

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.

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, Danny T. Skarda

Name of the Holding Company Director and Official

Chairman and CEO

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

09/10/2021

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. _____

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.

Date of Report (top-tier holding company's fiscal year-end):

December 31, 2020

Month / Day / Year

N/A

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

Reporter's Name, Street, and Mailing Address

ISB Holdings, Inc.

Legal Title of Holding Company

PO BOX 947

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

Perryton Texas 79070
 City State Zip Code

301 S. Main

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Blair Berg CFO
 Name Title

806.331.6000

Area Code / Phone Number / Extension

806.322.5615

Area Code / FAX Number

bberg@isbtexas.bank

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	<u>0</u>
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.

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

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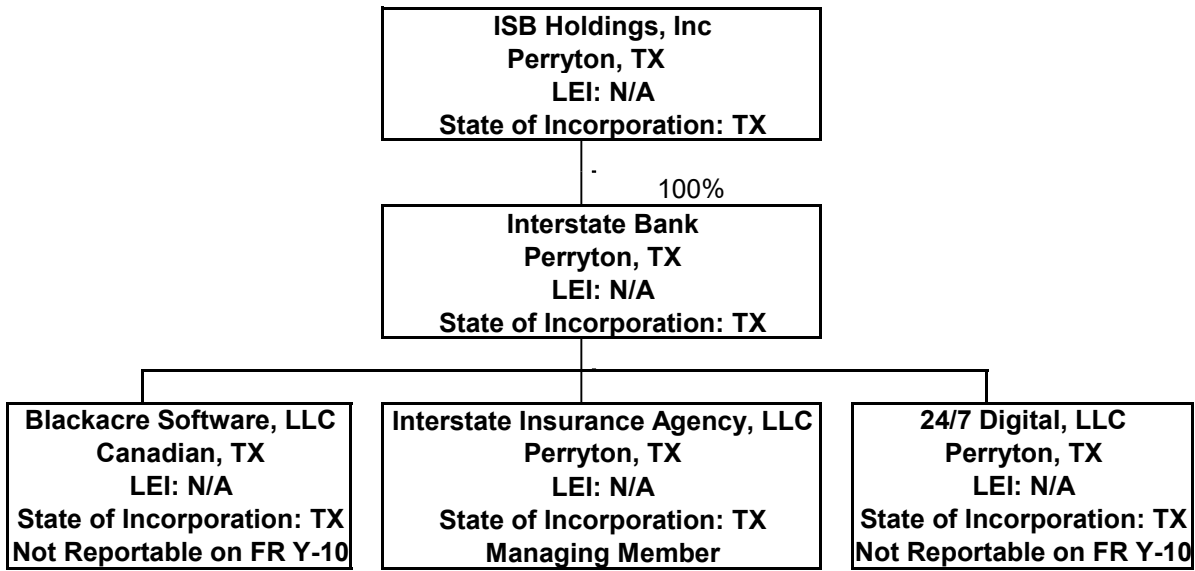
Physical Location (if different from mailing address)

Form FR Y-6

ISB Holdings, Inc.
Perryton, Texas
For Year Ending December 31, 2020

Report Item

- 1: a. The BHC is not required to prepare form 10K with the SEC.
- 1: b. The BHC does prepare an annual report for its shareholders.
Enclosed are two copies of the report for its shareholders.
- 2: a. Organization Chart



- 2: b. Domestic Branch Listing

Results: A list of branches for your holding company: ISB HOLDINGS, INC. (3130542) of PERRYTON, TX.
 The data are as of 12/31/2020. Data reflects information that was received and processed through 07/06/2021.

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 ID_RSSD*	Comments
OK		Full Service (Head Office)	791072	INTERSTATE BANK	301 SOUTH MAIN STREET	PERRYTON TX	TX	79070	OCHILTREE	UNITED STATES	Not Required	Not Required	791072	
OK		Full Service	3398089	COULTER STREET BRANCH	5085 SOUTH COULTER STREET	AMARILLO TX	TX	79119	RANDALL	UNITED STATES	Not Required	Not Required	791072	

ISB Holdings
From FR Y-6
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 12/31/2020		Shareholders 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	
(1)(a) Name & Address (City, State, Country)	(1)(b) Country of Citizenship or Incorporation	(1)(c) Number and Percentage of Each Class of Voting Securities	(2)(a) Name & Address (City, State, Country) (2)(b) Country of Citizenship or Incorporation (2)(c) Number and Percentage of Each Class of Voting Securities
Harold D. Courson Perryton, TX	USA	2,451 - 46.76% Common Stock	NONE
Perry Sooter Amarillo, TX	USA	273 - 5.21% Common Stock	
Eldon Dudley Canyon, TX	USA	270 - 5.15% Common Stock	
Kyle Dudley Canyon, TX	USA	100 - 1.91% Common Stock	
Dudley Family (Including Eldon and Kyle Dudley) Canyon, TX	USA	370 - 7.06% Common Stock	

Report Item 4: Insiders									
(1)(a)(b)(c) and (2)(b)(c)									
(1) Name & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with holding company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(a) Percentage of Voting Shares in holding company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4)(c) List name of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)		
Danny T. Skarda Amarillo, TX	N/A	Director & Chairman Chief Executive Officer	Director & Chairman Interstate Bank, ssb	N/A	0.00%	None	N/A		
Joe K. Ogden Perryton, TX	N/A	Director & President Chief Operation Officer	Director & President/ Chief Operating Officer Interstate Bank, ssb	N/A	0.38%	None	N/A		
Kyle Dudley Canyon, TX	Appraiser	Director	Director Interstate Bank, ssb	N/A	1.91%	None	Kyle Dudley Appraisal 100%		
Perry Sooter Amarillo, TX	Oil & Gas Service Unit Manager	Director	Director Interstate Bank, ssb	President Western Hot Oil Services General Partner Sooter Ranch LTD Sooter Family Management LLC Sooter Properties LTD	5.21%	None	Western Hot Oil Services 100% Sooter Ranch LTD 99% Sooter Properties LTD 100%		
Carson Schilling Booker, TX	Attorney	Director	Director Interstate Bank, ssb	General Partner Sooter Family Partnership LTD Vice President Panhandle Disposal Service Inc President Western Frac Tanks Inc Partner Lemon Law Firm	2.48%	None	Sooter Family Partnership LTD 100% Panhandle Disposal Service Inc 90% Western Frac Tanks Inc 80% Lemon Law Firm N/A		
			Director Shattuck National Bank	Director Shattuck National Bank			Shattuck National Bank N/A		
			General Partner ARCENA Minerals & Investments	General Partner ARCENA Minerals & Investments			ARCENA Minerals & Investments 45%		
							CLM Investments 100%		

ISB Holdings
Form FR Y-6
December 31, 2020

Report Item 4: Insiders (1)(a)(b)(c) and (2)(a)(b)(c)							
(1) Name & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with holding company	(3)(b) Title & Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title & Position with Other Businesses (include names of other businesses)	(4)(a) Percentage of Voting Shares in holding company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4)(c) List name of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Harold D. Courson Perryton, TX	Oil Exploration Engineer	Advisory Director Principal Shareholder	Advisory Director Interstate Bank, ssb	Principal Owner Courson Oil & Gas, Inc. Consultants	46.78%	None	Courson Oil & Gas Courson Oil & Gas, Inc. 50%
				Principal Owner Harold Courson Oil & Gas Properties			Courson Family Oil & Gas Partnership, Ltd. 49.5%
				Principal Owner Courson Oil & Gas Consultants			Courson Oil & Gas Consultants 33%
				Partner Harbaugh Ranch			Harbaugh Ranch 50%
				Partner Courson Family Land Partnership			Courson Family Land Partnership 50%
				Owner C-C Cattle Company			C-C Cattle Company 50%
							The Courson Companies, Inc. 49.5%
							Joyce Courson Insurance Trust 50%

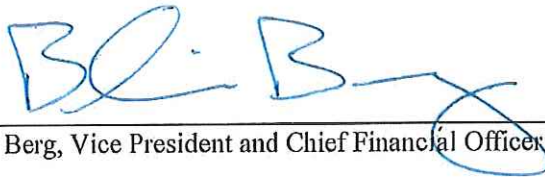
YEAR-TO-DATE DISCLOSURE STATEMENT
As of December 31, 2020

ISB Holdings, Inc.
301 S. Main
Perryton, TX 79070

Notice and Availability

The annual disclosure statement may be obtained upon request.

I, the undersigned officer, attest to the correctness on this statement and declare that it has been examined by me and to the best of my knowledge and belief has been prepared in accordance with instructions issued by the appropriate Federal authority and is true and correct.



Blair Berg, Vice President and Chief Financial Officer

**This statement has not been reviewed, or confirmed for accuracy or relevancy, by the
Federal Deposit Insurance Corporation or any other regulatory agency.**

ISB Holdings, Inc
Perryton, Texas

CONSOLIDATED BALANCE SHEET

	2020	2019
	\$(000)	\$(000)
ASSETS		
Cash and balances due from depository institutions		
Noninterest-bearing balances and currency and coin	8,494	1,814
Interest-bearing balances	2,930	7,095
Securities		
Held-to-Maturity	0	0
Available-for-sale	68,941	60,554
Federal funds sold and securities purchased under agreements to resell	7,622	7,346
Loans and lease financing receivables:		
Loans and leases held for sale	0	670
Loans and leases, net of unearned income	109,355	109,468
LESS: Allowance for loan and lease loss	1,190	1,268
Loans and leases, net of unearned income, allowance, and reserve	108,165	108,200
Trading assets	0	0
Premises and fixed assets (including capitalized leases)	2,900	3,108
Other real estate owned	0	0
Investments in unconsolidated subsidiaries and associated companies	124	124
Customers' liability to this bank on acceptances outstanding	0	0
Intangible assets:		
Goodwill	2,821	3,167
Other intangible assets	0	1
Other assets	4,395	4,492
TOTAL ASSETS	206,392	196,571
LIABILITIES AND STOCKHOLDER'S EQUITY		
LIABILITIES		
Deposits:		
In domestic offices:		
Noninterest-bearing	181,162	171,214
Interest-bearing	36,992	31,865
Federal funds purchased and securities sold under agreements to repurchase	144,170	139,349
Trading liabilities	0	0
Other borrowed money	1,395	1,687
Bank's liability on acceptances executed and outstanding	0	0
Subordinated notes and debentures	0	0
Other liabilities	417	417
Total liabilities	182,974	173,318
STOCKHOLDERS' EQUITY		
Perpetual preferred stock and related surplus	0	0
Common stock	5	5
Surplus	9,727	9,727
Treasury Stock	0	0
Retained earnings	13,026	13,244
Accumulated other comprehensive income	660	278
Other equity capital components	0	0
Total stockholders' equity	23,418	23,254
TOTAL LIABILITIES AND EQUITY CAPITAL	206,392	196,571

ISB Holdings, Inc
Perryton, Texas

INCOME STATEMENT	Year Ended December 31,	
	2020	2019
	\$(000)	\$(000)
Interest income:		
Interest and fee income from loans	5,416	6,305
Income from financing lease receivables	53	51
Interest income on balances due from depository institutions	54	113
Interest and dividend on securities:		
U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities)	244	783
Mortgage-backed securities	568	345
All other securities	317	257
Total interest income and dividend on securities	1,129	1,385
Interest income from trading assets	0	0
Interest income on federal funds sold and securities purchased under agreements to resell	16	172
Other interest income	9	22
Total interest income	6,677	8,047
Interest expense:		
Interest on deposits:		
Transaction accounts (NOW accounts, ATS accounts and telephone and preauthorized transfer accounts)	34	36
Nontransaction accounts:		
Savings deposits, including money market deposit accounts	76	72
Time deposits of \$250,000 or more	213	252
Time deposits of less than \$250,000	289	317
Expense of federal funds purchased and securities under agreements to repurchase	0	0
Interest on trading liabilities and other borrowed money	46	94
Interest on subordinated notes and debentures	0	0
Total interest expense	658	771
Net interest income	6,019	7,277
Provisions:		
Provisions for credit losses	1,775	300
Noninterest income:		
Service charges on deposit accounts	101	119
Insurance commissions and fees	963	1,039
Net gains (losses) on sales of loans	73	123
Net gains (losses) on sales of other real estate owned	16	0
Net gains (losses) on sales of other assets (excluding securities)	21	6
Other noninterest income	455	212
Total noninterest income	1,629	1,499
Realized gains (losses) on held-to-maturity	0	0
Realized gains (losses) on available-for-sale securities	580	47
Noninterest expense:		
Salaries and employee benefits	3,282	3,158
Expenses of premises and fixed assets (net of rental income)	510	541
Amortization expense of intangible assets (including goodwill)	346	1
Other noninterest expense	1,747	1,747
Total noninterest expense	5,885	5,446
Income (loss) before income taxes and extraordinary items and other adjustments	568	3,077
Applicable income taxes	0	0
Income (loss) before extraordinary items and other adjustments	568	3,077
Extraordinary items and other adjustments, net of income taxes	0	0
Net income	568	3,077

ISB Holdings, Inc.
Perryton, Texas

INCOME STATEMENT (continued)	Year Ended December 31,	
	2020	2019
	\$(000)	\$(000)
Income statement memoranda:		
Income on tax-exempt loans and leases to state and political subdivisions	3	4
Income on tax-exempt securities issued by state and political subdivisions	296	187
Number of full-time equivalent employees at end of current period	37	36
Interest and fee income from agricultural loans	555	893
 CHANGES IN EQUITY CAPITAL		
Total equity originally reported at end of previous calendar year	23,254	20,349
Restatements due to corrections of material accounting errors and changes in accounting principles	0	0
Amended balance end of previous calendar year	23,254	20,349
Net income (loss)	568	3,077
Sale, conversion, acquisition, or retirement of capital stock, net	0	0
Treasury stock transactions, net	0	0
Changes incident to business combinations, net	0	0
LESS: Cash dividends declared on preferred stock	0	0
LESS: Cash dividends declared on common stock	786	1,048
Other comprehensive income	382	876
Other transaction with parent holding company	0	0
Total equity capital end of current period	23,418	23,254
 CHANGES IN ALLOWANCE FOR LOAN AND LEASE LOSSES		
Balance originally reported at end of previous year	1,267	1,041
Recoveries	19	57
LESS: Charge-offs	1,871	131
Provision for credit losses	1,775	300
Adjustments	0	0
	1,190	1,267

ISB Holdings, Inc.
Perryton, Texas

	Year Ended December 31,	
	2020	2019
	\$(000)	\$(000)
PAST DUE AND NONACCRUAL LOANS, LEASES, AND OTHER ASSETS		
Loans, leases and other assets past due 90 days or more and still accruing:		
Loans secured by real estate:		
Construction, land development and other land loans:	0	0
1-4 family residential construction	0	0
Other construction and all land development and other land loans	0	0
Secured by farmland	0	0
Secured by 1-4 family residential properties	0	0
Secured by nonfarm nonresidential properties:		
Loans secured by owner-occupied nonfarm nonresidential properties	0	0
Loans secured by other nonfarm nonresidential properties	0	0
Commercial and industrial loans	0	0
Loans to individuals for household, family and other personal expenditures		
Credit cards and related plans	0	0
Automobile	0	38
Other	0	0
All other loans	0	0
Lease financing receivables	0	0
Debt securities and other assets (exclude other real estate owned and other repossessed assets)	0	0
Total	<u>0</u>	<u>38</u>
Memo: Past due agricultural loans included in loans	<u>0</u>	<u>0</u>
Nonaccrual loans, leases and other assets:		
Real estate loans:		
Construction, land development and other land loans:		
1-4 family residential construction	0	0
Other construction and all land development and other land loans		
Secured by farmland	2,000	0
Secured by 1-4 family residential properties	144	388
Secured by 5 or more unit multifamily residential loans	0	0
Secured by nonfarm nonresidential properties:		
Loans secured by owner-occupied nonfarm nonresidential properties	0	0
Loans secured by other nonfarm nonresidential properties	0	0
Commercial and industrial loans	44	266
Loans to individuals for household, family and other personal expenditures		
Credit cards and related plans	0	0
Automobile	48	5
Other	7	10
All other loans	1,243	81
Lease financing receivables	0	0
Debt securities and other assets (exclude other real estate owned and other repossessed assets)	0	0
Total	<u>3,486</u>	<u>750</u>
Memo: Past due agricultural loans included in loans	<u>1,243</u>	<u>0</u>

**ISB Holdings, Inc.
Perryton, Texas**

	2020		2019
<u>Performance Analysis</u>			
Profitability			
Return on Average Equity (R.O.E.)		2.43%	14.12%
Return on Average Assets (R.O.A.)		0.28%	1.55%
Net Interest Income / Average Assets		2.99%	3.67%
Net Interest Income/ Avg Earning Assets (NIM)	186,656	3.22%	185,801 3.92%
Overhead Expense / Average Assets		2.92%	2.75%
<u>Asset Quality</u>			
Nonperforming Loans / Gross Loans		3.19%	0.72%
Loan Loss Reserve / Total Loans		1.09%	1.16%
Net Charge-offs / Average Loans		1.69%	0.07%
<u>LIQUIDITY</u>			
Loans, net of Unearned Income / Deposits		59.71%	63.59%
\$250,000 or More Time Deposits / Total Deposits	13,829	7.63%	14,720 8.60%
<u>CAPITAL</u>			
Community Bank Leverage Ratio		10.03%	10.06%
Tier 1 Capital	19,937		19,790
Avg Consolidated Assets Less Goodwill	198,782		196,774

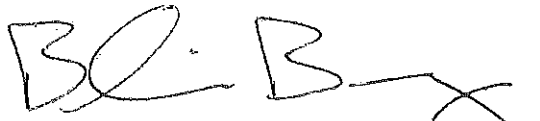
YEAR-TO-DATE DISCLOSURE STATEMENT
As of December 31, 2020

ISB Holdings, Inc.
301 S. Main
Perryton, TX 79070

Notice and Availability

The annual disclosure statement may be obtained upon request.

I, the undersigned officer, attest to the correctness on this statement and declare that it has been examined by me and to the best of my knowledge and belief has been prepared in accordance with instructions issued by the appropriate Federal authority and is true and correct.



Blair Berg, Vice President and Chief Financial Officer

**This statement has not been reviewed, or confirmed for accuracy or relevancy, by the
Federal Deposit Insurance Corporation or any other regulatory agency.**

ISB Holdings, Inc
Perryton, Texas

CONSOLIDATED BALANCE SHEET

	2020	2019
	\$(000)	\$(000)
ASSETS		
Cash and balances due from depository institutions		
Noninterest-bearing balances and currency and coin	8,494	1,814
Interest-bearing balances	2,930	7,095
Securities		
Held-to-Maturity	0	0
Available-for-sale	68,941	60,554
Federal funds sold and securities purchased under agreements to resell	7,622	7,346
Loans and lease financing receivables:		
Loans and leases held for sale	0	670
Loans and leases, net of unearned income	109,355	109,468
LESS: Allowance for loan and lease loss	1,190	1,268
Loans and leases, net of unearned income, allowance, and reserve	108,165	108,200
Trading assets	0	0
Premises and fixed assets (including capitalized leases)	2,900	3,108
Other real estate owned	0	0
Investments in unconsolidated subsidiaries and associated companies	124	124
Customers' liability to this bank on acceptances outstanding	0	0
Intangible assets:		
Goodwill	2,821	3,167
Other intangible assets	0	1
Other assets	4,395	4,492
TOTAL ASSETS	206,392	196,571
LIABILITIES AND STOCKHOLDER'S EQUITY		
LIABILITIES		
Deposits:		
In domestic offices:		
Noninterest-bearing	181,162	171,214
Interest-bearing	36,992	31,865
Federal funds purchased and securities sold under agreements to repurchase	144,170	139,349
Trading liabilities	0	0
Other borrowed money	0	0
Bank's liability on acceptances executed and outstanding	1,395	1,687
Subordinated notes and debentures	0	0
Other liabilities	0	0
Total liabilities	182,974	173,318
STOCKHOLDERS' EQUITY		
Perpetual preferred stock and related surplus	0	0
Common stock	5	5
Surplus	9,727	9,727
Treasury Stock	0	0
Retained earnings	13,026	13,244
Accumulated other comprehensive income	660	278
Other equity capital components	0	0
Total stockholders' equity	23,418	23,254
TOTAL LIABILITIES AND EQUITY CAPITAL	206,392	196,571

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Perryton, Texas

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U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities)	244	783
Mortgage-backed securities	568	345
All other securities	317	257
Total interest income and dividend on securities	1,129	1,385
Interest income from trading assets	0	0
Interest income on federal funds sold and securities purchased under agreements to resell	16	172
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Total interest income	6,677	8,047
Interest expense:		
Interest on deposits:		
Transaction accounts (NOW accounts, ATS accounts and telephone and preauthorized transfer accounts)	34	36
Nontransaction accounts:		
Savings deposits, including money market deposit accounts	76	72
Time deposits of \$250,000 or more	213	252
Time deposits of less than \$250,000	289	317
Expense of federal funds purchased and securities under agreements to repurchase	0	0
Interest on trading liabilities and other borrowed money	46	94
Interest on subordinated notes and debentures	0	0
Total interest expense	658	771
Net interest income	6,019	7,277
Provisions:		
Provisions for credit losses	1,775	300
Noninterest income:		
Service charges on deposit accounts	101	119
Insurance commissions and fees	963	1,039
Net gains (losses) on sales of loans	73	123
Net gains (losses) on sales of other real estate owned	16	0
Net gains (losses) on sales of other assets (excluding securities)	21	6
Other noninterest income	455	212
Total noninterest income	1,629	1,499
Realized gains (losses) on held-to-maturity	0	0
Realized gains (losses) on available-for-sale securities	580	47
Noninterest expense:		
Salaries and employee benefits	3,282	3,158
Expenses of premises and fixed assets (net of rental income)	510	541
Amortization expense of intangible assets (including goodwill)	346	1
Other noninterest expense	1,747	1,747
Total noninterest expense	5,885	5,446
Income (loss) before income taxes and extraordinary items and other adjustments	568	3,077
Applicable income taxes	0	0
Income (loss) before extraordinary items and other adjustments	568	3,077
Extraordinary items and other adjustments, net of income taxes	0	0
Net income	568	3,077

ISB Holdings, Inc.
Perryton, Texas

INCOME STATEMENT (continued)

Year Ended December 31,

	2020	2019
	\$(000)	\$(000)

Income statement memoranda:

Income on tax-exempt loans and leases to state and political subdivisions	3	4
Income on tax-exempt securities issued by state and political subdivisions	296	187
Number of full-time equivalent employees at end of current period	37	36
Interest and fee income from agricultural loans	555	893

CHANGES IN EQUITY CAPITAL

Total equity originally reported at end of previous calendar year	23,254	20,349
Restatements due to corrections of material accounting errors and changes in accounting principles	0	0
Amended balance end of previous calendar year	23,254	20,349
Net income (loss)	568	3,077
Sale, conversion, acquisition, or retirement of capital stock, net	0	0
Treasury stock transactions, net	0	0
Changes incident to business combinations, net	0	0
LESS: Cash dividends declared on preferred stock	0	0
LESS: Cash dividends declared on common stock	786	1,048
Other comprehensive income	382	876
Other transaction with parent holding company	0	0
Total equity capital end of current period	23,418	23,254

CHANGES IN ALLOWANCE FOR LOAN AND LEASE LOSSES

Balance originally reported at end of previous year	1,267	1,041
Recoveries	19	57
LESS: Charge-offs	1,871	131
Provision for credit losses	1,775	300
Adjustments	0	0
	1,190	1,267

ISB Holdings, Inc.
Perryton, Texas

	Year Ended December 31,	
	2020	2019
	\$(000)	\$(000)
PAST DUE AND NONACCRUAL LOANS, LEASES, AND OTHER ASSETS		
Loans, leases and other assets past due 90 days or more and still accruing:		
Loans secured by real estate:		
Construction, land development and other land loans:	0	0
1-4 family residential construction	0	0
Other construction and all land development and other land loans	0	0
Secured by farmland	0	0
Secured by 1-4 family residential properties	0	0
Secured by nonfarm nonresidential properties:		
Loans secured by owner-occupied nonfarm nonresidential properties	0	0
Loans secured by other nonfarm nonresidential properties	0	0
Commercial and industrial loans	0	0
Loans to individuals for household, family and other personal expenditures		
Credit cards and related plans	0	0
Automobile	0	38
Other	0	0
All other loans	0	0
Lease financing receivables	0	0
Debt securities and other assets (exclude other real estate owned and other repossessed assets)	0	0
Total	0	38
Memo: Past due agricultural loans included in loans	0	0
Nonaccrual loans, leases and other assets:		
Real estate loans:		
Construction, land development and other land loans:		
1-4 family residential construction	0	0
Other construction and all land development and other land loans		
Secured by farmland	2,000	0
Secured by 1-4 family residential properties	144	388
Secured by 5 or more unit multifamily residential loans	0	0
Secured by nonfarm nonresidential properties	0	0
Secured by nonfarm nonresidential properties:		
Loans secured by owner-occupied nonfarm nonresidential properties	0	0
Loans secured by other nonfarm nonresidential properties	0	0
Commercial and industrial loans	44	266
Loans to individuals for household, family and other personal expenditures		
Credit cards and related plans	0	0
Automobile	48	5
Other	7	10
All other loans	1,243	81
Lease financing receivables	0	0
Debt securities and other assets (exclude other real estate owned and other repossessed assets)	0	0
Total	3,486	750
Memo: Past due agricultural loans included in loans	1,243	0

ISB Holdings, Inc.
Perryton, Texas

	2020		2019
<u>Performance Analysis</u>			
Profitability			
Return on Average Equity (R.O.E.)		2.43%	14.12%
Return on Average Assets (R.O.A.)		0.28%	1.55%
Net Interest Income / Average Assets		2.99%	3.67%
Net Interest Income/ Avg Earning Assets (NIM)	186,656	3.22%	185,801 3.92%
Overhead Expense / Average Assets		2.92%	2.75%
<u>Asset Quality</u>			
Nonperforming Loans / Gross Loans		3.19%	0.72%
Loan Loss Reserve / Total Loans		1.09%	1.16%
Net Charge-offs / Average Loans		1.69%	0.07%
<u>LIQUIDITY</u>			
Loans, net of Unearned Income / Deposits		59.71%	63.59%
\$250,000 or More Time Deposits / Total Deposits	13,829	7.63%	14,720 8.60%
<u>CAPITAL</u>			
Community Bank Leverage Ratio		10.03%	10.06%
Tier 1 Capital	19,937		19,790
Avg Consolidated Assets Less Goodwill	198,782		196,774