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 611(a)); 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. GEORGE HEGER
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
07/05/2016

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
1137257
C.I.

Date of Report (top-tier holding company's fiscal year-end):
December 31, 2015
Month / Day / Year
N/A

Reporter's Name, Street, and Mailing Address
GRANGER BANCSHARES, INC
Legal Title of Holding Company
P.O. BOX 668
(Mailing Address of the Holding Company) Street / P.O. Box
GRANGER
TX
76530
City
State
Zip Code
201 W DAVIDA ST. GRANGER, TX 76530
Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:
ELIZABETH STEGLICH
Name
CASHIER
Title
512-859-2202
Area Code / Phone Number / Extension
512-859-2188
Area Code / FAX Number
liz@grangerationalbank.com
E-mail Address
N/A

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

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.

12/2015
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>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>City or State or Zip Code</td>
</tr>
<tr>
<td></td>
<td>Physical Location (if different from mailing address)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
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</table>

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<thead>
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</table>

<table>
<thead>
<tr>
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</table>

<table>
<thead>
<tr>
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<th>(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box</th>
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</thead>
<tbody>
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<td>City or State or Zip Code</td>
</tr>
<tr>
<td></td>
<td>Physical Location (if different from mailing address)</td>
</tr>
</tbody>
</table>

12/2012
Report Item:

1: The Bank Holding Company does prepare an annual report for its shareholders. Enclosed is a copy of the annual report.

2a: Organizational Chart

```
Granger Bancshares, Inc.
Granger, TX Incorporated in Texas

100%

The Granger National Bank
Granger, Texas
```

** No company within the organization has an LEI

2b: Domestic Branch Listing

Not Applicable
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 new 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>2721321</td>
<td>GRANGER NATIONAL BANK, THE</td>
<td>201 WEST DAVIDA</td>
<td>GRANGER</td>
<td>TX</td>
<td>76530</td>
<td>WILLIAMSON</td>
<td>UNITED STATES</td>
<td>2085</td>
<td>D</td>
<td>GRANGER NATIONAL BANK, THE</td>
<td>2721321</td>
<td></td>
</tr>
</tbody>
</table>
Report Item 3: Securities Holders
(1)(a) (1)(b) (1)(c) (2)(a) (2)(b) (2)(c)

<table>
<thead>
<tr>
<th>Name &amp; Address (City, State, Country)</th>
<th>Country of Citizenship or Incorporation</th>
<th>Class of Voting Securities</th>
<th>Number and Percentage of Each</th>
<th>Name &amp; Address (City, State, Country)</th>
<th>Country of Citizenship or Incorporation</th>
<th>Class of Voting Securities</th>
<th>Number and Percentage of Each</th>
</tr>
</thead>
<tbody>
<tr>
<td>G &amp; G Partners LTD Granger, TX 76530</td>
<td>USA</td>
<td>10298 - 66% Common Stock</td>
<td>NONE</td>
<td>NONE</td>
<td>NONE</td>
<td>NONE</td>
<td>NONE</td>
</tr>
<tr>
<td>Bennie Bartosh Granger, TX 76530</td>
<td>USA</td>
<td>792 - 5% Common Stock</td>
<td>NONE</td>
<td>NONE</td>
<td>NONE</td>
<td>NONE</td>
<td>NONE</td>
</tr>
<tr>
<td>Names &amp; Address</td>
<td>Principal Occupation if other than with Bank Holding Company</td>
<td>(3)(a) Title &amp; Position with Bank Holding Company</td>
<td>(3)(b) Title &amp; Position with Subsidiaries Granger National Bank</td>
<td>(3)(c) Title &amp; Position with Other Businesses</td>
<td>(4)(a) Percentage of Voting Securities in Bank Holding Company</td>
<td>(4)(b) Percentage of Voting Securities in Subsidiaries</td>
<td>(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held</td>
</tr>
<tr>
<td>-----------------</td>
<td>-------------------------------------------------------------</td>
<td>---------------------------------------------------</td>
<td>------------------------------------------------------------</td>
<td>---------------------------------------------------------------</td>
<td>-------------------------------------------------</td>
<td>-------------------------------------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>George Heger</td>
<td>Insurance Sales</td>
<td>Director &amp; President</td>
<td>Director &amp; Board Chairman</td>
<td>Partner-G &amp; G Heger Partners, LTD</td>
<td>0.0645%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Granger, TX USA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gail Heger</td>
<td>Retired Educator</td>
<td>N/A</td>
<td>Advisory Director</td>
<td>Partner-G &amp; G Heger Partners, LTD</td>
<td>0.0645%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Granger, TX USA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bennie Bartosh</td>
<td>Retired Farmer</td>
<td>Director &amp; Vice President of Board</td>
<td>Director &amp; Vice President of Board</td>
<td>N/A</td>
<td>5.1097%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Granger, TX USA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tim Vrabel, Sr.</td>
<td>Farmer</td>
<td>Director</td>
<td>Director</td>
<td>N/A</td>
<td>1.6258%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Bartlett, TX USA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ted Kallus</td>
<td>Retired Contractor</td>
<td>Director</td>
<td>Director</td>
<td>N/A</td>
<td>1.2903%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Granger, TX USA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>William Pavlat</td>
<td>Dentist</td>
<td>Director</td>
<td>Director</td>
<td>N/A</td>
<td>0.6452%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Granger, TX USA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dan Johnson</td>
<td>Banker</td>
<td>Director</td>
<td>Director/President of The Granger National Bank</td>
<td>N/A</td>
<td>0.0581%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Round Rock, TX USA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>John Pavelka</td>
<td>Retired Banker</td>
<td>Secretary/Treasurer</td>
<td>Advisory Director</td>
<td>N/A</td>
<td>1.6129%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Granger, TX USA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G &amp; G Heger</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>66.3097%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Partners, LTD.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Granger, TX USA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# REPORT TO SHAREHOLDERS OF GRANGER BANCSHARES, INC.
## BALANCE SHEET OF GRANGER NATIONAL BANK

### ASSETS:

<table>
<thead>
<tr>
<th></th>
<th>DEC. 31, 2014</th>
<th>DEC. 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cash &amp; Due from Banks</td>
<td>2,592,009</td>
<td>4,811,274</td>
</tr>
<tr>
<td>Securities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>U.S. Government Agencies</td>
<td>10,472,602</td>
<td>11,910,631</td>
</tr>
<tr>
<td>Mortgage Backed</td>
<td>1,474,245</td>
<td>1,062,079</td>
</tr>
<tr>
<td>State &amp; Political Subdivisions</td>
<td>3,611,443</td>
<td>3,543,710</td>
</tr>
<tr>
<td>Unrealize Gain/Loss</td>
<td>544,655</td>
<td>508,751</td>
</tr>
<tr>
<td>Federal Reserve Stock</td>
<td>9,300</td>
<td>9,300</td>
</tr>
<tr>
<td>Texas Independent Bank Stock</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>GNB Owned Life Ins.</td>
<td>0</td>
<td>1,023,164</td>
</tr>
<tr>
<td>Federal Funds Solds</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Federal Reserve Excess Balance Acct</td>
<td>9,265,000</td>
<td>4,483,000</td>
</tr>
<tr>
<td>Total Investments</td>
<td>25,387,245</td>
<td>22,550,635</td>
</tr>
<tr>
<td>Loans:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real Estate Loans</td>
<td>3,136,516</td>
<td>3,222,768</td>
</tr>
<tr>
<td>Farm Loans</td>
<td>1,330,873</td>
<td>1,596,013</td>
</tr>
<tr>
<td>Commercial Loans</td>
<td>321,096</td>
<td>441,293</td>
</tr>
<tr>
<td>Personal Loans</td>
<td>910,190</td>
<td>1,046,774</td>
</tr>
<tr>
<td>All Others</td>
<td>17,613</td>
<td>30,862</td>
</tr>
<tr>
<td>Total Loans</td>
<td>5,716,288</td>
<td>6,337,710</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserve for Possible Loan Losses</td>
<td>(217,769)</td>
<td>(217,769)</td>
</tr>
<tr>
<td>Net Loans</td>
<td>5,498,519</td>
<td>6,119,942</td>
</tr>
<tr>
<td>Banking House &amp; Furniture &amp; Fixtures</td>
<td>52,732</td>
<td>43,093</td>
</tr>
<tr>
<td>Other Assets</td>
<td>202,201</td>
<td>231,530</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>33,732,707</strong></td>
<td><strong>33,756,474</strong></td>
</tr>
</tbody>
</table>

### LIABILITIES:

<table>
<thead>
<tr>
<th></th>
<th>DEC. 31, 2014</th>
<th>DEC. 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand Deposits</td>
<td>6,719,821</td>
<td>6,763,937</td>
</tr>
<tr>
<td>Sav. Accts., NOW Accts., &amp; Super Saver Accts.</td>
<td>12,668,599</td>
<td>12,898,539</td>
</tr>
<tr>
<td>Time Deposits</td>
<td>9,094,582</td>
<td>8,715,843</td>
</tr>
<tr>
<td>Total Demand Deposits</td>
<td>6,719,821</td>
<td>6,763,937</td>
</tr>
<tr>
<td>Total Time &amp; Savings Deposits</td>
<td>21,763,180</td>
<td>21,614,382</td>
</tr>
<tr>
<td><strong>TOTAL DEPOSITS</strong></td>
<td><strong>28,483,001</strong></td>
<td><strong>28,378,319</strong></td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>205,780</td>
<td>192,633</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>28,688,781</strong></td>
<td><strong>28,570,952</strong></td>
</tr>
</tbody>
</table>

### SHAREHOLDER'S EQUITY:

<table>
<thead>
<tr>
<th></th>
<th>DEC. 31, 2014</th>
<th>DEC. 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stock-15,500 shares @ 10. par</td>
<td>155,000</td>
<td>155,000</td>
</tr>
<tr>
<td>Surplus</td>
<td>155,000</td>
<td>155,000</td>
</tr>
<tr>
<td>Undivided Profits</td>
<td>4,733,926</td>
<td>4,875,521</td>
</tr>
<tr>
<td><strong>Total Shareholders Equity</strong></td>
<td><strong>5,043,926</strong></td>
<td><strong>5,185,521</strong></td>
</tr>
<tr>
<td><strong>TOTAL LIAB. &amp; SHAREHOLDERS EQUITY</strong></td>
<td><strong>33,732,707</strong></td>
<td><strong>33,756,474</strong></td>
</tr>
</tbody>
</table>
## OPERATING INCOME

<table>
<thead>
<tr>
<th>Description</th>
<th>DEC 31, 2014</th>
<th>DEC 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest &amp; Fees on Loans</td>
<td>456,669</td>
<td>420,349</td>
</tr>
<tr>
<td>Interest on Federal Funds</td>
<td>11,560</td>
<td>12,171</td>
</tr>
<tr>
<td>Int. on U.S. Government Agencies</td>
<td>321,487</td>
<td>339,834</td>
</tr>
<tr>
<td>Int. on Mortgage Backed</td>
<td>19,578</td>
<td>15,168</td>
</tr>
<tr>
<td>Int. on Oblig. of State &amp; Polit. Sub.</td>
<td>161,266</td>
<td>153,001</td>
</tr>
<tr>
<td>Int. on Corporate Bonds</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other Interest Income</td>
<td>9,121</td>
<td>35,309</td>
</tr>
<tr>
<td>Service Charges on Deposit Accts.</td>
<td>121,106</td>
<td>111,832</td>
</tr>
<tr>
<td>Other Serv. Chgs. &amp; Opert. Income</td>
<td>16,996</td>
<td>14,383</td>
</tr>
<tr>
<td><strong>Total Operating Income</strong></td>
<td><strong>1,117,783</strong></td>
<td><strong>1,102,046</strong></td>
</tr>
</tbody>
</table>

## OPERATING EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>DEC 31, 2014</th>
<th>DEC 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Employees Benefits</td>
<td>396,945</td>
<td>421,297</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>122,764</td>
<td>117,994</td>
</tr>
<tr>
<td>Occupancy Expense</td>
<td>51,485</td>
<td>49,947</td>
</tr>
<tr>
<td>Provisions for Possible Loan Losses</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>316,308</td>
<td>306,009</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>887,501</strong></td>
<td><strong>895,246</strong></td>
</tr>
</tbody>
</table>

## Income Before Income Taxes & Security Gains or Losses

<table>
<thead>
<tr>
<th>Description</th>
<th>DEC 31, 2014</th>
<th>DEC 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Before Income Taxes</td>
<td>230,282</td>
<td>206,800</td>
</tr>
<tr>
<td>Provisions for Income Taxes</td>
<td>0</td>
<td>10,000</td>
</tr>
<tr>
<td>Income Before Security Gains or Losses</td>
<td>230,282</td>
<td>196,800</td>
</tr>
<tr>
<td>Sec Gains or Losses,Extraordinary items</td>
<td>0</td>
<td>15,260</td>
</tr>
</tbody>
</table>

**Net Income**

<table>
<thead>
<tr>
<th>Description</th>
<th>DEC 31, 2014</th>
<th>DEC 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>230,282</td>
<td>212,060</td>
</tr>
<tr>
<td>Description</td>
<td>2014</td>
<td>2015</td>
</tr>
<tr>
<td>------------------------------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>Beginning Balance</td>
<td>217,769</td>
<td>217,769</td>
</tr>
<tr>
<td>Recoveries</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>LESS Charge-Offs</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Provision for Losses</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Adjustment</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Balance End of Period</td>
<td>217,769</td>
<td>217,769</td>
</tr>
</tbody>
</table>
Granger Bancshares, Inc.
Balance Sheet

ASSETS:

<table>
<thead>
<tr>
<th></th>
<th>12-31-14</th>
<th>12-31-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Due From Banks</td>
<td>5,624</td>
<td>19,990</td>
</tr>
<tr>
<td>Investment in Subsidiary (GNB) (Carried at Book Value)</td>
<td>5,043,926</td>
<td>5,185,521</td>
</tr>
<tr>
<td>Dividend Receivable</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other Assets</td>
<td>7,700</td>
<td>7,700</td>
</tr>
</tbody>
</table>

Total Assets: 5,057,251

LIABILITIES:

<table>
<thead>
<tr>
<th></th>
<th>12-31-14</th>
<th>12-31-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accretion of Goodwill</td>
<td>6,103</td>
<td>5,553</td>
</tr>
<tr>
<td>Other Liabilities - FIT</td>
<td>2,000</td>
<td>0</td>
</tr>
</tbody>
</table>

Total Liabilities: 8,103

STOCKHOLDER'S EQUITY:

<table>
<thead>
<tr>
<th></th>
<th>12-31-14</th>
<th>12-31-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preferred Stock(6207 s/s outstanding, $1.00 par value)</td>
<td>6,207</td>
<td>6,207</td>
</tr>
<tr>
<td>Common Stock(15,500 s/s authorized, $1.00 par value)</td>
<td>15,500</td>
<td>15,500</td>
</tr>
<tr>
<td>Surplus</td>
<td>1,319,265</td>
<td>1,325,771</td>
</tr>
<tr>
<td>Undivided Profits</td>
<td>3,843,816</td>
<td>3,987,658</td>
</tr>
<tr>
<td>Profit (Loss)</td>
<td>33,134</td>
<td>33,298</td>
</tr>
<tr>
<td>Less: Treasury Stock</td>
<td>56 s/s end of 2015</td>
<td>-13,600</td>
</tr>
<tr>
<td>Less: Preferred Stock</td>
<td>6207 s/s end of 2001</td>
<td>-155,175</td>
</tr>
</tbody>
</table>

Total Equity: 5,049,148

Total Liab. & Stkholders Equity: 5,057,251
<table>
<thead>
<tr>
<th></th>
<th>12-31-14</th>
<th>12-31-15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Income</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Dividends from Subsidiary</td>
<td>31,000</td>
<td>31,000</td>
</tr>
<tr>
<td>Accretion of Goodwill</td>
<td>550</td>
<td>550</td>
</tr>
<tr>
<td>Suspense</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Note Payable</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Accrued Interest Payable</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other Income</td>
<td>2,030</td>
<td>2,449</td>
</tr>
<tr>
<td>Sale of Treasury Stock</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Forgiveness of Note Payable</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>33,580</td>
<td>33,999</td>
</tr>
</tbody>
</table>

|                          |          |          |
| **EXPENSES:**            |          |          |
| Interest Expense         | 0        | 0        |
| Taxes                    | 383      | 418      |
| Amortization - Organization Costs | 0     | 0        |
| Professional Fees        | 0        | 250      |
| Insurance                | 0        | 0        |
| Misc.                    | 62       | 34       |
| **Total Expenses**       | 446      | 702      |

Operating Profit 33,134 33,298

Less: Federal Income Tax 0 0

Net Operating Profit 33,134 33,298

Equity In Undistributed Income (Loss) Of Subsidiary 199,282 181,060

Net Profit before Dividends 232,416 214,357

Less Dividends Payable (30,728) (30,888)

Net Profit 201,688 183,469

Stockholder Income Sheet
### Granger Bancshares, Inc.
#### Statement of Changes in Stockholders’ Equity


<table>
<thead>
<tr>
<th>Balance as of</th>
<th>Preferred Stock</th>
<th>Common Stock</th>
<th>Surplus</th>
<th>Undivided Profits</th>
<th>Treasury Stock</th>
<th>Total Equity Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/2014</td>
<td>6,207</td>
<td>15,500</td>
<td>1,319,265</td>
<td>3,280,336</td>
<td>(168,775)</td>
<td>4,452,533</td>
</tr>
<tr>
<td>FASB-115 Adjust</td>
<td>-0-</td>
<td>-0-</td>
<td>-0-</td>
<td>400,927</td>
<td>-0-</td>
<td>400,927</td>
</tr>
<tr>
<td>Net Income</td>
<td>-0-</td>
<td>-0-</td>
<td>-0-</td>
<td>232,416</td>
<td>-0-</td>
<td>232,416</td>
</tr>
<tr>
<td>Decl. Divid.- Paid</td>
<td>-0-</td>
<td>-0-</td>
<td>-0-</td>
<td>(30,728)</td>
<td>-0-</td>
<td>(30,728)</td>
</tr>
<tr>
<td>Sold Treasury Stock</td>
<td>-0-</td>
<td>-0-</td>
<td>-0-</td>
<td>-0-</td>
<td>-0-</td>
<td>0</td>
</tr>
<tr>
<td>Prior Yr Tax &amp; Other Adj.</td>
<td>-0-</td>
<td>-0-</td>
<td>-0-</td>
<td>(6,000)</td>
<td>-0-</td>
<td>(6,000)</td>
</tr>
<tr>
<td><strong>Balance as of 12/31/2014</strong></td>
<td><strong>6,207</strong></td>
<td><strong>15,500</strong></td>
<td><strong>1,319,265</strong></td>
<td><strong>3,876,951</strong></td>
<td><strong>(168,775)</strong></td>
<td><strong>5,049,148</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Balance as of</th>
<th>Preferred Stock</th>
<th>Common Stock</th>
<th>Surplus</th>
<th>Undivided Profits</th>
<th>Treasury Stock</th>
<th>Total Equity Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/2015</td>
<td>6,207</td>
<td>15,500</td>
<td>1,319,265</td>
<td>3,876,951</td>
<td>(168,775)</td>
<td>5,049,148</td>
</tr>
<tr>
<td>FASB-115 Adjust</td>
<td>-0-</td>
<td>-0-</td>
<td>-0-</td>
<td>(23,696)</td>
<td>-0-</td>
<td>(23,696)</td>
</tr>
<tr>
<td>Net Income</td>
<td>-0-</td>
<td>-0-</td>
<td>-0-</td>
<td>214,357</td>
<td>-0-</td>
<td>214,357</td>
</tr>
<tr>
<td>Decl. Divid.- Paid</td>
<td>-0-</td>
<td>-0-</td>
<td>-0-</td>
<td>(30,888)</td>
<td>-0-</td>
<td>(30,888)</td>
</tr>
<tr>
<td>Sold Treasury Stock</td>
<td>-0-</td>
<td>-0-</td>
<td>6,506</td>
<td>-0-</td>
<td>8,000</td>
<td>14,506</td>
</tr>
<tr>
<td>Prior Yr Tax &amp; Other Adj.</td>
<td>-0-</td>
<td>-0-</td>
<td>-0-</td>
<td>(15,768)</td>
<td>-0-</td>
<td>(15,768)</td>
</tr>
<tr>
<td><strong>Balance as of 12/31/2015</strong></td>
<td><strong>6,207</strong></td>
<td><strong>15,500</strong></td>
<td><strong>1,325,771</strong></td>
<td><strong>4,020,956</strong></td>
<td><strong>(160,775)</strong></td>
<td><strong>5,207,659</strong></td>
</tr>
</tbody>
</table>

Stockholder Equity
GRANGER NATIONAL BANK

KEY RATIOS

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on Average Assets (ROAA)</td>
<td>0.71%</td>
<td>0.65%</td>
</tr>
<tr>
<td>Return on Average Equity (ROAE)</td>
<td>5.02%</td>
<td>4.46%</td>
</tr>
<tr>
<td>Year End Loan Loss Reserve as a % of Total Loans</td>
<td>3.81%</td>
<td>3.44%</td>
</tr>
<tr>
<td>Year End Equity Capital</td>
<td>13.89%</td>
<td>14.37%</td>
</tr>
<tr>
<td>Year End Primary Capital</td>
<td>14.53%</td>
<td>15.01%</td>
</tr>
<tr>
<td>Total Assets at Year End</td>
<td>$33,732,707</td>
<td>$33,756,474</td>
</tr>
</tbody>
</table>