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)); sections 8(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3100(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); and sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850(a)(1), and 5468(b)(1)). 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. If the holding company is an ESOP/ESOT formed as a corporation or is an LLC, see the General Instructions for the authorized individual who must sign the report.

I, Walter Knorr
Name of the Holding Company Director and Official
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
03/25/2019
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

R.S.S.D. ID
C.I.

Date of Report (top-tier holding company's fiscal year-end):
December 31, 2018

Mailing Address (of the Holding Company)
PO Box 967
Clarendon, TX 79226

City
State
Zip Code

Physical Location (if different from mailing address)
201 South Kearny, Clarendon, TX

Person to whom questions about this report should be directed:
M. Craig Kelly
CPA
Name
Title
806-371-7661
Area Code / Phone Number / Extension
806-371-0529
Area Code / Fax Number
ckelly@amacpas.com
E-mail Address

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

Is confidential treatment requested for any portion of
this report submission? ☐ Yes ☐ No

In accordance with the General Instructions for this report
(check only one),
1. a letter justifying this request is being provided along
   with the report. ☐
2. a letter justifying this request has been provided separately. ☐

NOTE: Information for which confidential treatment is being requested
must be provided separately and labeled
as "confidential."

03/2018

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.

<table>
<thead>
<tr>
<th>Legal Title of Subsidiary Holding Company</th>
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<tbody>
<tr>
<td>(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box</td>
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<tr>
<td>City State Zip Code</td>
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<td>Physical Location (if different from mailing address)</td>
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12/2012
ANNUAL REPORT OF BANK HOLDING COMPANIES

FR Y-6

Of

DONLEY COUNTY BANC SHARES, INC.

To the Board of Governors of the Federal Reserve System

for

Year Ended December 31, 2018
INDEX

REPORT ITEM 1:  ANNUAL REPORTS TO SHAREHOLDERS

NONE

REPORT ITEM 2a:  ORGANIZATION CHART

SEE ATTACHED EXHIBIT I

REPORT ITEM 2b:  DOMESTIC BRANCH LISTING

SEE ATTACHED EXHIBIT II

REPORT ITEM 3:  SHAREHOLDERS – DONLEY COUNTY BANCSHARES, INC.

SEE ATTACHED EXHIBIT III

REPORT ITEM 4:  INSIDERS – DONLEY COUNTY BANCSHARES, INC.

SEE ATTACHED EXHIBIT IV
100% of outstanding common stock

LEI: None
DONLEY COUNTY BANCSHARES, INC

Domestic Branch Listing

Report Item 2b

Results: A list of branches for your depository institution: DONLEY COUNTY STATE BANK, THE (ID_RSSD: 753856).
This depository institution is held by DONLEY COUNTY BANCSHARES, INC. (2126669) of CLARENDON, TX.
The data are as of 12/31/2018. Data reflects information that was received and processed through 01/06/2019.

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.

<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 UNINUM*</th>
<th>Office Number*</th>
<th>Head Office</th>
<th>Head Office ID_RSSD*</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Full Service (Head Office)</td>
<td>753856</td>
<td>DONLEY COUNTY STATE BANK, THE</td>
<td>201 S. KEARNY</td>
<td>CLARENDON</td>
<td>TX</td>
<td>79226</td>
<td>DONLEY</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>DONLEY COUNTY STATE BANK, THE</td>
<td>753856</td>
<td></td>
</tr>
</tbody>
</table>
### Report Item 3: Securities Holders

<table>
<thead>
<tr>
<th>Name &amp; Address (City, State, Country)</th>
<th>Country of Citizenship or Incorporation</th>
<th>Number and Percentage of Each Class of Voting Securities</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 12-31-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walter B. Knorpp, Jr. Clarendon, TX/USA</td>
<td>USA</td>
<td>202,679.32 - 39% Common Stock</td>
<td>N/A</td>
</tr>
<tr>
<td>Todd L. Knorpp Clarendon, TX/USA</td>
<td>USA</td>
<td>214,335.60 - 41% Common Stock</td>
<td>N/A</td>
</tr>
<tr>
<td>Jimmy C. Fowler Memphis, TX/USA</td>
<td>USA</td>
<td>42,116.07 - 8% Common Stock</td>
<td>N/A</td>
</tr>
<tr>
<td>Karen Knorpp Rose Abilene, TX/USA</td>
<td>USA</td>
<td>51,538.19 - 10% Common Stock</td>
<td>N/A</td>
</tr>
<tr>
<td>Janice Knorpp Clarendon, TX/USA</td>
<td>USA</td>
<td>11,656.29 - 2% Common Stock</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Form FR Y-6**

**DONLEY COUNTY BANCSHARES, INC.**

**Clarendon, TX**

**Fiscal Year Ending December 31, 2018**
### Report Item 4: Insiders

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

<table>
<thead>
<tr>
<th>Names &amp; Address (City, State, Country)</th>
<th>Principal Occupation if other than with Bank Holding Company</th>
<th>Title &amp; Position with Bank Holding Company</th>
<th>Title &amp; Position with Subsidiaries (include names of subsidiaries)</th>
<th>Title &amp; Position with Other Businesses (include names of other businesses)</th>
<th>Percentage of Voting Securities in Bank Holding Company</th>
<th>Percentage of Voting Securities in Subsidiaries (include names of subsidiaries)</th>
<th>Percentage of Voting Securities in Other Businesses (include names of other businesses)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walter B. Knorpp, Jr. Clarendon, TX/USA Insurance Broker</td>
<td>President, Director &amp; Chairman (Donley County State Bank)</td>
<td>N/A</td>
<td>39%</td>
<td>None</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Todd L. Knorpp Clarendon, TX/USA Insurance Broker</td>
<td>Secretary, Treasurer &amp; Director</td>
<td>Director</td>
<td>N/A</td>
<td>41%</td>
<td>None</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Karen K. Rose Abilene, TX/USA N/A</td>
<td>Vice-President &amp; Director</td>
<td>Director</td>
<td>N/A</td>
<td>10%</td>
<td>None</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Janice Knorpp Clarendon, TX/USA Horse Breeder</td>
<td>Principal Securities Holder</td>
<td>N/A</td>
<td>N/A</td>
<td>2%</td>
<td>None</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>