Annual Report of Holding Companies—FR Y-6

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.

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.

Jim Engel
President/CEO
Aquesta Financial Holdings, Inc.
318 E. 10th Street
Burlington, North Carolina 28016

NOTE: 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):
12/31/2019

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

Local Title of Holding Company
Aquesta Financial Holdings, Inc.
19510 Jetton Road
(Corresponding Address) Street/P.O. Box
Cornelius, North Carolina 28031
City State Zip Code

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:
Emily Miller VP/Assistant Controller
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

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.

Public reporting burden for this information collection is estimated to vary from 1.3 to 101 hours per response, with an average of 5.50 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.

12/2019
Aquesta Financial Holdings, Inc.

Aquesta Financial Holdings, Inc.
Cornelius, NC
Incorporated in Nevada

No LEI

Aquesta Bank
Cornelius, NC
Incorporated in North Carolina

LEI 5493006GBLIRNKHYD764
**Results:** A list of branches for your depository institution: AQUESTA BANK (ID_RSSD: 3446636).

This depository institution is held by AQUESTA FINANCIAL HOLDINGS, INC. (4566232) of CORNELIUS, NC.

The data are as of 12/31/2019. Data reflects information that was received and processed through 03/05/2020.

**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.
- **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.*

<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>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>3446636</td>
<td>AQUESTA BANK</td>
<td>19510 JETTON ROAD</td>
<td>CORNELIUS</td>
<td>NC</td>
<td>28031</td>
<td>MECKLENBURG</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>AQUESTA BANK</td>
<td>3446636</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td></td>
<td>Full Service</td>
<td>4446857</td>
<td>AQUESTA BANK</td>
<td>8159 SHAMON ROAD</td>
<td>CHARLOTTE</td>
<td>NC</td>
<td>28211</td>
<td>MECKLENBURG</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>AQUESTA BANK</td>
<td>3446636</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td></td>
<td>Full Service</td>
<td>5013706</td>
<td>WILMINGTON BRANCH</td>
<td>901 MILITARY CUTOFF ROAD</td>
<td>WILMINGTON</td>
<td>NC</td>
<td>28401</td>
<td>NEW HANOVER</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>AQUESTA BANK</td>
<td>3446636</td>
<td></td>
</tr>
</tbody>
</table>
Report Item 2b: Domestic Branch Listing

01 Aquesta Bank (Main Office)
Opened August 1, 2006
19510 Jetton Road
Cornelius, North Carolina 28031
Full Service Branch

02 Aquesta Bank (Davidson Branch)
Opened December 3, 2007
568 Jetton Street Suite 100
Davidson, North Carolina 28036
Full Service Branch

03 Aquesta Bank (Williamson Branch)
Opened December 21, 2009
837 Williamson Road
Mooresville, North Carolina 28117
Full Service Branch

04 Aquesta Bank (Brawley Branch)
Opened May 25, 2011
1078 Brawley School Road
Mooresville, North Carolina 28117
Full Service Branch

05 Aquesta Bank (Charleston LPO)
Opened January 1, 2018
4000 Farber Place Drive, Suite 300
North Charleston, South Carolina 29405
Loan Production Office

06 Aquesta Bank (Northcross Branch)
Opened September 24, 2014
9906 Knockando Lane
Huntersville, North Carolina 28078
Full Service Branch

07 Aquesta Bank (South Park Branch)
Opened July 13, 2015
4519 Sharon Road
Charlotte, North Carolina 28211
Full Service Branch

08 Aquesta Bank (Wilmington Branch)
Opened June 13, 2016
901 Military Cutoff Rd
Wilmington, North Carolina 28405
Full Service Branch
09 Aquesta Bank (Rea Farms (Waverly Branch))
Opened August 28, 2019
9915 Sandy Rock Place
Charlotte, North Carolina 28277
Full Service Branch
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, 2019:

<table>
<thead>
<tr>
<th>Name</th>
<th>County of Citizenship or Incorporation</th>
<th>Number of Each Class of Voting</th>
<th>Percentage of Each Class of Voting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jim Engel</td>
<td>USA</td>
<td>546,022</td>
<td>11.71% of Common Stock</td>
</tr>
<tr>
<td>Cornelius, NC USA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Castle Creek Capital</td>
<td>USA</td>
<td>296,000</td>
<td>5.90% of Common Stock</td>
</tr>
<tr>
<td>Rancho Santa Fe, CA USA</td>
<td></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, 2019:

None
<table>
<thead>
<tr>
<th>Name</th>
<th>City, State Country</th>
<th>Principal Occupation if Other Than Holding Co</th>
<th>Title &amp; Position with Holding Company</th>
<th>Title &amp; Position with subsidiaries (include name of subsidiaries)</th>
<th>Title &amp; Position with other businesses (include name of other businesses)</th>
<th>Percentage of Voting Shares in Holding Company</th>
<th>Percentage of Voting Shares in Subsidiaries (incl names of cos and % of voting securities held)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jim Engel</td>
<td>Cornelius, NC USA</td>
<td>n/a</td>
<td>Director &amp; President &amp; CEO</td>
<td>Director - Aquesta Bank</td>
<td>n/a</td>
<td>11.71%</td>
<td>none</td>
</tr>
<tr>
<td>Spencer Cohn</td>
<td>Rancho Santa Fe, CA USA</td>
<td>Vice President, Castle Creek Capital</td>
<td>Director</td>
<td>Director - Aquesta Bank</td>
<td>Cohn Advisory Group - President, Castle Creek Capital Partners VII, LP - Principal, Castle Creek Capital VII LLC - Principal, Castle Creek Advisors IV LLC - Principal</td>
<td>0%</td>
<td>none</td>
</tr>
<tr>
<td>Paul Dougovito</td>
<td>Chattanooga, TN USA</td>
<td>Bank Consultant</td>
<td>Director</td>
<td>Director - Aquesta Bank</td>
<td>Home Loan Investment Bank - Director</td>
<td>3.41%</td>
<td>none</td>
</tr>
<tr>
<td>Charles Knox</td>
<td>Cornelius, NC USA</td>
<td>Commercial Real Estate Broker &amp; Developer</td>
<td>Director</td>
<td>Director - Aquesta Bank</td>
<td>Knox Group, Inc. - President, A.I. Industrial Properties, LLC - Member/Manager, KCK South Main, LLC - Member/Manager, KM PPK, LLC - Member/Manager, Fox Partners, LLC - Member/Manager, Knox Group North 77 LLC - Member/Manager, Infonox LLC - Member/Manager, North Meck / North 77 LLC - Member/Manager, CASPRE LLC - Member/Manager, East Plaza Partners - Member/Manager, Property Investment I - Member / Manager</td>
<td>1.03%</td>
<td>none</td>
</tr>
<tr>
<td>Ginger Griffin</td>
<td>Cornelius, NC USA</td>
<td>Marketing Firm Owner</td>
<td>Director</td>
<td>Director - Aquesta Bank</td>
<td>Ginger Griffin Marketing &amp; Design - Owner</td>
<td>2.73%</td>
<td>none</td>
</tr>
<tr>
<td>Craig Larsen</td>
<td>Mooresville, NC USA</td>
<td>Owner Anti-Aging Center</td>
<td>Director</td>
<td>Director - Aquesta Bank</td>
<td>Revita Holdings LLC - CEO</td>
<td>1.72%</td>
<td>none</td>
</tr>
<tr>
<td>James R. Borders, Jr.</td>
<td>Cornelius, NC USA</td>
<td>President, AC Controls Co. (Chairman)</td>
<td>Director (Chairman)</td>
<td>Director - Aquesta Bank</td>
<td>AC Controls Co - President, JB Associates - Partner, JBSB Holding - Manager, Borders Real Estate - Partner, JQF Properties - Partner, DB Associates - Partner</td>
<td>2.43%</td>
<td>none</td>
</tr>
<tr>
<td>Kristin Couch</td>
<td>Mooresville, NC USA</td>
<td>n/a</td>
<td>Vice President &amp; Secretary</td>
<td>EVP and CFO - Aquesta Bank</td>
<td>n/a</td>
<td>0.67%</td>
<td>none</td>
</tr>
<tr>
<td>Paul Jazewski</td>
<td>Anesthesiologist</td>
<td>Director</td>
<td>Director</td>
<td>Director - Aquesta Bank</td>
<td>Southeast Anesthesiologist Consultants</td>
<td>0.71%</td>
<td>none</td>
</tr>
</tbody>
</table>

Note: The table above lists the names of insiders along with their titles, positions, and percentage of voting securities held. The table also includes the names of companies they have interests in, along with the percentage of voting shares in those companies.
## List of names of other companies if 25% or more of voting securities are held

<table>
<thead>
<tr>
<th>Name</th>
<th>City, State Country</th>
<th>Principal Occupation if Other than Holding Co</th>
<th>Title &amp; Position with Holding Company</th>
<th>Title &amp; Position with subsidiaries (include name of subsidiaries)</th>
<th>Percentage of Voting Shares in Subsidiaries (incl names of subs)</th>
<th>Percentage of Voting Shares in Holding Company</th>
<th>Percentage of Voting Shares in other businesses (include name of other businesses)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alison Smith</td>
<td>Charlotte, NC USA</td>
<td>Owner, Smith Capital, Inc.</td>
<td>Director</td>
<td>Director - Aquesta Bank</td>
<td>Owner, Smith Capital, Inc.</td>
<td>0.95%</td>
<td>none</td>
</tr>
<tr>
<td>David Goodrum</td>
<td>Cornelius, NC USA</td>
<td>President/General Manager, JD Goodrum Co. Inc.</td>
<td>Director</td>
<td>Director - Aquesta Bank</td>
<td>Vice President, JD Goodrum Co. Inc.</td>
<td>1.20%</td>
<td>none</td>
</tr>
<tr>
<td>Jon Dressler</td>
<td>Charlotte, NC USA</td>
<td>Proprietor, Rare Roots Hospitality Group</td>
<td>Director</td>
<td>Director - Aquesta Bank</td>
<td>Proprietor, Rare Roots Hospitality Group</td>
<td>1.37%</td>
<td>none</td>
</tr>
<tr>
<td>Carol Houle</td>
<td>Cornelius, NC USA</td>
<td>Vice President of Consulting, Cognizant</td>
<td>Director</td>
<td>Director - Aquesta Bank</td>
<td>Vice President of Consulting, Cognizant</td>
<td>0.03%</td>
<td>none</td>
</tr>
</tbody>
</table>