

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, John Murray

Name of the Holding Company Director and Official

Director, President, 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.

John C. Murray

Signature of Holding Company Director and Official

9/8/2021

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

Kress National Bancshares, Inc.

Legal Title of Holding Company

P.O. Box 660

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

Kress Texas 79052
 City State Zip Code

US Highway 87 & West 4th Street

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Martin C. Lewis CPA
 Name Title

806-293-4287

Area Code / Phone Number / Extension

806-293-7674

Area Code / FAX Number

mcl@cpaontheweb.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
- 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."

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.

NONE

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)

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)

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)

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)

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)

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)

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)

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)

KRESS NATIONAL BANCSHARES, INC.

DECEMBER 31, 2020

FR Y-6

REPORT ITEM 1: Annual Reports to Shareholders'

The annual report to shareholders' consists of the attached parent company only comparative financial statements for the years ended December 31, 2020 and 2019.

**KRESS NATIONAL BANCSHARES, INC.
(PARENT COMPANY ONLY)**

COMPILED FINANCIAL STATEMENTS

Years Ended December 31, 2020 and 2019

**KRESS NATIONAL BANCSHARES, INC.
(PARENT COMPANY ONLY)**

TABLE OF CONTENTS

	<u>Page</u>
Accountants' Report	1
Comparative Financial Statements:	
Comparative Balance Sheets	2
Comparative Statements of Income	4
Comparative Statements of Changes in Stockholders' Equity	5
Comparative Statements of Cash Flows	6
Notes to Financial Statements	7



LEWIS, KAUFMAN, REID, STUKEY, GATTIS & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
Kress National Bancshares, Inc.
Kress, Texas

ACCOUNTANTS' COMPILATION REPORT

Management is responsible for the accompanying financial statements of Kress National Bancshares, Inc. (a corporation) which comprise the balance sheets as of December 31, 2020 and 2019 and the related statements of income and changes in stockholders' equity and cash flows for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial matters.

The accompanying financial statements are not intended to be the primary statements of Kress National Bancshares, Inc. as they have been prepared in conformity with accounting principles that would otherwise be considered a departure from generally accepted accounting principles because the Company's subsidiary, Kress National Bank, is not consolidated but rather shown as an investment carried on the equity method.

Lewis, Kaufman, Reid, Stukey, Gattis & Co., P.C.

Lewis, Kaufman, Reid, Stukey, Gattis & Co., P.C.
January 15, 2021



KRESS NATIONAL BANCSHARES, INC.
(PARENT COMPANY ONLY)

COMPARATIVE BALANCE SHEETS
December 31, 2020 and 2019

	<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
Current Assets:			
Cash	\$	4,610	4,215
Accounts Receivable - Holding Company		<u>-0-</u>	<u>-0-</u>
		4,610	4,215
Investments:			
Investment in Subsidiary (Note 1)		<u>5,219,595</u>	<u>5,072,955</u>
<u>Total Assets</u>	\$	<u>5,224,205</u>	<u>5,077,170</u>

See Accountants' Compilation Report and Notes to Financial Statements

**KRESS NATIONAL BANCSHARES, INC.
(PARENT COMPANY ONLY)**

**COMPARATIVE BALANCE SHEETS
December 31, 2020 and 2019**

LIABILITIES & STOCKHOLDERS' EQUITY

	<u>2020</u>	<u>2019</u>
<i>Current Liabilities:</i>		
Accounts Payable - Subsidiary	\$ <u>-0-</u>	<u>-0-</u>
	<u>-0-</u>	<u>-0-</u>
 <i>Stockholders' Equity:</i>		
Common Stock, Par Value \$100 Per Share, Authorized 1,000 Shares; 1,000 Shares Issued, and 890 & 890 Shares Outstanding respectively	100,000	100,000
Additional Paid-In Capital	2,356,622	2,356,622
Retained Earnings	2,939,151	2,960,884
Treasury Stock (100 & 110 shares at cost, respectively)	(357,339)	(357,339)
<i>Unrealized Gain (Loss) on Subsidiary Bank - AFS Securities</i>	<u>185,771</u>	<u>17,003</u>
Total Stockholders' Equity	<u>5,224,205</u>	<u>5,077,170</u>
<u>Total Liabilities & Stockholders' Equity</u>	\$ <u>5,224,205</u>	<u>5,077,170</u>

See Accountants' Compilation Report and Notes to Financial Statements

**KRESS NATIONAL BANCSHARES, INC.
(PARENT COMPANY ONLY)**

**COMPARATIVE STATEMENTS OF INCOME
Years Ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Income:		
Other Income	\$ <u>-0-</u>	<u>-0-</u>
	<u>-0-</u>	<u>-0-</u>
Expenses:		
Professional Fees	2,605	3,107
Consulting Fees	-0-	-0-
Other Expenses	<u>-0-</u>	<u>-0-</u>
	<u>2,605</u>	<u>3,107</u>
Net Income Before Federal Income Tax and Equity in Net Income of Subsidiary	(2,605)	(3,107)
Federal Income Tax (Expense) Benefit	<u>-0-</u>	<u>-0-</u>
Net Income (Loss) Before Equity in Net Income of Subsidiary	(2,605)	(3,107)
Equity in Net Income of Subsidiary	<u>240,138</u>	<u>408,800</u>
<u>Net Income</u>	\$ <u>237,533</u>	<u>405,693</u>
<u>Earnings Per Share</u>	\$ <u>266.89</u>	<u>455.83</u>

See Accountants' Compilation Report and Notes to Financial Statements

**KRESS NATIONAL BANCSHARES, INC.
(PARENT COMPANY ONLY)**

**COMPARATIVE STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
Years Ended December 31, 2020 and 2019**

	Common Stock		Add'l Paid In Capital	Retained Earnings	Unrealized Gain (Loss) on Subsidiaries AFS Securities	Treasury Stock	Total
	Number of Shares	Amount					
Balance at December 31, 2018	<u>1,000</u>	<u>100,000</u>	<u>2,356,622</u>	<u>2,818,560</u>	<u>(141,915)</u>	<u>(357,339)</u>	<u>4,775,928</u>
Change in Unrealized Gain (Loss) - AFS Securities					158,918		158,918
Net Income for year 2019				405,693			405,693
Dividends Paid				(263,369)			(263,369)
Balance at December 31, 2019	<u>1,000</u>	<u>100,000</u>	<u>2,356,622</u>	<u>2,960,884</u>	<u>17,003</u>	<u>(357,339)</u>	<u>5,077,170</u>
Change in Unrealized Gain (Loss) - AFS Securities					168,768		168,768
Net Income for year 2020				237,533			237,533
Dividends Paid				(259,266)			(259,266)
Balance at December 31, 2020	<u>1,000</u>	<u>100,000</u>	<u>2,356,622</u>	<u>2,939,151</u>	<u>185,771</u>	<u>(357,339)</u>	<u>5,224,205</u>

See Accountants' Compilation Report and Notes to Financial Statements

**KRESS NATIONAL BANCSHARES, INC.
(PARENT COMPANY ONLY)**

**COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Net Income	\$ 237,533	405,693
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in subsidiaries earnings	(240,138)	(408,800)
(Increase) decrease in assets and increase (decrease) in liabilities:		
Accounts Receivable	-0-	-0-
Accounts Payable	<u>-0-</u>	<u>-0-</u>
Net cash (used) provided by operating activities	<u>(2,605)</u>	<u>(3,107)</u>
Cash flows from investing activities:		
Dividends received from subsidiaries	<u>262,266</u>	<u>266,369</u>
Net cash (used) provided by investing activities	<u>262,266</u>	<u>266,369</u>
Cash flows from financing activities:		
Dividends paid stockholders'	<u>(259,266)</u>	<u>(263,369)</u>
Net cash (used) provided by financing activities	<u>(259,266)</u>	<u>(263,369)</u>
Net increase (decrease) in cash	395	(107)
Cash at the beginning of the year	<u>4,215</u>	<u>4,322</u>
Cash at the end of year	\$ <u><u>4,610</u></u>	<u><u>4,215</u></u>

See Accountants' Compilation Report and Notes to Financial Statements

**KRESS NATIONAL BANCSHARES, INC.
(PARENT COMPANY ONLY)**

**NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INVESTMENT IN SUBSIDIARIES

The Company carries its investment in Kress National Bank, Kress, Texas, at cost, plus its equity in the net earnings since date of acquisition (May 31, 1999).

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include time deposits, certificates of deposit and marketable securities with original maturities of three months or less.

NOTE 2: FEDERAL INCOME TAX EXPENSE (BENEFIT)

The Company is taxed as an S Corporation under the Internal Revenue Code effective May 31, 1999. Under an S Corporation election, the income of the Corporation flows through to the stockholders to be taxed at the individual level rather than the corporate level. Accordingly, the Company will have no tax liability associated with its net taxable income.

NOTE 3: SUPPLEMENTAL DISCLOSURES CASH FLOW INFORMATION

Cash paid during the year for interest	\$	-0-
Cash paid during the year for taxes		-0-

KRESS NATIONAL BANCSHARES, INC.

DECEMBER 31, 2020

FR Y-6

REPORT ITEM 2a: Organization Chart

Kress National Bancshares, Inc.
Kress, Texas / USA
LEI: None

(100% Ownership)

Kress National Bank
Kress, Texas / USA
LEI: None

KRESS NATIONAL BANCSHARES, INC.

DECEMBER 31, 2020

FR Y-6

REPORT ITEM 2b: Domestic Branch Listing

Submitted via email 3/30/2021.

Results: A list of branches for your holding company: **KRESS NATIONAL BANCSHARES, INC. (2741307) of KRESS, 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 Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
OK		Full Service (Head Office)	995955	KRESS NATIONAL BANK	US HIGHWAY 87 AND WEST 4TH STREET	KRESS	TX	79052	SWISHER	UNITED STATES	Not Required	Not Required	KRESS NATIONAL BANK	995955	

KRESS NATIONAL BANCSHARES, INC.

DECEMBER 31, 2020

FR Y-6

REPORT ITEM 3: Securities Holders

Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of December 31, 2020.

(1)(a) Name and Address	(1)(c) Number of Shares Owned, Controlled or Held With Power to Vote	(1)(c) Percentage of Shares Owned, Controlled or Held With Power to Vote	(1)(b) Country
Bobby Flick Kress, Texas	89	10.00%	USA
Joe D. Vaughn Tulia, Texas	133	14.94%	USA
Calvin Foster Kress, Texas	69	7.75%	USA
Curtis Foster Kress, Texas	92	10.34%	USA
Gary Foster Kress, Texas	99	11.12%	USA
Foster Family Total	191	21.46%	
Gaylean McLean Hoover, Alabama	62	6.97%	USA
John Murray Kress, Texas	47	5.28%	USA
Chris Murray Kress, Texas	2	0.23%	USA
Murray Family Total	49	5.51%	

<u>(2)(a)</u> Name and Address	<u>(2)(c)</u> Shares Owned	<u>(2)(c)</u> % Owned	<u>(2)(b)</u> Country
-----------------------------------	-------------------------------	--------------------------	--------------------------

N/A

KRESS NATIONAL BANCSHARES, INC.

DECEMBER 31, 2020

FR Y-6

REPORT ITEM 4: Insiders

See Attached.

KRESS NATIONAL BANCSHARES, INC.

Form FR Y-6

December 31, 2020

Report Item 4: Directors and Officers

(1) (2) (3)(a)(b)(c) and (4)(a)(b)(c)

(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 (Include) names of subsidiaries)	(3)(c) Title & Position with Other Businesses	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (Include) names of subsidiaries)	(4)(c) Percentage of Voting Shares held in Other Companies (List names of other companies)
Bobby Flick Kress, Texas/USA	Farmer & Rancher	Director	Director (Kress National Bank)	N/A	10.00%	None	N/A
Gary Foster Plainview, Texas/USA	Farmer	Director	Director (Kress National Bank)	N/A	11.12%	None	N/A
John C. Murray Kress, Texas/USA	Banker	Director, President & Chairman of the Board	Director, President & Chairman of the Board (Kress National Bank)	N/A	5.28%	None	N/A
Barry Street Kress, Texas /USA	Businessman Farmer & Rancher	Director	Director (Kress National Bank)	Street Community Gin, Ltd-Partner	0.79%	None	Street Community Gin, Ltd. (100.00%)
Chris Murray Kress, Texas/USA	Banker	Director	Director & Vice-President (Kress National Bank)	N/A	0.22%	None	N/A
Joe Hadley Plainview, Texas/USA	Banker	Secretary of Board	Vice-President & Cashier (Kress National Bank)	N/A	0.00%	None	N/A
Curtis Foster Plainview, Texas/USA	N/A	Principal Securities Holder	None	N/A	10.34%	None	N/A
Calvin Foster Plainview, Texas/USA	N/A	Principal Securities Holder	None	N/A	7.75%	None	N/A
Joe D. Vaughn Kress, Texas/USA	N/A	Principal Securities Holder	None	N/A	14.94%	None	N/A