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(e) 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.

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.

Leslie L Hudler
Name of the Holding Company Director and Official
President
Title of the Holding Company Director and Official

I 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]
Signature of Holding Company Director and Official
02/03/2017
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 1105630
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 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 if it displays a currently valid OMB control number.

Date of Report (top-tier holding company's fiscal year-end):
December 31, 2016
Month / Day / Year

NONE
Reportee's Legal Entity Identifier (LEI) (20 Character LEI Code)

Pedernales Investment Corporation

Legal Title of Holding Company

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, Texas 78636
Physical Location (if different from mailing address)

Ken L Keenum CPA
Person to whom questions about this report should be directed:
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

Is confidential treatment requested for any portion of this report submission? ..............

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."
Item 2: Organization Chart

Pedernales Investment Corporation
LEI: None
Johnson City, Texas USA
(Texas Corporation)

100% Ownership

Johnson City Bank
LEI: None
Johnson City, Texas USA
(Texas State Bank)
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.
Item 3(1): Security Holders at end of fiscal year

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

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>(2) Principal Occupation If other than with Holding Company</th>
<th>(3)(a) Title &amp; Position with Holding Company</th>
<th>(3)(b) Title &amp; Position with Subsidiaries (Include names of subsidiaries)</th>
<th>(3)(c) Title &amp; Position with Other Businesses (Include names of other Businesses)</th>
<th>(4)(a) Percentage of Voting Shares in Holding Company</th>
<th>(4)(b) Percentage of Voting Shares in Subsidiaries (Include names of subsidiaries)</th>
<th>(4)(c) Percentage of Voting Shares in Other Companies (Includes partnerships) if 25% or more of voting securities held</th>
<th>(4)(d) List names of other companies and percentage of voting securities held</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leslie L. Hudler</td>
<td>Banker</td>
<td>Pedernales Investment Corporation</td>
<td>CEO</td>
<td>Bandera Bancshares Inc.</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>One River Point - 50%</td>
</tr>
<tr>
<td>Johnson City, Texas</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>USA</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Pedernales 2011 Family Trust</td>
<td>None</td>
<td>Pedernales Investment Corporation</td>
<td>None</td>
<td>None</td>
<td>100%</td>
<td>None</td>
<td>Bandera Bancshares - 89.75%</td>
<td></td>
</tr>
<tr>
<td>Dallas, TX</td>
<td></td>
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<tr>
<td>USA</td>
<td></td>
<td>Pedernales Investment Corporation</td>
<td>Prin. Shareholder</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Kathiann Leake DeCleva</td>
<td>Investor</td>
<td>Pedernales Investment Corporation</td>
<td>Vice Chm &amp; Director</td>
<td>Bandera Bancshares Inc.</td>
<td>100%</td>
<td>None</td>
<td>Bandera Bancshares - 89.75%</td>
<td></td>
</tr>
<tr>
<td>Dallas, TX</td>
<td></td>
<td>Pedernales Investment Corporation</td>
<td>Prin. Shareholder as trustee</td>
<td>Bandera Bancshares Inc.</td>
<td>100%</td>
<td>None</td>
<td>Bandera Bancshares - 89.75%</td>
<td></td>
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<tr>
<td>USA</td>
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<td>Pedernales Investment Corporation</td>
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<tr>
<td>Jane Leake Benton</td>
<td>Investor</td>
<td>Pedernales Investment Corporation</td>
<td>Director</td>
<td>Bandera Bancshares Inc.</td>
<td>100%</td>
<td>None</td>
<td>Bandera Bancshares - 89.75%</td>
<td></td>
</tr>
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<tr>
<td>Zachary P. Hudler</td>
<td>Attorney</td>
<td>Pedernales Investment Corporation</td>
<td>VP &amp; Director</td>
<td>Bandera Bancshares Inc.</td>
<td>100%</td>
<td>None</td>
<td></td>
<td></td>
</tr>
<tr>
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