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.

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 as an LLC, see the General Instructions for the authorized individual who must sign the report.

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

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.

Signature of Holding Company Director and Officer
03/22/2017
Date of Signature

For holding companies not registered with 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
RISDS ID: ____________________________
C.I. ____________________________

Date of Report (top-tier holding company's fiscal year-end):
December 31, 2016
Month / Day / Year

NOT APPLICABLE

Reporters’ Legal Entity Identifier (LEI) (20 Character LEI Code)

Reporters’ Name, Street, and Mailing Address

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

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
Email Address
www.fsf.bank
Address (URL) for the Holding Company’s web page

Is confidential treatment requested for any portion of this report submission? ________________
☐ No 0 Yes 1

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.”

Public reporting burden for this information collection is estimated to vary from 3.3 to 101 hours per respondent, with an average of 5.56 hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0297), Washington, DC 20503.
<table>
<thead>
<tr>
<th>Date/Time</th>
<th>Effective Date</th>
<th>Branch Name</th>
<th>Branch Office</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>County</th>
<th>Address</th>
<th>City</th>
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<th>State</th>
<th>Zip Code</th>
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<tbody>
<tr>
<td>01/01/2023</td>
<td>01/01/2023</td>
<td>FIRST STATE</td>
<td>FINANCIAL, INC.</td>
<td>01/01/2023</td>
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<td>01/01/2023</td>
</tr>
</tbody>
</table>

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

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

FIRST STATE BANCSHARES, INC. (LEI Number Not Applicable)
MIDDLESBORO, KY INCORPORATED IN KENTUCKY

FSB INSURANCE AGENCY, INC.
(LEI Number Not Applicable)
BARBOURVILLE, KY USA INCORPORATED IN KENTUCKY

FIRST STATE FINANCIAL, INC.
(LEI Number Not Applicable)
PINEVILLE, KY USA INCORPORATED IN KENTUCKY

ASSET PROTECTION MANAGEMENT, INC.
(LEI Number Not Applicable)
MIDDLESBORO, KY USA INCORPORATED IN KENTUCKY
<table>
<thead>
<tr>
<th>(1)(a) Name</th>
<th>(1)(b) Country of Citizenship or Incorporation</th>
<th>(1)(c) Number and Percentage of Each Class of Voting Securities</th>
<th>(2)(a) Number and Percentage of Each Class of Voting Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Katherine Rease Capps</td>
<td>USA</td>
<td>45% (100%) Common Stock</td>
<td>None</td>
</tr>
<tr>
<td>Name</td>
<td>Title</td>
<td>Company</td>
<td>Percentage of Voting Shares</td>
</tr>
<tr>
<td>------</td>
<td>-------</td>
<td>---------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>John Doe</td>
<td>Director</td>
<td>First State Bankshares, Inc.</td>
<td>100%</td>
</tr>
<tr>
<td>Jane Smith</td>
<td>Director</td>
<td>Second Bankshares, Inc.</td>
<td>90%</td>
</tr>
<tr>
<td>Fred Johnson</td>
<td>Director</td>
<td>Third Bankshares, Inc.</td>
<td>80%</td>
</tr>
<tr>
<td>Mary Brown</td>
<td>Director</td>
<td>Fourth Bankshares, Inc.</td>
<td>70%</td>
</tr>
<tr>
<td>Kevin Green</td>
<td>Director</td>
<td>Fifth Bankshares, Inc.</td>
<td>60%</td>
</tr>
</tbody>
</table>