

Board of Governors of the Federal Reserve System



# Annual Report of Holding Companies—FR Y-6

## Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844(c)(1)(A)); sections 8(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3108(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); and sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(c)(1), and 5468(b)(1)). Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank holding companies, top-tier savings and loan holding companies, and U.S. intermediate holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

**NOTE:** The *Annual Report of Holding Companies* must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report. If the holding company is an ESOP/ESOT formed as a corporation or is an LLC, see the General Instructions for the authorized individual who must sign the report.

**Date of Report** (top-tier holding company's fiscal year-end):

**December 31, 2016**

Month / Day / Year

**NOT APPLICABLE**

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

Reporter's Name, Street, and Mailing Address

**I, KATHERINE REESE CAPPS**

Name of the Holding Company Director and Official

**PRESIDENT/CEO**

Title of the Holding Company Director and Official

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

**FIRST STATE BANCSHARES INC.**

Legal Title of Holding Company

**1810 CUMBERLAND AVE/PO BOX 400**

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

**MIDDLESBORO**

**KY**

**40965**

City

State

Zip Code

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

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

**TERESA LYNN FRANCIS**

**EVP/CFO**

Name

Title

**606-248-9537**

Area Code / Phone Number / Extension

**606-248-9551**

Area Code / FAX Number

**teresa.francis@fsf.bank**

E-mail Address

**www.fsf.bank**

Address (URL) for the Holding Company's web page

Signature of Holding Company Director and Official

**03/22/2017**

Date of Signature

For holding companies *not* registered with the SEC—  
 Indicate status of Annual Report to Shareholders:

- is included with the FR Y-6 report
- will be sent under separate cover
- is not prepared

For Federal Reserve Bank Use Only

RSSD ID \_\_\_\_\_

C.I. \_\_\_\_\_

Is confidential treatment requested for any portion of this report submission?.....	0=No 1=Yes	<input type="checkbox"/>
In accordance with the General Instructions for this report (check only one),		
1. a letter justifying this request is being provided along with the report .....		<input type="checkbox"/>
2. a letter justifying this request has been provided separately.....		<input type="checkbox"/>
<b>NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential."</b>		

**Results:** A list of branches for your depository institution: FIRST STATE FINANCIAL, INC. (ID: BSSD: 961811)  
 This depository institution is held by FIRST STATE FINANCIAL, INC. (070993) of FINANCIAL INSTITUTIONS  
 The data are as of 12/31/2016. Data reflect information that was received and processed through 03/10/2017.

**Reconciliation and Verification Status**

1. In the Data Action column of each branch row, enter one or more of the actions specified below
2. If required, enter the date in the Effective Date column

**Actions**

- OK:** If the branch information is correct, enter 'OK' in the Data Action column.
- Change:** If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the Data Action column and the date when this information first became valid in the Effective Date column.
- Close:** If a branch is closed, enter 'Close' in the Data Action column and the date of closure date in the Effective Date column.
- Delete:** If a branch listed was never opened by this depository institution, enter 'Delete' in the Data Action column.
- Add:** If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the Data Action column and the opening or acquisition date in the Effective Date column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

**Submission Procedure**

When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information. If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

**Notes:**

- To satisfy the FR Y-10 reporting requirements, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a Data Action of **Change**, **Delete**, or **Add**.
- The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application: <http://www.frb.com/branches/branches.aspx>.

\* FDIC ID NUMBER, Office Number, and ID\_BSSD columns are for reference only. Verification of these values is not required.

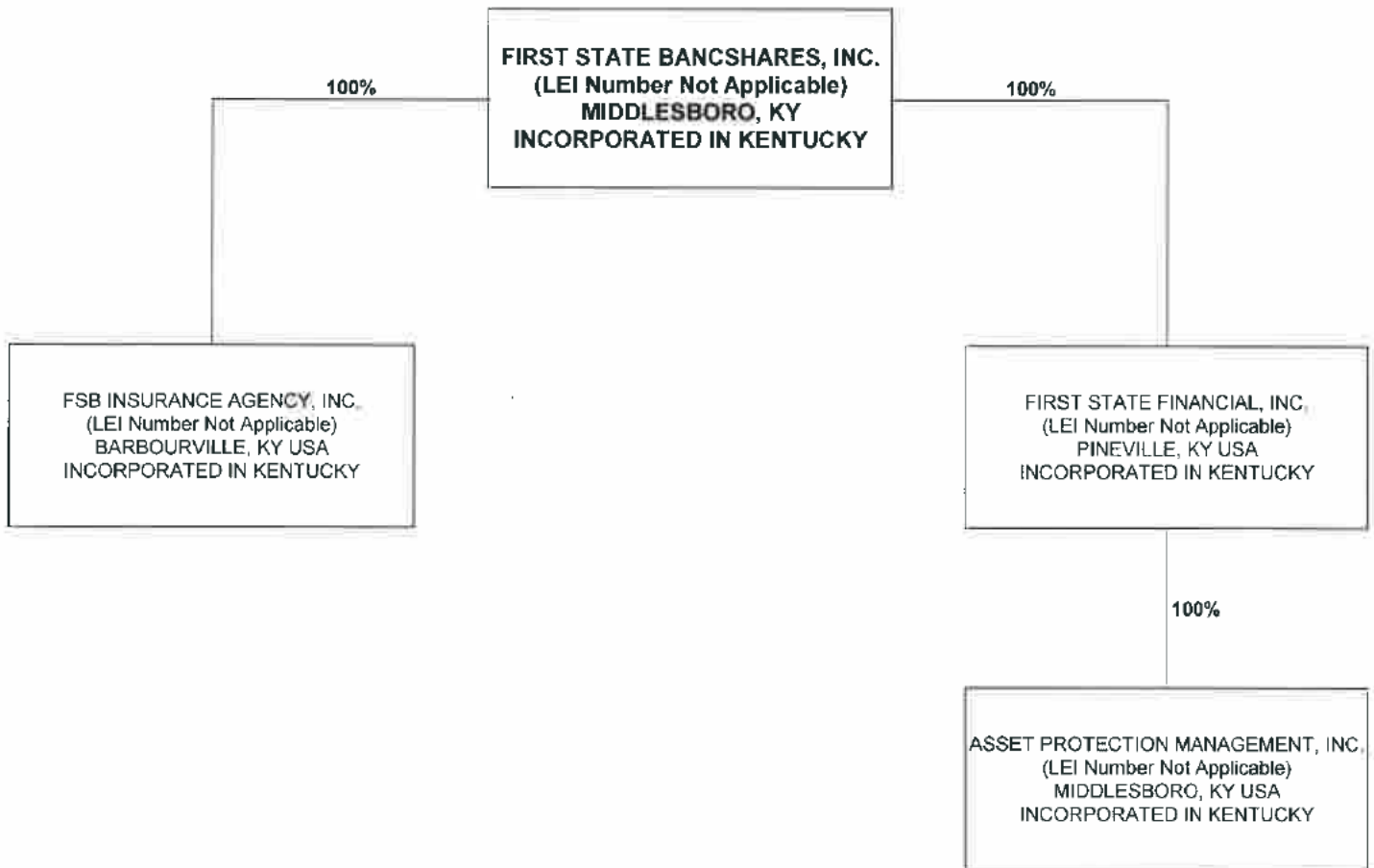
Data Action	Effective Date	Branch Service Type	Branch ID_BSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNIFORM#	Office Number*	Head Office	Head Office ID_BSSD*	Comments
OK		Full Service (Head Office)	961811	FIRST STATE FINANCIAL, INC.	PINE ST. & VIRGINIA AVE	PINEVILLE	LA	40977	BELL	UNITED STATES	1792	0	FIRST STATE FINANCIAL, INC.	961811	
OK		Full Service	3673740	FIRST STATE BRANCH	3670 WALDEN DRIVE	LEXINGTON	LA	40517	FAYETTE	UNITED STATES	61795	6	FIRST STATE FINANCIAL, INC.	961811	
OK		Full Service	4392691	HARRISBURG ROAD BRANCH	2258 HARRISBURG RD	LEXINGTON	LA	40504	FAYETTE	UNITED STATES	528889	13	FIRST STATE FINANCIAL, INC.	961811	
OK		Full Service	784118	EAST END BRANCH	815 EAST LOUBOURY AVE	MIDLESBORO	LA	40965	BELL	UNITED STATES	193965	2	FIRST STATE FINANCIAL, INC.	961811	
OK		Full Service	231514	MIDLESBORO DOWNTOWN OFFICE	1810 CUMBERLAND AVE	MIDLESBORO	LA	40965	BELL	UNITED STATES	193966	3	FIRST STATE FINANCIAL, INC.	961811	
OK		Full Service	169617	WEST BRANCH	2202 CUMBERLAND AVE	MIDLESBORO	LA	40965	BELL	UNITED STATES	193994	1	FIRST STATE FINANCIAL, INC.	961811	
OK		Full Service	388016	MARIAN ROAD BRANCH	US HIGHWAY 119 & MARLAN ROAD	PINEVILLE	LA	40972	BELL	UNITED STATES	181432	4	FIRST STATE FINANCIAL, INC.	961811	
OK		Full Service	3673750	WATERPARK BRANCH OFFICE	1048 WEST HIGHWAY 92	WILLIAMSBURG	LA	40769	WHITLEY	UNITED STATES	426579	10	FIRST STATE FINANCIAL, INC.	961811	
OK		Full Service	3203923	WILLIAMSBURG BRANCH	941 NORTH HIGHWAY 25 WEST	WILLIAMSBURG	LA	40769	WHITLEY	UNITED STATES	419247	7	FIRST STATE FINANCIAL, INC.	961811	
Close	12/31/2016	Full Service	3673768	HELICO BRANCH	808 5TH STREET	HELICO	LA	37762	CAMIBELL	UNITED STATES	427227	11	FIRST STATE FINANCIAL, INC.	961811	SUBMIT FRYTD
OK		Full Service	3673777	NEW TAZEWELL TENNESSEE BRANCH	923 MAIN STREET	NEW TAZEWELL	TN	37825	CLAYBORNE	UNITED STATES	465182	12	FIRST STATE FINANCIAL, INC.	961811	

**FORM FR Y-6**

**First State Bancshares, Inc.  
Middlesboro, Kentucky  
Fiscal Year Ending December 31, 2016**

Report Item

2a: Organization Chart - All companies are reportable on the FR Y-10



**FORM FR Y-6**  
**First State Bancshares, Inc.**  
**Fiscal Year Ending December 31, 2016**

**Report Item 3: Securities holders**  
(1)(a),(b)(c)

**Current securities holders with ownership, control or holdings of 5% or more with power to vote as of 12/31/2016**

**Securities holders not listed in (3)(1)(a) thru (3)(1)(c) that had ownership, control or holdings of 5% or more with the power to vote during the fiscal year ending 12/31/2016**

(1)(a) Name City, State, Country	(1)(b) Country of Citizenship or Incorporation	(1)(c) Number and Percentage of Each Class of Voting Securities	(2)(a) Name City, State, Country	(2)(b) Country of Citizenship or Incorporation	(2)(c) Number and Percentage of Each Class of Voting Securities
Katherine Reese Capps Pineville, KY USA	USA	45 - (100%) Common Stock	None		

FORM FR Y-6  
First State Bancshares, Inc.  
Fiscal Year Ending December 31, 2016

Report Item 4: Insiders

(1) Name City, State, Country	(2) Principal Institution if other than the Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Other Institutions (Includes names of subsidiaries)	(3)(c) Title & Position with Other Institutions (Includes names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (Includes names of subsidiaries)	(4)(c) List names of other companies in which the insider owns more than 1% if 25% or more of the are held (List names of companies and percentage of voting securities held)
Katharine Reese Carps Ft. Mitchell, KY USA	N/A	Director / Chairman / President & CEO	Director / Chairman (First State Financial) Director / Chairman (First State Financial) President & CEO (FSB Insurance Agency) President (Asset Protection Management, Inc.) President & CEO (First State Bancshares, Inc.)	Owner HRC Realty, LLC	100%	None	KRC Realty, LLC 100%
Becky H. Fulton Hartogate, TN USA	N/A	Director	Director Senior Executive VP Bair County Regional President (First State Financial) Director VP (Asset Protection Management, Inc.) VP (First State Bancshares, Inc.)	N/A	None	None	N/A
Jacob P. Clime Middleboro, KY USA	Attorney	Director / General Counsel	Director / General Counsel (First State Financial)	Owner J.P. Clime III, Attorney at Law Della Natural Gas	None	None	J.P. Clime III, Attorney at Law 100%
Greg Kesamice Lexington, KY USA	N/A	Director	Director Executive VP Lexington Regional President (First State Financial)	N/A	None	None	N/A
Ronald T. Tibbitts Lexington, KY USA	Attorney / CEO	Director	Director (First State Financial)	CEO / Local Counsel & Director Webb Companies Vice President / General Counsel / Secretary & Director Traco Management Company Trustee United Series Trust	None	None	Blue Grass Cash, LLC 20% Cardinal Property Development, LLC 25% TCSS3, LLC 10% Patron Waterways, LLC 100% Patron Properties of KY, LLC 100% Patron Sewerline, LLC 100%
Paul David Shady Williamson, KY USA	Airport Project Developer	Director	Director (First State Financial)	Owner Paul Shady Ford, Inc. Airport Project Developer PDC Consultants, LLC	None	None	Paul Shady Ford, Inc. 100%
Elene Hunt London, KY USA	Insurance Agent	Director	Director (FSB Insurance Agency)	Owner / Manager DGH Property, LLC	None	None	DGH Property, LLC 100%
Teresa Francis Middleboro, KY USA	N/A	Director Secretary / Treasurer	Director Secretary / Treasurer Executive Vice President Chief Financial Officer Chief Operating Officer Secretary / Treasurer / Director (FSB Insurance Agency) Secretary / Treasurer / Director (Asset Protection Management, Inc.) Secretary / Treasurer (First State Bancshares, Inc.)	Partner Lakeside Campground Co-Owner Everhart Campground	None	None	Lakeside Campground 25% Everhart Campground 50%
Wade T. Vance Middleboro, KY USA	N/A	Director	Director (First State Financial) Executive Vice President Chief Lending Officer (First State Financial)	N/A	None	None	Bravo Branch Gas Co., Inc. 100%