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. §§ 3108(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 is an LLC, see the General Instructions for the authorized individual who must sign the report.

I, Warren T. Biggs
Name of the Holding Company Director and Official
Chairman of the Board, CEO & 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 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

RSSID ID
C.I.

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

Panola National Bancshares, Inc.
Legal Title of Holding Company
P. O. Box 1139
(Mailing Address of the Holding Company) Street / P.O. Box
Carthage TX 75633
City State Zip Code

1510 West Panola
Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:
Gary Penkilo
CPA
Name Title
903-597-6311
Area Code / Phone Number / Extension
903-597-0343
Area Code / FAX Number
gpenkilo@henrypeters.com
E-mail Address
N/A
Address (URL) for the Holding Company's web page

Is confidential treatment requested for any portion of this report submission? (check only one)
☐ Yes
☒ No

In accordance with the General Instructions for this report, 1.

☐ a letter justifying this request is being provided along with the report

☐ 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 1.3 to 101 hours per response, with an average of 5.50 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.

03/2016
REPORT ITEM 1:

Not Applicable - The holding company does not prepare an annual report to shareholders.

REPORT ITEM 2:

Panola National Bancshares, Inc.
(LEI: None)
Carthage, Texas
Incorporated in Texas

100% owner of

Panola National Bank
(LEI: None)
Carthage, Texas

REPORT ITEM 2b:

Domestic branch listing submitted to the Federal Reserve Bank.
**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.

**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.**

<table>
<thead>
<tr>
<th>Data Action</th>
<th>Effective Date</th>
<th>Branch Service Type</th>
<th>Branch ID_RSSD*</th>
<th>Popular Name</th>
<th>Street Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>County</th>
<th>Country</th>
<th>FDIC UNINUM*</th>
<th>Office Number*</th>
<th>Head Office</th>
<th>Head Office ID_RSSD*</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>OK</td>
<td>Full Service (Head Office)</td>
<td>1013856</td>
<td>PANOLA NATIONAL BANK</td>
<td>1510 WEST PANOLA STREET</td>
<td>CARTHAGE TX</td>
<td>75633</td>
<td>PANOLA</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>PANOLA NATIONAL BANK</td>
<td>1013856</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>Full Service</td>
<td>2981728</td>
<td>MARSHALL BRANCH</td>
<td>2203 VICTORY DRIVE</td>
<td>MARSHALL TX</td>
<td>75672</td>
<td>HARRISON</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>PANOLA NATIONAL BANK</td>
<td>1013856</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Report Item 3: Securities Holders**

(1)(a)(b)(c) and (2)(a)(b)(c)

<table>
<thead>
<tr>
<th>Name &amp; Address (City, State, Country)</th>
<th>Country of Citizenship or Incorporation</th>
<th>Number and Percentage of Each Class of Voting Securities</th>
<th>(2)(a)</th>
<th>(2)(b)</th>
<th>(2)(c) Number and Percentage of Each Class of Voting Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stephen C. Lowe, Henderson, Texas, USA</td>
<td>USA</td>
<td>40,129 shares - 14.68% Common</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warren T. Biggs, Carthage, Texas, USA</td>
<td>USA</td>
<td>27,265 shares - 9.98% Common</td>
<td></td>
<td></td>
<td>NONE</td>
</tr>
<tr>
<td>Elizabeth Parker, Carthage, Texas, USA</td>
<td>USA</td>
<td>14,929 shares - 5.46% Common</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crawford Parker, Jr., Testamentary Trustee: Elizabeth Parker, Carthage, Texas, USA</td>
<td>USA</td>
<td>14,796 shares - 5.41% Common</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Shares total = 273,293

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
## Report Item 4: Insiders

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3)(a)</th>
<th>(3)(b)</th>
<th>(3)(c)</th>
<th>(4)(a)</th>
<th>(4)(b)</th>
<th>(4)(c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Names &amp; Address (City, State, Country)</td>
<td>Principal Occupation if other than with holding company</td>
<td>Title &amp; Position with holding company</td>
<td>Title &amp; Position with Subsidiaries (include names of subsidiaries)</td>
<td>Title &amp; Position with Other Businesses (include names of other businesses)</td>
<td>Percentage of Voting Securities in holding company</td>
<td>Percentage of Voting Securities in Subsidiaries (include names of subsidiaries)</td>
<td>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 held)</td>
</tr>
<tr>
<td>Thomas Keith Adams Beckville, Texas, USA</td>
<td>Gasoline Retail Company Owner</td>
<td>Director</td>
<td>Director (Panola National Bank)</td>
<td>Vice President (Four States Petroleum Sales, Inc.)</td>
<td>3.66% ***</td>
<td>N/A</td>
<td>Four States Petroleum Sales, Inc. (50%)</td>
</tr>
<tr>
<td>Warren T. Biggs Carthage, Texas, USA</td>
<td>None</td>
<td>Chairman of the Board, CEO &amp; Director</td>
<td>Chairman of the Board, Director (Panola National Bank)</td>
<td>None</td>
<td>9.98%</td>
<td>N/A</td>
<td>None</td>
</tr>
<tr>
<td>Beverly E. Brown Carthage, Texas, USA</td>
<td>N/A</td>
<td>Director</td>
<td>Director (Panola National Bank)</td>
<td>Owner (BEB Communications)</td>
<td>2.92%</td>
<td>N/A</td>
<td>BEB Communications (100%)</td>
</tr>
<tr>
<td>John K. Cain Carthage, Texas, USA</td>
<td>N/A</td>
<td>Director</td>
<td>Director (Panola National Bank)</td>
<td>Secretary/Treasurer (Toledo Products, Inc. dba Cain Hardware &amp; Lumber Co.)</td>
<td>2.29% *</td>
<td>N/A</td>
<td>None</td>
</tr>
<tr>
<td>Gary W. Claxton Carthage, Texas, USA</td>
<td>None</td>
<td>President / Secretary / Director</td>
<td>President &amp; Director (Panola National Bank)</td>
<td>None</td>
<td>1.25%</td>
<td>N/A</td>
<td>None</td>
</tr>
</tbody>
</table>
### Report Item 4: Insiders

(1)(a)(b)(c) and (2)(a)(b)(c)

<table>
<thead>
<tr>
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<td>Jerry T. Hanszen</td>
<td>Radio Station Operator</td>
<td>Director</td>
<td>Director (Panola National Bank)</td>
<td>Owner (Hanszen Investments)</td>
<td>2.37%</td>
<td>N/A</td>
<td>Hanszen Investments (50%); KGAS Radio (49%); Hanszen Broadcasting, Inc. (49%); Hanzen Broadcast Group, Inc. (56%); KWRD - Henderson - Licensee (100% interest); KPIX - Henderson - Licensee (49% interest)</td>
</tr>
<tr>
<td>Keith Keeling, M.D.</td>
<td>N/A</td>
<td>Director</td>
<td>Director (Panola National Bank)</td>
<td>None</td>
<td>0.07%</td>
<td>N/A</td>
<td>None</td>
</tr>
<tr>
<td>Stephen C. Lowe</td>
<td>Farm equipment dealer</td>
<td>Director</td>
<td>Director (Panola National Bank)</td>
<td>President &amp; Manager (Lowe Tractor &amp; Equipment Inc.)</td>
<td>14.68%</td>
<td>N/A</td>
<td>Lowe Tractor &amp; Equipment, Inc. (100%)</td>
</tr>
<tr>
<td>Brett A. Biggs</td>
<td>None</td>
<td>EVP &amp; Director</td>
<td>EVP &amp; Director (Panola National Bank)</td>
<td>None</td>
<td>0.31%</td>
<td>N/A</td>
<td>None</td>
</tr>
</tbody>
</table>
### Report Item 4: Insiders

(1)(a)(b)(c) and (2)(a)(b)(c)

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</tr>
</thead>
<tbody>
<tr>
<td>William M. Goolsby, Jr. DeBerry, Texas, USA</td>
<td>Rancher</td>
<td>SVP &amp; Director</td>
<td>SVP &amp; Director (Panola National Bank)</td>
<td>Owner (Goolsby Farms)</td>
<td>0.15%</td>
<td>N/A</td>
</tr>
<tr>
<td>Olin Joffrion, Jr. Carthage, Texas, USA</td>
<td>Realtor</td>
<td>Director</td>
<td>Director (Panola National Bank)</td>
<td>Owner (Century 21 Joffrion Agency)</td>
<td>1.00%</td>
<td>N/A</td>
</tr>
<tr>
<td>Kay Garrett Carthage, Texas, USA</td>
<td>None</td>
<td>SVP &amp; Director</td>
<td>SVP &amp; Director (Panola National Bank)</td>
<td>None</td>
<td>0.83%</td>
<td>N/A</td>
</tr>
<tr>
<td>Elizabeth Parker Carthage, Texas, USA</td>
<td>None</td>
<td>Principal Securities Holder</td>
<td>None</td>
<td>None</td>
<td>10.87% **</td>
<td>N/A</td>
</tr>
</tbody>
</table>

* Includes shares held by the J.K. and J.B. Cain Living trust (6,061 shares). Trustee: John Cain

** Includes shares held by the Crawford Parker, Jr. Testamentary Trust (14,796). Trustee: Elizabeth Parker

*** Includes shares held by the Keith Adams Trust (9,263). Trustee: Thomas Keith Adams

Shares total = 273,293