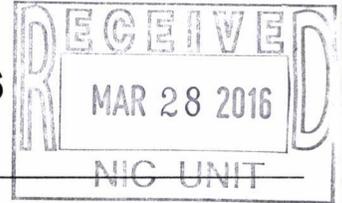


Board of Governors of the Federal Reserve System



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)); 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.

I. Greg Marrs

Name of the Holding Company Director and Official

Director and President

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

03/24/2016

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 1108967
C.I. _____

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

December 31, 2015

Month / Day / Year

N/A

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

Reporter's Name, Street, and Mailing Address

First Artesia Bancshares, Inc.

Legal Title of Holding Company

P.O. Box AA

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

Artesia NM 88211
City State Zip Code

303 West Main Street, Artesia, NM 88210

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Peggy Scott SVP-Comptroller

Name Title

575-736-8936

Area Code / Phone Number / Extension

575-746-9657

Area Code / FAX Number

pscott@firstamb.com

E-mail Address

www.firstamb.com

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

Does the reporter request confidential treatment for any portion of this submission?

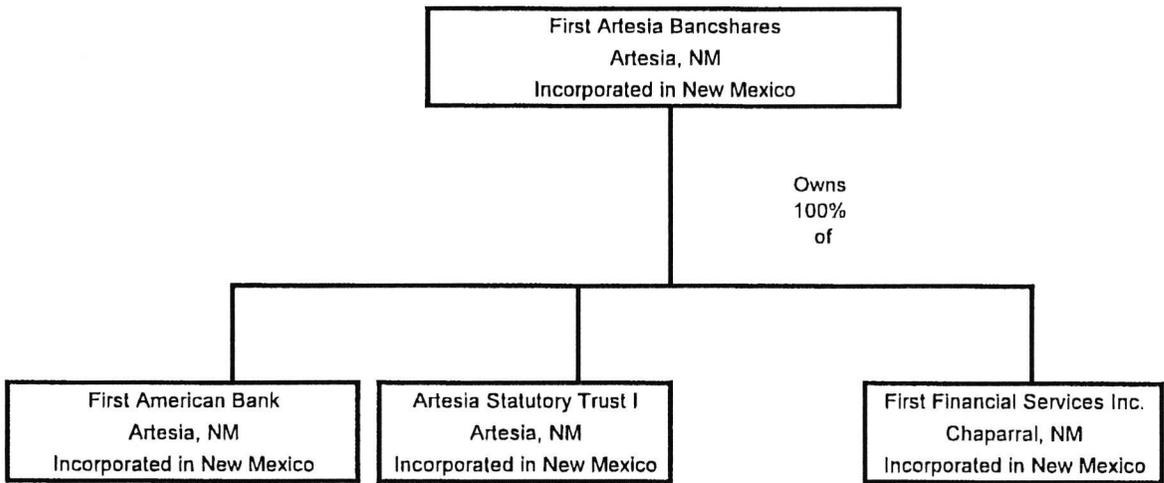
Yes Please identify the report items to which this request applies:

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

Item 2a



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**No LEI is available for any entity listed above.

AMENDED
JUL 27 2016

Results: A list of branches for your holding company: FIRST ARTESIA BANKSHARES, INC. (1108967) of ARTESIA, NM. The data are as of 12/31/2015. Data reflects information that was received and processed through 01/07/2016.

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)	771458	FIRST AMERICAN BANK	303 WEST MAIN STREET	ARTESIA	NM	88210-754	EDDY	UNITED STATES	1490		0 FIRST AMERICAN BANK	771458	
OK		Full Service	3539855	ALAMOGORDO BRANCH	1300 NORTH WHITE SANDS BOULEVARD	ALAMOGORDO	NM	88310	OTERO	UNITED STATES	423200		9 FIRST AMERICAN BANK	771458	
OK		Full Service	4150574	ALBUQUERQUE BRANCH	8110 VENTURA STREET, N.E.	ALBUQUERQUE	NM	87122	BERNALILLO	UNITED STATES	77668		13 FIRST AMERICAN BANK	771458	
OK		Full Service	4400493	JEFFERSON BRANCH	4301 THE 25 WAY NE	ALBUQUERQUE	NM	87109	BERNALILLO	UNITED STATES	Not Required	Not Required	FIRST AMERICAN BANK	771458	
OK		Full Service	157454	QUAY AVENUE BRANCH	311 WEST QUAY AVENUE	ARTESIA	NM	88210	EDDY	UNITED STATES	192155		1 FIRST AMERICAN BANK	771458	
OK		Limited Service	3539828	WEST RICHEY BRANCH	1300 WEST RICHEY AVENUE, BUILDING 106	ARTESIA	NM	88210	EDDY	UNITED STATES	192156		2 FIRST AMERICAN BANK	771458	
OK		Full Service	3540815	BAYARD BRANCH	1401 TOM FOY BOULEVARD	BAYARD	NM	88023	GRANT	UNITED STATES	Not Required	Not Required	FIRST AMERICAN BANK	771458	
OK		Full Service	4904478	CARLSBAD BRANCH	2201 WEST PIERCE STREET	CARLSBAD	NM	88220	EDDY	UNITED STATES	Not Required	Not Required	FIRST AMERICAN BANK	771458	
OK		Full Service	3912159	CHAPARRAL BRANCH	324 MC COMBS	CHAPARRAL	NM	88081	DONA ANA	UNITED STATES	493090		12 FIRST AMERICAN BANK	771458	
OK		Limited Service	3539837	HOBBS BRANCH	600 WEST BENDER	HOBBS	NM	88240	LEA	UNITED STATES	192157		3 FIRST AMERICAN BANK	771458	
OK		Full Service	3539846	JOE HARVEY BRANCH	1220 JOE HARVEY BOULEVARD	HOBBS	NM	88240	LEA	UNITED STATES	451456		11 FIRST AMERICAN BANK	771458	
OK		Limited Service	2900421	HURLEY BRANCH	512 CARRASCO AVENUE	HURLEY	NM	88043	GRANT	UNITED STATES	Not Required	Not Required	FIRST AMERICAN BANK	771458	
OK		Full Service	3539800	EAST LOHMAN BRANCH	2145 EAST LOHMAN AVENUE	LAS CRUCES	NM	88001	DONA ANA	UNITED STATES	192161		7 FIRST AMERICAN BANK	771458	
OK		Full Service	3539819	LAS CRUCES BRANCH	1553 AVENIDA DE MESILLA, SUITE 225	LAS CRUCES	NM	88005	DONA ANA	UNITED STATES	192158		4 FIRST AMERICAN BANK	771458	
OK		Full Service	3336634	LOVINGTON BRANCH	19 W WASHINGTON	LOVINGTON	NM	88260	LEA	UNITED STATES	439330		10 FIRST AMERICAN BANK	771458	
OK		Full Service	3632895	RIO RANCHO BRANCH	3002 SOUTHERN BOULEVARD SE	RIO RANCHO	NM	87124	SANDOVAL	UNITED STATES	445196		14 FIRST AMERICAN BANK	771458	
OK		Full Service	3539789	BERRENDO BRANCH	3220 NORTH MAIN STREET	ROSWELL	NM	88201	CHAVES	UNITED STATES	192162		8 FIRST AMERICAN BANK	771458	
OK		Full Service	3539798	ROSWELL BRANCH	111 EAST FIFTH STREET	ROSWELL	NM	88201	CHAVES	UNITED STATES	192159		5 FIRST AMERICAN BANK	771458	
OK		Full Service	2575717	SILVER CITY BRANCH	1509 NORTH SWAN STREET	SILVER CITY	NM	88061	GRANT	UNITED STATES	Not Required	Not Required	FIRST AMERICAN BANK	771458	

First Artesia Bancshares Inc
Shareholders as of 12/31/2015

Item 3-1

Note: All Shareholders and corporations are citizens/businesses of the United States Of America

SHAREHOLDER	City, State	SHARES	% Shareholder
TL Chandler Trust - (CG + NCG) Terry Chandler, Trustee	Ruidoso, NM USA	9,833	21.79%
First American Bank, Trustee of the 401k ESOP	Artesia, NM USA	7,272	16.12%
JC Gray Trust - (CG + NCG) Johnny C. Gray, Trustee	Ruidoso, NM USA	9,833	21.79%
Frank Yates, Jr	Artesia, NM USA	2,681	5.94%

SHAREHOLDER	City, State	SHARES	% Shareholder
Raye and Marilyn Miller	Artesia, NM USA	2,943	5.64%

Additional shareholder who owned 5% or more during 2015.
1,600 shares transferred on 12/30/2015
Current shares 943 and 2.09% shareholder

AMENDED
JUL 28 2016

First Artesia Bancshares Inc

Item 3-2

Shareholder as of 12/30/2015

Shares Owned Prior to 12/31/2015

Note: All Shareholders are citizens of the United States Of America

<u>SHAREHOLDER</u>	<u>City, State</u>	<u>SHARES</u>	<u>% Shareholder</u>
Raye and Marilyn Miller	Artesia, NM USA	2,943	5.64%

Additional shareholder who owned 5% or more during 2015.
1,600 shares transferred on 12/30/2015
Current shares 943 and 2.09% shareholder

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JUL 28 2016

Form FR Y-6
First Artesia Bancshares, Inc.
Fiscal Year Ending December 31, 2015

Report Item 4: Insiders

Note: All Shareholders, Officers, Directors and corporations are citizens/businesses of the United States Of America

(1) Name, 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 (Include 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 securities are held (List names of companies and percentage of voting securities held)
Greg Marrs Artesia, NM	Banker	Director and President	Director, Chairman, CEO & President (First American Bank)	N/A	0.16%	None	N/A
Raymond Welborn Artesia, NM	Banker	Advisory Director	Executive Vice President, CIO (First American Bank)	N/A	0.39%	None	N/A
Brett Mills Artesia, NM	Banker	Advisory Director & Treasurer	Executive Vice President, CFO (First American Bank)	N/A	0.00%	None	N/A
Russell C. Smith Alto, NM	Accountant	Director and Vice President	Director First American Bank	Controller, Marbob Energy	0.09%	None	N/A
Raye P. Miller Artesia, NM	Accountant Engineer	Director and Vice Chairman	N/A	President, Regeneration Energy Corp	2.09%	None	N/A
William F. Mershon Mayhill, NM	N/A	Director and Chairman	Director First American Bank	N/A	2.56%	None	N/A
Terry Chandler Carlsbad, NM	N/A	Shareholder	N/A	N/A	21.79%	None	N/A
Johnny Gray Ruidoso, NM	N/A	Shareholder	N/A	N/A	21.79%	None	N/A
First American Bank Trustee of the 401k ESOP Artesia, NM	Trustee of the 401k ESOP plan	Shareholder	N/A	N/A	16.12%	None	N/A

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A **MENDED** **D**
JUL 27 2016

Annual Disclosure Statement
as of December 31, 2015

BALANCE SHEET

	December 31st	
	<u>2015</u>	<u>2014</u>
	<small>(Dollar Amounts in Thousands)</small>	
ASSETS		
Cash and balances due from depository institutions:		
Noninterest-bearing balances and currency and coin	19,740	20,332
Interest-bearing balances	2,787	42,829
Securities:		
Held-to-maturity securities	63,383	56,372
Available-for-sale securities	356,495	354,292
Federal funds sold and securities purchased under agreements to resell:		
Federal funds sold	0	0
Securities purchased under agreements to resell	0	0
Loans and lease financing receivables:		
Loans and leases held for sale	4,660	3,282
Loans and leases, net of unearned income	568,832	508,597
LESS: Allowance for loan and lease losses	10,437	10,341
Loans and leases, net of unearned income and allowance	558,395	498,256
Trading assets	0	0
Premises and fixed assets (including capitalized leases)	30,980	30,494
Other real estate owned	804	958
Investments in unconsolidated subsidiaries and associated companies	0	0
Direct and indirect investments in real estate ventures	0	0
Intangible assets:		
Goodwill	3,865	3,865
Other intangible assets	787	1,075
Other assets	27,387	28,317
Total assets	1,069,283	1,040,072
LIABILITIES		
Deposits:		
In domestic offices	925,657	905,134
Noninterest-bearing	301,033	325,750
Interest-bearing	624,624	579,384
Federal funds purchased and securities sold under agreements to repurchase:		
Federal funds purchased	0	0
Securities sold under agreements to repurchase	27,933	24,649
Trading liabilities	0	0
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)	0	100
Subordinated notes and debentures	0	0
Other liabilities	12,423	11,359
Total liabilities	966,013	941,242
EQUITY CAPITAL		
Bank Equity Capital		
Perpetual preferred stock and related surplus	0	0
Common stock	3,769	3,769
Surplus (exclude all surplus related to preferred stock)	55,997	55,997
Retained earnings	42,660	35,542
Accumulated other comprehensive income	844	3,522
Other equity capital components	0	0
Total bank equity capital	103,270	98,830
Noncontrolling (minority) interests in consolidated subsidiaries	0	0
Total equity capital	103,270	98,830
Total liabilities and equity capital	1,069,283	1,040,072

PAST DUE AND NONACCRUAL LOANS, LEASES, AND OTHER ASSETS

December 31st
2015 2014
(Dollar Amounts in Thousands)

Past due 30 through 89 days and still accruing

Loans secured by real estate:		
Construction, land development, and other land loans:		
1-4 family residential construction loans	0	0
Other construction loans and all land development and other land loans	0	0
Secured by farmland	0	0
Secured by 1-4 family residential properties:		
Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	0	41
Closed-end loans secured by 1-4 family residential properties:		
Secured by first liens	96	362
Secured by junior liens	0	0
Secured by multifamily (5 or more) residential properties	0	0
Secured by nonfarm nonresidential properties:		
Loans secured by owner-occupied nonfarm nonresidential properties	129	1
Loans secured by other nonfarm nonresidential properties	30	26
Loans to depository institutions and acceptances of other banks	0	0
Commercial and industrial loans	202	165
Loans to individuals for household, family, and other personal expenditures:		
Credit cards	0	0
Automobile loans	19	11
Other (includes revolving credit plans other than credit cards and other consumer loans)	30	41
Loans to foreign governments and official institutions	0	0
All other loans	0	0
Lease financing receivables	0	0
Debt securities and other assets (exclude other real estate owned and other repossessed assets)	0	0
Loans and leases reported above that are wholly or partially guaranteed by the U.S. Government, excluding loans and leases covered by loss-sharing agreements with the FDIC	88	0
Guaranteed portion of loans and leases, excluding rebooked "GNMA loans"	75	0
Rebooked "GNMA loans" that have been repurchased or are eligible for repurchase	0	0
Loans and leases reported above that are covered by loss-sharing agreements with the FDIC:		
Loans secured by real estate:		
Construction, land development, and other land loans:		
1-4 family residential construction loans	0	0
Other construction loans and all land development and other land loans	0	0
Secured by farmland	0	0
Secured by 1-4 family residential properties:		
Revolving, open-end secured by 1-4 family residential properties and extended under lines of credit	0	0
Closed-end loans secured by 1-4 family residential properties:		
Secured by first liens	0	13
Secured by junior liens	0	0
Secured by multifamily (5 or more) residential properties	0	0
Secured by nonfarm nonresidential properties:		
Loans secured by owner-occupied nonfarm nonresidential properties	0	0
Loans secured by other nonfarm nonresidential properties	0	0
Commercial and industrial loans	0	0

PAST DUE AND NONACCRUAL LOANS, LEASES, AND OTHER ASSETS

December 31st
2015 2014
(Dollar Amounts in Thousands)

Past due 30 through 89 days and still accruing - Continued

Loans to individuals for household, family, and other personal expenditures:		
Credit cards	0	0
Automobile loans	0	0
Other (includes revolving credit plans other than credit cards and other consumer loans)	0	0
All other loans and leases	0	0
Loans to depository institutions and acceptances of other banks	0	0
Loans to foreign governments and official institutions	0	0
Other loans	0	0
Loans to finance agricultural production and other loans to farmers	0	0
Lease financing receivables	0	0
Portion of covered loans and leases included above that is protected by FDIC loss-sharing agreements	0	11
Memoranda		
Loans restructured in troubled debt restructurings included above:		
Construction, land development, and other land loans:		
1-4 family residential construction loans	0	0
Other construction loans and all land development and other land loans	0	0
Loans secured by 1-4 family residential properties	0	0
Secured by multifamily (5 or more) residential properties	0	0
Secured by nonfarm nonresidential properties:		
Loans secured by owner-occupied nonfarm nonresidential properties	0	0
Loans secured by other nonfarm nonresidential properties	0	0
Commercial and industrial loans	0	0
To U.S. addressees (domicile)	0	0
To non-U.S. addressees (domicile)	0	0
All other loans (include loans to individuals for household, family, and other personal expenditures)	0	0
Loans to finance commercial real estate, construction, and land development activities (not secured by real estate)	0	0
Loans secured by real estate to non-U.S. addressees (domicile)	0	0
Loans to and acceptances of foreign banks	0	0
Commercial and industrial loans to non-U.S. addressees (domicile)	0	0
Leases to individuals for household, family, and other personal expenditures	0	0
Loans to finance agricultural production and other loans to farmers	0	0
Loans and leases held for sale	0	0
Loans measured at fair value:		
Fair value	0	0
Unpaid principal balance	0	0
Derivative contracts:		
Fair value of amounts carried as assets	0	0
Purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3):		
Outstanding balance	0	21
Amount included in Schedule RC-N, items 1 through 7, above	0	13

PAST DUE AND NONACCRUAL LOANS, LEASES, AND OTHER ASSETS

December 31st
2015 2014
(Dollar Amounts in Thousands)

Past due 90 days or more and still accruing

Loans secured by real estate:		
Construction, land development, and other land loans:		
1-4 family residential construction loans	0	0
Other construction loans and all land development and other land loans	0	0
Secured by farmland	0	0
Secured by 1-4 family residential properties:		
Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	0	0
Closed-end loans secured by 1-4 family residential properties:		
Secured by first liens	0	0
Secured by junior liens	0	0
Secured by multifamily (5 or more) residential properties	0	0
Secured by nonfarm nonresidential properties:		
Loans secured by owner-occupied nonfarm nonresidential properties	0	0
Loans secured by other nonfarm nonresidential properties	0	0
Loans to depository institutions and acceptances of other banks	0	0
Commercial and industrial loans	0	0
Loans to individuals for household, family, and other personal expenditures:		
Credit cards	0	0
Automobile loans	0	0
Other (includes revolving credit plans other than credit cards and other consumer loans)	0	0
Loans to foreign governments and official institutions	0	0
All other loans	0	0
Lease financing receivables	0	0
Debt securities and other assets (exclude other real estate owned and other repossessed assets)	0	0
Loans and leases reported above that are wholly or partially guaranteed by the U.S. Government, excluding loans and leases covered by loss-sharing agreements with the FDIC	0	0
Guaranteed portion of loans and leases, excluding rebooked "GNMA loans"	0	0
Rebooked "GNMA loans" that have been repurchased or are eligible for repurchase	0	0
Loans and leases reported above that are covered by loss-sharing agreements with the FDIC:		
Loans secured by real estate:		
Construction, land development, and other land loans:		
1-4 family residential construction loans	0	0
Other construction loans and all land development and other land loans	0	0
Secured by farmland	0	0
Secured by 1-4 family residential properties:		
Revolving, open-end secured by 1-4 family residential properties and extended under lines of credit	0	0
Closed-end loans secured by 1-4 family residential properties:		
Secured by first liens	0	0
Secured by junior liens	0	0
Secured by multifamily (5 or more) residential properties	0	0
Secured by nonfarm nonresidential properties:		
Loans secured by owner-occupied nonfarm nonresidential properties	0	0
Loans secured by other nonfarm nonresidential properties	0	0
Commercial and industrial loans	0	0

PAST DUE AND NONACCRUAL LOANS, LEASES, AND OTHER ASSETS

December 31st
2015 2014
(Dollar Amounts in Thousands)

Past due 90 days or more and still accruing - Continued

Loans to individuals for household, family, and other personal expenditures:		
Credit cards	0	0
Automobile loans	0	0
Other (includes revolving credit plans other than credit cards and other consumer loans)	0	0
All other loans and leases	0	0
Loans to depository institutions and acceptances of other banks	0	0
Loans to foreign governments and official institutions	0	0
Other loans	0	0
Loans to finance agricultural production and other loans to farmers	0	0
Lease financing receivables	0	0
Portion of covered loans and leases included above that is protected by FDIC loss-sharing agreements	0	0
 Memoranda		
Loans restructured in troubled debt restructurings included above:		
Construction, land development, and other land loans:		
1-4 family residential construction loans	0	0
Other construction loans and all land development and other land loans	0	0
Loans secured by 1-4 family residential properties	0	0
Secured by multifamily (5 or more) residential properties	0	0
Secured by nonfarm nonresidential properties:		
Loans secured by owner-occupied nonfarm nonresidential properties	0	0
Loans secured by other nonfarm nonresidential properties	0	0
Commercial and industrial loans	0	0
To U.S. addressees (domicile)	0	0
To non-U.S. addressees (domicile)	0	0
All other loans (include loans to individuals for household, family, and other personal expenditures)	0	0
 Loans to finance commercial real estate, construction, and land development activities (not secured by real estate)	0	0
Loans secured by real estate to non-U.S. addressees (domicile)	0	0
Loans to and acceptances of foreign banks	0	0
Commercial and industrial loans to non-U.S. addressees (domicile)	0	0
Leases to individuals for household, family, and other personal expenditures	0	0
Loans to finance agricultural production and other loans to farmers	0	0
Loans and leases held for sale	0	0
Loans measured at fair value:		
Fair value	0	0
Unpaid principal balance	0	0
 Derivative contracts:		
Fair value of amounts carried as assets	0	0
 Purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3):		
Outstanding balance	0	0
Amount included in Schedule RC-N, items 1 through 7, above	0	0

PAST DUE AND NONACCRUAL LOANS, LEASES, AND OTHER ASSETS

December 31st
2015 2014
(Dollar Amounts in Thousands)

Nonaccrual

Loans secured by real estate:		
Construction, land development, and other land loans:		
1-4 family residential construction loans	230	398
Other construction loans and all land development and other land loans	16	1,408
Secured by farmland	0	0
Secured by 1-4 family residential properties:		
Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	0	0
Closed-end loans secured by 1-4 family residential properties:		
Secured by first liens	2,106	1,646
Secured by junior liens	15	34
Secured by multifamily (5 or more) residential properties	0	0
Secured by nonfarm nonresidential properties:		
Loans secured by owner-occupied nonfarm nonresidential properties	315	54
Loans secured by other nonfarm nonresidential properties	174	2,595
Loans to depository institutions and acceptances of other banks	0	0
Commercial and industrial loans	612	550
Loans to individuals for household, family, and other personal expenditures:		
Credit cards	0	0
Automobile loans	0	0
Other (includes revolving credit plans other than credit cards and other consumer loans)	23	21
Loans to foreign governments and official institutions	0	0
All other loans	0	0
Lease financing receivables	0	0
Debt securities and other assets (exclude other real estate owned and other repossessed assets)	0	0
Loans and leases reported above that are wholly or partially guaranteed by the U.S. Government, excluding loans and leases covered by loss-sharing agreements with the FDIC	0	0
Guaranteed portion of loans and leases, excluding rebooked "GNMA loans"	0	0
Rebooked "GNMA loans" that have been repurchased or are eligible for repurchase	0	0
Loans and leases reported above that are covered by loss-sharing agreements with the FDIC:		
Loans secured by real estate:		
Construction, land development, and other land loans:		
1-4 family residential construction loans	0	0
Other construction loans and all land development and other land loans	0	44
Secured by farmland	0	0
Secured by 1-4 family residential properties:		
Revolving, open-end secured by 1-4 family residential properties and extended under lines of credit	0	0
Closed-end loans secured by 1-4 family residential properties:		
Secured by first liens	77	366
Secured by junior liens	0	0
Secured by multifamily (5 or more) residential properties	0	0
Secured by nonfarm nonresidential properties:		
Loans secured by owner-occupied nonfarm nonresidential properties	0	0
Loans secured by other nonfarm nonresidential properties	168	145
Commercial and industrial loans	152	128

PAST DUE AND NONACCRUAL LOANS, LEASES, AND OTHER ASSETS

December 31st
2015 **2014**
(Dollar Amounts in Thousands)

Nonaccrual - Continued

Loans to individuals for household, family, and other personal expenditures:		
Credit cards	0	0
Automobile loans	0	0
Other (includes revolving credit plans other than credit cards and other consumer loans)	0	0
All other loans and leases	0	0
Loans to depository institutions and acceptances of other banks	0	0
Loans to foreign governments and official institutions	0	0
Other loans	0	0
Loans to finance agricultural production and other loans to farmers	0	0
Lease financing receivables	0	0
Portion of covered loans and leases included above that is protected by FDIC loss-sharing agreements	318	547
 Memoranda		
Loans restructured in troubled debt restructurings included above:		
Construction, land development, and other land loans:		
1-4 family residential construction loans	0	0
Other construction loans and all land development and other land loans	0	792
Loans secured by 1-4 family residential properties	80	726
Secured by multifamily (5 or more) residential properties	0	0
Secured by nonfarm nonresidential properties:		
Loans secured by owner-occupied nonfarm nonresidential properties	0	0
Loans secured by other nonfarm nonresidential properties	0	0
Commercial and industrial loans	0	0
To U.S. addressees (domicile)	0	0
To non-U.S. addressees (domicile)	0	0
All other loans (include loans to individuals for household, family, and other personal expenditures)	0	0
 Loans to finance commercial real estate, construction, and land development activities (not secured by real estate)	0	0
Loans secured by real estate to non-U.S. addressees (domicile)	0	0
Loans to and acceptances of foreign banks	0	0
Commercial and industrial loans to non-U.S. addressees (domicile)	0	0
Leases to individuals for household, family, and other personal expenditures	0	0
Loans to finance agricultural production and other loans to farmers	0	0
Loans and leases held for sale	0	0
Loans measured at fair value:		
Fair value	0	0
Unpaid principal balance	0	0
 Additions to nonaccrual assets during the quarter	293	2,696
Nonaccrual assets sold during the quarter	0	0
 Purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3):		
Outstanding balance	398	939
Amount included in Schedule RC-N, items 1 through 7, above	398	683

INCOME STATEMENT

	December 31st	
	<u>2015</u>	<u>2014</u>
	<small>(Dollar Amounts in Thousands)</small>	
Interest income:		
Interest and fee income on loans:		
Loans secured by real estate:		
Loans secured by 1-4 family residential properties	4,693	4,913
All other loans secured by real estate	18,456	18,236
Commercial and industrial loans	5,763	5,108
Loans to individuals for household, family, & other personal expenditures:		
Credit cards	0	0
Other (includes revolving credit plans other than credit cards, automobile loans, and other consumer loans)	696	832
Loans to foreign governments and other official institutions	0	0
All other loans	599	668
Total interest and fee income on loans	30,207	29,757
Income from lease financing receivables	0	0
Interest income on balances due from depository institutions	128	113
Interest and dividend income on securities:		
U.S. Treasury securities and U.S. Government agency obligations	922	673
Mortgage-backed securities	4,571	4,145
All other securities	2,977	2,896
Interest income from trading assets	0	0
Interest income on federal funds sold and securities purchased under agreements to resell	0	0
Other interest income	17	19
Total interest income	38,822	37,603
Interest expense:		
Interest on deposits:		
Transaction accounts (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	410	332
Nontransaction accounts:		
Savings deposits (includes MMDAs)	775	721
Time deposits of \$100,000 or more	217	265
Time deposits of less than \$100,000	133	176
Expense of federal funds purchased and securities sold under agreements to repurchase	27	28
Interest on trading liabilities and other borrowed money	23	12
Interest on subordinated notes and debentures	0	0
Total interest expense	1,585	1,534
Net interest income	37,237	36,069
Provision for loan and lease losses	1,240	259
Noninterest income:		
Income from fiduciary activities	2,586	2,175
Service charges on deposit accounts	1,988	2,255
Trading revenue	0	0
Fees and commissions from securities brokerage	0	0
Investment banking, advisory, and underwriting fees and commissions	0	0
Fees and commissions from annuity sales	0	0
Underwriting income from insurance and reinsurance activities	0	0
Income from other insurance activities	0	3
Venture capital revenue	0	0
Net servicing fees	8	51
Net securitization income	0	0
Net gains (losses) on sales of loans and leases	1,163	1,469
Net gains (losses) on sales of other real estate owned	377	65
Net gains (losses) on sales of other assets (excluding securities)	9	-13
Other noninterest income	2,462	2,350
Total noninterest income	8,593	8,355

INCOME STATEMENT - Continued

	December 31st	
	<u>2015</u>	<u>2014</u>
	<small>(Dollar Amounts in Thousands)</small>	
Realized gains (losses) on held-to-maturity securities	0	0
Realized gains (losses) on available-for-sale securities	119	0
Noninterest expense:		
Salaries and employee benefits	18,311	17,950
Expenses of premises and fixed assets (net of rental income) (excluding salaries and employee benefits and mortgage interest)	3,737	3,962
Goodwill impairment losses	0	0
Amortization expense and impairment losses for other intangible assets	183	182
Other noninterest expense	8,937	11,006
Total noninterest expense	31,168	33,100
Income (loss) before income taxes & extraordinary items & other adjustments	13,541	11,065
Applicable income taxes	0	0
Income (loss) before extraordinary items and other adjustments	13,541	11,065
Extraordinary items and other adjustments, net of income taxes	0	0
Net income (loss) attributable to bank and noncontrolling (minority) interests	13,541	11,065
LESS: Net income (loss) attributable to noncontrolling (minority) interests	0	0
Net income (loss) attributable to bank	13,541	11,065
Memoranda		
Interest expense incurred to carry tax-exempt securities, loans, and leases acquired after 8/7/86, that is not deductible for federal income tax purposes	33	33
Income from the sale and servicing of mutual funds and annuities	0	0
Income on tax-exempt loans & leases to states & political subdivisions in U.S.	0	0
Income on tax-exempt securities issued by states & political subdivisions in U.S.	2,938	2,857
Number of full-time equivalent employees at end of current period	254	256
Interest and fee income on loans to finance agricultural production and other loans to farmers	592	657
Trading revenue (from cash instruments and derivative instruments):		
Interest rate exposures	N/A	N/A
Foreign exchange exposures	N/A	N/A
Equity security and index exposures	N/A	N/A
Commodity and other exposures	N/A	N/A
Credit exposures	N/A	N/A
Impact on trading revenue of changes in the creditworthiness of the bank's derivatives counterparties on the bank's derivative assets	N/A	N/A
Impact on trading revenue of changes in the creditworthiness of the bank on the bank's derivative liabilities	N/A	N/A
Net gains (losses) recognized in earnings on credit derivatives that economically hedge credit exposures held outside the trading account:		
Net gains (losses) on credit derivatives held for trading	0	0
Net gains (losses) on credit derivatives held for purposes other than trading	0	0
Credit losses on derivatives	0	0
Does the reporting bank have a Subchapter S election in effect for federal income tax purposes for the current tax year?	Yes	Yes
Noncash income from negative amortization on closed-end loans secured by 1-4 family residential properties	N/A	N/A

INCOME STATEMENT - Continued

December 31st
2015 2014
(Dollar Amounts in Thousands)

Net gains (losses) recognized in earnings on assets and liabilities that are reported at fair value under a fair value option:		
Net gains (losses) on assets	N/A	N/A
Estimated net gains (losses) on loans attributable to changes in instrument-specific credit risk	N/A	N/A
Net gains (losses) on liabilities	N/A	N/A
Estimated net gains (losses) on liabilities attributable to changes in instrument-specific credit risk	N/A	N/A
Other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities:		
Total other-than-temporary impairment losses	0	0
Portion of losses recognized in other comprehensive income (before income taxes)	0	0
Net impairment losses recognized in earnings (included in Schedule RI, items 6.a and 6.b) (Memorandum item 14.a minus item 14.b)	0	0

CHANGES IN BANK EQUITY CAPITAL

Total bank equity capital most recently reported for the end of previous calendar year, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income)	98,830	75,291
Cumulative effect of changes in accounting principles and corrections of material accounting errors	0	0
Balance end of previous calendar year as restated	98,830	75,291
Net income (loss) attributable to bank	13,541	11,065
Sale, conversion, acquisition, or retirement of capital stock, net (excluding treasury stock transactions)	0	0
Treasury stock transactions, net	0	0
Changes incident to business combinations, net	0	16,559
LESS: Cash dividends declared on preferred stock	0	0
LESS: Cash dividends declared on common stock	6,424	7,164
Other comprehensive income	-2,677	3,079
Other transactions with stockholders (including a parent holding company)	0	0
Total bank equity capital end of current period	103,270	98,830

CHANGES IN ALLOWANCE FOR LOAN AND LEASE LOSSES

Balance most recently reported for the end of previous year, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income)	10,341	8,394
Recoveries	89	220
LESS: Charge-offs	1,233	373
LESS: Write-downs arising from transfers of loans to a held-for-sale account	0	0
Provision for loan and lease losses	1,240	259
Adjustments	0	1,841
Balance end of current period	10,437	10,341

FINANCIAL RATIOS

	<u>December 31st</u>	<u>2015</u>	<u>2014</u>
Earnings and Profitability			
Net Interest Margin / Average Assets <i>Net interest margin is an indication of the profitability of a bank's investments.</i>		3.45	3.99
Overhead Expense / Average Assets <i>Overhead expenses are the fixed operating costs in a bank, and include salaries and benefits, leases of building and equipment, and other related expenses.</i>		2.89	3.66
Return on Average Assets (R.O.A.) <i>R.O.A. is a measure of return on the bank's assets, indicating how effectively they are employed.</i>		1.25	1.23
Return on Average Bank Equity (R.O.E.) <i>R.O.E. is a measure of how well bank equity capital is being utilized, indicating the return of the shareholder's investment in the bank.</i>		13.41	13.56
Loan and Lease Analysis			
Net Charge-Offs / Average Loans <i>Net charge-offs measure the amount of loans charged off as bad debt, less recoveries collected, giving an indication of past loan quality.</i>		0.21	0.03
Earnings Coverage of Net Charge-Offs (X) <i>Measures the bank's ability to absorb potential losses from nonperforming loans.</i>		12.82	74.01
Loan Loss Reserve / Total Loans <i>Loan loss reserves represent the amount thought to be adequate to cover estimated losses in the loan portfolio.</i>		1.82	2.02
Nonperforming Loans / Gross Loans <i>The percent of the bank's loans which are past due 90 days or more or are not accruing interest according to the original terms of the borrower's loan agreement.</i>		0.61	1.31
Liquidity			
Total Loans / Total Deposits <i>Measures a bank's application of interest-earning deposit liabilities to fund loan growth.</i>		61.96	56.55
Time Deposits of more than \$250,000 / Total Deposits <i>Larger deposits are typically more costly, and amounts exceeding \$250,000 per account are not insured by the FDIC.</i>		3.07	2.91
Capital Adequacy			
Leverage Ratio <i>To be considered Well-Capitalized or Adequately Capitalized by the regulators, a bank must have a Tier 1 Capital to Total Assets ratio of greater than or equal to 5.0% or 4.0%, respectively.</i>		9.06	8.53
Risk-Based Capital Ratio <i>An indicator of a bank's financial strength, banks are expected to meet a minimum Total Risk-Based Capital ratio of 8.0%.</i>		17.10	16.93

First American Bank
Artesia, NM

This disclosure statement has been produced by Jack Henry & Associates, Inc. The financial information appearing in this statement was obtained from Federal Financial Institution Examination Council (FFIEC) Reports of Condition and Income submitted by all FDIC-Insured depository institutions. All information contained herein was obtained from sources deemed reliable; however, no guarantee is given as to the accuracy of the data or the calculations derived therefrom. This statement has not been reviewed, or confirmed for accuracy or relevance, by the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, or the Federal Reserve Board.

I do hereby attest that this Annual Disclosure Statement for this report date has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true to the best of my knowledge and belief.



Authorized Officer of the Bank