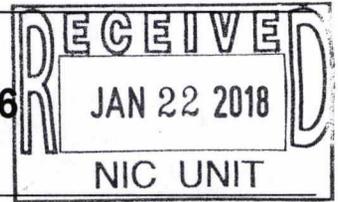


Board of Governors of the Federal Reserve System



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, 2017

Month / Day / Year

N/A

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

Reporter's Name, Street, and Mailing Address

Hillsboro Bancshares, Inc.

Legal Title of Holding Company

200 East Elm Street

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

Hillsboro	TX	76645
City	State	Zip Code

Same as above

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Cheryl Schulz	CFO
Name	Title

254-582-2531

Area Code / Phone Number / Extension

254-582-0300

Area Code / FAX Number

cschulz@cnbhillsboro.com

E-mail Address

www.cnbhillsboro.com

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

I, Andrew L. Smith

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 that individual.

Signature of Holding Company Director and Official

Date of Signature

For holding companies not registered with the SEC—
 Indicate status of Annual Report to Shareholders:

is included with the FR Y-6 report
 will be sent under separate cover
 is not prepared

For Federal Reserve Bank Use Only

RSSD ID 3220274
 C.I. _____

Is confidential treatment requested for any portion of this report submission? 0=No 1=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.

N/A

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

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

City State Zip Code

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City State Zip Code

Physical Location (if different from mailing address)

**FORM FR Y-6
HILLSBORO BANCSHARES INC.
FISCAL YEAR ENDING DECEMBER 31, 2017**

REPORT ITEM 1 - ANNUAL REPORT TO SHAREHOLDERS

Not Applicable

FORM FR Y-6

**HILLSBORO BANCSHARES INC.
HILLSBORO, TEXAS
FISCAL YEAR ENDING DECEMBER 31, 2017**

REPORT ITEM 2a - ORGANIZATION CHART

The bank holding company is not required to prepare form 10K with the SEC.

The bank holding company does not prepare an annual report for its securities holders.

Hillsboro Bancshares Inc.
LEI - N/A
Hillsboro, Texas
6377 shares issued and
outstanding
Incorporated in Texas

100%

The Citizens National Bank of
Hillsboro
LEI - N/A
Hillsboro, Texas
8000 shares issued and
outstanding
Incorporated in Texas

Results: A list of branches for your depository institution: **CITIZENS NATIONAL BANK OF HILLSBORO, THE (ID_RSSD: 184656).**

This depository institution is held by **HILLSBORO BANCSHARES, INC. (3220274)** of HILLSBORO, 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)	184656	CITIZENS NATIONAL BANK OF HILLSBORO, THE	200 EAST ELM STREET	HILLSBORO	TX	76645-0404	HILL	UNITED STATES	Not Required	Not Required	CITIZENS NATIONAL BANK OF HILLSBORO, THE	184656	
OK		Full Service	3651449	HILLSBORO BRANCH	1300 CORSICANA HIGHWAY	HILLSBORO	TX	76645	HILL	UNITED STATES	Not Required	Not Required	CITIZENS NATIONAL BANK OF HILLSBORO, THE	184656	

Results: A list of branches for your depository institution: CITIZENS NATIONAL BANK OF HILLSBORO, THE (ID_RSSD: 184656).
 This depository institution is held by HILLSBORO BANCSHARES, INC. (3220274) of HILLSBORO, TX.
 The data are as of 12/31/2017. Data reflects information that was received and processed through 01/04/2018.

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OK		Full Service	3651449	HILLSBORO BRANCH	1300 CORSICANA HIGHWAY	HILLSBORO	TX	76645	HILL	UNITED STATES	Not Required	Not Required	CITIZENS NATIONAL BANK OF HILLSBORO, THE	184656	

*Emailed to Dallas Federal Reserve Bank on 1-19-2018.

**FORM FR Y-6
HILLSBORO BANCSHARES INC.
FISCAL YEAR ENDING DECEMBER 31, 2017**

REPORT ITEM 3(1) - SECURITIES HOLDERS

<u>NAME</u>	<u>CITY, STATE</u>	<u>COUNTRY OF CITIZENSHIP</u>	<u># SHARES ALL COMMON</u>	<u>OWNERSHIP PERCENTAGE</u>
CAROLYN S. BRIM	DALLAS, TX	UNITED STATES	987	15.48%
SUSAN P. CAMPBELL	PLANO, TX	UNITED STATES	323	5.07%
KYLE COWAN	HILLSBORO, TX	UNITED STATES	340	5.33%
ANDREW L. SMITH	HILLSBORO, TX	UNITED STATES	765	12.00%
LETHA FRANCES SMITH MARITAL TRUST ANDREW L. SMITH, TRUSTEE	HILLSBORO, TX	UNITED STATES	971	15.23%
WILLIAM RUFUS SMITH FAMILY TRUST ANDREW L. SMITH, TRUSTEE	HILLSBORO, TX	UNITED STATES	854	13.39%
DENISE ROBERTSON TUGGLE FAMILY TRUST JOHN B. TUGGLE, TRUSTEE	HILLSBORO, TX	UNITED STATES	512	8.03%

REPORT ITEM 3(2) - SECURITIES HOLDERS

N/A

**FORM FR Y-6
HILLSBORO BANCSHARES INC.
FISCAL YEAR ENDING DECEMBER 31, 2017**

REPORT ITEM 4 - INSIDERS

NAME 4(1)	ADDRESS 4(1)	PRINCIPAL OCCUPATION, IF OTHER THAN WITH THE HOLDING COMPANY 4(2)	TITLE OR POSITION WITH THE HOLDING CO. 4(3)(a)	TITLE OR POSITION WITH DIRECT AND INDIRECT SUBSIDIARIES 4(3)(b)	TITLE OR POSITION WITH ANY OTHER COMPANY 4(3)(c)	PERCENTAGE OF SHARES OWNED IN THE HOLDING COMPANY 4(4)(a)	PERCENTAGE OF SHARES OWNED IN DIRECT AND INDIRECT SUBSIDIARIES 4(4)(b)	PERCENTAGE OF SHARES OWNED IN ANY OTHER COMPANY 4(4)(c)
Andrew L. Smith	Hillsboro, TX USA	N/A	Director & President	President - Citizens National Bank Hillsboro	N/A	40.62%	N/A	N/A
Kyle Cowan	Whitney, TX USA	N/A	Director	N/A	N/A	5.33%	N/A	N/A
W.W. Siddons, Jr.	Hillsboro, TX USA	Insurance Agent -Hill County Insurance Agency	Director	N/A	Owner-Hill County Insurance Agency	1.33%	N/A	Hill County Insurance Agency - 50%
John B. Tuggle	Hillsboro, TX USA	N/A	Director	N/A	N/A	9.99%	N/A	N/A
Carolyn S. Brim	Dallas TX USA	N/A	Director	N/A	N/A	15.48%	N/A	N/A
W.W. Siddons, III	Hillsboro, TX USA	Insurance Agent -Hill County Insurance Agency	Director	N/A	Owner-Hill County Insurance Agency	0.16%	N/A	Hill County Insurance Agency- 50%
Kenneth W. Nowlin	Whitney, TX USA	N/A	Director & Secretary	Vice President - Citizens National Bank Hillsboro	N/A	0.16%	N/A	N/A
Benjamin M. Cowan	Hillsboro, TX USA	N/A	Director	COO - Citizens National Bank Hillsboro	N/A	0.94%	N/A	N/A