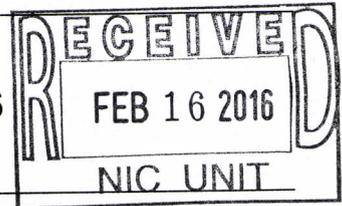


Board of Governors of the Federal Reserve System



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)); 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.

This report form is to be filed by all top-tier bank holding companies and top-tier savings and loan 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.

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

December 31, 2015

Month / Day / Year

N/A

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

I, Keith Clark

Name of the Holding Company Director and Official

Executive Vice 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.

Reporter's Name, Street, and Mailing Address

Brownwood Bancshares, Inc.

Legal Title of Holding Company

P. O. Box 1629

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

Brownwood TX 76804

City State Zip Code

One Carnegie Ave., Brownwood, Tx 76801

Physical Location (if different from mailing address)

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.

Person to whom questions about this report should be directed:

Cindy Musick Asst. Secretary-Treasurer

Name Title

325-643-3545 326

Area Code / Phone Number / Extension

325-643-5762

Area Code / FAX Number

cmusick@cnb-brownwood.com

E-mail Address

www.cnb-brownwood.com

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

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 1103373

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

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

Form FR Y-6

Brownwood Bancshares, Inc  
Brownwood , Texas  
Fiscal Year Ending December 31, 2015

Report Item #2a

- 1: a. The BHC is not required to prepare Form 10K with the SEC.
- 1: b. The BHC does prepare an annual report for its shareholders.  
Enclosed is one copy of the annual report.

2: Organizational Chart

Brownwood Bancshares, Inc.  
Brownwood, Texas  
Incorporated in Texas

100%

Citizens National Bank at Brownwood  
Brownwood, Texas  
Incorporated in Texas

No LEI is available

**AMENDED**  
JUL 05 2016

Report Item 2b: Submitted via email 2/05/16.

**Results:** A list of branches for your depository institution: **CITIZENS NATIONAL BANK AT BROWNWOOD (ID\_RSSD: 233358)**. This depository institution is held by **BROWNWOOD BANKSHARES, INC. (1103373)** of **BROWNWOOD, 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.

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		Full Service (Head Office)	233358	CITIZENS NATIONAL BANK AT BROWNWOOD	1 CARNEGIE	BROWNWOOD	TX	76801	BROWN	UNITED STATES	9244	0	CITIZENS NATIONAL BANK AT BROWNWOOD	233358	
ok		Full Service	2649953	BROWNWOOD BRANCH	401 W COMMERCE	BROWNWOOD	TX	76801	BROWN	UNITED STATES	232093	1	CITIZENS NATIONAL BANK AT BROWNWOOD	233358	

Form FR Y-6  
December 31, 2015  
BROWNWOOD BANCSHARES, INC.

Report Item 3: Shareholders

(1)(a) (1)(b) (1)(c)

Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of 12/31/15

(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
Calvin E. Fryar Brownwood, Tx-USA	USA	7,001 – 19.71% Common Stock
Mary Scott Nabers, as trustee of the Mary Scott Nabers Marital Trust Austin, Tx-USA	USA	2,514 – 7.08% Common Stock
J. Fred Perry Brownwood, Tx-USA	USA	7,001 – 19.71% Common Stock
A. L. Speck, DVM Brownwood, Tx-USA	USA	5,000 – 14.08% Common Stock
D. R. Speck Trust Geraldine Speck Trustee San Angelo, Tx-USA	USA	4,168 – 11.73% Common Stock

Report Item 3: Shareholders

(2)(a) (2)(b) (2)(c)

Shareholders 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 12/31/15

NONE



Report Item 4: Insiders  
 (1)(2)(3)(a)(b)(c) and (4)(a)(b)(c)

(1) Names & Addresses (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Co.	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries (Include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (Include names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (Include names of subsidiaries)	(4)(c) 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)
DARWIN BOSCAMPT Brownwood, Tx USA	Retired Banker	Director	Director (Citizens National Bank)	N/A	2.54%	None (Citizens National Bank)	N/A
T. KEITH CLARK Brownwood, Tx USA	Banker	Exec Vice President Director	Exec Vice Pres & Cashier Director (Citizens National Bank)	N/A	1.23%	None (Citizens National Bank)	N/A
JOHN P GUEST Brownwood, Tx USA	Banker	President & CEO Director	President & CEO Director (Citizens National Bank)	N/A	0.65%	None (Citizens National Bank)	N/A

CALVINE FRYAR Brownwood, Tx USA	Rancher	Director	Director (Citizens National Bank)	CEO (P F & E Oil Co.) Vice President (CBF Holdings) Owner (Fryar Cattle Co.)	19.71%	None (Citizens National Bank)	P F & E Oil Co. (100%) CBF Holdings (33.33%) Fryar Cattle Co. (100%)
TIMOTHY L. NABERS Austin, Tx USA	Investment Broker	Director	Director (Citizens National Bank)	N/A	0.01%	None (Citizens National Bank)	N/A
FERED PERRY Brownwood, Tx USA	Secretary	Director	Director (Citizens National Bank)	Secretary (CBF Holdings)	19.71%	None (Citizens National Bank)	CBF Holdings (33.33%)
ROBERT G PORTER Brownwood, Tx USA	Insurance Agent	Director	Director (Citizens National Bank)	President (Porter Insurance Agency, Inc.) Partner (Robert, Richard & Charles Porter)	3.49%	None (Citizens National Bank)	Porter Insurance (50%) Robert, Richard & Charles Porter (33.33%)
A. L. SPECK, DVM Brownwood, Tx USA	Veterinarian	Director	Director (Citizens National Bank)	Partner (Brown County Animal Clinic)	14.08%	None (Citizens National Bank)	Brown County Animal Clinic (50%)
D. R. SPECK TRUST Geraldine Speck Trustee San Angelo, Tx USA	N/A	N/A	N/A	N/A	11.73%	N/A	N/A

ANNUAL REPORT

BROWNWOOD BANCSHARES, INC.  
BROWNWOOD, TEXAS

2014 – 2015

Report Item #1

**BROWNWOOD BANCSHARES, INC.**  
**(PARENT ONLY)**  
**BALANCE SHEETS**  
**December 31, 2015 and 2014**

	2015	2014
<b>ASSETS</b>		
Cash and demand accounts	\$ 12,250	\$ 9,592
Investment in subsidiary bank	24,331,363	24,284,728
Goodwill	333,255	333,255
	\$ 24,676,868	\$ 24,627,575
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Accrued expenses and other liabilities	\$ 365	\$ 365
	365	365
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, \$1.00 par value; 2,000,000 shares authorized and 35,523 shares issued and outstanding	35,523	35,523
Additional paid-in capital	2,126,990	2,126,990
Retained earnings	22,372,867	22,219,299
Accumulated other comprehensive income (loss)	141,123	245,398
	24,676,503	24,627,210
Total stockholders' equity	\$ 24,676,868	\$ 24,627,575

The accompanying notes are an integral part of this statement.

**BROWNWOOD BANCSHARES, INC.**  
**(PARENT ONLY)**  
**STATEMENTS OF INCOME**  
**Years Ended December 31, 2015 and 2014**

	2015	2014
Cash dividends received from bank subsidiary	\$ 3,010,000	\$ 2,436,000
Equity in undistributed earnings of bank subsidiary	150,910	730,389
	<b>3,160,910</b>	<b>3,166,389</b>
<b>Other expense</b>		
Employee compensation and benefits	2,610	2,610
Other operating expenses	20,800	18,250
	<b>23,410</b>	<b>20,860</b>
<b>Income before income taxes</b>	<b>3,137,500</b>	<b>3,145,529</b>
<b>Federal tax provision</b>	-	-
	<b>3,137,500</b>	<b>3,145,529</b>
<b>NET INCOME</b>	<b>\$ 3,137,500</b>	<b>\$ 3,145,529</b>

The accompanying notes are an integral part of this statement.

**BROWNWOOD BANCSHARES, INC.**  
**(PARENT ONLY)**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**Years Ended December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Net income	\$ 3,137,500	\$ 3,145,529
Other comprehensive income, net of tax:		
Change in unrealized appreciation (depreciation) on available-for-sale securities	(104,275)	148,657
Total other comprehensive income, net of tax	(104,275)	148,657
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>\$ 3,033,225</b>	<b>\$ 3,294,186</b>

The accompanying notes are an integral part of this statement.

**BROWNWOOD BANCSHARES, INC.**  
**(PARENT ONLY)**  
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**Years Ended December 31, 2015 and 2014**

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholders' Equity
Balances, January 1, 2014	\$ 35,523	\$ 2,126,990	\$ 21,489,334	\$ 96,741	\$ 23,748,588
Net income			3,145,529		3,145,529
Other comprehensive income, net of tax					
Change in unrealized appreciation (depreciation) on available-for-sale securities				148,657	148,657
Distribution of earnings (\$68.00 per share)			(2,415,564)		(2,415,564)
Balances, December 31, 2014	35,523	2,126,990	22,219,299	245,398	24,627,210
Net income			3,137,500		3,137,500
Other comprehensive income, net of tax					
Change in unrealized appreciation (depreciation) on available-for-sale securities				(104,275)	(104,275)
Distribution of earnings (\$84.00 per share)			(2,983,932)		(2,983,932)
Balances, December 31, 2015	<u>\$ 35,523</u>	<u>\$ 2,126,990</u>	<u>\$ 22,372,867</u>	<u>\$ 141,123</u>	<u>\$ 24,676,503</u>

The accompanying notes are an integral part of this statement.

**BROWNWOOD BANCSHARES, INC.**  
**(PARENT ONLY)**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2015 and 2014**

	2015	2014
<b>Cash flows from operating activities</b>		
Net income	\$ 3,137,500	\$ 3,145,529
<b>Adjustments to reconcile net income to net cash provided by operating activities</b>		
Equity in undistributed earnings of bank subsidiary	(150,910)	(730,389)
<b>Total adjustments</b>	<b>(150,910)</b>	<b>(730,389)</b>
<b>Net cash provided by operating activities</b>	<b>2,986,590</b>	<b>2,415,140</b>
<b>Cash flows from investing activities</b>		
<b>Net cash provided (used) by investing activities</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Distribution of earnings	(2,983,932)	(2,415,564)
<b>Net cash provided (used) by financing activities</b>	<b>(2,983,932)</b>	<b>(2,415,564)</b>
<b>Net change in cash and cash equivalents</b>	<b>2,658</b>	<b>(424)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>9,592</b>	<b>10,016</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 12,250</b>	<b>\$ 9,592</b>
 <b>Supplemental schedule of non-cash investing and financing activities</b>		
Net change in stockholders' equity for unrealized appreciation (depreciation) on available-for-sale securities	\$ (104,275)	\$ 148,657
 <b>Cash paid during the year for</b>		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

The accompanying notes are an integral part of this statement.