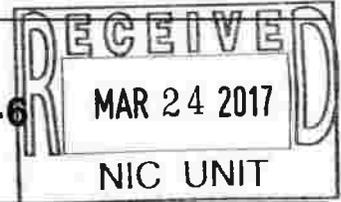


Board of Governors of the Federal Reserve System



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, 2016

Month / Day / Year

None

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

Reporter's Name, Street, and Mailing Address

I, Michael Montgomery

Rice Bancshares, Inc.

Legal Title of Holding Company

100 N. McKinney Street

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

Rice	TX	75155
City	State	Zip Code

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Michael J. Montgomery President/CEO

Name Title

903-326-4121

Area Code / Phone Number / Extension

903-326-4451

Area Code / FAX Number

mmontgomery@fsbrice-tx.com

E-mail Address

www.fsbrice-tx.com

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

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.

Michael J. Montgomery
 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 3600399
 C.I. _____

Is confidential treatment requested for any portion of this report submission?.....	0=No 1=Yes	<input type="checkbox"/> 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	<input type="checkbox"/>	
2. a letter justifying this request has been provided separately.....	<input type="checkbox"/>	
NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential."		

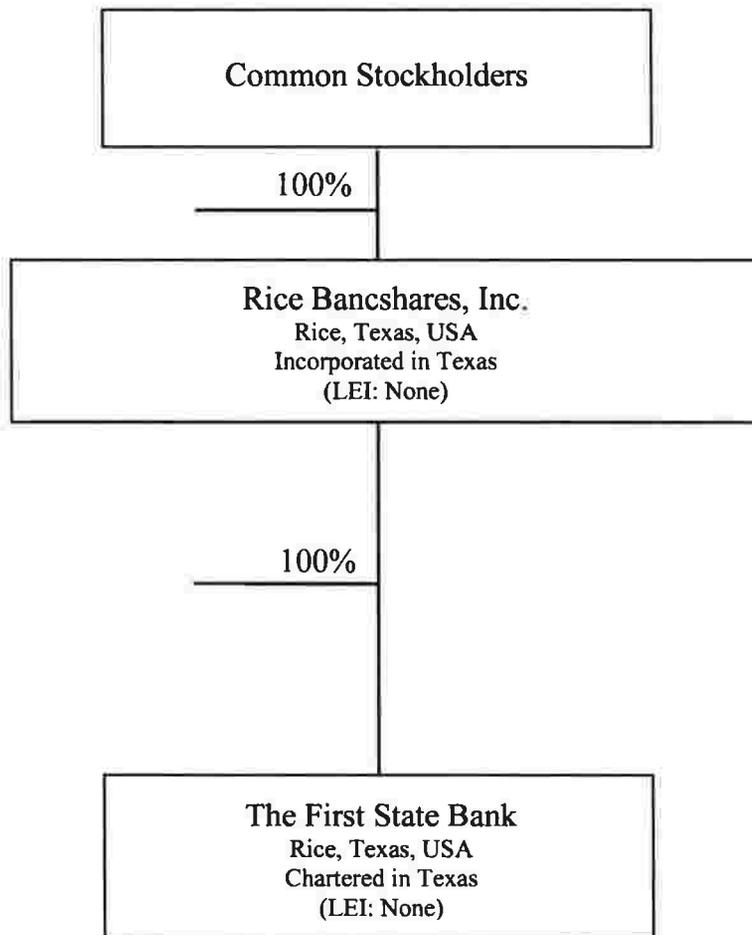
RICE BANCSHARES, INC.

SCHEDULE I - FORM FRY-6 – ORGANIZATION CHART

YEAR ENDED DECEMBER 31, 2016

1: Rice Bancshares, Inc. provides an annual report for its securities holders and is not registered with the SEC. Enclosed are copies of the financial statements as specified by the appropriate Reserve Bank.

2a: Organizational Chart



2b: Domestic Branch listing provided to the Federal Reserve Bank.

See accountants' report.

Results: A list of branches for your depository institution: FIRST STATE BANK, THE (ID_RSSD: 736662). This depository institution is held by RICE BANCSHARES, INC. (3600399) of RICE, TX. The data are as of 1/2/2016. Data reflects information that was received and processed through 04/05/2017.

Reconciliation and Verification Stages

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 ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
OK		736662	FIRST STATE BANK, THE	100 NORTH MCKINNEY ST	RICE	TX	75155	NAVARRO	UNITED STATES	Not Required	Not Required	FIRST STATE BANK, THE	736662	
OK		4111397	ENNIS BRANCH	909 SOUTH CLAY STREET	ENNIS	TX	75119	ELLIS	UNITED STATES	Not Required	Not Required	FIRST STATE BANK, THE	736662	
OK		972956	ITALY BRANCH	100 WEST MAIN STREET	ITALY	TX	76651	ELLIS	UNITED STATES	Not Required	Not Required	FIRST STATE BANK, THE	736662	
OK		4039736	WAXAHACHIE BRANCH	104 BROADHEAD ROAD	WAXAHACHIE	TX	75165-2888	ELLIS	UNITED STATES	Not Required	Not Required	FIRST STATE BANK, THE	736662	

FORM FRY-6
RICE BANCSHARES, INC.
SCHEDULE III - FORM FRY-6 - SHAREHOLDERS
YEAR ENDED DECEMBER 31, 2016

<u>NAMES AND ADDRESSES</u>	<u>NUMBER OF VOTING SHARES OWNED</u>	<u>PERCENT OF VOTING SHARES OWNED</u>
Shareholders that directly or indirectly own, control or hold with power to vote 5% or more of the voting stock of Rice Bancshares, Inc.:		
James H. Fortson Rice, Texas USA U.S. Citizen	205,666	15.50%
Michael J. Montgomery Ennis, Texas USA U.S. Citizen	85,500	6.44%
Gail S. Moran Rice, Texas USA U.S. Citizen	152,254	11.48%
The Mitchell Special Trust Gary Witherspoon, Trustee Dallas, Texas USA U.S. Citizen	85,211	6.42%
Carroll E. and Holly L. Moran Moran Irrevocable Trust Carroll Moran, Trustee Corsicana, Texas USA U.S. Citizen	112,148 92,606	8.45% 6.98%

Shareholders not listed above that owned or controlled 5% or more of any class of voting securities in Rice Bancshares, Inc., during the fiscal year ended December 31, 2015:

None

**RICE BANCSHARES, INC.
SCHEDULE IV - FORM FRY-6 - INSIDERS
YEAR ENDED DECEMBER 31, 2016**

Director, Officer, Principal's Name, Address, and Principal Occupation	Organization	Title or Position	Percentage of Shares Owned, Controlled, or Held With Power to Vote
Michael J. Montgomery Ennis, Texas USA Banker, President/CEO	Rice Bancshares, Inc. The First State Bank Other companies - n/a	Director, Chairman Director, President & CEO n/a	6.44% 0% n/a
James H. Fortson Rice, Texas USA General Contractor	Rice Bancshares, Inc. The First State Bank Fortson Contracting	Director Director Owner, President	15.50% 0% 100.00%
Joe Crow Ennis, Texas USA Retired Railroad Contractor	Rice Bancshares, Inc. The First State Bank Other companies - n/a	Director Director n/a	1.96% 0% n/a
Russell Thomas Ennis, Texas USA Environmental Engineer	Rice Bancshares, Inc. The First State Bank American Energy & Environmental Engineering	Director Director Owner, President	1.97% 0% 100.00%
Sandra Lowe Ennis, Texas USA Banker, CFO/Cashier	Rice Bancshares, Inc. The First State Bank Other companies - n/a	Secretary Director, CFO, Cashier n/a	1.13% 0% n/a
Gary Witherspoon Dallas, TX USA Certified Public Accountant	Rice Bancshares, Inc. The First State Bank Other companies - n/a	Director Director n/a	0.36% 0% n/a
Gail S. Moran Chatfield, TX USA Investments	Rice Bancshares, Inc. Subsidiaries - n/a Other companies - n/a	Principal Shareholder n/a n/a	11.48% n/a n/a
Carroll E. Moran Holly Moran Moran Irrevocable Trust Chatfield, TX USA 75105 Investments	Rice Bancshares, Inc. Rice Bancshares, Inc. Rice Bancshares, Inc. Subsidiaries - n/a Other companies - n/a	Director, Principal Shareholder Principal Shareholder Principal Shareholder n/a n/a	15.43% 0% 0% n/a n/a

See accountants' report.

**DOMESTIC BANK HOLDING COMPANY
ANNUAL REPORT F.R.Y. - 6
DECEMBER 31, 2016 AND 2015**

**RICE BANCSHARES, INC.
100 North McKinney Street
Rice, Texas 75155**

RICE BANCSHARES, INC.

FEDERAL RESERVE FORM Y-6

DECEMBER 31, 2016

I N D E X

	<u>Report Item</u>	<u>Page Number</u>
Annual Report to Shareholders	1b	1 – 5
Organization Chart	2	6
Shareholders	3	7
Insiders	4	8

RICE BANCSHARES, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

TOGETHER WITH ACCOUNTANTS' COMPILATION THEREON



PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
of Rice Bancshares, Inc.

Management is responsible for the accompanying financial statements of Rice Bancshares, Inc. (a corporation), which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of income and comprehensive income, the statements of changes in stockholders' equity and cash flows for the years then ended, included in the accompanying prescribed form. We 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. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The supplementary information on pages 6 through 8 is presented for purposes of additional analysis and is the representation of management. The information was subject to our compilation engagement; however, we have not audited or reviewed the information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

Other Matter

The financial statements included in the accompanying prescribed form are intended to comply with the requirements of the Board of Governors of the Federal Reserve System, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

Pattillo, Brown & Hill, L.L.P.

March 20, 2017
Waco, Texas

FORM FRY-6
RICE BANCSHARES, INC.
BALANCE SHEETS
DECEMBER 31, 2016 AND 2015

ASSETS

	<u>2016</u>	<u>2015</u>
Cash	\$ 13,879	\$ 5,614
Investment in The First State Bank Rice	17,703,230	16,856,169
Federal income tax receivable	<u>49,541</u>	<u>49,541</u>
Total Assets	<u>\$ 17,766,650</u>	<u>\$ 16,911,324</u>

LIABILITIES

Other Liabilities	\$ <u>-</u>	\$ <u>-</u>
-------------------	-------------	-------------

CAPITAL

Capital stock	1,326,784	1,326,784
Additional paid-in capital	11,859,438	11,859,438
Retained earnings (loss)	3,795,469	2,735,666
Equity - net income (loss)	1,118,460	1,059,803
Net unrealized gain (loss) on SEC. AFS	<u>(333,501)</u>	<u>(70,367)</u>
Total Capital	<u>17,766,650</u>	<u>16,911,324</u>
Total Liabilities and Capital	<u>\$ 17,766,650</u>	<u>\$ 16,911,324</u>

See accountants' report.

FORM FRY-6**RICE BANCSHARES, INC.****STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
INCOME (LOSS)		
Dividends	\$ 15,000	\$ -
Other	<u>-</u>	<u>-</u>
Total Income (Loss)	<u>15,000</u>	<u>-</u>
OPERATING EXPENSES		
Organizational fees	-	-
Option expense	-	-
Other expense	<u>6,735</u>	<u>6,860</u>
Total Operating Expenses	<u>6,735</u>	<u>6,860</u>
INCOME (LOSS) FROM OPERATIONS	8,265	(6,860)
OTHER INCOME (LOSS)		
Earnings (loss) in subsidiary	<u>1,110,195</u>	<u>1,066,663</u>
Total Other Income (Loss)	<u>1,110,195</u>	<u>1,066,663</u>
Total Net Income (Loss)	1,118,460	1,059,803
OTHER COMPREHENSIVE INCOME, net of tax		
Unrealized holding gain (loss) on available-for-sale securities	<u>(263,134)</u>	<u>(10,199)</u>
COMPREHENSIVE INCOME	<u>\$ 855,326</u>	<u>\$ 1,049,604</u>

See accountants' report.

FORM FRY-6**RICE BANCSHARES, INC.****STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY****FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Total
Balance, December 31, 2014	\$ 1,326,784	\$ 11,859,438	\$ 2,735,666	\$(60,168)	\$ 15,861,720
Net income	-	-	1,059,803	-	1,059,803
Dividends paid	-	-	-	-	-
Change in net unrealized gain (loss) on securities available-for-sale	-	-	-	(10,199)	(10,199)
Balance, December 31, 2015	1,326,784	11,859,438	3,795,469	(70,367)	16,911,324
Net income	-	-	1,118,460	-	1,118,460
Dividends paid	-	-	-	-	-
Change in net unrealized gain (loss) on securities available-for-sale	-	-	-	(263,134)	(263,134)
Balance, December 31, 2016	<u>\$ 1,326,784</u>	<u>\$ 11,859,438</u>	<u>\$ 4,913,929</u>	<u>\$(333,501)</u>	<u>\$ 17,766,650</u>

See accountants' report.

FORM FRY-6
RICE BANCSHARES, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 1,118,460	\$ 1,059,803
(Increase) decrease in other assets	-	-
(Decrease) increase in other liabilities	-	-
Equity in subsidiary	(1,110,195)	(1,066,663)
Net Cash Provided (Used) by Operating Activities	8,265	(6,860)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from subsidiary	-	-
Net Cash Used by Investing Activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of First State Bank Rice stock options	-	-
Net Cash Provided (Used) by Financing Activities	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	8,265	(6,860)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5,614	12,474
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 13,879	\$ 5,614
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING ACTIVITIES:		
Total increase (decrease) in unrealized gain on securities available for sale	\$(263,134)	\$(10,199)

See accountants' report.