

COPY



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

NONE

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

I, Eugene C. Lovell

Name of the Holding Company Director and Official

President and CEO

Title of the Holding Company Director and Official

attest that the *Annual Report of Holding Companies* (including the supporting attachments) for this reporting 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.

Reporter's Name, Street, and Mailing Address

First State Financial Corporation

Legal Title of Holding Company

16100 East Nine Mile Road

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

Eastpointe MI 48021

City State Zip Code

24300 Little Mack St. Clair Shores, MI 48080

Physical Location (if different from mailing address)

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.

Person to whom questions about this report should be directed:

Lori Canepa Accounting Manager

Name Title

586-445-4788

Area Code / Phone Number / Extension

586-445-4764

Area Code / FAX Number

lcanepa@thefsb.com

E-mail Address

www.fsb.com

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

Signature of Holding Company Director and Official

3-20-16

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 1204177
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."

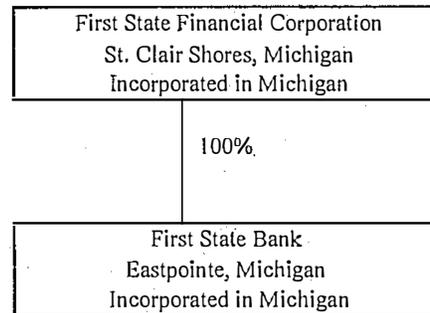
No

Annual Report of Holding Companies (FRY-6)

First State Financial Corporation
St. Clair Shores, Michigan
Fiscal Year Ending December 31, 2015

Report Item

- 1 The bank holding company prepares an annual report for its shareholders.
Three copies are enclosed.
- 2 Organizational Chart



All Entities do not have a LEI

Results: A list of branches for your holding company: **FIRST STATE FINANCIAL CORPORATION (1204177) of SAINT CLAIR SHORES, MI.**
 The data are as of 12/31/2015. Data reflects information that was received and processed through 07/11/2016.

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 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)	113740	FIRST STATE BANK	16100 EAST NINE MILE ROAD	EASTPOINTE	MI	48021-03	MACOMB	UNITED STATES	9426	0	FIRST STATE BANK		113740
ok		Full Service	3700422	CHESTERFIELD TOWNSHIP BRANCH	53950 GRATIOT	CHESTERFIELD TOWNSHIP	MI	48051	MACOMB	UNITED STATES	454496	15	FIRST STATE BANK		113740
ok		Full Service	2128793	CLINTON TOWNSHIP BRANCH	44990 NORTH GROESBECK HIGHWAY	CLINTON TOWNSHIP	MI	48036	MACOMB	UNITED STATES	233175	10	FIRST STATE BANK		113740
ok		Full Service	4601188	HAYES BRANCH	41240 HAYES ROAD	CLINTON TOWNSHIP	MI	48038	MACOMB	UNITED STATES	Not Required	Not Required	FIRST STATE BANK		113740
ok		Full Service	2074126	KELLY ROAD BRANCH	22711 KELLY ROAD	EASTPOINTE	MI	48021	MACOMB	UNITED STATES	233121	6	FIRST STATE BANK		113740
ok		Full Service	2077211	TEN MILE BRANCH	15000 TEN MILE ROAD	EASTPOINTE	MI	48021	MACOMB	UNITED STATES	233118	3	FIRST STATE BANK		113740
ok		Full Service	2402381	53050 ROMEO PLANK ROAD BRANCH	53050 ROMEO PLANK ROAD	MACOMB	MI	48042	MACOMB	UNITED STATES	233124	12	FIRST STATE BANK		113740
ok		Full Service	597948	RICHMOND BRANCH	67225 GRATIOT AVENUE	RICHMOND	MI	48062	MACOMB	UNITED STATES	9462	8	FIRST STATE BANK		113740
ok		Full Service	2083931	HARPER BRANCH	24335 HARPER AVENUE	SAINT CLAIR SHORES	MI	48080-12	MACOMB	UNITED STATES	233117	2	FIRST STATE BANK		113740
ok		Full Service	2074096	MACK BRANCH	23600 GREATER MACK AVENUE	SAINT CLAIR SHORES	MI	48080	MACOMB	UNITED STATES	233116	1	FIRST STATE BANK		113740
ok		Full Service	2455677	38169 UTICA ROAD BRANCH	38169 UTICA ROAD	STERLING HEIGHTS	MI	48312	MACOMB	UNITED STATES	Not Required	Not Required	FIRST STATE BANK		113740
ok		Full Service	4576286	STERLING HEIGHTS BRANCH	2032 19 MILE ROAD	STERLING HEIGHTS	MI	48314	MACOMB	UNITED STATES	Not Required	Not Required	FIRST STATE BANK		113740
ok		Full Service	3504273	WASHINGTON TOWNSHIP BRANCH	11555 26 MILE ROAD	WASHINGTON	MI	48094	MACOMB	UNITED STATES	443565	14	FIRST STATE BANK		113740

Annual Report of Holding Companies-FRY-6

December 31, 2015

Report Item 3: Shareholders

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

Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of 12/31/15			Shareholders not listed in (3)(1)(a) through (3)(1)(c) that had ownership, control or holdings of 5% or more with the power to vote during the fiscal year ending 12/31/15		
(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
William C. Nill Revocable Living Trust Grosse Pointe Woods, MI	USA	147,572 19.35% Common Stock			
Christine L. Nill, Trustee Living Trust Grosse Pointe, MI	USA	103,489 13.57% Common Stock			
Christine L. Nill, Trustee Carolyn M. Nill Irrevocable Trust Grosse Pointe, MI	USA	103,310 13.55% Common Stock			
Mildred L. Chisholm Trust Harrison Township, MI	USA	85,286 11.18% Common Stock			
Christian Herrmann, Trustee Living Trust Casco, MI	USA	61,068 8.01% Common Stock			
			NONE		

Annual Report of Holding Companies-FRY-6

December 31, 2015

Report Item 4: Insiders

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

(1) Name & 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	(3)(c) Title & Position with Other Businesses	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries	(4)(c) Other companies in which 25% or more of Voting Shares are held
Christian Herrmann Casco, Michigan	N/A	Director	Director (First State Bank)	N/A	8.01%	N/A	N/A
Christine L. Nill Grosse Pointe, Michigan	N/A	Secretary, Treasurer & Director	Director (First State Bank)	N/A	13.57%	N/A	N/A
Christine L. Nill, Trustee Carolyn M. Mill Irrevocable Trust Grosse Pointe, MI	N/A	Director	Director (First State Bank)	N/A	13.55%	N/A	N/A
Robert W. Kirk Clinton Twp., Michigan	Attorney	Director	Director (First State Bank)	Partner (Kirk & Huth P.C.) Partner	0.49%	N/A	50% (Kirk & Huth P.C.)
John P. Schmidt Richmond, Michigan	N/A	Director	Director (First State Bank)	N/A	N/A	N/A	N/A

Annual Report of Holding Companies-FRY-6

December 31, 2015

Report Item 4: Insiders (continued)
 (1) (2) (3)(a)(b)(c) and (4)(a)(b)(c)

(1) Name & 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	(3)(c) Title & Position with Other Businesses	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries	(4)(c) Other companies in which 25% or more of Voting Shares are held
Eugene C. Lovell Richmond, Michigan	N/A	President & Director	President, CEO & Director (First State Bank)	N/A	0.14%	N/A	N/A
Mary Deborah Naz Grosse Pointe Woods, Michigan	Insurance	Director	Director (First State Bank)	President (First Service Corp.)	0.04%	N/A	N/A
Michael A. Locrichio Clinton Twp, Michigan	Tax Planning & Compliance	Director	Director (First State Bank)	Partner MLS & Company, P.C.	0.04%	N/A	N/A
Paula Frerichs Rochester Hgts, Michigan	Hiring Director	Director	Director (First State Bank)	Assistant Director Ernst & Young	0.00%	N/A	N/A