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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)); Section 8(a) of the International 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.

This report form is to be filed by all top-tier bank holding companies and top-tier savings and loan 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.

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

Month / Day / Year

n/a

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

I, **Steven R Glasscock**

Reporter's Name, Street, and Mailing Address

Name of the Holding Company Director and Official
Chairman and CEO

Merchants Financial Services, Inc.

Title of the Holding Company Director and Official

Legal Title of Holding Company

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.

900 Second Ave SW

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

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.

Cullman AL 35055
City State Zip Code

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

W Clark Rainwater EVP & CFO

Name Title

2567352998

Area Code / Phone Number / Extension

2567751358

Area Code / FAX Number

crainwater@merchantsbankal.com

E-mail Address

n/a

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

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 **1032955**
C.I. _____

Does the reporter request confidential treatment for any portion of this submission?

Yes Please identify the report items to which this request applies:

- 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

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.

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)

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Legal Title of Subsidiary Holding Company

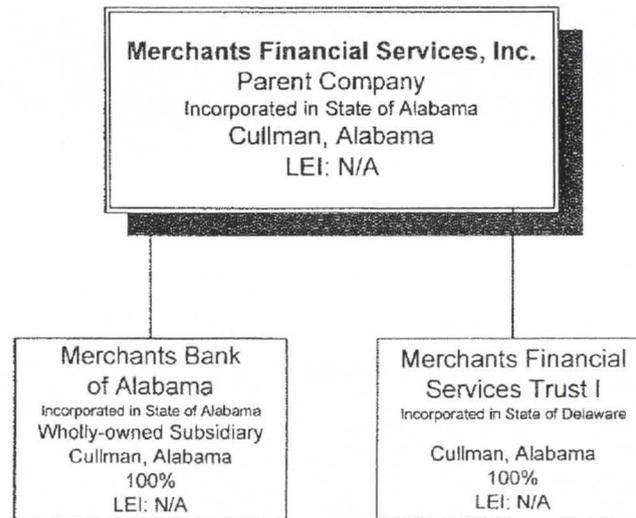
(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box

City State Zip Code

Physical Location (if different from mailing address)

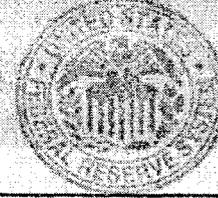
Merchants Financial Services,
Inc.

Organizational Chart
December 31, 2015



Board of Governors of the Federal Reserve System

FR Y-6 Depository Institution Branch Data Verification



Branches for Selected Institution

[Back to Search Results](#)

A list of branches for your depository institution: MERCHANTS BANK OF ALABAMA (ID_RSSD: 113937). This depository institution is held by MERCHANTS FINANCIAL SERVICES, INC. (1082955) of CULLMAN, AL. The data are as of 12/31/2015.

Save a copy of this list by clicking the download button below. **When asked if you would like to open or save this file, choose the 'Save' button.** Make corrections to your saved copy and then send it to your FRB contact. See the detailed instructions (linked above) for more information.

[Download List to Excel](#)

Institutions: 1 to 6 of 6

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*
Full Service (Head Office)	113937	MERCHANTS BANK OF ALABAMA	900 SECOND AVENUE S.W.	CULLMAN	AL	35055	CULLMAN	UNITED STATES	27	0	MERCHANTS BANK OF ALABAMA	113937
Full Service	3773921	ARAB BRANCH	1096 N BRINDLEE MTN PARKWAY	ARAB	AL	35016	MARSHALL	UNITED STATES	474393	6	MERCHANTS BANK OF ALABAMA	113937
Full Service	52232	CULLMAN BRANCH	900 2ND AVE SW	CULLMAN	AL	35055	CULLMAN	UNITED STATES	Not Required	Not Required	MERCHANTS BANK OF ALABAMA	113937
Full Service	1402713	FAIRVIEW OFFICE	44 BUTLER STREET	CULLMAN	AL	35058	CULLMAN	UNITED STATES	180906	4	MERCHANTS BANK OF ALABAMA	113937
Full Service	1191987	HIGHWAY 157 BRANCH	4855 ALABAMA HIGHWAY 157	CULLMAN	AL	35057	CULLMAN	UNITED STATES	180905	3	MERCHANTS BANK OF ALABAMA	113937
Full Service	3464706	HANCEVILLE BRANCH	906 MAIN STREET NORTHEAST	HANCEVILLE	AL	35077	CULLMAN	UNITED STATES	451400	5	MERCHANTS BANK OF ALABAMA	113937

*FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

**MERCHANTS FINANCIAL SERVICES
 ANNUAL REPORT FR Y 6
 December 31, 2015**

1. Annual Reports to Shareholders and Comparative Financials
 - A. Attached is the bank holding company 2014 annual report, 2015 to follow.
 - B. Attached is the bank holding company consolidated financials as of June 30, 2014, June 30, 2015 & December 31, 2015.

2.A. Organizational Chart
 Merchants Financial Services, Inc. (Parent)
 Merchants Bank of Alabama (Wholly-owned subsidiary)

2.B. Branches
 No Changes

3. <u>Name/Address</u>	<u># of Shares</u>	<u>%</u>
Reba Miller Guntersville, AL 35976, USA	107,505	7.74
Ella Mae Hudson Logan, AL 35098, USA	127,365	9.17
S. Wayne Fuller Cullman, AL 35058, USA	135,900	9.78
David Moss, Sr. Cullman, AL 35055, USA	122,350	8.81
Roy L. Graham Crane Hill, AL 35053, USA	89,370	6.44
John T. Williamson Cullman, AL 35055, USA	72,810	5.24
Beverly White Vinemont, AL 35179, USA	70,125	5.05

Note: All are American citizens
 Note: 3-(2) Not Applicable

4. Directors and Officers		
<u>(4-1)</u>	<u>(4-3A) Holding Company</u>	<u>(4-3B) Merchants Bank of Alabama</u>
Steve Glasscock Cullman, AL 35055, USA	Chairman	Chairman & CEO
Reba Miller Guntersville, AL 35976, USA	Secretary/Treasurer, Director	Secretary/Director
S. Wayne Fuller Cullman, AL 35058, USA	Vice Chairman	Vice Chairman
David Moss, Sr. Cullman, AL 35055, USA	Vice Chairman	Vice Chairman
Billy Fletcher Baileyton, AL 35019, USA	Director	Director
John T. Williamson Cullman, AL 35055, USA	Director	Director
Judy Butler Patterson Cullman, AL 35055, USA	Director	Director
Christopher N. Borden Cullman, AL 35058, USA	Director	Director
Andrew J. Ratliff Cullman, AL 35055, USA	Director	Director
Charles R. NeSmith Cullman, AL 35055, USA	Executive VP	President
W. Clark Rainwater Cullman, AL 35058, USA	EVP & CFO	EVP & CFO

4-2. Principal Occupation



Steve Glasscock	Banking
Reba Miller	Businesswoman
S. Wayne Fuller	Attorney
David Moss, Sr.	Businessman
Billy Fletcher	Farmer
John T. Williamson	Veterinarian
Judy Butler Patterson	Businesswoman
Christopher N. Borden	Pharmacist
Andrew J. Ratliff	Business Owner
Charles R. NeSmith	Banking
W. Clark Rainwater	Banking

4-3.c. Any business company in which the person is director, partner, trustee or executive officer and owns 25% or more stock:

<u>Name</u>	<u>Position</u>	<u>Business</u>	<u>% Owned</u>
Steve Glasscock	Partner	SASG Properties, LLC	10%
Reba Miller	Partner	Triple A Property Investors	33 1/3%
S. Wayne Fuller	Partner	Fuller, Willingham, Fuller & Carter, LLC	32%
David Moss, Sr.	Director	Cooper Property Mgmt. Inc.	20%
	Partner	Moss Sr. Moss Jr., LLC	50%
	Shareholder	MBH Properties	33%
Judy Butler Patterson	Partner	Jeb Williamson CPA, LLC	49%
	Partner	Southeast Lawn & Tractor Center, Inc.	45%
	Partner	BJM Company	33 1/3%
Christopher N Borden	Owner	The Borden Company LLC	50%
Andrew J Ratliff	Partner	AR & DR Holdings LLC	50%
	Partner	Ratliff Enterprises	50%
	Owner	Farmers Poultry Supply, Inc.	100%
W. Clark Rainwater	Partner	Rainwater Farms	50%

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4-4A. Refer to Item 3, plus

Billy Fletcher	4.75%
Judy Butler Patterson	3.87%
Steve Glasscock	3.83%
Christopher N Borden	1.02%
Charles R. NeSmith	.36%
W. Clark Rainwater	.07%

4-4B. None