

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, 2016**

Month / Day / Year

none

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

Reporter's Name, Street, and Mailing Address

I, James G. Hodges

**First Granbury Bancorporation**

Legal Title of Holding Company

PO Box 400

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

Granbury TX 76048  
City State Zip Code

101 East Bridge Street

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

James G. Hodges Sec/Treas, Director  
Name Title

817/573-2655

Area Code / Phone Number / Extension

817/579-8337

Area Code / FAX Number

jhodges@fnbgranbury.com

E-mail Address

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

Name of the Holding Company Director and Official

Sec/Treas, Director

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

06/21/2017

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."



# FIRST NATIONAL BANK

## 2016 Performance Analysis

Analysis	2016	2015
<b>Profitability</b>		
Return on Avg. Equity	10.21%	8.85%
Return on Avg. Assets	1.10%	.94%
Net Int Income/Avg. Assets	3.65%	3.19%
Overhead Expense/Avg. Assets	2.54%	2.48%
<b>Asset Quality</b>		
Loan Loss Reserve/ Total Loans	.94%	.90%
Net Charge Offs/Avg. Loans	.04%	.05%
<b>Liquidity</b>		
\$100M + Time Dep/Total Deposits	12.47%	8.79%
<b>Capital</b>		
Total Capital/ Assets	10.96%	10.90%

Explanation: ROE is the return on the shareholders' investment in the bank while ROA is the return on all of the assets of the bank.

Overhead expense includes salaries and benefits, occupancy expense and other operating expense.

Loan Loss reserves is the account against which uncollectible loans are charged.

Net Charge offs are an indication of past loan quality.

Capital Ratios indicate the degree of capital a bank has to deal with earnings problems.

**BALANCE SHEET**  
**FIRST NATIONAL BANK OF GRANBURY**

( IN THOUSANDS OF DOLLARS )

**DECEMBER 31,**

**2016**

**2015**

**RESOURCES**

CASH AND DUE FROM BANKS	\$20,883	\$17,099
U.S. TREASURY SECURITIES	\$9,991	\$9,994
U.S. AGENCY OBLIGATIONS	\$80,766	\$80,819
OBLIGATIONS OF STATES AND PSD	\$114,106	\$93,875
OTHER BONDS NOTES AND DEBENTURES	\$0	\$0
FEDERAL RESERVE STOCK AND OTHER STOCK	\$2,996	\$2,953
FEDERAL FUNDS SOLD	\$14,936	\$47,420
A. LOANS, TOTAL	\$292,674	\$255,472
B. LESS: RESERVES	(\$2,746)	(\$2,304)
C. LOANS, NET	\$289,928	\$253,168
BANK PREMISES, FURNITURE AND FIXTURES	\$6,513	\$5,801
OTHER REAL ESTATE OWNED	\$358	\$756
OTHER ASSETS	\$2,808	\$3,396
<b>TOTAL ASSETS</b>	<b>\$543,285</b>	<b>\$515,281</b>

**LIABILITIES**

TOTAL DEPOSITS	\$486,416	\$460,100
A. TOTAL DEMAND DEPOSITS	\$138,225	\$125,514
B. TOTAL TIME AND SAVINGS DEPOSITS	\$348,191	\$334,586
FEDERAL FUNDS PURCHASED	\$0	\$0
LIABILITIES FOR BORROWED MONEY	\$0	\$0
OTHER LIABILITIES	\$72	\$1,297
<b>TOTAL LIABILITIES</b>	<b>\$486,488</b>	<b>\$461,397</b>

**EQUITY CAPITAL ACCOUNTS**

PREFERRED STOCK		
A. NUMBER OF SHARES OUTSTANDING NONE	\$0	\$0
COMMON STOCK		
A. NUMBER SHARES OUTSTANDING (5500)	\$550	\$550
SURPLUS	\$800	\$800
UNDIVIDED PROFITS	\$56,655	\$51,987
NET UNREALIZED GAINS (LOSSES) ON AFS SECURITIES	(\$1,208)	\$547
<b>TOTAL EQUITY CAPITAL</b>	<b>\$56,797</b>	<b>\$53,884</b>
<b>TOTAL LIABILITIES AND EQUITY CAPITAL</b>	<b>\$543,285</b>	<b>\$515,281</b>

**FIRST NATIONAL BANK OF GRANBURY****STATEMENT OF EARNINGS***(IN THOUSANDS OF DOLLARS)*

<b>DECEMBER 31,</b>	<b>2016</b>	<b>2015</b>
<b>1. OPERATING INCOME</b>		
A. INTEREST AND FEES ON LOANS	\$17,186	\$14,527
B. INTEREST ON BALANCES WITH BANKS	\$54	\$42
C. INCOME ON FED FUNDS SOLD	\$138	\$64
D. INTEREST ON US TREAS SECURITIES	\$121	\$49
E. INTEREST ON OBLIGATION OF US AGENCIES	\$900	\$1,054
F. INTEREST ON OBLIGATIONS OF STATES AND PSD	\$1,531	\$1,407
G. INTEREST ON OTHER BONDS	\$0	\$0
H. DIVIDENDS ON STOCK	\$360	\$120
I. INCOME FROM LEASE FINANCING	\$0	\$0
J. INCOME FROM FIDUCIARY ACTIVITIES	\$0	\$0
K. SERVICE CHARGES ON DEPOSIT ACCOUNTS	\$1,001	\$989
L. OTHER SERVICE CHARGES, COMMISSIONS, FEES	\$1,230	\$1,174
M. OTHER INCOME	\$125	\$126
<b>TOTAL OPERATING INCOME</b>	<b>\$22,646</b>	<b>\$19,552</b>
<b>2. OPERATING EXPENSE</b>		
A. SALARIES AND EMPLOYEE BENEFITS	\$8,582	\$7,711
B. INTEREST ON CERTIFICATES OF DEPOSIT OF 100m +	\$465	\$341
C. INTEREST ON DEPOSITS IN FOREIGN OFFICES	\$0	\$0
D. INTEREST ON OTHER DEPOSITS	\$446	\$400
E. EXPENSE OF FED FUNDS PURCHASED	\$0	\$0
F. INTEREST ON BORROWED MONEY	\$0	\$0
G. INTEREST ON SUBORDINATED DEBENTURES	\$0	\$0
H. OCCUPANCY EXPENSE, NET	\$999	\$1,059
J. PROVISION FOR LOAN LOSSES	\$550	\$365
L. OTHER EXPENSES	\$3,669	\$3,389
<b>TOTAL OPERATING EXPENSES</b>	<b>\$14,711</b>	<b>\$13,265</b>
3. INCOME BEFORE TAXES AND SECURITIES GAINS/LOSSES	\$7,935	\$6,287
4. APPLICABLE INCOME TAXES	\$2,185	\$1,666
5. INCOME BEFORE SECURITIES GAINS/LOSSES	\$5,750	\$4,621
6. SECURITIES GAINS AND LOSSES	\$0	\$0
APPLICABLE INCOME TAXES	\$0	\$0
SECURITIES GAINS AND LOSSES, NET	\$0	\$0
7. INCOME BEFORE EXTRAORDINARY ITEMS	\$5,750	\$4,621
8. EXTRAORDINARY ITEMS	\$0	\$0
<b>9. NET INCOME</b>	<b>\$5,750</b>	<b>\$4,621</b>
<b>EARNINGS PER COMMON SHARE:</b>	<b>\$1,045</b>	<b>\$840</b>

**First National Bank of Granbury**  
December 31, 2016

**CHANGES IN EQUITY CAPITAL**

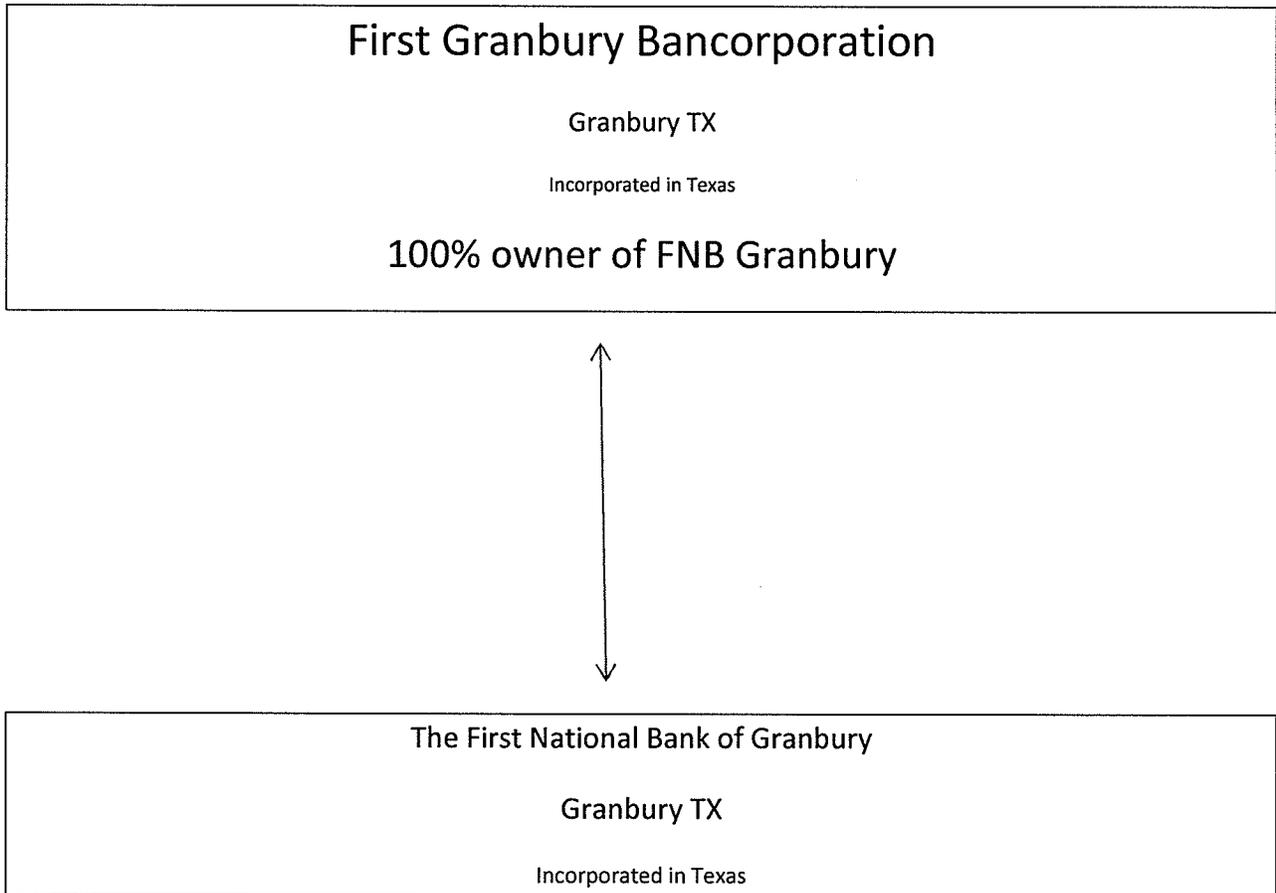
	PREFERRED STOCK	COMMON STOCK	SURPLUS	UNDIVIDED PROFITS	UNREALIZED GAIN/(LOSS) AFS SEC	TOTAL EQUITY CAPITAL
1. BALANCE, BEGINNING OF PERIOD	\$0	\$550	\$800	\$51,987	\$547	\$53,884
2. NET INCOME				\$5,750	\$0	\$5,750
3. SALE, CONVERSION, ACQUISITION OR RETIREMENT OF CAPITAL	\$0	\$0	\$0	\$0	\$0	\$0
4. CHANGES INCIDENT TO MERGERS AND ABSORPTIONS	\$0	\$0	\$0	\$0	\$0	\$0
5. CASH DIVIDENDS DECLARED ON COMMON STOCK				(\$1,082)	\$0	(\$1,082)
6. CASH DIVIDENDS DECLARED ON PREFERRED STOCK				\$0	\$0	\$0
7. STOCK DIVIDENDS ISSUED	\$0	\$0	\$0	\$0	\$0	\$0
8. CHANGE IN NET UNREALIZED GAIN (LOSS) ON AFS SECURITIES	\$0	\$0	\$0	\$0	(\$1,755)	(\$1,755)
9. BALANCE, END OF PERIOD	\$0	\$550	\$800	\$56,655	(\$1,208)	\$56,797

**RESERVES FOR LOAN LOSSES**

1. BALANCE, BEGINNING OF PERIOD	\$ 2,304
2. RECOVERIES	\$ 65
3. ADJUSTMENTS	\$ -
4. PROVISION	\$ 550
5. LOSSES CHARGED TO RESERVE	\$ (173)
6. BALANCE, END OF PERIOD	\$2,746

FRY 6

Report Item 2a: Organization chart.



No LEI is available for either entity

Data Action	Effective Date	Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*
ok		Full Service (Head Office)	329552	FIRST NATIONAL BANK OF GRANBURY, THE	101 E BRIDGE ST	GRANBURY	TX	76048	HOOD	UNITED STATES	2083	0
ok		Full Service	1472444	144 BRANCH	1905 SOUTH MORGAN	GRANBURY	TX	76048	HOOD	UNITED STATES	196182	1
ok		Full Service	3538380	ACTON BRANCH	3000 FALL CREEK HIGHWAY	GRANBURY	TX	76049	HOOD	UNITED STATES	196184	3
ok		Limited Service	3538399	GRANBURY MOBILE BRANCH	101 EAST BRIDGE STREET	GRANBURY	TX	76048	HOOD	UNITED STATES	196185	4
ok		Full Service	2452742	HIGHWAY 377 BRANCH	4064 EAST HIGHWAY 377	GRANBURY	TX	76049	HOOD	UNITED STATES	196183	2
ok		Full Service	3298509	PECAN PLANTATION BRANCH	9205 PLANTATION RD, SUITE 101	GRANBURY	TX	76049	HOOD	UNITED STATES	430086	7
ok		Full Service	3538410	TOLAR BRANCH	8401 WEST HIGHWAY 377	TOLAR	TX	76476	HOOD	UNITED STATES	364645	6

First Granbury Bancorporation

FR Y-6 Report Item 3

Current Securities holders of 5% or more at 12/31/16

1(a) Name and Address	1(b) Country of Citizenship	1c Number/shares and percent
Jake R. Caraway Granbury TX	United States	13,562.75 25.07%
Suzanne Woodruff Renton WA	United States	5821.01 10.76%
John H. Luton Granbury TX	United States	8299.03 15.09%
Nancy L. Luton Houston TX	United States	6721.01 12.42%

First Granbury Bancorporation  
FR Y-6 Report Item 3(2)  
Shareholders owning 5% or more during the fiscal year

N/A

# AMENDED

First Granbury Bancorporation  
FR Y-6 Report Item 4

1 Name & Address	2 Principal Occupation	3a Title/ Holding Co	3b Title /Subsidiary	3c Title/Other Business	4a % stock in H.C.	4b % stock in Subs.	4c Name of other Bus.
John H. Luton Granbury TX 76049	N/A	President & Chmn of the Board	Chmn of the Board	General Partner Z-Bar Land & Cattle	15.09%	N/A	N/A
James G. Hodges Granbury TX 76049	N/A	Sec/Treas Director	Pres and CEO Director	N/A	1.11%	N/A	N/A
Jake R. Caraway Granbury TX	N/A	VP & Vice Chmn Director	VP & Vice Chmn Director	N/A	25.07%	N/A	N/A
Donnie L. Johnson Granbury TX	N/A	Director	Director	N/A	0.18%	N/A	N/A
Anderson L. Rash Granbury TX	N/A	Director	Director	N/A	0.18%	N/A	N/A
Sherrie N Matlock Granbury TX	N/A	Board Secretary, Director	Director	N/A	0.22%	N/A	N/A
Bobbie N. Swenson Granbury TX	N/A	Director	Director	N/A	2.22%	N/A	N/A
Larry Stewart Granbury TX	Stewart Cattle Co	Director	Director	Owner, Stewart Cattle Co.	0.68%	N/A	100% owner Stewart Cattle Co
Mark Webb Granbury TX	N/A	Sr VP Director	Sr VP CLO Director	N/A	0.62%	N/A	N/A
Robert C. Hill Granbury TX	N/A	Director	Director	N/A	3.78%	N/A	N/A
Suzanne Woodruff Renton WA	N/A	Princ Shareholder Retired Investor	N/A	N/A	10.76%	N/A	N/A
Nancy Luton Houston TX	N/A	Princ Shareholder Retired Teacher	N/A	N/A	12.42%	N/A	N/A