

Board of Governors of the Federal Reserve System



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. §§ 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.

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.

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.

I, Michael R. Moores

Name of the Holding Company Director and Official

EVP and Chief Lending 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 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Michael R. Moores

Signature of Holding Company Director and Official

09/29/2021

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):

12/31/2020

Month / Day / Year

n/a

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

Reporter's Name, Street, and Mailing Address

VeraBank, Inc.

Legal Title of Holding Company

PO Box 1009

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

Henderson Texas 75653
 City State Zip Code

201 W Main St

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Rosalyn Williamson SVP & Controller

Name Title

903/657-8521/5215

Area Code / Phone Number / Extension

903/657-9224

Area Code / FAX Number

rwilliamson@verabank.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?	0=No 1=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	<input type="checkbox"/>	
2. a letter justifying this request has been provided separately ...	<input type="checkbox"/>	
NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential."		

For Use By Tiered Holding Companies

Top-tiered holding companies must list the names, mailing address, and physical locations of each of their subsidiary holding companies below.

n/a

Legal Title of Subsidiary Holding Company

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

City State Zip Code

Physical Location (if different from mailing address)

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

City State Zip Code

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City State Zip Code

Physical Location (if different from mailing address)

**Form FR Y-6
VeraBank, Inc.
Fiscal Year Ending December 31, 2020**

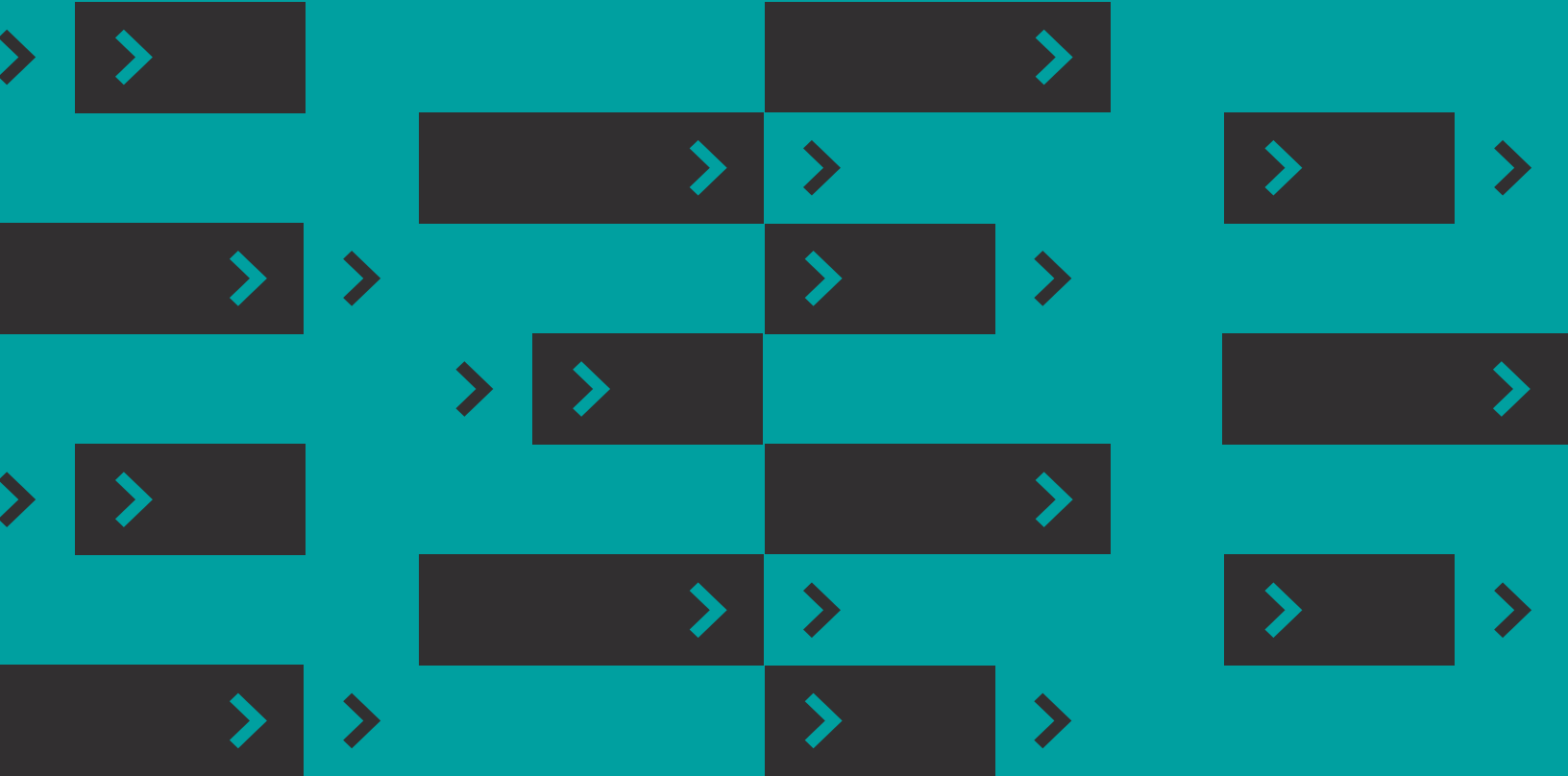
Report Item 1: Annual Report to Shareholders

The holding company prepares an annual report for its securities holders and is not registered with the SEC.

2020 A YEAR TO REMEMBER.



Here for our customers, and here for our businesses.





➤ Dear Shareholders,

2020 was most definitely a year of firsts at VeraBank. The title of this year's Annual Report is "A Year to Remember," and I believe that is quite appropriate. There were many challenges caused by COVID-19 we had not previously had to deal with. I am pleased to say that our 450 employees did a great job in spite of many challenges. 2020 turned out to be a very good year from a financial perspective, and that is certainly not something I was ready to predict in March, April, or May of last year.

In 2020, VeraBank, Inc. earned \$27,629 million compared to \$23,385 million the year before. That equated to \$12.19 per share in 2020 versus \$10.20 in 2019. This earnings performance was accomplished without considering the large amount of non-recurring expenses that VeraBank, Inc. incurred due to COVID-19. I will

talk more about our 2020 financial performance later in this letter.

To say this past year was eventful would be an understatement. I would like to share with you an overview of accomplishments and events that occurred during the year.

- We began 2020 with the completion of our Downtown Henderson Main Branch interior remodel. We had big plans to unveil our expansive History Wall and the rest of our improvements in March 2020 as part of our 90th Anniversary Celebration, but unfortunately that celebration was another victim of COVID-19.
- On Wednesday March 18th we closed our branch lobbies and did not reopen them (other than by appointment only) until early June. Our lobbies would close a second time for most of July, August, and September.



**"WHEN YOU DO THE RIGHT THING,
GOOD THINGS HAPPEN."**

—BRAD TIDWELL

➤ Before the initial closure of our lobbies, we would have said there were 5-6 services we could not perform through our drive-thrus. I am very proud that our team found a way to provide our customers all of these services without re-opening our lobbies. This was not easy and required innovation and hard work on the part of our staff, but they rose to the occasion.

March/April brought perilous economic and financial events to our national economy due to the impacts of COVID-19. We saw interest rates go to historic lows almost overnight, which greatly impacts our loan and investment interest income. Unemployment skyrocketed and the equity markets plummeted for a period of time. While the equity markets have come back with a vengeance and unemployment has materially improved, interest rates, and therefore, our earnings on interest-sensitive assets, have remained under pressure.

➤ In early April, the federal government rolled out the first of two SBA PPP loan programs. I am very pleased to share with you that your bank

stepped up in a meaningful way to help many of our customers who desperately needed these funds. In total, VeraBank originated 1,741 loans totaling \$150,384,534 in Rounds 1 and 2 of the 2020 SBA PPP initiative. Our average loan size was \$86,378.25. For almost two months, we had teams of people working non-stop to facilitate these loans. And, by the way, as of this writing, we have originated over \$53 million in SBA PPP loans as part of the 2021 program.

➤ As the healthcare and daily life impacts of COVID-19 became a reality, VeraBank made the decision that no employee would be charged any time off for a COVID-related absence. In the last twelve months, no employee has had to use any sick or vacation time due to their COVID illness, the COVID illness of a family member, the need to quarantine if they had been exposed, or because of childcare issues. If one of your core principles is "Taking Care of Employees," this is when you exhibit that principle.

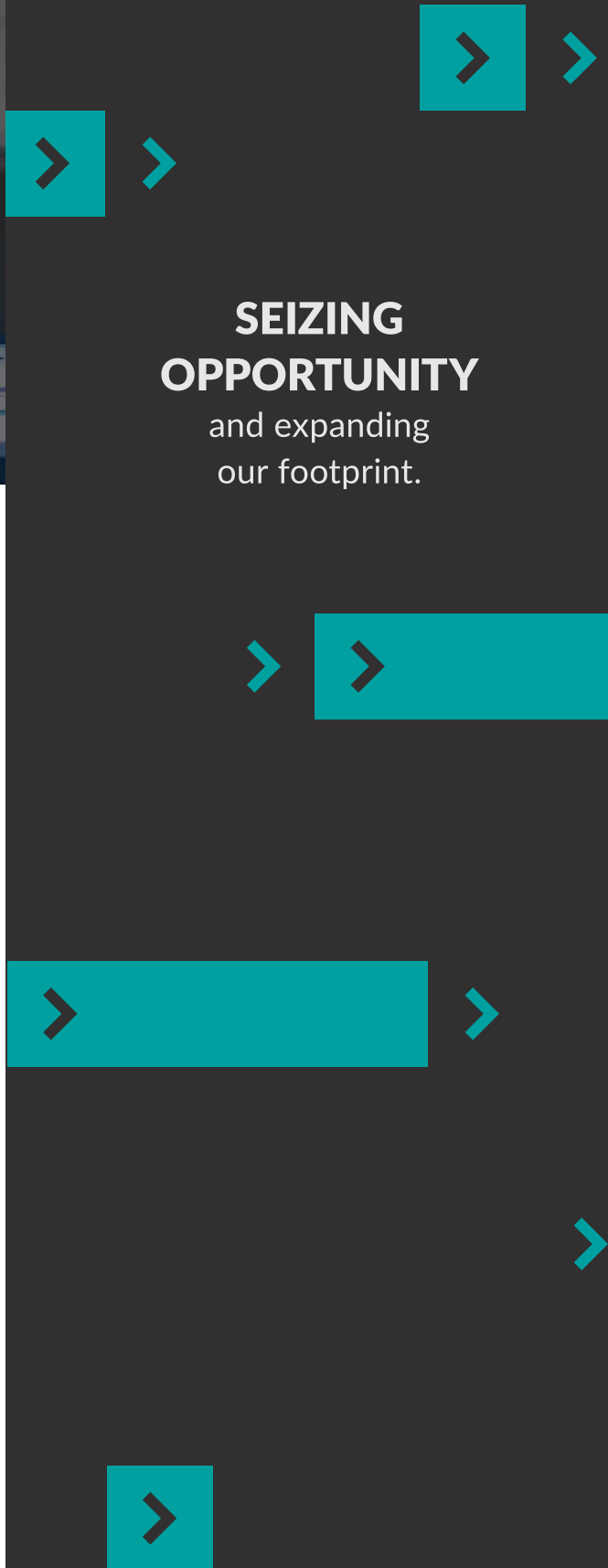


➤ In the early May-June timeframe, we kicked off two very important initiatives for the future growth of our bank. First, in May we broke ground on our first standalone, full-service branch facility in College Station. After entering that market in 2018 and opening in a temporary facility in January 2019, we will soon have an impressive new branch on Hwy. 6 in College Station. We should begin to operate in that branch in April of this year. In June, we hired our first banker in Austin; it was another 3-4 months before we had an office, but we have truly hit the ground running in that important market. We now have five bankers and seven total employees focused on Austin. Our business growth in both Austin and Bryan-College Station has been outstanding, and we believe these commitments will continue to pay material dividends well into the future.

➤ As the uncertainties of the pandemic and its impacts on our bank and industry became a reality in the late spring of 2020, VeraBank made the decision to bolster our bank-level capital by issuing Subordinated Debt at the holding company level.

SEIZING OPPORTUNITY

and expanding our footprint.





**ALWAYS
INNOVATING**
and quickly adopting
new technologies.

While this action was not a necessity nor taken due to any regulatory direction, we felt it was prudent given the potential challenges and opportunities we believed we might face. This action required us to obtain our first-ever debt rating. In late April, we received an investment grade rating of BBB- from the Kroll Bond Rating Agency. Your bank's strong performance leading up to and during this pandemic allowed us to raise \$41,500,000 of ten-year unsecured subordinated debt. While we saw this as an insurance policy against potential pandemic-driven losses (that fortunately have not happened), we also saw this as a tremendous opportunity to seed the growth in our balance sheet once the pandemic ended. What we did not anticipate at that time was the \$569 + million (23.6%) growth in our balance sheet that would occur in 2020. We ended 2019 with an 8.77% Tier 1 Leverage Ratio at the bank and, in spite of retaining almost \$25 million earnings plus the addition of the subordinated debt, our Tier 1 Leverage Ratio only increased to 9.32% because of the dramatic growth we saw in 2020.

I would have told you 3-4 months ago that we would have anticipated some of that growth to recede, but just the opposite has happened. Our balance sheet has grown another \$99 million in the first two months of 2021.

➤ We made many changes to our operating model in 2020 to ensure we took care of our employees and customers. Just a few of these included:

- 1.** Approximately 20-25% of our staff has worked remotely for much of the last year.
- 2.** We instituted strict COVID-19 mitigation protocols such as required social distancing, mask wearing in our facilities at all times, the installation of portable plexi-glass shields at

all customer service/teller stations as well as heightened facility cleaning initiatives.

3. We were previously using various forms of technology to originate and fund loans as well as open new deposit accounts. When COVID-19 began, we significantly increased the usage of these technologies and have largely eliminated much of the non-electronic forms of loan origination and new account opening. Our use of DocuSign for most bank documents has been extremely well received by our customers.

4. During the early days of the pandemic when unemployment and uncertainty were at their worst, we implemented an important change to protect some of our most financially vulnerable customers. For April and May, we refunded the fees on the first three insufficient (overdrawn) items a customer incurred in a month. These refunds, made directly to our customers, totaled \$559,000 and were very much appreciated by those customers. Our customers' usage of all forms of our digital services has increased significantly, and we expect that to continue.

➤ I am pleased to report that, for the sixth time, VeraBank was named one of the 2020 Top 100 Best Companies to Work for in Texas. Given the critical role our employees play in any success we have, it is absolutely imperative we create an environment that is positive and supportive for those employees. I believe this continued recognition is an indicator that we are doing just that. If you do not know, thousands of companies across Texas apply for this recognition each year. The organizer performs a very detailed/anonymous survey of a randomly selected 70% of our employees. The winners of this recognition are largely decided by the outcome of these surveys and the information we provide them.

➤ There has been a great deal of talk the last few years about the National Minimum Wage. In late 2018, we made the decision at VeraBank to initiate, effective 1-1-19, a \$13.00 per hour minimum wage. Any employee below that level, was raised to \$13.00 per hour as of 1-1-19. At that time, we committed to our staff that when profitability and financial performance allowed, our goal was to move to a \$15.00 per hour minimum wage. I am very pleased to report that we did exactly that, effective 1-1-21. At VeraBank, we believe that "Taking Care of Employees" is more than a cute slogan. We believe it is simply the right thing to do to ensure the quality of our bank, our service, and our performance today and in the future.

➤ I am very pleased and excited about the future with the teams we are assembling in the higher growth markets of Austin, Bryan-College Station, and Williamson County. But we can never forget the absolute criticality of our legacy markets of East Texas. To ensure we continue to grow and maintain our high market share in these communities, we must continue to invest in the right people and leadership for these markets. I am pleased to share with you that we added multiple experienced bankers in Longview, Lufkin, Mt. Pleasant, and Tyler in 2020. We also added new leadership in those markets to help take us to the next level of growth. We will continue to ensure that we maintain a stable and diversified footprint upon which we will further build.

➤ In December, we announced the pending acquisition of Panola National Bank (PNB) in Carthage. PNB has a Carthage and a Marshall branch and total assets of \$126 million as of 12-31-20. This is a great fit for both banks and gives us an outstanding entrée into Panola County which is something we have long desired. We anticipate closing this transaction in the 2nd Quarter of 2021.

➤ As previously mentioned, 2020 was a very good year at VeraBank from a financial performance perspective in the face of multiple headwinds and challenges. Here are some highlights:

1. Due to the dramatic drop in rates in 2020 combined with the conservative make-up of our balance sheet (\$546 million in cash and \$684 million in securities) at 12-31-20, our Net Interest Margin decreased from 3.92% at 12-31-19 to 3.25% at 12-31-20.

2. We earned over \$5.5 million in fees paid by the SBA on the PPP loans we originated in 2020.

3. In total, we expensed \$10.9 million in provisions in 2020 and put that money into our ALLL and increased our ALLL as a percentage of our total loans from 1.16% at 12-31-19 to 1.82% (excluding our fully government-guaranteed PPP loans). This action provides VeraBank with a substantial cushion against any further deterioration in credit quality due to the pandemic.

4. Our credit quality was certainly tested in 2020 and our portfolio came through with flying colors. Our annualized net losses were very low at .07% in 2020 compared to .09% in 2019. Our Non-Performing Assets as a percentage of our Equity and Reserves decreased year over year from 5.29% at 12-31-19 to 5.04% at 12-31-20. We have prided ourselves for years on our underwriting and risk management, and while I believe there is still risk in the financial system for pandemic-induced losses, we are clearly in a great position to effectively manage and handle challenges that may not yet have presented themselves.

5. Due to both the low interest rate environment refinance boom we saw in 2020 and growth in the housing market in our footprint, our single-family mortgage volume increased materially in 2020. One good indicator of that is the fees we receive from investors for those long-term fixed rate loans we sell into the secondary market. In 2020, those fees to VeraBank totaled almost \$1.9 million compared to approximately \$1.0 million in 2019. 2021 has started off very strong.

6. Wealth Management continues to be an important area of focus for VeraBank. The Wealth Management department had a very successful 2020, despite the extreme volatility and economic disruption brought on by COVID-19. Our disciplined, diversified, goals-based approach helped clients navigate the difficult market environment while providing liquidity to meet short-term goals, minimize taxable gains, and help grow portfolios as financial markets recovered. Although the economy and equity markets experienced record declines in the first half of the year, significant government support, rapid realignment of businesses, and the development of COVID-19 vaccines, led to a strong second half. By the end of 2020, Assets under Administration reached a record high of over \$790 million and revenues totaled a record \$5.2 million. These records were achieved through strong financial market returns and adding new relationships.


Looking forward, our goal remains to contribute to the outstanding performance and stability of VeraBank. We have an experienced team of professionals, along with the support of our banking partners, that allow us to serve the diverse needs of

our customers and acquire new client relationships throughout our footprint. To fuel growth in the coming years, we have expanded our presence from our legacy markets in Henderson, Tyler, Longview, Palestine, and Corsicana by adding Wealth Management Officers in rapidly growing Georgetown and College Station. We also plan to add Wealth Management partners in the Austin market in the future.

I hope this very long update gives you a sense of pride about all that your bank has accomplished during some pretty tough times in 2020. That momentum is carrying over into 2021. While I had a lot of confidence in what our 450 employees and Directors had built here at VeraBank, I must admit to more than a couple of sleepless nights in the March-May timeframe of last year.

As we look forward to a post-COVID-19 environment, VeraBank is exceptionally well positioned. We have many of the same challenges as our competitors, but they do not have our people and, in many cases, they do not have a balance sheet like ours that allows us flexibility and optionality to address many of these challenges. I am very excited about our future at VeraBank. I sincerely believe all of you should be equally as excited.

I have never done this before, but I ask for your indulgence. I would like to dedicate this year's annual report to Debra Sanders. I knew Debra for over 25 years. Debra was not only a tenured employee of VeraBank in Longview for most of her time with us, but she was also an outstanding employee. Debra was one who truly had a servant's heart and a smile and work ethic beyond compare. We lost Debra in early December 2020 to COVID-19. She was one of those people whom we miss daily, but we should also



REMAINING
flexible, proactive
and strong.



**HONORING OUR
COMMITMENTS,**
and our team.



celebrate the fact that we knew her, as she was truly a treasure. Debra was the type of person we should all aspire to be.

I want to end by saying thank you for the tremendous support so many of you and many of our customers showed us in 2020. We needed that support, and you didn't let us down. Thanks so much. I particularly want to acknowledge and publicly thank my 450 colleagues, who truly met and passed some challenging tests in 2020. Our performance as a bank is due to their day-to-day performance of their jobs. They overcame healthcare challenges, personal challenges, and many other stresses to ensure that your bank delivered on its commitments. Those 450 folks deserve really big thanks and confirmation of a job well done. Our hearts and prayers go out to all of those who have been personally affected by COVID-19, and to the many more who have been impacted by the economic challenges caused by this pandemic.

As we turn a new chapter to 2021, a year of recovery and restoration, our commitment and message remain the same. We are here and ready to create a better tomorrow for our customers, communities, employees, and shareholders. Together, we will build an even stronger bank. I will sign off the way I have most of my messages to our employees for the last year: Please, stay safe and stay healthy; we still have a great deal to accomplish together.

Sincerely,

A handwritten signature in black ink that reads "Bradley H. Tidwell". The signature is fluid and cursive.

Bradley H. Tidwell
President & CEO
VeraBank, Inc.



> Key Performance Indicators

Dollar amounts in thousands except per share data

	2020	2019	Percent Change
Total Assets	\$ 2,982,627	\$ 2,413,252	23.59%
Total Deposits	\$ 2,617,281	\$ 2,134,026	22.65%
Loans, net	\$ 1,564,021	\$1,436,982	8.84%
Net Income	\$ 27,629	\$ 23,385	18.15%
Per Share Data:			
Basic Earnings	\$12.19	\$10.20	19.51%
Book Value	\$118.21	\$96.59	22.38%

> Key Trends

A Historical Perspective – Dollar amounts in thousands

Years Ending	2020	2019	2018	2017	2016
Net Income	\$27,629	\$23,385	\$20,765	\$14,701	\$11,608
Return on Average Shareholders' Equity	10.86%	10.90%	11.29%	9.34%	7.92%
Return on Average Assets	1.01%	0.99%	0.91%	0.83%	0.68%

> 2020 Board of Directors



Ben Alford
Sales Management



Stayton M. Bonner, Jr.
Attorney



Kathryn Wylie Deason
Public Accounting



Jason Flanagan
Wholesale Foods



Sheila Smith Gresham
Investments



Andrew Kangerga
Investments



Jim Kangerga
Investments



J. Mark Mann
Chairman of the Board
Attorney



Andrew D. Mills
Oil & Gas Industry



Todd Engemoen
Executive VP &
Chief Financial Officer
VeraBank



Michael R. Moores
Executive VP &
Chief Lending Officer
VeraBank



Bradley H. Tidwell
President & CEO
VeraBank

> VeraBank, Inc. Officers

J. Mark Mann -
Chairman of the Board

Bradley H. Tidwell -
President & CEO

Michael R. Moores, CPA -
VP

Rosalyn Williamson, CPA -
VP, Treasurer

Todd Engemoen -
SVP & Chief Financial
Officer

Danette Heffner -
VP, Secretary

Gay Davis -
Assistant Secretary

Rhonda Calhoun -
Assistant Secretary &
Treasurer

Rita Smith -
VP, Cashier

> VeraBank Senior Management Team



Bradley H. Tidwell
President & CEO



Kathy Brown
SVP Loan Operations



Christina Janecka
SVP & Head of
Mortgage Lending



Todd Engemoen
Executive VP & Chief
Financial Officer



Ree Carlson
SVP & Senior
Operations Officer



Jon Moore
SVP & Chief Credit
Approval Officer



Danette Heffner
Executive VP &
Director of
Human Resources



Gaye Clements
SVP & Market
President



Ronald Nix
SVP & Chief
Technology
Officer



Laura McKethan
Executive VP &
Chief Credit Officer



Ashlyn Cole
SVP & Market
President



Michael Purifoy
SVP & Business
Banking Manager



Michael R. Moores
CPA - Executive VP &
Chief Lending Officer



Pamela DeCeault
SVP & Market
President



Rita Smith
SVP & Cashier



Woodie Tipps
Executive VP &
Chief Retail Officer



Toby Fails
SVP & Wealth
Management
Manager



Rosalyn Williamson
CPA - SVP &
Controller



Andrew Adams
SVP & Market
President



Ryan Hamilton
SVP & Regional
President



Jonathan Voight
SVP & Regional
Manager



Glenn Bickerdike
SVP & Regional
Manager



Alex Hammond
SVP & Manager of
Strategic Credit
Opportunities



Jay Walker
SVP & Regional
Manager



Cliff Bomer
SVP & Regional
Manager



Joel Jackson
SVP & Regional
Manager

EXECUTIVE

Bradley H. Tidwell - President & CEO
Todd Engemoen - EVP & Chief Financial Officer
Danette Heffner - EVP & Director of Human Resources
Laura McKethan - EVP & Chief Credit Officer
Michael R. Moores, CPA - EVP & Chief Lending Officer
Woodie Tipps - EVP & Chief Retail Officer

LENDING - CREDIT

Laura McKethan - EVP & Chief Credit Officer
Michael R. Moores, CPA - EVP & Chief Lending Officer
Alex Hammond - SVP & Manager of Strategic Credit Opportunities
Jon Moore - SVP & Chief Credit Approval Officer
Michelle Lowe - VP
Jackie Moseley - VP
Jon Tate - VP
Duane Waldrop - VP & Senior Consumer Credit Officer
Scott Andrews - AVP
Chapin Miller - Banking Officer
Sue Plummer - Banking Officer

LOAN OPERATIONS

Kathy Brown - SVP
Melinda Martin - VP
Shirley Atkinson - AVP
Margaret Brown - AVP
Kimberly Gowan - AVP
Tammy Holman - AVP
Katie Woodall - AVP
Christy Beckworth - Banking Officer
Rachel Boone - Banking Officer
Ida Grammer - Banking Officer
Carolyn King - Banking Officer
Cindy Raun - Banking Officer
Karen Simmons - Banking Officer
Celeste White - Banking Officer

DEPOSIT OPERATIONS

Ree Carlson - SVP & Senior Operations Officer
Rita Smith - SVP & Cashier
Rhonda McFarland - VP
Julia Stuckey - VP
Diana Morgan - Assistant Cashier

Donna Alexander - AVP
Donna Herrera - Banking Officer
Debbie Hodkinson - Banking Officer

INFORMATION SERVICES

Ronald Nix - SVP & Chief Technology Officer
Jeanne Cunningham - Banking Officer
Patti Williams - Banking Officer

CUSTOMER SERVICE

Patti Fitzgerald - VP
Cheryl Kale - VP
Donna Alexander - AVP
Mary King - AVP
Charla Nash - AVP
Kathie Sims - AVP
Dana Alexander - Banking Officer
Tiffany Green - Banking Officer
Karen Waldo - Banking Officer

FINANCE

Todd Engemoen - EVP & Chief Financial Officer
Rosalyn Williamson, CPA - SVP & Controller
Andrew Cawthon - SVP
Rhonda Calhoun - VP
Steve Starnes - VP
Danny Copeland - Banking Officer
Susan Duncan - Banking Officer
Danita Hawkins - Banking Officer

HUMAN RESOURCES

Danette Heffner - EVP & Director of Human Resources
Nancy Truelock - Banking Officer

E-BRANCH

Jeremy Cartwright - VP & Electronic Banking Manager

AUDIT & COMPLIANCE

Lois Jones - SVP
Barbara Long - SVP & Audit Manager

**COMMERCIAL SERVICES/
BUSINESS DEVELOPMENT**

Woodie Tipps - EVP & Chief Retail Officer
Michael Purifoy - SVP & Business Banking Manager
Erica Archer - VP
Kristina Durham - VP
Steve Esparza - VP
Joe Gonzalez - VP

Sarah McKay - VP
Kay Bills - AVP
Katie Smith - AVP
Matt Trevino - AVP
Laura Field - Banking Officer
Robin Gibson - Banking Officer
Sophia Sartors - Banking Officer
Robin Williams - Banking Officer
Darlene Williamson - Banking Officer

**WEALTH MANAGEMENT
& TRUST**

Toby Fails - SVP & Wealth Management Manager
Tim Lewinski - SVP
Connie Fain - VP
Brad Keitt - VP
Gordon Northcutt - VP
Carol Thomson - VP
Justin Serafin - AVP
William Boughton - Trust Officer
Dana Dowling - Trust Officer
Kit Herrington - Trust Officer
Holly Krezdorn - Trust Officer
Tabitha Powell - Banking Officer
Kristen Richardson - Banking Officer

ATHENS

Jamie Running - VP & Branch Manager
Ethan Jackson - VP
Genia Gregory - AVP
Kourtney Kalawe - AVP

AUSTIN - LPO

Patrick Dailey - SVP
Viviene Ngo - SVP
Michael Ramirez - SVP
Cole McDonald - AVP

BRYAN-COLLEGE STATION

Joel Jackson - SVP & Regional Manager
Steve Bledsoe - SVP
Erica Archer - VP
Jeff Vander Woude - VP
Amber Showman - AVP
Amanda Cameron - Banking Officer & Branch Manager

CHANDLER

Cresha Foster - VP & Branch Manager
D'Laine Brooks - Banking Officer
Erica Howell - Banking Officer

CORSICANA – COLLEGE PARK

Tracy Rogers - Banking Officer

CORSICANA – DOWNTOWN

Christina Janecka - SVP &

Head of Mortgage Lending

Susan Colburn - AVP & Branch Manager

Chance Kirk - AVP

Viviana Reyna - Banking Officer

FLORENCE

Christy Stacy - VP & Branch Manager

Nikki Carlile - Banking Officer

Karen Robbins - Banking Officer

GEORGETOWN

Brad Reuther - SVP

Felicia Cortez-Luna - AVP &
Branch Manager

Jordan Rosipal - AVP

HARKER HEIGHTS

Jay Walker - SVP & Regional Manager

Janice Foster - AVP

Angela Sanchez-Jurado - AVP &
Branch Manager

HENDERSON – DOWNTOWN

Ryan Ellis - VP

Brian Lowrie - VP

Gloria Enriquez - AVP & CDC Manager

Gay Davis - Banking Officer

Tasha Smith - Banking Officer

Shea Vestal - Banking Officer

HENDERSON – SOUTH 79

Jeri Gaddis - AVP & Branch Manager

HUNTSVILLE

Gaye Clements - SVP

Matthew Childers - Banking Officer &
Branch Manager

Lisa Dearing - Banking Officer

Edwina Edmond - Banking Officer

Rindy Garland - Banking Officer

JEFFERSON

Lorie Minter - VP & Branch Manager

Penny Moore - Banking Officer

KILGORE

Pamela DeCeault - SVP &
Market President

Sandra Rojas - Banking Officer

KILLEEN

Yesenia Westbrook - AVP &
Branch Manager

Jennifer Abrigo - Banking Officer

KILLEEN – SOUTH

Amanda Pugh - Banking Officer &
Branch Manager

LAKEPORT

Kim Hicks-Graham - VP

Rikki Brown - Banking Officer

LIBERTY HILL

Shari Paddock - AVP & Branch Manager

Pamela Williams - Banking Officer

LONGVIEW – 4TH STREET

Katrina Oatney - VP

Tamara Stoker-Byrdsong - VP &
Branch Manager

LONGVIEW – DOWNTOWN

Ryan Hamilton - SVP & Regional
President

Alan Clark - VP

Julia Harris - Banking Officer &
Branch Manager

LUFKIN - DOWNTOWN

David Jenkins - AVP & Branch Manager

LUFKIN - WEST

Trent Ashby - SVP & Angelina County
Chairman

Ashlyn Cole - SVP & Market President

Martha Hernandez - VP

Lea Campbell - AVP

Chase Luce - AVP

Maria Enriquez-Anderson - AVP &
Branch Manager

MALAKOFF

Carlos Padron - VP & Branch Manager

MARSHALL

Glenn Bickerdike - SVP &
Regional Manager

Terri Brown - VP & Branch Manager

Orlando Valle - Banking Officer

MEXIA

Rick Sanders - VP & Branch Manager

Cheryl Hancock - Banking Officer

MOUNT ENTERPRISE

Misty Cours - AVP & Branch Manager

MOUNT PLEASANT

Lee Loveless - VP

Tawana Kizer - AVP & Branch Manager

Sheri Wood - AVP

PALESTINE

Cliff Bomer - SVP & Western
Region Manager

Rachael Johnson - VP

Jeffrey Schwab - AVP

Meshell Scott - AVP & Branch Manager

Susan Callahan - Banking Officer

Stephanie Pittman - Banking Officer

PINE TREE

Alana Williams - Banking Officer &
Branch Manager

ROUND ROCK

Jonathan Voight - SVP & Regional
Manager

Rasheedah Quarles - AVP &
Branch Manager

TATUM

Karen McIlwain - AVP & Branch Manager

TEMPLE

Charles Chapman - SVP &
Branch Manager

TYLER – CUMBERLAND

Brenda Hall - VP

Maria Avila - Banking Officer &
Branch Manager

TYLER – FRONT STREET

Jesus Vera - VP & Branch Manager

Rosie Esparza - AVP

TYLER – GRANDE

Andrew Adams - SVP & Market President

Stuart Meisenheimer - SVP

Nathan Holt - VP

Kim Page - VP

Adam Attaway - AVP

Maria Avila - Banking Officer & Branch
Manager

Angelica Gonzalez - Banking Officer

WASKOM

Janet Hudson - Banking Officer

WHITE OAK

Barbara Fergus - VP

Jennifer Barnett - AVP & Branch Manager

Carla Bohanon - AVP



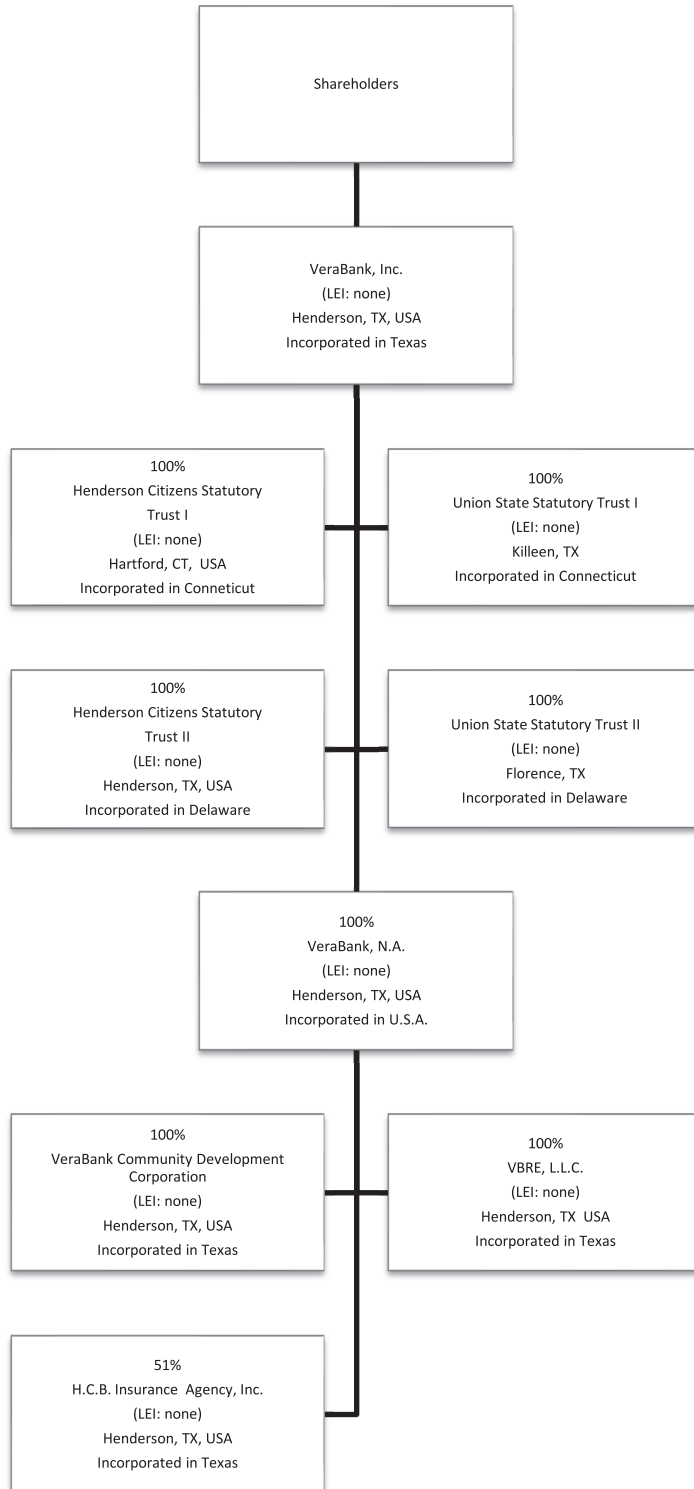
VERABANK, INC.

2020 ANNUAL REPORT



VeraBank, Inc.
Fiscal Year Ending December 31, 2020

Report Item 2a: Organization Chart



Form FR Y-6
 VeraBank, Inc.
 Fiscal Year Ending December 31, 2020

Report Item 2b: Domestic Branch Listing

Results: A list of branches for your depository institution: VERABANK, NATIONAL ASSOCIATION (ID_RSSD: 56351). This depository institution is held by VERABANK, INC. (1917600) of HENDERSON, TX. The data are as of 12/31/2020. Data reflects information that was received and processed through 01/05/2021.

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.

Data Action	Effective Date	Branch ID_RSSD*	Branch Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office ID_RSSD*	Comments
OK		56351	VERABANK, NATIONAL ASSOCIATION	201 WEST MAIN STREET	HENDERSON	TX	75652	RUSK	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		3494217	ATHENS BRANCH	739 E TYLER STREET	ATHENS	TX	75751	HENDERSON	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		5344174	BRYAN-COLLEGE STATION BRANCH	4282 BOONVILLE RD, SUITE 200	BRYAN	TX	77802	BRAZOS	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		1458765	CHANDLER BRANCH	105 STATE HIGHWAY 31 E	CHANDLER	TX	75758	HENDERSON	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		1432206	CORSICANA BR	400 WEST COLLIN STREET	CORSICANA	TX	75110	NAVARRO	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		2612313	WEST 7TH AVENUE BRANCH	3590 W 7TH AVE	CORSICANA	TX	75110	NAVARRO	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		4528950	FLORENCE BRANCH	100 E MAIN STREET	FLORENCE	TX	76527	WILLIAMSON	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		2124441	GEORGETOWN BRANCH	1100 WILLIAMS DRIVE	GEORGETOWN	TX	78628	WILLIAMSON	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		3486445	HARKER HEIGHTS BRANCH	345 E FM 2410	HARKER HEIGHTS	TX	76548-1833	BELL	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		55859	HIGHWAY 79 BRANCH	2320 HIGHWAY 79 SOUTH	HENDERSON	TX	75652	RUSK	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		855358	HUNTSVILLE BRANCH	1718 11TH STREET	HUNTSVILLE	TX	77340-3723	WALKER	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		600053	JEFFERSON BRANCH	109 E BROADWAY	JEFFERSON	TX	75657	MARION	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		2958048	KILGORE STREET	410 N KILGORE STREET	KILGORE	TX	75662	GREGG	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		1444535	KILLEEN BRANCH	120 NORTH GRAY STREET	KILLEEN	TX	76541	BELL	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		4412861	SOUTH KILLEEN BRANCH	2201 EAST STAN SCHLUETER LOOP, SUITE B	KILLEEN	TX	76542	BELL	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		2799111	LIBERTY HILL BRANCH	13601 WEST STATE HIGHWAY 29	LIBERTY HILL	TX	78642	WILLIAMSON	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		3432161	4TH STREET BRANCH	3412 4TH ST	LONGVIEW	TX	75605	GREGG	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		1417856	LAKEPORT BRANCH	5001 ESTES PKWY	LONGVIEW	TX	75603	GREGG	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		2345965	LONGVIEW BRANCH	800 GILMER ROAD	LONGVIEW	TX	75604	GREGG	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		4500786	LONGVIEW DOWNTOWN BRANCH	200 NORTH FREDONIA STREET	LONGVIEW	TX	75601	GREGG	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		2494685	GASLIGHT BRANCH	805 S JOHN REDDITT DR	LUFKIN	TX	75904	ANGELINA	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		3725265	LUFKIN BC MTR BRANCH	504 S 2ND ST	LUFKIN	TX	75901	ANGELINA	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		1433511	LUFKIN BR	415 S FIRST ST	LUFKIN	TX	75901	ANGELINA	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		1430480	MALAKOFF BR	115 W ROYALL BLVD	MALAKOFF	TX	75148	HENDERSON	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		2873806	MARSHALL BRANCH	1708 E END BLVD	MARSHALL	TX	75670	HARRISON	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		1883581	MEXIA BRANCH	101 NORTH MCKINNEY STREET	MEXIA	TX	76667	LIMESTONE	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		109864	MOUNT ENTERPRISE BRANCH	110 WEST RUSK STREET	MOUNT ENTERPRISE	TX	75681	RUSK	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		1431964	MOUNT PLEASANT BR	302 N JEFFERSON AVENUE	MOUNT PLEASANT	TX	75455	TITUS	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		904667	PALESTINE BRANCH	207 WEST SPRING STREET	PALESTINE	TX	75801	ANDERSON	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		3546367	ROUND ROCK BRANCH	902 EAST PALM VALLEY BLVD.	ROUND ROCK	TX	78664	WILLIAMSON	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		2452564	TATUM BRANCH	165 NORTH HILL STREET	TATUM	TX	75691	RUSK	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		4207898	TEMPLE BRANCH	3957 RALEIGH DRIVE	TEMPLE	TX	76502-3367	BELL	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		3432170	TYLER BRANCH	107 MARKET SQUARE BLVD	TYLER	TX	75703	SMITH	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		4588261	TYLER FRONT STREET BRANCH	620 WEST FRONT STREET	TYLER	TX	75702	SMITH	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		3943591	TYLER GRANDE BRANCH	2217 WEST GRANDE BOULEVARD	TYLER	TX	75703	SMITH	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		204965	WASKOM BRANCH	745 SPUR 156	WASKOM	TX	75692	HARRISON	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351
OK		558462	WHITE OAK BRANCH	1101 S. WHITE OAK ROAD	WHITE OAK	TX	75693-3509	GREGG	UNITED STATES	Not Required	Not Required	VERABANK, NATIONAL ASSOCIATION	56351

Form FR Y-6
VeraBank, Inc.
Fiscal Year Ending December 31, 2020

Report Item 3: Securities holders

Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12-31-2020

(1)(a) Name & Address	(1)(b) Country of Citizenship	(1)(c) Number and Percentage of Each Class of Voting Securities
Phyllis P. Alford Henderson, TX	USA	194,765 shares of common stock – 8.77% ¹
David Alford Henderson, TX	USA	188,041 shares of common stock – 8.47% ²
Stayton M. Bonner, Jr. Henderson, TX	USA	156,759 shares of common stock – 7.06% ³
Andrew Kangerga Henderson, TX	USA	135,048 shares of common stock – 6.08% ⁴

¹ Includes 165,024 shares owned by CNB Alford, LP for which Phyllis P. Alford has voting authority. Includes 16,138 shares owned by Alford Holdings, LP for which Phyllis P. Alford has voting authority. Includes 3,824 shares held in trust for Mrs. Alford as trustee of the E. Landon Alford Family Trust.

² Includes 165,024 shares owned by CNB Alford, LP for which David Alford has voting authority. Includes 16,138 shares owned by Alford Holdings, LP for which David Alford has voting authority. Includes 2,813 shares held in trust for Mr. Alford as trustee and co-beneficiary of the David R Alford Family Trust. Includes 3,824 shares held in the E. Landon Alford Family Trust for which Mr. Alford has voting authority.

³ Includes 20,500 shares owned by Odyssey Partners LTD for which Mr. Bonner has voting authority. Also included are 44,615 shares held in three trusts (John Bonner Trust, Stayton Bonner Trust and Walter Bonner Trust) for which Mr. Bonner is a co-beneficiary and co-trustee. Mr. Bonner is also co-trustee with VeraBank on three other trusts (Rebecca Dismukes Trust, Robert Dismukes Trust and Regan Dismukes Trust), which own an aggregate of 88,560 shares, of which he is not a beneficiary. The combined 133,175 shares held in the six trusts are voted solely by Mr. Bonner and, therefore, are included in the total shares beneficially owned by Mr. Bonner.

⁴ Includes 132,978 shares owned by NRK Investments LLP for which Mr. Kangerga has sole voting authority. Includes 660 shares held by Mr. Kangerga as custodian for his minor children.

Form FR Y-6
VeraBank, Inc.
Fiscal Year Ending December 31, 2020

Report Item 3: Securities holders (continued)

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 12-31-2020

(2)(a) Name & Address	(2)(b) Country of Citizenship	(2)(c) Number and Percentage of Each Class of Voting Securities
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None

Form FR Y-6
VeraBank, Inc.
Year Ending December 31, 2020

Report Item 4: Insiders

(1) Names & Address (City, State, Country)	(2) Principal Occupation, if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries	(3)(c) Title & Position with Other Businesses	(4)(a) Percentage of Voting Shares in Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries	(4)(b) List names of other companies if 25% or more of voting securities are held
Benson Alford Flint, TX USA	Sales Management	Director	Director (VeraBank, N.A.)	Director (H.C.B., Inc.)	0.12%	n/a	n/a
Stayton M. Bonner, Jr. Henderson, TX USA	Attorney	Director	Director (VeraBank, N.A.)	Director (H.C.B., Inc.)	7.06%	n/a	n/a
Kathryn Wylie Deason Henderson, TX USA	Accountant	Director	Director (VeraBank, N.A.)	Director (H.C.B., Inc.)	0.46%	n/a	n/a
Todd Engemoen Tyler, TX USA	n/a	Director and Senior Vice President & CFO	Exec Vice President & CFO (VeraBank, N.A.)	Director and Vice President & CFO (H.C.B., Inc.)	0.02%	n/a	n/a
Jason Flanagan Henderson, TX USA	Corporate executive	Director	Director (VeraBank, N.A.)	Director (H.C.B., Inc.)	0.38%	n/a	n/a
Sheila Smith Gresham Henderson, TX USA	Investor	Director	Director (VeraBank, N.A.)	Director (H.C.B., Inc.)	0.61%	n/a	n/a
Andrew J. Kangerga Fort Worth TX USA	Investor	Director	Director (VeraBank, N.A.)	Director (H.C.B., Inc.)	6.08%	n/a	n/a
James M. Kangerga Henderson, TX USA	Investor	Director	Director (VeraBank, N.A.)	Director (H.C.B., Inc.)	1.37%	n/a	n/a
J. Mark Mann Henderson, TX USA	Attorney	Director and Chairman of the Board	Director & Chairman of the Board (VeraBank, N.A.)	Director & Chairman of the Board (H.C.B., Inc.)	0.57%	n/a	n/a
Andrew D. Mills Henderson, TX USA	Corporate executive	Director	Director (VeraBank, N.A.)	Director (H.C.B., Inc.)	0.58%	n/a	n/a

VeraBank, Inc.
Year Ending December 31, 2020

Report Item 4: Insiders

(1) Names & Address (City, State, Country)	(2) Principal Occupation, if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries	(3)(c) Title & Position with Other Businesses	(4)(a) Percentage of Voting Shares in Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries	(4)(b) List names of other companies if 25% or more of voting securities are held
Michael R. Moores Henderson, TX USA	n/a	Director and Vice President	Director and Exec Vice President & CLO (VeraBank, N.A.)	Director and Vice President (H.C.B., Inc.)	0.52%	n/a	n/a
Bradley H. Tidwell Longview, TX USA	n/a	Director and President	Director and President & CEO (VeraBank, N.A.)	Director & President (H.C.B., Inc.)	0.15%	n/a	n/a
Danette Heffner Liberty City, TX USA	n/a	Vice President & Secretary	Exec Vice President (VeraBank, N.A.)	Vice President & Secretary (H.C.B., Inc.)	0.03%	n/a	n/a
Rita Smith Boerne, TX USA	n/a	Vice President	Senior Vice President & Cashier (VeraBank, N.A.)	Vice President (H.C.B., Inc.)	n/a	n/a	n/a
Rosalyn Williamson Troup, TX USA	n/a	Vice President & Treasurer	Senior Vice President & Controller (VeraBank, N.A.)	Vice President & Treasurer (H.C.B., Inc.)	n/a	n/a	n/a
Rhonda Calhoun Henderson, TX USA	n/a	Asst. Secretary & Asst. Treasurer	Vice President (VeraBank, N.A.)	Vice President (H.C.B., Inc.)	n/a	n/a	n/a
Gay Davis Henderson, TX USA	n/a	Asst. Secretary	Banking Officer (VeraBank, N.A.)	Asst. Secretary (H.C.B., Inc.)	n/a	n/a	n/a