# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

**2010**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

**A** This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

**B** This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

**C** If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

**D** Check box if filing under:
- [ ] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
NACOGDOCHES COMMERCIAL BANCSHARES, INC. PENSION PLAN

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 07/01/1971

**2a** Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
NACOGDOCHES COMMERCIAL BANCSHARES, INC.

P. O. BOX 630847
NACOGDOCHES, TX 75963-0847

**2b** Employer Identification Number (EIN)
75-1827898

**2c** Sponsor's telephone number
800-723-7601

**2d** Business code (see instructions)
522110

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 07/29/2011 | BEVERLY RICE |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

**3a** Plan administrator's name and address (if same as plan sponsor, enter "Same")
NACOGDOCHES COMMERCIAL BANCSHARES, INC.

P. O. BOX 630847
NACOGDOCHES, TX 75963-0847

**3b** Administrator's EIN
75-1827898

**3c** Administrator's telephone number
800-723-7601

**4** If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

**a** Sponsor's name

**4b** EIN

**4c** PN

| | | | |
|---|---|---|---|
| **5** | Total number of participants at the beginning of the plan year | **5** | 184 |
| **6** | Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**). | | |
| **a** | Active participants | **6a** | 127 |
| **b** | Retired or separated participants receiving benefits | **6b** | 11 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 48 |
| **d** | Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 186 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | 0 |
| **f** | Total. Add lines **6d** and **6e** | **6f** | 186 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 7 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1A 1G 3D 1I

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

**9a** Plan funding arrangement (check all that apply)

| | | |
|---|---|---|
| **(1)** | | Insurance |
| **(2)** | | Code section 412(e)(3) insurance contracts |
| **(3)** | X | Trust |
| **(4)** | | General assets of the sponsor |

**9b** Plan benefit arrangement (check all that apply)

| | | |
|---|---|---|
| **(1)** | | Insurance |
| **(2)** | | Code section 412(e)(3) insurance contracts |
| **(3)** | X | Trust |
| **(4)** | | General assets of the sponsor |

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

| | | |
|---|---|---|
| **(1)** | X | **R** (Retirement Plan Information) |
| **(2)** | | **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary |
| **(3)** | X | **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary |

**b General Schedules**

| | | | |
|---|---|---|---|
| **(1)** | X | | **H** (Financial Information) |
| **(2)** | | | **I** (Financial Information – Small Plan) |
| **(3)** | | 0 | **A** (Insurance Information) |
| **(4)** | | | **C** (Service Provider Information) |
| **(5)** | | | **D** (DFE/Participating Plan Information) |
| **(6)** | | | **G** (Financial Transaction Schedules) |

# SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

**2010**

**This Form is Open to Public Inspection**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

**A** Name of plan
NACOGDOCHES COMMERCIAL BANCSHARES, INC. PENSION PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
NACOGDOCHES COMMERCIAL BANCSHARES, INC.

**D** Employer Identification Number (EIN)
75-1827898

**E** Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

**F** Prior year plan size: [ ] 100 or fewer [X] 101-500 [ ] More than 500

## Part I Basic Information

| | | | | |
|---|---|---|---|---|
| **1** | Enter the valuation date: Month 01 Day 01 Year 2010 | | | |
| **2** | Assets: | | | |
| **a** | Market value | **2a** | | 3414996 |
| **b** | Actuarial value | **2b** | | 3414996 |
| **3** | Funding target/participant count breakdown | | **(1)** Number of participants | **(2)** Funding Target |
| **a** | For retired participants and beneficiaries receiving payment | **3a** | 10 | 461231 |
| **b** | For terminated vested participants | **3b** | 48 | 390580 |
| **c** | For active participants: | | | |
| | **(1)** Non-vested benefits | **3c(1)** | | 2163 |
| | **(2)** Vested benefits | **3c(2)** | | 2172999 |
| | **(3)** Total active | **3c(3)** | 126 | 2175162 |
| **d** | Total | **3d** | 184 | 3026973 |
| **4** | If the plan is at-risk, check the box and complete items (a) and (b) [ ] | | | |
| **a** | Funding target disregarding prescribed at-risk assumptions | **4a** | | |
| **b** | Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor | **4b** | | |
| **5** | Effective interest rate | **5** | | 6.57 % |
| **6** | Target normal cost | **6** | | 0 |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN HERE**

Signature of actuary

05/03/2011
Date

JOHN D. GIBSON
Type or print name of actuary

11-02529
Most recent enrollment number

WERNTZ & ASSOCIATES, INC.
Firm name

318-797-2554
Telephone number (including area code)

P. O. BOX 5606
SHREVEPORT, LA 71135
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

## Part II Beginning of year carryover and prefunding balances

| | | (a) Carryover balance | (b) Prefunding balance |
|---|---|---|---|
| 7 | Balance at beginning of prior year after applicable adjustments (Item 13 from prior year) | 231694 | 0 |
| 8 | Portion used to offset prior year's funding requirement (Item 35 from prior year) | 0 | 0 |
| 9 | Amount remaining (Item 7 minus item 8) | 231694 | 0 |
| 10 | Interest on item 9 using prior year's actual return of 16.86 % | 39064 | 0 |
| 11 | Prior year's excess contributions to be added to prefunding balance: | | |
| | a Excess contributions (Item 38 from prior year) | | 187946 |
| | b Interest on (a) using prior year's effective rate of 6.45 % | | 12123 |
| | c Total available at beginning of current plan year to add to prefunding balance | | 200069 |
| | d Portion of (c) to be added to prefunding balance | | 0 |
| 12 | Reduction in balances due to elections or deemed elections | 0 | 0 |
| 13 | Balance at beginning of current year (item 9 + item 10 + item 11d – item 12) | 270758 | 0 |

## Part III Funding percentages

| | | | |
|---|---|---|---|
| 14 | Funding target attainment percentage | 14 | 103.87 % |
| 15 | Adjusted funding target attainment percentage | 15 | 112.82 % |
| 16 | Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement | 16 | 95.81 % |
| 17 | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage | 17 | % |

## Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees | (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees |
|---|---|---|---|---|---|
| 11/15/2010 | 100000 | 0 | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | Totals ► 18(b) | 100000 | 18(c) 0 |

| | | | |
|---|---|---|---|
| 19 | Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year: | | |
| | a Contributions allocated toward unpaid minimum required contribution from prior years. | 19a | 0 |
| | b Contributions made to avoid restrictions adjusted to valuation date | 19b | 0 |
| | c Contributions allocated toward minimum required contribution for current year adjusted to valuation date | 19c | 94592 |

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

| (1) 1st | (2) 2nd | (3) 3rd | (4) 4th |
|---|---|---|---|
| | | | |

## Part V Assumptions used to determine funding target and target normal cost

**21** Discount rate:

**a** Segment rates:

| 1st segment: | 2nd segment: | 3rd segment: | |
|---|---|---|---|
| 4.60 % | 6.65 % | 6.76 % | ☐ N/A, full yield curve used |

**b** Applicable month (enter code) — **21b**: 0

**22** Weighted average retirement age — **22**: 65

**23** Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute

## Part VI Miscellaneous items

**24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment ☒ Yes ☐ No

**27** If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment — **27**:

## Part VII Reconciliation of unpaid minimum required contributions for prior years

| | | |
|---|---|---|
| **28** Unpaid minimum required contribution for all prior years | **28** | 0 |
| **29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a) | **29** | 0 |
| **30** Remaining amount of unpaid minimum required contributions (item 28 minus item 29) | **30** | 0 |

## Part VIII Minimum required contribution for current year

| | | | |
|---|---|---|---|
| **31** Target normal cost, adjusted, if applicable (see instructions) | **31** | | 0 |
| **32** Amortization installments: | | Outstanding Balance | Installment |
| **a** Net shortfall amortization installment | | 0 | 0 |
| **b** Waiver amortization installment | | 0 | 0 |
| **33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount | **33** | | |
| **34** Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33) | **34** | | 0 |

| | Carryover balance | Prefunding balance | Total balance |
|---|---|---|---|
| **35** Balances used to offset funding requirement | 0 | 0 | 0 |

| | | |
|---|---|---|
| **36** Additional cash requirement (item 34 minus item 35) | **36** | 0 |
| **37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c) | **37** | 94592 |
| **38** Interest-adjusted excess contributions for current year (see instructions) | **38** | 94592 |
| **39** Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37) | **39** | 0 |
| **40** Unpaid minimum required contribution for all years | **40** | 0 |

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2010**

**This Form is Open to Public Inspection**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

**A** Name of plan
NACOGDOCHES COMMERCIAL BANCSHARES, INC. PENSION PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
NACOGDOCHES COMMERCIAL BANCSHARES, INC.

**D** Employer Identification Number (EIN)
75-1827898

## Part I Asset and Liability Statement

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | | |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | | |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | 13721 | 12051 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 100000 | 100086 |
| **(2)** U.S. Government securities | 1c(2) | 180180 | 165343 |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | 258881 | 318505 |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | 2373328 | 2671071 |
| **(5)** Partnership/joint venture interests | 1c(5) | | |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | | |
| **(9)** Value of interest in common/collective trusts | 1c(9) | | |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 490376 | 457893 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | | |
| | **(2)** Employer real property | 1d(2) | | |
| **e** | Buildings and other property used in plan operation | 1e | | |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 3416486 | 3724949 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | | |
| **h** | Operating payables | 1h | | |
| **i** | Acquisition indebtedness | 1i | | |
| **j** | Other liabilities | 1j | | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 0 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 3416486 | 3724949 |

## Part II Income and Expense Statement

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

| | Income | | (a) Amount | (b) Total |
|---|---|---|---|---|
| **a** | **Contributions:** | | | |
| | **(1)** Received or receivable in cash from: **(A)** Employers | 2a(1)(A) | 100000 | |
| | **(B)** Participants | 2a(1)(B) | | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 100000 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | | |
| | **(B)** U.S. Government securities | 2b(1)(B) | 8173 | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | 13405 | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| | **(E)** Participant loans | 2b(1)(E) | | |
| | **(F)** Other | 2b(1)(F) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 21578 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| | **(B)** Common stock | 2b(2)(B) | 65546 | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 65546 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | 440751 | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | 458905 | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | -18154 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| 2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate | 2b(5)(A) | | |
| (B) Other | 2b(5)(B) | 245361 | |
| (C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B) | 2b(5)(C) | | 245361 |
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | 3124 |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 417455 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 108992 | |
| (2) To insurance carriers for the provision of benefits | 2e(2) | | |
| (3) Other | 2e(3) | | |
| (4) Total benefit payments. Add lines 2e(1) through (3) | 2e(4) | | 108992 |
| f Corrective distributions (see instructions) | 2f | | |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h Interest expense | 2h | | |
| i Administrative expenses: (1) Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Investment advisory and management fees | 2i(3) | | |
| (4) Other | 2i(4) | | |
| (5) Total administrative expenses. Add lines 2i(1) through (4) | 2i(5) | | 0 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 108992 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line 2j from line 2d | 2k | | 308463 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified (2) [ ] Qualified (3) [X] Disclaimer (4) [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: AXLEY & RODE, LLP (2) EIN: 75-0767305

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. (2) [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

## Part IV Compliance Questions

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** | Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | **4a** | | X | |
| **b** | Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | **4b** | | X | |
| **c** | Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | **4c** | | X | |
| **d** | Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | **4d** | | X | |
| **e** | Was this plan covered by a fidelity bond? | **4e** | X | | 2000000 |
| **f** | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | **4f** | | X | |
| **g** | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | **4g** | | X | |
| **h** | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | **4h** | | X | |
| **i** | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | **4i** | X | | |
| **j** | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) | **4j** | X | | |
| **k** | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | **4k** | | X | |
| **l** | Has the plan failed to provide any benefit when due under the plan? | **4l** | | X | |
| **m** | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | **4m** | | X | |
| **n** | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | **4n** | | | |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

| **5b(1)** Name of plan(s) | **5b(2)** EIN(s) | **5b(3)** PN(s) |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2010**

**This Form is Open to Public Inspection.**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

**A** Name of plan
NACOGDOCHES COMMERCIAL BANCSHARES, INC. PENSION PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
NACOGDOCHES COMMERCIAL BANCSHARES, INC.

**D** Employer Identification Number (EIN)
75-1827898

## Part I Distributions

**All references to distributions relate only to payments of benefits during the plan year.**

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1** 0

**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): _____ _____

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

**3** Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. ..... **3** 1

## Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

**6** **a** Enter the minimum required contribution for this plan year ..... **6a**

**b** Enter the amount contributed by the employer to the plan for this plan year ..... **6b**

**c** Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) ..... **6c**

**If you completed line 6c, skip lines 8 and 9.**

**7** Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

## Part III Amendments

**9** If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

## Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

**11** **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

| | | |
|---|---|---|
| **a** The current year | **14a** | |
| **b** The plan year immediately preceding the current plan year | **14b** | |
| **c** The second preceding plan year | **14c** | |

**15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

| | | |
|---|---|---|
| **a** The corresponding number for the plan year immediately preceding the current plan year | **15a** | |
| **b** The corresponding number for the second preceding plan year | **15b** | |

**16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

| | | |
|---|---|---|
| **a** Enter the number of employers who withdrew during the preceding plan year | **16a** | |
| **b** If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers | **16b** | |

**17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

## Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

**18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

**19** If the total number of participants is 1,000 or more, complete items (a) through (c)

**a** Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

**b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT

# NACOGDOCHES COMMERCIAL BANCSHARES, INC.
# PENSION PLAN
Nacogdoches, Texas

December 31, 2010 and 2009

AXLEY & RODE, LLP
CERTIFIED PUBLIC ACCOUNTANTS

CONTENTS

Independent Auditors' Report ..... 3

Statements of Net Assets ..... 4

Statements of Changes in Net Assets ..... 5

Statement of Accumulated Plan Benefits ..... 6

Statement of Changes in Accumulated Plan Benefits ..... 7

Notes to Financial Statements ..... 8

Supplementary Schedules:

Form 5500 Schedule H, Part IV, Line 4i - Schedule of Assets Held (At End of Year) ..... 14

Form 5500 Schedule H, Part IV, Line 4j - Schedule of Reportable Transactions ..... 15

AXLEY & RODE, LLP
CERTIFIED PUBLIC ACCOUNTANTS • SINCE 1949
CROCKETT - JASPER - LIVINGSTON - LUFKIN - NACOGDOCHES

# INDEPENDENT AUDITORS' REPORT

Retirement Plan Committee
Nacogdoches Commercial Bancshares, Inc.
Pension Plan
Nacogdoches, Texas

We were engaged to audit the accompanying statement of net assets available for plan benefits of Nacogdoches Commercial Bancshares, Inc. Pension Plan as of December 31, 2009, and the related statement of changes in net assets available for plan benefits for the year then ended and the statement of changes in net assets available for the period from January 1, 2010 to November 9, 2010, and the Statement of Accumulated Plan Benefits as of January 1, 2010, and the related Statement of Changes in Accumulated Plan Benefits for the year then ended, and the supplementary schedules listed in the table of contents as of December 31, 2010. In addition, we were engaged to audit the accompanying statement of net assets in liquidation of Nacogdoches Commercial Bancshares, Inc. Pension Plan as of December 31, 2010, and the related statement of changes in net assets available for plan benefits for the period from November 9, 2010 to December 31, 2010. These financial statements and schedules are the responsibility of the Plan's management.

As permitted by 29 CFT 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosures under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note I, which was certified by Commercial Bank of Texas, N.A., the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2010 and 2009, that the information provided to the plan administrator by the trustee is complete and accurate.

As described in Note C to the financial statements, the Board of Directors of Nacogdoches Commercial Bancshares, Inc. approved a plan of liquidation on November 9, 2010, and the Plan commenced liquidation shortly thereafter. As a result, the Plan has changed its basis of accounting for periods subsequent to November 9, 2010 from the going-concern basis to a liquidation basis.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Axley & Rode LLP
CERTIFIED PUBLIC ACCOUNTANTS

Lufkin, Texas
July 18, 2011

STATEMENTS OF NET ASSETS
NACOGDOCHES COMMERCIAL BANCSHARES, INC. PENSION PLAN

| | DECEMBER 31, | |
|---|---|---|
| | IN LIQUIDATION 2010 | 2009 |
| ASSETS | | |
| Investments at Fair Value: | | |
| Short-term money market funds | $ 316 389 | $ 355 692 |
| Certificates of Deposits | 100 086 | 100 000 |
| Mutual funds | 141 504 | 134 684 |
| Common stock | 2 671 071 | 2 373 328 |
| Corporate bonds | 318 505 | 258 881 |
| U. S. Government bonds and agencies obligations | 138 283 | 140 417 |
| Mortgage backed securities | 27 060 | 39 763 |
| TOTAL INVESTMENTS | 3 712 898 | 3 402 765 |
| Interest and dividends receivable | 12 051 | 13 721 |
| NET ASSETS AVAILABLE FOR PLAN BENEFITS | $ 3 724 949 | $ 3 416 486 |

The accompanying notes are an integral part of these statements.

STATEMENTS OF CHANGES IN NET ASSETS IN LIQUIDATION
NACOGDOCHES COMMERCIAL BANCSHARES, INC. PENSION PLAN
For the Years Ended December 31, 2010

| | DECEMBER 31, | |
|---|---|---|
| | IN LIQUIDATION 2010 | 2009 |
| Additions to Net Assets Attributed to: | | |
| Investment Income: | | |
| Dividends | $ 65 546 | $ 65 678 |
| Interest | 21 578 | 27 210 |
| Net appreciation (depreciation) in fair value of investments, net of realized gains and losses | 230 331 | 384 334 |
| TOTAL INVESTMENT INCOME | 317 455 | 477 222 |
| Employer contribution | 100 000 | 200 000 |
| TOTAL ADDITIONS | 417 455 | 677 222 |
| Deductions from Net Assets Attributed to: | | |
| Benefits paid directly to participants/beneficiaries | 108 992 | 182 316 |
| TOTAL DEDUCTIONS | 108 992 | 182 316 |
| INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR PLAN BENEFITS | 308 463 | 494 906 |
| Net Assets Available for Plan Benefits: | | |
| Beginning of year | 3 416 486 | 2 921 580 |
| END OF YEAR | $ 3 724 949 | $ 3 416 486 |

The accompanying notes are an integral part of these statements.

STATEMENT OF ACCUMULATED PLAN BENEFITS
NACOGDOCHES COMMERCIAL BANCSHARES, INC. PENSION PLAN

| | JANUARY 1, 2010 |
|---|---|
| Actuarial Present Value of Accumulated Plan Benefits (Note B): | |
| Vested Benefits: | |
| Participants currently receiving payments | $ 519 000 |
| Other participants | 2 995 000 |
| | 3 514 000 |
| Nonvested benefits | 3 000 |
| TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS | $ 3 517 000 |

The accompanying notes are an integral part of this statement.

STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS
NACOGDOCHES COMMERCIAL BANCSHARES, INC. PENSION PLAN

| | FOR THE YEAR ENDED JANUARY 1, 2010 |
|---|---|
| Actuarial present value of accumulated plan benefits at January 1, 2009 | $ 3 356 000 |
| Increase (Decrease) During the Year Attributable to: | |
| Benefits accumulated | 173 000 |
| Increase due to the passage of time | 185 000 |
| Benefits paid | (182 000) |
| Decrease due to change in assumptions | (15 000) |
| NET INCREASE | 161 000 |
| ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AT END OF THE YEAR | $ 3 517 000 |

The accompanying notes are an integral part of this statement.

NOTE A - DESCRIPTION OF THE PLAN

The following description of The Nacogdoches Commercial Bancshares, Inc. Pension Plan (Plan) provides only general information. For a more complete description of the plan's provisions, refer to the summary plan description or the plan agreement.

1. General: The Plan is a defined benefit pension plan covering substantially all employees of Nacogdoches Commercial Bancshares, Inc. and its subsidiary Commercial Bank of Texas, N.A. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The plan was amended effective March 1, 2006 to freeze all benefit accruals. No further benefits will be accrued (earned by Participants) under the plan. As described in Note C, the Plan sponsor elected to liquidate the Plan on November 9, 2010.

2. Eligibility: Employees will become eligible to participate in the Plan as of the first day on which they have completed one year of service as described below in Item 3 "Vesting Service". Since the benefit accruals were frozen effective March 1, 2006, new participants since that date will not earn a benefit.

3. Vesting Service: Vesting service is equal to a period of twelve calendar months in which an employee works 1,000 hours or more. A participant is 100% vested after seven years of credited service. Normal retirement date is the first day of the month following age 65. An employee may retire after his normal retirement date, with the consent of the Company.

4. Contributions: The Plan sponsor, Nacogdoches Commercial Bancshares, Inc. (Company) makes annual contributions in amounts at least equal to the amounts, if any, required to meet the minimum funding requirements of the Employee Retirement Income Security Act of 1974 (ERISA) and Section 412 of the Internal Revenue code of 1986, as now or hereafter amended, as specified in the actuary's valuation reports for applicable periods of time.

   The Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA as amended.

5. Payment of Benefits: Employees with 7 or more years of service are entitled to annual pension benefits beginning at normal retirement age (65) equal to 1% of the participant's average annual monthly compensation up to the integration level multiplied by the participant's years of credited service limited to a maximum of 35 years plus 1.5% (subject to certain limitations) of average annual monthly compensation in excess of the integration level multiplied by participant's years of credited service limited to a maximum of 35 years. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity. If employees terminate before rendering 7 years of service, they will receive their vested portion of their accumulated plan benefits attributable to the Company's contributions. Employees may elect to receive the value of their accumulated plan benefits as a lump-sum distribution upon retirement or termination, or they may elect to receive their benefits as a life annuity payable monthly from retirement.

   Employees are eligible for early retirement at reduced benefits provided they have completed 10 years of credited service and attained age 55.

   The plan provides methods of computing benefits at late retirement, death or termination of employment.

6. Death and Disability Benefits: At the death or disability of a participant, a benefit will be payable to the beneficiary equal to the actuarial equivalent of the participant's accrued benefit.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The Plan has prepared its financial statements on the accrual basis in all material respects. As described in Note C, the Plan sponsor elected to liquidate the Plan on November 9, 2010. Financial statements after that date are prepared on the liquidation basis.

Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Valuation of Investments: Investments are recorded at fair value. Investments with quoted market values are valued at the last reported sales price on the last business day of the plan year. Mutual funds are recorded at their net asset value on the last day of the plan year. The change in the difference between current value and cost of investments is reflected in the Statement of Changes in Net Assets Available for Plan Benefits as net appreciation (depreciation) in the fair value of investments net of realized gains and losses. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. All investment information is certified by the trustee, as noted in Note H.

Risk and Uncertainties: The Plan provides for various investments in a mutual fund, foreign and domestic stocks, U.S. Government securities and short-term investments. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimations and assumptions in the near term would be material to the financial statements.

Actuarial Present Value of Accumulated Plan Benefits: Accumulated Plan benefits are those future periodic payments including lump sum distributions that are attributable under the Plan's provisions to services rendered by the employees prior to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries (b) beneficiaries of employees who have died and (c) present employees or their beneficiaries. Benefits under the Plan are based on employees' average annual monthly compensation up to a maximum of 35 years. The accumulated plan benefits for active employees are based on the average annual monthly compensation up to a maximum of 35 years ending on the date as of which the benefit information is presented (the valuation date). The plan was amended as of March 1, 2006 to freeze all benefit accruals. No further benefits will be accrued (earned by Participants) under the plan from that date forward. Benefits payable under all circumstances - retirement, death, disability, and termination of employment are included to the extent they are deemed attributable to employee service rendered prior to the valuation date.

The actuarial present value of accumulated plan benefits is determined by an actuary from Werntz & Associates, Inc. and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of January 1, 2010 and 2009 were (a) Applicable 2010 table (1994 GAR projected to current year) and in 2009 the Applicable 2009 table (1994 GAR projected to current year), (b) retirement age assumptions (assumed participants will retire when eligible) and (c) increases in compensation for 2010 and 2009 and (d) investment return. The valuations included segmented rates of return (1: 4.60%, 2: 6.65%, 3: 6.76%) for 2010 and segmented rates of return (1: 5.24%, 2: 5.69%, 3: 5.37%) for 2009. The foregoing actuarial assumptions are based on the presumption that the Plan will continue.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Management has evaluated subsequent events through July 18, 2011, the date the financial statements were available to be issued.

Benefit payments are recorded when paid.

NOTE C - PLAN LIQUIDATION

The Board of Directors of Nacogdoches Commercial Bancshares, Inc., the Plan's sponsor, voted on November 9, 2010, to terminate the Plan effective January 14, 2011. Final distributions will be determined based on all participants being 100% vested, and will be made as soon as possible after the termination date. In accordance with generally accepted accounting principles, the Plan has changed its basis of accounting used to value Plan assets from the ongoing Plan basis to the liquidation basis for periods after November 9, 2010.

NOTE D - INVESTMENTS

The following presents investments that represent 5 percent or more of the Plan's net assets.

| | DECEMBER 31, | |
|---|---|---|
| | 2010 | 2009 |
| Investments at Fair Value as Determined by Quoted Market Price: | | |
| AIM government and agency money market | $ 316 389 | $ 355 692 |
| Rydex S&P Equal Weight | 139 091 | 232 436 |
| Deere & Co. Common Stock | 200 981 | 130 898 |

During 2010 and 2009, the Plan's investments (including investments bought, sold, and held during the year) appreciated (depreciated) in value by $230,331 and $384,334, as follows:

| | YEARS ENDED DECEMBER 31, | |
|---|---|---|
| | 2010 | 2009 |
| Mutual funds | $ 6 820 | $ 31 592 |
| Common stock | 245 301 | 347 457 |
| Corporate bonds | (18 693) | 9 450 |
| U. S. Government bonds and agencies obligations | (2 134) | (4 577) |
| Mortgage backed securities | (963) | 412 |
| | $ 230 331 | $ 384 334 |

NOTE E - FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits.

| | | FAIR VALUE MEASUREMENTS AT REPORTING DATE USING | | |
|---|---|---|---|---|
| | FAIR VALUE | QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS/ LIABILITIES (LEVEL 1) | SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2) | SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) |
| December 31, 2010: | | | | |
| Short-term money market funds | $ 316 389 | $ 316 389 | $ - | $ - |
| Mutual funds | $ 141 504 | $ 141 504 | $ - | $ - |
| Common stocks | $ 2 671 071 | $ 2 671 071 | $ - | $ - |
| Corporate bonds | $ 318 505 | $ 318 505 | $ - | $ - |
| U.S. Government bonds and agencies | $ 138 283 | $ 138 283 | $ - | $ - |
| Mortgaged backed securities | $ 27 060 | $ - | $ 27 060 | $ - |
| December 31, 2009: | | | | |
| Short-term money market funds | $ 355 692 | $ 355 692 | $ - | $ - |
| Mutual funds | $ 134 684 | $ 134 684 | $ - | $ - |
| Common stocks | $ 2 373 328 | $ 2 373 328 | $ - | $ - |
| Corporate bonds | $ 258 881 | $ 258 881 | $ - | $ - |
| U.S. Government bonds and agencies | $ 140 417 | $ 140 417 | $ - | $ - |
| Mortgaged backed securities | $ 39 763 | $ - | $ 39 763 | $ - |

NOTE E - FAIR VALUE MEASUREMENTS - CONTINUED

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurements authoritative literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

Level 1 Fair Value Measurements

The fair value of the mutual funds and the money market fund is based on quoted net asset values of the shares held by the Plan at year-end. The fair values of common stocks, corporate bonds and U. S. government securities are based on quoted market prices.

Level 2 Fair Value Measurements

The fair values of mortgage backed securities are based on a discounted cash flow analysis based on observable inputs. These inputs include market quotes for similar instruments, current market yields and offering sheets.

NOTE F - PLAN TERMINATION

Effective January 14, 2011, the Plan will terminate (Note C). Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the Pension Benefit Guaranty Corporation (PBGC) at that time. Some benefits may be fully or partially provided for by the then existing assets and the PBGC guaranty while other benefits may not be provided for at all.

As a result of the Plan termination, the net assets of the Plan will be allocated in accordance with Section 4.5 of Appendix A of the Plan. This section provides for the benefits available to be distributed in the following order:

1. Each retired person in receipt of a benefit on the date three years prior to the date of termination. Each person who would have been in receipt of a benefit on the date three years prior to such date of termination, if he had retired prior to that date, subject to certain limits.
2. Each retired person in receipt of a benefit and each person who is entitled to retire on the date of such termination, subject to certain limits.
3. Each person or former person not eligible to retire who has met the eligibility requirements for, or is entitled to receive, a vested accrued benefit or vested minimum retirement benefit, as the case may be, subject to certain limits.

NOTE F - PLAN TERMINATION - CONTINUED

4. Each participant in the Plan who has not previously received an allocation subject to certain limits.

5. Employer.

All the above distributions are subject to the distribution rules under the Plan, the limitations provided in Section 2.5.15 of the Plan and to any changes as may be ordered by the PBGC.

NOTE G - TAX RULING OR DETERMINATION LETTER

The Internal Revenue Service has ruled that the Plan qualifies under Section 401 (a) of the Internal Revenue Code and is, therefore, not subject to tax under present income tax laws. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan administrator is not aware of any action or event that has occurred that might affect the Plan's qualified status.

NOTE H - PLAN ADMINISTRATION AND COSTS

The Plan's assets are held in trust at the Company's subsidiary (Commercial Bank of Texas, N.A. Trust Department) which is a related party. All contributions are held and managed by the Trustee, which invests cash received, interest, and dividend income and makes distributions to participants. The plan paid Commercial Bank of Texas, N.A. fees amounting to $-0- for the years ending December 31, 2010 and 2009.

Certain administrative functions are performed by officers or employees of the plan sponsor. No such officer or employee receives compensation from the Plan. All administrative expenses are paid by the plan sponsor and are not reimbursed by the Plan.

NOTE I - INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

The following information included in the accompanying financial statements and supplemental schedules was obtained from data that has been prepared and certified to as complete and accurate by the trustee.

| | YEARS ENDED DECEMBER 31, | |
|---|---|---|
| | 2010 | 2009 |
| Investments at Fair Value: | | |
| Certificates of deposit | $ 100 086 | $ 100 000 |
| Short term money market fund | $ 316 389 | $ 355 692 |
| Mutual funds | $ 141 504 | $ 134 684 |
| Common stock | $ 2 671 071 | $ 2 373 328 |
| Corporate bonds | $ 318 505 | $ 258 881 |
| U. S. Government bonds and agencies obligations | $ 138 283 | $ 140 417 |
| Mortgage backed securities | $ 27 060 | $ 39 763 |
| Total investment income | $ 317 455 | $ 477 222 |
| Investments at Cost: | | |
| Certificates of deposit | $ 100 006 | $ 100 006 |
| Short term money market fund | $ 316 389 | $ 355 692 |
| Mutual funds | $ 187 269 | $ 187 269 |
| Common stock | $ 2 714 026 | $ 2 659 513 |
| Corporate bonds | $ 314 079 | $ 253 309 |
| U. S. Government bonds and agencies obligations | $ 133 627 | $ 133 627 |
| Mortgage backed securities | $ 24 844 | $ 37 189 |

# Schedule SB, line 26 -
# Schedule of Active Participant Data
## Nacogdoches Commercial Bancshares, Inc. Pension Plan
### 75-1827898/001
### For the plan year 1/1/2010 through 12/31/2010

**Years of Credited Service**

| Attained Age | Under 1 No. | 1 to 4 No. | 5 to 9 No. | 10 to 14 No. | 15 to 19 No. | 20 to 24 No. | 25 to 29 No. | 30 to 34 No. | 35 to 39 No. | 40 & up No. |
|---|---|---|---|---|---|---|---|---|---|---|
| Under 25 | | 21 | 1 | | | | | | | |
| 25 to 29 | | 10 | 7 | | | | | | | |
| 30 to 34 | | 5 | 7 | 3 | 1 | | | | | |
| 35 to 39 | | 4 | 1 | 5 | 1 | | | | | |
| 40 to 44 | | 2 | 2 | 1 | 1 | | | | | |
| 45 to 49 | | 1 | 6 | 2 | 1 | | 1 | | | |
| 50 to 54 | | 3 | 2 | 5 | 1 | 1 | 1 | 1 | | |
| 55 to 59 | | 2 | | 2 | 1 | | 1 | 2 | | |
| 60 to 64 | | | 2 | 3 | 3 | 1 | 1 | 3 | 1 | |
| 65 to 69 | | 1 | | 1 | 1 | | | | | |
| 70 & up | | 1 | | | | 1 | | | | |

# Schedule SB, Part V
# Statement of Actuarial Assumptions/Methods



## Nacogdoches Commercial Bancshares, Inc. Pension Plan
**75-1827898 / 001**

**For the plan year 1/1/2010 through 12/31/2010**

**Valuation Date:** 1/1/2010

**Funding Method:** As prescribed in IRC Section 430

Age - Eligibility age at last birthday and other ages at nearest birthday

New participants are not included in current year's valuation

Retrospective Compensation - Current compensation

Form of Payment - Assumed form of payment for funding is lump sum equivalent of normal form. Lump sum on FAS 158 assumptions will not exceed 415 maximum allowable distribution, which will reflect any specified FAS COLA assumptions for 415 and 401(a)(17).

Interest Rates - Segment rates for the Valuation Date as permitted under IRC 430(h)(2)(C) & (G)

| Segment # | Year | Rate % |
|---|---|---|
| Segment 1 | 0 - 5 | 4.60 |
| Segment 2 | 6 - 20 | 6.65 |
| Segment 3 | > 20 | 6.76 |

Pre-Retirement - Mortality Table - None

Turnover/Disability - None

Salary Scale - 4%

Expense Load - None

Ancillary Ben Load - None

Post-Retirement - Mortality Table - 10C - 2010 Funding Target - Combined - IRC 430(h)(3)(A)

Cost of Living - None

Lump Sum - G83 - 1983 Group Annuity at 7.5%
or
10E - 2010 Applicable Mortality Table for 417(e) (unisex)

**Asset Valuation Method:** Fair market value of assets adjusted for contributions under IRC 430(g)(4)

**Discrimination Test Assumptions:**

HCE Determination - Based on all employees

Otherwise Excludable - Otherwise Excludable HCEs are included with the Not Otherwise Excludable employees

**410(b)/401(a)(4) Testing:**

Pre-Retirement - Interest - 7.5%

Post-Retirement - Interest - 7.5%

Mortality Table - U84 - 1984 Unisex

Permissively Aggregated Plans - Tested as a Single Plan

Compensation - Use current compensation to calculate the benefit accrual rate (annual method)

Testing Age - Normal retirement age or attained age, if older

Normal Form for MVAR - Joint with 50% Survivor Benefits

FORM 5500 - SCHEDULE H, PART IV, LINE 4j
SCHEDULE OF REPORTABLE TRANSACTIONS
NACOGDOCHES COMMERCIAL BANCSHARES, INC.
PENSION PLAN
December 31, 2010

EIN 75-1827898
PIN 001

| (a) IDENTITY OF PARTY INVOLVED | (b) DESCRIPTION OF ASSET | (c) PURCHASE PRICE | (d) SELLING PRICE | (e) LEASE RENTAL | (f) EXPENSE INCURRED WITH TRANSACTION | (g) COST OF ASSET | (h) VALUE OF ASSET ON TRANSACTION DATE | (i) NET GAIN OR LOSS |
|---|---|---|---|---|---|---|---|---|
| Series of Transactions: | | | | | | | | |
| AIM Government and Agency* | Money Market Account | $ 569 420 | $ - | $ - | $ - | $ 569 420 | $ 569 420 | $ - |
| AIM Government and Agency* | Money Market Account | $ - | $ 608 723 | $ - | $ - | $ 608 723 | $ 608 723 | $ - |

(a) Purchase price includes expenses incurred in connection with transactions (i.e., commissions). Selling price is net of expenses incurred in connection with transactions.

Note: This schedule is a listing of transactions of the same security which exceeds 5% of the Plan's assets as of the beginning of the year and are deemed to be reportable transactions for the year ended December 31, 2010. The trustee initiates and consummates all investment transactions.

The information shown on this schedule has been summarized from information provided by the Trustee, to which the Trustee has certified as being complete and accurate.

See independent auditors' report.

# SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ File as an attachment to Form 5500 or 5500-SF.

OMB No. 1210-0110

**2010**

**This Form is Open to Public Inspection**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

**A** Name of plan
NACOGDOCHES COMMERCIAL BANCSHARES, INC. PENSION PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
NACOGDOCHES COMMERCIAL BANCSHARES, INC.

**D** Employer Identification Number (EIN)
75-1827898

**E** Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

**F** Prior year plan size: [ ] 100 or fewer [X] 101-500 [ ] More than 500

## Part I Basic Information

**1** Enter the valuation date: Month 01 Day 01 Year 2010

**2** Assets:

| | | | |
|---|---|---|---|
| a | Market value | 2a | 3414996 |
| b | Actuarial value | 2b | 3414996 |

**3** Funding target/participant count breakdown

| | | | (1) Number of participants | (2) Funding Target |
|---|---|---|---|---|
| a | For retired participants and beneficiaries receiving payment | 3a | 10 | 461231 |
| b | For terminated vested participants | 3b | 48 | 390580 |
| c | For active participants: | | | |
| | (1) Non-vested benefits | 3c(1) | | 2163 |
| | (2) Vested benefits | 3c(2) | | 2172999 |
| | (3) Total active | 3c(3) | 126 | 2175162 |
| d | Total | 3d | 184 | 3026973 |

**4** If the plan is at-risk, check the box and complete items (a) and (b) [ ]

| | | | |
|---|---|---|---|
| a | Funding target disregarding prescribed at-risk assumptions | 4a | |
| b | Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor | 4b | |

| | | | |
|---|---|---|---|
| 5 | Effective interest rate | 5 | 6.57% |
| 6 | Target normal cost | 6 | 0 |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN HERE**

John D. Gibson — Signature of actuary

May 3, 2011 — Date

John D. Gibson — Type or print name of actuary

1102529 — Most recent enrollment number

Werntz & Associates, Inc. — Firm name

318-797-2554 — Telephone number (including area code)

P. O. Box 5606

Shreveport LA 71135 — Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

## Part II Beginning of year carryover and prefunding balances

| | | (a) Carryover balance | (b) Prefunding balance |
|---|---|---|---|
| 7 | Balance at beginning of prior year after applicable adjustments (Item 13 from prior year) | 231694 | 0 |
| 8 | Portion used to offset prior year's funding requirement (Item 35 from prior year) | 0 | 0 |
| 9 | Amount remaining (Item 7 minus item 8) | 231694 | 0 |
| 10 | Interest on item 9 using prior year's actual return of 16.86% | 39064 | 0 |
| 11 | Prior year's excess contributions to be added to prefunding balance: | | |
| | a Excess contributions (Item 38 from prior year) | | 187946 |
| | b Interest on (a) using prior year's effective rate of 6.45% | | 12123 |
| | c Total available at beginning of current plan year to add to prefunding balance | | 200069 |
| | d Portion of (c) to be added to prefunding balance | | 0 |
| 12 | Reduction in balances due to elections or deemed elections | 0 | 0 |
| 13 | Balance at beginning of current year (item 9 + item 10 + item 11d – item 12) | 270758 | 0 |

## Part III Funding percentages

| | | | |
|---|---|---|---|
| 14 | Funding target attainment percentage | 14 | 103.87% |
| 15 | Adjusted funding target attainment percentage | 15 | 112.82% |
| 16 | Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement | 16 | 95.81% |
| 17 | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage | 17 | % |

## Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees | (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees |
|---|---|---|---|---|---|
| 11/15/2010 | 100000 | 0 | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | Totals ► 18(b) | 100000 | 18(c) | 0 |

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

| | | |
|---|---|---|
| a Contributions allocated toward unpaid minimum required contribution from prior years | 19a | 0 |
| b Contributions made to avoid restrictions adjusted to valuation date | 19b | 0 |
| c Contributions allocated toward minimum required contribution for current year adjusted to valuation date | 19c | 94592 |

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

| (1) 1st | (2) 2nd | (3) 3rd | (4) 4th |
|---|---|---|---|
| | | | |

## Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

| 1st segment: | 2nd segment: | 3rd segment: | |
|---|---|---|---|
| 4.60% | 6.65% | 6.76% | ☐ N/A, full yield curve used |

b Applicable month (enter code) — 21b: 0

22 Weighted average retirement age — 22: 65

23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute

## Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment ☐ Yes ☒ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment ☐ Yes ☒ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment ☒ Yes ☐ No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment — 27:

## Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years — 28: 0

29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a) — 29: 0

30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29) — 30: 0

## Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions) — 31: 0

32 Amortization installments:

| | Outstanding Balance | Installment |
|---|---|---|
| a Net shortfall amortization installment | 0 | 0 |
| b Waiver amortization installment | 0 | 0 |

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount — 33:

34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33) — 34: 0

| | Carryover balance | Prefunding balance | Total balance |
|---|---|---|---|
| 35 Balances used to offset funding requirement | 0 | 0 | 0 |

36 Additional cash requirement (item 34 minus item 35) — 36: 0

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c) — 37: 94592

38 Interest-adjusted excess contributions for current year (see instructions) — 38: 94592

39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37) — 39: 0

40 Unpaid minimum required contribution for all years — 40: 0

# Schedule SB, Part V
# Summary of Plan Provisions



## Nacogdoches Commercial Bancshares, Inc. Pension Plan
### 75-1827898 / 001
### For the plan year 1/1/2010 through 12/31/2010

**Employer:** Nacogdoches Commercial Bancshares, Inc.

Type of Entity - C-Corporation

EIN: 75-1827898 TIN: 75-1827898 Plan #: 001

**Dates:** Effective - 7/1/1971 Year end - 12/31/2010 Valuation - 1/1/2010

**Eligibility:** All employees excluding non-resident aliens, members of an excluded class and union

Minimum age - N/A Months of service - 12

Hours Required for - Eligibility - 1000 Benefit accrual - 1000 Vesting - 1000

Plan Entry - First day of calendar month coincident with or next following eligibility satisfaction

**Retirement:** Normal - First of month coincident with or next following attainment of age 65

Early - Attainment of age 55 and completion of 10 years of service

**Average Compensation:** Current compensation

Top Heavy Minimum Benefit - Highest 5 consecutive top heavy years of participation

**Plan Benefits:** Retirement - Derived from the accumulation benefit formula below:

per year of service beginning year 1

Accrued Benefit - 0% of current compensation per year of service plus prior year accrued benefit

Minimum Benefit - None

Maximum Benefit - None

Maximum allowable distribution is lump sum equivalent of normal form not to exceed 415 maximum allowable distribution, which is the lesser amount computed using a) 5.5% interest and the Applicable Mortality Table or b) plan actuarial equivalence interest and mortality

Death Benefit - Present Value of Accrued Benefit

**Top Heavy Minimum:** None

**IRS Limitations:** 415 Limits - Percent: 100 Dollar: $195,000

Maximum 401(a)(17) compensation - $245,000

**Normal Form:** Life Annuity

**Optional Forms:** Lump Sum
Life Annuity Guaranteed for 10 Years
Joint with 50%, 75% or 100% Survivor Benefit

**Vesting Schedule:**

| Years | Percent |
|---|---|
| 0-2 | 0% |
| 3 | 20% |
| 4 | 40% |
| 5 | 60% |
| 6 | 80% |
| 7 | 100% |

Service is calculated using all years of service

# Schedule SB, Part V
# Summary of Plan Provisions



## Nacogdoches Commercial Bancshares, Inc. Pension Plan
**75-1827898 / 001**

**For the plan year 1/1/2010 through 12/31/2010**

**Present Value of Accrued Benefit:** Based on the greater of 417(e) or Actuarial Equivalence

**417(e):**

Interest Rates -

| Segment # | Years | Rate % |
|---|---|---|
| Segment 1 | 0 - 5 | 3.13 |
| Segment 2 | 6 - 20 | 5.07 |
| Segment 3 | > 20 | 5.50 |

Mortality Table - 10E - 2010 Applicable Mortality Table for 417(e) (unisex)

**Actuarial Equivalence:**

Pre-Retirement - Interest - 7.5%
Mortality Table - G83 - 1983 Group Annuity

Post-Retirement - Interest - 7.5%
Mortality Table - G83 - 1983 Group Annuity

FORM 5500 - SCHEDULE H, PART IV, LINE 4i
SCHEDULE OF ASSETS HELD (AT END OF YEAR)
NACOGDOCHES COMMERCIAL BANCSHARES, INC.
PENSION PLAN
EIN 75-1827898 PN 001
December 31, 2010

| (a) | (b) IDENTITY OF ISSUE BORROWER, LESSOR OR SIMILAR PARTY | (c) DESCRIPTION OF INVESTMENT INCLUDING MATURITY DATE, RATE OF INTEREST, COLLATERAL PAR OR MATURITY VALUE | (d) COST | (e) CURRENT VALUE |
|---|---|---|---|---|
| | Ally Bank | Certificate of deposit at 1.05% maturing 11/26/12 | $ 100 006 | $ 100 086 |
| | AIM | Government and agency money market | 316 389 | 316 389 |
| | The Vanguard Group | International value fund; 4,400 shares | 187 269 | 141 504 |
| | 3M Co. | Common stock; 1,700 shares | 110 811 | 146 710 |
| | AT&T | Common stock; 2,350 shares | 88 602 | 69 043 |
| | Bemis Co, Inc. | Common stock, 2,400 shares | 71 488 | 78 384 |
| | The Coca-Cola Co. | Common stock, 1,000 shares | 59 826 | 65 770 |
| | Cullen Frost Banker | Common stock, 2,050 shares | 108 974 | 125 296 |
| | Deere & Co. | Common stock, 2,420 shares | 130 756 | 200 981 |
| | Dow Chemical | Common stock, 2,640 shares | 108 126 | 90 129 |
| | Exxon Mobil | Common stock, 1,800 shares | 145 602 | 131 616 |
| | Federal Express | Common stock, 1,600 shares | 151 710 | 148 816 |
| | General Electric | Common stock, 5,800 shares | 185 800 | 106 082 |
| | General Mills, Inc. | Common stock, 3,820 shares | 107 843 | 135 954 |
| | General Dynamics Corporation | Common stock, 1,760 shares | 130 945 | 124 890 |
| | Johnson & Johnson | Common stock, 2,210 shares | 143 983 | 136 688 |
| | Microsoft Corporation | Common stock, 5,280 shares | 157 018 | 147 365 |
| | Nucor | Common stock, 2,500 shares | 145 192 | 109 550 |
| | Pepsico | Common stock, 1,690 shares | 111 114 | 110 408 |
| | Pfizer | Common stock, 6,100 shares | 143 050 | 106 811 |
| | Rydex Etf Tr-sp EWI | Common stock, 2,940 shares | 137 560 | 139 091 |
| | Southern Common | Common stock, 1,800 shares | 68 974 | 68 814 |
| | Sysco | Common stock, 5,100 shares | 162 225 | 149 940 |
| | Wal-Mart Stores | Common stock, 2,560 shares | 120 317 | 138 061 |
| | Canon Inc. | Common stock, 2,740 shares | 124 112 | 140 672 |
| | 3M Co. | Bond at 4.375% maturing 08/15/13 | 50 386 | 54 238 |
| | Bank of America | Bond at 5.00% maturing 08/15/20 | 50 006 | 48 694 |
| | Bear Sterns Co. | Bond at 4.65% maturing 07/02/18 | 31 779 | 31 372 |
| | General Electric | Bond at 4.00% maturing 02/15/19 | 30 002 | 29 067 |
| | General Electric | Bond at 4.150% maturing 05/15/12 | 50 020 | 51 491 |
| | General Electric | Bond at 5.00% maturing 05/15/16 | 50 020 | 52 149 |
| | Wells Fargo & Co | Senior note at 5.3% maturing 08/26/11 | 51 864 | 51 494 |
| | Federal Home Loan Bank | Bond at 3.50% maturing 03/09/12 | 49 121 | 51 755 |
| | Federal Home Loan Mortgage Corporation | Bond at 5.75% maturing 01/15/12 | 84 506 | 86 528 |
| | Federal Home Loan Mortgage Corporation | Mortgage pool at 5.00% maturing 12/01/19 | 13 320 | 14 672 |
| | Federal National Mortgage Association | Mortgage pool at 5.00% maturing 03/01/21 | 11 524 | 12 388 |
| | | | $ 3 790 240 | $ 3 712 898 |

See independent auditors' report.

# Schedule SB, line 19 - Discounted Employer Contributions

## Nacogdoches Commercial Bancshares, Inc. Pension Plan

**75-1827898 / 001**

**For the plan year 1/1/2010 through 12/31/2010**

**Valuation Date: 1/1/2010**

| | Date | Amount | Adjusted Contribution | Adjusted Prior Year Contribution | Adjusted Quarterly | Effective Rate | Penalty Rate |
|---|---|---|---|---|---|---|---|
| **Deposited Contribution** | **11/15/2010** | **$100,000** | | | | | |
| Applied to Additional Contribution | 1/1/2010 | 100,000 | 94,592 | 0 | 0 | 6.59 | 0 |
| Totals for Deposited Contribution | | $100,000 | $94,592 | $0 | $0 | | |

NCB

April 12, 2011

# Schedule SB, line 22 - Description of Weighted Average Retirement Age

## Nacogdoches Commercial Bancshares, Inc. Pension Plan

**75-1827898 / 001**

**For the plan year 1/1/2010 through 12/31/2010**

The age reported is the average of the assumed retirement ages for all active participants as of the valuation date rounded to the nearest whole age. For an active late retiree, the assumed retirement age may be later than the Plan's normal retirement age. Each participant's rate of retirement is assumed to be 100% of his/her assumed retirement age.