

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.

I, LUKE MOTLEY III

Name of the Holding Company Director and Official

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 the 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**

RSSD ID 1109320  
 C.I. \_\_\_\_\_

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

December 31, 2017

Month / Day / Year

N/A

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

Reporter's Name, Street, and Mailing Address

FARMERS BANCSHARES, INC.

Legal Title of Holding Company

115 Shelbyville St./P. O. Box 352

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

<u>Center</u>	<u>TX</u>	<u>75935</u>
City	State	Zip Code

115 Shelbyville St., Center, TX 75935

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

LUKE MOTLEY III PRESIDENT

Name Title

(936) 598-3311/1147

Area Code / Phone Number / Extension

(936) 598-1102

Area Code / FAX Number

lmotleyiii@fsbctx.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?  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."

## 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.

FARMERS DELAWARE BANCSHARES, INC.

Legal Title of Subsidiary Holding Company

251 Little Falls Drive

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

Wilmington DE 19808

City State Zip Code

Physical Location (if different from mailing address)

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)

Legal Title of Subsidiary Holding Company

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City State Zip Code

Physical Location (if different from mailing address)



## Farmers Bancshares, Inc.

LUKE MOTLEY III  
President

February 6, 2018

Dear Shareholder,

Director Don Walker shared a saying or quote in 2017 that is worth remembering...“When all is said and done more was said than done.” This comes very close to describing President Donald J. Trump’s first year in office. His greatest accomplishment was signing into law the Tax Reform Bill which will benefit the vast majority of our citizens in some way and provide incentive to our nation’s businesses both large and small to increase their economic investment in the economy and create jobs. He also wants to amend our country’s commitment in NAFTA, NATO, the Paris Accord for Climate Control, the United Nations and Obamacare to make the United States contribution more agreeable and fair. The final outcome of these proposals is still to come, but any improvement should benefit our nation. Other projects on his agenda are rebuilding the infrastructure of our highways, airports, railroads, and cities which will create thousands of jobs and generate tremendous economic activity along with increasing our GDP. His thoughts on reducing regulations on business and community banks are strongly anticipated. Community banks have been hit hard by new banking regulations over the past eight years. The FDIC reported only 5,737 insured institutions were operating at the end of the third quarter of 2017. Many bankers who were operating small banks could not afford the additional overhead expense needed to comply with the new regulations so they sold their banks and left the industry. Many times this action left small communities without a hometown bank that supported the local economy. If Trump does reduce the regulatory burden on business and especially community banks it will stimulate economic activity by increasing jobs, increasing productivity, increasing loans and increasing new products and services. Should these proposals be approved and passed by the U.S. House of Representatives and the U.S. Senate the United States economy will expand at a rate not experienced in a long time.

On a consolidated basis, Farmers Bancshares, Inc. and its subsidiaries experienced a profit of \$3,826,447.08 for 2017 in comparison to a profit of \$3,529,624.31 in 2016. The net increase was \$296,822.77. Total assets declined \$16,936,085.34 between 2016 and 2017 (4.90%) and now total \$328,443,122.69. Farmers State Bank maintained excellent capital ratios in 2017. Equity Capital to Assets was (12.91%) and Equity Capital plus Loss Reserve to Assets was (13.48%).

**Stockholders' Letter**  
**February 6, 2018**  
**Page 2**

The year 2017 had been good for Farmers State Bank. Several large loans paid off during the year and our loan department worked diligently to replace them and have even grown the loan totals. Rate margins continue to be a matter of concern. As the year has progressed, competitive rates from other financial sources proved more beneficial to several of our larger municipal accounts who have moved some of their investment money which has left us with a much more solid core of deposits. This shift in totals has been reflected in many of our bank ratios in a very positive way. This is good since past problems skewed many of our performance ratios. New software has been purchased and installed in our mortgage department and general ledger/ bookkeeping department. This has greatly improved the efficiency of both areas. New analytical software has been purchased for our lending operations which will help with financial statement and other financial information necessary to service our loan portfolio. A Rewards Program has been added to our debit card program which offers customers points for using debit cards over traditional checks. These points are redeemed for cash making our card program competitive with other national reward cards. We have seen growth in usage with this change.

As the New Year starts, we see interest rates rising and we are responding accordingly. Rates on savings and certificates of deposits have been raised and we expect them to continue increasing slowly as we will more aggressively compete to retain our deposit base and attract new deposit customers. The same is true with our lending rates. Our desire is to continue to offer competitive banking products to our customers with competitive pricing and continue to earn a fair return for our services.

At this time, we believe the year 2018 will produce similar earnings to what the company produced in 2017. We also believe that the company will begin to grow in deposits and assets during the coming year. The past two years have been really rough on shareholders, directors, officers, and employees. Everyone experienced great disappointment in our financial performance as it was a complete reversal from what our previous record had produced. The past is now behind us and the future looks bright. All of your directors, officers and employees are dedicated to making sure the future remains promising and attainable.

Thanks to all of you Shareholders for your patience, support, and confidence that you shared with us this past year. It made a great difference in our ability to accomplish the goals we set for 2017.

Sincerely,  
  
Luke Motley III,  
President,  
Farmers Bancshares, Inc.

  
David Chadwick,  
President,  
Farmers State Bank

Farmers Bancshares Inc. and Subsidiaries  
Consolidated Statement of Condition  
Prior Year Comparison

A S S E T S	12/31/17	12/31/16	Net Change
<b>ASSETS:</b>			
Cash and Due From Banks	40,003,040.80	36,747,537.53	3,255,503.27
Securities and Investments	90,686,621.62	103,023,603.74	(12,336,982.12)
Loans and Discounts	178,927,551.28	191,161,512.69	(12,233,961.41)
Less Reserve For Loan Losses	(1,898,437.27)	(3,335,766.47)	1,437,329.20
Net Loans and Discounts	177,029,114.01	187,825,746.22	(10,796,632.21)
Bank Building: Furn.; Fixtures; Equip; and Land - Net of Depreciation	4,687,092.19	4,664,432.92	22,659.27
Letters of Credit-Net Losses and Discounts	2,730,100.00	2,094,400.00	635,700.00
Interest Earned Not Collected	1,272,244.62	2,059,195.78	(786,951.16)
Other Assets	12,034,909.45	8,964,291.84	3,070,617.61
<b>TOTAL ASSETS</b>	<b>328,443,122.69</b>	<b>345,379,208.03</b>	<b>(16,936,085.34)</b>
<b>LIABILITIES &amp; CAPITAL</b>			
<b>LIABILITIES:</b>			
Demand and Time Deposits	281,530,032.56	300,067,002.44	(18,536,969.88)
Outstanding Letters of Credit-Net Losses and Discounts	2,730,100.00	2,094,400.00	635,700.00
Accrued Expenses Payable	29,964.72	33,049.80	(3,085.08)
Other Liabilities	1,229,393.57	1,296,110.41	(66,716.84)
<b>TOTAL LIABILITIES</b>	<b>285,519,490.85</b>	<b>303,490,562.65</b>	<b>(17,971,071.80)</b>
<b>CAPITAL:</b>			
Common Stock \$10.00 Par Authorized 150,000 Shares			
Issued and Outstanding 73,375 Shares	733,750.00	733,750.00	0.00
Paid in Capital	6,932,313.50	6,932,313.50	0.00
Treasury Stock	(2,240,426.26)	(2,240,426.26)	0.00
Net "Unrealized Gain/Loss" on Sale of Securities	392,667.00	478,235.00	(85,568.00)
Undivided Profits	37,105,327.60	35,984,773.14	1,120,554.46
<b>TOTAL CAPITAL</b>	<b>42,923,631.84</b>	<b>41,888,645.38</b>	<b>1,034,986.46</b>
<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>328,443,122.69</b>	<b>345,379,208.03</b>	<b>(16,936,085.34)</b>

Farmers Bancshares Inc. and Subsidiaries  
Consolidated Profit and Loss Statement  
Prior Year Comparison

	12/31/17	12/31/16	Net Change
<b>INCOME:</b>			
Interest and Fees on Loans	10,279,885.62	10,206,893.56	72,992.06
Interest on U.S. Gov't Securities	0.00	0.00	0.00
Interest on Tax Exempt Securities	692,622.91	795,607.73	(102,984.82)
Interest on Other Securities & Agencies	1,307,899.84	1,373,130.43	(65,230.59)
Interest on Fed Funds Sold	312,301.51	221,491.85	90,809.66
Interest on Other Investments	204,074.41	211,320.60	(7,246.19)
Income from Transaction Accounts	1,191,311.25	1,262,501.51	(71,190.26)
Other Income	468,020.46	467,946.37	74.09
<b>TOTAL INCOME</b>	<b>14,456,116.00</b>	<b>14,538,892.05</b>	<b>(82,776.05)</b>
<b>EXPENSES:</b>			
Interest on Time & Savings Deposits	800,307.14	868,295.38	(67,988.24)
Salaries and Employee Benefits	5,788,895.91	5,556,557.23	232,338.68
Occupancy Expenses	788,137.95	733,198.79	54,939.16
Provision for Loan Losses	0.00	200,000.00	(200,000.00)
Legal Reimbursable/Michael Graham	0.00	56,600.00	(56,600.00)
Oil & Gas Equipment Sales/Hardy	0.00	277,500.00	(277,500.00)
General and Administration	3,252,327.92	3,317,116.34	(64,788.42)
<b>TOTAL EXPENSES</b>	<b>10,629,668.92</b>	<b>11,009,267.74</b>	<b>(379,598.82)</b>
Net Income Before Income Tax	3,826,447.08	3,529,624.31	296,822.77
Provision for Income Tax	0.00	0.00	0.00
<b>NET INCOME AFTER INCOME TAX</b>	<b>3,826,447.08</b>	<b>3,529,624.31</b>	<b>296,822.77</b>
Annual Earnings Per Share	\$65.96	\$60.37	5.58
Annual Return on Equity	8.91%	8.43%	0.00
Annual Return on Assets	1.17%	1.02%	0.00

Farmers Bancshares Inc.  
Statement of Condition  
Parent Company Only  
Prior Year Comparison  
December 31, 2017

	12/31/17	12/31/16	Net Change
<b>ASSETS</b>			
Farmers State Bank - DDA	3,896.65	7,629.69	-3,733.04
Farmers State Bank - MMA	137,493.55	260,980.52	-123,486.97
Investment in Subsidiary			
Farmers Delaware Bancshares Inc.	42,782,241.64	41,551,264.30	1,230,977.34
Other Assets		68,770.87	-68,770.87
<b>TOTAL ASSETS</b>	<b>42,923,631.84</b>	<b>41,888,645.38</b>	<b>1,034,986.46</b>
<b>LIABILITIES</b>			
Accounts Payable-Federal Income Tax	0.00	0.00	0.00
<b>TOTAL LIABILITIES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>CAPITAL</b>			
Common Stock	733,750.00	733,750.00	0.00
Paid in Capital	6,932,313.50	6,932,313.50	0.00
Treasury Stock	-2,240,426.26	-2,240,426.26	0.00
Undivided Profits FSB Prior to S Corp.	11,575,603.06	11,575,603.06	0.00
Prior to Becoming "S"	2,328,530.20	2,328,530.20	0.00
Retained Earnings	84,213.64	-44,687.70	128,901.34
Accumulated Adjustment Account FSB	23,312,471.58	21,996,426.24	1,316,045.34
Unrealized Gain/Loss on Sale of Securities	392,667.00	478,235.00	-85,568.00
Current Earnings	-195,490.88	128,901.34	-324,392.22
<b>TOTAL CAPITAL</b>	<b>42,923,631.84</b>	<b>41,888,645.38</b>	<b>1,034,986.46</b>
<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>42,923,631.84</b>	<b>41,888,645.38</b>	<b>1,034,986.46</b>

Farmers Bancshares, Inc.  
Parent Company Only  
Profit and Loss Statement  
Prior Year Comparison  
December 31, 2017

<b>INCOME:</b>	12/31/17	12/31/16	NET CHANGE
Distribution Income From Delaware Bancshares Inc.	\$2,510,179.24	\$1,335,422.80	\$1,174,756.44
Interest Income - MM Account	\$222.50	\$582.17	-\$359.67
Other Income	\$0.00	\$0.00	\$0.00
<b>TOTAL INCOME</b>	<b>\$2,510,401.74</b>	<b>\$1,336,004.97</b>	<b>\$1,174,396.77</b>
<b>EXPENSES</b>			
Distribution Paid To Stockholders	\$2,510,179.24	\$835,372.80	\$1,674,806.44
General & Administrative Expense	\$84,188.38	\$37,630.83	\$46,557.55
Legal Reimbursable/Michael Graham	\$0.00	\$56,600.00	-\$56,600.00
Oil & Gas Equipment Sales/Hardy	\$0.00	\$277,500.00	-\$277,500.00
<b>TOTAL EXPENSES</b>	<b>\$2,594,367.62</b>	<b>\$1,207,103.63</b>	<b>\$1,387,263.99</b>
<b>PRE-TAX INCOME</b>	<b>-\$83,965.88</b>	<b>\$128,901.34</b>	<b>-\$212,867.22</b>
Applicable Income Tax	\$0.00	\$0.00	\$0.00
<b>NET INCOME</b>	<b>-\$83,965.88</b>	<b>\$128,901.34</b>	<b>-\$212,867.22</b>

Farmers Delaware Bancshares, Inc.  
Statement of Condition  
Prior Year Comparison  
December 31, 2017

<b>ASSETS</b>	12/30/17	12/31/16	Net Change
Cash in Bank	\$1,500.00	\$1,470.00	\$30.00
Investment in Subsidiary Farmers State Bank	\$42,780,741.64	\$41,550,264.30	\$1,230,477.34
<b>Total Assets</b>	<b>\$42,782,241.64</b>	<b>\$41,551,734.30</b>	<b>\$1,230,507.34</b>
<b>LIABILITIES</b>	\$0.00	\$0.00	\$0.00
<b>Total Liabilities</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>CAPITAL</b>			
Common Stock 1000 shares @ 1.00	\$1,000.00	\$1,000.00	\$0.00
Paid in Capital	\$7,500,000.00	\$7,500,000.00	\$0.00
Undivided Profit in Subsidiary	\$11,575,603.06	\$11,575,603.06	\$0.00
Accum. Adjusted Account-FSB	\$23,312,941.58	\$21,996,926.24	\$1,316,015.34
Current Earnings	\$30.00	-\$30.00	\$60.00
Unrealized Gain/Loss on Sale of Securities	\$392,667.00	\$478,235.00	-\$85,568.00
<b>Total Capital</b>	<b>\$42,782,241.64</b>	<b>\$41,551,734.30</b>	<b>\$1,230,507.34</b>
<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<b>\$42,782,241.64</b>	<b>\$41,551,734.30</b>	<b>\$1,230,507.34</b>

Farmers Delaware Bancshares, Inc.  
Profit and Loss Statement  
Prior Year Comparison  
December 31, 2017

	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>Net Change</u>
<b>INCOME</b>			
Miscellaneous Income	\$45.00	\$0.00	\$45.00
Distribution Income From Farmers State Bank	<u>\$2,510,179.24</u>	<u>\$1,335,372.80</u>	\$1,174,806.44
<b>Total Income</b>	<u>\$2,510,224.24</u>	<u>\$1,335,372.80</u>	<u>\$1,174,851.44</u>
<b>EXPENSES</b>			
Distribution Expense To Farmers Bancshares Inc.	\$2,510,179.24	\$1,335,372.80	\$1,174,806.44
Miscellaneous Expense	\$15.00	\$30.00	-\$15.00
<b>Total Expenses</b>	<u>\$2,510,194.24</u>	<u>\$1,335,402.80</u>	<u>\$1,174,791.44</u>
<b>NET INCOME</b>	<u>\$30.00</u>	<u>-\$30.00</u>	<u>\$60.00</u>

Farmers State Bank  
Condensed Statement of Condition  
Condensed Prior Year Comparison  
December 31, 2017

	2017	2016	Net Change
<b>ASSETS</b>			
Cash and Due From Banks	\$40,001,540.80	\$36,746,067.53	\$3,255,473.27
Total Securities	90,686,621.62	103,023,603.74	(12,336,982.12)
Total Loans	178,927,551.28	191,161,512.69	(12,233,961.41)
Less: Res. for Loan Losses	(1,898,437.27)	(3,335,766.47)	1,437,329.20
<b>Net Loans</b>	<u>177,029,114.01</u>	<u>187,825,746.22</u>	<u>(10,796,632.21)</u>
Bank Premises & Equipment	4,687,092.19	4,664,432.92	22,659.27
Other Assets	16,037,254.07	13,049,116.75	2,988,137.32
<b>Total Assets</b>	<u>328,441,622.69</u>	<u>345,308,967.16</u>	<u>(16,867,344.47)</u>
<b>LIABILITIES</b>			
Total Demand & Time Deposits	281,671,422.76	300,335,142.65	(18,663,719.89)
Other Liabilities	3,989,458.29	3,423,560.21	565,898.08
<b>Total Liabilities</b>	<u>285,660,881.05</u>	<u>303,758,702.86</u>	<u>(18,097,821.81)</u>
<b>CAPITAL</b>			
Capital Stock	750,000.00	750,000.00	0.00
Surplus	6,750,000.00	6,750,000.00	0.00
Undivided Profits	11,575,603.06	11,575,603.06	0.00
Current P & L	3,826,224.58	3,900,713.02	(74,488.44)
Unrealized Gain/Loss Sale of Securities	392,667.00	478,235.00	(85,568.00)
Accumulated Adjustment Acct.	19,486,247.00	18,095,713.22	1,390,533.78
<b>Total Capital</b>	<u>42,780,741.64</u>	<u>41,550,264.30</u>	<u>1,230,477.34</u>
<b>Total Liabilities and Capital</b>	<u>328,441,622.69</u>	<u>345,308,967.16</u>	<u>(16,867,344.47)</u>
<b>RATIOS</b>			
Equity Capital to Assets	12.91%	11.89%	1.02%
Book Value	\$570.41	\$554.00	\$16.41
Earnings per Share	\$51.02	\$52.01	(\$0.99)
Equity Capital and Loss Reserve to Assets	13.48%	12.86%	0.62%

Farmers State Bank  
Condensed Income and Expense Statement  
Condensed Prior Year Comparison  
December 31, 2017

	2017	2016	NET CHANGE
<b>INCOME</b>			
Interest Income on Loans	\$10,279,885.62	\$10,206,893.56	\$72,992.06
Interest on Investment Securities	2,000,522.75	2,168,738.16	(168,215.41)
Interest on Fed Funds & Other Inv.	516,375.92	432,812.45	83,563.47
Ser. Charges on Transaction Accounts	1,191,311.25	1,262,501.51	(71,190.26)
Other Fees	183,555.09	213,656.81	(30,101.72)
Other Operating Income	284,242.87	253,707.39	30,535.48
<b>TOTAL INCOME</b>	<b>14,455,893.50</b>	<b>14,538,309.88</b>	<b>(82,416.38)</b>
<b>EXPENSES</b>			
Salaries & Employee Benefits	5,788,895.91	5,556,557.23	232,338.68
Interest on Deposits	800,307.14	868,295.38	(67,988.24)
Occupancy Expense	788,137.95	733,198.79	54,939.16
Other Operating Expenses	3,252,327.92	3,279,545.46	(27,217.54)
Provision For Possible Loan Loss	0.00	200,000.00	(200,000.00)
Applicable Income Taxes	0.00	0.00	0.00
<b>TOTAL EXPENSES</b>	<b>10,629,668.92</b>	<b>10,637,596.86</b>	<b>(7,927.94)</b>
<b>NET PROFIT YTD</b>	<b>3,826,224.58</b>	<b>3,900,713.02</b>	<b>(74,488.44)</b>

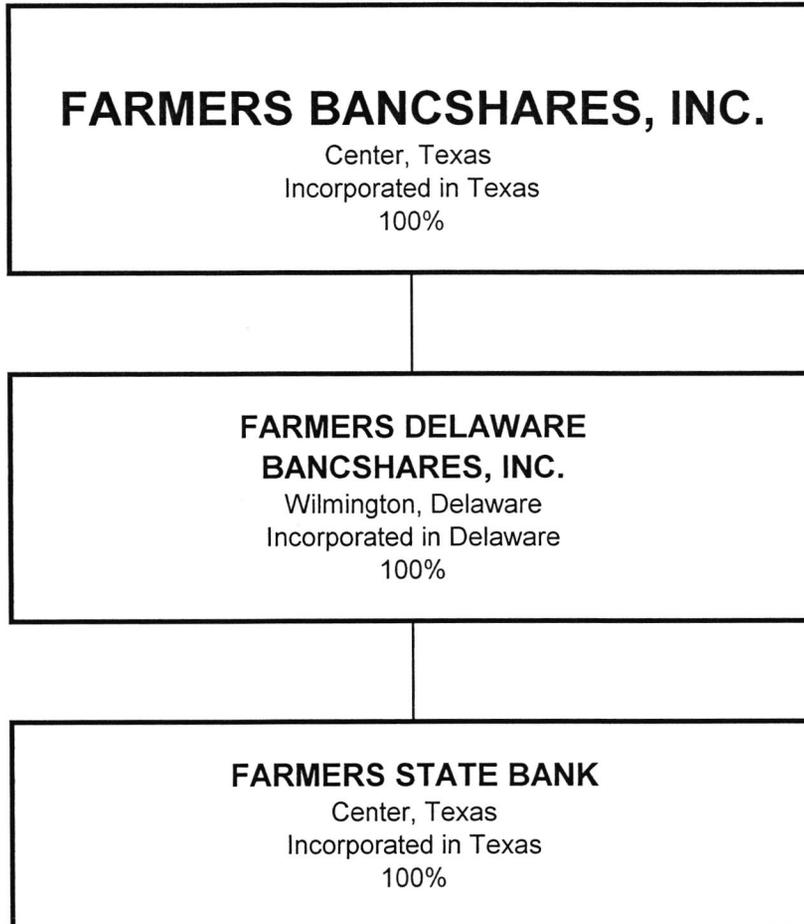
**FARMERS STATE BANK**

**RESERVE FOR POSSIBLE LOAN LOSSES  
AND  
TYPE SUMMARY OF THE LOAN PORTFOLIO**

	12/31/17	12/31/16	NET CHANGE
BEGINNING BALANCE	3,335,766.47	6,799,036.79	(3,463,270.32)
RECOVERIES CREDITED TO RESERVE	415,865.73	236,755.60	179,110.13
PROVISION FOR POSSIBLE LOAN LOSSES	0.00	200,000.00	(200,000.00)
LESS: LOSSES CHARGED TO ALLOWANCE	1,853,194.93	3,900,025.92	(2,046,830.99)
	<hr/>	<hr/>	<hr/>
ENDING BALANCE	<u>1,898,437.27</u>	<u>3,335,766.47</u>	<u>(1,437,329.20)</u>

	12/31/17	12/31/16	NET CHANGE
<b>LOAN TYPES</b>			
Real Estate Loans			
Construction & Development	9,869,000.00	22,995,000.00	(13,126,000.00)
Secured by Farmland	53,510,000.00	47,592,000.00	5,918,000.00
Secured by 1-4 Family Residential Properties	26,299,000.00	24,303,000.00	1,996,000.00
Secured by NonFarm NonResidential Properties	10,814,000.00	13,932,000.00	(3,118,000.00)
Loans to Finance Agricultural			
Production & Other Loans to Farmers	9,613,000.00	11,501,000.00	(1,888,000.00)
Commercial & Industrial Loans	58,993,000.00	59,631,000.00	(638,000.00)
Loans to Individuals			
a. To Purchase Automobiles	1,153,000.00	1,232,000.00	(79,000.00)
b. To purchase Mobile Homes	0.00	0.00	0.00
c. Other Loans to Purchase Consumer Goods	7,634,000.00	8,146,000.00	(512,000.00)
All Other Loans	1,040,000.00	1,830,000.00	(790,000.00)
	<hr/>	<hr/>	<hr/>
<b>TOTAL LOANS</b>	<u>178,925,000.00</u>	<u>191,162,000.00</u>	<u>(12,237,000.00)</u>

# ORGANIZATION CHART



**LEI: NONE.**

# Form FR Y-6

## FARMERS BANCSHARES, INC.

Center, Texas 75935

Fiscal Year Ending December 31, 2017

### Report Item 3: Securities Holders

Current Securities Holders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12-31-2017		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 12-31-2017			
(1)(a) Name & Address (City, State, Country)	(1)(b) Country of Citizenship or Incorporation	(1)(c) Number and Percentage of Each Class of Voting Securities	(2)(a) Name & Address (City, State, Country)	(2)(b) Country of Citizenship or Incorporation	(2)(c) Number and Percentage of Each Class of Voting Securities
Estate of Marleta Chadwick, David Chadwick, Executor, Center, Texas, USA	United States of America	6,613 - 11.39% Common Stock	N/A	N/A	N/A
Neilson Davis, Center, Texas, USA	United States of America	9,326 - 16.07% Common Stock	N/A	N/A	N/A
Cynthia D. Griffin, Center, Texas, USA	United States of America	4,899 - 8.44% Common Stock	N/A	N/A	N/A
Luke Motley III, Center, Texas, USA	United States of America	3,250 - 5.60% Common Stock	N/A	N/A	N/A
Jerry Pinkston, Center, Texas, USA	United States of America	12,208 - 21.04% Common Stock	N/A	N/A	N/A
Michael S. Walker, Shelbyville, Texas, USA	United States of America	3,925 - 6.76%* Common Stock	N/A	N/A	N/A
Don Walker, Shelbyville, Texas, USA	United States of America	676 - 1.16%* Common Stock	N/A	N/A	N/A

\*The Walker Family: 7.92%

# Form FR Y-6

**FARMERS DELAWARE BANCSHARES, INC.**

Center, Texas 75935

Fiscal Year Ending December 31, 2017

**Report Item 3: Securities Holders**

Current Securities Holders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12-31-2017		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 12-31-2017			
(1)(a) Name & Address (City, State, Country)	(1)(b) Country of Citizenship or Incorporation	(1)(c) Number and Percentage of Each Class of Voting Securities	(2)(a) Name & Address (City, State, Country)	(2)(b) Country of Citizenship or Incorporation	(2)(c) Number and Percentage of Each Class of Voting Securities
Farmers Bancshares, Inc., Center, Texas, USA	United States of America	1,000 Common Stock - 100%	N/A	N/A	N/A

**Form FR Y-6**  
**FARMERS BANCSHARES, INC.**  
 Center, Texas

Fiscal Year Ending December 31, 2017

**Report Item 4: Insiders**

(1)	(2)	(3)(a)	(3)(b)	(3)(c)	(4)(a)	(4)(b)	(4)(c)
Names & Address (City, State, Country)	Principal Occupation if other than with holding company	Title & Position with holding company	Title & Position with Subsidiaries (include names of subsidiaries)	Title & Position with Other Businesses (include names of other businesses)	Percentage of Voting Securities in holding company	Percentage of Voting Securities in Subsidiaries (include names of subsidiaries)	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)
David Chadwick, Center, Texas, USA	N/A	Farmers Bancshares, Inc. Director/Secretary	Farmers Delaware Bancshares, Inc., Director, Secretary	FSB Corporation, Director, Secretary	11.39%	Farmers Delaware Bancshares, Inc. None	None
Neilson Davis, Center, Texas, USA	N/A	Farmers Bancshares, Inc., Director, Chairman of the Board	Farmers Delaware Bancshares, Inc., Director, Chairman of the Board	FSB Corporation, Director, Chairman of the Board  Davis Properties Trust - John Griffin, Trustee, Merged into Neilson Davis 2011 Trust, Neilson Davis, Trustee	16.07%	Farmers Delaware Bancshares, Inc. None	N. Davis & C. Griffin Rent Account (50%)
Luke Motley III, Center, Texas, USA	N/A	Farmers Bancshares, Inc., President, Director	Farmers Delaware Bancshares, Inc., President, Director	FSB Corporation, President, Director	5.60%	Farmers Delaware Bancshares, Inc., None	Motley Treasures and Trash, Inc. (100%), Toledo Shores, LLC (33.50%)
Jerry Pinkston, Center, Texas, USA	N/A	Farmers Bancshares, Inc., Director, Vice President	Farmers Delaware Bancshares, Inc., Vice President, Director	FSB Corporation, Director, Vice President	21%	Farmers Delaware Bancshares, Inc., None	Champion Brothers LLC (50%), Cove Fort Enterprises LLC (50%)

**Form FR Y-6**  
**FARMERS BANCSHARES, INC.**  
 Center, Texas

**Fiscal Year Ending December 31, 2017**

**Report Item 4: Insiders**

(1)	(3)			(4)(a)	(4)(b)	(4)(c)	
Names & Address (City, State, Country)	(2) Principal Occupation if other than with holding company	(3)(a) Title & Position with holding company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (include names of other businesses)	Percentage of Voting Securities in holding company	Percentage of Voting Securities in Subsidiaries (include names of subsidiaries)	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)
Don Walker, Shelbyville, Texas, USA	Tree Farming	Farmers Bancshares, Inc., Director, Treasurer	Farmers Delaware Bancshares, Inc., Director, Treasurer	FSB Corporation, Director, Treasurer	1.16%	Farmers Delaware Bancshares, Inc., None	Bayou Bleu Farm LP (100%), Grand Tree LLC (100%), Pisces 153 LLC (100%), Dreka LLC (100%)

**Form FR Y-6**

**FARMERS DELAWARE BANCSHARES, INC.**

Center, Texas 75935

Fiscal Year Ending December 31, 2017

**Report Item 4: Insiders**

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

(1) Names & Address (City, State, Country)	(2) Principal Occupation if other than with holding company	(3)(a) Title & Position with 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 Securities in holding company	(4)(b) Percentage of Voting Securities 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)
Farmers Bancshares, Inc., Center, Texas, USA	N/A	Principal Securities Holder	N/A	N/A	100%	N/A	N/A
David Chadwick, Center, Texas, USA	N/A	Secretary, Director	Farmers State Bank, President, Director	F. S. B. Corporation, Secretary/Director	None	None	None
Neilson Davis, Center, Texas, USA	N/A	Chairman of the Board, Director	Farmers State Bank Executive Vice President, Director	F. S. B. Corporation, Chairman of the Board, Director, Davis Properties Trust - John Griffin, Trustee merged into Neilson Davis 2011 Trust, Neilson Davis, Trustee	None	None	N. Davis & C. Griffin Rent Account (50%)
Luke Motley, III, Center, Texas, USA	N/A	President, Director	Farmers State Bank Chairman of the Board, Director	F. S. B. Corporation President, Director	None	None	Motley Treasures and Trash, Inc. (100%) & Toledo Shores (33.50%)
Jerry Pinkston, Center, Texas, USA	N/A	Vice President, Director	Farmers State Bank, Senior Vice President, Director	F. S. B. Corporation, Vice President/Director	None	None	Champion Brothers (50%) & Cove Fort Enterprises, LLC (50%)
Don Walker, Shelbyville, Texas, USA	Tree Farming	Treasurer, Director	Farmers State Bank, Director	F. S. B. Corporation, Treasurer/Director	None	None	Bayou Blue Farm L. P. (100%), Grand Tree, L. L. C. (100%), Pisces 153 L. L. C. (100%) & Dreka L. L. C. (100%)