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, 518, and 609 of the Dodd-Frank Wall Street Reform and Consumer Protection 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.

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, 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. ____________________________

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 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.

Date of Report (top-tier holding company’s fiscal year-end):
December 31, 2020

N/A
Month / Day / Year

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

Name

CPA

Title

806-371-7661

Area Code / Phone Number / Extension

806-371-0529

Area Code / FAX Number

msowers@amacpas.com

E-mail Address

www.fcqbt.com

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...

☐ Yes

☐ No

2. a letter justifying this request has been provided separately ...

☐ Yes

☐ No

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

Public reporting burden for this information collection is estimated to vary from 1.3 to 101 hours per response, with an average of 5.59 hours per response, including time to gather and maintain data in the required format 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.
### 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>
<th>(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quanah Financial Corporation</td>
<td>PO Box 450</td>
<td>Quanah</td>
<td>TX</td>
<td>79252</td>
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<td>Third &amp; Mercer, Quanah, TX</td>
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<td>Physical Location (if different from mailing address)</td>
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<td></td>
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<td>Physical Location (if different from mailing address)</td>
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</tbody>
</table>

12/2012
ANNUAL REPORT OF BANK HOLDING COMPANIES
FR Y-6
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 - 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

Quanah Financial Corporation Employee Stock Ownership Plan
Quanah, Texas

29% of outstanding common stock

Quanah Financial Corporation
Quanah, Texas
Incorporated in Texas

100% of outstanding common stock

First Capital Bank
Quanah, Texas
Incorporated in Texas

First Assurance Company
Quanah, Texas
100% owned
Incorporated in Texas

LEI: None
QUANAH FINANCIAL CORPORATION
EMPLOYEE STOCK OWNERSHIP PLAN

Domestic Branch Listing

Report Item 2b

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>OK</td>
<td>12/31/2020</td>
<td>Full Service</td>
<td>919568</td>
<td>FIRST CAPITAL BANK</td>
<td>120 WEST THIRD STREET</td>
<td>QUANAH</td>
<td>TX</td>
<td>79252</td>
<td>HARDEMAN</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>FIRST CAPITAL BANK</td>
<td>919568</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>12/31/2020</td>
<td>Full Service</td>
<td>3663279</td>
<td>FIRST CAPITAL BANK</td>
<td>5030 STONE LAKE DR</td>
<td>WICHITA FALLS</td>
<td>TX</td>
<td>79320</td>
<td>WICHITA</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>FIRST CAPITAL BANK</td>
<td>919568</td>
<td></td>
</tr>
</tbody>
</table>
Report Item 3: Securities Holders

<table>
<thead>
<tr>
<th>Current Securities Holders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12-31-2020</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 12-31-2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name &amp; Address (City, State, Country)</td>
<td>Country of Citizenship or Incorporation</td>
</tr>
<tr>
<td>Quanah Financial Corp. ESOP</td>
<td>USA</td>
</tr>
</tbody>
</table>

Kenneth L. Horton, Trustee
Quanah, TX/USA

* 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.
<table>
<thead>
<tr>
<th>(1)(a)</th>
<th>(1)(b)</th>
<th>(1)(c) Number and Percentage of Each Class of Voting Securities</th>
<th>(2)(a)</th>
<th>(2)(b)</th>
<th>(2)(c) Number and Percentage of Each Class of Voting Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name &amp; Address (City, State, Country)</td>
<td>Country of Citizenship or Incorporation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kenneth L. Horton</td>
<td>Quanah, TX/USA</td>
<td>USA</td>
<td>11,834 - 35.303%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Steve L. McSpadden</td>
<td>Quanah, TX/USA</td>
<td>USA</td>
<td>3,668 - 10.942%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>William Barry Smith</td>
<td>Fort Worth, TX/USA</td>
<td>USA</td>
<td>1,695 - 5.056%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quanah Financial Corp. ESOP Kenneth L. Horton, Trustee</td>
<td>Quanah, TX/USA</td>
<td>USA</td>
<td>9,731 - 29% Common Stock</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* 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.
**Kenneth L. Horton**
Quanah, TX/USA  
Trustee  
29% *

* 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)
<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>
</tr>
</thead>
<tbody>
<tr>
<td>Kenneth L. Horton, Quanah, TX/USA</td>
<td>N/A</td>
<td>Director &amp; President</td>
<td>Director &amp; CEO (First Capital Bank)</td>
<td>N/A</td>
<td>35.303%</td>
<td>None</td>
</tr>
<tr>
<td>Steve L. McSpadden, Quanah, TX/USA</td>
<td>Banker</td>
<td>Director &amp; Vice President</td>
<td>Director &amp; President (First Capital Bank)</td>
<td>N/A</td>
<td>10.942%</td>
<td>-</td>
</tr>
<tr>
<td>James J. Herring, Wichita Falls, TX/USA</td>
<td>Banker</td>
<td>Director</td>
<td>Director &amp; President (First Capital Bank)</td>
<td>N/A</td>
<td>1.008%</td>
<td>-</td>
</tr>
<tr>
<td>Quanah Financial Corporation Employee</td>
<td>Stock Ownership Plan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kenneth L. Horton, Trustee, Quanah, TX/USA</td>
<td>USA</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>29.030%</td>
<td>None</td>
</tr>
</tbody>
</table>

* 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)  

<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>
</tr>
</thead>
<tbody>
<tr>
<td>David Brinkerhoff Quanah, TX/USA</td>
<td>Attorney</td>
<td>Director &amp; Chairman (First Capital Bank)</td>
<td>N/A</td>
<td>Owner (David K. Brinkerhoff, Attorney)</td>
<td>0.597%</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Owner (Hardeman Abstract &amp; Title, Inc.)</td>
<td></td>
<td>David K. Brinkerhoff, Attorney (100%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Partner (Bell, Brinkerhoff &amp; Bell Partnership)</td>
<td></td>
<td>Hardeman Abstract &amp; Title, Inc. (100%)</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Bell, Brinkerhoff &amp; Bell Partnership (33%)</td>
</tr>
<tr>
<td>William Barry Smith Fort Worth, TX/USA</td>
<td>Clothier</td>
<td>Director (First Capital Bank)</td>
<td>N/A</td>
<td>Owner (Distinctive Apparel)</td>
<td>5.056%</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Distinctive Apparel</td>
<td></td>
<td>Distinctive Apparel (100%)</td>
</tr>
</tbody>
</table>

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.)