

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, David R. Willmann

Name of the Holding Company Director and Official

President/Chairman of the Board

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.

*David R. Willmann*  
 Signature of Holding Company Director and Official

7-29-2021  
 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):

December 31, 2020

Month / Day / Year

None

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

Reporter's Name, Street, and Mailing Address

Hill Country BancShares, Inc.

Legal Title of Holding Company

PO Box 190

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

Llano TX 78643  
 City State Zip Code

1001 Ford St.

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

David R. Willmann President/Chairman

Name Title

325-247-5701

Area Code / Phone Number / Extension

325-247-3765

Area Code / FAX Number

dwillmann@llanonationalbank.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."

# HILL COUNTRY BANCSHARES, INC.

1001 Ford Street  
Llano, Texas 78643

## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS TO BE HELD FEBRUARY 8, 2021

### TO THE SHAREHOLDERS OF HILL COUNTRY BANCSHARES, INC.:

You are invited to attend an annual meeting of the shareholders of Hill Country Bancshares, Inc. ("Hill Country Bancshares," the "Company," "we," "our" or "us"), to be held on Monday, February 8, 2021, at 6:30 p.m., local time at the main office of Llano National Bank, located at 1001 Ford Street, Llano, Texas 78643 (the "Bank").

At this year's meeting, you will be asked to consider and vote upon the following proposals

1. To elect ten (10) directors; and
2. Any and all other business that may properly come before the meeting or any adjournment thereof.

The matter to be considered at the meeting is more fully described in the attached proxy statement, which we urge you to read carefully. Our board of directors believes that the proposal to elect ten (10) directors of the Company is in the best interests of the Company, its shareholders, and the Bank, and unanimously recommends that you vote "FOR" the proposal.

All shareholders who own our common stock, par value \$5.00 per share (the "common stock"), at 5:00 p.m. on December 31, 2020, our record date, are entitled to notice of, and to vote at, the meeting and any adjournment or postponement of the meeting.

You are cordially invited to attend the meeting in person. However, to ensure that your common shares are voted according to your wishes and that a quorum is present at the meeting, please complete, sign and return the enclosed proxy sheet as promptly as possible in the enclosed, self-addressed envelope. Your prompt response will help reduce proxy costs, which are paid for by us. Sending in your proxy will not prevent you from voting your common shares at the meeting if you desire to do so, as your proxy is revocable at your option. You may revoke your proxy at any time before it is voted at the meeting in the manner described in the section of the proxy statement titled "How to revoke the proxy" on page 3. Any signed but unmarked proxy sheet that we receive will be voted in favor of the proposal to elect the nominees to the Company's board of directors.

UPON RECOMMENDATION BY OF OUR BOARD OF DIRECTORS



David R. Willmann,  
Chairman of the Board

January 29, 2021  
Llano, Texas

**HILL COUNTRY BANCSHARES, INC.**  
**1001 Ford Street**  
**Llano, Texas 78643**

**PROXY STATEMENT FOR  
ANNUAL MEETING OF SHAREHOLDERS**

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*When we refer in this document to "Hill Country Bancshares," "the Company," "we," "our" and "us," we are referring to Hill Country Bancshares, Inc., unless the context indicates otherwise. When we refer in this document to "the Bank" or "our banking subsidiary," we are referring to Llano National Bank, unless the context indicates otherwise.*

This document serves as a proxy statement for the annual meeting of the shareholders of Hill Country Bancshares, Inc. The proxy statement is being furnished to you in connection with the solicitation of proxies by our board of directors for use at the annual meeting of the shareholders of the Company called for the purpose of considering and voting upon the election of ten (10) nominees to serve as directors of the Company.

This proxy statement contains important information about the proposal to be considered at the annual meeting, including detailed information about the annual meeting. We urge you to read this proxy statement carefully.

Our address is 1001 Ford Street, Llano, Texas 78643, and our telephone number is (325) 247-5701.

The date of this proxy statement is January 29, 2021

## GENERAL INFORMATION ABOUT THE ANNUAL MEETING

### *Date, time and place of the meeting*

The meeting will be held on Monday, February 8, 2021, at 6:30 p.m., local time at the main office of Llano National Bank, located at 1001 Ford Street, Llano, Texas 78643.

### *Purpose of the annual meeting*

At this year's meeting, you will be asked to consider and vote upon a proposal to elect ten (10) directors. Shareholders will have an opportunity to ask questions. This proposal is described in more detail in this proxy statement, which you should read carefully in its entirety before voting.

### *Voting at the annual meeting; solicitation and revocation of proxies*

Our shareholders of record on December 31, 2020, the record date, are entitled to notice of and to vote at the shareholders' meeting. On the record date, there were 206,291 shares of common stock outstanding, which were held of record by 269 shareholders.

In order for business to be conducted at the annual meeting, a quorum must be present. A quorum consists of a majority of our common shares entitled to vote and present in person or by proxy at the annual meeting, or 103,146 shares. Our common shares represented at the annual meeting in person or by a properly executed proxy (including shares that abstain or do not vote with respect to one or more of the matters to be acted upon) will be counted for purposes of determining whether a quorum exists. Abstentions and broker non-votes will each be counted as present for determining the presence of a quorum. If a quorum does not exist, the annual meeting will be adjourned until a quorum is obtained. Accordingly, we urge you to vote by proxy even if you plan to attend the meeting so that we will know as soon as possible that enough votes will be present for us to hold the meeting.

You may vote by completing and returning the enclosed proxy sheet or by voting in person at the meeting. We encourage you to attend the annual meeting, and execution of the enclosed proxy will not affect your right to attend the meeting and vote in person. However, to ensure that your shares are voted in accordance with your wishes and that a quorum is present at the meeting so that we can transact business, we urge you to complete, sign, and return the enclosed proxy sheet to us as promptly as possible in the enclosed, self-addressed envelope. Your prompt response will help reduce proxy costs, which are paid for by us.

**Voting by Proxy.** If you vote by proxy, your proxy will be voted in accordance with your instructions. If you execute a proxy sheet, but do not specify a choice with respect to the proposal to be considered at the annual meeting, your proxy will be voted "FOR" the persons nominated by our board of directors to serve as directors and "FOR" the Plan. The board of directors does not know of any other matters to be presented for a vote at the annual meeting other than the proposal described herein.

**Voting in Person.** If you attend the meeting, you may deliver your completed proxy sheet in person, or you may vote by completing a ballot that will be available at the meeting.

**Revocation of Proxies.** You may change your vote by revoking your proxy in either of the following ways:

- by providing a written notice of revocation to the Company's Secretary at or before the date of the meeting; or

- by completing, signing, and dating another proxy sheet and filing it with the Company's Secretary at or before the date of the meeting.

Mere attendance at the annual shareholders' meeting will not of itself revoke a proxy. To be effective, a new proxy sheet or written revocation must be received by the Company's Secretary prior to the Chairman of the Board calling the meeting to order. If the annual meeting is postponed or adjourned, your proxy will still be good and may be voted at the postponed or adjourned meeting. You will still be able to change or revoke your proxy until the meeting is called to order. Proxy revocations should be mailed to: Monica Riggs, Vice President, Hill Country Bancshares, Inc., P.O. Box 190, Llano, Texas 78643.

**Shares registered in another name.** If your shares are not registered in your name, you will need to bring appropriate documentation from the record shareholder to vote in person at the annual meeting. If you have any questions regarding the documentation required, please contact David Willmann, at (325) 247-5701. If your shares are registered in "street name" (*i.e.*, in the name of a broker, bank, or other record holder), you must either direct the record holder of your shares as to how to vote your shares or obtain a proxy from the record holder to vote at the annual meeting. Your broker will not vote your shares for you unless you provide instructions to your broker on how to vote. It is important that you follow the directions provided by your broker regarding how to instruct your broker to vote your shares.

#### ***Vote required to approve the proposal***

If a quorum is present at the annual meeting, a plurality of the votes cast, in person or by proxy, are necessary to elect the nominees to the board. This means that the ten (10) directors receiving the most votes will be elected to our board. Accordingly, because there are ten (10) board seats and exactly ten (10) nominees to the board of directors, all nominees will be elected to the board of directors as long as each nominee receives at least one vote.

Our board of directors unanimously recommends that you vote "FOR" the proposal under consideration at the annual meeting. Abstentions and broker non-votes, which are counted as present for determining the presence of a quorum, will not be counted as a vote "FOR" or "AGAINST" the proposal. If you return a signed proxy sheet but do not indicate how you want to vote, the persons named in the enclosed proxy will vote the shares represented by the proxy "FOR" the proposal presented at the annual meeting, unless you withhold authority to vote for the election of any of the nominees as directors by marking your proxy to that effect.

We know of no other business that is likely to be brought before the annual meeting. If any other matters are properly brought before the meeting, or any adjournment thereof, the persons named in the proxies, acting under the proxy, will have discretion to vote on those matters in accordance with their best judgment.

#### ***How to vote the proxy***

The proxy sheet accompanying this proxy statement is solicited on behalf of our board of directors for use at the meeting. We encourage you to attend the meeting, and execution of a proxy will not affect your rights to attend the meeting or to vote in person. However, to ensure that your shares are voted in accordance with your wishes and that a quorum is present at the meeting so that we can transact business, you are urged to complete, sign and return the enclosed proxy sheet as promptly as possible in the enclosed, self-addressed envelope. Your prompt response will help reduce proxy costs, which are to be paid by us.

Please complete, date and sign the accompanying proxy and promptly return it in the enclosed envelope or otherwise mail it to: Hill Country Bancshares, Inc., P.O. Box 190, Llano, Texas 78643,

Attn: David Willmann. All properly signed proxies that we receive before the vote being taken at the meeting will be voted as you have indicated on the proxy unless you revoke the proxy before its exercise.

If your shares are held of record in “street name” by a broker, bank or other nominee and you intend to vote your shares in person at the meeting, you must bring to the meeting a letter from the broker, bank or other nominee confirming your beneficial ownership of the shares. Our board of directors does not know of any matters to be presented for a vote at the meeting other than the proposal described in this *Notice of Annual Meeting of Shareholders*. If other procedural matters are properly brought before the meeting, or any adjournment, the persons named in the proxies, acting under the proxy, will have discretion to vote on those matters in accordance with their best judgment, including adjournment of the meeting.

***How to revoke the proxy***

You have the unconditional right to revoke your proxy by:

- your written, dated instrument delivered to the Secretary of Hill Country Bancshares, Inc. at or before the meeting stating that the proxy is revoked; or
- your subsequent proxy that you (as the same person who signed the earlier proxy) sign and present at or before the meeting.

However, your mere attendance at the meeting will not of itself revoke your proxy.

***Our board of directors’ recommendation***

**Our board of directors has unanimously approved the nominees to the board of directors, and recommends that you vote “FOR” the proposal considered at this year’s meeting.**



## QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

### **How many votes do I have?**

You will have one vote for every share of common stock you owned on December 31, 2020, which is the record date for the meeting.

### **How many votes can be cast by all shareholders?**

On the record date, there were 206,291 common shares outstanding, which were held of record by 269 shareholders.

### **How many votes must be present to hold the meeting?**

Under the Texas Business Organizations Code, or TBOC, a majority of the shares entitled to vote at the meeting, or 103,146 shares, must be present in person or by proxy to hold the meeting. We urge you to vote by proxy even if you plan to attend the meeting, so that we will know as soon as possible that enough votes will be present for us to hold the meeting.

### **Can I change my vote?**

Yes, just send in a new proxy with a later date or send a written notice of revocation to our Secretary at the address on the cover of this proxy statement. If you attend the meeting and want to vote in person, you can deliver a written revocation of your proxy to the Secretary prior to the start of the meeting. Mere attendance at the meeting, however, is not sufficient to revoke a proxy. See "*The Meeting - How to revoke the proxy*" on page 3.

### **What happens if the meeting is postponed or adjourned?**

Your proxy will still be good and may be voted at the postponed or adjourned meeting. You will still be able to change or revoke your proxy until the start of the meeting at which your proxy is voted.

### **What does the board of directors recommend?**

Our board of directors has approved the nominees to the board of directors and recommends that you vote "FOR" the proposal to elect such nominees to the board of directors.

### **What vote is required to approve the proposal?**

If a quorum is present at the annual meeting, a plurality of the votes cast, in person or by proxy, are necessary to elect the nominees to the board. This means that the ten (10) nominees receiving the most votes will be elected to our board. As such, because there are ten (10) board seats and exactly ten (10) nominees to the board of directors, all nominees will be elected to the board of directors as long as every nominee receives at least one vote.

### **Who can help answer my questions?**

If you have any questions about the meeting or any of the items to be considered by the shareholders at the meeting or if you need additional copies of the enclosed materials or the proxy statement, you should contact David Willmann, Hill Country Bancshares, Inc., P.O. Box 190, or, 1001 Ford Street, Llano, Texas 78643. Mr. Willmann's telephone number is (325) 247-5701.

For a more complete description of voting at the shareholders' meeting, see the section entitled "The Meeting - How to vote the proxy" on page 2.

### ELECTION OF DIRECTORS

Our board of directors currently consists of ten (10) members, each of whom is to be elected at the annual meeting. In the event that the proposal to elect directors is approved by our shareholders at the 2021 annual meeting of shareholders, the board of directors has nominated the following individuals to serve as directors of the Bank until the 2022 annual meeting of shareholders:

John D. Buttery	Rick Hoerster	David R. Willmann
William Buttery	Steve Hoerster, M.D.	Bill Wootan
Steve Haverlah	Frosty Miller	
Jimmy Hoerster	Jimmie Stewart	

The nominees have indicated a willingness to serve, if elected, but if any nominee should be unable or unwilling to serve, proxies may be voted for a substitute nominee designated by the board of directors.

**Our board of directors unanimously recommends that you vote "FOR" the proposal to elect the nominees listed above to our board of directors.** If you return a signed proxy sheet, the persons named in the enclosed proxy sheet will vote "FOR" the proposal to elect the nominees listed above to our board of directors, unless you withhold authority to vote "FOR" the proposal to elect the nominees listed above to our board of directors by marking your proxy sheet to that effect.

### SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN SHAREHOLDERS

The table on the following page sets forth information regarding beneficial ownership of Company common stock by: (1) each of the senior executive officers of the Company and the Bank; (2) each of the directors of the Company and the Bank; and (3) all directors and senior executive officers of the Company and the Bank, as a group. Under the rules of the Securities and Exchange Commission, beneficial ownership includes voting or investment power that is sole or shared. Except as indicated in the footnotes to the table, the percentage beneficial ownership for the following table is based upon 206,291 shares of Company common stock outstanding as of December 31, 2020.

To our knowledge, unless indicated in the footnotes to this table and pursuant to applicable community property laws, each person named in the table has sole voting and investment power with respect to all shares of Company common stock attributed to him or her. The references to ownership are derived from the stock transfer books of the Company. Unless otherwise indicated, the address for each director and executive officer of Hill Country Bancshares is *c/o* Llano National Bank, 1001 Ford Street, Llano, Texas 78643.



## MANAGEMENT

### *General*

Our directors are elected by our shareholders at our annual meeting and hold office until the next annual meeting or until their successors are chosen and qualify. Our officers are appointed by our board of directors and hold office at the board's discretion. The business address and telephone number of each director is *c/o* Llano National Bank, 1001 Ford Street, Llano, Texas 78643, (325) 247-5701.

The following table sets forth the directors and executive officers of the Company and the Bank:

Name	Age	Title of Position with Bank	Title of Position with Hill Country Bancshares	Principal Occupation
John D. Buttery .....		Director	Board Treasurer	Distributor
William Buttery .....		Director	Director	Distributor
Steve Haverlah. ....		Director	Director	Rancher
Jimmy Hoerster .....		Director	Director	Distributor
Rick Hoerster .....		Director	Director	Attorney
Steve Hoerster, M.D...		Director	Director	Physician
Frosty Miller .....		Director	Director	Real Estate, Rancher
Jimmie Stewart.....		Board Vice Chairman	Board Vice Chairman	Rancher
David R. Willmann ....		Board Chairman, President	Board Chairman	Banking
Bill Wootan.....		Director	Director	Real Estate
Charles Bauman .....		Senior Vice President	N/A	Banker
Charles Cox.....		Senior Vice President	N/A	Banker
John David Baker.....		Sr. V.P. Chief Lending Off.	N/A	Banker
Kevin Virdell.....		Senior Vice President	N/A	Banker
Joseph Johnson.....		Chief Operating Officer	N/A	Banker
Anna Graham.....		Vice President	N/A	Banker
Monica Riggs.....		Vice President	N/A	Banker
Shanell Parker.....		Vice President	N/A	Banker

## OTHER BUSINESS

As of the date of this proxy statement, our board of directors knows of no business that is likely to be brought before the annual shareholders' meeting. If other matters, however, are presented, the proxy will be voted in accordance with the best judgment of the proxy holders with respect to such matters.

# HILL COUNTRY BANCSHARES, INC.

1001 Ford Street  
Llano, Texas 78643

January 29, 2021

Dear Shareholder:

You recently received information about the annual shareholders meeting of Hill Country Bancshares, Inc. (HCBS), the sole owner of Llano National Bank. With that in mind and to provide you with the 2020 operating performance of the bank and its holding company, HCBS, certain financial information is enclosed.

The HCBS's statement of condition compares assets, liabilities, and capital for December 31, 2020. HCBS's equity capital on December 31, 2020 was \$29,123,318 or \$129.00 per share. The 2020 income statement for HCBS is also enclosed and it shows a net profit of \$2,630,874 or \$12.75 per share. This net profit is equal to the net profit of Llano National Bank of \$2,633,023 less the operating expenses of HCBS of \$2,149.

The bank's statement of condition compares assets, liabilities, and capital for yearend 2018, 2019, and 2020. It indicates that during 2020, assets increased to \$229,719,205, and deposits increased to \$199,409,275. Its income statement shows that after setting aside \$260,794 for projected income taxes, the net profit was \$2,633,023. It also compares the 2020 income to that for the preceding three years.

The success of the bank is due in very large part to you the shareholder. You have supported the bank with your personal banking business and with your recommendation of the bank to other potential bank customers. I appreciate your banking business. I hope you continue to support the bank with your recommendation and your business.

We look forward to a successful 2021.

Very truly yours,

**LLANO NATIONAL BANK**



David R. Willmann  
Chairman and President

Enclosures

(Note: Depositors, Shareholders, or members of the general public may receive Llano National Bank's annual financial disclosure statement by contacting Amanda Hudson or Monica Riggs at P.O. Box 190, 1001 Ford Street, Llano, Texas 78643 or by calling 325-247-5701. The bank's annual disclosure statement is made available in accordance with Federal Regulatory requirements applicable to National Banks. The availability of this information is intended to promote better public understanding of, and confidence in, individual banks and the national/state banking system.)

**Hill Country Bancshares, Inc.**  
(Sole owner of Llano National Bank)  
**ANNUAL STOCKHOLDERS' MEETING**

**February 8, 2021**

**W E L C O M E**

**CHAIRPERSON of the MEETING**

**CLERK for the MEETING**

**Monica Riggs, Secretary**  
**Stock Ownership Represented**  
**Notice of the Annual Stockholders' Meeting**

**Minutes of the February 10, 2020 Meeting**

**B U S I N E S S**

**Resolution to ratify the official acts of the Directors**  
**since February 10, 2020 to-date**

**Nominating Committee Report - Election of Directors**  
**JD Baker, Senior Vice President/Chief Lending Officer**

**Other Business**

**M A N A G E M E N T   R E P O R T S**

**A D J O U R N M E N T**

## **MINUTES**

### **ANNUAL STOCKHOLDERS' MEETING**

#### **HILL COUNTRY BANCSHARES, INC. (Sole owner of Llano National Bank)**

**February 10, 2020**

Pursuant to the Notice of Annual Meeting dated January 29, 2020, the meeting of the Stockholders of Hill Country Bancshares, Inc. (sole owner of Llano National Bank) was called to order at 6:30 P.M. February 10, 2020 in the Main Office at 1001 Ford Street, Llano, Texas. David Willmann, President of Llano National Bank, welcomed all persons attending the meeting and acted as Chairperson for the meeting. Monica Riggs, Vice President of Llano National Bank, acted as Clerk and Secretary of the meeting.

President Willmann called on Monica Riggs to certify the mailing of the notice of the Annual Shareholders' Meeting and to report on the stock ownership represented at the meeting. She certified that the notice was mailed at least 10 days prior to the day of the meeting to each registered stockholder at their respective address as it appears on the books of the association as of December 31, 2019.

The Secretary reported that out of a total of 207,285 shares of stock outstanding and entitled to vote at the meeting, 130,590 shares were represented in person, which is 63.00% of the total shares and 18,859 shares were represented by proxy vote which is 9.10% of total shares. The total number of shares represented at the meeting was 149,449, which is 72.10% of the shares outstanding and constitutes a majority of the outstanding shares of the association. A list of shares represented by proxy and in person is attached and filed with the minutes. The number of shareholders of record as of December 31, 2019 was 268.

Because more than 50% of the stock was represented, either in person or by proxy, President Willmann declared a quorum present and the Shareholders' Meeting was duly opened and authorized to transact the business that might come before it.

The proxies presented were ordered to be filed with the Secretary and the Election Judges of the meeting.

President Willmann announced that a copy of the minutes of the February 11, 2019 Stockholders' Meeting are attached immediately behind the agenda for review. A motion was made by Frosty Miller and seconded by Jimmie Stewart that the minutes be approved as presented. The motion was unanimously approved.

Upon a motion made by Jimmy Hoerster and seconded by William Buttery, a resolution to ratify the official acts of the Directors since February 11, 2019 to-date was adopted. The motion was unanimously approved.

John David Baker, Senior Vice President/Chief Lending Officer, presented the persons nominated in the proxy statement for Directors. He noted that no additional nominations had been made in writing ten (10) days prior to the meeting as required by the by-laws. Kevin Virdell made a motion that the following ten persons be elected to the board by acclamation: John Buttery, William Buttery, Steve Haverlah, Jimmy Hoerster, Rick Hoerster, Dr. Steve Hoerster, Frosty Miller, Jimmie Stewart, Bill Wootan, and David Willmann. The motion was seconded by Frosty Miller and unanimously approved. These Directors are to serve until the next annual meeting of stockholders and until they're respective successors are elected and qualified.

President Willmann reported to the shareholders present on the condition of Hill Country Bancshares, Inc. and Llano National Bank. He presented the current Statement of Condition, Statement of Income and Expenses, graphs on asset/loan/deposit growth and profitability and also general comparisons for several years since inception of the bank through December 31, 2019. Copies of this information were part of the information that was given to those present and are attached and made a part of these minutes.

President Willmann reported that shareholders will receive a dividend check in February 2020 in the amount of \$1.50 per share. The checks have not been mailed as of this meeting date.

Other comments:

David discussed how fortunate the bank has been. The bank is in a wonderful community with great customers. The bank had an amazing year but none of it would have been possible without the customers and community. The bank has not only been fortunate with the community and customers it serves, it has also been extremely fortunate with directors and employees of the bank. The bank has always taken pride in their customer service. The LNB employees go above and beyond their job descriptions every day to make sure the customers have the best banking experience possible. The board of the directors has always been a big part of the bank's success. The directors hold a lot of responsibility on their shoulders. They have to balance several things such as making sure the bank complies with regulations, maintain a good balance with loans and investment risk, compensate staff appropriately, and still make sure the bank makes as much profit as possible. The bank's history has been built on fairness to customers and employees and this will continue to be the basis on into the future.

David thanked everyone for attending the meeting. He also thanked the employees who helped prepare for the Shareholder's meeting. He commended the bank's staff for their dedication and for being such a big part of the bank's successful year.

There being no further business to come before the meeting, a motion was made by Frosty Miller and seconded by William Buttery to adjourn the meeting. The motion was unanimously approved.

Respectfully submitted,



Monica Riggs  
Clerk and Secretary for the Meeting

## Hill Country Bancshares, Inc

### STATEMENT OF CONDITION

	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
<b>ASSETS</b>				
Cash	13,659	14,208	46,864	11,684
Cash-Dividend Account	15,885	329,450	14,243	15,843
Dividend Receivable	309,436	0	0	0
Investment in Llano National Bank	28,800,223	24,549,658	21,115,034	19,694,332
<b>TOTAL ASSETS</b>	<b>29,139,203</b>	<b>24,893,316</b>	<b>21,176,141</b>	<b>19,721,860</b>
<b>LIABILITIES</b>				
TIB Line of Credit	0	0	0	0
Interest Payable	0	0	0	0
Dividend declared but not yet payable	309,436	310,928	0	0
Dividends payable	15,885	18,523	14,243	15,843
<b>TOTAL LIABILITIES</b>	<b>325,321</b>	<b>329,450</b>	<b>14,243</b>	<b>15,843</b>
<b>EQUITY</b>				
Par Value of common stock (\$5 per share)	1,078,465	1,078,465	1,078,465	1,078,465
Additional paid-in capital	1,221,535	1,221,535	1,221,535	1,221,535
Treasury Stock	(1,012,341)	(913,941)	(832,941)	(709,881)
Undivided profits	22,384,293	20,324,915	18,324,441	16,772,835
Unrealized gain (loss) on AFS securities	2,511,056	484,077	(630,076)	(208,543)
Hill Country Bancshares year-to-date profit (after dividend)	2,630,874	2,368,815	2,000,474	1,551,606
<b>TOTAL EQUITY</b>	<b>28,813,882</b>	<b>24,563,866</b>	<b>21,161,898</b>	<b>19,706,017</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>29,139,203</b>	<b>24,893,316</b>	<b>21,176,141</b>	<b>19,721,860</b>
<b>Shares outstanding</b>	<b>206,291</b>	<b>207,285</b>	<b>208,185</b>	<b>209,943</b>
Per-share book value, excluding any unrealized gain or loss on AFS securities	127.50	116.17	104.68	94.68

**Hill Country Bancshares, Inc.**  
**STATEMENT OF INCOME AND EXPENSE**

	2020	2019	2018	2017
Dividends from LNB	409,437	360,928	472,278	284,943
LNB after-tax profit	2,223,587	2,320,471	1,842,234	1,477,986
<b>Total income</b>	<b>2,633,023</b>	<b>2,681,398</b>	<b>2,314,512</b>	<b>1,762,929</b>
Legal expense	1,728	1,656	1,760	1,176
Other professional fees	-	-	-	-
Miscellaneous expenses	421	-	-	205
<b>Total operating expense</b>	<b>2,149</b>	<b>1,656</b>	<b>1,760</b>	<b>1,381</b>
<b>Income before cost of financing</b>	<b>2,630,874</b>	<b>2,679,742</b>	<b>2,312,752</b>	<b>1,761,549</b>
Interest expense	-	-	-	-
Other borrowing expenses	-	-	-	-
<b>Total cost of financing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income before income-tax expense</b>	<b>2,630,874</b>	<b>2,679,742</b>	<b>2,312,752</b>	<b>1,761,549</b>
Income-tax expense	-	-	-	-
<b>NET INCOME</b>	<b>2,630,874</b>	<b>2,679,742</b>	<b>2,312,752</b>	<b>1,761,549</b>
Average shares outstanding	206,291	207,285	208,185	209,943
Earnings per share	12.75	12.93	11.11	8.39

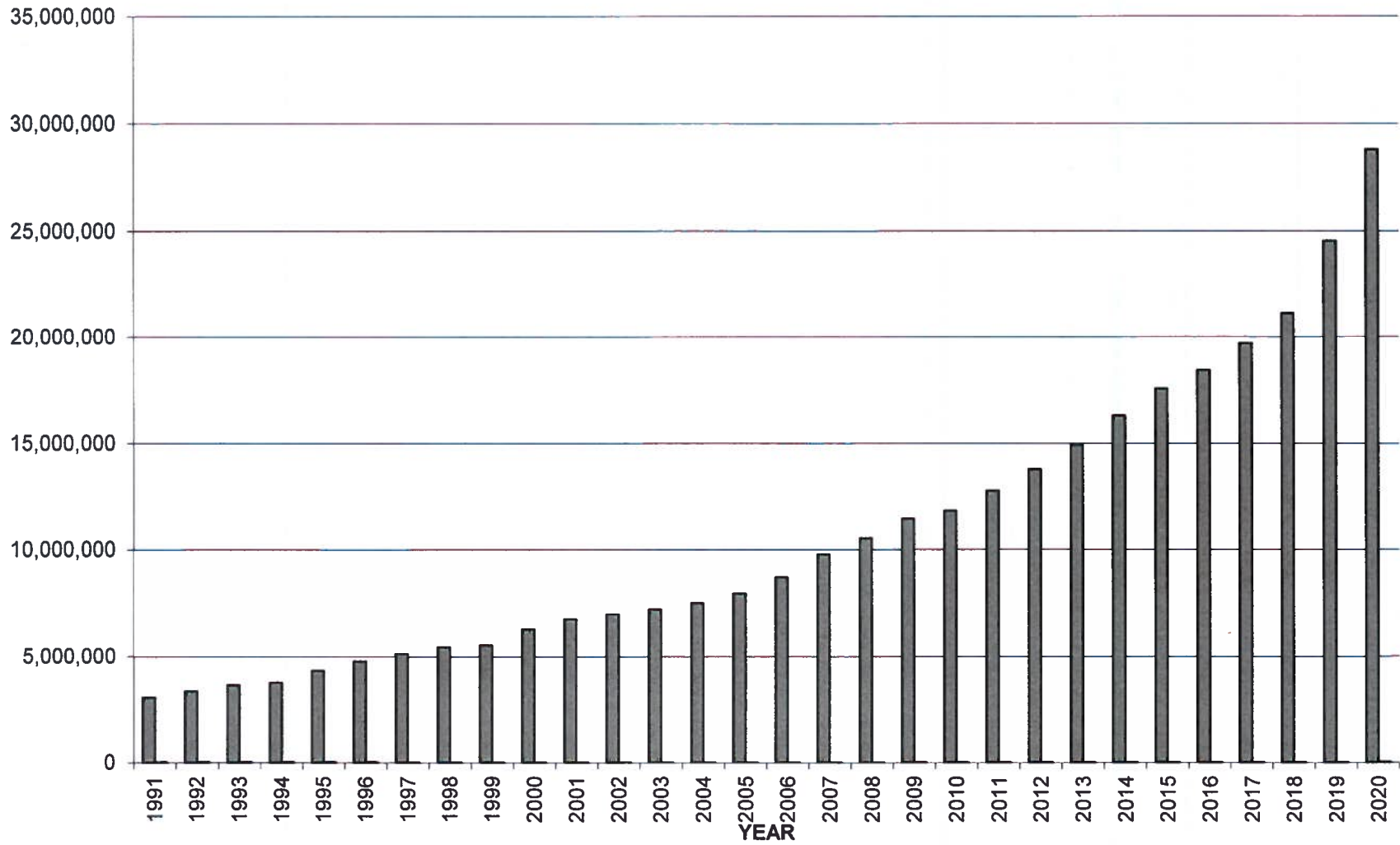


# LLANO NATIONAL BANK

## STATEMENT OF CONDITION

	December 31, 2020	December 31, 2019	December 31, 2018
<b>ASSETS</b>			
Cash and Due From Banks	10,544,437	10,669,796	9,477,301
U.S. Govts. & Agencies	3,373,333	1,237,118	243,013
Other Bonds & Securities	104,701,838	62,175,223	53,393,500
Federal Funds Sold	0	0	1,000,000
Loans & Discounts	104,168,235	109,795,800	111,388,859
Reserve for Loan Losses	(3,857,859)	(4,089,480)	(4,039,008)
Banking House & Furniture & Fixtures	4,181,086	4,327,095	4,528,365
Other Assets	6,608,136	5,573,540	5,224,527
<b>TOTAL ASSETS</b>	<b>229,719,205</b>	<b>189,689,091</b>	<b>181,216,557</b>
<b>LIABILITIES</b>			
Deposits	199,409,275	162,099,647	159,186,801
Other Reserves	1,453,594	554,544	439,443
Other Liabilities	56,113	485,242	475,279
Federal Funds Purchased	0	2,000,000	0
<b>TOTAL LIABILITIES</b>	<b>200,918,982</b>	<b>165,139,433</b>	<b>160,101,523</b>
<b>CAPITAL ACCOUNTS</b>			
Capital Stock	1,150,000	1,150,000	1,150,000
Surplus	842,619	842,619	842,619
Undivided Profits	24,296,548	22,072,961	19,752,490
Capital before gain (loss) on AFS securities	26,289,167	24,065,580	21,745,109
Unrealized gain(loss) on Available for sale AFS Securities	2,511,056	484,077	(630,076)
<b>TOTAL CAPITAL</b>	<b>28,800,223</b>	<b>24,549,657</b>	<b>21,115,033</b>
<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<b>229,719,205</b>	<b>189,689,091</b>	<b>181,216,556</b>

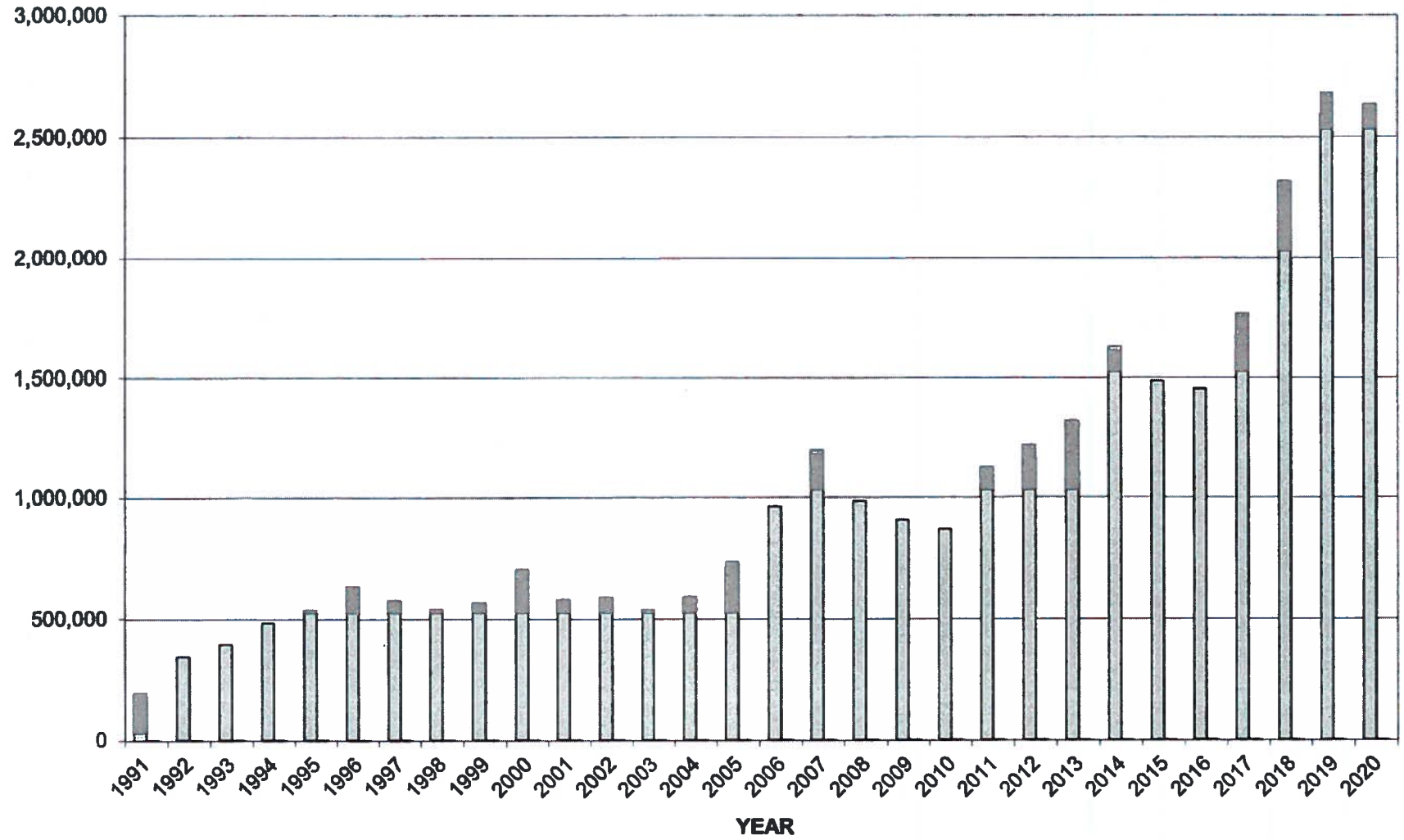
**LLANO NATIONAL BANK - TOTAL REGULATORY CAPITAL**



**LLANO NATIONAL BANK**  
**STATEMENT OF INCOME AND EXPENSE**

	2020	2019	2018	2017
<b>OPERATING INCOME</b>				
Interest and fees on loans	6,450,843	6,696,798	6,116,236	5,022,524
Interest on Government Securities	1,680,906	1,276,710	1,224,348	1,309,995
Interest on Investments	55,333	178,688	86,280	108,928
Fee Income on Deposit Accounts	232,578	289,772	337,097	308,472
Other Fee Income	675,119	580,072	584,443	400,439
Profit on Sale of Securities	60,700	23,681	1,225	172,892
Other Income	0	0	143,762	0
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL</b>	<b>9,155,480</b>	<b>9,045,721</b>	<b>8,493,390</b>	<b>7,323,251</b>
<b>OPERATING EXPENSE</b>				
Interest Expense	581,953	562,827	402,429	294,100
Salaries	2,689,052	2,548,516	2,371,170	2,188,190
Employee Ins., Soc. Sec. and Training	744,233	650,190	650,037	463,149
Occupancy of Bank Premises, Furn. and Equip.	534,828	545,306	705,357	516,278
Provision for Loan Loss	0	0	365,000	400,500
General Operating Expense	1,691,033	1,631,529	1,368,885	1,311,105
Loss on Sale of Securities	20,563	15,954	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL</b>	<b>6,261,663</b>	<b>5,954,323</b>	<b>5,862,878</b>	<b>5,173,322</b>
<b>NET INCOME BEFORE TAXES</b>	<b>2,893,817</b>	<b>3,091,398</b>	<b>2,630,512</b>	<b>2,149,929</b>
Current Federal Income Taxes	(260,794)	(410,000)	(316,000)	(387,000)
Current State Income Taxes	0	0	0	-0-
Deferred Income Taxes	0	0	0	-0-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET INCOME AFTER TAXES</b>	<b>2,633,023</b>	<b>2,681,398</b>	<b>2,314,512</b>	<b>1,762,929</b>
<b>RETURN ON CAPITAL</b>	<b>10.44%</b>	<b>11.71%</b>	<b>11.36%</b>	<b>9.30%</b>
<b>RETURN ON ASSETS</b>	<b>1.26%</b>	<b>1.47%</b>	<b>1.31%</b>	<b>1.06%</b>

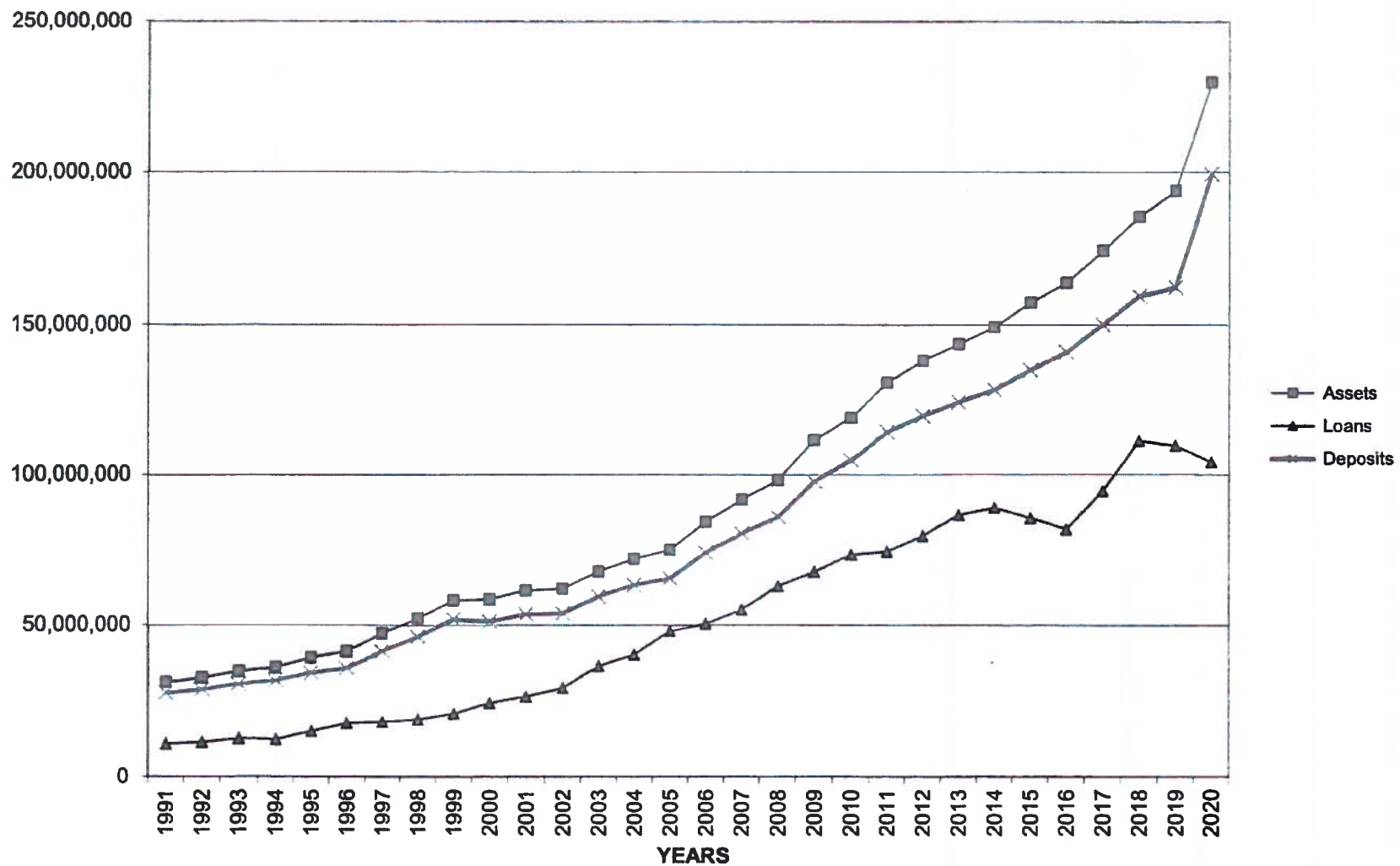
**LLANO NATIONAL BANK - NET PROFIT AFTER TAXES**



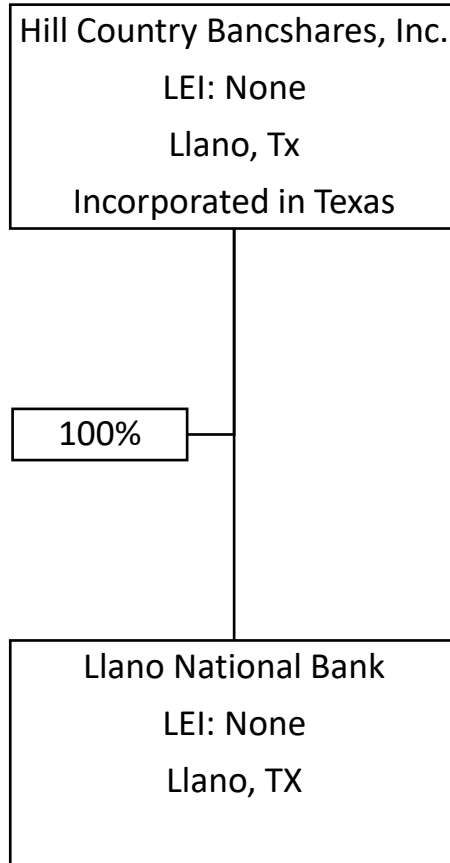
**GENERAL COMPARISONS**

	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14	12/31/13	12/31/12	12/31/11
<b>Assets</b>	<b>229,719,205</b>	<b>193,778,571</b>	<b>185,255,565</b>	<b>173,965,338</b>	<b>163,482,912</b>	<b>157,103,011</b>	<b>148,974,565</b>	<b>143,458,358</b>	<b>138,077,792</b>	<b>130,831,135</b>
<b>Loans</b>	<b>104,168,235</b>	<b>109,795,800</b>	<b>111,388,859</b>	<b>94,508,658</b>	<b>81,575,981</b>	<b>85,338,114</b>	<b>88,823,155</b>	<b>86,341,211</b>	<b>79,308,882</b>	<b>74,099,176</b>
<b>Deposits</b>	<b>199,409,275</b>	<b>162,099,647</b>	<b>159,186,801</b>	<b>149,964,733</b>	<b>140,917,091</b>	<b>135,168,628</b>	<b>128,490,972</b>	<b>124,458,522</b>	<b>119,794,526</b>	<b>114,421,707</b>
<b>Regulatory Capital</b>	<b>26,698,604</b>	<b>24,065,580</b>	<b>21,745,110</b>	<b>19,902,876</b>	<b>18,424,889</b>	<b>17,538,480</b>	<b>16,267,515</b>	<b>14,897,578</b>	<b>13,792,061</b>	<b>12,788,493</b>
<i>Excludes the effect of Gain (loss) on AFS</i>										
<b>Net Profit After Taxes</b>	<b>2,633,023</b>	<b>2,681,398</b>	<b>2,314,512</b>	<b>1,762,929</b>	<b>1,453,987</b>	<b>1,486,658</b>	<b>1,625,630</b>	<b>1,321,210</b>	<b>1,219,261</b>	<b>1,125,669</b>
<b>Dividend Paid for Year Ending</b>	<b>309,437</b>	<b>310,928</b>	<b>312,278</b>	<b>209,943</b>	<b>211,328</b>	<b>215,693</b>	<b>215,693</b>	<b>215,693</b>	<b>215,693</b>	<b>215,693</b>
<b>Accumulated Dividend Paid</b>	<b>6,125,907</b>	<b>5,816,470</b>	<b>5,605,543</b>	<b>5,193,265</b>	<b>4,983,322</b>	<b>4,771,994</b>	<b>4,556,301</b>	<b>4,340,608</b>	<b>4,124,915</b>	<b>3,909,222</b>
<b>Dividend Per Share</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>

**LLANO NATIONAL BANK - TOTAL ASSETS, DEPOSITS & LOANS**



2.a. Organizational Chart





**Results:** A list of branches for your depository institution: **LLANO NATIONAL BANK (ID\_RSSD: 946555)**.  
 This depository institution is held by **HILL COUNTRY BANCSHARES, INC. (4575047)** of **LLANO, 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)	946555	LLANO NATIONAL BANK	1001 FORD STREET	LLANO	TX	78643-2307	LLANO	UNITED STATES	Not Required	Not Required	LLANO NATIONAL BANK	946555	
OK		Full Service	2994792	BUCHANAN DAM BRANCH	8600 RANCH ROAD 1431	BUCHANAN DAM	TX	78609	LLANO	UNITED STATES	Not Required	Not Required	LLANO NATIONAL BANK	946555	
OK		Full Service	3270970	DBA HILL COUNTRY NATIONAL BANK	1210 SOUTH WATER STREET	BURNET	TX	78611	BURNET	UNITED STATES	Not Required	Not Required	LLANO NATIONAL BANK	946555	
OK		Limited Service	2994804	LLANO BRANCH (LOWE'S MARKET)	104 EAST YOUNG STREET	LLANO	TX	78643	LLANO	UNITED STATES	Not Required	Not Required	LLANO NATIONAL BANK	946555	

**FORM FR Y-6**  
**HILL COUNTY BANCSHARES, INC**  
 Fiscal Year Ending December 31, 2020

Report Item 3: Securities holders (1)(a)(b) ( c) and (2) (a)(b) ( c)					
Current securities holders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12-31-2020			Securities holders not listed in 3(1)(a) through 3(1)© that had ownership, control of Holdings of 5% or more with power to vote during the fiscal year ending 12-31-2020		
(1)(a) Name, City, State, Country	(1) (b) Country or Citizenship or Incorporation	(1) (c) Number and Percentage of each Class of Voting Securities	(2)(a) Name City, State, Country	(2)(b) Country of Citizenship or Incorporation	(2) ( c) Number and Percentage of Each Class of Voting Securities
William Buttery Llano, TX USA	USA	17,300--8.39%	N/A		
John David Buttery Llano, TX USA	USA	15,300--7.42%			
Brenda Durst Llano, TX USA	USA	2,300--1.11%			
Jean Wallace Edmond, OK USA	USA	2,300--1.11%			
	Buttery Family Total	37,200--18.03%			
Steve Haverlah Llano, TX USA	USA	13,340--6.47%			
Jimmy Hoerster Llano, TX USA	USA	12,000--5.82%			
Frosty Miller Llano, TX USA	USA	18,408--8.92%			
Richard L. Hoerster Fredericksburg, TX USA	USA	14,125--6.85%			
Dr. J. Steven Hoerster Fredericksburg, TX USA	USA	7,250--3.51%			
Rhonda Hoerster Fredericksburg, TX USA	USA	250--0.12%			
	Hoerster Family Total	21,625--10.48%			
Billy Jay Wootan Llano, TX USA	USA	24,050--11.66%			

**FORM FR Y-6**  
**HILL COUNTY BANCSHARES, INC**  
Fiscal Year Ending December 31, 2020

Report Item 4: Insiders

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

(1) Name, City, State Country	(2) Principal Occupation if Other than with Holding Company	(3) (a) Title & Position with Holding Company	(3) (b) Title & Position with Subsidiaries (including name of subsidiaries	(3)( c) Title & Position with Other Business (include names of other Business)	(4)(a) Percentage of Voting Shares in Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names)	(4)( c) List names of other companies (includes partnerships if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
John D Buttery Llano, TX USA	Merchant	Director Treasurer	N/A	General Partner Buttery Company	7.42%	None	Buttery Company, LP 25%
William H Buttery Llano, TX USA	Merchant	Director	N/A	General Partner Buttery Company	8.39%	None	Buttery Company, LP 25%
Brenda Durst Llano, TX USA	Merchant	Principal Securities Holder	N/A	General Partner Buttery Company	1.11%	None	Buttery Company, LP 25%
Jean Wallace Edmond, OK USA	Merchant	Principal Securities Holder	N/A	General Partner Buttery Company	1.11%	None	Buttery Company, LP 25%
Steve Haverlah Llano, TX USA	Rancher	Director	N/A	Owner High Lone Some, LTD	6.47%	None	High Lone Some LTD 100%
Richard L. Hoerster Fredericksburg, TX USA	Attorney	Director	N/A	Owner Richard L. Hoerster Attorney Co-Owner Hoerster Brothers Ranch	6.85%	None	Hoerster & Scione 100% Hoerster Brothers Ranch 50%
Dr. J. Steven Hoerster Fredericksburg, TX USA	Medical Doctor	Director	N/A	Co-Owner TX Hill Country Orthopedic Sports Medicine Hoerster Brothers Ranch	3.51%	None	TX Hill Co Orthopedic Sports Medicine 50% Hoerster Brothers Ranch 50%

**FORM FR Y-6**  
**HILL COUNTY BANCSHARES, INC**  
Fiscal Year Ending December 31, 2020

Report Item 4: Insiders

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

(1) Name, City, State Country	(2) Principal Occupation if Other than with Holding Company	(3) (a) Title & Position with Holding Company	(3) (b) Title & Position with Subsidiaries (including name of subsidiaries	(3) (c) Title & Position with Other Business (include names of other Business)	(4)(a) Percentage of Voting Shares in Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names)	(4) (c) List names of other companies (includes partnerships if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Rhonda Hoerster Fredericksburg, TX USA	Administrative	Principal Securities Holder	N/A	Secretary TX Hill Country Orthopedic Sports Medicine	0.12%	None	N/A
David R. Willmann Llano, TX USA	Banker	President Chairman of the Board	President & Chairman Llano National Bank	N/A	2.87%	None	N/A
Jimmy Hoerster Llano, TX USA	Merchant	Director	N/A	Purchasing Agent Buttery Company	5.82%	None	N/A
Frosty Miller Llano, TX USA	Real Estate Broker	Director	N/A	Owner Frosty Miller Ranch Realty	8.92%	None	Frosty Miller Ranch Realty 100%
Jimmie D. Stewart Fredericksburg, TX USA	Rancher	Director	N/A	General Partner Bay City Feed, Inc Co-Owner Stewart Ranch	3.20%	None	Bay City Feed, Inc 67% Stewart Ranch 50%
Billy Jay Wootan Llano, TX USA	Real Estate Broker	Director	N/A	Co-Owner Wootan Water Systems The Village of Llano, Inc	11.66%	None	Wootan Water Systems 50% Village of Llano, Inc 50%