

Board of Governors of the Federal Reserve System



Annual Report of Holding Companies — FR Y-6

FEDERAL RESERVE BANK
 OF CLEVELAND
 2015 MAR 30 P 4:07

STATISTICS & ANALYSIS
 DEPARTMENT

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)); Section 8(a) of the International Banking Act (12 U.S.C. § 3106(a)); Sections 11(a)(1), 25 and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); Section 211.13(c) of Regulation K (12 C.F.R. § 211.13(c)); and Section 225.5(b) of Regulation Y (12 C.F.R. § 225.5(b)) and section 10(c)(2)(H) of the Home Owners' Loan Act. 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 and top-tier savings and loan 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.

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

DECEMBER 31, 2014
 Month / Day / Year

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

I, KATHERINE REESE CAPPS
 Name of the Holding Company Director and Official
PRESIDENT/CEO
 Title of the Holding Company Director and Official

Reporter's Name, Street, and Mailing Address
FIRST STATE BANCSHARES, INC.

Legal Title of Holding Company
1810 CUMBERLAND AVENUE/P.O. BOX 400
 (Mailing Address of the Holding Company) Street / P.O. Box
MIDDLESBORO KY 40965
 City State Zip Code

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.

Physical Location (if different from mailing address)

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.

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@firststatefinancial.net
 E-mail Address

www.firststatefinancial.net
 Address (URL) for the Holding Company's web page

Katherine Reese Capps
 Signature of Holding Company Director and Official
03/25/2015
 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 1070998
 C.I. _____

Does the reporter request confidential treatment for any portion of this submission?
 Yes Please identify the report items to which this request applies:

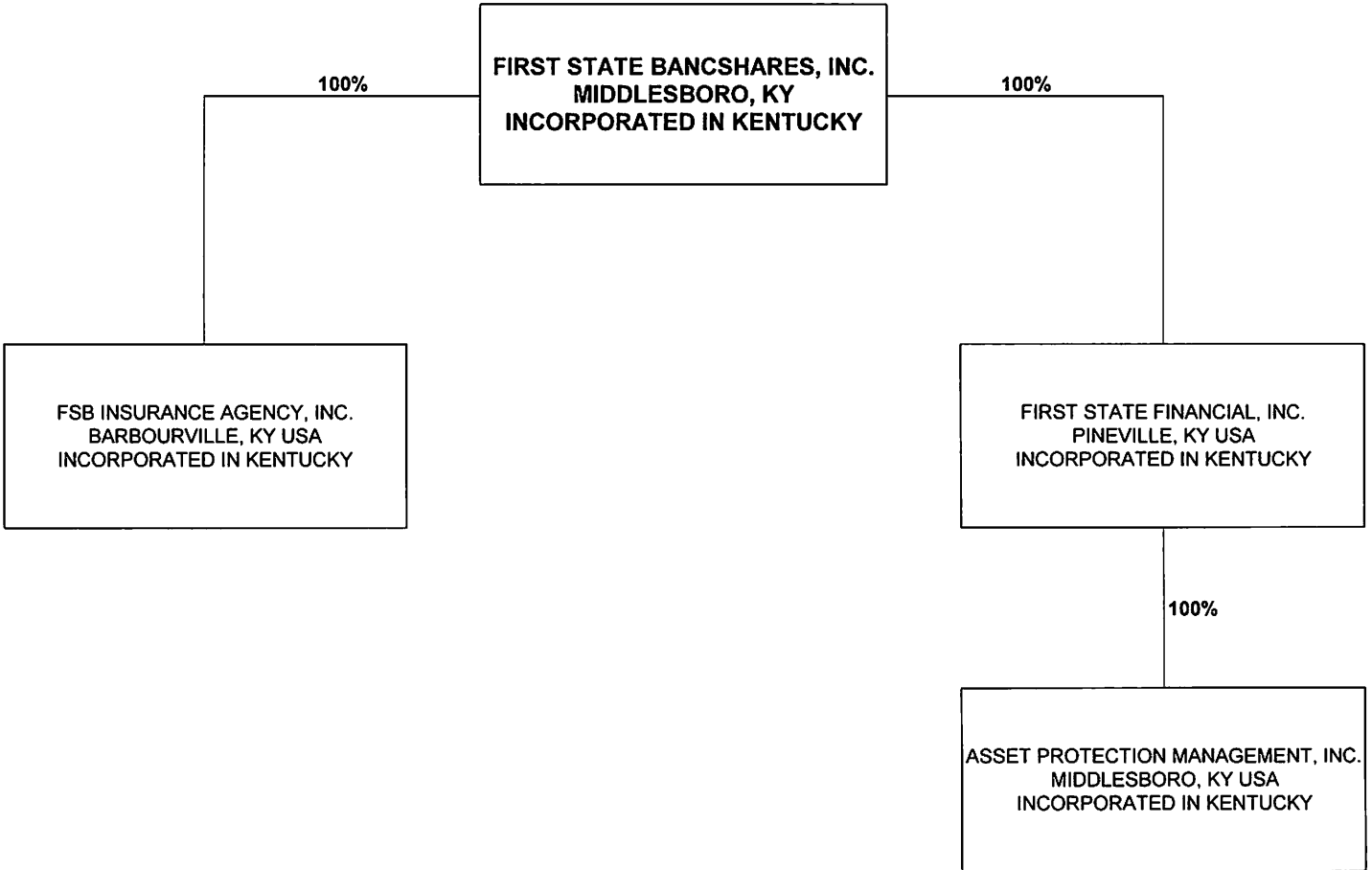
 In accordance with the instructions on pages GEN-2 and 3, a letter justifying the request is being provided.
 The information for which confidential treatment is sought is being submitted separately labeled "Confidential."
 No

FORM FR Y-6

**First State Bancshares, Inc.
Middlesboro, Kentucky
Fiscal Year Ending December 31, 2014**

Report Item

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



Results: A list of branches for your depository institution: **FIRST STATE FINANCIAL, INC. (ID_RSSD: 961811)**.
 This depository institution is held by **FIRST STATE BANCSHARES, INC. (1070998)** of **MIDDLESBORO, KY**.
 The data are as of **12/31/2014**. Data reflects information that was received and processed through **01/07/2015**.

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
		Full Service (Head Office)	961811	FIRST STATE FINANCIAL, INC.	PINE ST & VIRGINIA AVE	PINEVILLE	KY	40977	BELL	UNITED STATES	1752	0	FIRST STATE FINANCIAL, INC.	961811	
		Full Service	3673740	FIRST STATE BRANCH	3620 WALDEN DRIVE	LEXINGTON	KY	40517	FAYETTE	UNITED STATES	61795	6	FIRST STATE FINANCIAL, INC.	961811	
		Full Service	4392691	HARRODSBURG ROAD BRANCH	2258 HARRODSBURG RD	LEXINGTON	KY	40504	FAYETTE	UNITED STATES	528889	13	FIRST STATE FINANCIAL, INC.	961811	
		Full Service	784113	EAST END BRANCH	815 EAST LOTHBURY AVE	MIDDLESBORO	KY	40965	BELL	UNITED STATES	193935	2	FIRST STATE FINANCIAL, INC.	961811	
		Full Service	231514	MIDDLESBORO DOWNTOWN OFFICE	1810 CUMBERLAND AVE	MIDDLESBORO	KY	40965	BELL	UNITED STATES	193936	3	FIRST STATE FINANCIAL, INC.	961811	
		Full Service	169617	WEST BRANCH	2202 CUMBERLAND AVE	MIDDLESBORO	KY	40965	BELL	UNITED STATES	193934	1	FIRST STATE FINANCIAL, INC.	961811	
		Full Service	388016	HARLAN ROAD BRANCH	US HIGHWAY 119 & HARLAN ROAD	PINEVILLE	KY	40977	BELL	UNITED STATES	181432	4	FIRST STATE FINANCIAL, INC.	961811	
		Full Service	3673759	WATERPARK BRANCH OFFICE	1048 WEST HIGHWAY 92	WILLIAMSBURG	KY	40769	WHITLEY	UNITED STATES	426579	10	FIRST STATE FINANCIAL, INC.	961811	
		Full Service	3203923	WILLIAMSBURG BRANCH	941 NORTH HIGHWAY 25 WEST	WILLIAMSBURG	KY	40769	WHITLEY	UNITED STATES	419247	7	FIRST STATE FINANCIAL, INC.	961811	
		Full Service	3673768	JELICO BRANCH	996 5TH STREET	JELICO	TN	37762	CAMPBELL	UNITED STATES	427127	11	FIRST STATE FINANCIAL, INC.	961811	
		Full Service	3673777	NEW TAZEWEILL TENNESSEE BRANCH	925 MAIN STREET	NEW TAZEWEILL	TN	37825	CLAIBORNE	UNITED STATES	465182	12	FIRST STATE FINANCIAL, INC.	961811	

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First State Bancshares, Inc.
Fiscal Year Ending December 31, 2014

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 12/31/2014

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 12/31/2014

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

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First State Bancshares, Inc.
Fiscal Year Ending December 31, 2014

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 Capps Pineville, KY USA	N/A	Director / Chairman / President & CEO	Director / Chairman President & CEO (First State Financial) Director / Chairman President & CEO (FSB Insurance Agency) President (Asset Protection Management, Inc.) President & CEO (First State Bancshares, Inc.)	Owner KRC Realty, LLC	100%	None	KRC Realty, LLC 100%
Joel Catron	N/A	Director	Director (First State Financial)	Owner Monticello Wayne County Media inc Owner Commonwealth Risk Management, LLC	None	None	Monticello Wayne County Media Inc 100% Commonwealth Risk Management, LLC 100%
Baylor H Fulton Harrogate, TN USA	N/A	Director	Director Senior Executive VP Bell County Regional President Chief Operations Officer (First State Financial) Director VP (Asset Protection Management, Inc.) Director VP (First State Bancshares, Inc.)	N/A	None	None	N/A
Jacob P Cline Middlesboro, KY USA	Attorney	Director / General Counsel	Director / General Counsel (First State Financial)	Owner J P Cline III, Attorney at Law Director Delta Natural Gas	None	None	J P Cline III, Attorney at Law 100%
Greg Kessinger Lexington, KY USA	N/A	Director	Director Executive VP Lexington Regional President (First State Financial)	N/A	None	None	N/A
Ronald Tritschler Lexington, KY USA	Attorney/ CEO	Director	Director (First State Financial)	CEO / Legal Counsel & Director Webb Companies Vice President / General Counsel / Secretary & Director Triax Management Company Trustee Unified Series Trust	None	None	Blue Grass Cash, LLC 25% Cardinal Property Developers, LLC 25% Tates Creek South Shell, Inc 33%
Paul David Steely Williamsburg, KY USA	Airport Project Developer	Director	Director (First State Financial)	Owner Paul Steely Ford, Inc Airport Project Developer PDC Consultants, LLC	None	None	Paul Steely Ford, Inc 100%
Diana Hunt London KY USA	Insurance Agent	Director	Director (First State Financial) 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 Financial) Secretary/Treasurer/Director (FSB Insurance Agency) Secretary/Treasurer/Director (Asset Protection Management, Inc.) Secretary/Treasurer (First State Bancshares, Inc.)	Partner Lakeside Campground	None	None	Lakeside Campground 25%
Wade T Bevins Middlesboro KY USA	N/A	Director	Director (First State Financial) Executive Vice President Chief Lending Officer (First State Financial)	N/A	None	None	N/A