loses, increased 23.2% by year end 1998. The loan portfolio is composed of four primary loan categories: commercial, financial and agricultural; installment; real estate-mortgage; and real estate-construction. The table above sets forth the loan categories and the percentage of such loans in the portfolio at December 31 1998 and 1997.

As represented in the table, primary loan growth was in real estate mortgage loans and commercial loans. Real estate mortgage loans increased 26.9% in 1998 and at December 31, 1998 comprised 44.1% of total loans compared to

42.6% of total loans at December 31, 1997. This increase was primarily due to the favorable interest rate environment and the Company's ability to increase its market share of such loans while maintaining its loan underwriting standards. Commercial loans increased 21.5% in 1998 and comprised 33.7% of the total loan portfolio at December 31, 1998, compared to 34.1% at December 31, 1997.

Banking regulators define highly leveraged transactions to include leveraged buy-outs, acquisition loans, and recapitalization loans of an existing business. Under the regulatory definition, at December 31, 1998, the Company had no highly leveraged transactions, and there were no foreign loans outstanding during any of the reporting periods.

Non-performing loans, which include non-accrual loans and loans 90 days past due, totaled $779,000 at December 31, 1998, a decrease from $1,379,000 at December 31, 1997. Non-accrual loans are loans on which accrual of interest is stopped when management believes collection of such interest is doubtful due to management's evaluation of the borrower's financial condition, collateral liquidation value, economic and business conditions and other factors affecting the borrower's ability to pay. Non-accrual loans totaled $223,000 at December 31, 1998 compared to $160,000 at December 31, 1997. Loans 90 days past due, as a component of non-performing loans, decreased to $556,000 at December 31, 1998 from $1,219,000 at December 31, 1997. This decrease is primarily a result of decreases in installment loans that are 90 days past due offset by an increase of real estate mortgage loans 90 days past due. The Bank had no renegotiated loans, which would have been included in non-performing loans.

The Company also internally classifies loans about which management questions the borrower's ability to comply with the repayment terms of the loan agreement. These internally classified loans, inclusive of certain non-performing loans, totaled $1,603,000 at December 31, 1998 as compared to $1,162,000 at December 31, 1997. Of the internally classified loans at December 31, 1998, $1,186,000 are real estate related loans and $417,000 are various other types of loans. The internally classified loans as a percentage of the allowance for possible loan losses were 49.4% and 40.2%, respectively, at December 31, 1998 and 1997.

The allowance for possible loan losses is discussed under "Provision for Possible Loan Losses." The Company maintains its allowance for possible loan losses at an amount deemed by management to be adequate to provide for the possibility of loan losses in the loan portfolio.

Essentially all of the Company's loans were from Wilson County, DeKalb, Smith, Trousdale and adjacent counties. The Company seeks to exercise prudent risk management in lending, including diversification by loan category and industry segment (at December 31, 1998 no single industry segment accounted for more than 10% of the Company's portfolio other than real estate loans), as well as by identification of credit risks.

The Company's management believes there is a significant opportunity to continue to increase the loan portfolio in the Company's primary market area. The Company has targeted commercial business lending, commercial and residential real estate lending and consumer lending. Although it is the Company's objective to achieve a loan portfolio equal to approximately 75% of deposit balances, various factors, including demand for loans which meet its underwriting standards, will determine the size of the loan portfolio in a given economic climate. This is reflected in the past two years when the Company's average loan to average deposit ratio was 75.3% and 76.8%. As a practice, the Company generates its

own loans and does not buy participations from other institutions. The Company may sell some of the loans it generates to other financial institutions if the transaction profits the Company and improves the liquidity of the loan portfolio. The subsidiary banks sell loan participations to other banks within the consolidated group. The Company seeks to build a loan portfolio which is capable of adjusting to swings in the interest rate market, and it is the Company's policy to maintain a diverse loan portfolio not dependent on any particular market or industrial segment.

SECURITIES

Securities increased 19.7% to $73,588,000 at year end 1998 from $61,497,000 at December 31, 1997, and comprised the second largest and other primary component of the Company's earning assets. This increase followed a 10.7% securities portfolio increase from year end 1996 to 1997. The growth in securities resulted from continued deposit growth in excess of funds necessary to fund loan growth.

The primary increase in the Company's securities portfolio was in U.S. Treasury and other U.S. Government agencies which increased $18,290,000 or 56.7% in 1998. Mortgage-backed securities decreased $2,332,000 or 31.6%. The average yield of the securities portfolio at December 31, 1998 was 6.93% with an average maturity of 7.42 years, as compared to an average yield of 7.09% and an average maturity of 5.33 years at December 31, 1997. Management has extended the average maturity of securities to increase or maintain the average yield.

The Company has adopted the provisions of Statement of Financial Accounting Standards No. 115 (SFAS No. 115), "Accounting for Certain Investments in Debt and Equity Securities". Under the provisions of the Statement, securities are to be classified in three categories and accounted for as follows:

- Debt securities that the enterprise has the positive intent and ability to hold to maturity are classified as held-to-maturity securities and reported at amortized cost.

- Debt and equity securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities and reported at fair value, with unrealized gains and losses included in earnings.

- Debt and equity securities not classified as either held-to-maturity securities or trading securities are classified as available-for-sale securities and reported at fair value, with unrealized gains and losses excluded from earnings and reported in a separate component of shareholders' equity.

The Company's classification of securities as of December 31, 1998 is as follows:

<TABLE>
<CAPTION>

(In Thousands)	HELD-TO-MATURITY		AVAILABLE-FOR-SALE	
	Amortized Cost	Estimated Market Value	Amortized Cost	Estimated Market Value
<S>	<C>	<C>	<C>	<C>
U.S. Treasury and other U.S. Government agencies and Corporations	$ 1,097	1,104	49,189	49,429
Obligations of states and political subdivisions	15,202	15,681	2,732	2,823
Mortgage-backed securities	4,109	4,085	922	928
	$20,408	20,870	52,843	53,180

</TABLE>

No securities have been classified as trading securities.

WILSON BANK HOLDING COMPANY
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

The classification of a portion of the securities portfolio as available for sale was made to provide for more flexibility in asset/liability management and capital management.

Net unrealized gain on securities available-for-sale decreased $100,000 during the year ended December 31, 1996 and represents the unrealized depreciation in securities available-for-sale of $161,000 less applicable tax benefit of $61,000. The net increase for the year ended December 31, 1997 totaled $38,000 which represents the unrealized appreciation in securities available-for-sale of $57,000 less applicable income taxes of $19,000. During the year ended December 31, 1998, the net increase totaled $82,000 which represents an increase in the unrealized appreciation in securities available-for-sale of $138,000 less applicable income taxes of $56,000.

DEPOSITS

The increases in assets in 1998 and 1997 were funded primarily by increases in deposits. Total deposits, which are the principal source of funds for the Company, totaled $389,105,000 at December 31, 1998 compared to $316,641,000 and $243,250,000 at December 31, 1997 and 1996, respectively. The Company has targeted local consumers, professionals, and small businesses as its central clientele; therefore, deposit instruments in the form of demand deposits, savings accounts, money market demand accounts, certificates of deposits and individual retirement accounts are offered to customers. Management believes the Wilson County, DeKalb County, Smith County and Trousdale County areas are growing economic markets offering growth opportunities for the Company; however, the Company competes with several of the larger bank holding companies that have bank offices in these counties; and therefore, no assurances of market growth or maintenance of current market share can be given. Even though the Company is in a very competitive market, management currently believes that its market share will be maintained or expanded.

The $72,464,000 or 22.9% growth in deposits in 1998 consisted of changes in several deposit categories: savings accounts increased $2,500,000 (14.7%) to $19,471,000; total certificates of deposit (including individual retirement accounts) increased $41,158,000 (23.1%) to $219,070,000, money market demand accounts increased $18,608,000 (29.5%) to $81,638,000 and demand deposits increased $10,972,000 (33.9%) to $43,345,000.

The average rate paid on average total interest-bearing deposits was 5.0% for 1998, compared to 4.9% for 1997. The average rate paid in 1996 was 4.8%.

The ratio of average loans to average deposits was 75.3% in 1998 compared with 76.8% and 77.0% in 1997 and 1996, respectively.

LIQUIDITY AND ASSET MANAGEMENT

The Company's management seeks to maximize net interest income by managing the Company's assets and liabilities within appropriate constraints on capital, liquidity and interest rate risk. Liquidity is the ability to maintain sufficient cash levels necessary to fund operations, meet the requirements of depositors and borrowers and fund attractive investment opportunities. Higher levels of liquidity bear corresponding costs, measured in terms of lower yields on short-term, more liquid earning assets and higher interest expense involved in extending liability maturities. Liquid assets include cash and cash equivalents and investment securities and money market instruments that will mature within one year. At December 31, 1998, the Company's liquid assets approximated $67.1 million.

The Company's primary source of liquidity is a stable core deposit base. In addition short-term investments, loan payments and investment security maturities provide a secondary source.

Interest rate risk (sensitivity) management focuses on the earnings risk associated with changing interest rates. Management seeks to maintain profitability in both immediate and long term earnings through funds management/interest rate risk management. The Company's rate sensitivity position has an important impact on earnings. Senior management of the Company meets monthly to

analyze the rate sensitivity position. These meetings focus the spread between the cost of funds and interest yields generated primarily through loans and investments.

At December 31, 1998, the Company had a liability sensitive position (a negative gap) for 1998. Liability sensitivity means that more of the Company's liabilities are capable of repricing over certain time frames than assets. The interest rates associated with these liabilities may not actually change over this period but are capable of changing. The 1998 net earnings would have deteriorated in a rising rate environment as compared with the fairly stable rate environment that existed for most of 1998. The 1997 earnings would have deteriorated in a rising rate environment as compared with the fairly stable rate environment that existed during most of 1997. The 1996 earnings were enhanced by the stable rate environment.

The following table shows the rate sensitivity gaps for different time periods as of December 31, 1998:

INTEREST RATE SENSITIVITY GAPS December 31, 1998 (In Thousands)	1-90 Days	91-180 Days	181-365 Days	One Year and Longer	Total
Interest-earning assets	$ 147,049	29,395	40,925	181,006	398,375
Interest-earning liabilities	186,698	36,606	62,798	66,916	353,018
Interest-rate sensitivity gap	$ (39,649)	(7,211)	(21,873)	114,090	45,357
Cumulative gap	$ (39,649)	(46,860)	(68,733)	45,357	

At the present time there are no known trends or any known commitments, demands, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity changing in any material way.

CAPITAL POSITION AND DIVIDENDS

CAPITAL. At December 31, 1998, total stockholders' equity was $29,265,000 or 6.8% of total assets, which compares with $24,817,000 or 7.1% of total assets at December 31, 1997, and $21,252,000 or 7.7% of total assets at December 31, 1996. The dollar increase in stockholders' equity during 1998 reflects (i) the Company's net income of $4,504,000 less cash dividends of $.85 per share totaling $1,203,000, (ii) the issuance of 31,314 shares of common stock for $1,065,000 in lieu of payment of cash dividends and (iii) increase in the net unrealized gains on available-for-sale securities of $82,000.

The Company's principal regulators have established minimum risk-based capital requirements and leverage capital requirements for the Company and its subsidiary banks. These guidelines classify capital into two categories of Tier I and Total risk-based capital. Total risk-based capital consists of Tier I (or core) capital (essentially common equity less intangible assets) and Tier II capital (essentially qualifying long-term debt, of which the Company and subsidiary banks have none, and a part of the allowance for possible loan losses). In determining risk-based capital requirements, assets are assigned risk-weights of 0% to 100%, depending on regulatory assigned levels of credit risk associated with such assets. The risk-based capital guidelines require the subsidiary banks and the Company to have a total risk-based capital ratio of 8.0% and a Tier I risk-based capital ratio of 4.0%. At December 31, 1998 the Company's total risk-based capital ratio was 12.3% and its Tier I risk-based capital ratio was 11.2%, respectively, compared to a ratios of 13.4% and 12.2%, respectively at December 31, 1997. The required Tier I leverage capital ratio (Tier I capital to average assets for the most recent quarter) for the Company is 4%. At December 31, 1998, the Company had a leverage ratio of 7.8% compared to 8.2% at December 31, 1997.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's primary component of market risk is interest rate volatility. Fluctuations in interest rates will ultimately impact both the level of income and expense recorded on a large portion of the Company's assets and liabilities, and the market value of all interest-earning assets and interest-bearing liabilities, other than those which possess a short term to maturity. Based upon the nature of the Company's operations, the Company is not subject to foreign currency exchange or commodity price risk.

Interest rate risk (sensitivity) management focuses on the earnings risk associated with changing interest rates. Management seeks to maintain profitability in both immediate and long term earnings through funds management/interest rate risk management. The Company's rate sensitivity position has an important impact on earnings. Senior Management of the Company meets monthly to analyze the rate sensitivity position. These meetings focus on the spread between the cost of funds and interest yields generated primarily through loans and investments.

The following table provides information about the Company's financial instruments that are sensitive to changes in interest rates as of December 31, 1998.

<TABLE>
<CAPTION>

	EXPECTED MATURITY DATE - YEAR ENDING DECEMBER 31,							
	1999	2000	2001	2002	2003	THEREAFTER	TOTAL	FAIR VALUE
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
EARNING ASSETS:								
Loans, net of unearned interest:								
Variable rate	$ 65,330	8,752	13,107	8,130	8,144	2,429	105,892	105,892
Average interest rate	8.68%	8.83%	8.51%	8.83%	8.83%	7.75%	8.72%	
Fixed rate	117,847	11,381	16,915	13,479	13,415	17,001	190,038	190,460
Average interest rate	9.06%	10.48%	10.15%	10.16%	10.16%	7.74%	9.10%	
Securities	3,910	5,674	1,880	3,354	1,909	56,861	73,588	74,050
Average interest rate	8.07%	7.05%	7.39%	6.86%	7.52%	6.87%	6.86%	
Loans held for sale	3,881	-	-	-	-	-	3,881	3,881
Average interest rate	6.20%	-	-	-	-	-	6.20%	
Federal funds sold	24,976	-	-	-	-	-	24,976	24,976
Average interest rate	5.11%	-	-	-	-	-	5.11%	

Interest-bearing deposits	266,373	68,653	9,812	336	408	178	345,760	348,375
Average interest rate	4.98%	5.80%	5.79%	6.02%	5.97%	5.73%	5.23%	
Short-term borrowings	7,258	-	-	-	-	-	7,258	7,258
Average interest rate	4.54%	-	-	-	-	-	4.82%	

</TABLE>

WILSON BANK HOLDING COMPANY
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

SUPERVISION AND REGULATION

Bank Holding Company Act of 1956. As a Bank Holding Company, the Company is subject to regulation under the Bank Holding Company Act of 1956 (the "Act"), and the regulations adopted by the Board of Governors of the Federal Reserve System (the "Board") under the Act. The Company is required to file reports with, and is subject to examination by, the Board. The subsidiary banks are Tennessee state chartered banks, and are therefore subject to the supervision of and is regularly examined by the Tennessee Department of Financial Institutions (the "TDFI") and the Federal Deposit Insurance Corporation ("FDIC").

Under the Act, a bank holding company may not directly or indirectly acquire the ownership or control of more than five percent of the voting shares or substantially all of the assets of any company, including a bank, without the prior approval of the Board. In addition, bank holding companies are generally prohibited under the Act from engaging in non-banking activities, subject to certain exceptions. Under the Act, the Board is authorized to approve the ownership by a bank holding company of shares of any company whose activities have been determined by the Board to be so closely related to banking or to managing or controlling banks as to be a proper incident thereto.

Under the Tennessee Bank Structure Act, a bank holding company which controls 30% or more of the total deposits (excluding certain deposits) in all federally insured financial institutions in Tennessee is prohibited from acquiring any bank in Tennessee. State banks and national banks in Tennessee may establish branches anywhere in the state.

Congress enacted the Reigle-Neal Interstate Banking and Branching Efficiency Act of 1994 (the "IBBEA") which authorizes interstate acquisitions of banks and bank holding companies without geographic limitation beginning June 1, 1997. In addition, on that date, the IBBEA authorizes a bank to merge with a bank in another state as long as neither of the states has opted out of interstate branching between the date of enactment of the IBBEA and May 1, 1997. Tennessee has enacted interstate branching laws in response to federal law which, effective June 1, 1997, will prohibit the establishment or acquisition in Tennessee by any bank of a branch office, branch bank or other branch facility in Tennessee except (i) a Tennessee-chartered Bank (ii) a national bank which has its main office in Tennessee, or (iii) a bank which merges or consolidates with a Tennessee-chartered bank or a national bank with its main office in Tennessee.

The Company and the subsidiary banks are subject to certain restrictions imposed by the Federal Reserve Act and the Federal Deposit Insurance Act, respectively, on any extensions of credit to the Company or the subsidiary banks, on investments in the stock or other securities of the Company or the subsidiary banks, and on taking such stock or other securities as collateral for loans of any borrower.

FDICIA. Under the Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA"), the federal banking regulators have assigned each insured institution to one of five categories ("well capitalized," "adequately capitalized" or one of three under capitalized categories) based upon the three measures of capital adequacy discussed above. Institutions which have a Tier I leverage capital ratio of 5%, a Tier I risk based capital ratio of 5% and a total risk based capital ratio of 10% are defined as "well capitalized". All institutions, regardless of their capital levels, are restricted from making any capital distribution or paying any management fees that would cause the institution to fail to satisfy the minimum levels for any of its capital requirements for "adequately capitalized" status. The subsidiary banks currently meet the requirements for "well capitalized" status.

An institution that fails to meet the minimum level for any relevant capital measure (an "undercapitalized institution") may be: (i) subject to increased monitoring by the appropriate federal banking regulator; (ii) required to submit an acceptable capital restoration plan within 45 days (which must be guaranteed by the institution's holding company); (iii) subject to asset growth limits; and (iv) required to obtain prior regulatory approval for acquisitions, branching and new lines of businesses. The bank regulatory agencies have discretionary authority to reclassify a well capitalized

institution as adequately capitalized or to impose on an adequately capitalized institution requirements or actions specified for undercapitalized institutions if the agency determines that the institution is in an unsafe or unsound condition or is engaging in an unsafe or unsound practice.

A "significantly undercapitalized" institution may be subject to a number of additional requirements and restrictions, including orders to sell sufficient voting stock to become "adequately capitalized," requirements to reduce total assets and cessation of receipt of deposits from correspondent banks. "Critically undercapitalized" institutions are subject to the appointment of a receiver or conservator.

Under FDICIA, bank regulatory agencies have prescribed standards for all insured depository institutions and their holding companies relating to internal controls, information systems, internal audit systems, loan documentation, credit underwriting, interest rate exposure, asset growth, compensation, a maximum ratio of classified assets to capital, minimum earnings sufficient to absorb losses, a minimum ratio of market value to book value for publicly traded shares and such other standards as the agencies deem appropriate.

As a result of a federal law enacted in 1991 requiring each federal banking agency to revise its risk-based capital standards to insure that those standards take adequate account of interest rate risk, concentration of credit risk and the risks of non-traditional activities, each of the federal banking agencies have revised the risk-based capital guidelines described above to take account of concentration of credit risk and risk of non-traditional activities. In addition, the Board and the FDIC recently adopted a new rule that amended, effective September 1, 1995, the capital standards to include explicitly a bank's exposure to declines in the economic value of its capital due to changes in interest rates as a factor to be considered in evaluating a bank's capital adequacy. This rules does not codify a measurement framework for assessing the level of a bank's interest rate exposure. These agencies, together with the Office of the Comptroller of the Currency have issued for comment a joint policy statement that describes the process to be used to measure and assess the exposure of a bank's net economic value to changes in interest rates. These agencies have indicated that they intend to issue a proposed rule that would establish an explicit minimum capital charge for interest rate risk based on the level of a bank's measured interest rate exposure. The agencies intend to implement the proposed rule after they and the banking industry have had more experience with the proposed supervisory and measurement process.

Pursuant to FDICIA, the FDIC has established a risk-based assessment system for deposit insurance. Under the risk-based assessment regulations, insured institutions such as the Subsidiary Banks, are assigned an assessment risk classification based upon capital levels and supervisory evaluations. On August 8, 1995, the FDIC voted to reduce the assessment rates paid by most banks. Under the revised rate structure, the best-rated banks would pay an assessment at 0.04% of insured deposits, while the weakest banks would continue to pay at a 0.31% rate. The revised rate structure became effective on a retroactive basis as of June 1, 1995. As a result of the revised rate structure, the Company received a refund of $111,000 in the third quarter of 1995. On November 14, 1995, the FDIC further reduced the rate structure starting in January, 1996. Under the 1996 rate structure, the best rated banks will pay only the statutory minimum assessment of $2,000 per year while the weakest banks will pay at a rate of 0.27% of insured deposits. Wilson Bank and Trust paid the statutory annual minimum assessment of $2,000 per year and DeKalb Community Bank paid $1,000 for the half year it was in operation. Effective January 1, 1998 the banks were assessed an annual assessment of .0122% of insured deposits.

Management is not aware of any current recommendations by the regulatory authorities which, if implemented, would have a material effect on the Registrant's liquidity, capital resources or operations.

Monetary Policy. The subsidiary banks are affected by commercial bank credit policies of regulatory authorities, including the Board. An important function of the Board is to regulate the national supply of bank credit in order to attempt to

combat recessionary and curb inflationary pressures. Among the instruments of monetary policy used by the Board of implement these objectives are: open market operations in U.S. Government securities, changes in discount rates on member borrowings, changes in reserve requirements against bank deposits and limitations on interest rates which member banks may pay on time and savings deposits. These means are used in varying combinations to influence overall growth of bank loans, investments and deposits, and may also affect interest rates changed on loans or paid on deposits. The monetary policies of the Board have had a significant effect on the operating results of commercial banks, including nonmembers as well as members, in the past and are expected to continue to do so in the future.

IMPACT OF INFLATION

Although interest rates are significantly affected by inflation, the inflation rate is immaterial when reviewing the Company's results of operations.

YEAR 2000 ISSUES

The term "Year 2000 issue" refers to the necessity of converting computer information systems so that such systems recognize more than two digits to identify a year in any given date field, and are thereby able to differentiate between years in the twentieth and twenty-first centuries ending with the same two digits (e.g., 1900 and 2000). To address the Year 2000 issue, the Company has adopted a broad-based approach designed to encompass the Company's total environment.

The Company has appointed a Year 2000 committee which was established in mid-1997. The Y2K Committee has representation from all affected areas for the purpose of managing the process of assessing and correcting non-compliance throughout the organization. Areas being addressed by the Y2K Committee include:

- Subsidiary banks' primary data processing system. Jack Henry, a major data processor, provides the primary software and hardware for the data processing system of the subsidiary banks. This software and hardware is of the highest priority for day to day operations, accounting and success of the subsidiary banks.

- Government systems, such as the Federal Reserve Bank for check clearing, wire transfers, and the free flow and exchange of funds between institutions are absolutely critical.

- The internal PC hardware and software systems within the subsidiary banks, along with telecommunications systems.

- The primary securities portfolio accounting and safekeeping system for the subsidiary banks.

- Credit administration - the committee is reviewing the risk associated with Year 2000 status of the subsidiary banks' loan customers and depositors.

The Company's Y2K Committee is using a 4-phase approach in its Year 2000 project made up of awareness, assessment, renovation, and validation-testing. The Company is currently in the final phase of the Y2K Plan.

The purpose of the Y2K committee is to assess, test and correct the Company's hardware, software and equipment to ensure these systems operate properly in the Year 2000. The Committee has substantially completed its assessment of the company's systems, has identified the Company's hardware, software and equipment that will not operate properly in the Year 2000 and has remedied the problem with the replacement of hardware that is compliant. As of December 31, 1998 the Y2K committee has determined that substantially all of the Company's systems will operate properly in the Year 2000.

The Company expects that programming changes and software replacement for systems that are not Year 2000 compliant will be completed during the first quarter of 1999. The Jack Henry Company has tested the Jack Henry Silver Lake Operating system and the Company has documentation on file that the operating system is

Y2K compliant. However, the Company tested the software using its own database to ensure the readiness of the Company to service its customer base into the Year 2000. The testing was completed the week of December 7, 1998 and the results are currently being evaluated.

The Company has requested written documentation from vendors and suppliers with whom the Company has a material relationship regarding their ability to operate properly in the Year 2000. The Company will consider alternatives related to vendors and suppliers that do not confirm their Year 2000 readiness. There can be no assurance however, that all of the Company's significant vendors and suppliers will have remedied their Year 2000 issues. The Company will continue to monitor its significant vendors and suppliers to seek to minimize the Company's risk.

The Company is requiring Y2K readiness information from all of its major borrowers. The Company believes commercial borrowers must realize the impact that the Y2K could have on their respective businesses. Seminars, questionnaires and individual contact with loan customers will be continued as an ongoing prevention measure during the 1999 year. The Company realizes the materially adverse impact that the lack of Y2K preparation of loan customers would have on the Company during the Year 2000.

Customer awareness of the Company's Y2K readiness is critical. The steps taken by the Company to prepare for the Year 2000 will be shared with customers through Quarterly Newsletters, statement stuffers and the Y2K training of employees. The Company believes customers must have a high confidence level in the Company at the end of 1999 to avoid mass withdrawals of funds from the Company. The Company is working toward a comprehensive customer awareness program during the 1999 year.

Based on the Company's current estimates, the Company has allocated $250,000 in its 1999 budget to fund testing and replacement costs. Included in the Company's cost estimates are the cost of replacing hardware and software of approximately $100,000, which will be capitalized and amortized over their estimated useful lives. The remaining costs are expensed as incurred. These projected costs are based upon management's best estimates, which are derived utilizing numerous assumptions of future events. As of December 31, 1998, the only cost that has been incurred on the Year 2000 issue is the cost of the Company's personnel. Their time was used to effectively gather and organize the information used to assess the Company's hardware and software compliance. Using an estimate of the hours worked on this project, the cost would be $55,000 to date. This cost has been expensed through the regular salary structure. This cost has been minimal because there have not been any major renovations, upgrades or software conversions needed.

The Board of Directors is aware of the Y2K problem and is receiving monthly updates on the Y2K Committee's progress. The board has approved the Company's written contingency plan. The plan addresses all aspects of the Company's operation systems identifying alternative solutions. The contingency plan identifies all of the subsidiary banks' major processing systems as critical, semi-critical and non-critical. A processing solution is in place on each of these applications detailing information on alternative processors and their capabilities. This plan will continually be updated as each critical and semi-critical application has completed its final testing phase.

The foregoing notwithstanding, management does not currently believe that the costs of assessment, remediation, or replacement of the Company's systems, or the potential failure of third parties' systems will have a material adverse effect on the Company's business, financial condition, results of operations, or liquidity.

WILSON BANK HOLDING COMPANY

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1998 AND 1997

(WITH INDEPENDENT AUDITOR'S REPORT THEREON)

MAGGART & ASSOCIATES, P.C.

Certified Public Accountants
FIRST UNION TOWER
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150 FOURTH AVENUE, NORTH
NASHVILLE, TENNESSEE 37219-2417
Telephone (615) 252-6100
Facsimile (615) 252-6105

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Wilson Bank Holding Company

We have audited the accompanying consolidated balance sheets of Wilson Bank Holding Company and Subsidiaries as of December 31, 1998 and 1997, and the related consolidated statements of earnings, comprehensive earnings, changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Wilson Bank Holding Company and Subsidiaries as of December 31, 1998 and 1997, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1998, in conformity with generally accepted accounting principles.

Maggart & Associates, P.C.

Nashville, Tennessee
January 14, 1999

WILSON BANK HOLDING COMPANY

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 1998 AND 1997

<TABLE>
<CAPTION>

	In Thousands	
	1998	1997
<S>	<C>	<C>
ASSETS		
Loans, net of allowance for possible loan losses of $3,244,000 and $2,890,000, respectively	$ 292,686	237,666
Securities:		
Held-to-maturity, at amortized cost (market value $20,870,000		

and $24,547,000, respectively)	20,408	24,251
Available-for-sale, at market (amortized cost $52,843,000 and $37,052,000, respectively)	53,180	37,246
Total securities	73,588	61,497
Loans held for sale	3,881	4,092
Federal funds sold	24,976	17,657
Total earning assets	395,131	320,912
Cash and due from banks	16,024	14,123
Premises and equipment, net	14,807	11,929
Accrued interest receivable	3,373	2,715
Organizational costs, net of accumulated amortization of $108,000 and $58,000, respectively	28	78
Deferred income taxes	714	695
Other real estate	138	63
Other assets	1,760	1,194
	$ 431,975	351,709
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits	$ 389,105	316,641
Securities sold under repurchase agreements	7,258	4,560
Accrued interest and other liabilities	2,760	2,236
Minority interest	3,587	3,455
Total liabilities	402,710	326,892
Stockholders' equity:		
Common stock, par value $2.00 per share, authorized 5,000,000, 1,438,781 and 1,407,467 shares issued and outstanding, respectively	2,877	2,815
Additional paid-in capital	8,530	7,527
Retained earnings	17,663	14,362
Net unrealized gains on available-for-sale securities, net of taxes of $121,000 and $65,000, respectively	195	113
Total stockholders' equity	29,265	24,817
COMMITMENTS AND CONTINGENCIES		
	$ 431,975	351,709

</TABLE>

See accompanying notes to consolidated financial statements.

WILSON BANK HOLDING COMPANY

CONSOLIDATED STATEMENTS OF EARNINGS

THREE YEARS ENDED DECEMBER 31, 1998

<TABLE>
<CAPTION>

In Thousands

	1998	1997	1996
<S>	<C>	<C>	<C>
Interest income:			
Interest and fees on loans	$ 24,790	20,466	15,725
Interest and dividends on securities:			
Taxable securities	3,480	2,457	1,934
Exempt from Federal income taxes	1,126	1,166	1,161
Interest on loans held for sale	219	111	106
Interest on Federal funds sold	1,335	941	517
Interest on interest-bearing deposits in financial institutions	--	--	5
Total interest income	30,950	25,141	19,448
Interest expense:			
Interest on negotiable order of withdrawal accounts	423	515	479
Interest on money market accounts and other savings accounts	3,591	2,652	1,885
Interest on certificates of deposit	11,601	9,155	7,011
Interest on securities sold under repurchase agreements	386	353	422
Interest on Federal funds purchased	2	--	--
Total interest expense	16,003	12,675	9,797
Net interest income before provision for possible loan losses	14,947	12,466	9,651
Provision for possible loan losses	(1,010)	(828)	(665)
Net interest income after provision for possible loan losses	13,937	11,638	8,986
Non-interest income	4,200	3,410	2,781
Non-interest expense	(11,376)	(9,618)	(7,254)
Earnings before income taxes	6,761	5,430	4,513
Income taxes	2,257	1,766	1,406
Net earnings	$ 4,504	3,664	3,107
Net earnings per common share	$ 3.15	2.62	2.27
Weighted average number of shares outstanding	1,428,175	1,397,471	1,368,675

</TABLE>

See accompanying notes to consolidated financial statements.

WILSON BANK HOLDING COMPANY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

THREE YEARS ENDED DECEMBER 31, 1998

<TABLE>
<CAPTION>

In Thousands

	1998	1997	1996
<S>	<C>	<C>	<C>
Net earnings:	$ 4,504	3,664	3,107
Other comprehensive earnings, net of tax:			
Unrealized gains on available-for-sale securities arising during period, net of tax expense of $53,000 and $19,000 and tax benefits of $61,000, respectively	87	38	(100)
Less: reclassification adjustment for gains included in net earnings, net of tax expense of $3,000	(5)	--	--
Other comprehensive earnings	82	38	(100)
Comprehensive earnings	$ 4,586	3,702	3,007

</TABLE>

See accompanying notes to consolidated financial statements.

WILSON BANK HOLDING COMPANY

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

THREE YEARS ENDED DECEMBER 31, 1998

<TABLE>
<CAPTION>

	In Thousands				
	Common Stock	Additional Paid-In Capital	Retained Earnings	Net Unrealized Gain (Loss) On Available-For-Sale Securities	Total
<S>	<C>	<C>	<C>	<C>	<C>
Balance December 31, 1995	$ 2,699	5,944	9,580	175	18,398
Cash dividends declared, $.70 per share	--	--	(950)	--	(950)
Issuance of 28,458 shares of stock pursuant to dividend reinvestment plan	57	740	--	--	797
Net change in unrealized gain on available-for-sale securities during the year, net of taxes of $61,000	--	--	--	(100)	(100)
Net earnings for year	--	--	3,107	--	3,107
Balance December 31, 1996	2,756	6,684	11,737	75	21,252
Cash dividends declared, $.75 per share	--	--	(1,039)	--	(1,039)

Issuance of 29,393 shares of stock pursuant to dividend reinvestment plan	59	843	--	--	902
Net change in unrealized gain on available-for-sale securities during the year, net of taxes of $19,000	--	--	--	38	38
Net earnings for year	--	--	3,664	--	3,664
	-------	-------	-------	-------	-------
Balance December 31, 1997	2,815	7,527	14,362	113	24,817
Cash dividends declared, $.85 per share	--	--	(1,203)	--	(1,203)
Issuance of 31,314 shares of stock pursuant to dividend reinvestment plan	62	1,003	--	--	1,065
Net change in unrealized gain on available-for-sale securities during the year, net of taxes of $56,000	--	--	--	82	82
Net earnings for year	--	--	4,504	--	4,504
	-------	-------	-------	-------	-------
Balance December 31, 1998	$ 2,877	8,530	17,663	195	29,265
	=======	=======	=======	=======	=======

</TABLE>

See accompanying notes to consolidated financial statements.

WILSON BANK HOLDING COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS

THREE YEARS ENDED DECEMBER 31, 1998

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

<TABLE>
<CAPTION>

	In Thousands		
	1998	1997	1996
<S>	<C>	<C>	<C>
Cash flows from operating activities:			
Interest received	$ 30,226	24,434	19,236
Fees received	3,214	2,789	2,213
Proceeds from sale of loans	66,623	39,406	31,803
Origination of loans held for sale	(65,446)	(40,663)	(31,816)
Interest paid	(15,714)	(12,206)	(9,814)
Cash paid to suppliers and employees	(10,134)	(8,734)	(6,756)
Income taxes paid	(2,459)	(1,939)	(1,595)
	--------	--------	--------
Net cash provided by operating activities	6,310	3,087	3,271
	--------	--------	--------
Cash flows from investing activities:			
Purchase of available-for-sale securities	(60,182)	(22,813)	(9,757)
Proceeds from sales of available-for-sale securities	1,507	--	--
Proceeds from maturities of available-for-sale securities	42,753	14,704	7,264

Purchase of held-to-maturity securities	(3,439)	(5,133)	(4,143)
Proceeds from maturities of held-to-maturity securities	7,487	7,417	2,999
Loans made to customers, net of repayments	(56,424)	(54,915)	(37,569)
Purchase of bank premises and equipment	(4,113)	(3,335)	(4,162)
Proceeds from maturities of interest-bearing deposits in financial institutions	--	--	100
Proceeds from sale of fixed assets	35	6	--
Proceeds from sales of other real estate	262	--	--
Payments of organizational costs	--	--	(111)
Net cash used in investing activities	(72,114)	(64,069)	(45,379)
Cash flows from financing activities:			
Net increase in non-interest bearing savings and NOW deposit accounts	31,307	37,323	14,302
Net increase in time deposits	41,157	36,068	28,911
Proceeds from sale of securities under agreements to repurchase	2,698	--	--
Payments on securities under agreements to repurchase	--	(1,056)	(1,077)
Dividends paid	(1,203)	(1,039)	(950)
Proceeds from sale of common stock	1,065	902	797
Proceeds from sale of subsidiaries' stock to minority shareholders	--	--	3,500
Net cash provided by financing activities	75,024	72,198	45,483
Net increase in cash and cash equivalents	9,220	11,216	3,375
Cash and cash equivalents at beginning of year	31,780	20,564	17,189
Cash and cash equivalents at end of year	$ 41,000	31,780	20,564

</TABLE>

See accompanying notes to consolidated financial statements.

WILSON BANK HOLDING COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS, CONTINUED

THREE YEARS ENDED DECEMBER 31, 1998

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

<TABLE>
<CAPTION>

	In Thousands		
	1998	1997	1996
<S>	<C>	<C>	<C>
Reconciliation of net earnings to net cash provided by operating activities:			
Net earnings	$ 4,504	3,664	3,107
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	1,247	1,045	682
Provision for possible loan losses	1,010	828	665
Provision for deferred taxes	(78)	(106)	(202)
Security gains related to available-for-sale securities	(8)	--	--
Loss on sale of other real estate	57	--	--

Gain on sale of fixed assets	(12)	(5)	--
FHLB dividend reinvestment	(66)	(55)	(45)
Decrease (increase) in loans held for sale	211	(1,873)	(504)
Write-off of temporary facilities	15	--	--
Increase in refundable income taxes	(172)	(38)	(57)
Increase (decrease) in taxes payable	49	(28)	69
Increase in accrued interest receivable	(658)	(652)	(167)
Increase (decrease) in interest payable	289	469	(17)
Increase in other assets	(395)	(216)	(331)
Increase in accrued expenses	186	34	148
Net gains (losses) of minority interests of commercial bank subsidiaries	131	20	(77)
Total adjustments	1,806	(577)	164
Net cash provided by operating activities	$ 6,310	3,087	3,271
Supplemental Schedule of Non-Cash Activities:			
Investment securities transferred to held-to-maturity	$ 205	--	--
Unrealized gain (loss) in value of securities available-for-sale, net of taxes of $56,000 in 1998, $19,000 in 1997, and $61,000 in 1996	$ 82	38	(100)
Non-cash transfers from loans to other real estate	$ 394	63	--

</TABLE>

See accompanying notes to consolidated financial statements.

WILSON BANK HOLDING COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1998, 1997 AND 1996

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Wilson Bank Holding Company and Subsidiaries are in accordance with generally accepted accounting principles and conform to general practices within the banking industry. The following is a brief summary of the significant policies.

(A) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company, its wholly-owned subsidiary, Wilson Bank & Trust, Hometown Finance Company, a wholly-owned subsidiary of Wilson Bank & Trust, DeKalb Community Bank, a 50% owned subsidiary, and Community Bank of Smith County, a 50% owned subsidiary. DeKalb Community Bank and Community Bank of Smith County were organized in 1996. All significant intercompany accounts and transactions have been eliminated in consolidation.

(B) NATURE OF OPERATIONS

Wilson Bank & Trust, DeKalb Community Bank and Community Bank of Smith County operate under state bank charters and provide full banking services. Wilson Bank & Trust also provides trust services. As state banks, the subsidiary banks are subject to regulations of the Tennessee Department of Financial Institutions and the Federal Deposit Insurance Corporation. The areas served by the banks include Wilson County, DeKalb County, Smith County and Trousdale County, Tennessee and surrounding counties in Middle Tennessee. Services are provided at the three main offices and nine branch locations.

(C) ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(D) LOANS

Loans are stated at the principal amount outstanding. Unearned discount, deferred loan fees net of loan acquisition costs, and the allowance for possible loan losses are shown as reductions of loans. Loan origination and commitment fees and certain loan-related costs are being deferred and the net amount amortized as an adjustment of the related loan's yield over the contractual life of the loan. Unearned discount represents the unamortized amount of finance charges, principally related to certain installment loans. Interest income on most loans is accrued based on the principal amount outstanding.

The Company follows the provisions of Statement of Financial Accounting Standards (SFAS) No. 114, "Accounting by Creditors for Impairment of a Loan" and SFAS No. 118, "Accounting by Creditors for Impairment of a Loan - Income Recognition and Disclosures." These pronouncements apply to impaired loans except for large groups of smaller-balance homogeneous loans that are collectively evaluated for impairment including residential mortgage and installment loans.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(D) LOANS, CONTINUED

A loan is impaired when it is probable that the Company will be unable to collect the scheduled payments of principal and interest due under the contractual terms of the loan agreement. Impaired loans are measured at the present value of expected future cash flows discounted at the loan's effective interest rate, at the loan's observable market price, or the fair value of the collateral if the loan is collateral dependent. If the measure of the impaired loan is less than the recorded investment in the loan, the Company shall recognize an impairment by creating a valuation allowance with a corresponding charge to the provision for possible loan losses or by adjusting an existing valuation allowance for the impaired loan with a corresponding charge or credit to the provision for possible loan losses.

The Company's installment loans are divided into various groups of smaller-balance homogeneous loans that are collectively evaluated for impairment and, thus, are not subject to the provisions of SFAS Nos. 114 and 118. Substantially all other loans of the Company are evaluated for impairment under the provisions of SFAS Nos. 114 and 118.

The Company considers all loans on nonaccrual status to be impaired. Loans are placed on nonaccrual status when doubt as to timely collection of principal or interest exists, or when principal or interest is past due 90 days or more unless such loans are well-secured and in the process of collection. Delays or shortfalls in loan payments are evaluated along with various other factors to determine if a loan is impaired. Generally, delinquencies under 90 days are considered insignificant unless certain other factors are present which indicate impairment is probable. The decision to place a loan on nonaccrual status is also based on an evaluation of the borrower's financial condition, collateral, liquidation value, and other factors that affect the borrower's ability to pay.

Generally, at the time a loan is placed on nonaccrual status, all interest accrued and uncollected on the loan in the current fiscal year is reversed from income, and all interest accrued and uncollected from the prior year is charged off against the allowance for possible loan losses. Thereafter, interest on nonaccrual loans is recognized as interest income only to the extent that cash is received and future collection of principal is not in doubt. If the collectibility of outstanding principal is doubtful, such cash received is applied as a reduction of principal. A nonaccrual loan may be restored to an accruing status when principal and interest are no longer past due and unpaid and future collection of principal and interest on a timely basis is not in doubt.

Loans not on nonaccrual status are classified as impaired in certain cases when there is inadequate protection by the current net worth and financial capacity of the borrower or of the collateral pledged, if any. In those cases, such loans have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt, and if such deficiencies are not corrected, there is a probability that the Company will sustain some loss. In such cases, interest income continues to accrue as long as the loan does not meet the Company's criteria for nonaccrual status.

WILSON BANK HOLDING COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 1998, 1997 AND 1996

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(D) LOANS, CONTINUED

Generally, the Company also classifies as impaired any loans the terms of which have been modified in a troubled debt restructuring. Interest is generally accrued on such loans that continue to meet the modified terms of their loan agreements.

The Company's charge-off policy for impaired loans is similar to its charge-off policy for all loans in that loans are charged off in the month when they are considered uncollectible.

(E) ALLOWANCE FOR POSSIBLE LOAN LOSSES

The provision for possible loan losses represents a charge to earnings necessary, after loan charge-offs and recoveries, to maintain the allowance for possible loan losses at an appropriate level which is adequate to absorb estimated losses inherent in the loan portfolio. Such estimated losses arise primarily from the loan portfolio but may also be derived from other sources, including commitments to extend credit and standby letters of credit. The level of the allowance is determined on a quarterly basis using procedures which include: (1) categorizing commercial and commercial real estate loans into risk categories to estimate loss probabilities based primarily on the historical loss experience of those risk categories and current economic conditions; (2) analyzing significant commercial and commercial real estate credits and calculating specific reserves as necessary; (3) assessing various homogeneous consumer loan categories to estimate loss probabilities based primarily on historical loss experience; (4) reviewing unfunded commitments; and (5) considering various other factors, such as changes in credit concentrations, loan mix, and economic conditions which may not be specifically quantified in the loan analysis process.

The allowance for possible loan losses consists of an allocated portion and an unallocated, or general portion. The allocated portion is maintained to cover estimated losses applicable to specific segments of the loan portfolio. The unallocated portion is maintained to absorb losses which probably exist as of the evaluation date but are not identified by the more objective processes used for the allocated portion of the allowance due to risk of errors or imprecision. While the total allowance consists of an allocated portion and an unallocated portion, these terms are primarily used to describe a process. Both portions of the allowance are available to provide for inherent loss in the entire portfolio.

WILSON BANK HOLDING COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 1998, 1997 AND 1996

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(E) ALLOWANCE FOR POSSIBLE LOAN LOSSES, CONTINUED

The allowance for possible loan losses is increased by provisions for possible loan losses charged to expense and is reduced by loans charged off net of recoveries on loans previously charged off. The provision is based on management's determination of the amount of the allowance necessary to provide for estimated loan losses based on its evaluation of the loan portfolio. Determining the appropriate level of the allowance and the amount of the provision involves uncertainties and matters of judgment and therefore cannot be determined with precision.

(F) DEBT AND EQUITY SECURITIES

The Company applies the provisions of Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities". Under the provisions of the Statement, securities are classified in three categories and accounted for as follows:

- Securities Held-to-Maturity

  Debt securities that the enterprise has the positive intent and ability to hold to maturity are classified as held-to-maturity securities and reported at amortized cost. Amortization of premiums and accretion of discounts are recognized by the interest method.

- Trading Securities

  Debt and equity securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities and reported at fair value, with unrealized gains and losses included in earnings.

- Securities Available-for-Sale

  Debt and equity securities not classified as either held-to-maturity securities or trading securities are classified as available-for-sale securities and reported at estimated fair value, with unrealized gains and losses excluded from earnings and reported in a separate component of stockholders' equity. Premiums and discounts are recognized by the interest method.

No securities have been classified as trading securities.

Realized gains or losses from the sale of debt and equity securities are recognized based upon the specific identification method.

(G) LOANS HELD FOR SALE

Mortgage loans held for sale are reported at the lower of cost or market value, determined by outstanding commitments from investors at the balance sheet date. These loans are valued on an aggregate basis.

WILSON BANK HOLDING COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 1998, 1997 AND 1996

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(H) PREMISES AND EQUIPMENT

Premises and equipment are stated at cost. Depreciation is computed primarily by the straight-line method over the estimated useful lives of the related assets. Gain or loss on items retired and otherwise disposed of is credited or charged to operations and cost and related accumulated depreciation are removed from the asset and accumulated depreciation accounts.

Expenditures for major renewals and improvements of premises and equipment are capitalized and those for maintenance and repairs are charged to earnings as incurred.

(I) LONG-LIVED ASSETS

Statement of Financial Accounting Standards (SFAS) No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" requires that long-lived assets and certain identifiable intangibles to be held and used or disposed of by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company has determined that no impairment loss need be recognized for its long-lived assets.

(J) CASH AND CASH EQUIVALENTS

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, amounts due from banks and Federal funds sold. Generally, Federal funds sold are purchased and sold for one-day periods. The Company maintains deposits with other financial institutions in excess of the Federal insurance amounts. Management makes deposits only with financial institutions it considers to be financially sound.

(K) INCOME TAXES

Provisions for income taxes are based on taxes payable or refundable for the current year (after exclusion of non-taxable income such as interest on state and municipal securities) and deferred taxes on temporary differences between the amount of taxable and pretax financial income and between the tax bases of assets and liabilities and their reported amounts in the financial statements. Deferred tax assets and liabilities are included in the financial statements at currently enacted income tax rates applicable to the period in which the deferred tax asset and liabilities are expected to be realized or settled as prescribed in Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes." As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes.

The Company and its wholly-owned subsidiaries file a consolidated Federal income tax return. The 50% owned subsidiaries file a separate Federal income tax return but are included in the Company's consolidated state income tax return. Each subsidiary provides for income taxes on a separate-return basis.

WILSON BANK HOLDING COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 1998, 1997 AND 1996

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(L) ADVERTISING COSTS

Advertising costs are expensed when incurred.

(M) EARNINGS PER COMMON SHARE

Earnings per common share is computed by dividing net earnings by the weighted average number of common shares outstanding during each year.

(N) OTHER REAL ESTATE

Real estate acquired in settlement of loans is initially recorded at the lower of cost (loan value of real estate acquired in settlement of loans plus incidental expense) or estimated fair value, less estimated cost to sell. Based on periodic evaluations by management, the carrying values are reduced by a direct charge to earnings when they exceed net realizable value. Costs relating to the development and improvement of the property are capitalized, while holding costs of the property are charged to expense in the period incurred.

(O) RECLASSIFICATIONS

Certain reclassifications have been made to the 1997 and 1996 figures to conform to the presentation for 1998.

(P) OFF-BALANCE-SHEET FINANCIAL INSTRUMENTS

In the ordinary course of business the subsidiary banks have entered into off-balance-sheet financial instruments consisting of commitments to extend credit, commitments under credit card arrangements, commercial letters of credit and standby letters of credit. Such financial instruments are recorded in the financial statements when they are funded or related fees are incurred or received.

(2) LOANS AND ALLOWANCE FOR POSSIBLE LOAN LOSSES

The classification of loans at December 31, 1998 and 1997 is as follows:

<TABLE>
<CAPTION>

	In Thousands	
	1998	1997
<S>	<C>	<C>
Commercial, financial and agricultural	$ 100,217	82,515
Installment	44,299	38,423
Real estate - construction	21,809	18,159
Real estate - mortgage	130,927	103,155
	297,252	242,252
Unearned interest	(1,322)	(1,696)
Allowance for possible loan losses	(3,244)	(2,890)
	$ 292,686	237,666

</TABLE>

(2) LOANS AND ALLOWANCE FOR POSSIBLE LOAN LOSSES, CONTINUED

The principal maturities on loans at December 31, 1998 are as follows:

<TABLE>
<CAPTION>

	In Thousands				
	Commercial Financial and Agricultural	Installment	Real Estate - Construction	Real Estate- Mortgage	Total
3 months or less	$ 25,329	2,503	9,891	1,179	38,902
3 to 12 months	35,432	2,730	10,675	1,500	50,337
1 to 5 years	20,780	37,691	240	33,663	92,374
Over 5 Years	18,676	1,375	1,003	94,585	115,639
	$ 100,217	44,299	21,809	130,927	297,252

</TABLE>

At December 31, 1998, variable rate and fixed rate loans total $105,365,000 and $191,887,000, respectively. At December 31, 1997, variable rate loans were $99,020,000 and fixed rate loans totaled $143,232,000.

In the normal course of business, the Company's subsidiaries have made loans at prevailing interest rates and terms to directors and executive officers of the Company and to their affiliates. The aggregate amount of these loans was $4,657,000 and $6,387,000 at December 31, 1998 and 1997, respectively. As of December 31, 1998 none of these loans were restructured, nor were any related party loans charged-off during the past three years.

An analysis of the activity with respect to such loans to related parties is as follows:

<TABLE>
<CAPTION>

	In Thousands	
	December 31,	
	1998	1997
Balance January 1	$ 6,387	3,105
New loans during the year	5,534	7,978
Repayments during the year	(7,264)	(4,696)
Balance, December 31	$ 4,657	6,387

</TABLE>

A director of the Company performs appraisals related to certain loan customers. Fees paid to the director for these services were $273,000 in 1998, $225,000 in 1997 and $250,000 in 1996.

Loans which had been placed on non-accrual status totaled $223,000 and $160,000 at December 31, 1998 and 1997, respectively. Had interest on these loans been accrued, interest income would have been increased by approximately $16,000 in 1998 and $11,000 in 1997. In 1996, interest income that would have been earned had there been no non-accrual loans totaled approximately $12,000.

WILSON BANK HOLDING COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 1998, 1997 AND 1996

(2) LOANS AND ALLOWANCE FOR POSSIBLE LOAN LOSSES, CONTINUED

Transactions in the allowance for possible loan losses for the years ended December 31, 1998, 1997 and 1996 are summarized as follows:

	In Thousands		
	1998	1997	1996
Balance, beginning of year	$ 2,890	2,452	1,944
Provision charged to operating expense	1,010	828	665
Loans charged off	(705)	(486)	(174)
Recoveries on losses	49	96	17
Balance, end of year	$ 3,244	2,890	2,452

The Company's principal customers are basically in the Middle Tennessee area with a concentration in Wilson County, Tennessee. Credit is extended to businesses and individuals and is evidenced by promissory notes. The terms and conditions of the loans including collateral varies depending upon the purpose of the credit and the borrower's financial condition.

Impaired loans and related loan loss reserve amounts at December 31, 1998 and 1997 were as follows:

	In Thousands December 31,	
	1998	1997
Recorded investment	$ 241	1,025
Loan loss reserve	$ 156	227

The average recorded investment in impaired loans for the years ended December 31, 1998 and 1997 was $219,000 and $543,000, respectively. There was no interest income recognized on these loans during 1998. The related total amount of interest income recognized on the accrual basis for the period that such loans were impaired was $23,000 for 1997.

In 1998, 1997 and 1996, the Company originated and sold loans in the secondary market of $65,446,000, $40,663,000, and $31,816,000, respectively. At December 31, 1998, the wholly-owned subsidiary Bank had not been required to repurchase any of the loans originated by the Bank and sold in the secondary market. The gain on sale of these loans totaled $966,000, $616,000, and $491,000 in 1998, 1997 and 1996, respectively.

WILSON BANK HOLDING COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 1998, 1997 AND 1996

(2) LOANS AND ALLOWANCE FOR POSSIBLE LOAN LOSSES, CONTINUED

Of the loans sold in the secondary market, the recourse to the wholly-owned subsidiary Bank is limited. On loans sold to the Federal Home Loan Mortgage Corporation, the Bank has a recourse obligation for one year from the purchase date. At December 31, 1998, loans sold to the Federal Home Loan Mortgage Corporation with existing recourse totaled $7,326,000. All other loans sold in the secondary market provide the purchase recourse to the Bank for a period of 90 days from the date of purchase and only in the event of a default by the borrower pursuant to the terms of the individual loan agreement. At December 31, 1998, total loans sold with recourse to the Bank, including those sold to the Federal Home Loan Mortgage Corporation, aggregated $24,360,000. Management expects no loss to result from these recourse provisions.

(3) DEBT AND EQUITY SECURITIES

Debt and equity securities have been classified in the consolidated balance sheet according to management's intent. Debt and equity securities at December 31, 1998 consist of the following:

<TABLE>
<CAPTION>

	Securities Held-To-Maturity			
	In Thousands			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
<S>	<C>	<C>	<C>	<C>
U.S. Treasury and other U.S. Government agencies and corporations	$ 1,097	7	--	1,104
Obligations of states and political subdivision	15,202	479	--	15,681
Mortgage-backed securities	4,109	15	39	4,085
	$ 20,408	501	39	20,870

<CAPTION>

Securities Available-For-Sale

In Thousands

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
<S>	<C>	<C>	<C>	<C>
U.S. Treasury and other U.S. Government agencies and corporations	$ 49,189	283	43	49,429
Obligations of states and political subdivision	2,732	91	--	2,823
Mortgage-backed securities	922	7	1	928
	$ 52,843	381	44	53,180

</TABLE>

WILSON BANK HOLDING COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 1998, 1997 AND 1996

(3) DEBT AND EQUITY SECURITIES, CONTINUED

The Company's classification of securities at December 31, 1997 is as follows:

<TABLE>
<CAPTION>

	Securities Held-To-Maturity			
	In Thousands			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
<S>	<C>	<C>	<C>	<C>
U.S. Treasury and other U.S. Government agencies and corporations	$ 1,197	16	--	1,213
Obligations of states and political subdivision	16,989	332	7	17,314
Mortgage-backed securities	6,065	12	57	6,020
	$ 24,251	360	64	24,547

<CAPTION>

	Securities Available-For-Sale			
	In Thousands			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value

U.S. Treasury and other U.S. Government agencies and corporations	$ 30,977	82	20	31,039
Obligations of states and political subdivision	4,781	123	1	4,903
Mortgage-backed securities	1,294	19	9	1,304
	$ 37,052	224	30	37,246

WILSON BANK HOLDING COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 1998, 1997 AND 1996

(3) DEBT AND EQUITY SECURITIES, CONTINUED

The amortized cost and estimated market value of debt securities at December 31, 1998, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

Securities Held-To-Maturity	Amortized Cost	Estimated Market Value
Due in one year or less	$ 2,304	2,312
Due after one year through five years	5,078	5,187
Due after five years through ten years	5,089	5,308
Due after ten years	3,828	3,978
	16,299	16,785
Mortgage-backed securities	4,109	4,085
	$ 20,408	20,870

Securities Available-For-Sale	Amortized Cost	Estimated Market Value
Due in one year or less	$ 1,446	1,459
Due after one year through five years	7,418	7,575
Due after five years through ten years	35,997	36,126
Due after ten years	6,048	6,080
	50,909	51,240
Mortgage-backed securities	922	928
Federal Home Loan Bank stock	1,012	1,012

	$ 52,843	53,180

</TABLE>

Results from sales of debt and equity securities are as follows:

<TABLE>
<CAPTION>

	In Thousands		
	1998	1997	1996
<S>	<C>	<C>	<C>
Gross proceeds	$ 1,507	--	--
Gross realized gains	$ 8	--	--
Gross realized losses	--	--	--
Net realized gains	$ 8	--	--

</TABLE>

WILSON BANK HOLDING COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 1998, 1997 AND 1996

(3) DEBT AND EQUITY SECURITIES, CONTINUED

The Company periodically applies the stress test to its securities portfolio. To satisfy the stress test a security's estimated market value should not decline more than certain percentages given certain assumed interest rate increases. The Company had no securities that failed to meet the stress test.

Securities carried in the balance sheet of approximately $46,076,000 (approximate market value of $46,626,000) and $41,803,000 (approximate market value of $42,037,000), were pledged to secure public deposits and for other purposes as required or permitted by law at December 31, 1998 and 1997, respectively.

Included in the securities above are $14,751,000 (market value of $15,159,000) and $18,547,000 (market value of $18,819,000) at December 31, 1998 and 1997, respectively, in obligations of political subdivisions located within the State of Tennessee. Management purchases only obligations of such political subdivisions it considers to be financially sound.

Securities that have rates that adjust prior to maturity totaled $4,750,000 (market value $4,726,000) at December 31, 1998.

Included in the securities portfolio is stock of the Federal Home Loan Bank amounting to $1,012,000 and $847,000 at December 31, 1998 and 1997, respectively. The stock can be sold back at par and only to the Federal Home Loan Bank or to another member institution.

(4) PREMISES AND EQUIPMENT

The detail of premises and equipment at December 31, 1998 and 1997 is as follows:

<TABLE>
<CAPTION>

<S>	In Thousands 1998 <C>	1997 <C>
Land	$ 2,898	2,153
Buildings	9,815	7,314
Leasehold improvements	137	153
Furniture and equipment	6,466	5,029
Automobiles	106	114
Construction in progress	24	647
	19,446	15,410
Less accumulated depreciation	(4,639)	(3,481)
	$ 14,807	11,929

</TABLE>

Building additions during 1998 and 1997 include payments of $1,281,000 and $716,000, respectively, to a construction company owned by a director of the Company.

(5) DEPOSITS

Deposits at December 31, 1998 and 1997 are summarized as follows:

<TABLE>
<CAPTION>

<S>	In Thousands 1998 <C>	1997 <C>
Demand deposits	$ 43,345	32,373
Savings accounts	19,471	16,971
Negotiable order of withdrawal	25,581	26,355
Money market demand accounts	81,638	63,030
Certificates of deposit $100,000 or greater	74,596	56,560
Other certificates of deposit	126,674	105,976
Individual retirement accounts $100,000 or greater	4,619	4,386
Other individual retirement accounts	13,181	10,990
	$ 389,105	316,641

</TABLE>

Principal maturities of certificates of deposit and individual retirement accounts at December 31, 1998 are as follows:

Maturity	Single Deposits Under $100,000 (In Thousands)	Single Deposits Over $100,000 (In Thousands)	Total (In Thousands)
3 months or less	$ 24,258	23,525	47,783
3 to 6 months	21,270	15,691	36,961
6 to 12 months	44,155	19,567	63,722
1 to 5 years	50,172	20,432	70,604
	$ 139,855	79,215	219,070

The subsidiary banks are required to maintain cash balances or balances with the Federal Reserve Bank or other correspondent banks based on certain percentages of deposit types. The average required amounts for the years ended December 31, 1998 and 1997 were approximately $2,091,000 and $1,328,000, respectively.

(6) SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

The maximum amounts of outstanding repurchase agreements at any month end during 1998 and 1997 was $12,399,000 and $9,632,000, respectively. The average daily balance outstanding during 1998, 1997 and 1996 was $8,503,000, $7,327,000, and $8,224,000, respectively. The underlying securities are typically held by other financial institutions and are designated as pledged.

(7) NON-INTEREST INCOME AND NON-INTEREST EXPENSE

The significant components of non-interest income and non-interest expense for the years ended December 31 are presented below:

	1998 (In Thousands)	1997 (In Thousands)	1996 (In Thousands)
Non-interest income:			
Service charges on deposits	$ 1,720	1,430	1,251
Other fees	1,493	1,351	962
Gains on sales of loans	966	616	491
Security gains	8	--	--
Gains on sales of fixed assets	12	5	--
Other income	1	8	--
Minority interest in net losses of subsidiaries	--	--	77
	$ 4,200	3,410	2,781

Non-interest expense:			
Employee salaries and benefits	$ 5,605	4,583	3,811
Employee benefit plan	334	271	188
Occupancy expenses	775	725	469
Furniture and equipment expenses	1,039	811	624
Loss on sale of other real estate	57	--	--
FDIC insurance	39	30	3
Directors' fees	475	397	349
Other operating expenses	2,921	2,781	1,810
Minority interest in net income of subsidiaries	131	20	--
	$ 11,376	9,618	7,254

</TABLE>

(8) INCOME TAXES

The components of the net deferred tax asset are as follows:

<TABLE>
<CAPTION>

	In Thousands	
	1998	1997
<S>	<C>	<C>
Deferred tax asset:		
Federal	$ 964	871
State	181	164
	1,145	1,035
Deferred tax liability:		
Federal	(363)	(286)
State	(68)	(54)
	(431)	(340)
	$ 714	695

</TABLE>

WILSON BANK HOLDING COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 1998, 1997 AND 1996

(8) INCOME TAXES, CONTINUED

The tax effects of each type of significant item that gave rise to deferred taxes are:

<TABLE>
<CAPTION>

	In Thousands	
	1998	1997
<S>	<C>	<C>
Financial statement allowance for loan losses in excess of tax allowance	$ 1,094	999
Excess of depreciation deducted for tax purposes over the amounts deducted in the financial statements	(224)	(192)
Financial statement deduction for deferred compensation in excess of deduction for tax purposes	26	16
Financial statement deduction for preopening expenses and organizational costs in excess of the amounts deducted for tax purposes	24	20
Financial statement income on FHLB stock dividends not recognized for tax purposes	(78)	(38)
Unrealized gain on securities available-for-sale	(128)	(74)
	714	731
Benefit of 50% owned bank subsidiaries' Federal net operating loss not recognized	--	(36)
	$ 714	695

</TABLE>

The components of income tax expense (benefit) are summarized as follows:

<TABLE>
<CAPTION>

	In Thousands		
	Federal	State	Total
<S>	<C>	<C>	<C>
1998			
Current	$ 1,913	422	2,335
Deferred	(72)	(6)	(78)
Total	$ 1,841	416	2,257
1997			
Current	$ 1,524	348	1,872
Deferred	(91)	(15)	(106)
Total	$ 1,433	333	1,766
1996			
Current	$ 1,304	304	1,608
Deferred	(162)	(40)	(202)
Total	$ 1,142	264	1,406

</TABLE>

(8) INCOME TAXES, CONTINUED

A reconciliation of actual income tax expense of $2,257,000, $1,766,000 and $1,406,000 for the years ended December 31, 1998, 1997 and 1996, respectively, to the "expected" tax expense (computed by applying the statutory rate of 34% to earnings before income taxes) is as follows:

<TABLE>
<CAPTION>

	In Thousands 1998	1997	1996
Computed "expected" tax expense	$ 2,299	1,846	1,534
State income taxes, net of Federal income tax benefit	276	220	175
Tax exempt interest, net of interest expense exclusion	(315)	(335)	(331)
Tax expense (benefit) related to minority interest income (loss) in subsidiaries	45	7	(26)
Tax benefits of net operating losses of 50% owned bank subsidiaries not recognized	--	31	52
Tax benefits of net operating losses of 50% owned bank subsidiaries not previously recognized	(46)	(33)	--
Other	(2)	30	2
	$ 2,257	1,766	1,406

</TABLE>

Total income tax expense for 1998 includes income tax expense of $3,000 related to the gain on sale of securities. There were no sales of securities in 1997 and 1996.

(9) COMMITMENTS AND CONTINGENT LIABILITIES

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

The subsidiary banks lease land for certain branch facilities and automatic teller machine locations. Future minimum rental payments required under the terms of the noncancellable leases are as follows:

<TABLE>
<CAPTION>

Years Ending December 31,	In Thousands
1999	$ 59
2000	43
2001	33
2002	28
2003	12
	$ 175

</TABLE>

Total rent expense amounted to $85,000, $80,000 and $59,000, respectively, during the years ended December 31, 1998, 1997 and 1996.

WILSON BANK HOLDING COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 1998, 1997 AND 1996

(9) COMMITMENTS AND CONTINGENT LIABILITIES, CONTINUED

The term "Year 2000 issue" refers to the necessity of converting computer information systems so that such systems recognize more than two digits to identify a year in any given date field, and are thereby able to differentiate between years in the twentieth and twenty-first centuries ending with the same two digits (e.g., 1900 and 2000). To address the Year 2000 issue, the subsidiary banks have appointed a Year 2000 Committee to coordinate the identification, evaluation and implementation of changes to computer systems and applications necessary to achieve Year 2000 compliance.

Areas being addressed by the Committee include:

- Subsidiary banks' primary data processing system. A major data processor provides the primary software and hardware for the data processing system of the subsidiary banks. This is of the highest priority for day to day operations, accounting and success of the subsidiary banks.

- Government systems, such as the Federal Reserve Bank for check clearing, wire transfers, and the free flow and exchange of funds between institutions are absolutely critical.

- The internal PC hardware and software systems within the subsidiary banks, along with telecommunications systems.

- The primary securities portfolio accounting and safekeeping system for the subsidiary banks.

- Credit administration - the committee is reviewing the risk associated with Year 2000 status of the subsidiary banks' loan customers and depositors.

- Status of subsidiary banks' primary vendors' Year 2000 compliance.

Management does not currently believe that the costs of assessment, remediation, or replacement of the subsidiary banks' systems, or the potential failure of third parties' systems will have a material adverse effect on the subsidiary banks' business, financial condition, results of operations, or liquidity.

(10) FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK

The Company is 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 consist primarily of commitments to extend credit. These instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the consolidated balance sheets. The contract or notional amounts of those instruments reflect the extent of involvement the Company has in particular classes of financial instruments.

WILSON BANK HOLDING COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 1998, 1997 AND 1996

(10) FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK, CONTINUED

The Company's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit is represented by the contractual notional amount of those instruments. The Company uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments.

<TABLE>
<CAPTION>

	In Thousands	
	Contract or Notional Amount	
	1998	1997
<S>	<C>	<C>
Financial instruments whose contract amounts represent credit risk:		
Commercial loan commitments	$ 28,327	25,212
Unfunded lines-of-credit	9,929	7,726
Letters of credit	1,277	1,730
Total	$ 39,533	34,668

</TABLE>

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to be drawn upon, the total commitment amounts generally represent future cash requirements. The Company evaluates each customer's credit-worthiness on a case-by-case basis. The amount of collateral, if deemed necessary by the Company upon extension of credit, is based on management's credit evaluation of the counterparty. Collateral normally consists of real property.

(11) CONCENTRATION OF CREDIT RISK

Practically all of the Company's loans, commitments, and commercial and standby letters of credit have been granted to customers in the Company's market area. Practically all such customers are depositors of the subsidiary banks. Investment in state and municipal securities also include governmental entities within the Company's market area. The concentrations of credit by type of loan are set forth in note 2 to the consolidated financial statements.

At December 31, 1998 and 1997, the Company's cash and due from banks included commercial bank deposit accounts aggregating $100,000 and $78,000, respectively in excess of the Federal Deposit Insurance Corporation limit of $100,000 per institution.

In addition, Federal funds sold were deposited with six banks.

(12) EMPLOYEE BENEFIT PLAN

The Company has in effect a 401(k) plan which covers eligible employees. To be eligible an employee must have obtained the age of 20 1/2. The provisions of the plan provide for both employee and employer contributions. For the years ended December 31, 1998, 1997 and 1996, the subsidiary banks contributed $334,000, $271,000 and $188,000, respectively, to this plan.

WILSON BANK HOLDING COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 1998, 1997 AND 1996

(13) DIVIDEND REINVESTMENT PLAN

Under the terms of the Company's dividend reinvestment plan holders of common stock may elect to automatically reinvest cash dividends in additional shares of common stock. The Company may elect to sell original issue shares or to purchase shares in the open market for the account of participants. Original issue shares of 31,314 in 1998, 29,393 in 1997 and 28,458 in 1996 were sold to participants under the terms of the plan.

(14) REGULATORY MATTERS AND RESTRICTIONS ON DIVIDENDS

The Company and its bank subsidiaries are subject to regulatory capital requirements administered by the Federal Deposit Insurance Corporation, the Federal Reserve and the Tennessee Department of Financial Institutions. Failure to meet minimum capital requirements can initiate certain mandatory -- and possibly additional discretionary-actions by regulators that, if undertaken, could have a direct material effect on the Company's financial statements. The Company's capital classification is also subject to qualitative judgments about components, risk weightings and other factors. Those qualitative judgments could also affect the subsidiary banks' capital status and the amount of dividends the subsidiaries may distribute. At December 31, 1998, management believes that the Company and all of its subsidiaries meet all such capital requirements to which they are subject.

The Company and its subsidiary banks are required to maintain minimum amounts of capital to total "risk weighted" assets, as defined by the banking regulators. At December 31, 1998, the Company and its bank subsidiaries are required to have minimum Tier I and total risk-based capital ratios of 4% and 8%, respectively. The Company's actual ratios at that date were 11.20% and 12.31%, respectively. The leverage ratio at December 31, 1998 was 7.78% and the minimum requirement was 4%.

(15) DEFERRED COMPENSATION PLAN

The Company's wholly-owned subsidiary bank provides its executive officers a deferred compensation plan, which also provides for death and disability benefits. The plan was established by the Board of Directors to reward executive management for past performance and to provide additional incentive to retain the service of executive management. There were five employees participating in the plan at December 31, 1998.

The plan provides retirement benefits for a period of 180 months after the employee reaches the age of 65. This benefit can be reduced if the wholly-owned subsidiary bank's average return on assets falls below 1%. The plan also provides benefits in the event the executive should die or become disabled prior to reaching retirement. The wholly-owned subsidiary bank has purchased insurance policies or other assets to provide the benefits listed above. The insurance policies remain the sole property of the wholly-owned subsidiary bank and are payable to the Bank. At December 31, 1998 and 1997, the deferred compensation liability totaled $69,000 and $43,000, respectively, the cash surrender value of life insurance was $283,000 and $181,000, respectively, and the face amount of the insurance policies in force approximated $2,280,000 and $1,480,000 in 1998 and 1997, respectively. The deferred compensation plan is not qualified under Section 401 of the Internal Revenue Code.

WILSON BANK HOLDING COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 1998, 1997 AND 1996

(16) WILSON BANK HOLDING COMPANY - PARENT COMPANY FINANCIAL INFORMATION

WILSON BANK HOLDING COMPANY
(PARENT COMPANY ONLY)

BALANCE SHEETS

DECEMBER 31, 1998 AND 1997

<TABLE>
<CAPTION>

	In Thousands 1998	In Thousands 1997
<S>	<C>	<C>
ASSETS		
Cash	$ 1*	16*
Investment in wholly-owned commercial bank subsidiary	25,596*	21,266*
Investment in 50% owned commercial bank subsidiaries	3,587*	3,455*
Refundable income taxes	81	80
Total assets	$ 29,265	24,817
LIABILITIES AND STOCKHOLDERS' EQUITY		
Stockholders' equity:		
Common stock, par value $2.00 per share, authorized 5,000,000 shares, issued and outstanding 1,438,781 and 1,407,467 shares, respectively	$ 2,877	2,815
Additional paid-in capital	8,530	7,527
Retained earnings	17,663	14,362
Unrealized gain on available-for-sale securities, net of taxes of $121,000 and $65,000, respectively	195	113
	29,265	24,817
Total liabilities and stockholders' equity	$ 29,265	24,817

</TABLE>

*Eliminated in consolidation.

WILSON BANK HOLDING COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 1998, 1997 AND 1996

(16) WILSON BANK HOLDING COMPANY -
PARENT COMPANY FINANCIAL INFORMATION

WILSON BANK HOLDING COMPANY
(PARENT COMPANY ONLY)

STATEMENTS OF EARNINGS AND COMPREHENSIVE EARNINGS

THREE YEARS ENDED DECEMBER 31, 1998

<TABLE>
<CAPTION>

	In Thousands		
	1998	1997	1996
<S>	<C>	<C>	<C>
Expenses:			
Employee salary and benefits	$ --	20	9
Amortization of organizational costs	--	4	5
Directors fees	198	167	129
Other	15	20	11
Loss before Federal income tax benefits and equity in undistributed earnings of commercial bank subsidiaries	(213)	(211)	(154)
Federal income tax benefits	81	80	58
	(132)	(131)	(96)
Equity in undistributed earnings of commercial bank subsidiaries	4,636*	3,795*	3,203*
Net earnings	4,504	3,664	3,107
Other comprehensive earnings, net of tax:			
Unrealized gains on available-for-sale securities arising during period, net of tax expense of $53,000 and $19,000, and tax benefits of $61,000, respectively	87	38	(100)
Less: reclassification adjustment for gains included in net earnings, net of tax expense of $3,000	(5)	--	--
Other comprehensive earnings	82	38	(100)
Comprehensive earnings	$ 4,586	3,702	3,007

</TABLE>

*Eliminated in consolidation.

WILSON BANK HOLDING COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 1998, 1997 AND 1996

(16) WILSON BANK HOLDING COMPANY -
PARENT COMPANY FINANCIAL INFORMATION

WILSON BANK HOLDING COMPANY
(PARENT COMPANY ONLY)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

THREE YEARS ENDED DECEMBER 31, 1998

<TABLE>
<CAPTION>

	In Thousands				
	Common Stock	Additional Paid-In Capital	Retained Earnings	Net Unrealized Gain (Loss) On Available-For-Sale Securities	Total
<S>	<C>	<C>	<C>	<C>	<C>
Balance December 31, 1995	$ 2,699	5,944	9,580	175	18,398
Cash dividends declared, $.70 per share	--	--	(950)	--	(950)
Issuance of stock pursuant to dividend reinvestment plan	57	740	--	--	797
Net change in unrealized gain on available-for-sale securities during the year, net of taxes of $61,000	--	--	--	(100)	(100)
Net earnings for year	--	--	3,107	--	3,107
Balance December 31, 1996	2,756	6,684	11,737	75	21,252
Cash dividends declared, $.75 per share	--	--	(1,039)	--	(1,039)
Issuance of 29,393 shares of stock pursuant to dividend reinvestment plan	59	843	--	--	902
Net change in unrealized gain on available-for-sale securities during the year, net of taxes of $19,000	--	--	--	38	38
Net earnings for year	--	--	3,664	--	3,664

Balance December 31, 1997	2,815	7,527	14,362	113	24,817
Cash dividends declared, $.85 per share	--	--	(1,203)	--	(1,203)
Issuance of 31,314 shares of stock pursuant to dividend reinvestment plan	62	1,003	--	--	1,065
Net change in unrealized gain on available-for-sale securities during the year, net of taxes of $56,000	--	--	--	82	82
Net earnings for year	--	--	4,504	--	4,504
Balance December 31, 1998	$ 2,877	8,530	17,663	195	29,265

</TABLE>

WILSON BANK HOLDING COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 1998, 1997 AND 1996

(16) WILSON BANK HOLDING COMPANY - PARENT COMPANY FINANCIAL INFORMATION

WILSON BANK HOLDING COMPANY
(PARENT COMPANY ONLY)

STATEMENTS OF CASH FLOWS

THREE YEARS ENDED DECEMBER 31, 1998

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

<TABLE>
<CAPTION>

	In Thousands		
	1998	1997	1996
<S>	<C>	<C>	<C>
Cash flows from operating activities:			
Cash paid to suppliers and other	$ (213)	(201)	(155)
Tax benefits received	80	58	41
Net cash used in operating activities	(133)	(143)	(114)
Cash flows from investing activities:			
Purchase of stock in minority owned subsidiaries	--	--	(3,500)
Decrease in due from subsidiaries	--	--	16
Dividend received from commercial bank subsidiary	256	235	3,757
Net cash provided by investing activities	256	235	273
Cash flows from financing activities:			
Dividends paid	(1,203)	(1,039)	(950)
Proceeds from sale of stock	1,065	902	797

Net cash used in financing activities	(138)	(137)	(153)
Net increase (decrease) in cash and cash equivalents	(15)	(45)	6
Cash and cash equivalents at beginning of period	16	61	55
Cash and cash equivalents at end of year	$ 1	16	61

</TABLE>

WILSON BANK HOLDING COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 1998, 1997 AND 1996

(16) WILSON BANK HOLDING COMPANY -
PARENT COMPANY FINANCIAL INFORMATION, CONTINUED

WILSON BANK HOLDING COMPANY
(PARENT COMPANY ONLY)

STATEMENTS OF CASH FLOWS, CONTINUED

THREE YEARS ENDED DECEMBER 31, 1998

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

<TABLE>
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	In Thousands		
	1998	1997	1996
<S>	<C>	<C>	<C>
Reconciliation of net earnings to net cash used in operating activities:			
Net earnings	$ 4,504	3,664	3,107
Adjustments to reconcile net earnings to net cash used in operating activities:			
Equity in earnings of commercial bank subsidiaries	(4,636)	(3,795)	(3,203)
Amortization of organization costs	--	4	5
(Increase) decrease in other assets	--	6	(6)
Increase in refundable income taxes	(1)	(22)	(17)
Total adjustments	(4,637)	(3,807)	(3,221)
Net cash used in operating activities	$ (133)	(143)	(114)

</TABLE>

WILSON BANK HOLDING COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 1998, 1997 AND 1996

(17) DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

Statement of Financial Accounting Standards No. 107, Disclosures about Fair Value of Financial Instruments (SFAS No. 107), requires that the Company disclose estimated fair values for its financial instruments. Fair value estimates, methods, and assumptions are set forth below for the Company's financial instruments.

Cash and short-term investments

For those short-term instruments, the carrying amount is a reasonable estimate of fair value.

Securities

The carrying amounts for short-term securities approximate fair value because they mature in 90 days or less and do not present unanticipated credit concerns. The fair value of longer-term securities and mortgage-backed securities, except certain state and municipal securities, is estimated based on bid prices published in financial newspapers or bid quotations received from securities dealers. The fair value of certain state and municipal securities is not readily available through market sources other than dealer quotations, so fair value estimates are based on quoted market prices of similar instruments, adjusted for differences between the quoted instruments and the instruments being valued.

SFAS No. 107 specifies that fair values should be calculated based on the value of one unit without regard to any premium or discount that may result from concentrations of ownership of a financial instrument, possible tax ramifications, or estimated transaction costs. Accordingly, these considerations have not been incorporated into the fair value estimates.

Loans

Fair values are estimated for portfolios of loans with similar financial characteristics. Loans are segregated by type such as commercial, mortgage, credit card and other consumer. Each loan category is further segmented into fixed and adjustable rate interest terms.

WILSON BANK HOLDING COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 1998, 1997 AND 1996

(17) DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS, CONTINUED

Loans, Continued

The fair value of the various categories of loans is estimated by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining average estimated maturities.

The estimated maturity for mortgages is modified from the contractual terms to give consideration to management's experience with prepayments. Management has made estimates of fair value discount rates that it believes to be reasonable. However, because there is no market for many of these financial instruments, management has no basis to determine whether the fair value presented below would be indicative of the value negotiated in an actual sale.

The value of the loan portfolio is also discounted in consideration of the credit quality of the loan portfolio as would be the case between willing buyers and sellers. Particular emphasis has been given to loans on the subsidiary banks' internal watch list. Valuation of these loans is based upon borrower performance, collateral values (including external appraisals), etc.

Deposit Liabilities

The fair value of demand deposits, savings accounts and certain money market deposits is the amount payable on demand at the reporting date. The fair value of fixed-maturity certificates of deposit is estimated using the rates currently offered for deposits of similar remaining maturities. Under the provision of SFAS No. 107 the fair value estimates for deposits does not include the benefit that results from the low cost funding provided by the deposit liabilities compared to the cost of borrowing funds in the market.

Securities Sold Under Repurchase Agreements

The securities sold under repurchase agreements are payable upon demand. For this reason the carrying amount is a reasonable estimate of fair value.

(17) DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS, CONTINUED

Commitments to Extend Credit, Standby Letters of Credit and Financial Guarantees Written

Loan commitments are made to customers generally for a period not to exceed one year and at the prevailing interest rates in effect at the time the loan is closed. Commitments to extend credit related to construction loans are made for a period not to exceed six months with interest rates at the current market rate at the date of closing. In addition, standby letters of credit are issued for periods up to three years with rates to be determined at the date the letter of credit is funded. Fees are only charged for the construction loans and the standby letters of credit and the amounts unearned at December 31, 1998 are insignificant.

Accordingly, these commitments have no carrying value and management estimates the commitments to have no significant fair value.

The carrying value and estimated fair values of the Company's financial instruments at December 31, 1998 and 1997 are as follows:

<TABLE>
<CAPTION>

	In Thousands			
	1998		1997	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash and short-term investments	$ 41,000	41,000	31,780	31,780
Securities	73,588	74,050	61,497	61,793
Loans	295,930		240,556	
Less: allowance for loan losses	3,244		2,890	
Loans, net of allowance	292,686	293,108	237,666	237,398
Loans held for sale	3,881	3,881	4,092	4,092
Financial liabilities:				
Deposits	389,105	391,720	316,641	317,766
Securities sold under repurchase agreements	7,258	7,258	4,560	4,560
Unrecognized financial instruments:				
Commitments to extend credit	--	--	--	--
Standby letters of credit	--	--	--	--

</TABLE>

(17) DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS, CONTINUED

Limitations

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates do not reflect any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument. Because no market exists for a significant portion of the Company's financial instruments, fair value estimates are based on judgments regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Fair value estimates are based on estimating on-and-off-balance sheet financial instruments without attempting to estimate the value of anticipated future business and the value of assets and liabilities that are not considered financial instruments. For example, a subsidiary Bank has a mortgage department that contributes net fee income annually. The mortgage department is not considered a financial instrument, and its value has not been incorporated into the fair value estimates. Other significant assets and liabilities that are not considered financial assets or liabilities include deferred tax assets and liabilities and property, plant and equipment. In addition, the tax ramifications related to the realization of the unrealized gains and losses can have a significant effect on fair value estimates and have not been considered in the estimates.

EXHIBIT 21.1

Subsidiaries of the Issuer

The Company has a wholly-owned subsidiary, Wilson Bank and Trust, a state chartered bank incorporated under the laws of the State of Tennessee and doing business under the same name. Wilson Bank and Trust has a wholly-owned subsidiary, Hometown Finance Company, a state chartered loan and thrift company incorporated under the laws of the State of Tennessee and doing business under the same name. The Company also owns 50% of DeKalb Community Bank, a state chartered bank incorporated under the laws of the State of Tennessee and doing business under the same name and 50% of Community Bank of Smith County, a state chartered bank incorporated under the laws of the State of Tennessee and doing business under the same name.

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