

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

NA

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

Reporter's Name, Street, and Mailing Address

ISB Bancshares, Inc.

Legal Title of Holding Company

1203 S. Main

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

Lewistown

IL

61542

City

State

Zip Code

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Marilyn J. Barker

Secretary/Treasurer

Name

Title

309-547-2064 311

Area Code / Phone Number / Extension

309-547-2314

Area Code / FAX Number

mbarker@ipavastatebank.com

E-mail Address

www.ipavastatebank.com

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

I, Joseph J. Dietz

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 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 3/2/16

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 2007771
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

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.

ISB Bancshares, Inc.

FR Y-6

As of December 31, 2015

Report Item 2a:

ISB Bancshares, Inc.
Lewistown, IL USA
Delaware Corporation

ISB Bancshares, Inc. owns 100% of the Ipava State Bank – Ipava, IL.

Ipava State Bank, an Illinois Banking Corporation owns 100% of The Edsall Agency, Inc., an independent insurance agency located in Ipava, Illinois. The Edsall Agency, Inc. is an Illinois Corporation.

We have no entities with an LEI to report.

Results: A list of branches for your depository institution: **IPAVA STATE BANK (ID_RSSD: 760434)**.

This depository institution is held by **ISB BANCSHARES, INC. (2067771)** of LEWISTOWN, IL.

The data are as of **12/31/2015**. 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 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) | 760434 | IPAVA STATE BANK | 70 EAST MAIN STREET | IPAVA | IL | 61441 | FULTON | UNITED STATES | 6700 | 0 | IPAVA STATE BANK | 760434 | |
| OK | | Full Service | 3501085 | ASTORIA BRANCH | 101 EAST BROADWAY | ASTORIA | IL | 61501 | FULTON | UNITED STATES | 222431 | 1 | IPAVA STATE BANK | 760434 | |
| OK | | Full Service | 4665229 | CANTON BRANCH | 123 EAST PINE | CANTON | IL | 61520 | FULTON | UNITED STATES | Not Required | Not Required | IPAVA STATE BANK | 760434 | |
| OK | | Full Service | 3501067 | CANTON DT AND TRUST BRANCH | 74 EAST PINE STREET | CANTON | IL | 61520 | FULTON | UNITED STATES | 430071 | 3 | IPAVA STATE BANK | 760434 | |
| OK | | Full Service | 3501076 | LEWISTOWN BRANCH | 1203 SOUTH MAIN STREET | LEWISTOWN | IL | 61542 | FULTON | UNITED STATES | 456229 | 4 | IPAVA STATE BANK | 760434 | |

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ISB Bancshares, Inc.
Lewistown, IL 61542
Fiscal Year Ending 12-31-2015

Report Item 3: Securities Holders

| Current Securities Holders with ownership, control or holdings of 5% or more with power to vote <u>as of</u> fiscal year ending 12-31-2015 | | | 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 <u>during</u> the fiscal year ending 12-31-2015 | | |
|--|---|---|---|---|---|
| (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 |
| Joseph J. Dietz, Washington, IL | USA | 2007 - 16.4% | NA | | |
| Robert D. Fleming, Ipava, IL | USA | 1033 - 8.4% | | | |
| Phyllis Fleming, Ipava, IL | USA | 967 - 7.9% | | | |
| Trevor Hiel, Canton, IL | USA | 710 - 5.8% | | | |
| William T. Branson, Ipava, IL | USA | 720 - 5.9% | | | |
| Marlin D. McCormick Monroe City, MO | USA | 740 - 6.0% | | | |
| Marsha S. McCormick Macomb, IL | USA | 740 - 6.0% | | | |

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ISB Bancshares, Inc.
Lewistown, IL 61542
Fiscal Year Ending 12-31-2015

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

| (1) | (2) | (3)(a) | (3)(b) | (3)(c) | (4)(a) | (4)(b) | (4)(c) |
|--|--|---|---|--|---|---|--|
| Names & Address (City, State, Country) | Principal Occupation if other than with Holding Company | Title & Position with Holding Company | Title & Position with Subsidiaries (include names of subsidiaries) | Title & Position with Other Businesses (include names of other businesses) | Percentage of Voting Securities in Holding Company | Percentage of Voting Securities in Subsidiaries (include names of subsidiaries) | 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) |
| William T. Branson Ipava, IL USA | NA | Director, Chairman of the Board | Director, Chairman of the Board - Ipava State Bank | NA | 5.90% | None | NA |
| Robert D. Fleming Ipava, IL USA | Farmer | Director | Director - Ipava State Bank | NA | 8.40% | None | NA |
| Phyllis Fleming Ipava, IL USA | NA | None | NA | NA | 7.90% | None | NA |
| Joseph J. Dietz Washington, IL USA | NA | Director, President, CEO | Director, CEO - Ipava State Bank | NA | 16.40% | None | NA |

| | | | | | | | |
|---|------------------------------------|----------------------------------|----------------------------------|----|-------|------|----|
| Marilyn J. Barker, Lewistown, IL USA | NA | Secretary/Treasurer to the Board | EVP - Ipava State Bank | NA | 1.73% | None | NA |
| Marlin D. McCormick, Monroe City, MO | Grain elevator manager | None | NA | NA | 6.00% | None | NA |
| Marsha S. McCormick, Macomb, IL | Mid-America National Bank Employee | none | NA | NA | 6.00% | None | NA |
| Trevor H. Hiel, Canton, IL | NA | Director | Director, EVP - Ipava State Bank | NA | 5.79% | None | NA |
| Ryan R. Baker, Lewistown, IL | NA | Director | Director, EVP - Ipava State Bank | NA | 4.35% | None | NA |