

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

None

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

Reporter's Name, Street, and Mailing Address

Paris Bancshares, Inc.

Legal Title of Holding Company

P O Box 919

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

Paris

TX

754610919

City

State

Zip Code

305 Lamar Ave Paris TX 75460

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Jana Copeland

SR VP & Cashier

Name

Title

903 785 5555 421

Liberty National Bank

Area Code / Phone Number / Extension

903 785 3129

Area Code / FAX Number

JPCOPELAND@LNBPARI.COM

E-mail Address

None

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

I, **Philip Cecil**

Name of the Holding Company Director and Official

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.

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 of the report concerning that individual.

Signature of Holding Company Director and Official

01/24/2019

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."

For Use By Tiered Holding Companies

Top-tiered holding companies must list the names, mailing address, and physical locations of each of their subsidiary holding companies below.

NONE

Legal Title of Subsidiary Holding Company

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

City State Zip Code

Physical Location (if different from mailing address)

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Physical Location (if different from mailing address)

PARIS BANCSHARES, INC.
PARENT COMPANY ONLY
BALANCE SHEET

AS OF DECEMBER 31, 2018(THOUSANDS)

ASSETS

CASH IN BANK	12,621
INVESTMENT IN SUBSIDIARY	45,928
RECEIVABLE FROM SUBSIDIARIES	0
TOTAL ASSETS	<u>58,549</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

LIABILITIES

STOCKHOLDERS' EQUITY

COMMON STOCK	80
SURPLUS	1,560
UNREALIZED GAIN/LOSS ON AFS SECURITIES	(750)
RETAINED EARNINGS	57,792
LESS: TREASURY STOCK	(133)
TOTAL STOCKHOLDERS' EQUITY	<u>58,549</u>
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	<u>58,549</u>

PARIS BANCSHARES, INC.
LIBERTY NATIONAL BANK IN PARIS
PARIS TEXAS
CONSOLIDATED BALANCE SHEET
(THOUSANDS)

	12/31/2017	12/31/2018
ASSETS		
CASH AND DUE FROM BANKS	23,521	9,775
U S TREASURY SECURITIES	13,459	10,976
OBLIGATIONS OF OTHER U S GOVERNMENT AGENCIES	73,262	60,369
OBLIGATIONS OF STATES & POLITICAL SUB-DIVISIONS	33,116	30,579
FEDERAL RESERVE STOCK & CORPORATE STOCK	177	184
LOANS	129,866	156,981
LESS: RESERVE FOR POSSIBLE LOAN & OVERDRAFT LOSSES	(2,900)	(2,957)
BANK PREMISES AND FIXED ASSETS	1,936	3,476
OTHER REAL ESTATE	0	0
OTHER ASSETS	13,296	13,975
TOTAL ASSETS	285,733	283,358
LIABILITIES		
TOTAL NON INTEREST BEARING DEPOSITS	44,423	43,428
TOTAL INTEREST BEARING DEPOSITS	183,459	177,205
OTHER LIABILITIES	202	4,176
TOTAL LIABILITIES	228,084	224,809
CAPITAL		
COMMON STOCK	80	80
SURPLUS	1,560	1,560
UNREALIZED GAIN ON AFS SECURITIES	(469)	(750)
RETAINED EARNINGS	56,651	57,792
LESS: TREASURY STOCK	(173)	(133)
TOTAL EQUITY CAPITAL	57,649	58,549
TOTAL LIABILITIES & CAPITAL	285,733	283,358

PARIS BANCSHARES, INC.
LIBERTY NATIONAL BANK IN PARIS
PARIS TEXAS
CONSOLIDATED STATEMENT OF EARNINGS
(THOUSANDS)

	12/31/2017	12/31/2018
OPERATING INCOME		
INTEREST & FEES ON LOANS	6,040	7,470
INTEREST ON U S TREASURY SECURITIES	150	195
INTEREST ON OBLIGATIONS OF OTHER U S GOVERNMENT AGENCIES	1,144	968
INTEREST ON OBLIGATIONS OF STATES & POLITICAL SUB-DIVISIONS	875	944
INTEREST ON BALANCES WITH OTHER BANKS	192	230
DIVIDEND - FRB & CORPORATE STOCK	5	7
SERVICE CHARGES ON DEPOSIT ACCOUNTS	614	587
OTHER INCOME	1,178	1,207
TOTAL OPERATING INCOME	10,198	11,608
OPERATING EXPENSE		
SALARIES AND EMPLOYEE BENEFITS	3,179	3,392
INTEREST PAID	671	1,037
BANK PREMISES AND FIXED ASSET EXPENSE	615	594
FDIC ASSESSMENT	81	81
COMPTROLLER ASSESSMENT	93	96
PROVISION FOR POSSIBLE LOAN & OVERDRAFT LOSSES	74	274
OTHER EXPENSES	1,776	1,930
TOTAL OPERATING EXPENSE	6,489	7,404
NET EARNINGS - BEFORE TAXES	<u>3,709</u>	<u>4,204</u>
APPLICABLE INCOME TAXES	<u>1,106</u>	<u>668</u>
NET EARNINGS	<u>2,603</u>	<u>3,536</u>
EARNINGS PER COMMON SHARE		
BEFORE APPLICABLE INCOME TAXES	46.36	52.55
NET EARNINGS	32.54	44.20

**PARIS BANCSHARES, INC.
LIBERTY NATIONAL BANK IN PARIS
PARIS TEXAS**

**RECONCILIATION OF EQUITY CAPITAL ACCOUNTS, 2018
(THOUSANDS)**

	UNDIVIDED GAINS/(LOSS) ON AFS SEC	COMMON STOCK (PAR VALUE)	SURPLUS	RETAINED EARNINGS	TREASURY STOCK	TOTAL EQUITY CAPITAL
BALANCE, BEGINNING OF PERIOD	(469)	80	1,560	56,651	(173)	57,649
TREASURY STOCK					40	40
NET INCOME				3,536		3,536
CHANGE IN NET UNREALIZED GAINS (LOSS) AFS SECURITIES	(281)			(2,395)		(281)
CASH DIVIDEND DECLARED ON COMMON STOCK						
BALANCE, END OF PERIOD	(750)	80	1,560	57,792	(133)	58,549

PARIS BANCSHARES, INC.
LIBERTY NATIONAL BANK IN PARIS
PARIS TEXAS
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2018(THOUSANDS)

NOTE 1. LIBERTY NATIONAL BANK MAINTAINS IT'S BOOKS AND RECORDS ON THE ACCRUAL BASIS OF ACCOUNTING USING GENERALLY ACCEPTED ACCOUNTING PRINCIPLES APPLIED ON A BASIS CONSISTENT WITH THAT OF PRECEDING YEARS.

NOTE 2. THE APPLICABLE INCOME TAXES SHOWN IS AN ESTIMATE OF CURRENT YEAR FEDERAL INCOME TAX EXPENSE AFTER A COMBINED CALCULATION OF CURRENT AND DEFERRED TAX LIABILITIES. ACTUAL TAX PAYMENTS MAY BE MORE OR LESS FOLLOWING FINAL CALCULATIONS AND TAX RETURN PREPARATION.

NOTE 3. THE MAJOR LOAN CATEGORIES OF THE BANK'S LOAN PORTFOLIO BEFORE EXCLUSION OF UNEARNED INCOME ARE AS FOLLOWS:

REAL ESTATE LOANS	116,055
LOANS TO FARMERS	5,081
COMMERICAL & INDUSTRIAL LOANS	16,884
LOANS TO INDIVIDUALS FOR HOUSEHOLD, FAMILY, AND OTHER PERSONAL EXPENDITURES	18,874
ALL OTHER LOANS	<u>87</u>
TOTAL LOANS	<u><u>156,981</u></u>

NOTE 5. THE AMOUNT OF PAST DUE LOANS AND LEASES WHICH ARE PAST DUE THIRTY DAYS OR MORE AND STILL ACCRUING INTEREST ARE AS FOLLOWS:

REAL ESTATE LOANS	1,532
COMMERICAL & INDUSTRIAL LOANS	81
LOANS TO INDIVIDUALS FOR HOUSEHOLD, FAMILY, AND OTHER PERSONAL EXPENDITURES	615
ALL OTHER LOANS	<u>92</u>
TOTAL	<u><u>2,320</u></u>

THIS DISCLOSURE STATEMENT HAS NOT BEEN REVIEWED, OR CONFIRMED FOR ACCURACY OR RELEVANCE, BY THE OFFICE OF THE COMPTROLLER OF THE CURRENCY.

I DO HEREBY ATTEST THAT THE INFORMATION CONTAINED IN THIS ANNUAL DISCLOSURE WHICH HAS BEEN PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING STANDARDS IS CORRECT TO MY BEST KNOWLEDGE AND INFORMATION.



JAN C WEIBERG
 SECRETARY-TREASURER

REPORT ITEM 1

THE BHC DOES PREPARE AN ANNUAL REPORT FOR ITS SHAREHOLDERS. ENCLOSED IS A COPY OF THE ANNUAL REPORT.

REPORT ITEM 2a

PARIS BANCSHARES, INC PARIS TEXAS INCORPORATED IN THE STATE OF TEXAS No LEI
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PARIS BANCSHARES, INC, OWNS 100% OF THE 80,000 SHARES OF:

THE LIBERTY NATIONAL BANK IN PARIS PARIS TEXAS No LEI

1. THE ANNUAL MEETING OF THE SHAREHOLDERS OF PARIS BANCSHARES, INC, WILL BE HELD ON THE SECOND TUESDAY OF FEBRUARY EACH YEAR PRIOR TO THE REGULAR LIBERTY NATIONAL BANK BOARD OF DIRECTORS MEETING HELD ON THAT DATE. THE PURPOSE OF THE MEETING IS TO THE ELECTION OF DIRECTORS OF PARIS BANCSHARES, INC.

2. THE ANNUAL MEETING OF THE SHAREHOLDERS OF LIBERTY NATIONAL BANK (BOARD OF DIRECTORS OF PARIS BANCSHARES, INC) WILL MEET ON THE SECOND MONDAY IN FEBRUARY EACH YEAR TO ELECT THE DIRECTORS OF LIBERTY NATIONAL BANK.

No Entity in this organizaiton has an LEI

REPORT ITEM 3(1) PARIS BANCSHARES, INC SHAREHOLDERS EXCEEDING 5%

NAME	SHARES	%
PHILIP R CECIL PARIS TEXAS USA CITIZEN TOTAL INCLUDES STOCK UNDER TRUST A, U/W/O RANDEL R CECIL WITH PHILIP R CECIL TRUSTEE	16,527	20.63%
CONGER FAMILY PARTNERSHIP, LTD SIDNEY CONGER & JEAN CONGER GENERAL PARTNERS HOUSTON TX USA CITIZEN	14,420	18.00%
CARL T CECIL PARIS TX USA CITIZEN	5,713	7.13%
KATHERINE CECIL ORSAK DALLAS TX USA CITIZEN	4,839	6.04%
JOHN STEPHEN CECIL SAN ANGELO TX USA CITIZEN	4,692	5.86%

REPORT ITEM 3(2) N/A

PARIS BANCSHARES, INC FRY-6 2018 REPORT ITEM 4 DIRECTORS AND OFFICERS Page 3

4(1) NAME, CITY, STATE, COUNTRY	4(2) PRINCIPAL OCCUPATION IF OTHER THAN WITH HOLDING COMPANY	4((3)(A) TITLE & POSITION WITH HOLDING COMPANY	4((3)(B) TITLE & POSITION WITH SUBSIDIARIES (INCLUDE NAMES OF SUBSIDIARIES)	4((3)(C) TITLE & POSITION WITH OTHER BUSINESSES (INCLUDE NAMES OF OTHER BUSINESSES)	4((4)(A) PERCENTAGE OF VOTING SHARES ON HOLDING COMPANY	4((4)(B) PERCENTAGE OF VOTING SHARES IN SUBSIDIARIES (INCLUDE NAMES OF SUBSIDIARIES)	4((4)(C) LIST NAMES OF OTHER COMPANIES (INCLUDES PARTNERSHIPS) IF 25% OR MORE OF VOTING SECURITIES ARE HELD (LIST NAMES OF COMPANIES AND PERCENTAGE OF VOTING SECURITIES
Carl T Cecil Paris TX USA	Banker	Director & Vice-President	Director & President of Liberty National Bank	n/a	7.13%	None	n/a
Philip R Cecil Paris TX USA	Banker	Director & President	Director & Chairman of Board of Liberty National Bank	n/a	20.63%	None	n/a
Jean Cecil Conger Houston TX USA	Housewife	Principal Securities Holder	n/a	Partner w/Conger Family Partnership LTD	18.00%	None	n/a
Sidney Conger Houston TX USA	Retired	Principal Securities Holder	n/a	Partner w/Conger Family Partnership LTD	18.00%	None	n/a
Katherine Cecil Orsak Dallas TX USA	Housewife	Principal Securities Holder	n/a	n/a	6.04%	None	n/a
John Stephen Cecil San Angelo TX USA	Stockbroker	Principal Securities Holder	n/a	n/a	5.86%	None	n/a
Jan C Weiberg Paris TX USA	Retired Banker	Director	n/a	n/a	0.12%	None	n/a
Mark Cunningham Paris TX USA	Owner Steel Sales	Director	n/a	Owner Cunningham Steel	0.12%	None	n/a
Glen Bawcum Paris TX USA	Retired Auto Dealer	Director	n/a	n/a	0.12%	None	n/a