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.

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. Jim Engel
Name of the Holding Company Director and Official
President and Chief Executive Officer
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 281, 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
Date of Signature

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

NA
Reporters Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporters Name, Street, and Mailing Address
Aquesta Financial Holdings, Inc.

Legal Title of Holding Company
PO Box 700
(Mailing Address of the Holding Company) Street / P.O. Box
Cornelius, NC 28031
City State Zip Code

Physical Location (if different from mailing address)
19510 Jetton Road, Cornelius, NC 28031

Person to whom questions about this report should be directed:
Emily Smith
AVP, Assistant Controller
Name Title

704-439-1419
Area Code / Phone Number / Extension
704-439-1401
Area Code / FAX Number
emiller@aquestabank.com
E-mail Address
www.aquesta.com
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 5.26 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
Aquesta Financial Holdings, Inc.

Aquesta Financial Holdings, Inc.
Cornelius, North Carolina
Incorporated in Nevada

Aquesta Bank
Cornelius, North Carolina
Incorporated in North Carolina

Aquesta Insurance Services, Inc.
Cornelius, North Carolina
Incorporated in North Carolina
Results: a list of branches for your depository institution: AQUESTA BANK (ID_RSSD: 3446636).

This depository institution is held by AQUESTA FINANCIAL HOLDINGS, INC. (4564632) of CONNELLS, NC.

The data are as of 03/31/2016. Data reflects information that was received and processed through 04/05/2016.

**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 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 FRS contact. See the detailed instructions on this sheet 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>Host Office</th>
<th>Head Office ID_RSSD</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>OK</td>
<td>04/05/2016</td>
<td>Full Service (Head Office)</td>
<td>3446636</td>
<td>AQUESTA BANK</td>
<td>19510 JETTON ROAD, CORNELIUS, NC 28031</td>
<td>CONNELLS</td>
<td>MECKLENBURG</td>
<td>28031</td>
<td>NC</td>
<td>UNITED STATES</td>
<td>445618</td>
<td>0</td>
<td>AQUESTA BANK</td>
<td>3446636</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>04/05/2016</td>
<td>Full Service</td>
<td>4760254</td>
<td>DOWNTOWN CONNELLS BRANCH</td>
<td>4120 SHARON ROAD, CHARLOTTE, NC 28211</td>
<td>CONNELLS</td>
<td>MECKLENBURG</td>
<td>28211</td>
<td>NC</td>
<td>UNITED STATES</td>
<td>470785</td>
<td>1</td>
<td>AQUESTA BANK</td>
<td>3446636</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>04/05/2016</td>
<td>Full Service</td>
<td>4760282</td>
<td>DAVIDSON BRANCH</td>
<td>580 JETTON STREET, SUITE 100, DAVIDSON, NC 28036</td>
<td>CONNELLS</td>
<td>MECKLENBURG</td>
<td>28036</td>
<td>NC</td>
<td>UNITED STATES</td>
<td>521465</td>
<td>3</td>
<td>AQUESTA BANK</td>
<td>3446636</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>04/05/2016</td>
<td>Full Service</td>
<td>4760283</td>
<td>NORTHWOODS BRANCH</td>
<td>900 KNOCKANDO LANE, HUNTERSVILLE, NC 28078</td>
<td>CONNELLS</td>
<td>MECKLENBURG</td>
<td>28078</td>
<td>NC</td>
<td>UNITED STATES</td>
<td>521465</td>
<td>1</td>
<td>AQUESTA BANK</td>
<td>3446636</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>04/05/2016</td>
<td>Full Service</td>
<td>4392525</td>
<td>BRAWLEY SCHOOL ROAD BRANCH</td>
<td>1078 BRAWLEY SCHOOL ROAD, MOORESVILLE, NC 28117</td>
<td>REDDELL</td>
<td>IREDELL</td>
<td>28117</td>
<td>NC</td>
<td>UNITED STATES</td>
<td>521465</td>
<td>2</td>
<td>AQUESTA BANK</td>
<td>3446636</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>04/05/2016</td>
<td>Full Service</td>
<td>4392534</td>
<td>WILLIAMSON ROAD BRANCH</td>
<td>857 WILLIAMSON ROAD, MOORESVILLE, NC 28117</td>
<td>REDDELL</td>
<td>IREDELL</td>
<td>28117</td>
<td>NC</td>
<td>UNITED STATES</td>
<td>521465</td>
<td>2</td>
<td>AQUESTA BANK</td>
<td>3446636</td>
<td></td>
</tr>
</tbody>
</table>
FRY-6
Report Item 3: Security Holders
(1)(a)(b)(c) and (2)(a)(b)©

Certain security holdings with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending December 31, 2015:

<table>
<thead>
<tr>
<th>(1)(a)</th>
<th>(1)(b)</th>
<th>(1)©</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>County of Citizenship or Incorporation</td>
<td>Number of Each Class of Voting</td>
</tr>
<tr>
<td>Jim Engel</td>
<td>USA</td>
<td>273,000</td>
</tr>
<tr>
<td>Cornelius, NC USA</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Security holders not listed in 3(1)(a) through 3(1)© that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ended December 31, 2015:

None
<table>
<thead>
<tr>
<th>(1) Name</th>
<th>(2) Principal Occupation if Other than Holding Co</th>
<th>(3)(a) Title &amp; Position with Holding Company</th>
<th>(3)(b) Title &amp; Position with subsidiaries (include name of subsidiaries)</th>
<th>(3)(c) Title &amp; Position with other businesses (include name of other businesses)</th>
<th>(4)(a) Percentage of Voting Shares in Holding Company</th>
<th>(4)(b) Percentage of Voting Shares in Subsidiaries (incl names of subs)</th>
<th>(4)(c) List of names of other companies if 25% or more of voting securities are held (list names of cos and % of voting securities held)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jim Engel Cornlius, NC USA</td>
<td>n/a</td>
<td>Director &amp; President &amp; CEO</td>
<td>Director - Aquesta Bank, President &amp; CEO - Aquesta Bank, Director - Aquesta Insurance Services</td>
<td>n/a</td>
<td>10.77%</td>
<td>none</td>
<td>none</td>
</tr>
<tr>
<td>Paul Dougovito Marblehead, MA USA</td>
<td>Bank Consultant</td>
<td>Director</td>
<td>Director - AquestaBank</td>
<td>Home Loan Investment Bank - Director</td>
<td>2.92%</td>
<td>none</td>
<td>none</td>
</tr>
<tr>
<td>Brian Fletcher Mooresville, NC USA</td>
<td>Private Investor</td>
<td>Director</td>
<td>Director - AquestaBank</td>
<td>Abaci Capital Advisors LLC - Manager, Fletcher Investment Group - Manager, Troutman Gateway LLC - Manager, Abaci CP I Advisors LLC - Manager</td>
<td>0.32%</td>
<td>none</td>
<td>Abaci Capital Advisors LLC - 25%, Fletcher Investment Group - 100%, Troutman Gateway LLC - 25%, Abaci CP I Advisors LLC - 25%</td>
</tr>
<tr>
<td>Charles Knox Cornlius, NC USA</td>
<td>Commercial Real Estate Broker &amp; Developer</td>
<td>Director</td>
<td>Director - AquestaBank</td>
<td>Knox Group, Inc. - President, Knox Group Industrial #2, LLC - Member/Manager, A.I. Industrial Properties, LLC - Member/Manager, KSK South Main, LLC - Member/Manager, KM-PPK, LLC - Member/Manager, Fox Partners, LLC - Member/Manager</td>
<td>0.47%</td>
<td>none</td>
<td>Knox Group, Inc. - 100%, Knox Group Industrial #2, LLC - 40%, KM-PPK, LLC -50%, 1213 West Morehead Street, LLC - 33.3%</td>
</tr>
<tr>
<td>Ginger Griffin Cornlius, NC USA</td>
<td>Marketing Firm Owner</td>
<td>Director</td>
<td>Director - Aquesta Insurance Services</td>
<td>Ginger Griffin Marketing &amp; Design - Owner</td>
<td>1.70%</td>
<td>none</td>
<td>Ginger Griffin Marketing &amp; Design - 100%</td>
</tr>
<tr>
<td>Craig Larsen Mooresville, NC USA</td>
<td>Owner Anti-Aging Center</td>
<td>Director (Chairman)</td>
<td>Director - Aquesta Bank</td>
<td>Revita Holdings LLC - CEO</td>
<td>0.57%</td>
<td>none</td>
<td>Revita Holdings LLC - 100%</td>
</tr>
<tr>
<td>Jim Borders Cornlius, NC USA</td>
<td>Owner AC Controls Co.</td>
<td>Director (Vice Chairman)</td>
<td>Director - Aquesta Insurance Services</td>
<td>AC Controls Co. - President, JB Associates - Partner, JBBS Holding - Partner, Borders Real Properties - Partner, JQF Properties - Partner</td>
<td>0.95%</td>
<td>none</td>
<td>AC Controls Co. - 50%, JB Associates - 100%, JBBS Holding - 100%, Borders Real Properties - 100%, JQF Properties - 100%</td>
</tr>
<tr>
<td>Kristin Couch Mooresville, NC USA</td>
<td>n/a</td>
<td>Vice President &amp; Secretary</td>
<td>CFO and Director of HR - Aquesta Bank</td>
<td>n/a</td>
<td>0.13%</td>
<td>none</td>
<td>none</td>
</tr>
</tbody>
</table>