

Board of Governors of the Federal Reserve System



Annual Report of Holding Companies—FR Y-6

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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, 2018

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@ourfsb.bank

E-mail Address

NOT APPLICABLE

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

Signature of Holding Company Director and Official

07/03/2019

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 **0**

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

2. a letter justifying this request has been provided separately ...

NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential."

Results: A list of branches for your depository institution: FIRST STATE BANK OF THE SOUTHEAST, INC (ID_RSSD: 961811). This depository institution is held by FIRST STATE BANCSHARES, INC (1070998) of MIDDLESBORO, KY. The data are as of 12/31/2018. Data reflects Information that was received and processed through 01/06/2019.

Reconciliation and Verification Steps

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 listed was sold or closed, enter 'Close' in the **Data Action** column and the sale or closure date in the **Effective Date** column.
Delete: If a branch listed was never owned 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.

Note:

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, Close, Delete, or Add. The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - <https://y10online.federalreserve.gov>.

* FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

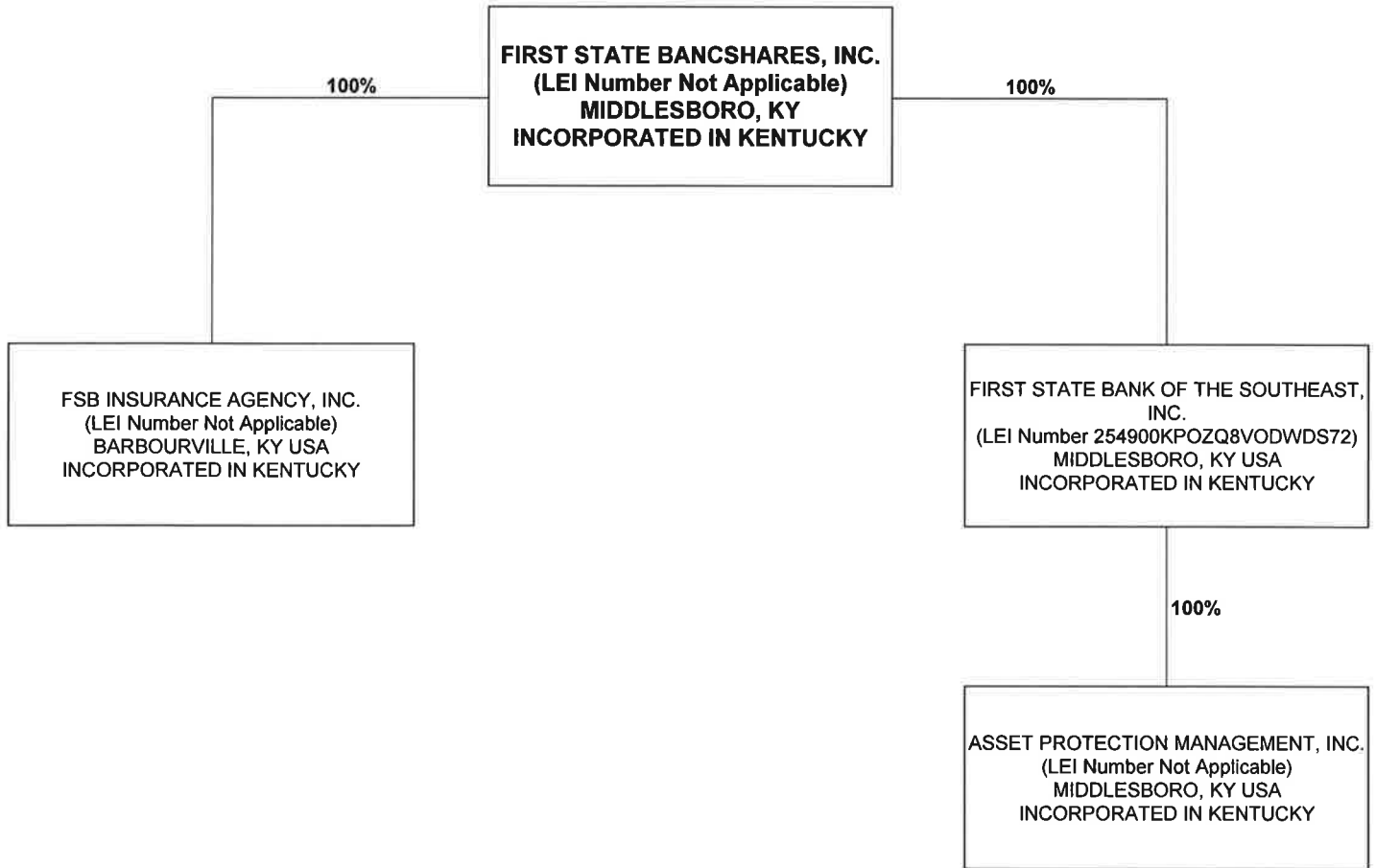
Data Action	Effective Date	Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
OK		Full Service (Head Office)	961811	FIRST STATE BANK OF THE SOUTHEAST, INC	1810 CUMBERLAND AVE	MIDDLESBORO	KY	40965	BELL	UNITED STATES	Not Required	Not Required	FIRST STATE BANK OF THE SOUTHEAST, INC	961811	
OK		Full Service	3673740	FIRST STATE BRANCH	3620 WALDEN DRIVE	LEXINGTON	KY	40517	FAYETTE	UNITED STATES	Not Required	Not Required	FIRST STATE BANK OF THE SOUTHEAST, INC	961811	
OK		Full Service	4392691	HARRODSBURG ROAD BRANCH	2258 HARRODSBURG RD	LEXINGTON	KY	40504	FAYETTE	UNITED STATES	Not Required	Not Required	FIRST STATE BANK OF THE SOUTHEAST, INC	961811	
OK		Full Service	784113	EAST END BRANCH	815 EAST LOTHBURY AVE	MIDDLESBORO	KY	40965	BELL	UNITED STATES	Not Required	Not Required	FIRST STATE BANK OF THE SOUTHEAST, INC	961811	
OK		Full Service	169617	WEST BRANCH	2202 CUMBERLAND AVE	MIDDLESBORO	KY	40965	BELL	UNITED STATES	Not Required	Not Required	FIRST STATE BANK OF THE SOUTHEAST, INC	961811	
OK		Full Service	388016	HARLAN ROAD BRANCH	US HIGHWAY 119 & HARLAN ROAD	PINEVILLE	KY	40977	BELL	UNITED STATES	Not Required	Not Required	FIRST STATE BANK OF THE SOUTHEAST, INC	961811	
OK		Full Service	231514	PINEVILLE DOWNTOWN OFFICE	PINE ST & VIRGINIA AVE	PINEVILLE	KY	40977	BELL	UNITED STATES	Not Required	Not Required	FIRST STATE BANK OF THE SOUTHEAST, INC	961811	
OK		Full Service	3673759	WATERPARK BRANCH OFFICE	1048 WEST HIGHWAY 92	WILLIAMSBURG	KY	40769	WHITLEY	UNITED STATES	Not Required	Not Required	FIRST STATE BANK OF THE SOUTHEAST, INC	961811	
OK		Full Service	3203923	WILLIAMSBURG BRANCH	941 NORTH HIGHWAY 25 WEST	WILLIAMSBURG	KY	40769	WHITLEY	UNITED STATES	Not Required	Not Required	FIRST STATE BANK OF THE SOUTHEAST, INC	961811	
OK		Full Service	3673777	NEW TAZEWELL TENNESSEE BRANCH	502 S BROAD STREET	NEW TAZEWELL	TN	37825	CLAIBORNE	UNITED STATES	Not Required	Not Required	FIRST STATE BANK OF THE SOUTHEAST, INC	961811	

FORM FR Y-6

**First State Bancshares, Inc.
Middlesboro, Kentucky
Fiscal Year Ending December 31, 2018**

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, 2018

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 12/31/2018

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 12/31/2018

(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, 2018

Report Item 4: Insiders

(1) Names City, State, Country	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries (includes names of subsidiaries)	(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securi- ties are held (List names of companies and percentage of voting securities held)
Katherine Reese Caspe Pineville, KY USA	N/A	Director / Chairman / President & CEO	Director / Chairman President & CEO (First State Bank of the Southeast, Inc.) Director / Chairman President & CEO (FSB Insurance Agency, Inc.) Director/President (Asset Protection Management, Inc.)	Owner KRC Realty, LLC Owner RMG Realty, LLC	100%	None	KRC Realty, LLC 100% RMG Realty, LLC 100%
Baylor H Fulton Harpisate, TN USA	N/A	Director / VP	Director Senior Executive VP Bell County Regional President (First State Bank of the Southeast, Inc.) Director VP (Asset Protection Management, Inc.) Director	N/A	None	None	N/A
Greg Kessinger Lexington, KY USA	N/A	Director	Director Executive VP Lexington Regional President (First State Bank of the Southeast, Inc.)	N/A	None	None	N/A
Ronald Tritschler Lexington, KY USA	Attorney/ CEO	Director	Director (First State Bank of the Southeast, Inc.) Director (FSB Insurance Agency, Inc.)	CEO / Legal Counsel & Director Webb Companies Vice President / General Counsel / Secretary & Director Trax Management Company Trustee Unified Series Trust	None	None	Blue Grass Cash, LLC 25% Cardinal Property Developers, LLC 25% TCSS3,LLC 100% Patron-Waterscape,LLC 100% Patron Properties of KY, LLC 100% Patron Sevierville, LLC 100%
Paul David Stealy Williamsburg, KY USA	Airport Project Developer	Director	Director (First State Bank of the Southeast, Inc.)	Owner Paul Stealy Ford, Inc. Airport Project Developer PDC Consultants, LLC	None	None	Paul Stealy Ford, Inc. 100%
Diana Hunt London KY USA	Insurance Agent	Director	Director (First State Bank of the Southeast, Inc.) VP (FSB Insurance Agency)	Owner / Manager DGH Property, LLC	None	None	DGH Property, LLC 100%
Teresa Francis Middlesboro KY USA	N/A	Director Secretary / Treasurer	Director Secretary/Treasurer Executive Vice President Chief Financial Officer (First State Bank of the Southeast, Inc.) Secretary/Treasurer/Director (FSB Insurance Agency) Secretary/Treasurer/Director (Asset Protection Management, Inc.)	Partner Lakeside Campground Co-Owner Everhart Campground	None	None	Lakeside Campground 25% Everhart Campground 50%
Wade T Bevins Middlesboro KY USA	N/A	Director	Director (First State Bank of the Southeast, Inc.) Executive Vice President Chief Lending Officer (First State Bank of the Southeast, Inc.)	N/A	None	None	Bevins Branch Gas Co., Inc. 100%
Shane C Romines	N/A	Director	Director (First State Bank of the Southeast, Inc.)	Owner Coselland & Romines Law Office, PLLC Member Romines Properties, LLC Member SAR Properties, LLC Managing Member SAR Contracting, LLC	None	None	Coselland & Romines Law Office, PLLC 100% Romines Properties, LLC 50% SAR Properties, LLC 100% SAR Contracting, LLC 100%
Ken V Jones	N/A	Director	Director Executive Vice President Chief Operating Officer (First State Bank of the Southeast, Inc.)	N/A	None	None	N/A