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 Interchangeal 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.

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, Michael Scaife
Name of the Holding Company Director and Official
Chairman of the Board 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
03/28/2016
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
RSD ID 4076937
C.I.

Date of Report (top-tier holding company's fiscal year-end):
December 31, 2015
Month / Day / Year

None
Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Texas State Bankshares, Inc.
Legal Title of Holding Company

P. O. Box 532469
(Mailing Address of the Holding Company) Street / P.O. Box
Harlingen TX 78553
City State Zip Code

2019 S. 77 Sunshine Strip, Harlingen, Texas 78553
Physical Location (if different from mailing address)

Rutha Drewett Senior Vice President
Name Title
956-661-4224
Area Code / Phone Number / Extension
956-972-5419
Area Code / FAX Number
rdrawett@texasregionalbank.com
E-mail Address
www.texasregionalbank.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:
Volume II, report item 4(3)c & 4(4)c - Attachments
☐ 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

Public reporting burden for this information collection is estimated to vary from 1.3 to 101 hours per response, with an average of 5.25 hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0297), Washington, DC 20503.
Form FR Y-6

Texas State Bankshares, Inc.

Fiscal Year Ending December 31, 2015

Report Item

1: The bank holding company prepares an annual report for its securities holders. A copy is enclosed in the Confidential Volume.

2a: Organizational Chart

```
Texas State Bankshares, Inc.
Harlingen, Texas (USA) (incorporated and physically located)

100%

Texas Regional Bank
Harlingen, Texas (USA) (incorporated and physically located)
```

No entity has a Legal Entity Identifier
Results: A list of branches for your depository institution: TEXAS REGIONAL BANK (ID_RSSD: 380458).
This depository institution is held by TEXAS STATE BANKSHARES, INC. (4076937) of HARLINGEN, TX.
The data are as of 12/31/2013. 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 UNNUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.*

<table>
<thead>
<tr>
<th>Data Action</th>
<th>Effective Date</th>
<th>Branch Service Type</th>
<th>Branch ID_RSSD*</th>
<th>Popular Name</th>
<th>Street Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>County</th>
<th>Country</th>
<th>FDIC UNNUM*</th>
<th>Office Number*</th>
<th>Head Office</th>
<th>Head Office ID_RSSD*</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>OK</td>
<td>12/31/2015</td>
<td>Full Service</td>
<td>380458</td>
<td>TEXAS REGIONAL BANK</td>
<td>2019 SOUTH 77 SUNSHINE STRIP</td>
<td>HARLINGEN</td>
<td>TX</td>
<td>78550</td>
<td>CAMERON</td>
<td>UNITED STATES</td>
<td>36249</td>
<td>0</td>
<td>TEXAS REGIONAL BANK</td>
<td>380458</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>12/31/2015</td>
<td>Full Service</td>
<td>4450147</td>
<td>BROWNSVILLE BANKING CENTER</td>
<td>3450 PABLO KISEL BOULEVARD</td>
<td>BROWNSVILLE</td>
<td>TX</td>
<td>78526</td>
<td>CAMERON</td>
<td>UNITED STATES</td>
<td>535363</td>
<td>2</td>
<td>TEXAS REGIONAL BANK</td>
<td>380458</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>12/31/2015</td>
<td>Full Service</td>
<td>3503665</td>
<td>EDINBURG BANKING CENTER</td>
<td>4925 SOUTH MCCOLL ROAD</td>
<td>EDINBURG</td>
<td>TX</td>
<td>78539</td>
<td>HIDALGO</td>
<td>UNITED STATES</td>
<td>428053</td>
<td>6</td>
<td>TEXAS REGIONAL BANK</td>
<td>380458</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>12/31/2015</td>
<td>Full Service</td>
<td>4186201</td>
<td>FALFURRIAS BANKING CENTER</td>
<td>401 NORTH ST. MARY</td>
<td>FALFURRIAS</td>
<td>TX</td>
<td>78355</td>
<td>BROOKS</td>
<td>UNITED STATES</td>
<td>511939</td>
<td>3</td>
<td>TEXAS REGIONAL BANK</td>
<td>380458</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>12/31/2015</td>
<td>Limited Service</td>
<td>3539393</td>
<td>23RD STREET BANKING CENTER</td>
<td>5201 NORTH 23RD STREET</td>
<td>MCALLEN</td>
<td>TX</td>
<td>78504</td>
<td>HIDALGO</td>
<td>UNITED STATES</td>
<td>360700</td>
<td>5</td>
<td>TEXAS REGIONAL BANK</td>
<td>380458</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>12/31/2015</td>
<td>Full Service</td>
<td>4457778</td>
<td>MCALEN BANKING CENTER</td>
<td>4501 NORTH 10TH STREET</td>
<td>MCALEN</td>
<td>TX</td>
<td>78504</td>
<td>HIDALGO</td>
<td>UNITED STATES</td>
<td>535573</td>
<td>3</td>
<td>TEXAS REGIONAL BANK</td>
<td>380458</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>12/31/2015</td>
<td>Full Service</td>
<td>833857</td>
<td>MCCOLL BANKING CENTER</td>
<td>1801 SOUTH MCCOLL ROAD</td>
<td>MCALEN</td>
<td>TX</td>
<td>78503</td>
<td>HIDALGO</td>
<td>UNITED STATES</td>
<td>17270</td>
<td>4</td>
<td>TEXAS REGIONAL BANK</td>
<td>380458</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>12/31/2015</td>
<td>Full Service</td>
<td>4764421</td>
<td>MISSION BANKING CENTER</td>
<td>2300 EAST GRIFFIN PARKWAY</td>
<td>MISSION</td>
<td>TX</td>
<td>78572</td>
<td>HIDALGO</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>TEXAS REGIONAL BANK</td>
<td>380458</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>12/31/2015</td>
<td>Full Service</td>
<td>4906409</td>
<td>WESLACO BANKING CENTER</td>
<td>400 NORTH WESTGATE DRIVE</td>
<td>WESLACO</td>
<td>TX</td>
<td>78596</td>
<td>HIDALGO</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>TEXAS REGIONAL BANK</td>
<td>380458</td>
<td></td>
</tr>
</tbody>
</table>
Report Item 3: Securities Holders
(1)(a)(b)(c) and (2)(a)(b)(c)

<table>
<thead>
<tr>
<th>Current securities holders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12-31-2015</th>
<th>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 12-31-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)(a) Name</td>
<td>(1)(b) Country of Citizenship or Incorporation</td>
</tr>
<tr>
<td>Mark Richards Mission, Texas, USA</td>
<td>USA</td>
</tr>
<tr>
<td>NONE</td>
<td></td>
</tr>
<tr>
<td>Names</td>
<td>Principal Occupation if other than with Bank Holding Company</td>
</tr>
<tr>
<td>----------------------------</td>
<td>--------------------------------------------------------------</td>
</tr>
<tr>
<td>Michael F. Scaief</td>
<td>Real Estate/Agriculture</td>
</tr>
<tr>
<td>San Benito, Texas</td>
<td>Finance/Banking</td>
</tr>
<tr>
<td>Robert R. Farris</td>
<td>Transportation</td>
</tr>
<tr>
<td>Harlingen, Texas</td>
<td></td>
</tr>
<tr>
<td>Tudor G. Uhlhorn</td>
<td>Farming &amp; Real Estate</td>
</tr>
<tr>
<td>Harlingen, Texas</td>
<td></td>
</tr>
<tr>
<td>William L. Elliff</td>
<td>Auto Dealer</td>
</tr>
<tr>
<td>Harlingen, Texas</td>
<td></td>
</tr>
<tr>
<td>Carlos Varela</td>
<td>Insurance and Real Estate Investment</td>
</tr>
<tr>
<td>Brownsville, Texas</td>
<td></td>
</tr>
<tr>
<td>Mark Richards</td>
<td>Oil and Gas</td>
</tr>
<tr>
<td>Mission, Texas</td>
<td></td>
</tr>
</tbody>
</table>