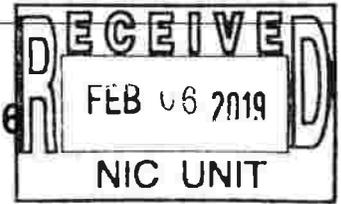


Board of Governors of the Federal Reserve System



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, 2018

Month / Day / Year

N/A

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

Reporter's Name, Street, and Mailing Address

I, Robert Phillips

Name of the Holding Company Director and Official

Vice President / Director

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.

Bosque Bancshares, Inc.

Legal Title of Holding Company

P O Box 87

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

Cranfills Gap TX 76637

City State Zip Code

307 N. 3rd, Cranfills Gap, TX 76637

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Vernon King CPA

Name Title

254-776-0515

Area Code / Phone Number / Extension

254-776-0672

Area Code / FAX Number

vkingjrpc@sbcglobal.net

E-mail Address

http://www.fsbtxas.com

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

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 Official

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 1135057
 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 ...

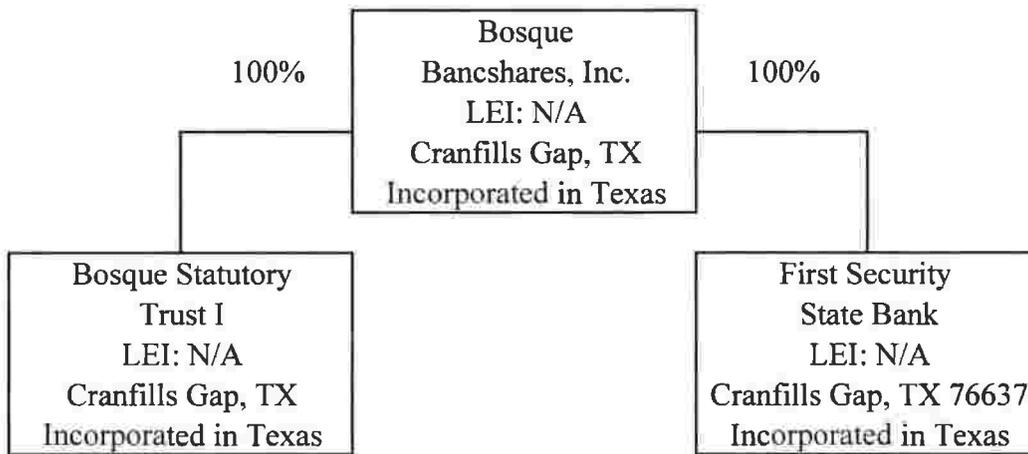
NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential."

Form FR Y-6
Bosque Bancshares, Inc.
Cranfills Gap, Texas
Fiscal Year Ending December 31, 2018

Report Item:

1: The bank holding company prepares an annual report for its shareholders and is not registered with the SEC. As specified by the appropriate Reserve Bank, copies are enclosed

2a: Organizational Chart



2b: Submitted electronically on 1/10/2019

HC
Cranfills Gap, TX
Fiscal Year Ending December 31, 2018

Report Item 3: Securities Holders		Securities Holders not listed in 3(1)(a) through 3(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12-31-2018	
(1)(a) Name & Address (City, State, Country)	(1)(b) Country of Citizenship or Incorporation	(1)(c) Number and Percentage of Each Class of Voting Securities	(2)(c) Number and Percentage of Each Class of Voting Securities
Rodney G. Joy or Sandra P. Joy Cranfills Gap, TX 76637	USA	17,955 - 21.96% Common Stock	
Robert C. Phillips Clifton, TX 76634	USA	21,340 - 25.10% Common Stock	
Rodney G. Joy , Trustee** Bosque Bancshares Employee Stock Ownership Plan Cranfills Gap, TX 76637	USA	20,026 - 24.49% Common Stock	
David Esgar or Julia Esgar Wiley, CO 81092	USA	10,970 - 12.42% Common Stock	
None			

**Article 8, Section 8.5
of the Bosque
Bancshares, Inc.
Employee Stock
Ownership Plan

HC
Cranfills Gap, TX
Fiscal Year Ending December 31, 2018

Report Item 4: Insiders
(1)(a)(b)(c) and (2)(a)(b)(c)

(1)	(2)	(3)(a)	(3)(b)	(3)(c)	(4)(a)	(4)(b)	(4)(c)
Names & Address (City, State, Country)	Principal Occupation if other than with holding company	Title & Position with holding company	Title & Position with Subsidiaries (include names of subsidiaries)	Title & Position with Other Businesses (include names of other businesses)	Percentage of Voting Securities in holding company	Percentage of Voting Securities in Subsidiaries (include names of subsidiaries)	List names of other companies (includes partnerships) if 26% or more of voting securities are held (List names of companies and percentage of voting securities held)
Rodney G. Joy** Cranfills Gap Texas 76637 USA	Banker	President Director	None	N/A	46.45%	N/A	N/A
Sandra P. Joy* Cranfills Gap Texas 76637 USA	Homemaker	Secretary Director	None	N/A	21.96%	N/A	N/A
Robert C. Phillips Clifton Texas 76634 USA	Banker	Vice President Director	None	Panhandle Financial Services, Inc. President	25.10%	N/A	Panhandle Financial Services, Inc. 25.10%
David Esgar Wiley, CO 81092 USA	Banker	None	None	San Juan Basin Pool Management Co President	N/A	N/A	N/A
Julia Esgar*** Wiley, CO 81092 USA	Homemaker	None	None	San Juan Basin Pool Ltd. President of general partner	N/A	N/A	N/A
**Rodney Joy, Trustee Bosque Bancshares Employee Stock Ownership Plan		None	None	Legacy Bank Wiley, CO President	12.42%	N/A	N/A
*Sandra is co-owner of the shares listed with Rodney Joy.		None	None	N/A	12.42%	N/A	N/A
***Julia is co-owner of the shares listed with David Esgar.					**24.49%		

Results: A list of branches for your holding company: BOSQUE BANCSHARES, INC. (1135057) of CRANFILLS GAP, TX. 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)	819154	FIRST SECURITY STATE BANK	307 3RD STREET	CRANFILLS GAP	TX	76637	BOSQUE	UNITED STATES	Not Required	Not Required	FIRST SECURITY STATE BANK	819154	
OK		Full Service	1464551	CLIFTON BRANCH	1115 WEST 5TH STREET	CLIFTON	TX	76634	BOSQUE	UNITED STATES	Not Required	Not Required	FIRST SECURITY STATE BANK	819154	
OK		Full Service	3385810	MERIDIAN BRANCH	9353 HWY 6	MERIDIAN	TX	76665-2993	BOSQUE	UNITED STATES	Not Required	Not Required	FIRST SECURITY STATE BANK	819154	
OK		Full Service	3182505	WHITNEY BRANCH	1201 N BIRAZOS ST	WHITNEY	TX	76692	HILL	UNITED STATES	Not Required	Not Required	FIRST SECURITY STATE BANK	819154	

ELECTRONICALLY SUBMITTED 01/10/2019

structure.verification@dal.frb.org

BOSQUE BANCSHARES, INC.
(PARENT ONLY)

FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

SEE ACCOUNTANT'S COMPILATION REPORT

VERNON R. KING JR. P.C.

CERTIFIED PUBLIC ACCOUNTANT

345 OWEN LANE, SUITE 110

WACO, TEXAS 76710

VERNON R. KING, JR., P.C.

CERTIFIED PUBLIC ACCOUNTANT

345 OWEN LANE, SUITE 110 • WACO, TEXAS 76710

P O BOX 21023 • WACO, TEXAS 76702-1023

(254) 776-0515 • FAX (254) 776-0672

Board of Directors
Bosque Bancshares, Inc.
Cranfills Gap, Texas

Management is responsible for the accompanying financial statements of Bosque Bancshares, Inc. (Parent Only), an S corporation, which comprise the balance sheets as of December 31, 2018 and 2017, and the related statements of earnings, changes in stockholders' equity and cash flow for the years then ended, in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements, nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The Company, with the consent of its stockholders, has elected under the Internal Revenue Code to be an S corporation. In lieu of corporation income taxes, the shareholders of an S corporation are taxed on their proportionate share of the Company's taxable income.

January 7, 2019



BOSQUE BANCSHARES INC.
(PARENT ONLY)
BALANCE SHEETS
AS OF DECEMBER 31, 2018 AND 2017

	2018	2017
	<u>ASSETS</u>	
Cash in bank	\$ 61,924	\$ 59,715
Cash in bank, discretionary	333,469	252,869
	395,393	312,584
Investment in subsidiary	7,925,147	8,086,728
Dividend receivable	308,000	256,000
Investment in non-bank subsidiary	93,000	93,000
Loan premium	44,875	47,875
Other assets	8,119	8,119
Goodwill	1,103,882	1,103,882
Total Assets	\$ 9,878,416	\$ 9,908,188

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities:		
Interest payable	\$ 21,577	\$ 19,450
Deferred Compensation	23,954	20,629
Subordinated debentures-non trust pref	1,000,000	1,000,000
Subordinated debentures-trust preferrd	3,093,000	3,093,000
Total Liabilities	4,138,531	4,133,079
Stockholders' Equity:		
Common stock	81,766	81,766
Additional paid in capital	1,226,549	1,226,549
Accumulated Other Comprehensive Income	(1,251,595)	(852,939)
Retained earnings	5,683,165	5,319,733
Total Stockholders' Equity	5,739,885	5,775,109
Total Liabilities and Stockholders' Equity	\$ 9,878,416	\$ 9,908,188

See independent accountant's compilation report.

BOSQUE BANCSHARES INC.
(PARENT ONLY)
STATEMENTS OF EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Revenues:		
Earnings of subsidiaries	\$ 1,396,741	\$ 1,171,586
Interest	912	611
Total Revenues	1,397,653	1,172,197
 Expenses:		
Insurance	2,266	2,060
Interest	220,298	180,757
Salaries	27,000	27,000
Deferred Compensation	3,325	3,723
Taxes	4,164	3,426
Miscellaneous	168	0
Total Expenses	257,221	216,966
Net Earnings	\$ 1,140,432	\$ 955,231

See independent accountant's compilation report.

BOSQUE BANCSHARES, INC.
(PARENT ONLY)
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	Common Stock	Capital Surplus	Accum. Other Comp. Income	Retained Earnings	Totals
Balance, January 1, 2017	\$81,766	1,226,549	(660,380)	5,038,503	5,686,438
COMPREHENSIVE INCOME					
Net earnings				955,231	955,231
Change in unreal- ized (loss) on cash flow hedge			--		--
Change in unreal- ized gain (loss) on securities avail- able for sale, net of taxes of \$0			(192,559)		(192,559)
TOTAL COMPREHENSIVE INCOME					<u>762,672</u>
Distributions Paid				(674,000)	(674,000)
Balance, December 31, 2017	81,766	1,226,549	(852,939)	5,319,733	5,775,109
COMPREHENSIVE INCOME					
Net earnings				1,140,432	1,140,432
Change in unreal- ized gain (loss) on securities avail- able for sale, net of taxes of \$0			(398,656)		(398,656)
TOTAL COMPREHENSIVE INCOME					<u>741,776</u>
Distributions paid				(777,000)	(777,000)
Balance, December 31, 2018	<u>\$ 81,766</u>	<u>1,226,549</u>	<u>(1,251,595)</u>	<u>5,683,165</u>	<u>5,739,885</u>

See independent accountant's compilation report.

BOSQUE BANCSHARES INC.
(PARENT ONLY)
STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Cash Flows from Operating Activities		
Net Income	\$ 1,140,432	\$ 955,231
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of loan premium	3,000	3,000
Undistributed (earnings) loss of affiliate	(237,075)	(196,793)
(Increase) decrease in dividend receivable	(52,000)	(35,000)
Increase (decrease) in accrued liabilities	3,325	3,723
Increase (decrease) in interest payable	2,127	5,108
Total Adjustments	(280,623)	(219,962)
Net cash provided (used) by operating activities	859,809	735,269
Cash Flows from Investing Activities:		
Dividends Paid	(777,000)	(674,000)
Net cash provided (used) by financing activities	(777,000)	(674,000)
Net increase (decrease) in cash	82,809	61,269
Cash, beginning of year	312,584	251,315
Cash, end of year	\$ 395,393	\$ 312,584
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest expense	\$ 218,170	\$ 175,649

See independent accountant's compilation report.