

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)); sections 8(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3108(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, 1850a(c)(1), and 5468(b)(1)). 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, top-tier savings and loan holding companies, and U.S. intermediate 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. 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.

**Date of Report** (top-tier holding company's fiscal year-end):

**December 31, 2020**

Month / Day / Year

N/A

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

Reporter's Name, Street, and Mailing Address

**Quanah Financial Corporation Employee Stock Ownership Plan**

Legal Title of Holding Company

**PO Box 450**

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

**Quanah TX 79252**

City State Zip Code

**Third & Mercer, Quanah, TX**

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

**Mark D. Sowers CPA**

Name Title

**806-371-7661**

Area Code / Phone Number / Extension

**806-371-0529**

Area Code / FAX Number

**msowers@amacpas.com**

E-mail Address

**www.fcbqt.com**

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

**I, Kenneth L. Horton**

Name of the Holding Company Director and Official

**Director & 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

**03/10/2021**

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 \_\_\_\_\_

C.I. \_\_\_\_\_

Is confidential treatment requested for any portion of this report submission? ..... 0=No 1=Yes  0

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."

## 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.

### Quanah Financial Corporation

Legal Title of Subsidiary Holding Company

### PO Box 450

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

Quanah

TX

79252

City

State

Zip Code

### Third & Mercer, Quanah, TX

Physical Location (if different from mailing address)

Legal Title of Subsidiary Holding Company

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

City

State

Zip Code

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Physical Location (if different from mailing address)

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City

State

Zip Code

Physical Location (if different from mailing address)

ANNUAL REPORT OF BANK HOLDING COMPANIES

FR Y-6

of

QUANAH FINANCIAL CORPORATION  
EMPLOYEE STOCK OWNERSHIP PLAN

To the Board of Governors of the  
Federal Reserve System

for

Year Ended December 31, 2020

ANNUAL REPORT OF BANK HOLDING COMPANIES

FR Y-6

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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 - QUANAH FINANCIAL CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN

SEE ATTACHED EXHIBIT III

SHAREHOLDERS - QUANAH FINANCIAL CORPORATION

SEE ATTACHED EXHIBIT IV

REPORT ITEM 4: INSIDERS - QUANAH FINANCIAL CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN

SEE ATTACHED EXHIBIT V

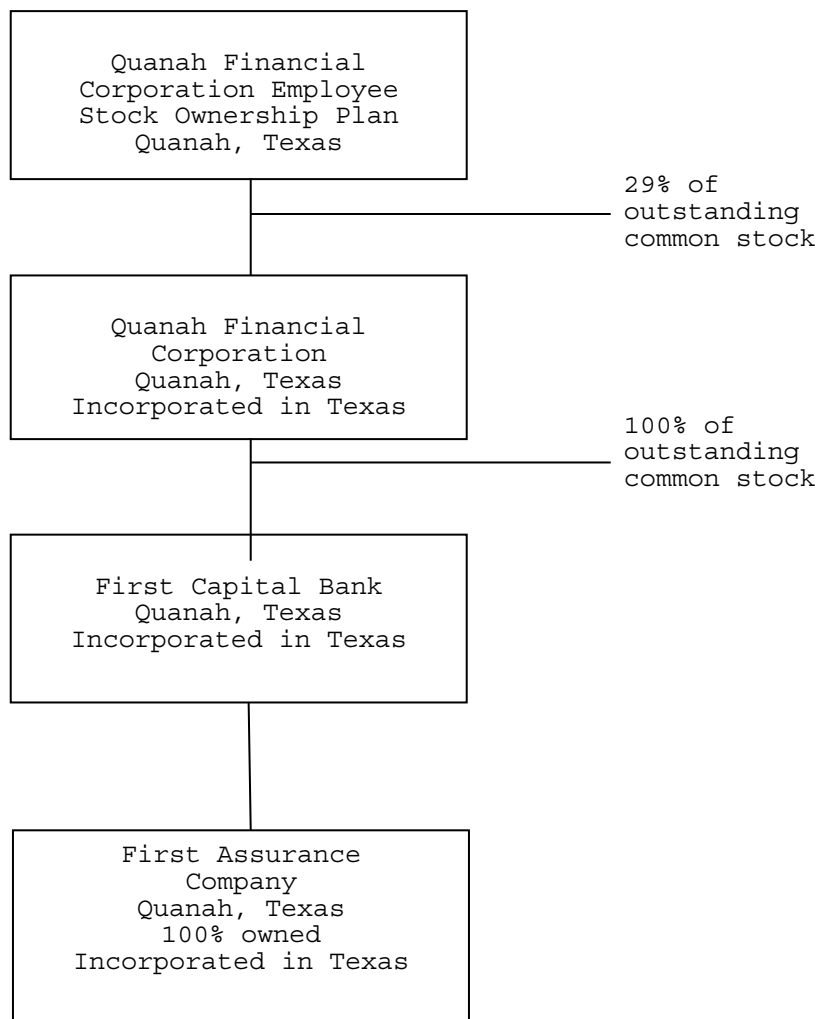
INSIDERS - QUANAH FINANCIAL CORPORATION

SEE ATTACHED EXHIBIT VI

QUANAH FINANCIAL CORPORATION  
EMPLOYEE STOCK OWNERSHIP PLAN

Organization Chart

Report Item 2a



LEI: None

QUANAH FINANCIAL CORPORATION  
EMPLOYEE STOCK OWNERSHIP PLAN

Domestic Branch Listing

Report Item 2b

Report Item 2b: Submitted via email on March 10, 2021.

**Results: A list of branches for your holding company: QUANAH FINANCIAL CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN (2366755) of QUANAH, TX.**  
 The data are as of 12/31/2020. Data reflects information that was received and processed through 01/05/2021.

**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	12/31/2020	Full Service (Head Office)	919568	FIRST CAPITAL BANK	120 WEST THIRD STREET	QUANAH	TX	79252	HARDEMAN	UNITED STATES	Not Required	Not Required	FIRST CAPITAL BANK	919568	
OK	12/31/2020	Full Service	3663291	FIRST CAPITAL BANK	5030 STONE LAKE DR	WICHITA FALLS	TX	76310	WICHITA	UNITED STATES	Not Required	Not Required	FIRST CAPITAL BANK	919568	

**Form FR Y-6**

**Quanah Financial Corporation  
Employee Stock Ownership Plan  
Quanah, Texas  
Fiscal Year Ending December 31, 2020**

**Report Item 3: Securities Holders**

<b>Current Securities Holders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12-31-2020</b>			<b>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 12-31-2020</b>		
<b>(1)(a) Name &amp; Address (City, State, Country)</b>	<b>(1)(b) Country of Citizenship or Incorporation</b>	<b>(1)(c) Number and Percentage of Each Class of Voting Securities</b>	<b>(2)(a) Name &amp; Address (City, State, Country)</b>	<b>(2)(b) Country of Citizenship or Incorporation</b>	<b>(2)(c) Number and Percentage of Each Class of Voting Securities</b>
Quanah Financial Corp. ESOP Kenneth L. Horton, Trustee Quanah, TX/USA	USA	9,731 - 29% Common Stock *	N/A		

\* Voting rights with respect to shares of Company stock which are held by the Trustee and which have been allocated to Accounts of Participants shall be exercised by the Trustee in such manner as may be directed by the respective participants. Shares of Company stock allocated to participants' accounts with respect to which participants have not been given voting directions shall be voted by the Trustee.



Form FR Y-6

Quanah Financial Corporation  
 Quanah, Texas  
 Fiscal Year Ending December 31, 2020

Report Item 3: Securities Holders

Current Securities Holders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12-31-2020			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 12-31-2020		
(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
Kenneth L. Horton Quanah, TX/USA	USA	11,834 - 35.303% Common Stock	N/A		
Steve L. McSpadden Quanah, TX/USA	USA	3,668 - 10.942% Common Stock			
William Barry Smith Fort Worth, TX/USA	USA	1,695 - 5.056% Common Stock			
Quanah Financial Corp. ESOP Kenneth L. Horton, Trustee Quanah, TX/USA	USA	9,731 - 29% Common Stock *			

\* Voting rights with respect to shares of Company stock which are held by the Trustee and which have been allocated to Accounts of Participants shall be exercised by the Trustee in such manner as may be directed by the respective participants. Shares of Company stock allocated to participants' accounts with respect to which participants have not been given voting directions shall be voted by the Trustee.

Form FR Y-6

Quanah Financial Corporation  
Employee Stock Ownership Plan  
Quanah, Texas  
Fiscal Year Ending December 31, 2020

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 Bank Holding Company	Title & Position with Bank 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 Bank 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)
Kenneth L. Horton Quanah, TX/USA	N/A	Trustee	Director & President (Quanah Financial Corporation)	N/A	29% *	64% (Quanah Financial Corporation)	N/A

\* Voting rights with respect to shares of Company stock which are held by the Trustee and which have been allocated to Accounts of Participants shall be exercised by the Trustee in such manner as may be directed by the respective participants. Shares of Company stock allocated to participants' accounts with respect to which participants have not been given voting directions shall be voted by the Trustee. (29% held as trustee and 35% held personally)

**Form FR Y-6**  
**Quanah Financial Corporation**  
**Quanah, Texas**  
**Fiscal Year Ending December 31, 2020**

**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 Bank Holding Company	Title & Position with Bank 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 Bank 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)
Kenneth L. Horton Quanah, TX/USA	N/A	Director & President	Director & CEO (First Capital Bank)	N/A	35.303%	None	N/A
Steve L. McSpadden Quanah, TX/USA	Banker	Director & Vice President	Director & President (First Capital Bank)	N/A	10.942%	-	N/A
James J. Herring Wichita Falls, TX/USA	Banker	Director	Director & President (First Capital Bank)	N/A	1.008%	-	N/A
Quanah Financial Corporation Employee Stock Ownership Plan Kenneth L. Horton, Trustee Quanah, TX/USA	USA	N/A	N/A	N/A	29.030%	None	N/A

\* Voting rights with respect to shares of Company stock which are held by the Trustee and which have been allocated to Accounts of Participants shall be exercised by the Trustee in such manner as may be directed by the respective participants. Shares of Company stock allocated to participants' accounts with respect to which participants have not been given voting directions shall be voted by the Trustee.

**Form FR Y-6**  
**Quanah Financial Corporation**  
**Quanah, Texas**  
**Fiscal Year Ending December 31, 2020**

**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 Bank Holding Company	Title & Position with Bank 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 Bank 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)
David Brinkerhoff Quanah, TX/USA	Attorney	Director & Chairman	Director (First Capital Bank)	N/A	0.597%	-	N/A
	N/A	N/A	N/A	Owner (David K. Brinkerhoff, Attorney)	None	None	David K. Brinkerhoff, Attorney (100%)
	N/A	N/A	N/A	Owner (Hardeman Abstract & Title, Inc.)	None	None	Hardeman Abstract & Title, Inc. (100%)
	N/A	N/A	N/A	Partner (Bell, Brinkerhoff & Bell Partnership)	None	None	Bell, Brinkerhoff & Bell Partnership (33%)
William Barry Smith Fort Worth, TX/USA	Clothier	Director	Director (First Capital Bank)	N/A	5.056%	-	N/A
	N/A	N/A	N/A	Owner (Distinctive Apparel)	None	None	Distinctive Apparel (100%)