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), 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 officer of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior officer 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 an LLC, see the General Instructions for the authorized individual who must sign the report.

I, Chad R. Newsom
Name of the Holding Company Director and Official
Director, Vice President, Secretary-Treasurer & Vice Chairman
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
09/03/2020
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.

Date of Report (top-tier holding company's fiscal year-end):
December 31, 2019
Month / Day / Year

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

Palmer Bancshares, Inc.
Legal Title of Holding Company
P.O. Box 820
(Mailing Address of the Holding Company) Street / P.O. Box
Palmer Texas 75152
City State Zip Code

8045 North Interstate 45
Physical Location (if different from mailing address)

Dana Q Tucker Executive Vice President
Person to whom questions about this report should be directed:
Name Title

972-449-2283
Area Code / Phone Number / Extension

972-845-3001
Area Code / FAX Number
dtucker@csbpalmer.com
E-mail Address
www.csbpalmer.com
Address (URL) for the Holding Company’s web page

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

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 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
Palmer Bancshares, Inc.
Palmer, Texas
Fiscal Year Ending December 31, 2019

Report Item 2a  Organization Chart

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

Commercial State Bank
Palmer, Texas - Main Facility
Palmer, Texas USA
Chartered in Texas

Ferris, Texas - Branch
Ferris, Texas USA
Chartered in Texas

Wilmer, Texas - Branch
Wilmer, Texas USA
Chartered in Texas

LEI: None
Results: A list of branches for your depository institution: COMMERCIAL STATE BANK (ID: RSSD: 1017564).
This depository institution is held by PALMER BANKSHARES, INC. (225/1132) of PALMER, TX.
The data are as of 12/31/2019. Data reflects information that was received and processed through 01/07/2020.

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.
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 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>FDIC 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>1017564</td>
<td>COMMERCIAL STATE BANK</td>
<td>1045 NORTH INTERSTATE 45</td>
<td>PALMER</td>
<td>TX</td>
<td>75152</td>
<td>ELLIS</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>COMMERCIAL STATE BANK</td>
<td>1017564</td>
<td></td>
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<tr>
<td>OK</td>
<td></td>
<td>Full Service</td>
<td>1412902</td>
<td>FERRIS BRANCH</td>
<td>200 U. INTERSTATE HIGHWAY 45</td>
<td>FERRIS</td>
<td>TX</td>
<td>75225</td>
<td>ELLIS</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>COMMERCIAL STATE BANK</td>
<td>1017564</td>
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</tr>
<tr>
<td>OK</td>
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<td>Full Service</td>
<td>3665491</td>
<td>WILMER BRANCH</td>
<td>421 EAST BELT LINE ROAD</td>
<td>WILMER</td>
<td>TX</td>
<td>75172-1329</td>
<td>DALLAS</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>COMMERCIAL STATE BANK</td>
<td>1017564</td>
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## Report Item 3: Securities Holders

<table>
<thead>
<tr>
<th>(1)(a)</th>
<th>(1)(b)</th>
<th>(1)(c)</th>
<th></th>
<th>(2)(a)</th>
<th>(2)(b)</th>
<th>(2)(c)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name &amp; Address (City, State, Country)</strong></td>
<td><strong>Country of Citizenship or Incorporation</strong></td>
<td><strong>Number and Percentage of Each Class of Voting Securities</strong></td>
<td></td>
<td><strong>Name &amp; Address (City, State, Country)</strong></td>
<td><strong>Country of Citizenship or Incorporation</strong></td>
<td><strong>Number and Percentage of Each Class of Voting Securities</strong></td>
</tr>
<tr>
<td>Phillip G. Newsom Ennis, USA Texas USA</td>
<td></td>
<td>14,689 - 62% Common Stock</td>
<td></td>
<td></td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Wilma Q. “Sindy” Greenwood Salado, Texas USA</td>
<td>USA</td>
<td>7,000 - 29% Common Stock</td>
<td></td>
<td></td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Newsom Family Investment Trust II, Trustees Chad R. Newsom, Matthew S. Newsom, April N. Glenn, &amp; Lorie K. Lee Ennis, Texas, USA</td>
<td>USA</td>
<td>2,244 - 9% Common Stock</td>
<td></td>
<td></td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Securities Holders not listed in 3(1)(a) through (3)(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12/31/2019 (but not at fiscal year-end)
<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3)(a)</th>
<th>(3)(b)</th>
<th>(3)(c)</th>
<th>(4)(a)</th>
<th>(4)(b)</th>
<th>(4)(c)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name &amp; Address</strong>&lt;br&gt;Phillip G. Newsom&lt;br&gt;Ennis, Texas USA</td>
<td><strong>Principal Occupation, if other than with holding company</strong>&lt;br&gt;Banker</td>
<td><strong>Title/Position with Subsidiaries (including subsidiary name)</strong>&lt;br&gt;Director, Chairman &amp; CEO Commercial State Bank</td>
<td><strong>Title/Position with Other Businesses (including business name)</strong>&lt;br&gt;Partner, Bobsom Properties LLC, Red Oak, Texas</td>
<td><strong>Percentage of Voting Securities in holding company</strong>&lt;br&gt;Owner, J&amp;N Ranch LLC, Ennis Texas</td>
<td><strong>Percentage of Voting Securities in Subsidiaries (including subsidiary name)</strong>&lt;br&gt;Partner, I-45 Property, Palmer, Texas</td>
<td><strong>Percentage of Voting Securities in any other co. (including co. name) if ≥ 25%</strong>&lt;br&gt;PhilMatt Investments, Inc, Ennis, Texas</td>
<td><strong>Partner, Bobsom Properties LLC (50%)</strong>&lt;br&gt;J&amp;N Ranch LLC (100%)&lt;br&gt;I-45 Property (33%)&lt;br&gt;PhilMatt Investments, Inc (50%)</td>
</tr>
<tr>
<td>Name</td>
<td>Title</td>
<td>Company/Position</td>
<td>Percentage</td>
<td>Relationship</td>
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<tr>
<td>Wilma A. Greenwood,</td>
<td>Retired Banker</td>
<td>Partner-RFR Industries, Ennis, Texas</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Salado, Texas USA</td>
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<td>Partner-RFR Corporation, Ennis, Texas</td>
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<td>N/A</td>
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<tr>
<td></td>
<td></td>
<td>Partner, Christian Road Development, Ennis,</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td></td>
<td></td>
<td>Texas</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Partner, Ill Cardinals LP, Ennis, Texas</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td></td>
<td></td>
<td>Partner, VZMV, LLC, Ennis, Texas</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
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<tr>
<td>Chad R. Newsom,</td>
<td>Banker</td>
<td>Director, Vice-Chairman, VP, &amp; Secretary-Treasurer</td>
<td>N/A</td>
<td>29% N/A</td>
<td></td>
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<tr>
<td>Palmer, Texas USA</td>
<td></td>
<td>Director, Vice-Chairman, &amp; EVP Commercial State Bank</td>
<td>N/A</td>
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<td>Partner, Sunset Acres, Palmer, Texas</td>
<td>9%* N/A</td>
<td>Sunset Acres (50%)</td>
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<tr>
<td>Matthew S. Newsom,</td>
<td>Rural Land Management</td>
<td>Director, Vice-President</td>
<td>N/A</td>
<td>9%* N/A</td>
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<tr>
<td>Ennis, Texas USA</td>
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<td>Partner, PhilMatt Investments, Inc, Ennis, Texas</td>
<td>N/A</td>
<td>PhilMatt Investments, Inc (50%)</td>
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<td>Partner, N Bar Properties, LLC, Ennis, Texas</td>
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<td>N Bar Properties, LLC (50%)</td>
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<tr>
<td></td>
<td></td>
<td>Owner, N Bar Heritage, Ennis, Texas</td>
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<td>N Bar Heritage (100%)</td>
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<tr>
<td></td>
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<td>Partner, MSPG Properties LLC, Ennis, Texas</td>
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<td>MSPG Properties LLC (50%)</td>
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<tr>
<td>Name</td>
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<tr>
<td>Partner, PMM Properties LLC, Ennis, Texas</td>
<td>Partner</td>
<td>PMM Properties LLC</td>
<td>(25%)</td>
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<tr>
<td>Partner, PMB Properties LLC, Ennis, Texas</td>
<td>Partner</td>
<td>PMB Properties LLC</td>
<td>(25%)</td>
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<tr>
<td>Owner, Rural Land Management, Ennis, Texas</td>
<td>Owner</td>
<td>Rural Land Management</td>
<td>(100%)</td>
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<tr>
<td>Partner, VZMV, LLC, Ennis, Texas</td>
<td>Partner</td>
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<tr>
<td>Partner, III Cardinals LP, Ennis, Texas</td>
<td>Partner</td>
<td>N/A</td>
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*Note: Chad R. Newsom and Matthew S. Newsom are both Directors and Officers and each have 25% ownership of the Newsom Family Investment Trust II which owns 9% of Palmer Bancshares, Inc.*