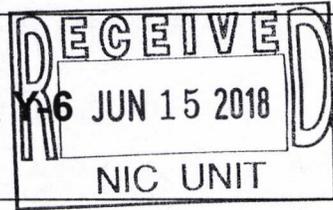


Board of Governors of the Federal Reserve System



Annual Report of Holding Companies—FR Y-6

REVISED 06/11/2018

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, 2017

Month / Day / Year

None

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

Reporter's Name, Street, and Mailing Address

I, Richard Hereford

Name of the Holding Company Director and Official

Secretary/Treasurer/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.

First Anderson Bancshares Inc

Legal Title of Holding Company

P O Box 159

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

Anderson	TX	77830
City	State	Zip Code

1071 Highway 90 S

Physical Location (if different from mailing address)

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.

Person to whom questions about this report should be directed:

Carolyn Ashorn Asst Sec/Treas

Name Title

936-873-2511 Ext 3515

Area Code / Phone Number / Extension

936-873-2459

Area Code / FAX Number

ashorn@fnbanderson.com

E-mail Address

None

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

Signature of Holding Company Director and Official

03/21/2018

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 1108323  
 C.I. \_\_\_\_\_

Is confidential treatment requested for any portion of this report submission? =No =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."



Report Item 1: Annual Report to Shareholders

Enclosed

**First Anderson Bancshares, Inc. and Subsidiary**  
Consolidated Financial Statements  
December 31, 2017 and 2016  
(With Independent Accountant's  
Compilation Report Thereon)

**First Anderson Bancshares and Subsidiary**  
Consolidated Statements of Financial Condition  
December 31, 2017 and 2016

<u>Assets</u>	<u>2017</u>	<u>2016</u>
Current assets:		
Cash	\$ 35,312,458	35,308,972
Loans receivable net of allowance for loan losses of \$1,373,342 in 2017 and \$1,494,642 in 2016	112,951,336	94,589,371
Investments	28,323,296	31,318,640
Accrued interest receivable	751,954	665,712
Prepaid expenses and other assets	231,290	211,842
Total current assets	<u>177,570,334</u>	<u>162,094,537</u>
Fixed assets, net of depreciation	3,259,224	3,203,440
Other:		
Deferred income taxes	263,012	509,676
Prepaid life insurance	2,391,738	2,339,212
Goodwill	493,612	493,612
Total assets	<u>\$ 183,977,920</u>	<u>168,640,477</u>
<u>Liabilities and Stockholders' Equity</u>		
Current liabilities:		
Deposits	\$ 165,274,891	150,678,541
Accrued interest payable	35,755	25,929
Accrued liabilities	88,381	42,497
Total current liabilities	<u>165,399,027</u>	<u>150,746,967</u>
Stockholders' Equity:		
Capital stock	2,041,694	1,995,280
Retained earnings	16,941,102	16,265,903
Accumulated other comprehensive loss	(403,903)	(367,673)
Total stockholders' equity	<u>18,578,893</u>	<u>17,893,510</u>
Total liabilities and stockholders' equity	<u>\$ 183,977,920</u>	<u>168,640,477</u>

See accompanying independent accountant's compilation report.

**First Anderson Bancshares and Subsidiary**

Consolidated Statements of Income

Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Interest income	\$ 6,693,863	6,155,150
Interest expense	<u>620,465</u>	<u>511,900</u>
Net interest income	6,073,398	5,643,250
Non-interest income	909,889	939,362
Non-interest expenses:		
Building and occupancy expense	796,855	746,416
Salaries, wages and benefits	2,728,662	2,649,471
Operating expenses	1,125,296	1,083,251
Other costs	<u>289,141</u>	<u>209,721</u>
Total non-interest expenses	<u>4,939,954</u>	<u>4,688,859</u>
Income before federal income taxes	2,043,333	1,893,753
Provision for income taxes	<u>774,994</u>	<u>626,171</u>
Net income	\$ <u><u>1,268,339</u></u>	\$ <u><u>1,267,582</u></u>

Book Value:

2016 - 147,235 shares: \$121.53

2017 - 148,285 shares: \$125.29

See accompanying independent accountant's compilation report.



JAYNES REITMEIER BOYD & THERRELL, P.C.  
Certified Public Accountants  
5400 Besque Blvd., Ste. 500, Waco, TX 76713  
P.O. Box 76161, Waco, TX 76713  
Main 254-776-4190 | Fax 254-776-8489 | jrbt.com

The Board of Directors  
First Anderson Bancshares, Inc. and Subsidiary:

Management is responsible for the accompanying consolidated financial statements of First Anderson Bancshares, Inc. and Subsidiary (the "Company"), which comprise the consolidated statements of financial condition as of December 31, 2017 and 2016, and the related consolidated statements of income for the years then ended in accordance with accounting principles generally accepted in the United States of America. 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 consolidated financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these consolidated financial statements.

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

*Jaynes, Reitmeier, Boyd & Therrell, P.C.*

January 18, 2018

Report item 2a: Organizational Chart

FIRST ANDERSON BANCSHARES INC  
Anderson, TX USA  
Incorporated: Texas

100%

THE FIRST NATIONAL BANK OF ANDERSON  
Anderson, TX USA  
Incorporated: Texas

NO LEGAL ENTITY IDENTIFIERS (LEI) ARE  
AVAILABLE

## Report Item 2(b): Domestic Branch Listing

**Results:** A list of branches for your depository institution: FIRST NATIONAL BANK OF ANDERSON, THE (ID\_RSSD: 362155). This depository institution is held by FIRST ANDERSON BANCSHARES, INC. (1108323) of ANDERSON, TX. The data are as of 12/31/2017. Data reflects information that was received and processed through 01/04/2018.

### 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)	362155	FIRST NATIONAL BANK OF ANDERSON, THE	1071 HIGHWAY 90 SOUTH	ANDERSON	TX	77830-0159	GRIMES	UNITED STATES	Not Required	Not Required	FIRST NATIONAL BANK OF ANDERSON, THE	362155	
OK		Full Service	3742619	NAVASOTA BRANCH	9501 HIGHWAY 6	NAVASOTA	TX	77868	GRIMES	UNITED STATES	Not Required	Not Required	FIRST NATIONAL BANK OF ANDERSON, THE	362155	

John Thomas Hurst Austin, TX USA	Real Estate Investor	Principal	None	Co-owner Fourteen Hundred Rio Grande LLC Austin, TX	Fourteen Hundred Rio Grande LLC - 33%
			None	Co-owner Robbins Place Properties LLC Austin, TX	Robbins Place Properties LLC - 33%
				Co-owner Loblolly Management Co Inc Austin, TX	Loblolly Management Co Inc - 33%
				Co-owner Hurst Farms LLC Austin, TX	Hurst Farms LLC - 33%
				Co-owner Hurst Sisters LLC Austin, TX	Hurst Sisters LLC - 50%
				Co-owner Whistling Pines Ltd Austin, TX	Whistling Pines Ltd - 50%
			None	Co-owner Fourteen Street Co Austin, TX	Fourteen Street Co - 25%
			11.94% (1)	Manager Tenth Street Properties LLC Austin, TX	Tenth Street Properties LLC - 33%
				President Fourteen Hundred Rio Grande LLC Austin, TX	Fourteen Hundred Rio Grande LLC - 33%
				Manager Robbins Place Properties LLC Austin, TX	Robbins Place Properties LLC - 33%
				President Hurst Farms LLC Austin, TX	Hurst Farms LLC - 33%

Loblolly Management Co  
Inc - 33%

Vice-President  
Loblolly Management Co Inc  
Austin, TX

Charlotte Moody Anderson, TX USA	Homemaker	Principal	None	N/A	6.06% (2)	None	N/A
Morris Weaver Montgomery, TX USA	Retired Apiarian	Director President	Director Chairman of the Board First National Bank, Anderson	N/A	10.29%	None	N/A

NOTATION:

Individuals who own shares, and also have the power to vote additional shares:

(1) John Thomas Hurst	2,708 shares	1.83%
The Hurst Exempt Marital Trust John Thomas Hurst, Trustee	10,047 shares	6.78%
Mary P Hurst (Deceased)	4,930 shares	3.33%
TOTAL	<u>17,685 shares</u>	<u>11.94%</u>
(2) Charlotte H Moody	2,695 shares	1.82%
Evans Moody Farms, Ltd Charlotte H Moody, Trustee	6,287 shares	4.24%
TOTAL	<u>8,982 shares</u>	<u>6.06%</u>