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.

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.

I, Leslie L Hudler
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

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 1105630
C.I.

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)

Reporter’s Name, Street, and Mailing Address
Pedernales Investment Corporation
PO Box 426
(Mailing Address of the Holding Company) Street / P.O. Box
Johnson City Texas 78636
City State Zip Code

100 East Pecan Johnson City, TX 78636
Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:
Ken L Keenum CPA
Name Title
817-332-1900
Area Code / Phone Number / Extension
817-332-2577
Area Code / FAX Number
KKeenum@flash.net
E-mail Address
NONE
Address (URL) for the Holding Company’s web page

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
Item 2: Organization Chart

Pedernales Investment Corporation
Johnson City, Texas USA
(Texas Corporation)

100% Ownership

Johnson City Bank
Johnson City, Texas USA
(Texas State Bank)

No LEI is available for the above entities

AMENDED JUN 28 2016
Results: A list of branches for your holding company: PEDERNALES INVESTMENT CORPORATION (1105630) of JOHNSON CITY, TX. 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.

<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></td>
<td>Full Service (Head Office)</td>
<td>977652</td>
<td>JOHNSON CITY BANK</td>
<td>100 EAST PECAN DRIVE</td>
<td>JOHNSON CITY</td>
<td>TX</td>
<td>78636</td>
<td>BLANCO</td>
<td>UNITED STATES</td>
<td>10382</td>
<td>0</td>
<td>JOHNSON CITY BANK</td>
<td>977652</td>
<td></td>
</tr>
</tbody>
</table>
Pedernales Investment Corporation  
Annual Report to Bank Holding Companies FR Y-6  
December 31, 2015

Item 3(1):  Security Holders at end of fiscal year

<table>
<thead>
<tr>
<th>Name and Address</th>
<th>Ownership of Voting Common Stock</th>
</tr>
</thead>
</table>
| Pedernales 2011 Family Trust  
Kathiann Leake DeCleva and  
Jane Leake Benton, Co-Trustees  
USA Trust  
Dallas, TX USA | No. of Shares | Percentage |
|                  | 1,000 | 100% |

Item 3(2):  Security Holders of 5% or more during the year not listed in Item 3(1) - NONE
Report Item 4: Insiders
(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)

<table>
<thead>
<tr>
<th>Name, City, State, Country</th>
<th>Principal Occupation if other than with Holding Company</th>
<th>Title &amp; Position with Holding Company</th>
<th>Title &amp; Position with Subsidiaries (include names of subsidiaries)</th>
<th>Percentage of Voting Shares in Subsidiaries (include names of other Businesses)</th>
<th>Percentage of Voting Shares in Holding Company</th>
<th>List names of other companies (includes partnerships) if 25% or more of voting shares are held (List names of companies and percentage of voting securities held)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leslie L. Hudler</td>
<td>Banking</td>
<td>Pedernales Investment Corporation</td>
<td>Johnson City Bank Pres &amp; Director</td>
<td>Bandera Bancshares Inc Pres &amp; Director Bandera Bank Pres &amp; Director One River Point - Partner</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Johnson City, Texas</td>
<td></td>
<td>Pres &amp; Director</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pedernales 2011 Family Trust</td>
<td>Investments</td>
<td>Pedernales Investment Corporation</td>
<td>Johnson City Bank Vice Chm &amp; Director</td>
<td>Bandera Bancshares Inc Principal Shareholder Bandera Bank Director</td>
<td>100%</td>
<td>Common Stock</td>
</tr>
<tr>
<td>Dallas, TX</td>
<td></td>
<td>Prin. Shareholder as trustee</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>USA Trust</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kathiann Leake DeCleva</td>
<td>Investments</td>
<td>Pedernales Investment Corporation</td>
<td>Johnson City Bank Director</td>
<td>Bandera Bancshares Inc Principal Shareholder Bandera Bank Director</td>
<td>100%</td>
<td>None Bandera Bancshares - 89.75%</td>
</tr>
<tr>
<td>Dallas, TX</td>
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<td>Prin. Shareholder as trustee</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Jane Leake Benton</td>
<td>Investments</td>
<td>Pedernales Investment Corporation</td>
<td>Johnson City Bank Director</td>
<td>Bandera Bancshares Inc Principal Shareholder Bandera Bank Director</td>
<td>100%</td>
<td>None Bandera Bancshares - 89.75%</td>
</tr>
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<td>Dallas, Texas</td>
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<td>Prin. Shareholder as trustee</td>
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<td></td>
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<tr>
<td>Zachary P. Hudler</td>
<td>Attorney</td>
<td>Pedernales Investment Corporation</td>
<td>Johnson City Bank VP &amp; Director</td>
<td>Bandera Bancshares Inc Vice President Bandera Bank Director</td>
<td>None</td>
<td>None N/A</td>
</tr>
<tr>
<td>Johnson City, TX</td>
<td></td>
<td>VP &amp; Director</td>
<td></td>
<td></td>
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<tr>
<td>USA</td>
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AMENDED JUN 28 2016