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. §§ 246(a)(1), 622, and 611a); and sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5381, 5365, 5412, 1850c(a)(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.

Charles Fenoglio
President/CEO/COB/Director

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
02/07/2017

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 2497837
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 unless 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
n/a

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

Reporter's Name, Street, and Mailing Address

Sanger Bancshares, Inc.
Legal Title of Holding Company

PO Box 1029
(Mailing Address of the Holding Company) Street / P.O. Box

Sanger TX 76266
City State Zip Code

501 N Stemmons
Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Cindy Pruett Sr. VP/Cashier
Name Title

940/458-4600
Area Code / Phone Number / Extension

940/458-4071
Area Code / FAX Number

cindy.pruett@sangerbank.com
E-mail Address

n/a

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

Is confidential treatment requested for any portion of this report submission? ☐ No ☐ 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."

Public reporting burden for this information collection is estimated to vary from 1.3 to 101 hours per response, with an average of 6.60 hours per response. Including time to gather and maintain data in the required form and to refer 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 (7100-0287), Washington, DC 20503.

July 9, 2016
REPORT ITEM 1:

N/A
Report Item 2: Organization Chart

Sanger Bancshares, Inc.
Sanger, Texas
Incorporated in Texas
USA

100%
Ownership.

Sanger Bank
Sanger, Texas
Incorporated in Texas
USA

Supplement to Organization Chart

None

LEI: None
Results: A list of branches for your depository institution: SANGER BANK (ID, RSSD: 336361).
This depository institution is held by SANGER BANCSHARES, INC. (2497837) of SANGER, TX.
The data are as of 12/31/2016. Data reflects information that was received and processed through 01/10/2017.

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 letter 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.fedreserves.gov.

* FDIC UNNUM, 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>FCIC UNNUM*</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>336361</td>
<td>SANGER BANK</td>
<td>501 NORTH STEMMONS</td>
<td>SANGER</td>
<td>TX</td>
<td>76166</td>
<td>DENTON</td>
<td>UNITED STATES</td>
<td>38555</td>
<td>0</td>
<td>SANGER BANK</td>
<td>336361</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td></td>
<td>Full Service</td>
<td>3263525</td>
<td>BOWIE BRANCH</td>
<td>1301 HIGHWAY 59 NORTH</td>
<td>BOWIE</td>
<td>TX</td>
<td>76230-3051</td>
<td>MONTAGUS</td>
<td>UNITED STATES</td>
<td>479823</td>
<td>1</td>
<td>SANGER BANK</td>
<td>336361</td>
<td></td>
</tr>
</tbody>
</table>
### Report Item 3(1): Shareholders

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Country</th>
<th>Number of Common Shares</th>
<th>Percentage Ownership of Sanger Bancshares, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charles Fenoglio</td>
<td>Montague, Texas</td>
<td>USA</td>
<td>33,495</td>
<td>19.52%</td>
</tr>
<tr>
<td>Golston Family Partners Trust</td>
<td>USA</td>
<td>USA</td>
<td>16,674</td>
<td>9.72%</td>
</tr>
<tr>
<td>Roxanne Golston Thomas</td>
<td>Denton, Texas</td>
<td>USA</td>
<td>16,674</td>
<td>9.72%</td>
</tr>
<tr>
<td>James R. Kirkpatrick</td>
<td>USA</td>
<td>USA</td>
<td>13,384</td>
<td>7.80%</td>
</tr>
<tr>
<td>Richard Klement</td>
<td>USA</td>
<td>USA</td>
<td>15,066</td>
<td>8.78%</td>
</tr>
<tr>
<td>Andrews Ranch, L.P.</td>
<td>USA</td>
<td>USA</td>
<td>9000</td>
<td>5.24%</td>
</tr>
<tr>
<td>John Karvounaris</td>
<td>USA</td>
<td>USA</td>
<td>10950</td>
<td>6.38%</td>
</tr>
</tbody>
</table>

### Report Item 3(2): Shareholders

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Country</th>
<th>Number of Common Shares</th>
<th>Percentage Ownership of Sanger Bancshares, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>
**Report Item 4: INSIDERS**

<table>
<thead>
<tr>
<th>Name and Address</th>
<th>Principal Occupation</th>
<th>Title/Position Sanger Bancshares, Inc.</th>
<th>Title/Position Sanger Bank w/other business</th>
<th>Number of Common Shares and Percentage Ownership of Sanger Bancshares, Inc.</th>
<th>Percentage of Shares in Subsidiaries of Sanger Bancshares, Inc.</th>
<th>Business Affiliations</th>
<th>Business Affiliations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charles Fenoglio</td>
<td>Banker</td>
<td>Pres/CEO/COB/Director</td>
<td>C&amp;M Enterprises Co-Owner</td>
<td>(4)(a) 19.52% n/a</td>
<td>(4)(b)</td>
<td>C&amp;M Enterprises</td>
<td>50%</td>
</tr>
<tr>
<td>Montague, Texas</td>
<td></td>
<td></td>
<td>Charles Fenoglio Ranch Owner</td>
<td></td>
<td></td>
<td>Charles Fenoglio Ranch</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>C&amp;T Family Partners Trustee</td>
<td></td>
<td></td>
<td>C&amp;T Family Partners</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>CHF Management Inc. Trustee</td>
<td></td>
<td></td>
<td>CHF Management Inc.</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>CHF Minerals, LTD Trustee</td>
<td></td>
<td></td>
<td>CHF Minerals, LTD</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Capital Guaranty Finance Co., Inc. Owner</td>
<td></td>
<td></td>
<td>Capital Guaranty Finance Co., Inc</td>
<td>100%</td>
</tr>
<tr>
<td>Margaret. Long</td>
<td>Banker</td>
<td>Vice COB/VP;Sec/Treas</td>
<td>C&amp;M Enterprises Co-Owner</td>
<td>(4)(a) 4.45% n/a</td>
<td>(4)(b)</td>
<td>C&amp;M Enterprises</td>
<td>50%</td>
</tr>
<tr>
<td>Montague, Texas</td>
<td></td>
<td></td>
<td>Branch President/ Director</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>James R. Kirkpatrick</td>
<td>Architect</td>
<td>Director</td>
<td>Sanger Bank Branch President/ Director</td>
<td>Kirkpatrick Architect Studio President</td>
<td>7.80% n/a</td>
<td>Kirkpatrick Architect Studio</td>
<td>100%</td>
</tr>
<tr>
<td>Denton, Texas</td>
<td></td>
<td></td>
<td>Sanger Bank Director</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cindy Proctt</td>
<td>Banker</td>
<td>Director</td>
<td>Sanger Bank Director</td>
<td>None</td>
<td>0.00% n/a</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Slidell, Texas</td>
<td></td>
<td></td>
<td>SVP/Cashier/ Advisory Director</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>