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, 616, 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.

Chad R. Newsom
Name of the Holding Company Director and Official
Director, VP, Secretary-Treasurer, Vice-Chairman
Title of the Holding Company Director and Official

attest that the Annual Report of Holding Companies (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Signature of Holding Company Director and Official
06/28/2017

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, 2016
Month / Day / Year
None
Reporters Legal Entity Identifier (LEI) (20-Character LEI Code)

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

1045 North Interstate 45
Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:
Dana Q Tucker
Executive Vice President
Name Title
972-449-2283
Area Code / Phone Number / Extension
972-845-3001
Area Code / FAX Number
danat@csbpalmer.com
E-mail Address
www.csbpalmer.com
Address (URL) for the Holding Company's web page

Is confidential treatment requested for any portion of this report submission? (check only one)
0=No 1=Yes

In accordance with the General Instructions for this report:
1. a letter justifying this request is being provided along with the report
☐

2. a letter justifying this request has been provided separately
☐

NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential."

Public reporting burden for this information collection is estimated to vary from 1.3 to 101 hours per response, with an average of 5.50 hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0297), Washington, DC 20503.

12/2016
Palmer Bancshares, Inc.
Palmer, Texas
Fiscal Year Ending December 31, 2016

Report Item 2a  Organization Chart

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

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

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

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

No entity above has a LEI.
Results: A list of branches for your depository institution: COMMERCIAL STATE BANK (ID_RSSID: 1017564).
This depository institution is held by PALMER BANCSHARES, INC. (2251132) of PALMER, TX.
The data are as of 12/31/2016. Data reflects information that was received and processed through 01/10/2017.

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 LIGINNUM, Office Number, and ID_RSSID columns are for reference only. Verification of these values is not required.

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<th>Data Action</th>
<th>Effective Date</th>
<th>Branch Service Type</th>
<th>Branch ID</th>
<th>RSSID*</th>
<th>Popular Name</th>
<th>Street Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>County</th>
<th>Country</th>
<th>FCIC NVINUM*</th>
<th>Office Number*</th>
<th>Head Office</th>
<th>Head Office ID</th>
<th>RSSID*</th>
<th>Comments</th>
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</thead>
<tbody>
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<td>Full Service</td>
<td>5017564</td>
<td>0017564</td>
<td>COMMERCIAL STATE BANK</td>
<td>1045 NORTH INTERSTATE 45</td>
<td>PALMER</td>
<td>TX</td>
<td>75152</td>
<td>ELIZABETH</td>
<td>UNITED STATES</td>
<td>6617</td>
<td>0</td>
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<td></td>
<td></td>
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<td>FERRIS</td>
<td>TX</td>
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<td>ELIZABETH</td>
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<td>TX</td>
<td>75172-1323</td>
<td>DALMATIA</td>
<td>UNITED STATES</td>
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</table>
Report Item 3 (1) (a)(b)(c): Securities Holders

<table>
<thead>
<tr>
<th>Name &amp; Address</th>
<th>Number of Shares</th>
<th>% of Shares</th>
<th>Citizenship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wilma Q. &quot;Sindy&quot; Greenwood</td>
<td>8,000</td>
<td>32.1%</td>
<td>USA</td>
</tr>
<tr>
<td>Salado, Texas, USA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phillip G. Newsom</td>
<td>14,689</td>
<td>58.9%</td>
<td>USA</td>
</tr>
<tr>
<td>Ennis, Texas USA</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Report Item 3 (2): Securities Holders

n/a
Report Item 4    Insiders

(1) Phillip G. Newsom
Ennis, Texas 75119 USA

(2) Banker

(3) (a) Director, Palmer Bancshares, Inc. President & Chairman

(3) (b) Director, Commercial State Bank, CEO & COB

(3) (c) RFR Industries, Inc., Ennis
       RFR Corporation, Ennis
       901 WEA LLC, Ennis
       J & N Ranch LLC, Ennis
       I-45 Property Partnership, Palmer
       VZMV, LLC, Ennis
       III Cardinals, LP, Ennis
       PhilMatt Investments, Inc. Ennis
       N Bar Properties, LLC, Ennis
       MSPG Properties Ltd, Ennis
       PMM Properties, LLC, Ennis
       PMB Construction LLC, Ennis

(4) (a) Palmer Bancshares, Inc. 58.9%

(4) (b) N/A

(4) (c) J & N Ranch LLC, Ennis
       I-45 Property Partnership, Palmer
       PhilMatt Investments, Inc. Ennis
       N Bar Properties, LLC, Ennis
       MSPG Properties Ltd, Ennis
       PMM Properties, LLC, Ennis
       PMB Construction LLC, Ennis

(1) Wilma Q. "Sindy" Greenwood
Salado, Texas 76571 USA

(2) Retired Banker

(3) (a) Director, Palmer Bancshares, Inc.

(3) (b) N/A

(3) (c) None

(4) (a) Palmer Bancshares, Inc. 32.1%

(4) (b) N/A

(4) (c) N/A
Report Item 4 Insiders (continued)

(1) Matthew S. Newsom
    Ennis, Texas 75119 USA

(2) Rural Land Management and RE Investor

(3) (a) Director, Palmer Bancshares, Inc. Vice President

(3) (b) Advisory Director, Commercial State Bank

(3) (c) III Cardinals, LP, Ennis
    MSPG Properties, Ltd, Ennis  Partner
    PMM Properties. LLC, Ennis  Partner
    PMB Construction LLC, Ennis  Partner
    PhilMatt Investments, Inc. Ennis  Partner
    VZMV, LLC, Ennis  Partner
    Rural Land Management, LLC  Owner
    N Bar Heritage LLC, Ennis  Owner
    N Bar Properties, LLC, Ennis  Partner

(4) (a) Palmer Bancshares, Inc. (Matthew Shane Newsom, as 2.3%
        as Trustee of the Matthew Shane Newsom Investment Trust II)

(4) (b) N/A

(4) (c) MSPG Properties, Ltd, Ennis  50.0%
    PMM Properties. LLC, Ennis  25.0%
    PhilMatt Investments, Inc. Ennis  50.0%
    Rural Land Management, LLC  100.0%
    N Bar Heritage LLC  100.0%
    N Bar Properties, LLC, Ennis  50.0%
    PMB Construction LLC, Ennis  25.0%

(1) Chad R. Newsom
    Ennis, Texas 75119 USA

(2) Banker

(3) (a) Director, Palmer Bancshares, Inc. VP/Secretary Treasurer & Vice Chairman

(3) (b) Director, Commercial State Bank and EVP

(3) (c) None

(4) (a) Palmer Bancshares, Inc. (Chad Ryan Newsom, as 2.3%
        Trustee of the Chad Ryan Newsom Investment Trust II)

(4) (b) N/A

(4) (c) N/A
Report Item 4 Insiders (continued)

(1)  **Cynthia Newsom**  
     Ennis, Texas 75119 USA

(2)  Retired School Teacher

(3) (a) Director, Palmer Bancshares, Inc.

(3) (b) N/A

(3) (c) None

(4) (a) N/A

(4) (b) N/A

(4) (c) N/A