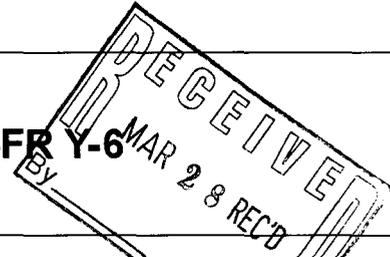


Board of Governors of the Federal Reserve System



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, 2012

Month / Day / Year

I, **Thomas E. Brown**

Reporter's Name, Street, and Mailing Address

Magnolia State Corporation

Legal Title of Holding Company

P O Box 508

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

Bay Springs

MS

39422

City

State

Zip Code

15 East 6th Ave Bay Springs, MS 39422

Physical location (if different from mailing address)

Name of the Holding Company Director and Official
Chairman

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.

Person to whom questions about this report should be directed:

Martha H. Lee

Senior VP & Cashier

Name

Title

601-764-3177

Area Code / Phone Number / Extension

601-764-3430

Area Code / FAX Number

mlee@msb-ms.com

E-mail Address

www.bankmagnolia.com

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

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.

Thomas E. Brown

Signature of Holding Company Director and Official

03/27/2013

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 *g.b.*

For Federal Reserve Bank Use Only

RSSD ID
 C.I.

1084016

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

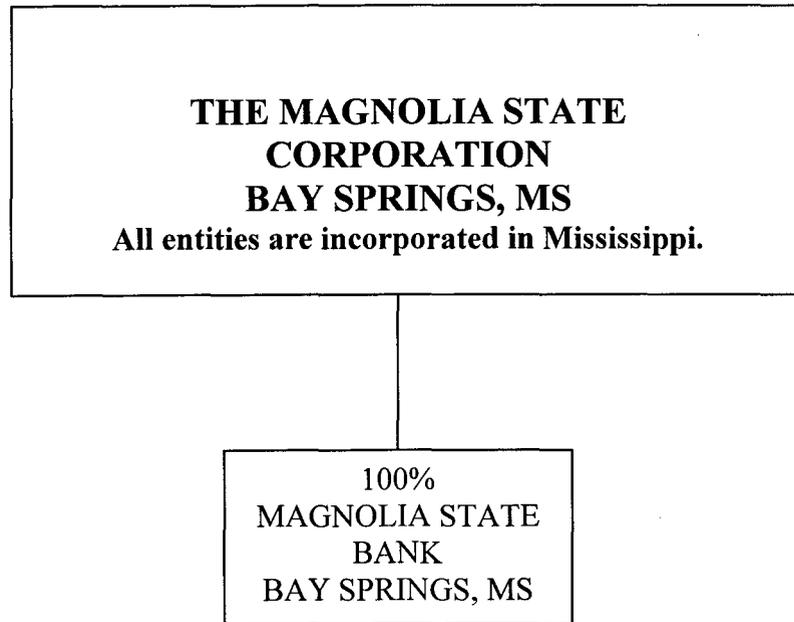
Revised 49-B 26

Form FR Y-6

**Magnolia State Corporation
Bay Springs, MS
All Entities are incorporated in Mississippi
Fiscal Year Ending December 31, 2012**

Report Item

- 1: a. The MSC is not required to prepare form 10K with the SEC.
- 1: b. The MSC does not prepare an annual report for its shareholders.
- 2: Organizational Chart



Results: A list of branches for your depository institution: MAGNOLIA STATE BANK (ID_RSSD: 34434).
 This depository institution is held by MAGNOLIA STATE CORPORATION, THE (1084016) of BAY SPRINGS, MS.
 The data are as of 12/31/2012. Data reflects information that was received and processed through 01/05/2013.

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)	34434	MAGNOLIA STATE BANK	15 EAST 6TH AVENUE	BAY SPRINGS	MS	39422	JASPER	UNITED STATES	15331	0	MAGNOLIA STATE BANK	34434	
OK		Full Service	316635	DOWNTOWN MOTOR BRANCH	15 E SIXTH AVENUE	BAY SPRINGS	MS	39422	JASPER	UNITED STATES	254046	2	MAGNOLIA STATE BANK	34434	
OK		Full Service	4352743	FLOWOOD BRANCH	437 KATHERINE DRIVE	FLOWOOD	MS	39422	RANKIN	UNITED STATES	Not Required	Not Required	MAGNOLIA STATE BANK	34434	
OK		Full Service	4098395	VILLAGE AT TURTLE CREEK BRANCH	560 WEATHERSBY ROAD, SUITE 120	HATTIESBURG	MS	79425	FORREST	UNITED STATES	501269	9	MAGNOLIA STATE BANK	34434	
OK		Full Service	868732	HEIDELBERG BRANCH	407 MAIN STREET	HEIDELBERG	MS	39439	JASPER	UNITED STATES	254045	1	MAGNOLIA STATE BANK	34434	
OK		Full Service	3365317	LAUREL BRANCH	3220 HIGHWAY 15 NORTH	LAUREL	MS	39440	JONES	UNITED STATES	441477	5	MAGNOLIA STATE BANK	34434	
OK		Full Service	3641093	PETAL BRANCH	1227 HIGHWAY 42, SUITE 110	PETAL	MS	39465	FORREST	UNITED STATES	465733	6	MAGNOLIA STATE BANK	34434	
OK		Full Service	1405358	TAYLORSVILLE BRANCH	748 HIGHWAY 28 E	TAYLORSVILLE	MS	39168	SMITH	UNITED STATES	254048	4	MAGNOLIA STATE BANK	34434	

Form FR Y-6
MAGNOLIA STATE CORPORATION
December 31, 2012

Report Item 3: Shareholders

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

Current Shareholders with ownership, control or holding of 5% or more with power to vote as of 12-31-12

Shareholders 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 12-31-12

(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
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(2)(a) Name & Address (City, State, Country)	(2)(b) Country of Citizenship or Incorporation	(2)(c) Number and Percentage of Each Class of Securities
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Robert L. Abney, III Madison, MS	USA	6,570 – 20.93% Common Stock
Thomas E. Brown and Barbara L. Brown, AJTWROS Bay Springs, MS	USA	21,364 – 68.08% Common Stock

None	None	None
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Form FR Y-6
MAGNOLIA STATE CORPORATION
December 31, 2012

Report Item 4: Directors and Officers

(1) (2) (3)(a)(b)(c) and (4)(a)(b)(c)

(1) Names & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (include name of other businesses)	(4)(a) Percentage of Voting Shares in Holding Company	(4)(b) Percentage of Voting Shares 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)
Thomas E. Brown and Barbara L. Brown, AJTWROS Bay Springs, MS	Banker	Director, President	Chairman (Magnolia State Bank)	N/A	68.08%	None (Magnolia State Bank)	N/A
Robert L. Abney, III Madison, MS	Medical Doctor (Retired)	Director, Vice President	Director (Magnolia State Bank)	N/A	20.93%	None (Magnolia State Bank)	N/A
Marcus R. Robinson Bay Springs, MS	Banker	Treasurer	Director, President, & CEO (Magnolia State Bank)	N/A	N/A	N/A	N/A
Charlotte Aycock Bay Springs, MS	Banker	Secretary	Vice President (Magnolia State Bank)	N/A	N/A	N/A	N/A